



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/22/23

REQUESTER: Veronica Tracy, Recreation Manager

PRESENTER: Jason Olsen, Director of Parks and Recreation

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2324-60: BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND KANSAS STATE BANK FOR THE PURCHASE OF COMMERCIAL FITNESS EQUIPMENT AT THE ADULT WELLNESS AND EDUCATION CENTER IN THE AMOUNT OF \$304,092.48 AS OUTLINED IN THE STAFF REPORT; AND APPROPRIATION OF \$71,692.90 OF CAPITAL FUND BALANCE.

BACKGROUND:

In October 2015, Norman citizens passed the NORMAN FORWARD initiative, funding various quality-of-life projects through a one-half percent (½%) sales tax increase over 15 years. The NORMAN FORWARD Initiative included authorization for a project to construct a new Senior Citizen's Recreation Center. After ongoing community input, the project's scope was expanded into a Senior Wellness Center, later named the Adult Wellness and Education Center (AWE).

The AWE will be located on City-owned land on the southeast corner of Norman Regional Health System's (NRHS) Porter Wellness Village, off North Findlay Avenue. The new AWE will include an indoor, heated saltwater pool with lap swimming, water walking, and hydrotherapy seating; an indoor walking track and training space; a fitness-classroom area; lounge and game rooms; both wet and dry craft areas; a small prep and demonstration kitchen; and multipurpose rooms that can be used for eating, events, classes, theatrical plays, games, and much more.

The AWE was authorized in the NORMAN FORWARD initiative in 2015 but was unfunded at that time. The AWE was later funded through two Council actions: re-allocation of Norman Forward funds through securing the Griffin Park land with a long-term land lease instead of a land purchase (\$7.4 million); an allocation of \$4.8 million from federal Coronavirus Aid, Relief & Economic Security (CARES) Act reimbursements (Resolution R-2021-63); and a land exchange with the Norman Regional Hospital System where the City received \$426,000 in cash and what was then appraised for \$1.2 million in property (718 N. Porter) for a total of a \$14 million budget for construction and design. On December 13, 2022, the Council appropriated \$1.2 million in General Fund balance to up-front the anticipated revenue from the sale of the 718 N. Porter property. The sale proceeds have not been reimbursed to the General Fund; effectively the General Fund has contributed \$1.2 million to the AWE project.

Oklahoma City architectural and engineering (A/E) firm Frankfurt, Short, Bruza (FSB) was selected as the A/E consultant for this project in March 2018. FSB has completed the project's schematic design and construction documents and is assisting with construction administration through the project's completion. The AWE project is scheduled to open in late Fall of this year; final furniture, fixture, and equipment purchases are being made. A sub-consultant assigned to this project has designed the fitness area of the facility and specified appropriate fitness equipment. Staff requested three quotes for the specified machines and have selected the lowest and best quote available.

DISCUSSION:

The equipment specified in this project includes Stairmasters, treadmills, cross trainers, recumbent and upright bikes, as well as weight machines like a chest press, a leg curl machine, and a pulldown machine, and free weights were selected for aesthetics, durability and ease of use, to accommodate the needs of the AWE patrons. The price for this equipment for the Adult Wellness and Education Center is \$304,092.48, which will be financed through the Norman Municipal Authority and repaid over five years. The equipment will be subject to warranty for the entire period of the financing agreement and a remaining value may be credited against future equipment purchases, should the current equipment be traded for newer models subject to future warranty. The first year of debt service payments is requested to be paid from the Capital Sales Tax Fund, with future year payments to be allocated in Norman Forward Sales Tax Fund budgets.

RECOMMENDATION 1:

It is recommended that City Council approve the purchase of fitness equipment in the amount of \$304,092.48 to be used at the Adult Wellness and Education Center as follows:

Vendor for Equipment Financing: Kansas State Bank
Contract amount: \$304,092.48
Annual Payment: \$71,692.90 (5 annual payments)
Requested Amount in FYE 2024: \$71,692.90
Account: Debt Service – Principal (Account 50930149-47001)

RECOMMENDATION 2:

Staff further recommends an appropriation of Capital Fund Balance in the amount of \$71,692.50 (Account 50-29000) to Debt Service - Principal (Account 50930149-47001).