



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 08/27/2024

**REQUESTER:** Brent Barbour, Major, Police Department

**PRESENTER:** Kevin Foster, Chief of Police

**ITEM TITLE:** CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2425-39. A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROPRIATING \$1,574,010 FROM PUBLIC SAFETY SALES TAX BOND FUND BALANCE TO THE EMERGENCY COMMUNICATIONS CENTER PROJECT.

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### **BACKGROUND:**

On April 1, 2014, the voters of Norman approved Ordinance O-1314-33, extending the dedicated ½ percent Public Safety Sales Tax (PSST) permanently (effective October 1, 2015). The Ordinance directed that 71 employees added to the City public safety workforce be made permanent; an additional 19 employees be added over a period of four years (13 police officers to staff a School Resource Officer program; 4 additional Dispatchers; and 2 Emergency Vehicle Mechanics); and a program to replace or acquire Critical Public Safety Capital Needs be implemented. The Critical Public Safety Capital Needs were identified, in priority order, as follows:

Emergency Communication System Replacement - \$15,000,000

Emergency Operations/Dispatch Center Facility - \$ 6,500,000

Fire Apparatus Replacement Program - \$ 6,800,000

Reconstruct/Relocate Fire Station #5 - \$ 3,500,000

**TOTAL - \$31,800,000**

In discussions and presentations leading up to the approval of the PSST extension, the plan to finance the Emergency Communications (Radio) System and Emergency Operations Center (ECOC) facilities through some type of debt issuance was discussed and acknowledged, due to the need to have those facilities functional before sufficient PSST revenues would accrue. Under this plan, available PSST Fund balance would be used as a partial “down payment” on the Communication System and ECOC facility and PSST Fund balance would be used to pay for the fire apparatus and Fire Station 5 reconstruction on a pay-as-you-go basis, as funds became available after the Radio System and ECOC were financed.

Subsequent to the passage of the PSST extension ("PSST II"), Fire Department staff provided a presentation to the City Manager and Council Finance Committee outlining the urgency of replacing a platform fire truck with an estimated cost of \$1,100,000 as the most critical need of the Fire Department. The Police Department staff also presented the need to hire the School Resource Officer program personnel a year in advance of the originally projected time. It was predicted that the PSST Fund would be able to absorb these advanced expenses, but the amount of debt financing required with this accelerated schedule would be increased. The Finance Department and Legal Department staff, in consultation with the City's financial advisor and bond counsel teams, proposed a financing package, including the Emergency Communications System, the ECOC Facility and the fire platform truck. This comprehensive financing package for the Critical Public Safety Capital needs was discussed and approved by the Council Finance Committee on February 12, 2015. Proposals from qualified local and regional banking institutions to provide approximately \$22,825,000 in financing with a final maturity in 12 years, secured by a pledge of the PSST II proceeds, were solicited.

Responses in the form of interest rate proposals were received on March 10, 2015, and the lowest and best interest rate bid was forwarded for consideration of the Norman Municipal Authority (NMA) Trustees and Council. The Norman Municipal Authority Trustees and Council considered two resolutions: Resolution R-1415-90 was a resolution of the NMA to issue the debt, and R-1415-91 was a resolution of the City of Norman authorizing the issuance of the debt by the NMA, in an aggregate amount not to exceed \$22,825,000.

That financing was completed in 2015 and the procurement, design and construction processes began then. Funds from proceeds of the 2015 Norman Municipal Authority Sales Tax Notes (Revenue Bonds) were made available in the Public Safety Sales Tax Fund, Emergency Communications Center Project (Account 15695523; Project BP0029).

#### **DISCUSSION:**

At June 30, 2024 we have \$2,107,133.77 in unused bond funds on deposit at the trustee. In the ECOC project, there is \$533,124.16 encumbered (\$84,357.30 in Construction and \$448,766.86 in Design) and no unencumbered budget. We present this Agenda item for Council's consideration to appropriate the remaining \$1,574,010 in bond funds from the trustee to Emergency Communications Center Project; Construction (Account 15695523-46101; Project BP0029).

#### **RECOMMENDATION:**

Staff recommends approval of Resolution R-2425-39 appropriating \$1,574,010 from the PSST Bond Account Fund balance (15-29000) to the Emergency Communications Center Project, Construction (Account 15695523-46101; Project BP0029) to be used for ongoing completion of the ECOC project in accordance with its design and scope.