**GROVE CITY COUNCIL**

**REGULAR MEETING**

**TUESDAY, MARCH 18, 2014**

**6:00 PM**

The Grove City Council met in regular session on Tuesday, March 18, 2014 at 6:00 PM with Mayor Marty Follis presiding. Members present were Don Nielsen, Marty Dyer and Ivan Devitt. Member Ed Trumbull was absent. Also present was City Manager, Bill Keefer; Assistant City Manager, Debbie Bottoroff; City Treasurer, Lisa Allred; Public Works Director, Jack Bower and City Clerk, Bonnie Buzzard. Attorney, Brandon Watkins was absent.

**PUBLIC COMMENTS**:

Mr. Joe Nowlin addressed the Council to strongly encourage the Council and Staff to prepare for the long range planning & vision both physically and financially of the City of Grove. Nowlin noted that the Council approves a yearly budget that includes contracts to various entities that could possible function without the continual assistance from the City, and strongly urged that they consider that upon preparation of the upcoming budget session. Nowlin also presented detail discussions on the following budgetary issues:

* various grants the City, and it’s Authorities, receive on a continually basis
* code enforcement issues, and
* Grove Municipal Airport by suggesting that the City hit the stop button on the proposed terminal construction due to the financial status of the City.

Dr. Larry Stout addressed the Council to commend the City on the past Economic Development Plan, and he too strongly expressed his concerns with the following financial issues:

* Grove Municipal Airport Managing Authority
* Council decisions on Capital improvements
* Concerns over proposed budget cuts
* TIF Project and its financial impact
* Questioned the City financial stability

Mr. Bill Miller then addressed the Council to express his personal thanks to the City of Grove Police Department for the VIPS program. Miller indicated that the VIP’s monitored his home while they were out of town recently, and that he really appreciated their efforts.

Mr. Bill Dyer addressed Council to express his concerns with the direction the City of Grove is moving with the Municipal Airport terminal construction, and with the financial delay of other priority projects.

Devitt made the motion to approve the minutes of the previous meeting. Seconded by Nielsen. AYE: Nielsen, Devitt and Follis. NAY: None. Dyer abstained. Motion carried.

Devitt made the motion to approve the purchase order register. Seconded by Dyer. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.

Follis opened the floor for discussion with respect to approval of the low bid as amended for the construction of the new airport terminal building and the contractor’s agreement with Brewer Construction for construction of the same both subject to a loan agreement with the Grove Municipal Airport Managing Authority. Keefer reported that as the Council is aware, the bids were opened for the proposed new airport terminal building in December 2013. The bids exceeded the cost estimates and budget for the project. The low bid was from Brewer Construction in the amount of $1,027,000. In turn the engineer negotiated with the contractor with the lowest bid to bring their bid down to $969,775. The Airport authority accepted the low bid at that time and made a recommendation to the Council to approve the revised bid from Brewer Construction and accepting the $500,000 grant from the Oklahoma Aeronautics Commission (OAC). At that time OAC gave the City an extension until mid-March to approve the grant documents. Consideration of the terminal building project was delayed at that time because of the concerns related to the City’s cash flow, and in addition, Staff needed some time to identify how the balance of the $500,000 local match would be provided as there was only $300,000 designated for this project in the 2013-2014 capital budget. Keefer added that it was becoming apparent to the Airport Authority, the Airport Manager and City Staff that the City would not have the necessary funds in place to accept this grant. In an attempt to assist the City and keep the project moving forward, the Airport Authority contacted several local lending institutions to explore the option of taking out a loan to cover the additional local matching funds. It was determined that it would not be financially feasible to pursue that option so a courtesy call was made to the OAC to let them know that the City’s financial issues were still a concern and that there was a chance that the City may have to turn down the grant at this time. Keefer said that the Project Engineer reported that the apron and taxiway projects along the west side of the airport are tied to the new terminal at that location and if these projects would not be constructed, the City would be required to reimburse the FAA the funds that were received for the design engineering on the apron and taxiway. In addition, there were several smaller but necessary improvements included in this project that would now have to be funded by the City, and that the City may be at risk of losing future discretionary and state funding for any future projects. Keefer announced that on the agenda for the Council consideration is the approval of the construction agreement with Brewer Construction in the amount of $ 1 million. There was $57,225 in ‘Value Engineering’ reductions made to the scope of the project to bring the cost down to $969,775. Also included in the agreement is an allowance of $30,225 for written change orders subject to the approval of the owner (City). Therefore the Staff is recommending that the Council consider the additional local match in the amount of $200,000 as a second non-interest loan. The means to cover the payment for this loan as well as the t-hangar loan will come from a reduction in the annual budget contribution that the City makes to the Airport to assist with their operations and maintenance. The annual loan payment would be reimburse the City’s capital Fund to the City’s Capital Fund from which the loans were made (i.e. in the 2014-15 budget the $58,000 will be transferred from the City’s General Fund to the City’s Capital Fund as payment to the two loans as $24,000 for the t-hangar & $26,000 for the terminal loan). Devitt reported that his first preference is to utilize the funding for street and roads; however he understands that if the city doesn’t move forward with this project than we would have roughly $462,000 in repayment of funds. So therefore, Devitt strongly suggested that if the City loans the Airport $200,000 that it not be yet another interest free loan. Keefer indicated if that if it was the Council’s decision than a 2% interest rate could be negotiated with the Airport Authority. Nielsen asked for clarification of understanding that the City can either spend a ½ of million dollars and get nothing in return or spend a ½ million dollars and get a brand new terminal building. The Council and Staff agreed that is a correct statement. Keefer reported that a formal agreement would be drafted between the Airport Authority and the City Council. A provision could be included that would require an annual review of their revenue and expenditures to ensure that the Airport Authority is able to maintain their obligations pertaining to the operation of the airport and in particular the upkeep of the new terminal building. In addition, if the airport revenues increase significantly whereas there is sufficient cash reserves, there could be a provision that some percentage be paid to the City that would assist with paying off the loans in a more timely manner. In turn, if there is insufficient revenue to cover their expenditures, the Authority would take action to either reduce expenses or increase revenues through leases, rent and fuel sales. Keefer announced that he has strongly indicated to the Airport Authority that this is the last of the budget funding the City will allocate to them for a substantial amount of time. The Council entertained questions, comments and concerns from the following individuals:

* Project Engineer, Kelly Fincannon
* Joe Nowlin
* Bill Miller
* Berwin Kock, and
* Dave Helms

Dyer made the motion to approve low bid as amended for the construction of the new airport terminal building and the contractor’s agreement with Brewer Construction for construction of the same both subject to a loan agreement with the Grove Municipal Airport Managing Authority, and contingent upon the receiving of the outstanding reimbursement from the Oklahoma Department of Transportation and the grant approval from the Oklahoma Aeronautic Commission. Seconded by Follis. AYE: Nielsen, Dyer and Follis. NAY: Devitt. Motion carried.

Dyer made the motion to approve the Grant Application to the Oklahoma Aeronautics Commission for the new terminal building at the Grove Municipal Airport. Seconded by Follis. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.

Follis opened the floor for discussion with respect to an Ordinance repealing and replacing Section 6-1 Nonconforming Uses of Chapter 6 General Provisions of the Zoning Ordinance of the City of Grove, Oklahoma upon recommendation from the Planning and Zoning Commission. Bottoroff reported that the non-conforming uses and structures Ordinance has needed to be updated for a while; the proposed amendments are easier to understand, and even more importantly easier to implement and enforce. The Planning and Zoning Commission met and discussed this Ordinance in detail and approved with some minor changes upon recommendation to the Mayor and City Council. Devitt made a motion to approve the Ordinance as presented. Seconded by Dyer. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.

Follis opened the floor for discussion with respect to appointment of Trustee to the Grove Municipal Airport Managing Authority Board. The Staff advertised for this position and received one application from Concha Trippensee. Follis made the motion to appoint Trippensee to the Board as presented. Seconded by Dyer. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.

Dyer made the motion to approve week of April 14-18, 2014 as "Spring Clean Up Week" in the City of Grove. Seconded by Dyer. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.

Nielsen made the motion to approve the contract with Liberty Polytechnics, LLC to provide the July 3rd Fireworks Display for 2014 with two one-year renewal options. Seconded by Dyer. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.

**CITY MANAGERS REPORT**:

Keefer respectfully asked Bower to update the Council on the Harbor Road resurfacing project. Bower reported that the Street Department will sweep Harbor Road in its entirety on Friday in preparation for Swift Construction to start moving in the first of the week.

**WARD REPORTS**:

Follis expressed thanks for all of the participating audience.

Follis wanted to know who is responsible for sweeping the sand from the walking path along Sailboat Bridge. Bower indicated that it is ODOT’s responsible however the Street Department has done it in the past.

Dyer and Devitt commented on the statement made in the opening prayer made by Joe Nowlin in regards to the City of Grove being a great place to live, and that this meeting was a perfect example of that.

Devitt added that he is thankful for the opportunity to be allowed to say a prayer before each meeting.

At 7:56 PM Devitt made the motion to adjourn. Seconded by Nielsen. AYE: Nielsen, Dyer, Devitt and Follis. NAY: None. Motion carried.