

Treece Relocation Trust Meeting of
December 2, 2010
Cherokee County Court House

Meeting called to order by Chairman Bicknell at 10:00 AM

Roll Call: All Trustees present

KDHE Staff: Bob Jurgens & Ryan Singer

MMSC (Hamilton/McBride) to approve the minutes of the 11/4/10 meeting.

MMSC (McBride/Hamilton) to approve the minutes of the 12/1/10 public meeting.

MMSC (McBride/Hamilton) to accept the financial report as prepared by the accountant.

OLD BUSINESS:

CORPORATE SEAL: Bob Jurgens reported an error had been made on the corporate seal for the Trust. It should have had the words, "A Kansas Public Trust" on it. He is working on a solution to the oversight and get it corrected. Bob also mentioned staff had reviewed the by-laws for ongoing compliance, and it appears the Trustees are remaining in compliance.

COUNTY TAX SALE DISCUSSION: Betty McBride shared the County Commissioners, she believed, had the power to remove properties from the pending tax sale. There are three parcels in Treece that are on the list. She encouraged the Trust to approach the County Commission and request they be removed, thus keeping any tax issues within the purview of the Trust and the financial transactions relating to property acquisition and closing services.

MMSC (Delmont/Dahmen) that Trustees McBride and Hamilton approach the Commission with a removal request on the three parcels in Treece.

APPRAISAL STATUS: Staff will have all the appraisal results for Phase I before the Trustees shortly.

LEGAL WORK FOR THE TRUST: Chairman Bicknell shared he had met with Bill Morin, a highly qualified tax and trust attorney from Pittsburg about legal services, in light of the fact we received no response from our RFP. After discussion;

MMSC (McBride/Delmont) to engage Bill Morin to do legal work for the Trust, if needed, at a rate of \$150/hour, with the formalization of the contract agreement to be prepared by Bob Jurgens, for approval by the Trustees.

BUY-OUT FUNDS REQUEST: Bob Jurgens shared that the initial request for buy-out funds will get closer scrutiny from EPA, because of the anticipated request of approximately \$1,000,000. Chairman Bicknell shared that actual funds (cash) available is closer to \$2.7 million, with the balance of the budget being matching and in-kind services.

CLOSING SERVICES RFP RESPONSES: Respondents were: Crawford County Abstract from Girard; Complete Title Services from Joplin; First American Title from Columbus. KDHE is recommending we contract for services from multiple vendors because of the timelines and volumes of properties we are dealing with.

MMSC (McBride/Delmont) to accept the bids of all three RFP respondents, for title search services to date of closing, with all closing activities be held at the Cherokee County Court House in Columbus.

REVIEW OF DRAFT “OFFERING LETTER”: After reviewing, said letter, Bob Jurgens volunteered to develop a, “check sheet” as an attachment, allowing sellers to check off the items they would like to be able to remove from the homes/properties prior to closing. He also volunteered to work up an RFP for auction services. The thinking being, if the properties set empty for even a very short time, vandalism could occur on those properties not scheduled for demolition, thus reducing the opportunity for some cost recovery.

NEW BUSINESS:

TEMPLATE FOR PURCHASE CONTRACT: We may be able to merely utilize the closing statement prepared by the closing company. Jurgens to research possibility further.

DEE CLEAN-UP: In some cases, the cost of legal fees could exceed the value of the property to be acquired, thus leaving the sellers with little net settlement. The possibility of having the deed clean-up expenses (attorney fees) paid by the Trust, and then withheld from the purchase funds was discussed. This would help some of the property owners to not have to come up with several thousand dollars up front. Bob Jurgens will discuss the issue with one of the closing companies to discuss options. Chairman Bicknell offered to discuss this matter with Bill Moring to see if he would do this clean-up service at his quoted rate.

EPA/KDHE DISCUSSIONS: All required reports are and have been filed with EPA by KDHE staff.

Bob Jurgens shared the appraisal valuation spreadsheets would be submitted to the Trustees in preparation for the next meeting. If specific property information is needed, it can be provided. This approach could create mountains of paper unnecessarily. The review appraisal process would only be utilized if the appraisal figures were way out of some reasonable range.

MMSC (McBride/Dahmen) to adjourn.

Jim Dahmen, Secretary
12/2/10