



CITY OF NORMAN

BUDGET

2025-2026

FISCAL YEAR ENDING
JUNE 30, 2026
FINANCIAL PLAN-FISCAL
YEAR-END 2027-2030

Fiscal Year 2025-2026 Budget

Enterprise Funds

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Fiscal Year 2025-2026 Summarized Budget Calendar

- ▶ Council Finance Committee Budget Discussions (9/19/2024)
- ▶ Council Capital Budget Study Session (11/19/2024)
- ▶ Finance Committee Mid-Year Budget Review (1/16/2025)
- ▶ Council Capital Budget Study Session (3/4/2025)
- ▶ Council Budget Study Session – General & Special Revenue Funds (4/15/2025)
- ▶ Public Budget Hearing (4/22/2025)
- ▶ Council Budget Study Session – Capital Funds (5/6/2025)
- ▶ Council Budget Study Session – Enterprise Funds (5/20/2025)
- ▶ Public Budget Hearing (5/27/2025)
- ▶ Council Budget Study Session – Optional Follow-up (6/3/2025)
- ▶ Council Considers Budget for Adoption (6/10/2025)
- ▶ Beginning of Fiscal Year 2025-2026 (7/1/2025)



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.

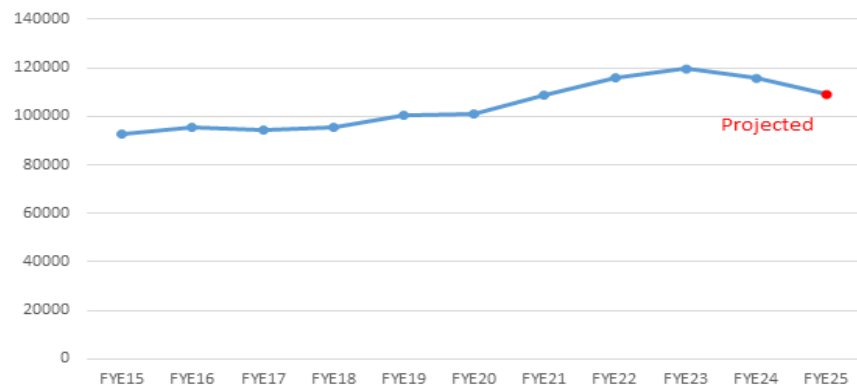
- ▶ SANITATION
- ▶ WATER
- ▶ WATER RECLAMATION
 - ▶ SEWER MAINTENANCE
 - ▶ NEW DEVELOPMENT EXCISE TAX



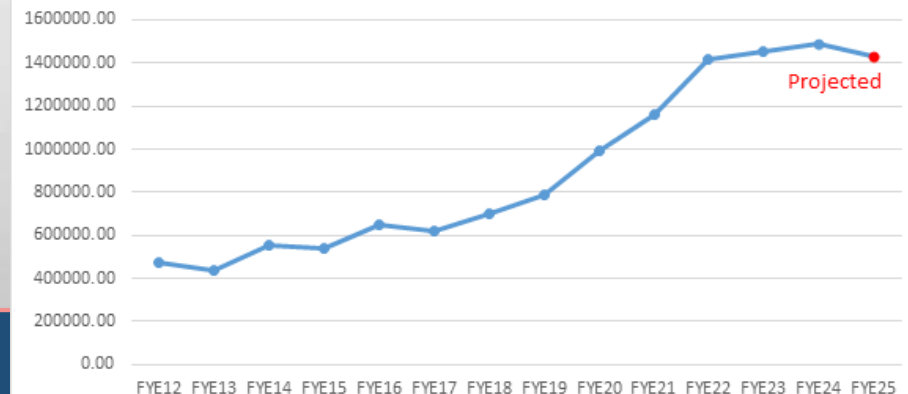
Sanitation Fund

- ▶ Residential and Commercial collection; > 110,000 tons each year
- ▶ Yard Waste and Compost facility; >40,000 tons each year
- ▶ Curbside recycling started in 2008 and transitioned from outside contractor to in-house in FYE 2025; >85% participation rate; >4,000 tons each year

Landfill Annual (Tons)

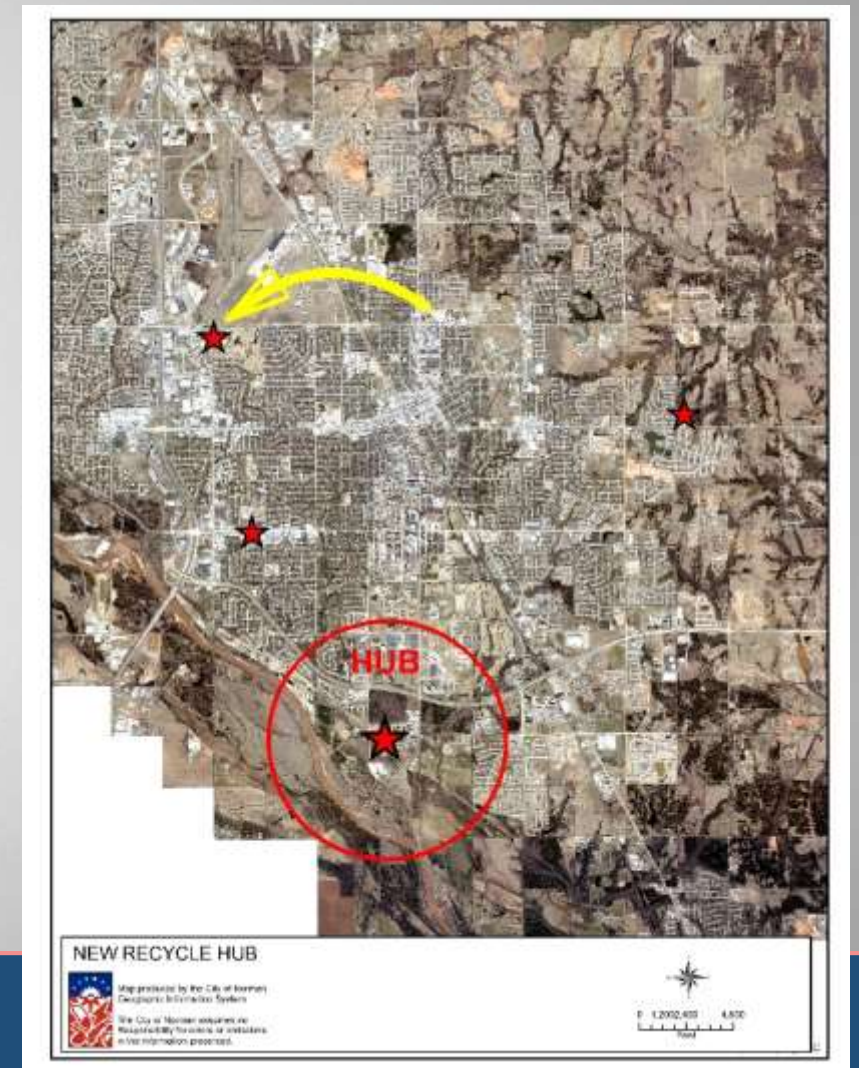


Transfer Station Revenues

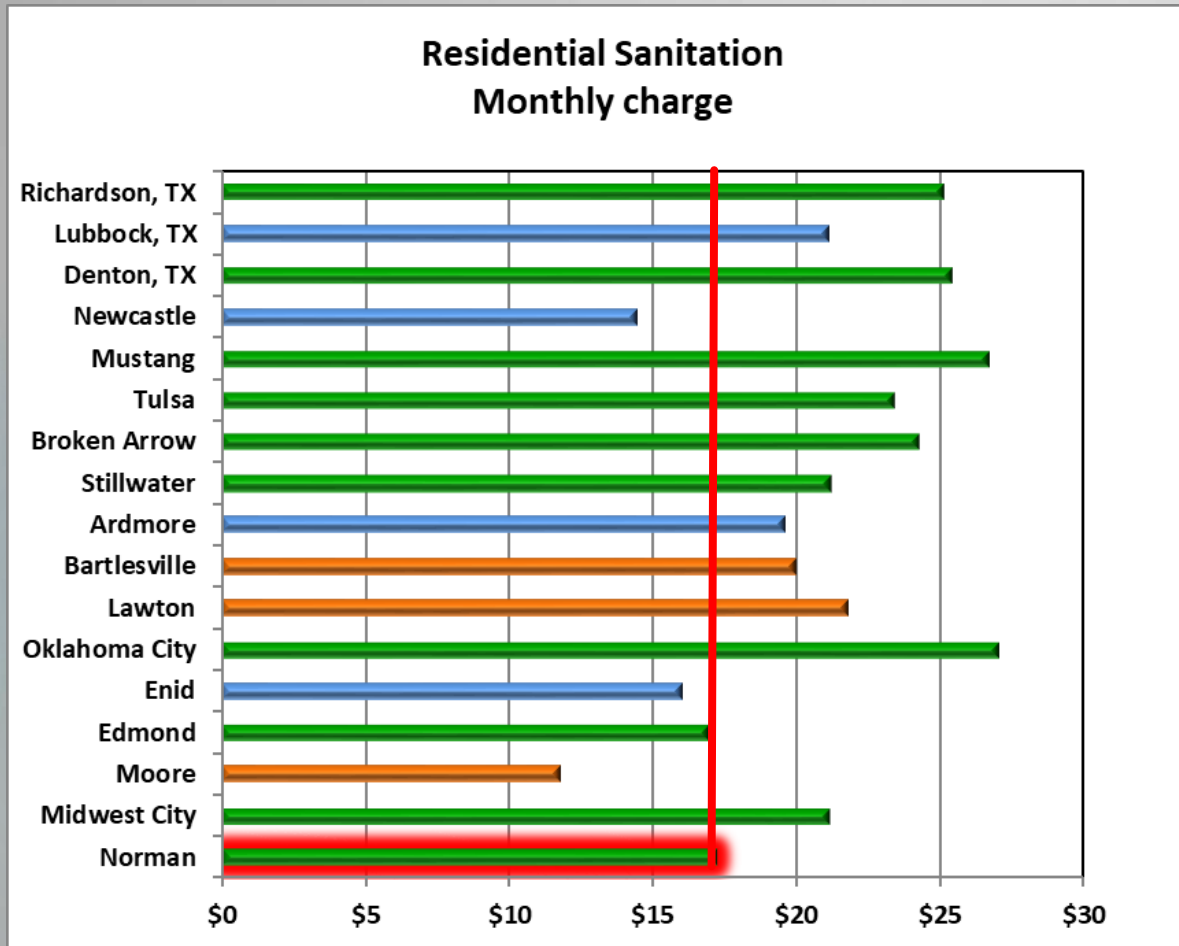


Sanitation Fund

- ▶ 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 Yardwaste collection
- Free brush Drop-Off
- 4 Recycling Drop-Off Centers
- Free Compost (as available)
- Residential Curbside Recycling

Curbside recycling included

Curbside recycling not included

Recycling offered separately through 3rd party



Sanitation Fund Major Revenue Assumptions

- ▶ Sanitation rate set in April 2011 (14 years ago) at \$17.20 per month for 1 poly cart. Includes \$3 for curbside recycling and \$0.20 for the Oklahoma Solid Waste Management Charge.
- ▶ Additional poly cart is \$7 per month
- ▶ User Fee revenues have been estimated at an average annual growth rate of 1.015% per year



Sanitation Fund Major Expenditures

- ▶ **\$2,251,256 included in FYE 26 proposed budget for computer replacements, vehicle replacements, and route service software**
- ▶ **Landfill tipping not estimated to increase from FYE 2025: \$3.125 M**
- ▶ **FYE 2026 Ending Fund Balance is \$4,821,999**



Sanitation Fund

- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Compost Facility Scale House - \$1.2M
- ▶ No new capital projects requested for FYE 2026
- ▶ Potential Budget Impacts for Next Budget Process:
 - ▶ Raftelis currently performing a Cost of Service study to be completed in FYE 26.

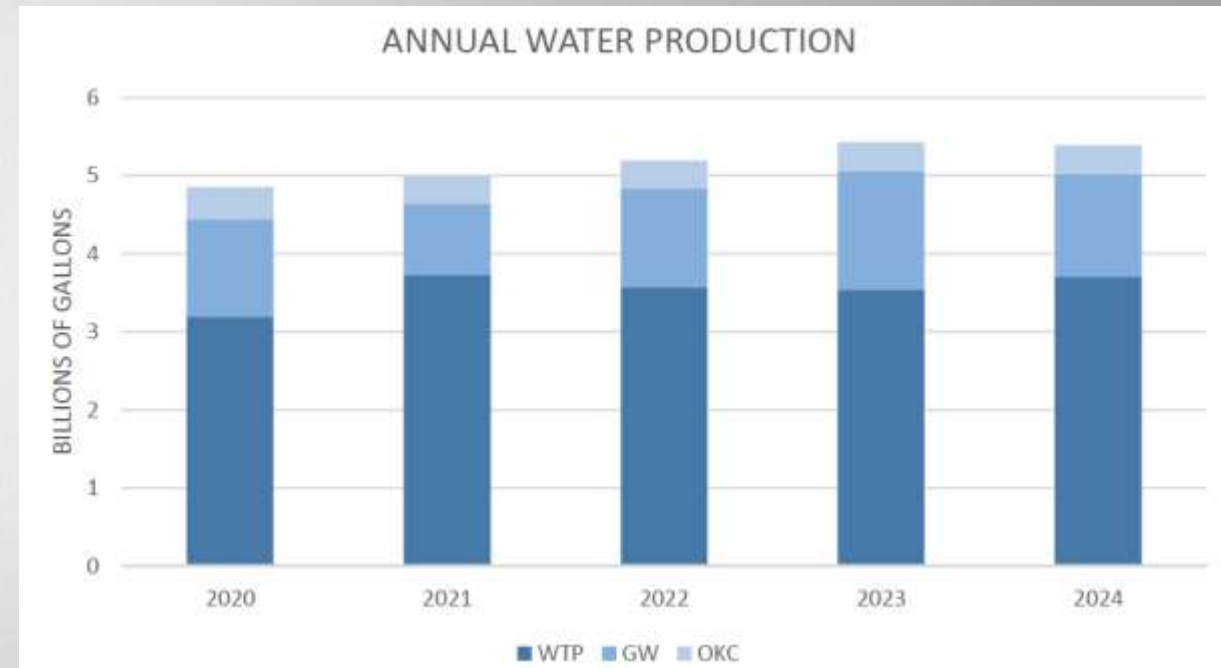


Water Fund

Produces over 5 billion gallons annually

Water production runs

- ▶ 24 hours per day
- ▶ 365 days per year



Water Line Maintenance

- ▶ Maintains 652 miles of water pipe with diameters of 2 to 48 inches, 7,074 Fire Hydrants, and 14,293 Valves
- ▶ Repairs an average of 175 water line breaks annually
- ▶ Repairs an average of 550 water leaks annually
- ▶ Responds to over 6,300 service calls annually
- ▶ Replaces about 3,000 feet of old, deteriorated or undersized water mains annually but staff have focused on lead service line inventory
- ▶ Repairs/maintains almost 1,100 fire hydrants annually
- ▶ Maintains over 42,000 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

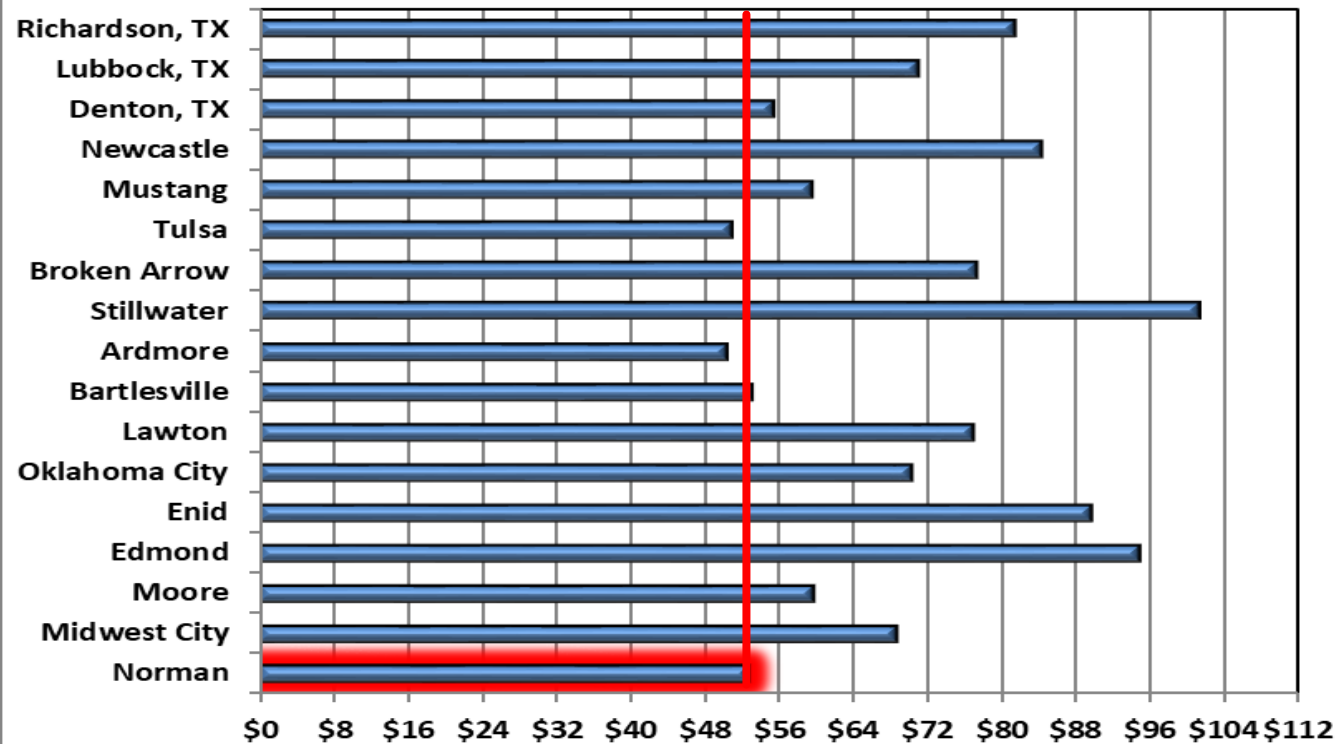
Gallons	Rates (per 1 k gal.)
Base Fee	\$10.90
0 – 5,000	\$3.46
5,001 – 15,000	\$4.50
15,001 – 20,000	\$6.75
Over 20,000	\$9.51

- 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



Water Fund

Residential Water
Monthly Charge for 10,000 gallons



Water Fund Major Revenue Assumptions

- ▶ User fee revenues are estimated to grow at a rate of 1.015% per year for projected customer growth.
- ▶ Water connection charges were increased for all meter sizes 4/22/22 and 4/22/23 as follows:

Meter Size	Effective 4/22/22	Effective 4/22/23
3/4"	\$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

- ▶ Interim water purchase contract with Oklahoma City = \$1,524,330 budgeted
 - ▶ 1 MGD (take or pay) at \$3.24/1,000 gal
- ▶ COMCD = \$854,234 budgeted
 - ▶ Amendment proposed to increase to \$1,166,234
 - ▶ Replacement of raw water line in Lake Thunderbird that supplies water for Norman, Midwest City, and Del City. Norman's share is 43%.
- ▶ \$96,435 in FYE 2026 proposed budget for fleet computer, and well equipment replacements.
- ▶ FYE 2026 Ending Fund Balance projected to be \$2,669,583



Water Capital Projects

- ▶ Major projects completed in FYE 2025:
 - ▶ Parsons Water Line Replacement - \$3.2M
 - ▶ Southlake Water Line Replacement - \$2.7M
 - ▶ Robinson Tower Resurfacing - \$500,000
 - ▶ Water Utility Master Plan - \$450,000



Water Capital Projects

- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Meter Infrastructure Program – \$16M
 - ▶ Jenkins Water Line Replacement (w/ PW) - \$2.5M
 - ▶ James Garner Water Line Replacement - \$2.0M
 - ▶ Danfield Water Line Replacement - \$1.6M
 - ▶ Tecumseh Road Water Line Replacement - \$4.3M (start of construction)
 - ▶ Groundwater Facility - \$7M (start of construction)
 - ▶ WTP Improvements – Phase 2B - \$3M (start of construction)
 - ▶ Robinson Water Line – 24th NE to 12th NE - \$4.5M (start of construction)

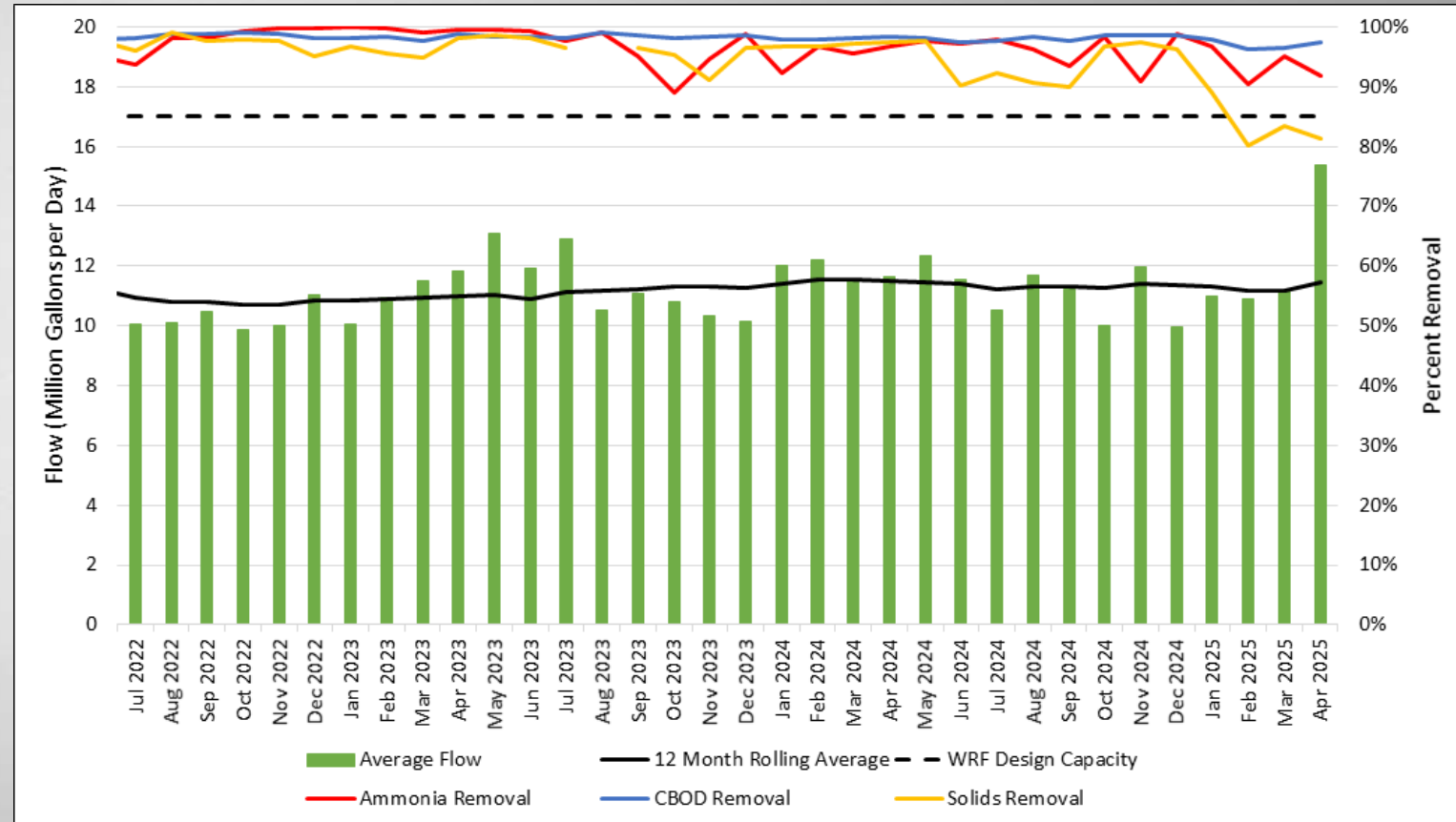


Water Capital Projects

- ▶ Major new water projects for FYE 2026:
 - ▶ Flood Water Line Replacement
 - ▶ Robinson to Boyd - \$2.5M
 - ▶ Franklin to North City Limit - \$3.0M
 - ▶ Westwood Estates Water Line Replacement - \$1.95M
 - ▶ Carter Water Line Replacement - \$1.5M
 - ▶ Royal Oaks Water Line Replacement - \$2.0M



Water Reclamation Facility

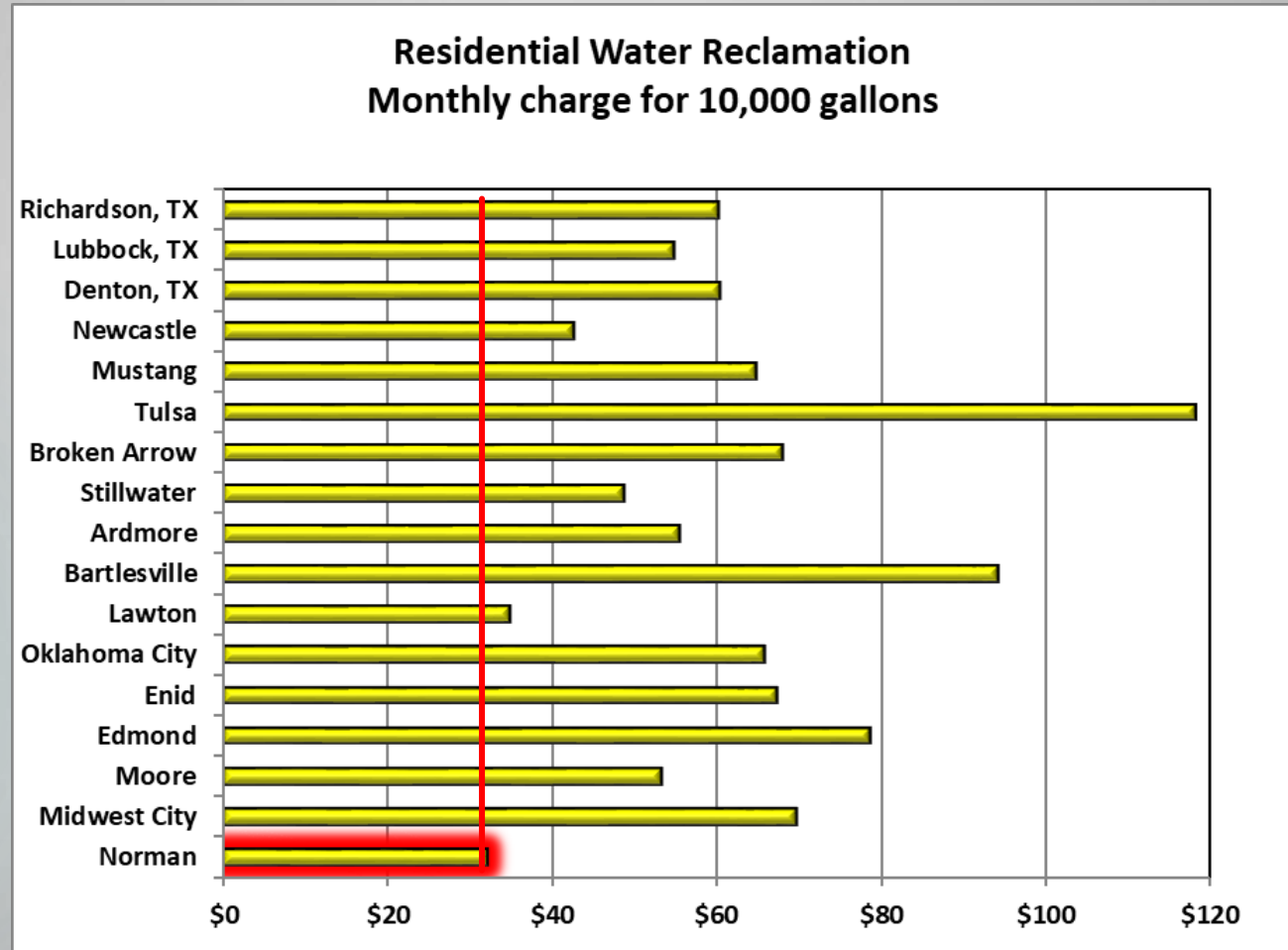


Sewer Line Maintenance

- ▶ Maintains over 530 miles of sewer lines
- ▶ Maintains over 12,500 manholes
- ▶ Cleans over 1.1 million feet of sewer lines annually
- ▶ Inspects and records over 450,000 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 (12 years ago).
 - ▶ 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 1.015%



Water Reclamation Fund Expenditure Assumptions

- ▶ **\$1.46 million decrease in cost allocations to the General Fund due to Cost Allocation Study in FYE 2025**
- ▶ **\$1,033,750 in FYE 2026 proposed budget for fleet equipment and computer replacements**
- ▶ **FYE 2026 Ending Fund Balance projected to be \$4,963,589**



Water Reclamation Capital Projects

- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Dewatering Centrifuges - \$3.3M
 - ▶ Aeration Basin Blower Replacements - \$2.8M
- ▶ New projects for FYE 2026 (by amendment):
 - ▶ Main Admin Building Upgrades and Storage Building - \$3.5M



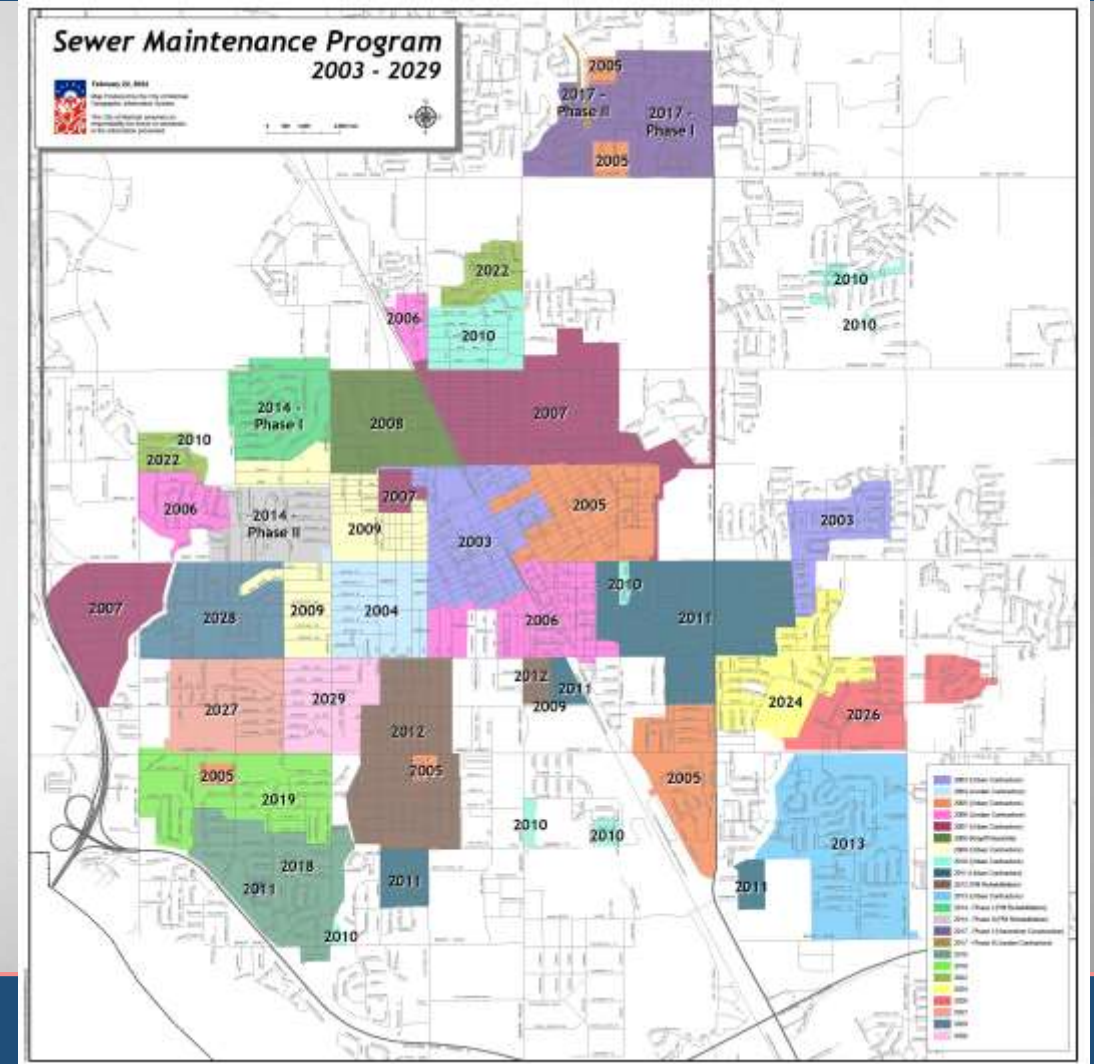
Sewer Maintenance Fund

- ▶ 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 488,000 feet of sewer line has been rehabilitated



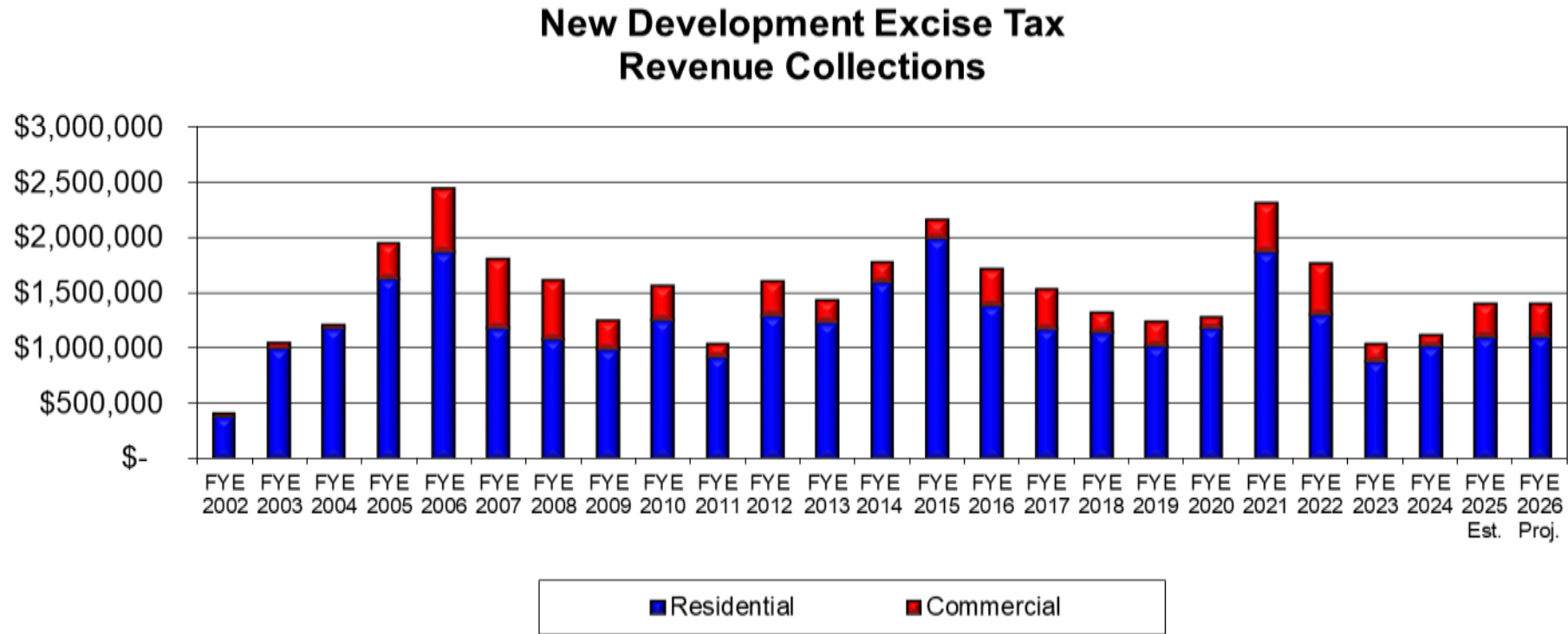
Sewer Maintenance Capital Projects

- ▶ Major projects completed in FYE 2025:
 - ▶ Sewer Maintenance Project 2019 - \$5.5M
- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Sewer Maintenance Project 2018 - \$2.8M
 - ▶ Sewer Maintenance Project 2022 - \$3.4M
 - ▶ Sewer Maintenance Project 2024 - \$5.0M
- ▶ New projects for FYE 2026:
 - ▶ Sewer Maint. Project 2026 - \$3.0M
 - ▶ Lift Station Radio Communication Upgrade - \$250,000
 - ▶ Lift Station D Condition Assessment - \$75,000



New Development Excise Tax Fund

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

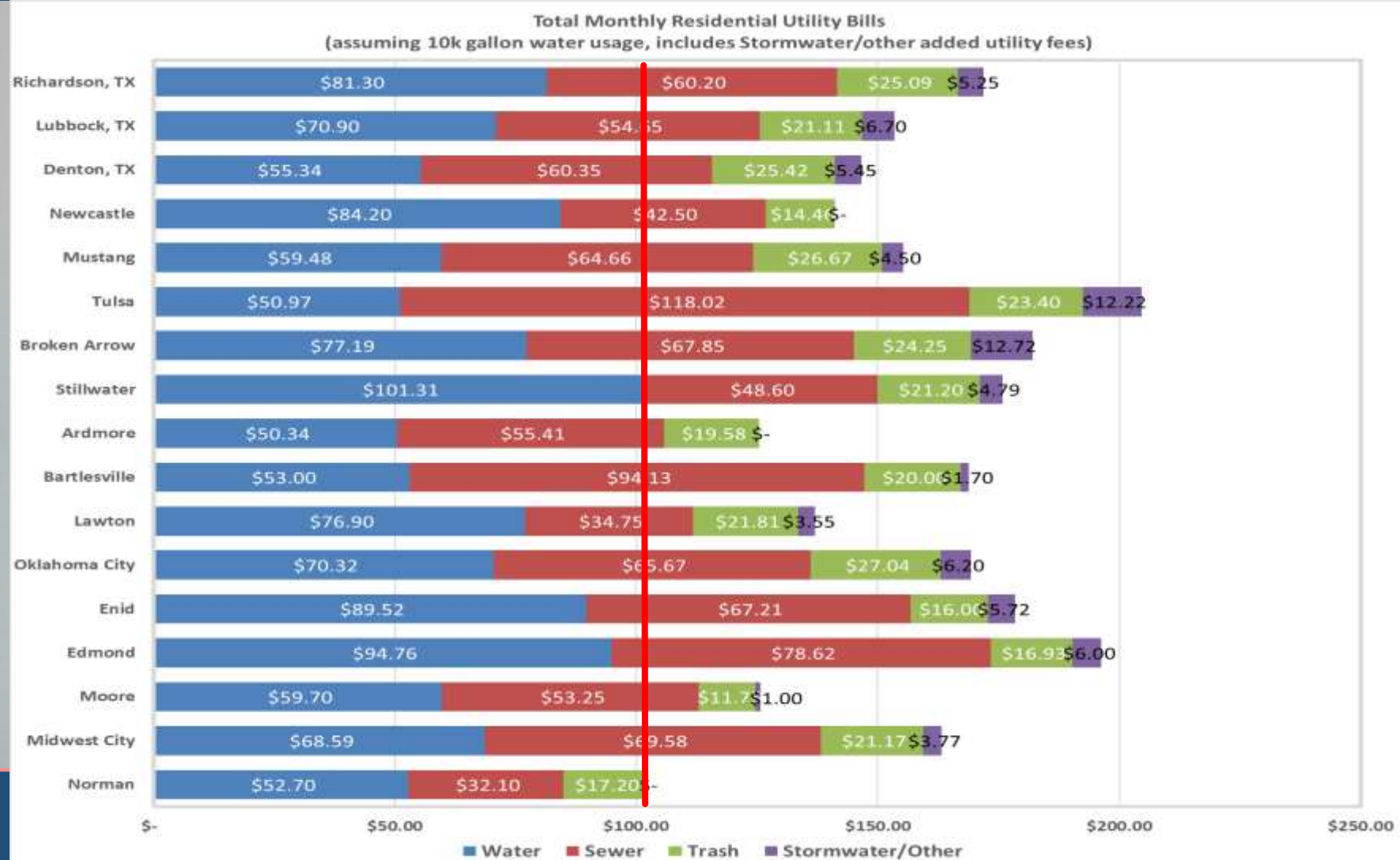


New Development Excise Tax Fund

- ▶ FYE 2026 projected revenues of \$1.4M (\$1.1m from residential projects and \$0.3M from commercial projects)
- ▶ Projects completed in FYE 2025
 - ▶ AIM Wastewater Utility Master Plan - \$900,000
- ▶ No new capital projects for FYE 2026



Total Utility Rates



Questions/Discussion

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