

Council Conference Room  
Municipal Building  
February 4, 2010

The McAlester City Council met in Special session on Thursday, February 4, 2010, at 5:30 P.M. after proper notice and agenda was posted, February 1, 2010, at 2:58 P.M.

**CALL TO ORDER**

Mayor Priddle led the Pledge of Allegiance and then called the meeting to order.

**ROLL CALL**

Council Roll Call was as follows:

Present: Chris Fiedler, John Browne, Donnie Condit, Haven Wilkinson, Sam Mason & Mayor Priddle

Absent: Buddy Garvin

Presiding: Kevin E. Priddle, Mayor

Staff Present: Pete Stasiak, Acting City Manager; Gayla Duke, Chief Financial Officer; William J. Ervin, City Attorney and Cora Middleton, City Clerk

**SCHEDULED BUSINESS**

---

**1. Discuss Audit finding regarding Cemetery Trust Investments.**

Councilman Fiedler moved to open the floor for the discussion regarding the Audit finding concerning the Cemetery Trust Investments. The motion was seconded by Councilman Browne.

Ms. Duke addressed the Council regarding the Audit finding about the Cemetery Trust Investments. She explained that the finding had to do with the fees and that those fees could not be paid with the interest earned on the investments. She stated that the Auditors had not been able to obtain verification that the investment funds were held in the City's name. She reviewed the various bank statements for the Council. Ms. Duke commented that the Council had suggested that the Care Funds be held locally and she reviewed the state laws governing Care Funds. She stated that by statute the principle of the grave openings and sales could be used for Capital improvements and the interest could be used for care and maintenance of the cemetery. She explained that the information she was able to gather indicated that any changes to the Cemetery Care Fund would have to go through the courts.

There was a brief discussion among the Council that included Ms. Duke and Mr. Ervin regarding the information that Ms. Duke had furnished to the Council, how the Cemetery Advisory Board felt about the handling of the funds, having the City Attorney review the trust documents, the fees that were associated with funds held in a trust and clarifying that the money was not lost but it was not being held in the City's name.

Councilman Mason congratulated Ms. Duke for finalizing an Audit finding. There was no action taken on this item.

## **2. Discussion of Performance Contracting Program for the City's water meter system upgrade with Siemens Industry, Inc.**

Councilman Fiedler moved to open the floor to discuss the Performance Contracting Program for the City's water meter system upgrade with Siemens Industry, Inc. The motion was seconded by Councilman Condit.

Mr. Stasiak commented that a couple of weeks ago the Council had a presentation by Ron Roller with Siemens to replace the City's water meters using a lease purchase performance contract. He stated that the presentation estimated that the City was experiencing a 10% loss in the water sales because of the inaccuracy of the current meters. He commented that the company was at the point in the process where a letter of intent was needed to proceed with the survey. He added that if the letter of intent was given they would pull one hundred (100) meters around the City to test and then present their survey results and contract to the City. Mr. Stasiak stated that there would be a \$50,000.00 cost if the City did not continue with the project at that time but if the City chose to continue that amount would be rolled into the total cost of the project. He commented that there were a couple of issues with this project, which were; 1. This was not part of the budget, and 2. The City was limited to \$500,000.00 in borrowing. He added that this item and the next were very closely connected.

At that time Mayor Priddle asked the City Attorney if the Council could open the next item so both items could be discussed simultaneously. Mr. Ervin stated that it would be fine to have both items open for discussion at the same time.

## **3. Discussion of possible financing options for the Performance Contracting Program for the City's water meter system upgrade with Siemens Industry, Inc.**

Councilman Browne moved to open for discussion possible financing options for the Performance Contracting Program for the City's water meter system upgrade with Siemens Industry, Inc. The motion was seconded by Councilman Fiedler.

Mayor Priddle stated that there were a couple of points, which were 1. Each of the meters was approximately \$300.00 each and with the \$50,000.00 audit the City would be getting about \$30,000.00 in equipment, 2. This would be putting most of the cost onto the citizens and 3. Technologically this would be better for customer service.

There was a lengthy discussion between the Council, Mr. Ervin and Mr. Stasiak concerning the Charter requirements when incurring debt, how it affected the Public Works Authority and the City, how the water billing is processed now, how this upgrade if implemented could affect the citizens, the technological improvement this could be and the other major problems that needed to be addressed. The Council also discussed how the Siemens Industry company would be around in the future and this project could be revisited when the City was better prepared to move forward with this type of project.

Mayor Priddle thanked Mr. Stasiak and the Staff for the information on this project but he felt that the City needed to be better prepared before going to the citizens.

ADJOURNMENT

There being no further business before the Council, Councilman Browne moved for adjournment. The motion was seconded by Councilman Fiedler. There was no discussion, and the vote was taken as follows:

AYE: Councilman Wilkinson, Mason, Fiedler, Condit, Browne & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried and the meeting was adjourned at 6:30 P.M.

---

Kevin E. Priddle, Mayor

ATTEST:

---

Cora Middleton, City Clerk