

MINUTES OF THE PUBLIC WORKS AUTHORITY MEETING, DECEMBER 15, 2009

Minutes of the regular meeting of the Chairman and Trustees of the Clinton Public Works Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, December 15, 2009 at 5:30 P.M. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 11, 2009.

Chairman Bryson called the meeting to order with the following present:

CHAIRMAN: Allen Bryson

TRUSTEES: Terry Wheeler, Mark Hendrickson, Bob Marcy, John Jordan,

CITY MANAGER: Grayson Bottom

CITY CLERK: Lisa Anders

CITY TREASURER: Debra Blanchard

DEPUTY CLERK: Rhonda Williams

CITY ATTORNEY: Ryan Meacham

NEWS MEDIA: Rod Serfoss and Jarod Atha

OTHERS: David Crabtree, Charles Fry, Arnold Adams, Gene McCullough, Steve Jones, L.R. Sights, Keith Marcy, Curtis Maloy, Randy Carpenter, James Kuykendall, Russ Meacham and others.

Rod Serfoss opened the meeting with prayer and Trustee Mark Hendrickson led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of the Regular Meeting of December 1, 2009

Moved by Trustee Jordan and seconded by Trustee Marcy, that Consent Agenda Item No. 3 (a) be approved.

Chairman put the motion to a roll call vote:

Aye: Jordan, Marcy, Hendrickson, Wheeler, Bryson

Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4. ACTION ITEMS

4A. PRESENTATION AND CONSIDERATION OF 2008-2009 AUDIT

James Kuykendall of Britton, Kuykendall & Miller presented the annual audit of the City of Clinton. He said the audit presents an accurate position of the City and is an unqualified opinion with no findings of material misstatement. He said it includes a review of internal controls and they were found in place and working to protect the assets of the City.

Kuykendall reviewed the appropriations and reported that they were not exceeded and the due diligence requirements were met. He reported that the revenue continued to increase over the last year with a small increase in expenditures. He expressed his appreciation to Russ Meacham and Dacia Phillips, the consultants for the City of Clinton.

Motion was made by Trustee Marcy and seconded by Trustee Jordan to approve the 2008-2009 audit of the City of Clinton as presented.

Chairman put the motion to a roll call vote:

Aye: Marcy, Jordan, Wheeler, Hendrickson, Bryson

Nay: None

Chairman declared the motion carried

4B. ACKNOWLEDGE RECEIPT OF PERMIT TO CONSTRUCT THE WATERLINE REPLACEMENT FOR THE NORTHEAST WATERLINE PROJECT

City Manager Grayson Bottom reported that the Public Works Authority has received the permit to construct the waterline replacement, which consists of 24,300 L.F. of 6-inch and 1,000 L.F. of 4-inch waterlines to service the City of Clinton Northeast Quadrant.

Motion was made by Trustee Hendrickson and seconded by Trustee Marcy to acknowledge receipt of Permit No. WL000020091018 to construct the Northeast Quadrant water line project.

Chairman put the motion to a roll call vote:

Aye: Hendrickson, Marcy, Wheeler, Jordan, Bryson

Nay: None

Chairman declared the motion carried.

4C. REQUEST AUTHORIZATION TO BID MATERIALS NECESSARY FOR COMPLETION OF THE NORTHEAST WATERLINE REPLACEMENT PROJECT

City Manager Grayson Bottom said that there has been a benefit from the waiting to receive the construction permit for the waterline. He said the cost of materials has reduced over the past year.

Public Works Director Arnold Adams said the material prices are the lowest they have been in the past two to three years.

City Manager Bottom said the bid will be taken in several ways such as the different sizes of pipe and fittings.

Motion was made by Trustee Hendrickson and seconded by Trustee Wheeler to authorize staff to bid materials necessary for the completion of the Northeast Waterline Replacement Project.

Chairman put the motion to a roll call vote:

Aye: Hendrickson, Wheeler, Marcy, Jordan, Bryson

Nay: None

Chairman declared the motion carried.

4D. REQUEST AUTHORIZATION TO GO TO BID FOR THE LABOR FOR COMPLETION OF THE NORTHEAST WATERLINE REPLACEMENT PROJECT

City Manager Grayson Bottom said City staff would be responsible for inspections and the connection mode of the project. He said the budget had been prepared to allow for additional staff for the project. He said the labor bid would be for trenching and boaring work to be done for the project.

Public Works Director Arnold Adams said the bid would be by the foot rather than by the hour. He said there are a lot of people eager to bid on this project. He estimated that the project would last for eighteen months. He said the project would be divided into three sections.

Motion was made by Trustee Hendrickson and seconded by Trustee Marcy to authorize staff to go to bid for the labor for the completion of the Northeast Waterline Replacement Project.

Chairman put the motion to a roll call vote:

Aye: Hendrickson, Marcy, Wheeler, Jordan, Bryson

Nay: None

Chairman declared the motion carried.

4E. CONSIDER REQUEST OF SPORTCHASSIS LLC TO TRANSFER TITLE OF PROPERTY AT 2300 SOUTH 13TH

Chairman Allen Bryson said City legal advisors had recommended not entering into long term contracts and this is an example of their recommendation. He said no one on the Authority now was on the Authority at the time this contract was approved. He said there is no option in the contract but to transfer title as requested.

City Manager Grayson Bottom said the request from Sportchassis had been reviewed by Assistant City Attorney Ryan Meacham.

Assistant City Attorney Ryan Meacham said the contract was structured as a lease with an option to purchase. The lease was for fifteen years with two renewal periods. He said Sportchassis is exercising their option and as long as they have met the condition of the contract this is allowable. He said the contact called for an outright purchase or for an emergency vehicle to be provided, which they did. He said they provided a box and the City purchased the cab and chassis.

City Manager Bottom said this transfer is for real property. He said it does not include equipment. He said Sportchassis has put improvements into the building and the City has not spent any money

on improvements to the building except for the three months while trying to sell/lease the facility. He said the contract calls for credit per job and the \$100 rate was a very minimal rate at the time the agreement was prepared. He said the company never fell before the 50 employee requirement until February 2009. He said he felt this is in the best interest of the City to follow the requirements of the contract.

Trustee Hendrickson said the Authority has the responsibility to honor the contract. He said the Council members change but the City remains the same.

Trustee Marcy asked who the name on the title would be.

City Manager Bottom said it would be Sportchassis LLC.

Curtis Maloy said he could not believe the conditions of the contract but that he realizes that times have changed. He asked who had been paying the insurance on the facility.

Bottom said that per the contract, Sinor/Sportchassis is responsible for insurance.

It was asked when the current contract expires and why the change would be before that time.

Bottom said the contact expires March 2010.

Assistant City Attorney Ryan Meacham said the fifteen year term on the contract would have to be completed for Sportchassis would be entitled to ownership of the building.

City Manager Bottom said that the company had given notice thirteen years ago when only a 90 day notice is required.

Curtis Maloy asked if the fact that the company has changed owners during the past fifteen years would affect the requirements.

Meacham said that approximately three months ago the Authority has authorized the consignment of the agreement to Sportchassis.

Maloy asked what would happen to the city's equipment at the facility.

City Manager Bottom said the City's name is on the equipment and the company is paying the loan on the equipment. He said the company would continue to pay the loan payment on the equipment. He said they would pay the back rent regarding the lower employment level.

Chairman Bryson said at some point the Authority would take action on the equipment.

L.R. Sights said it must have seemed like the right thing to do in 1995 but he had a problem with the value of the box being \$250,000 but if that was what the original agreement set out, it had been accomplished.

Chairman Bryson said if the transfer of title is not until the end of the agreement that there is no pressing need to execute the deed.

City Manager Bottom recommended authorizing the execution of the deed upon completion of the lease contract.

Motion was made by Trustee Hendrickson and seconded by Trustee Wheeler to approve the transfer of title for the property at 2300 South 13th to Sportchassis LLC upon the completion of the lease purchase contract.

Chairman put the motion to a roll call vote:

Aye: Hendrickson, Wheeler, Jordan, Marcy, Bryson

Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

None

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Wheeler and seconded by Trustee Hendrickson that the meeting adjourn.

Chairman put the motion to a roll call vote:

Aye: Wheeler, Hendrickson, Marcy, Jordan, Bryson

Nay: None

Chairman declared the meeting adjourned at 6:40 pm.