

Meeting of 2001-9-20 Special Meeting

MINUTES  
LAWTON CITY COUNCIL SPECIAL MEETING  
SEPTEMBER 20, 2001 9:00 A.M.  
WAYNE GILLEY CITY HALL COUNCIL CHAMBERS

Mayor Cecil E. Powell,                      Also Present:  
Presiding                                      Bill Baker, City Manager  
   Gary Jackson, Assistant City Manager  
   John Vincent, City Attorney  
   Brenda Smith, City Clerk

The meeting was called to order at 9:05 a.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT:                                      Randy Bass, Ward One  
   James Hanna, Ward Two  
   Glenn Devine, Ward Three  
   John Purcell, Ward Four  
   Robert Shanklin, Ward Five  
   Barbara Moeller, Ward Six  
   \*Stanley Haywood, Ward Seven  
   Michael Baxter, Ward Eight

ABSENT:                                      None.  
\*Haywood arrived at approximately 9:10 a.m.

Mayor Powell said the U.S. Conference of Mayors adopted a resolution condemning the attack on the United States, praising responders and calling for a national security summit. He read the resolution.

BUSINESS ITEM:

1. Consider awarding a construction contract for the Medicine Park Water Treatment Plant Project by Van Horn Construction, Inc. in the amount of \$34,618,865, or rejecting bids and taking other appropriate action. Exhibits: WTP Financial Report; Memo from City Manager with attachment dated August 24, 2001; Compliance Schedule; Table of Possible Cost Savings.

Baker said bids were opened on August 7 for this project, the bid award was extended for 15 days and there is a total of 45 days to award the contract so Council needs to take action today to either award the contract or to reject the bids. The low bid of \$34,618,865 is above the budgeted amount. Recommended ways to identify additional funds are: deferring the \$4 million water line distribution project and \$1.3 million Gore Boulevard from 67th to 82nd project; reducing the Water Plant Project by \$2.2 million, and using the estimated \$500,000 savings from the landfill project, so enough funding has been identified to allow for Council to award the project. Baker said at some point during the CIP it is likely that these deferred projects can be accomplished because historically more money is collected than is projected, the sales tax looks good at this point but it is not known if that will continue throughout the entire program.

Baker said we have been negotiating with the Town of Medicine Park, and their cooperation is needed to get this project started and completed. He said he believed a substantial agreement had been reached and Medicine Park brought in written documents 15 minutes ago in the form of agreements that would formalize the things that have been discussed for the last several months. Baker said Council had previously agreed to the items and he saw no problem with it, although the City Attorney has not had a chance to review them legally, but as far as the contents, they did not see a problem with it. Baker said we are confident we will have the support of Medicine Park, and that means we do not anticipate any problem in getting a building permit, which was a concern; obviously Council does not want to award a \$34 million construction contract if there is a real doubt about the contractor being able to get a permit. Baker said we also have assurance that Medicine Park will not oppose the closure of the easements and right of ways that we have been talking about that Lawton has to have for this project.

Baker said he and the staff had discussed the project and after all of the discussion and analyzing all of the aspects and information, he recommended Council award the contract and that we proceed with this very, very important project.

Devine asked if the engineer's estimate was \$30 million. Baker said \$30 million was the amount appropriated in the CIP, with \$17 million from ad valorem and \$13 million from sales tax. Devine said the bid is roughly \$34 million and asked why we were trying to come up with \$8 million. Baker said the \$34 million is just construction; the total project cost includes construction, design, engineering and site acquisition which comes to \$38 million. Devine asked if the engineers were off \$4 million. Baker said the estimate was for construction only, but there is also the engineering and site acquisition, so the total cost is approximately \$38 million. Devine said we were then basically short to begin with. Baker said when the project was developed, it was estimated to cost \$30 million, and we were certainly under and the estimate was low.

MOVED by Devine, SECOND by Haywood, to accept the bid and move forward on the project.

Moeller said on deferring projects, since one was in her ward, will anything that is deferred have to come back to Council for further action or would it be automatically dropped or lost. Baker said the items would be brought to Council to decide which projects are done and he hoped all of them could be done, but that will not be known until we get through the entire program and complete the projects and have all of the receipts from the sales tax, but Council may have a decision to make in a few years as to which projects will actually be done. Moeller said the deferred projects should have priority above others.

Purcell said he had questions on the documents the Council was just handed and that he hoped we would not agree to sign them until someone looks at them. Vincent said he met with Medicine Park's attorney and one of their council members this morning, there are some technical problems with the lease, the principal is there and the principal is what Mr. Baker was referring to; one of the things on the leases is they want a 60-year term so the Lawton Water Authority may end up leasing it to the Medicine Park Municipal Authority versus the City so we can have a longer term lease; we have to work out those technical points but the principal is there.

Purcell asked if Lawton is going to write a check to Medicine Park for \$32,657. Baker said yes, Medicine Park has invested in extending infrastructure to different parts of their community and has signed long term notes for that. Baker said the areas Lawton purchased will be taken off of their tax rolls and it would eliminate any revenues Medicine Park would have received to help pay off the debt and they are asking for compensation for that lost revenue to help pay for that infrastructure, and that appears to be a reasonable amount. Purcell said Lawton bought some properties but it shows quite a bit of infrastructure, such as 790 feet of sewer line, 490 feet of water lines, and a contingency, and he did not know how they arrived at the numbers, which seemed rather high. Purcell asked if this was just the way of coming up with a dollar amount that Medicine Park thinks we should pay to compensate them for what they will not be able to collect in the future. Baker said the Mayor of Medicine Park is present and may want to speak.

Mayor Powell thanked Mayor Hennessee for being present, as well as those representing Medicine Park on their board or their residents, and for the manner in which they worked to bring the documents this morning.

Medicine Park Mayor Odus Hennessee said he appreciated the cooperation and understanding in going through this process, which has been a challenge for all of us and we have tried to deal with the issues directly and head on. He said to answer Purcell's question, in that area it did not appear there was a lot of residential development, but the area included approximately 20 residential lots that had been taken in, even though they were not developed, and Medicine Park had provided the basic infrastructure, including a major water line, sewer line, lift stations, and other infrastructure to develop that area. Hennessee said they have a long term note with water resources, and other sources, which they owe about \$144,000 on, and that infrastructure is collateral and has liens on it to cover those notes. Hennessee said he felt they made a conservative estimate of what was there using the State books which determine the value of the infrastructure based on footage, the size of the pipe, current replacement costs, and they think based on that evaluation and study that their numbers are reasonable. Hennessee said they would have to take a substantial portion of that money and pay that directly to the financial company that owns the notes on the infrastructure. Shanklin said that is cheaper than they can do it for in Lawton and Medicine Park is working in granite.

VOTE ON MOTION: AYE: Hanna, Devine, Purcell, Shanklin, Moeller, Haywood, Baxter, Bass. NAY: None. MOTION CARRIED.

There was no further business to consider and the meeting adjourned at 9:20 a.m. upon motion, second and roll call vote.

