



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/26/2026

REQUESTER: Jason Murphy, Stormwater Program Manager

PRESENTER: Scott Sturtz, Director of Public Works

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2526-147: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, TRANSFERRING \$395,089 IN BUDGET FUNDS AS WELL AS ADJUSTMENT OF FISCAL YEAR 2025 EXPENDITURES IN THE AMOUNT OF \$504,621.11 FROM PAY-GO TO AMERICAN RESCUE PLAN ACT (ARPA) AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

On June 9, 2015, City Council approved Contract K-1415-134 with Meshek & Associates, L.L.C., for professional engineering services for improvements to Imhoff Creek. Since the original agreement, the contract has been amended twice. Amendment No. 2, approved by Council on February 27th, 2024, authorized continued design and real estate acquisition services using American Rescue Plan Act (ARPA) funds. During the design portion of Amendment No. 2, it became clear that real estate and right of way tasks included in the scope of work for the project were no longer necessary, resulting in the project to be under budget in the amount of \$264,100.00.

Additionally, on December 10, 2024, City Council approved K-2425-69 with SAC Services, Inc. for replacement of the Boyd Street storm sewer. Construction on this project is complete and final acceptance of the project was approved by Council on March 24, 2026. Council originally appropriated \$1,376,227.62 of ARPA funds towards the project. Out of that original ARPA appropriation, \$130,988.58 remains unused due to a project cost savings and \$109,532.53 remains unused due to a payment being made from pay-go funds instead of the ARPA funds within the project, resulting in a total unused amount of \$240,521.11 in ARPA funds for that project.

DISCUSSION:

The Federal Treasury's ARPA guidance allows for excess ARPA funds that were obligated but ultimately not expended on the anticipated activity to be reclassified towards other eligible projects. Staff have identified two similar eligible project expenditures incurred during the eligibility period for reclassification: Stormwater Drainage Rehabilitation FYE 25 (Project DR0034) and Rowena Drive Drainage Improvements (Project DR0024).

Both projects were bid and constructed under contract K-2425-7 for citywide drainage rehabilitation in the amount of \$621,965.69, using local funds. Reclassification of the

unexpended ARPA funds from the Boyd and Imhoff projects to those two identified projects would require an expenditure adjustment in the amount of \$504,621.11, since the expenses related to the Rowena Drive and FYE 25 Drainage projects were in fact expended in Fiscal Year 2025. Staff has consulted with the City’s external auditor, Forvis Mazars, regarding the reclassification of these prior year expenditures, who are in agreement that this is allowable under current accounting standards and federal guidance.

RECOMMENDATION NO. 1:

Staff recommends a budget transfer of \$264,100 from Imhoff Creek Stabilization ARPA (Project DR0062, Account No. 22595303-46001 Land2) and \$130,989 from Boyd Street Storm Sewer ARPA (Project DR0036, Account No. 22595303-46101 Construction2) with \$361,057 going to Drainage Rehab FYE 25 ARPA (Project DR0034, Account No. 22595303-46101 Construction2) and \$34,032 going to Rowena Drive Improvements ARPA (Project DR0024, Account No. 22595303-46101 Construction2).

RECOMMENDATION NO. 2:

Staff recommends adjustment of Fiscal Year 2025 expenditures to be reflected in the current fiscal year as follows:

| Expenditure Amount: | From: | To: |
|------------------------|--|---|
| \$109,532.53 | Boyd Street Storm Water Pay-go (DR0036, 50599968-46101 Const) | Boyd Street Storm Water ARPA (DR0036, 22595303-46101 Const2) |
| \$361,056.43 | Drainage Rehab FYE 25 Pay-go (DR0034, 50599967-46101 Const) | Drainage Rehab FYE 25 ARPA (DR0034, 22595303-46101 Const2) |
| \$34,032.15 | Rowena Drive Imp Pay-go (DR0024, 50599967-46101 Const) | Rowena Drive Imp ARPA (DR0024, 22595303-46101 Const2) |