



City of Broken Arrow
Special Meeting Minutes
City Council

City Hall
220 S 1st Street
Broken Arrow OK
74012

Mayor Craig Thurmond
Vice-Mayor Scott Eudey
Council Member Mike Lester
Council Member Johnnie Parks
Council Member Debra Wimpee

Tuesday, November 13, 2018

Time 4:30 p.m.

Council Chambers

1. Call to Order

Mayor Craig Thurmond called the special meeting to order at approximately 4:30 p.m.

2. Roll Call

Present: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

Absent: 1 - Debra Wimpee

3. Pledge of Allegiance to the Flag

Mayor Thurmond led the Pledge of Allegiance to the Flag.

4. General Council Business

A. 18-1309 Consideration, discussion, and possible approval of and authorization to execute agreement with North American Surety Insurance Company on Construction Contract Number 166028; Indian Springs Sports Complex Baseball and Soccer Improvements Project

Director of Construction and Engineering, Alex Mills, reported on August 15, 2017 bids were opened for a 2011 GO Bond project for Baseball and Soccer Improvements at Indian Springs. He reported the low bidder was Hoey Construction. He stated the bid was awarded and construction had begun; however, on May 15, 2018 City Council recommended termination of the Construction Contract due to poor performance in terms of quality and timeliness. He stated staff contacted North American Surety Insurance per the Construction Contract and notified North American Surety of its options to fulfill the contract. He stated the contract before City Council was to complete the original Construction Contract; if City Council approved Surety had Notice to Proceed on December 1, 2018 with a 75 day construction time frame ignoring reasonable weather delays. He stated the contract would be for the remaining contract balance of \$264,626.73 dollars.

Council Member Mike Lester asked what options City Council had if performance was unsatisfactory. Mr. Mills responded Broken Arrow had all the sureties it had before within the contract with performance requirements which must be met, and the city could terminate the contract with Surety if the requirements were not met. He indicated Surety had a vested interest in ensuring the Contract was fulfilled properly and he anticipated good results.

Council Member Parks asked if it was unusual for the original company to be rehired to finish the project. Mr. Mill responded in the negative; research showed approximately 90% typically hired the contractor which did not perform well originally. Mayor Thurmond stated if Hoey Construction did not complete the work satisfactorily the bonding company would refuse to bond Hoey in the future. Mayor Thurmond stated it was important to supervise the work and ensure it was completed properly. Mr. Mills stated if the contract was approved he would contact the Surety representative for a meeting to encourage a team approach to completing this project. He stated he hoped it would be a positive experience.

MOTION: A motion was made by Johnnie Parks, seconded by Mike Lester.

Move to approve and authorize execution of agreement with North American Surety Insurance Company on Construction Contract Number 166028; Indian Springs Sports Complex Baseball and Soccer Improvements Project

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

B. 18-1310 Receipt and consideration of bids for and possible action awarding the sale of \$10,860,000 in principal amount of Series 2018B General Obligation Bonds and authorization to execute the pertinent documents related thereto

Director of Finance, Cindy Arnold, reported on October 16, 2018 Council approved bidding of the last issuance of the 2014 Bonds. She stated Mr. Jon Wolff had the information regarding lowest bid.

Municipal Finances Services Representative, Jon Wolff, stated there were three sales today; the first sale was for Series 2018B. He explained the bonds would be issued out of the 2014 election and of the three bids the lowest bidder was BOK Financial Securities at 3.52197% interest; the cover bid was from Robert W. Baird and Co. at 3.570718%. He stated he was comfortable the

three bids represented today's financial market. He recommended City Council award the bid to BOK Financial Securities.

MOTION: A motion was made by Mike Lester, seconded by Scott Eudey.

Move to approve and authorize action awarding the sale of \$10,860,000 in principal amount of Series 2018B General Obligation Bonds to BOK Financial Securities and authorize execution of the pertinent documents related thereto

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

C. 18-1311 Receipt and consideration of bids for and possible action awarding the sale of \$11,500,000 in principal amount of Series 2018C General Obligation Bonds and authorization to execute the pertinent documents related thereto

Ms. Cindy Arnold stated this was the first sale of the 2018C GO Bonds voter approved in August. Mr. Jon Wolff stated the same three bidders came forward for this Bond issue with close to the same interest rates. He stated this was a 20 year term and once again BOK Financial Securities was the low bidder at a 3.518782% interest rate. He recommended awarding the bid to BOK Financial Securities.

MOTION: A motion was made by Mike Lester, seconded by Johnnie Parks.

Move to approve and authorize action awarding the sale of \$11,500,000 in principal amount of Series 2018C General Obligation Bonds to BOK Financial Securities and authorize execution of the pertinent documents related thereto

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

D. 18-1312 Receipt and consideration of bids for and possible action awarding the sale of \$1,000,000 in principal amount of Series 2018D General Obligation Bonds and authorization to execute the pertinent documents related thereto

Ms. Arnold reported this sale was for drainage improvements. Mr. Wolff stated three bids were received from BOK Financial Securities, Robert Baird and Co., and Hutchinson, Shockey, Erley and Co., with Hutchinson, Shockey, Erley and Co. as the low bidder at a true interest cost of 2.624431%. He stated this was sold separately and approved under a separate section of the Constitution as it had a separate legal authorization. He stated he recommended awarding the bid to Hutchinson, Shockey, Erley and Co.

MOTION: A motion was made by Scott Eudey, seconded by Johnnie Parks.

Move to approve and authorize action awarding the sale of \$1,000,000 in principal amount of Series 2018D General Obligation Bonds to Hutchinson, Shockey, Erley and Co. and authorize execution of the pertinent documents related thereto

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

5. Ordinances

A. 18-1314 Consideration, discussion, and possible adoption of Ordinance Number 3544, an ordinance providing for the issuance of \$10,860,000 General Obligation Bonds, Series 2018B by the City of Broken Arrow, Oklahoma, authorized at an election duly called and held for such purpose; prescribing form of bonds; providing for registration thereof; providing levy of an annual tax for the payment of principal and interest on the same; and fixing other details of the issue and declaring an emergency

City Attorney, Trevor Dennis, stated Ordinance No. 3544 was the subsequent consideration of Item 4B which was approved. He stated staff recommended adoption of Ordinance No. 3544 providing for the issuance of the \$10,860,000 dollars General Obligation Bonds, Series 2018B and asked for a separate vote to declare an emergency for the Ordinance.

MOTION: A motion was made by Mike Lester, seconded by Scott Eudey.

Move to approve Ordinance No. 3544

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

MOTION: A motion was made by Scott Eudey, seconded by Mike Lester.

Move for emergency clause

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

B. 18-1315 Consideration, discussion, and possible adoption of Ordinance Number 3545, an ordinance providing for the issuance of \$11,500,000 General Obligation Bonds, Series 2018C by the City of Broken Arrow, Oklahoma, authorized at an election duly called and held for such purpose; prescribing form of bonds; providing for registration thereof; providing levy of an annual tax for the payment of principal and interest on the same; and fixing other details of the issue and declaring an emergency

City Attorney, Trevor Dennis, stated ordinance No. 3545 was the subsequent consideration of Item 4C which was approved. He stated staff recommended adoption of Ordinance No. 3545 providing for the issuance of the \$11,500,000 dollars General Obligation Bonds, Series 2018C and asked for a separate vote to declare an emergency for the Ordinance.

MOTION: A motion was made by Johnnie Parks, seconded by Mike Lester.

Move to approve Ordinance No. 3545

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

MOTION: A motion was made by Scott Eudey, seconded by Mike Lester.

Move for emergency clause

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

C. 18-1316 Consideration, discussion, and possible adoption of Ordinance Number 3546, an ordinance providing for the issuance of \$1,000,000 General Obligation Bonds, Series 2018D by the City of Broken Arrow, Oklahoma, authorized at an election duly called and held for such purpose; prescribing form of bonds; providing for registration thereof; providing levy of an annual tax for the payment of principal and interest on the same; and fixing other details of the issue and declaring an emergency

City Attorney Dennis stated ordinance No. 3546 was the subsequent consideration of Item 4D which was approved. He stated staff recommended adoption of Ordinance No. 3546 providing for the issuance of the \$1,000,000 dollars General Obligation Bonds, Series 2018D and asked for a separate vote to declare an emergency for the Ordinance.

MOTION: A motion was made by Scott Eudey, seconded by Johnnie Parks.

Move to approve Ordinance No. 3546

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

MOTION: A motion was made by Mike Lester, seconded by Johnnie Parks.

Move for emergency clause

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

6. Remarks and Inquiries by Governing Body Members

There were no Remarks and Inquiries by Governing Body Members.

7. Remarks and updates by City Manager, including Recognition of Recent Accomplishments by Employees and Elected Officials

There were no Remarks and Updates by City Manager.

8. Adjournment

The meeting adjourned at approximately 4:48 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Scott Eudey.

Move to adjourn

The motion carried by the following vote:

Aye: 4 - Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

Attest:

Mayor

City Clerk