

## CITY COUNCIL CONFERENCE MINUTES

April 26, 2022

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:30 p.m. in the Municipal Building Executive Conference room on the 26th day of April, 2022, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray 24 hours prior to the beginning of the meeting.

PRESENT:	Councilmembers Foreman, Hall, Holman, Lynn, Peacock, Schueler, Studley, Tortorello, Mayor Clark
ABSENT:	None

Item 1, being:

### DISCUSSION REGARDING THE SENIOR WELLNESS CENTER FUNDING.

Mr. Jason Olsen, Director of Parks and Recreation, said tonight he is presenting information on market fluctuations and that effect on NORMAN FORWARD Projects, including the Senior Wellness Center. He said the design of the Senior Wellness Center includes a pool; dressing/locker rooms; fitness classroom; administrative and wellness areas; main lobby; kitchen/coffee bar; multi-purpose room with stage area; wet/dry craft rooms; restrooms; game room; lounge area; large open fitness area with walking track; and outdoor pickleball courts.

He said inflation of raw materials is 20% higher than anticipated in 2015 when the City began obtaining estimates on the cost of the facility. He said just when it seems prices are leveling off, something happens to drive prices higher or make products difficult to obtain. According to the Construction Association, developers are underbidding due to unknown actual construction material cost increases

The original budget for the Senior Wellness Center was zero, but Staff has found \$7,600,000 in savings from the Griffin Park Improvements Project and \$4,800,000 from CARES Act funding for a total project budget of \$12,400,000 (\$10,400,000 – construction budget and \$2,000,000 – soft costs). He said the developer said there will be a 20% increase in heat and air (HVAC) costs within the next few weeks and encouraged the City to act now or the contract would need to be re-bid. He said total bid construction costs are \$12,000,000 and budgeted construction costs are \$10,400,000 leaving a deficit of \$1,600,000. He said additional funding to cover the deficit could be obtained from other projects, such as the sale of 718 North Porter to Cleveland County in the amount of \$1,200,000 and Norman Regional Heath System (NRHS) Porter Avenue Complex land swap in the amount of \$426,000 for a total of \$1,626,000. He is asking Council to consider appropriating these funds for the Senior Wellness Center.

Mr. Olsen said Staff requested the architect remove some items without compromising the overall project design and size of the facility, which they were able to do; however, Staff is hoping that with the requested additional funding, some of the items can be reinstated in the scope of the project.

The new proposed budget would include Griffin Park Improvement Project savings - \$7,600,000; CARES Act funding - \$4,800,000; sale of 718 North Porter - \$1,200,000; and NRHS land swap - \$426,000 for a total of \$14,026,000. Mr. Olsen said \$2,000,000 was budgeted for soft costs and that amount is not expected to fluctuate.

Councilmember Holman asked about anticipated savings from the James Garner Project potentially helping with other NORMAN FORWARD Projects and asked if that is still the case. Mr. Olsen said those funds will be used for the Young Family Athletic Center (YFAC), which has zero contingency. Councilmember Holman said Council discussed potentially using any excess James Garner Project funds for the Robinson Street Bridge and roundabout aesthetics as well as the Senior Wellness Center and YFAC. Mr. Shawn O'Leary, Director of Public Works, said projected savings for the James Garner Project is \$2,800,000, but the project has not been bid and \$1,500,000 has been designated to the YFAC leaving \$1,300,000 in projected savings.

Councilmember Holman asked if the items removed from the Senior Wellness Center Project would cost more if added later and Mr. Olsen said yes, if costs continue to increase. Councilmember Holman said he wants to save money, but is not opposed to spending more if it means the end product will last years.

Councilmember Hall said the multi-purpose gymnasium, at a cost of \$1,284,760, was removed from the project, but felt it is not going to be any cheaper building it later than now and Mr. Olsen agreed and said if built later, the gymnasium would not be an add on, it would entail removing walls, concrete, etc. He said due to budget constraints, the gymnasium is not currently being incorporated into the design. Councilmember Hall reminded everyone that the Senior Wellness Center began with a zero budget and felt it is a wonderful thing that Staff is able to identify funds and designs that establish priorities. She said there was also no location for the Senior Wellness Center and Council considered several locations before the option was presented to swap land with NRHS to build the Senior Wellness Center on the Porter Campus. She supports trying to find the funding needed to move forward with this project.

Mayor Clark said when there is a NORMAN FORWARD II; the City needs to do a better job of budgeting projects. She said voters need to know how much projects cost, the City needs to have locations already chosen, etc. She would like NORMAN FORWARD to be similar to MAPS in Oklahoma City because that has continued to improve their community.

Councilmember Studley thought money from the sale of 718 North Porter was already promised to another project and Mr. Olsen said Council discussed using \$1,200,000 for single-room occupancy projects (affordable housing). Mr. Darrel Pyle, City Manager, said there has been discussion of combining that money with American Rescue Plan Act (ARPA) funds to be used for affordable housing. He said there is discretionary money available to Council to use for any government purpose, but \$5,000,000 has been set aside for affordable housing and Staff is waiting for architect estimates on plumbing modifications and the remodel estimates for 23 single-room occupancy units.

Councilmember Foreman asked when the Senior Wellness Center construction will begin and Mr. Olsen said some utility work has been already been done and the project is ready to move forward when funding is available.

Councilmember Holman said there is one tree on the property where the Senior Wellness Center is being built and he would love to save that tree, if possible.

There seemed to be consensus among Council to move forward.

Items submitted for the record

1. PowerPoint presentation entitled, "Senior Wellness Center Project Budget Update"

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The meeting was adjourned at 6:04 p.m.

ATTEST:

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City Clerk

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Mayor