

March 15, 2010  
Guthrie, Oklahoma  
9:00 A.M.

The Board of Logan County Commissioners met in Regular Session with Chairman Mark Sharpton presiding, Member Monty Pearcy present and Member Mike Pearson present and transacted the following:

The Agenda was posted at 3:19 P.M. on March 11, 2010 and was posted at the Courthouse and Annex.

Present at the meeting were: Dennis Ochs, Kenny Davis, LaVerne Dowding, Charles Simons, Michelle Rathman, Patricia Rogers, Jane Bissel, Kay Wade, Mark Darcy, Mary Murphey, Tim Green, Lana Pearcy, Pat Acton, Jerry Acton, Don Gatlin, Cheryl Downs, Mary Jo Messlet, W.T. Brown, Cathie Cordis, Mary Pat Cordis, Kathy Hathorne, Pam Daniels, Mark Doolittle, Stephen Travis, MD, David Ball, Steve Anderson, Dennis Hunger, Shirley Ford, Sandy Crenshaw, Rob Groseclose, Tim Harris, Nixie Goff, Sherri Longnecker, Lee Roberts, Kyle Roberts, Harlan Bay, Charles West, Rob Hudson and Lowell Barto.

The meeting was called to Order by the Chairman.

The flag salute was given.

#### **MOTION ADOPTED TO APPROVE MINUTES**

Monty Pearcy made the motion which was duly seconded by Mark Sharpton with the voting as follows: Sharpton-AYE, Pearcy-AYE and Pearson-AYE;

THAT, the minutes of March 1, 2010 be approved.

Representatives of Logan Regional Health Systems, Inc. and Whitestone Management, LLC gave a presentation for the purchase of the Logan Medical Center. LaVerne Dowding said that under this plan the hospital will remain in control of local residents. He said the long range plan would eliminate the dependency of the hospital on the sales tax. He said the sales tax would be phased out over three years and end on December 31, 2013. He also stated that the sales tax would only be used to cover indigent and charity care. He said most assets would transfer to Whitestone and be leased back to Logan Regional Health Systems, Inc. He said LRHS would assume operations of the hospital. They propose paying \$5.1 million dollars to Logan County for the land, building and assets of Logan Medical Center. He said it is very important for the hospital to remain in local control.

Mr. Dowding stated that hospital building, land and clinics transfer to Staubach and affiliates for \$3.6 million in cash. Those assets would be leased back from Staubach by LRHS. The operating assets would be transferred back to LRHS in exchange for \$1.5 million in cash. The combination of the two equaling \$5.1 million to the County.

Commissioner Sharpton stated that a local group would then not own the assets rather an entity in Texas would own the assets. Mr. Dowding said that LRHS would lease purchase the assets from Staubach.

Charlie Simmons of Whitestone Management said they are working with Staubach Realty to provide private funding for the acquisition. He said the lease purchase would allow LRHS to purchase the assets for one dollar at the end of the lease.

Commissioner Pearcy asked how the value/offer of \$5.1 million was obtained. Mr. Dowding said that LRHS has to have a number that can be serviceable. He stated that Mr. Simmons also provided some numbers. He said an actual appraisal has not been done. Mr. Simmons said that the financial balance sheet reflects an approximate value of \$12 million. He said only operating assets would be transferred and the cash on hand of approximately \$3 million would not be transferred. He said that \$5.1 million is a liquidation value. He also stated that Staubach and Whitestone are involved to assist in providing a new hospital in the future. He said the ultimate goal is to build a new facility.

Commissioner Sharpton said that it appears that they are offering \$5.1 million for a \$12 million property and also asking for the people to give an additional \$6 million in tax money which equates to the people giving them \$1 million to take the hospital. Mr. Simmons said that the cash assets are not being taken in this plan. The balance of cash would remain with the County.

Commissioner Piearcy stated that the debt would have to be paid from the available cash. Mr. Simmons said the debt is approximately \$3.9 million with a net of approximately \$2.8 million.

Commissioner Piearcy asked why the new structure can make a profit and the hospital cannot make a profit at this time. Mr. Simmons said that with the new plan they will be able to upgrade and add additional services which will increase profitability.

Commissioner Piearcy asked how much land is with the hospital. Dennis Ochs replied there are twenty acres. Mr. Simmons said that the current location is not practical for a new hospital.

Commissioner Sharpton said this is a starting point. He stated he likes the concept of local ownership. He wants the best for everyone.

Mr. Dowding said Quorum would continue to manage the hospital. He said a local board would oversee the management.

District Attorney Rob Hudson introduced his assistant, Lowell Barto. Mr. Hudson said that he and Lowell have begun researching various legal questions connected with the proposal to purchase the hospital. Mr. Hudson said there is a specific statute that would provide for a certified appraisal of the hospital rather than the statute typically used which requires three appraisers to appraise a county owned property. He said that pursuant to this statute, the Board of County Commissioners can take the "best bid" provided the appraised value is offered. Mr. Hudson said there is a legal issue that will need to be addressed in connection with the proposal to continue the sales tax and that he and Lowell will research this matter for the Commissioners.

Commissioner Sharpton said he doesn't see asking to continue the tax. However, it is not a question at this time and no one knows how a vote will turn out. He asked that if the tax were continue doesn't the County still have the responsibility of overseeing the tax. Mr. Barto said that the County would collect and remit the tax. He stated that there would be a firm agreement on how the money would be used.

Pat Rogers, Counsel for the hospital, said that statute states that tax money must be used for public purpose and under the control and supervision of the County. She said that they believe medical care for indigent falls under public purpose. She said the County would have monitoring supervision as agreed with LRHS. She said there is precedent as Kingfisher County approved a tax for a new hospital. She continued that in Enid tax funds were used for a private college.

Mr. Hudson said that he and staff will concentrate to make sure all legal issues are addressed and provided to the Board. He said a consultant with the expertise of hospitals will be needed to do a certified appraisal.

Mr. Simmons said that Whitestone will handle the negotiations of the deal.

Commissioner Sharpton said that the Board will need to seek an advisor to assist the Board in negotiations of this proposal.

Kenny Davis said that the key is how the proposal is looked at. He said they look at it as a way to stop the sales tax. He said the goal is to stop the sales tax.

Mr. Dowding gave a written proposal to the Board with a deadline of April 15, 2010.

There was no action on 2010 Census Partner Resolution.

There was no action on 2010 Census Partnership Agreement.

**MOTION ADOPTED TO APPROVE WEIGHT LIMIT POSTING FOR VARIOUS BRIDGES IN DISTRICT #3**

Mark Sharpton made the motion which was duly seconded by Monty Piearcy with the voting as follows: Sharpton-AYE, Piearcy-AYE and Pearson-AYE;

THAT, Weight Limit Postings for various bridges in District #3 be approved.

**MOTION ADOPTED TO ACCEPT \$200 DONATION FROM DENNIS BIGGS FOR THE PURCHASE OF A TINHORN TO BE INSTALLED ON COUNTY RIGHT-OF-WAY IN DISTRICT #1**

Monty Pearcy made the motion which was duly seconded by Mark Sharpton with the voting as follows: Sharpton-AYE, Pearcy-AYE and Pearson-AYE;

THAT, a \$200 donation from Dennis Biggs for the purchase of a tinhorn to be installed at 2001 S. Broadway in District #1 be accept and deposited into account 6110-2290.

**MOTION ADOPTED TO APPROVE LEASE PURCHASE AGREEMENTS WITH WARREN POWER & MACHINERY INC. FOR GRADERS FOR ALL THREE DISTRICTS**

Monty Pearcy made the motion which was duly seconded by Mark Sharpton with the voting as follows: Sharpton-AYE, Pearcy-AYE and Pearson-AYE;

THAT, Lease Purchase Agreements with Warren Power & Machinery Inc. for four graders for District #1, three graders for District #2 and seven graders for District #3 be approved.

There was no action taken on STP-UZA Programming Resolution for District #2.

**MOTION ADOPTED TO APPROVE HIGHWAY SAFETY PROJECT APPLICATION FOR THE SHERIFF'S DEPARTMENT**

Monty Pearcy made the motion which was duly seconded by Mike Pearson with the voting as follows: Sharpton-AYE, Pearcy-AYE and Pearson-AYE;

THAT, the Highway Safety Project Application for a \$20,000 grant for the Sheriff's Department be approved.

Rob Groseclose, Chief Deputy for the Sheriff, stated the need of a Revolving Account for the purpose of housing inmate. The County Clerk said that an account would be open per statute and no formal action of the Board was needed.

**MOTION ADOPTED TO APPROVE RESOLUTION DETERMINING MAXIMUM MONTHLY HIGHWAY EXPENDITURES**

Monty Pearcy made the motion which was duly seconded by Mike Pearson with the voting as follows: Sharpton-AYE, Pearcy-AYE and Pearson-AYE;

THAT, the Resolution Determining Maximum Monthly Highway Expenditures in the amount of \$736,630.60 for the month of March 2010 be approved.

There were no Resolutions Appointing Requisitioning Officers.

There were no Resolutions Appointing Receiving Officers.

**MOTION ADOPTED TO ADOPT, APPROVE AND ACCEPT THE FOLLOWING ITEMS ON THE CONSENT AGENDA**

Mark Sharpton made the motion which was duly seconded by Monty Pearcy with the voting as follows: Pearcy-AYE, Sharpton-AYE and Pearson-AYE,

THAT, the following items on the Consent Agenda be approved, accepted and adopted:

Approve Payroll for 1<sup>st</sup> half of March 2010  
(See pages beginning 215-A)

Transfer of Appropriations within various accounts:  
(See pages beginning 215-TR-1)

There were no Cash Fund Appropriations

Monthly Reports of County Officers:  
Court Clerk  
Sheriff  
Treasurer  
County Clerk  
Assessor

Accept checks due and owing the County

Blanket Purchase Orders #103963 - #104010

Sheriff's Board of Prisoners Report

Election Board Report

Health Department Report

**MOTION ADOPTED TO APPROVE CLAIM FOR COUNTY EXPENDITURES  
MARCH 2010**

Monty Pearcy made the motion which was duly seconded by Mike Pearson with the voting as follows: Pearcy-AYE, Sharpton-AYE and Pearson-AYE;

THAT, the printout of claims for County Expenditures for March 2010 be approved and signed. The County Clerk is instructed to issue warrants for said claims in stated amounts. (See pages beginning 216-1).

Open Sealed Bid #2010-19 for Bridge #62 Project Materials. Bids were received from:

Sunbelt Equip. Co.	\$52,274.37	
Bridge & Hwy Materials	\$50,907.43	
Steel Supply Co.	\$10,120.11	Did not bid on all items
The Railroad Yard	\$52,660.40	
K&O Construction	\$50,493.81	

**MOTION ADOPTED TO AWARD BID #2010-19 FOR BRIDGE #62 PROJECT MATERIALS  
TO K & O CONSTRUCTION**

**MOTION ADOPTED TO APPROVE CLAIM FOR COUNTY EXPENDITURES  
FEBRUARY 2010**

Monty Pearcy made the motion which was duly seconded by Mark Sharpton with the voting as follows: Pearcy-AYE, Sharpton-AYE and Pearson-AYE;

THAT, Bid #2010-19 for Bridge #62 Project Materials be awarded to K & O Construction in the amount of \$50,493.81 as the lowest and best bid.

Open Sealed Bid # 2010-FD-7 for a 1992 or newer Tanker Truck. Bids were received from:

Osco Tank & Truck Sales, Inc.	1998 Freightliner	\$91,350.00
Mountain Hi Truck & Equipment	2003 Peterbuilt	\$98,223.00
Mountain Hi Truck & Equipment	1998 Kenworth	\$99,788.00

Bid was tabled until March 31, 2010 per the written request of Charles Downey, Fire Chief of the Coyle Fire Department.

There were no citizens to be heard.

New Business:

David Ball, Emergency Management Director, told the Board that he needs a list of non major collector bridges to present to Hazard Mitigation Specialist for possible future funding.

**MOTION TO ADJOURN**

Mark Sharpton made the motion which was duly seconded by Monty Pearcy with the voting as follows: Pearcy-AYE, Sharpton-AYE and Pearson-AYE,

THAT, there being no further business to come before the board the meeting was adjourned until a 9:00 A.M. March 31, 2010.

ATTEST: \_\_\_\_\_

Logan County Clerk

Chairman, Board of County Commissioners