**GROVE CITY COUNCIL**

**REGULAR MEETING**

**TUESDAY, OCTOBER 19, 2010**

**6:00 PM**

The Grove City Council met in regular session on Tuesday, October 19, 2010 at 6:00 PM with Mayor Gary Trippensee presiding. Members present were Ed Trumbull, Marty Follis, Larry Parham and Mike Davenport. Also present was City Manager, Bruce Johnson; Attorney, Dave Jones; Assistant City Manager, Debbie Bottoroff; City Treasurer, Lisa Allred; Public Works Director, Jack Bower and City Clerk, Bonnie Buzzard.

**PUBLIC COMMENTS**:

John McCarter addressed the Council to respectfully request that before the Hotel / Motel tax proposition is presented to the public for a vote that the City Council earmark certain issues. McCarter suggested that the Council earmark part of the taxes for the citizens of Grove to improve our city street and sewer systems.

Trumbull made the motion to approve the minutes of the previous meeting. Seconded by Follis. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Parham made the motion to approve the purchase order register. Seconded by Trippensee. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Mayor Trippensee presented a plaque and a certificate of appreciation to Steven Sears as ‘Employee of the Quarter’.

Trippensee opened the floor for discussion with respect to a Resolution declaring the intent to consider approval of a project and creation of a Tax Increment District under the Local Development Act; directing preparation of a project plan; appointing a review committee; directing the review committee to make findings as to eligibility and financial impact, if any, on taxing jurisdictions within the district; directing the review committee to make a recommendation with respect to the proposed project plan; directing the Planning Commission to make a recommendation with respect to the proposed project plan; and containing other provisions relating thereto. Johnson addressed the Council to detail what is taking place in this Resolution:

1. First of all this project is located at the old Grove Integris General Hospital site, and
2. ‘TIF’… what it is and what it represents.

Johnson noted that Mr. Randy Wheeler has approached the City in regards to setting up a ‘Tax Incremental Financing District’ in order to fund a project that encompasses the property of the old Grove Integris General Hospital along Har-Ber Street and Highway 59. This particular project is of a retail development site that encompasses somewhere around 28,000 square feet of retail development, and thirty (30) plus thousand square foot structure for a grocery chain, which would be the anchor spot for this particular area. In order for all of this to take place the existing structures would have to be removed, and infrastructure and improvements would have to be made on that site. The Oklahoma State Statutes will allow for communities to implement a ‘Tax Incremental Financing’, which pays for the infrastructure and improvements by setting the ad valorem or property tax as of the date the ‘TIF’ begins, and is then reassessed after the improvements are made, and the taxes of the assessment is placed back into the property to pay for those improvements. Johnson noted that if this Resolution is passed, it states the City of Grove intent to go forward with this project known as Har-Ber Pointe. The City would establish a review committee that consists of a representative from the following:

* City Council (who shall be Chairman)
* Grove Planning and Zoning Commission
* One representative designated by Delaware County
* One representative designated by Delaware County Health Department
* One representative designated by Eastern Oklahoma District Library System
* One representative designated by Grove Independent Schools District #2
* One representative designated by Northeast Career Technology Center #11
* One representative designated by Grove Emergency Medical Services District, and
* Three representatives of the public at large (who shall be selected from a list of seven names submitted by the representative of the City Council, as chairperson of the review Committee, by the other review Committee members)

Johnson respectfully requested that upon consideration of the Resolution that the following be stricken from the Resolution heading:

…~~approving a professional services agreement~~

Randy Wheeler addressed the Council to report that he and his brother John Wheeler represent ‘Wheeler Interest’ which currently has the described property known as the old Integris General Hospital under contract. Wheeler noted that this project will detail an approximate 32,000 square foot Harps grocery store, which expects to open within the year of 2012, two retails sites consisting of one 18,822 and one 10,000 square foot structures. Wheeler noted that this project is not a Sales Tax, therefore there will not be an impact on the existing Sales Tax, and that the City should have an immediate increase in sales taxes from this development activity. Wheeler entertained questions, comments and concerns from the Council, Staff and participating audience. Johnson introduced Nate Ellis of the Public Finance Law Group. Ellis addressed the Council to report on the overview of the formation of a Tax Incentive and Tax Increment District pursuant to the Local Development Act. Ellis detailed on the following:

**Primary Components:**

* Appoint review Committee
* Prepare Project Plan
* Hold Public Hearing(s)
* Approval by City
* Implementation

**Key Issues:**

* What areas are eligible
* What is the increment
* What constitutes the baseline amount
* What increment can be pledged
* Who would issue debt

**Estimated Timeline:**

* Preliminary Feasibility assessment (15-30 days)
* Project Plan and Economic Development Agreement Preparation (30-90 days)
* Public review and Hearing (30-60 days)
* Implementation of Financing (60-120 days)
* Implementation of Project Plan

Follis made the motion to approve the Resolution as amended. Seconded by Davenport. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a Resolution approving the finding of Categorical Exclusion / Exempt from release of Funds Publications from Grove, CDBG CBDO Housing Revitalization Project. Bottoroff reported on a balance sheet for this project as follows:

Total Housing Funds: $200,000.00

Total Projects Funded: $ 91,237.49 (excluding properties attached to this Resolution)

Remaining Balance: $108,762.51 (average funds expended per property - $6,516.96)

Davenport made the motion to approve the Resolution approving the findings of Categorical Exclusion / Exempt from release of Funds Publications from Grove CDBG CBDO Housing Revitalization project. Seconded by Parham. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a Comprehensive Garbage and Yard Debris Collection contract with Bernice Sanitation, LLC. Johnson introduced this contract to the Council in detail. Johnson noted the following minor change:

Paragraph 2.2.4 – Services to City Facilities:

* Facility – Grove Municipal Airport – 335 Airport Drive

Wayne Crouse – Owner / Operator of Bernice Sanitation addressed the Council to entertain any questions, comments and concerns from the Council, Staff and participating audience in regards to his contract with the City of Grove. Parham made the motion to approve the Comprehensive Garbage & Yard Debris Collection contract with Bernice Sanitation, LLC as presented and amended beginning on November 1, 2010 and expiring on June 30, 2014, which includes the exclusive option for three (3) consecutive one (1) year periods. Seconded by Follis. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding the Attorney Services contract with Kerr & Kerr, Attorneys at Law. Attorney Jones reported that he understood that the total bid was for $5,000 per month to serve the City of Grove and all of its entities. Jones noted that the contract before the Council indicates a contract for $5,000 per month for the City of Grove. Jones felt like the contract for $5,000 per month should be allocated with the City of Grove and GMSA. Trippensee reported that he understood that this contract should be for all Trust and Authorities not just the City. Parham concurred with the statement made by Trippensee. The Council discussed this contract in detail with the Staff, Attorney Jones and proposed contract Attorney Kelly Kerr. Jones strongly suggested that the City consider the following amendment(s) to the proposed contract:

**Section Three – Compensation of City Prosecutor**

For the said retainer, Kerr shall perform the legal work as directed by the City, including but not limited to the following services:

(k) To provide legal services required by Public Trust naming the City of Grove as beneficiary.

Jones reported that the other thing is in accordance to Section Nine (9) – Conflict of Interest. Jones indicated that he felt like the City of Grove should not waive any conflicts of interest with Kerr until it (the ‘City’) fully understands what that conflict is, and that the City deals with the conflicts on a case by case basis. Jones suggested that the Council consider striking the first part of that section as follows:

~~The City will waive in writing any conflicts of interest Kerr may have pursuant to the Rules of Professional Conduct in any matters, which do not directly or indirectly involve the Police department, criminal charging or prosecution matters.~~

Follis reported that in accordance to Section Eight – Scheduling Conflicts states that “In the event Kerr encounters any scheduling conflict in making court appearances, Kerr will endeavor to make arrangements with another competent attorney to cover any necessary appearance” at who cost? Jones suggested that the Council consider amending that section as follows:

Kerr will endeavor to make arrangements, and incur all cost, with another competent attorney to cover any necessary appearances.

Follis noted in accordance to Section One – Employment, is Kerr entitled to any City of Grove fringe benefits. Johnson reported that will not be an option for Kerr. Jones again suggested that the Council consider amending that particular section as follows:

At the end of the paragraph add… Kerr will serve as an independent contractor. Kerr will not be entitled to any city related fringe benefits.

Parham made the motion to approve the City Attorney contract with Kelly Kerr as presented and amended for a term of one year beginning on the 1st day of November 2010, and ending on the last day of October 2011. Seconded by Follis. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding authorization to “Request for Qualifications” Health Insurance Broker for the City of Grove employees’ health insurance. Johnson reported that prior to this fiscal year the City of Grove received notification from the Oklahoma Municipal Assurance Group that they were not going to offer health insurance benefits any longer, and recommended their municipalities use Blue Cross and Blue Shield as their insurance carrier. Johnson added that the City of Grove did not have sufficient time to put this item out for bid, and negotiated health insurance benefits with Blue Cross and Blue Shield. Johnson respectfully requested that the Council authorize the Staff to start the bidding process by advertising for ‘Request for Proposals’ for the city employees health insurance. Davenport made the motion to authorize the Staff to advertise for ‘Request for Proposals’ Insurance Broker for the City of Grove employee’s health insurance. Seconded by Trumbull. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Davenport made the motion to approve a Resolution authorizing application for financial assistance from the Rural Economic Action Plan Fund. Seconded by Parham. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a contract between the City of Grove and the Grove Area Chamber of Commerce for the 2010-2011 fiscal year. Johnson reported that this is a one year contract with the Grove Area Chamber of Commerce in which they will be required to provide the City with quarterly reports, to the satisfaction of the City, evidencing the Chamber’s efforts to promote tourism, economic development, and business relocation to Grove. Johnson noted that the contract amount is for $25,600. However he asked that the following amendment be considered:

**II – Payment by the City**

...pay to the Chamber the annual sum of ~~thirty thousand~~ twenty-five thousand, six hundred

**Attachment - Exhibit “A”–Schedule of Payments**

Each quarter, the entity shall present to the City a Request for Reimbursement itemizing expenses for which the entity seeks reimbursement and attaching to such Request for Reimbursement receipts showing payment of such expenses. The City shall determine whether or not such expenses were for fulfillment of proper public functions and reimburse for only those expenses incurred in fulfilling the obligations of this contract and performance of a proper public function. In no event shall the reimbursements sought during the contract year exceed the contract amount set forth in the attached agreement.

The Council entertained questions, comments and concerns from the following individuals:

* Mr. John McCarter, and
* Doug Drown

Trumbull made the motion to approve the contract between the City of Grove and the Grove Area Chamber of Commerce as presented and amended. Seconded by Follis. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a contract between the City of Grove and the Grove Area Merchants for the 2010-2011 Fiscal Year. Parham reported that the original contract with this organization was created approximately one year ago, and that he felt like this organization should be fully funded by the downtown merchants themselves. Follis indicated that this contract was first created to help assist the downtown merchants during the highway construction with the ‘Shop Local’ campaign. Allred reported that the City of Grove has not fulfilled their contract obligation to the previous year contract with this organization. Allred noted that the Grove Area Merchants submitted invoices to the City that were dated after the expiration of the contract. Those invoices were discussed with the City Manager to determine what the City of Grove obligations were to those invoices. Johnson suggested that the Council keep that amount in the current budget, and that the Council re-address this issue another time. Davenport made the motion to table this item at this time. Seconded by Trippensee. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a contract between the City of Grove and the Grand Lake Association for the 2010-2011 Fiscal Year. Trippensee noted that this contract is similar to the Grove Area Chamber of Commerce, and asked if the same attachment would apply to this contract. Johnson reported that it would not because that language is currently placed in the GLA contract. Follis asked that the following amendments be made to the contract:

Paragraph 1.D - GLA’s Responsibilities

~~Grand Lake Rally~~, and ~~Collegiate Bass Anglers Association Big 12 Conference~~

Trippensee noted that the effective date on Page 2 be changed to read October 19, 2010.

Davenport made the motion to approve the contract with the Grand Lake Association for a one year term beginning on the first day of July 2010 and ending on the last day of June 2011 for the said amount of $16,000. Seconded by Parham. AYE: Trumbull, Parham, Davenport and Trippensee. NAY: None. Follis abstained. Motion carried.

Trippensee opened the floor for discussion regarding a contract between the City of Grove and the Community Crisis Center, Inc. for the 2010-2011 Fiscal Year. Johnson reported no change in this contract. Trumbull made the motion to approve a one year contract between the City of Grove and the Community Crisis Center beginning on the first day of July 2010 and ending on the last day of June 2011 for the said amount of $9,500. Seconded by Trippensee. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a contract between the City of Grove and the Grand Lake Festivals for the 2010-2011 Fiscal Year. Trippensee noted that this event attracts a lot of people to Grove from all over the Country, and that it is a non-profit organization. Trippensee reported that this contract amount is a 40% reduction from the previous amounts distributed to the organization. He suggested that the contract amount for this organization be increased from the proposed amount of $6,000 to possible $8,000 or $9,000. The Council agreed that the increase of funding would need to come from another source in the budget. Trippensee made the motion to approve a one year contract between the City of Grove and the Grand Lake Festivals beginning on this date of passage, October 19, 2010 and ending on the last day of September 2011 for a said amount of $9,000. Seconded by Parham. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a contract between the City of Grove and Lendonwood Gardens for the 2010-2011 Fiscal Year. Johnson announced that this contract is to pay for their water usage, and that there are no changes in this contract from the current year. Davenport made the motion to approve a one year contract between the City of Grove and Lendonwood Gardens beginning on the first day of July 2010 and ending on the last day of July 2011 for the said amount of $3,000. Seconded by Parham. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Trippensee opened the floor for discussion regarding a Resolution amending Fiscal Year 2010-2011 Budget. Johnson presented and discussed in detail a budget report that indicated all of the proposed budget cuts as per each department. Parham made the motion to approve the Resolution amending the 2010-2011 fiscal year budget as presented and amended to the City General Fund:

Revenues - Sales Tax increase of $3,000 from $3,331,645 to $3,334,645

Expenditures – Contribution s to Other Agencies of $3,000 from $112,725 to $115,725

Seconded by Follis. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

Davenport made the motion to approve a Resolution amending Section 3-4: Work Hours, Overtime, and Compensatory Time of the Grove Personnel Policies and Procedures Manual as presented and discussed by Johnson. Seconded by Parham. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.

**WARD REPORT**:

Trumbull reported that he was still receiving information for his City Council packet up to the time of the City Council meeting. Trumbull expressed discontent because he felt like it did not give him sufficient time to comprehend all of the documents fully. He respectfully requested that, in the future, the Council packets are fully prepared in a well-timed manner. Parham and Trippensee concurred.

At 9:06 PM Follis made the motion to adjourn. Seconded by Parham. AYE: Trumbull, Follis, Parham, Davenport and Trippensee. NAY: None. Motion carried.