



CITY OF NORMAN

# Fiscal Year 2026-2027 Budget

## Enterprise Funds



**CITY OF NORMAN**  
Building an Inclusive Community



<b>2025</b>	
<b>September</b>	18 Finance Committee meeting to discuss budget process for FYE 2027
<b>November</b>	10 Fleet Ranking Committee reviews vehicle replacements 18 Council Work Session on Capital Budget to identify Council priorities
<b>December</b>	8 I.T. critical computer replacement list due 12 "Budget Kick-Off" - Discuss budget process and forms Fleet sends out vehicle replacement recommendations 19 Fleet vehicle REPLACEMENT requests due to Finance
<b>2026</b>	
<b>January</b>	5-9 Budget Staff meets with individual departments as requested Send Letters to Outside Agencies that request funding 15 Council Finance Committee Meeting on Mid-Year Amendments/Adjustments 20 Meet w/ NPS for SRO Program costing for FYE 27 23 Finance/City Manager begin review of reserve/budget policies
<b>February</b>	2 All New/Expanded/Replacement/Reclass Budget Requests and Base Budget Adjustment Requests due to Budget Last day to make changes to Base Budgets 9 Revenue projections and Health Insurance Premium recommendation due 13 Preliminary Fund Summaries due 19 Council Finance Committee Meeting on Outside Agency Funding Requests 20 All Capital Project Requests & Schedules Due to Budget (Recurring Projects, Existing Projects with new funding requests, New Project Requests) Fleet /HR/ IT reviews of Budget Requests due Facility Maintenance Existing Facility project rankings due Updated Dept./Div. Summary forms, Performance Measurement forms, and Org Charts due Send out inter-city surveys and request budgets from NCVB and NAC
<b>March</b>	3 Council Retreat - Capital Budget (midpoint evaluations for CIP proposals) 6 Management Team Budget Retreat to prioritize and rank department requests 9-13 City Manager meets with department heads to review budget City Manager review of all Funds 16 Finance begins compilation of budget data 23 City Manager wrap up and proposal of budget Last day to make changes / additions to operating budget
<b>April</b>	14 Preliminary Budget to Print Shop 17 Council & Staff receive preliminary budget document Publish Budget Summary in newspaper announcing 1st Public Hearing 28 Council Study Session - Overview, General Fund and Special Revenue Funds 1st Public Hearing at Council Meeting
<b>May</b>	5 Council Study Session for Capital Funds 15 Publish Budget Summary in newspaper announcing 2nd Public Hearing 19 Council Study Session for Enterprise Funds 26 2nd Public Hearing at Council meeting
<b>June</b>	2 Council Study Session (if necessary) 9 Council considers budget for adoption 19 Final Budget to Print Shop for printing/binding 26 File budget with Excise Board & State Auditor
<b>July</b>	1 Beginning of Fiscal Year Ending 2027

Note: The above dates are preliminary and may change.

# Fiscal Year 2026-2027 Budget Calendar





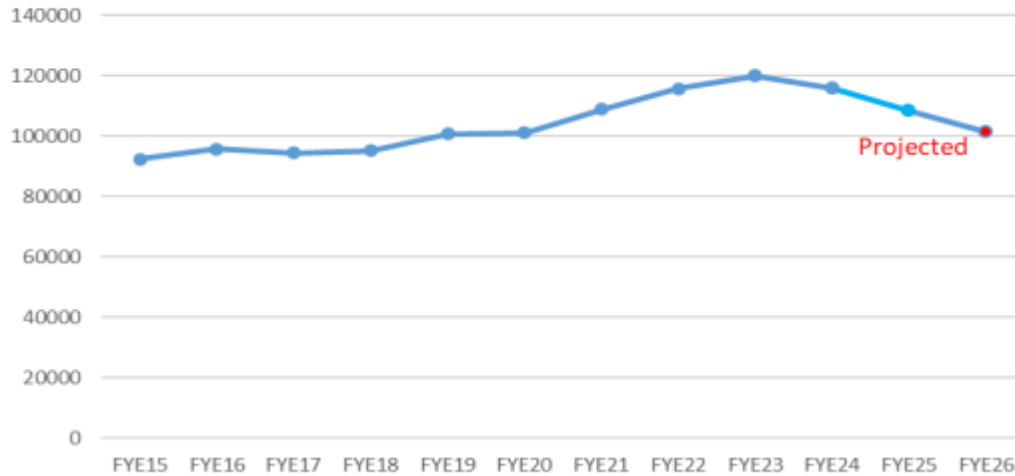
# Enterprise Funds

Operated in a manner similar to private business enterprises, where the intent of the City is that the costs of providing goods or services to the general public is financed or recovered primarily through user charges.

- Sanitation Fund
- Water Fund
- Water Reclamation Fund
  - Sewer Maintenance Fund
  - New Development Excise Tax Fund



Landfill Annual (Tons)



Transfer Station Revenues



# Sanitation Fund

- Residential and Commercial Collection > 100,000 tons each year
- Yard Waste and Compost Facility > 60,000 tons each year
- Curbside recycling started in 2008 and transitioned from outside contractor to in-house in FYE 2025 >4,000 tons each year

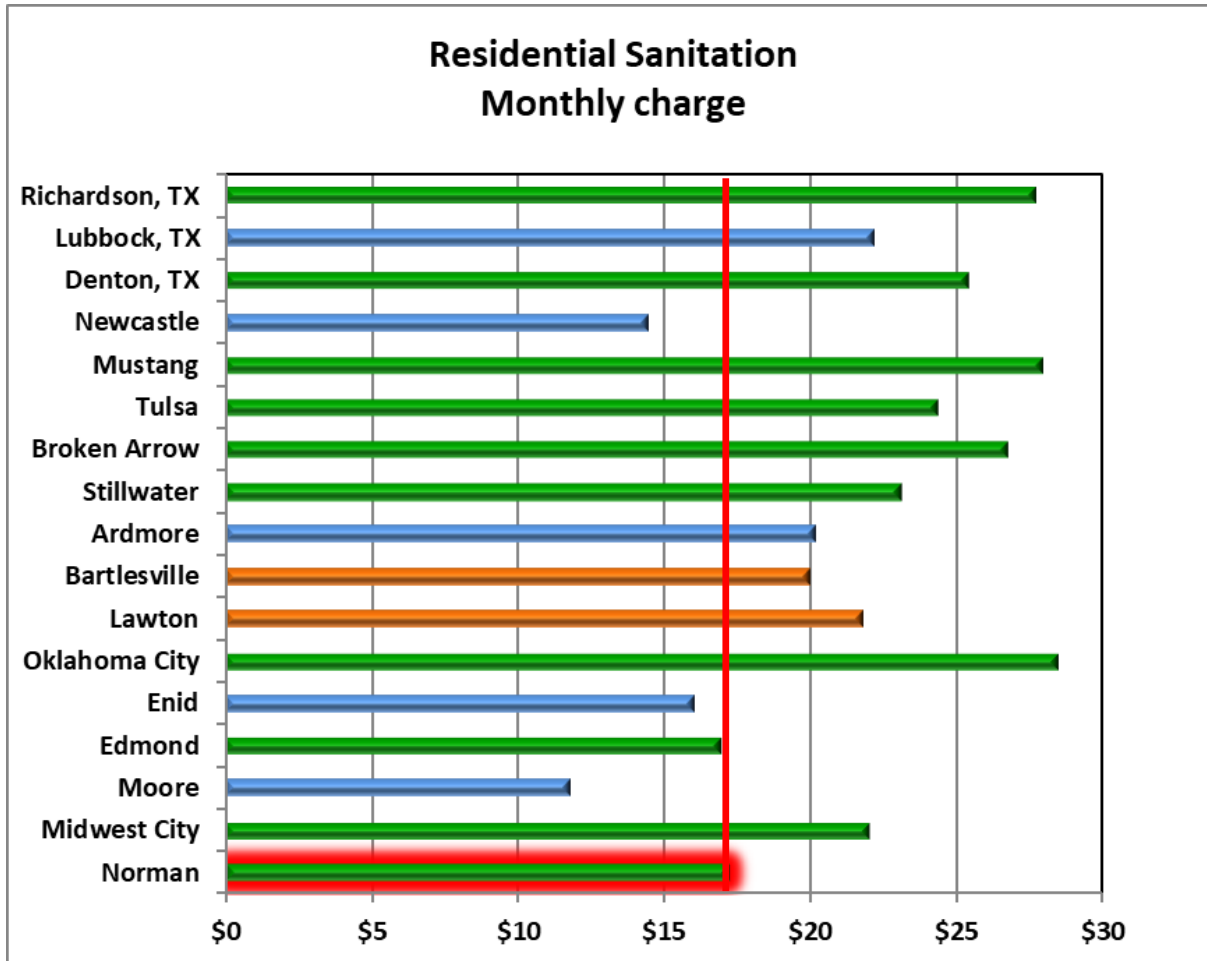


# Sanitation Fund

- Four recycling drop off centers >1,800 tons each year
- HUB at the Transfer Station (scrap iron, wood, glass)
- Glass recycled over 200 tons each year



# Sanitation Rates



Services included in the City of Norman Sanitation monthly charge:

- Spring/fall clean-up days
- 1 x week collection
- 1 x week yard waste collection
- Free brush drop-off
- 4 Recycling drop-off centers
- Free compost (as available)
- Residential curbside recycling included
- Curbside recycling not included
- Recycling offered separately through 3<sup>rd</sup> party



# Sanitation Fund Major Revenue Assumptions

- Sanitation rate set in April 2011 at \$17.20 per month for 1 polycart. Includes \$3 for curbside recycling and \$0.20 for the Oklahoma Solid Waste Management Charge.
- Additional polycart is \$7 per month
- User Fee revenues have been estimated at an average annual growth rate of 1.5% per year.



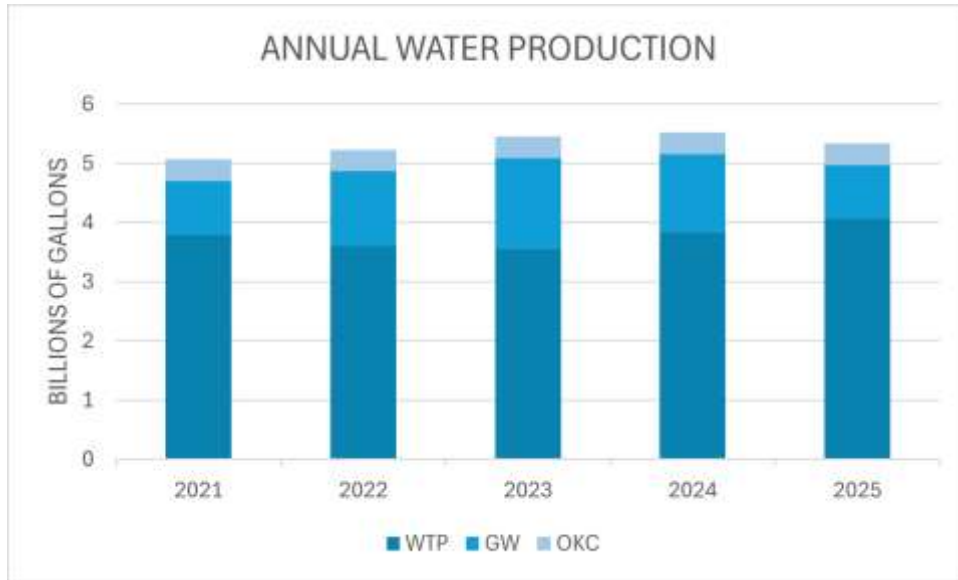
# Sanitation Fund Major Expenditures

- \$3,408,489 included in FYE 27 proposed budget for vehicle replacements, polycart/ dumpster replacements, and computer replacements
- Landfill tipping not estimated to increase from FYE 26; \$3.125 M
- FYE 2027 Ending Fund Balance  is \$5,570,334



# Sanitation Fund

- Major projects from FYE 2026 to be completed in FYE 2027:
  - Compost Facility Scale House - \$1.2M
- No new capital projects requested for FYE 2027
- Potential Budget Impacts for Next Budget Process:
  - Raftelis currently performing a Cost of Service study to be completed in FYE 26.



# Water Fund

- Produces over 5 billion gallons annually
- Water production runs 24 hours a day, 365 days per year





# Water Line Maintenance

- Maintains 657 miles of water pipe with diameters of 2 to 48 inches, 7,159 Fire Hydrants, and 14,838 Valves
- Repairs an average of 147 water line breaks annually
- Repairs an average of 878 water leaks annually
- Responds to over 6,400 service calls annually
- Replaces about 3,000 feet of old, deteriorated or undersized water mains annually but staff have focused on water line leaks
- Repairs/ maintains almost 1,100 fire hydrants annually
- Maintains over 43,000 water meters



# Water Rate History

- 1999: Inverted block rate adopted to encourage conservation. Progressive rate structure charges higher rates to the highest water users. Higher tiers affect 25% of residential customers.
- March 2006: Water rate increase approved
- August 2010: Water rate increase vote failed
- January 2015: Water rate increase approved to fund WTP improvements and obtain 2 MGD of additional groundwater supply
- April 2022: Water rate increase vote failed
- June 2023: Water rate increase approved to fund Groundwater Disinfection, water line replacements, lead services, and operational cost increases



# Current Residential Rate Structure

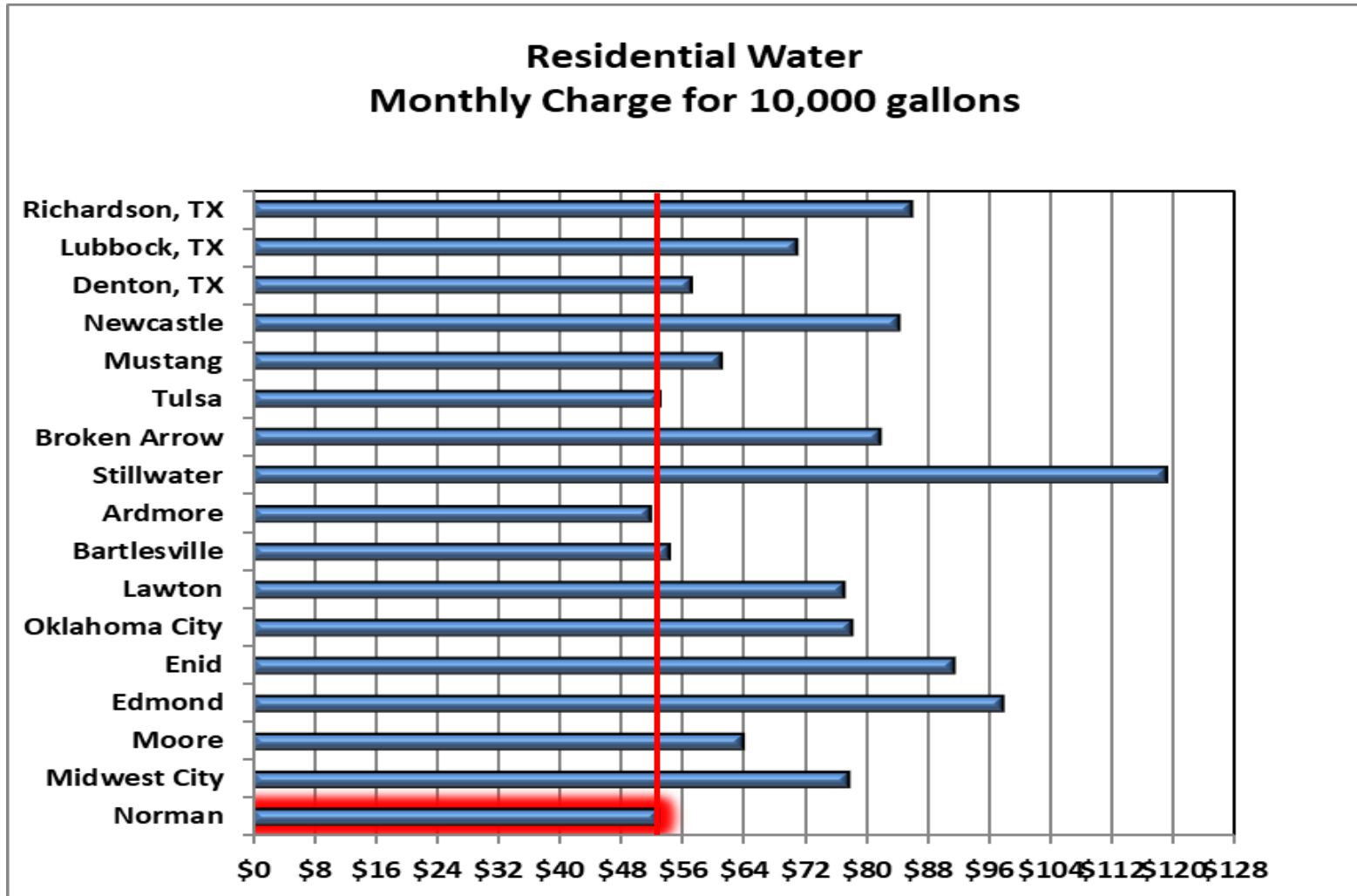
- Summer Surcharge during July and August: \$0.35 / 1,000 gallons for usage over 20,000 gallons / month
- Mandatory odd / even day watering rotation system

Gallons	Rates (per 1 k gal.)
Base Fee	\$10.90
0 – 5,000	\$3.46
5,001 – 15,000	\$4.50
15,001 – 20,000	\$6.75
Over 20,000	\$9.51





# Water Fund





# Water Fund Major Revenue Assumptions

- User fee revenues are estimated to grow at a rate of 1.5% per year for projected customer growth
- Water connection charges were increased for all meter sizes 4/22/22 and 4/22/23. After recent completion of the AIM plan, Raftelis is working on updating connection charges based on the new infrastructure that will be required.

Meter Size	Effective 4/22/22	Effective 4/22/23
¾"	\$1,250.00	\$1,500.00
1"	\$2,083.75	\$2,500.50
1.5"	\$4,166.25	\$4,999.50
2"	\$8,333.75	\$10,000.50



# Water Fund Expenditure Assumptions

- Water purchase contract with Oklahoma City = \$2,334,330 budgeted
  - 1.5 MGD (take or pay) at \$3.28/ \$1,000 gal
- COMCD = \$854,234 budgeted
- \$1,266,679 in FYE 2027 proposed budget for fleet, computer, and well equipment replacements.
- FYE 2027 Ending Fund Balance projected to be \$10,312,329



# Water Capital Projects

Major Projects completed in FYE 2026:

Parsons Water Line Replacement - \$3.2M

Southlake Water Line Replacement - \$2.7M

Danfield Water Line Replacement- \$2M

Water Utility Master Plan - \$450,000



# Water Capital Projects

Major Projects from FYE 2026 to be completed in FYE 2027:

- Meter Infrastructure Program - \$16M
- Jenkins Water Line Replacement (w/ PW) - \$2.5M
- James Garner Water Line Replacement - \$2M
- Tecumseh Road Water Line Replacement- \$4.3M
- Groundwater Facility - \$7M (start of construction)
- WTP Improvements – Phase 2B - \$3M (start of construction)
- Robinson Water Line – 24<sup>th</sup> NE to 12<sup>th</sup> NE -\$4.5M (start of construction)
- Neighborhood Water Line Replacements - \$11M



# Water Capital Projects

- Major new water projects for FYE 2027:
  - Venture and Astor Water Line Replacement (design)
  - Alameda Plaza Water Line Replacement (design)
  - South Water Loop (Segment D) - \$2M (addl. funding)
  - Flood Water Line Replacement to OTA Limits - \$1.5M
  - WTP – Lagoon Improvements / Filter Media - \$400,000



# Water Reclamation Facility



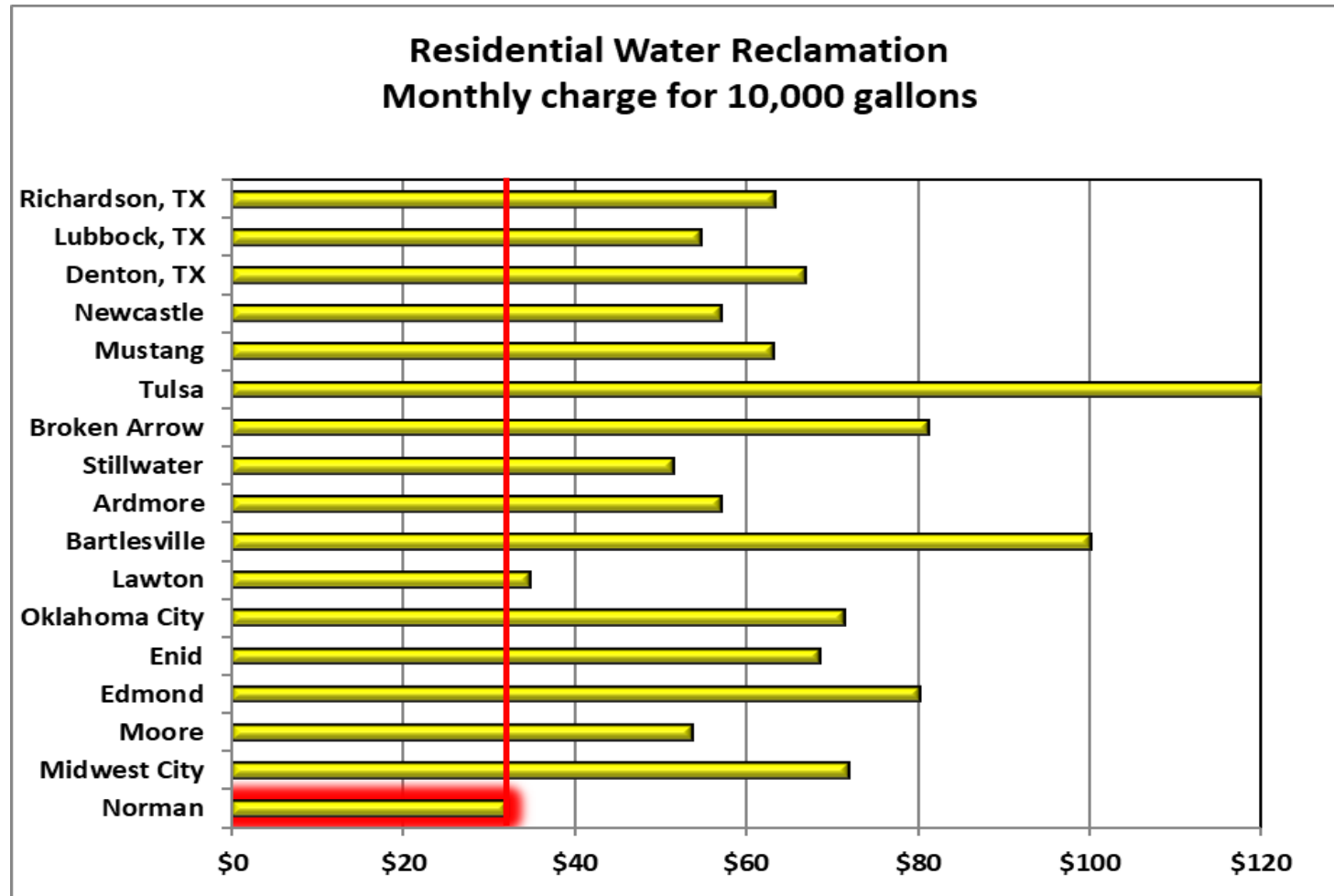


# Sewer Line Maintenance

- Maintains over 515 miles of sewer lines
- Maintains over 12,600 manholes
- Cleans over 1.2 million feet of sewer lines annually
- Inspects and records over 350,000 feet of sewer lines
- Maintains 14 sewer lift stations



# Water Reclamation Rates





# Water Reclamation Fund Major Revenue Assumptions

- Residential wastewater service rates were last raised in November of 2013
  - Current rates are \$5 base + \$2.70 per \$1,000 of treated wastewater
- User fee revenues have been estimated at an average annual growth rate of 1.5%



# Water Reclamation Fund Expenditure Assumptions

- \$1,143,180 in FYE 2027 proposed budget for fleet equipment replacements, computer replacements, and pumps
- FYE 2027 Ending Fund Balance projected to be \$4,121,726





# Water Reclamation Capital Projects

- Major projects from FYE 2026 to be completed in FYE 2027:
  - Dewatering Centrifuges - \$3.3M
  - Aeration Basin Blower Replacements - \$2.8M
  - Main Admin Building Upgrades and Storage Building - \$3.5M
- No new projects for FYE 2027



# Sewer Maintenance Fund

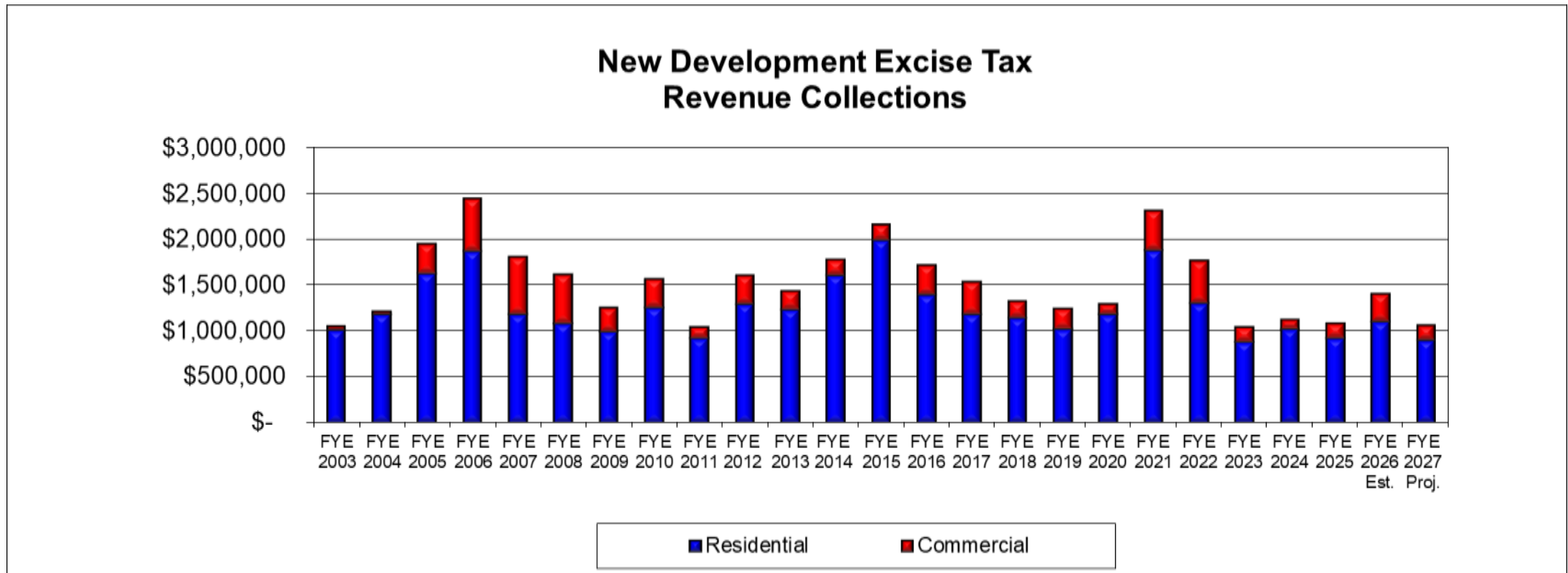
- All revenue is from a \$5 per month sewer maintenance rate approved in 2001
- All Sewer Maintenance Rate projects must be on a pay-as-you-go basis
- Since 2001, over 500,000 feet of sewer line has been rehabilitated





# New Development Excise Tax Fund

Revenue is from new construction building permits based on wastewater generated.



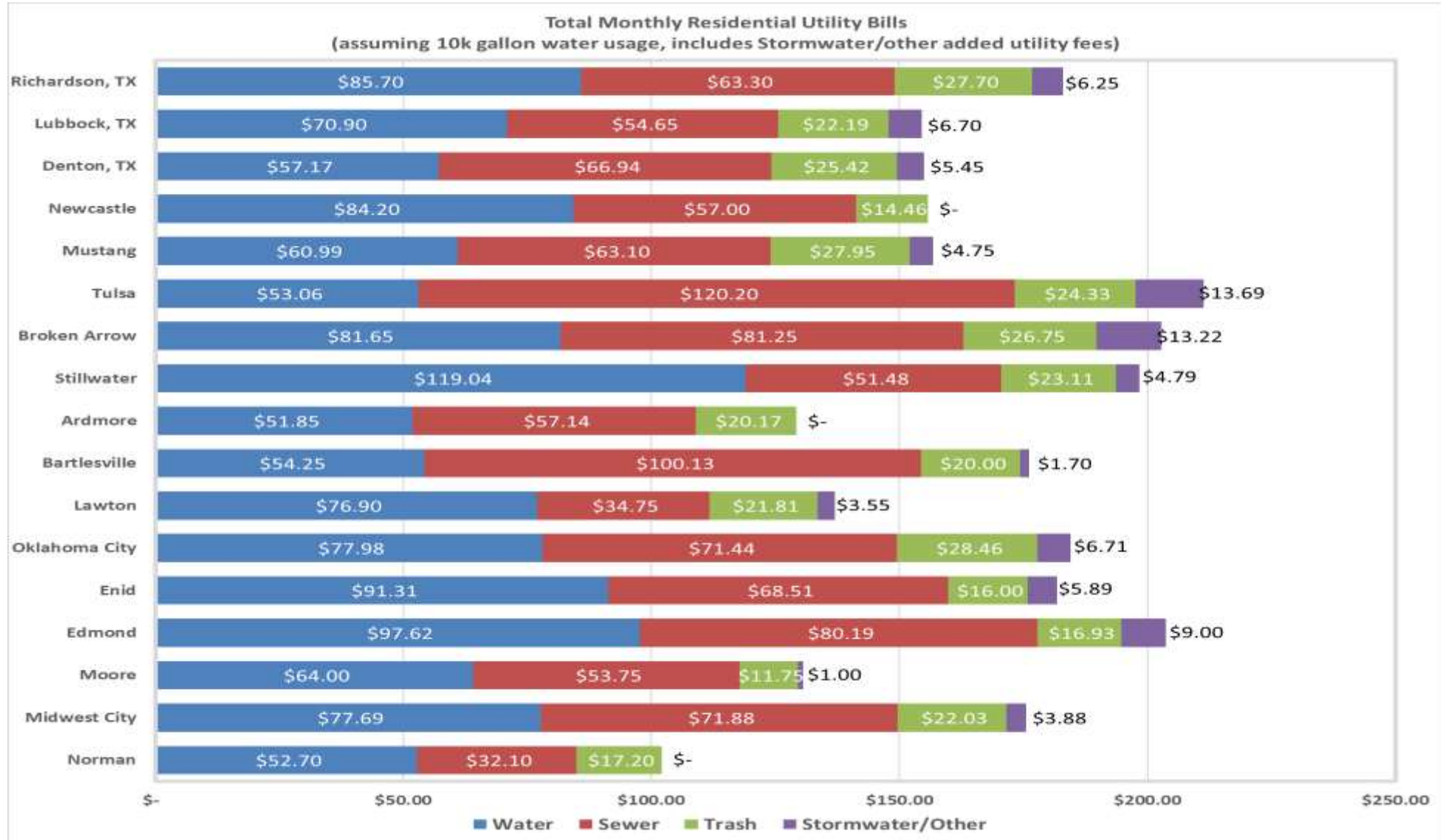


# New Development Excise Tax Fund

- FYE 2027 Projected Revenues of \$1.06M (\$900,000 from residential projects and \$160,000 from commercial projects )
- Projects completed in FYE 2026
  - AIM Wastewater Utility Master Plan - \$900,000
- No new capital projects for FYE 2027



# Total Utility Rates





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# QUESTIONS



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