



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 6/17/25

**REQUESTER:** Anthony Purinton, Assistant City Attorney

**PRESENTER:** Anthony Purinton, Assistant City Attorney

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, ADOPTION, REJECTION, AND/OR POSTPONEMENT OF CONTRACT K-2425-128: SERVICE AND LEASE AGREEMENT WITH CITY CARE, INC., FOR THE OPERATION OF AN EMERGENCY OVERNIGHT SHELTER AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

Since October of 2022, the City has contracted with a provider to operate an emergency overnight shelter at a City-owned facility located at 109 West Gray. In January 2025, City Care Inc. took over as operator of the facility under contract K-2425-58, the term of which extended to the end of the City's fiscal year, June 30, 2025. A new contract, K-2425-128, is necessary to continue shelter operations for the 2025-2026 fiscal year.

### **DISCUSSION:**

#### *Overview of Contract Terms*

This agreement, Contract K-2425-128, is similar to the City's current contract with City Care, K-2425-58. Some of the basic provisions of the agreement are briefly summarized below:

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| Term:         | The term of the agreement is July 1, 2025 to June 30, 2026.  |
| Location:     | The agreement leases specific areas of the City-owned property at 109 West Gray for use as an overnight shelter. An amendment or new agreement will be necessary if the shelter operation moves to a different location.   |
| Compensation: | Compensation for shelter expenses and staffing is on a reimbursement basis, subject to adequate funding appropriation by City Council. The contractor is required to provide services subject to and in accordance with a Program Budget, which is attached as an exhibit to the contract.<br><br>Necessary expenses for shelter operations will be reimbursed at cost, in addition to an administrative fee of twelve and one-half percent (12.5%) of the total budget amount, paid monthly. The previous |
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administrative fee was set at ten percent (10%) of the total monthly reimbursement expenses requested. The increased administrative fee is to account for additional administrative expense and staff time necessary for City Care to apply for additional outside funding to offset the City's contribution for the shelter. Shifting the administrative fee from a percentage of the reimbursed amount to a fixed amount allows for administrative costs of the contractor to continue to be met in the event that they successfully obtain outside funding, which would reduce the amount of reimbursement the City ultimately pays.

The Program Budget amounts to a monthly budget of \$67,437.65, for a total annual operating budget of \$809,251.77. This amount is approximately a seven percent (7%) increase of the initial budget. Other than the administrative fee, the increased costs are attributable to increases in linen services and program supply costs. It should also be noted that the budget is for reimbursement of expenses, meaning that actual expenses may be more or less than the total budget amount.

**Reporting:** The contract requires financial and statistical reporting on a regular basis. Additionally, the monthly reimbursement schedule will require detailed reporting on expenditures prior to payment.

**Scope of services:** The contractor will operate a "low-barrier" overnight shelter with a maximum of 52 beds for adults. Clients shall, either directly or through another local agency, be offered access to housing, mental health, substance abuse, and employment services. As a part of the services provided, City Care will employ "Housing Navigators" (housing case managers) who will work directly with those staying at the shelter to provide case management services. The hours of operation will be 5:00 p.m. -7:00 a.m., with the ability to expand hours in the event of adverse weather. On-site security will be provided during the evening.

### *Funding*

Appropriation of funding is recommended to account for the full amount of the Program Budget amount. An amount of \$752,400 is available in the budget for FYE 26 in Professional Services – Community Intervention (10110110-44029). An additional appropriation of \$56,851.77 is recommended as described below.

### **RECOMMENDATION:**

Staff presents contract K-2425-128 for City Council's consideration. If approved, Staff recommends appropriation from the General Fund balance in the amount of \$56,851.77 to reflect the total Program Budget amount (\$809,251.77), as shown in Figure 1, below:

**Figure 1. Appropriation and Funding Sources**

Losing Account(s)	Gaining Account(s)	Amount
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General Fund Balance (10-29000)	Professional Services – Community Intervention (10110110-44029)	\$56,851.77
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