

**KAY CO. GRAND JURY
SUBMISSION OF QUESTION**

I, Jessica Pepper, formally request the Kay Co. Grand Jury to consider the following question for review.

Did the City of Blackwell violate (and does the City of Blackwell continue to violate) the Oklahoma Open Meetings Act (11 O.S. § S311, et seq.) by conducting business in private, outside of official meetings, and then voting on specific issues without discussion at the official meetings?

1: The November 29, 2007 issue of The North Central Reporter in an article titled Blackwell Commissioner claims he was left out of closed-door meeting regarding city manager, City Commissioner Max Wirtz made claims that he was not involved in discussions regarding the resignation of City Manager Sally Norris.

He asked fellow commissioner how he could represent his district fairly if decisions are made by the board prior to meetings without his knowledge. He said that the Commissioners also "conducted numerous phone calls, which Wirtz claimed was legal. The discussions were between one another, used to arrive at the decision to replace Norris."

The North Central Reporter wrote, "Whether or not those phone calls took place was not verified, by Wirtz's accusations could carry greater implications than just leaving him out of the decision-making process. According to the Oklahoma Attorney General's Office, teleconferencing, specifically 'serial calling,' by public officials is strictly forbidden under the Open Meeting Act."

Timeline

- News paper article 11-16-07 Sally wants reassigned to another position within City Hall, and she want to resign from the position as City Manager. She made the request on Thursday November 15, 2007. The City of Blackwell had approx. one and a half (1 ½) days to find a intern replacement for Sally Norris.
- Friday November 16, 2007 the Blackwell City Commission and the Blackwell Municipal Authority held a Special Meeting Upstairs as noon. They only had one item to discuss on the agenda; both Sally Norris and Max Wirtz were present.
- November 17, and November 18, 2007 the weekend City Hall is closed.

- November 19, 2008, The Blackwell City Commissioners have a regular meeting in which the Commissioners discussed the resignation and reassignment of Sally Norris and the hiring of Mike Jeffers for interim City Manager.

Max Wirtz made it sound as if the Blackwell City Commissioner talked about the resignation and the reappointment of Sally Norris with out him, the question is when? Did the City of Blackwell already have Mike Jeffers picked out for the interim City Manager position or was City Hall able to contact Mike Jeffers, propose the internship, draft a employment agreement, and post the agenda with in 6 hours or less on 11-15-07.

Submitted this day November 28, 2008.

Requesting Party J. Pepper

Blackwell commissioner claims he was left out of closed-door meetings regarding city manager

► Charter committee member takes over city manager post

By Korina Schneider

BLACKWELL – City commissioners appeared reluctant to accept the reassignment of City Manager Sara “Sally” J. Norris during their regular Nov. 19 meeting. One commissioner even protested the vote, claiming he was excluded from discussions that took place outside the regular meeting and that Norris, who was not in attendance, was given little option in the matter.

Mayor Mark Cordell said recent negative comments from the media had “no bearing” on the decision to replace Norris, and that hiring Norris “was the right decision 10 years ago.”

Following comments from Cordell and Commissioner Nita Carroll, who expressed nothing but respect for Norris

and said she will be greatly missed, Commissioner Max Wirtz made it clear to the public that he was “disappointed” in the board’s decision and bluntly asked, “If we are a viable board, then where was the meeting to discuss this item?”

Wirtz said he was offended by the fact that he was “excluded” from the process of making the decision, and he hoped any actions taken by the board are the result of “above-board” meetings.

He asked fellow commissioners how he could represent Ward 2 fairly if decisions are made by the board prior to meetings without his knowledge.

Wirtz also questioned other commission members about the funds that will be required to replace the city manager, which can run into the thousands of dollars.

Following the meeting, Wirtz said fellow commissioners met with Norris prior to the regular meeting and asked for her resignation.

He said commissioners also conducted

numerous phone calls, which Wirtz said was legal, between one another to arrive at the decision to replace Norris.

Whether or not those phone calls took place was not verified, but Wirtz’ accusations could carry greater implications than just leaving him out of the decision-making process.

According to the Oklahoma Attorney General’s Office, teleconferencing, specifically “serial calling,” by public officials is strictly forbidden under the Open Meeting Act.

According to Debra Schwartz of the Attorney General’s Office and Oklahoma Press Association Executive Director Mark Thomas, the act of making individual calls by commissioners to fellow commissioners to obtain other commissioners’ opinions on matters that should be addressed publicly is a violation of the Open Meeting Act and falls under State Statute 306, which addresses teleconferencing.

The statute states that “No informal gatherings or any electronic or telephonic

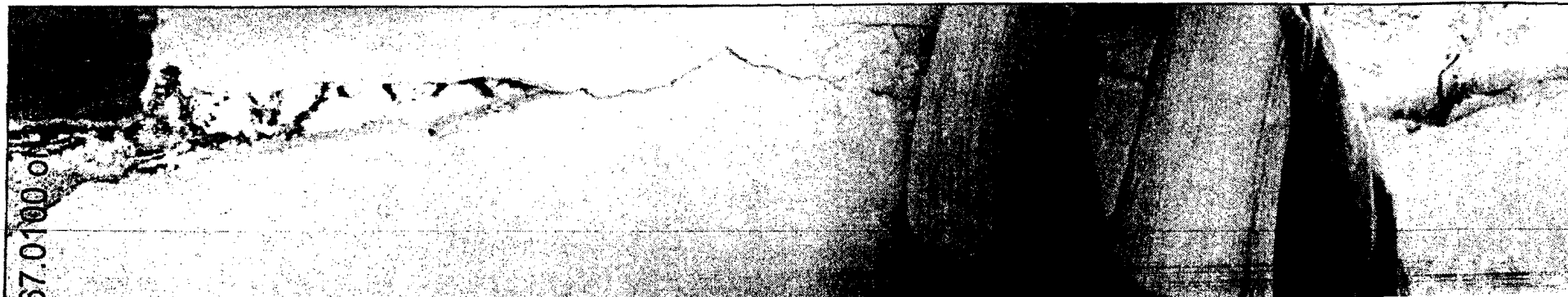
communications, except teleconferences as authorized by Section 3 (during regularly-scheduled meetings) of this act, among a majority of the members of a public body shall be used to decide any action or to take any vote on any matter.”

Thomas said the wording of the provision in the act often is misconstrued by public officials who believe calling each other between meetings to discuss public issues is allowed as long as the officials are only speaking on a one-on-one basis.

Thomas said officials are not allowed to do that, and several opinions have been issued by the attorney general regarding the matter.

Specifically, Opinion 81-69(4) states that “A single member of the city council of a charter city may not lawfully meet privately (including by telephone) with each of the other council members separately to obtain signatures of a majority of the council upon a document

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and use that document to take an action otherwise required to be considered and voted upon at an open meeting.”

Furthermore, Section 3 in the same opinion states that “The city council of a charter city may not dismiss or demand the resignation of the city manager by a vote taken outside a public meeting or within an executive session and without notice to the public.”

Thomas said the wording of the opinion and the guidelines in the act itself is confusing and leaves open doors for public officials, but he is backing legislation that could change the wording of the statute as early as next year.

He hopes a revised statute will include wording that addresses phone calls between individual public officials, specifically outlining provisions that make it illegal to discuss public matters in private settings, even between public officials who argue that it is allowed to meet privately as long as a quorum is not present.

Wirtz’ comments went unaddressed by the board, and Commissioner Brad Bechtel followed Wirtz’ statements with praise for Norris.

“At her level, we all aspire to be where she is,” Bechtel said.

He said he has enjoyed working with Norris and feels fortunate that she will stay on the city’s payroll as a clerk for the next six months while the search for a new city manager takes place.

gave an informal “yeah,” signifying his reluctance to pass the motion, which was later revised and voted on again.

Following the approval of an independent audit conducted by Certified Public Accountant Joseph E. Carlson and the approval of the disposal of surplus equipment, Cordell realized the commission voted on nothing in the previous agenda item and asked to move back to Item 8(B) and revote the appointment of interim city manager.

The commission took a second vote and announced that Mike Jeffers will fill Norris’ shoes during the interim.

Jeffers, who attended the meeting, hails from California and taught school and served as a principal and teacher in the Los Angeles school system. More recently, he has served on the city’s Charter Committee and helped to advise commissioners on proposed charter changes.

Jeffers will serve as city manager until a replacement can be found.

During the independent audit report, prior to the second vote regarding the interim city manager, Carlson said he was hired by the city to examine financial statements and determine if monies are being spent in the best manner possible.

Carlson said the city has been blessed with federal financial aid totaling between \$400,000 and \$500,000 this year. The funding was awarded to the fire department, which made several upgrades and bought new equipment with the

He also said that although it is a problem, it is a situation faced by cities across Oklahoma.

“Blackwell is not unique,” he said. “Virtually every city of this size is going through the same thing.”

He said it is critical that the city find new ways to generate additional revenue.

In a final agenda item, the commission approved a resolution amending a former resolution. The new resolution increases the beneficiary approval amount in obligations needed for the benefit of Oklahoma Ethanol LLC, the company constructing the state’s first ethanol plant, which will be located in Blackwell.

The new resolution raises the beneficiary amount from no more than \$30,000,000 to no more than \$150,000,000.

The item was passed with no discussion from the board. Blackwell Industrial Authority Executive Director Shane Frye

was given the opportunity to further explain the agenda item but declined to comment.

Cordell adjourned the meeting without a motion and called the municipal authority meeting to order.

Commissioners entered into executive session with the new interim city manager and the supervisor of the city’s power plant to discuss a resolution amending Resolution No. 05-04-2004E “establishing rates for electric energy to provide for an additional rate for large power/educational facility user.”

Upon voting to reconvene from executive session, the commission voted to accept the new rate on a five-year contract that will apply to the new elementary school being built in Blackwell as soon as it opens.

The commissioners did not disclose what that rate will be, and the meeting was adjourned by Cordell without a motion.

AUCTION

Saturday, Dec. 15, 2007

10:00AM

"THE FEED STORE"

Medford, Oklahoma

30 Acres (MOA)

Blackwell City Commission Agenda
Monday, November 19, 2007
City Administration Building
221 West Blackwell
Blackwell, OK 74631

1. Meeting Called to Order 7:00 p.m.
2. Opening Ceremonies.
3. Special Presentations and/or Recognitions:
4. Consent Agenda:
(A) Minutes of 11/05/07 Meeting.
5. **Public Comments.** (Open for Blackwell Citizens to be heard on items not included on this agenda. As provided by law, the City Commission shall make no decisions or consideration of action of citizen's comments, except to refer the matter to the City Manager for administrative consideration, or to schedule the matter for Commission consideration at a later date. Those citizens addressing the City Commission are requested to come to the microphone and identify themselves by name and address for the official record).
6. Board Comments.
7. Management Comments.
8. Business:
 - (A) Discussion and Action on Acceptance of Request of Sara J. Norris to be Reassigned to Other Duties Within the City of Blackwell.
 - (B) Discussion and Action on Appointment of Interim City Manager.
 - (C) Acceptance of 2006-2007 Audits for City of Blackwell and Other Component Units as Prepared and Presented by Joseph E. Carlson, CPA.
 - (D) Discussion and Action on Declaration of Surplus Equipment and Materials.
 - (E) Consideration and Action Upon Resolution Amending and Supplementing City Commission Resolution No. 08-30-07A of August 30, 2007, Whereby the City Commissioners Gave Beneficiary Approval to the Issuance of Not to Exceed \$30,000,000 in Obligations for the Benefit of Oklahoma Ethanol, LLC; said Resolution Increasing the Beneficiary Approval Amount to Not to Exceed \$150,000,000 in Taxable and/or Tax-Exempt Obligations in Multiple Series for the Benefit of Oklahoma Ethanol, LLC; and Waiver of Competitive Bidding with Regard to the Sale Thereof.
9. New Business.
10. Adjournment.

Posted 11/15/07, 4:00 p.m. Dehua Paige City Clerk

11-16-07

Norris wants out as city manager

Asks commission for reassignment

By Charles Abbott
J-T News Editor

City Manager Sally Norris requested Thursday she be relieved of her duties as city manager.

Norris made the request in a written statement to Mayor Mark Cordell and Commissioners Brad Bechtel, Max Wirtz and Nita Carroll.

Norris said in her statement: "I request that I be relieved of my duties as city manager and general manager of the BMA (Blackwell Municipal Authority) as soon as arrangements can be made and that I be reassigned to other duties within the city.

"This will require a change in the terms of my current employment contract, which we can work out over the next few days."

Norris had no comment when contacted this morning by the *Journal-Tribune* this morning.

A posted item is already on Monday night's City Commission agenda to take action on the appointment of an interim city manager.

The commission meeting is at 7 p.m. in the commissioners' meeting room at the city hall.

The *J-T* was able to reach Mayor Cordell and two of the three commissioners for their



Sally Norris

comment this morning.

Cordell said he had no comment at this time and would have something to say at Monday night's meeting.

"We'll appoint an interim and advertise for the city manager position," Cordell said today.

Wirtz said the decision by Norris was "a huge disappointment" for him and he would have further comment at Monday's meeting.

Carroll said she would have comments to make at Monday's meeting also.

Norris became interim city manager in the summer of 1998 after the resignation of City Manager Bob Annis.

She served about a year in the interim capacity before she was named city manager.

SPECIAL MEETING
Blackwell City Commission
Blackwell Municipal Authority
Friday, November 16, 2007
12:00 P.M.
City Administration Building
Upstairs Conference Room
221 West Blackwell
Blackwell, Oklahoma

1. **Call Meeting to Order** **12:00 P.M.**
2. **BUSINESS:**
 - A. **Discussion and Possible Action on Capital Improvements Items Including Financing of Various Projects/Equipment Defined in 2007-2008 Department Requests: Utility Upgrades (West Side Service Area) and Electric Upgrades to Various Sections of Blackwell.**
3. **Adjournment.**

Posted 11/14/07 at 12:00 p.m. by  Deputy City Clerk

**MINUTES OF SPECIAL MEETING OF THE
BOARD OF COMMISSIONERS
BLACKWELL MUNICIPAL AUTHORITY
BLACKWELL, OKLAHOMA
FRIDAY, NOVEMBER 16, 2007**

Pursuant to the legal notice as is required by the Oklahoma Open Meeting Act, including the posting of notice and agenda on November 14, 2007, as is required by the terms thereof, the Blackwell Board of Commissioners of the City of Blackwell met in a special meeting at 12:00 p.m. in the commission room of City Hall located at 221 West Blackwell, Blackwell, Oklahoma with Mayor Cordell presiding:

Present: Mark Cordell, Mayor
Nita Carroll, Commissioner Ward 1
Max Wirtz, Commissioner Ward 2
Brad Bechtel, Commissioner, Ward 4
Sara Norris, City Manager
Linda Boyer, Deputy City Clerk
Mary Ann Karns, City Attorney

Absent: Debra Paige, City Clerk

Others present: Rick Smith, Municipal Finance Services, Inc.; Lynn Moore, P.E.C.; Fred Belair, Veolia Water; Wayne Jackson, Street Supervisor; Dave Keen, Electrical Supervisor; Mike Jeffers and 3 citizens in the audience.

1. MEETING CALLED TO ORDER:

Mayor Cordell called the special meeting to order at 12:15 p.m.

2. Discussion and Possible Action on Capital Improvements Items Including Financing of Various Projects/Equipment Defined in 2007-2008 Department Requests: Utility Upgrades (West Side Service Area) and Electric Upgrades to Various Sections of Blackwell.

Rick Smith from Municipal Finance Services, Inc. presented a Financial analysis related to sales tax funded capital improvements. (Phase II Projects). The analysis concerned the financing of Phase 1 Electrical System Improvements and West Side Water System Project.

Manager Norris presented a list of capital improvement needs for 2007-2008 with estimated cost, source of payment and total dollars needed.

Commissioner Carroll left the meeting at 1:30 p.m.

Following discussion the following motions were made:

1. Motion made by Bechtel, seconded by Wirtz to authorize Municipal Financial Services and staff to proceed with all actions necessary for the 2008 Bond Issue. Roll, yeas: Cordell, Wirtz and Bechtel. Motion carried.

2. Motion made by Bechtel, seconded by Wirtz to authorize Veolia Water to go out for bid for 2 vehicles, a half ton and a one ton truck. Roll, yeas: Cordell, Wirtz and Bechtel. Motion carried.

3. Motion made by Wirtz, seconded by Bechtel to authorize going out for bid for a one ton flat bed truck with accessories for the Street Department. Roll, yeas: Cordell, Wirtz and Bechtel. Motion carried.

3. ADJOURNMENT.

There being no further business Mayor Cordell adjourned the meeting at 1:55 p.m.

Linda Boyer, Deputy City Clerk

**MINUTES OF MEETING OF THE BOARD OF COMMISSION
BLACKWELL, OKLAHOMA
November 19, 2007**

Pursuant to the legal notice as is required by the Oklahoma Open Meeting Act, including the posting of notice and agenda on November 15, 2007 as is required by the terms thereof, the Blackwell Board of Commissioners of the City of Blackwell met in regular session at 7:00 p.m. in the Commissioners' Room of City Hall located at 221 West Blackwell, Blackwell, Oklahoma with Mayor Cordell presiding:

Present: John Mark Cordell, Mayor
 Nita Carroll, Commissioner Ward 1
 Max Wirtz, Commissioner Ward 2
 Brad Bechtel, Commissioner Ward 4
 Mary Ann Karns, City Attorney
 Debra Paige, City Clerk

Absent: Sara Norris, City Manager

Others Present: Fred LeValley, Police Chief; Dave Keen, Electric Supervisor; Joseph Carlson, CPA;
 Charles Abbott, Blackwell Journal, and 53 citizens in the audience.

1. **MEETING CALLED TO ORDER:** Mayor Cordell called the meeting to order at 7:00 p.m.
2. **OPENING CEREMONIES:** Prayer was given by Commissioner Wirtz followed by Pledge of Allegiance led by Commissioner Carroll.
3. **SPECIAL PRESENTATIONS AND/OR RECOGNITIONS:** None.
4. **CONSENT AGENDA:**
 - A. Minutes of 10/15/07 Meeting.

Item A as contained on the Consent Agenda was found to be non-controversial and routine in nature by the Board of Commissioners and a motion by Bechtel, seconded by Carroll, to approve consent agenda as presented. Roll, yeas: Cordell, Carroll, Wirtz and Bechtel. Nays: none. Motion carried.
5. **PUBLIC COMMENTS.**

Dale Oard, a resident at 820 West College came before the Commission with his concerns about the animal shelter. Oard also had concerns about what was going on with F.O.P. and the replacement of Commissioner LeValley.
6. **BOARD COMMENTS.**

Mayor Cordell told Mr. Oard on December 3, 2007 meeting there will be an item on agenda to fill the vacancy of Commissioner LeValley. Cordell announced there would be a silent auction at the Elks Lodge on Saturday, November 24, 2007 at 8:00 p.m. for needy children for Christmas. Cordell acknowledged all the volunteers who worked so hard on the Centennial and Veterans celebration. Cordell said 10 years ago Sally Norris was asked to be City Manager and it was the right decision. Norris brought the community together. Cordell hopes the decisions made tonight are as good as 10 years ago.

Commissioner Carroll said Norris has served with dedication and love to the City.

Commissioner Wirtz expressed his concern and disappointment in the latest decision regarding the city manager and how it came about. Wirtz said he was excluded from the process and hoped in the future any actions would include him and all the city commissioners in an open and above board meeting.

Commissioner Bechtel said he has enjoyed working with Norris as City Manager. Her hard work and determination would be an asset for anyone she works for.

7. **MANAGEMENT COMMENTS:** None.

8. **BUSINESS: (Discussion and Action on):**

(A) **Discussion and Action on Acceptance of Request of Sara J. Norris to be Reassigned to Other Duties Within the City of Blackwell.**

Motion made by Carroll, seconded by Bechtel to accept the request of Sara J. Norris to be reassigned to other duties within the City. Roll, yeas: Cordell, Carroll and Bechtel. Nays: Wirtz. Motion carried.

(B) **Discussion and Action on Appointment of Interim City Manager.**

Motion made by Bechtel, seconded by Carroll to take action on appointment of Interim City Manager. Roll, yeas: Cordell, Carroll, Wirtz and Bechtel. Nays: none. Motion carried.

(C) **Acceptance of 2006-2007 Audits for City of Blackwell and Other Component Units as Prepared and Presented by Joseph E. Carlson, CPA.**

Joseph Carlson, CPA presented the 2006-2007 Audits.

Motion made by Wirtz, seconded by Carroll to accept the 2006-2007 Audits. Roll, yeas: Cordell, Carroll, Wirtz and Bechtel. Nays: none. Motion carried.

Back to Agenda Item B. Mayor Cordell introduced Mike Jeffers.

Motion made by Bechtel, seconded by Carroll to appoint Mike Jeffers as Interim City Manager. Roll, yeas: Cordell, Carroll, Wirtz and Bechtel. Nays: none. Motion carried.

(D) **Discussion and Action on Declaration of Surplus Equipment and Materials.**

Motion made by Wirtz, seconded by Bechtel to declare certain equipment and material as surplus. Roll, yeas: Cordell, Carroll, Wirtz and Bechtel. Nays: none. Motion carried.

(E) **Consideration and Action Upon Resolution Amending and Supplementing City Commission Resolution No. 08-30-07A of August 30, 2007, Whereby the City Commissioners Gave Beneficiary Approval to the Issuance of Not to Exceed \$30,000,000 in Obligations for the Benefit of Oklahoma Ethanol, LLC; said Resolution Increasing the Beneficiary Approval Amount to Not to Exceed \$150,000,000 in Taxable and/or Tax-Exempt Obligations in Multiple Series for the Benefit of Oklahoma Ethanol, LLC; and Waiver of Competitive Bidding with Regard to the Sale Thereof.**

Motion made by Bechtel, seconded by Carroll to approve Resolution 11-19-07A amending and supplementing Resolution 08-30-07A. Roll, yeas: Cordell, Carroll, Wirtz and Bechtel. Nays: none. Motion carried.

9. **New Business.** None

10. **ADJOURNMENT.**

There being no further business Mayor Cordell adjourned the meeting at 7:35 p.m.

Debra Paige, City Clerk

Jeffers named interim city manager

By Charles Abbott
J-T News Editor

Before a room full of spectators, Michael J. Jeffers was named interim city manager of Blackwell at Monday night's City Commission meeting, replacing City Manager Sally Norris.

Jeffers was born in Blackwell. Most of his high school years were spent at Ponca Military Academy.

He graduated with a B.A. degree in economics and business from the College of Idaho in Caldwell, Idaho.

He spent his entire working career with the Los Angeles City School System where he was a teacher and administrator for 35 years.

He was also an adjunct professor for California State University, Los Angeles, and National University, teaching a variety of educational courses.

During his teaching career he sat on the executive board of three foundations, working with the arts, nutrition and technology and was one of 100 principals selected across the country to

attend the Summer Principal Institute at Harvard University.

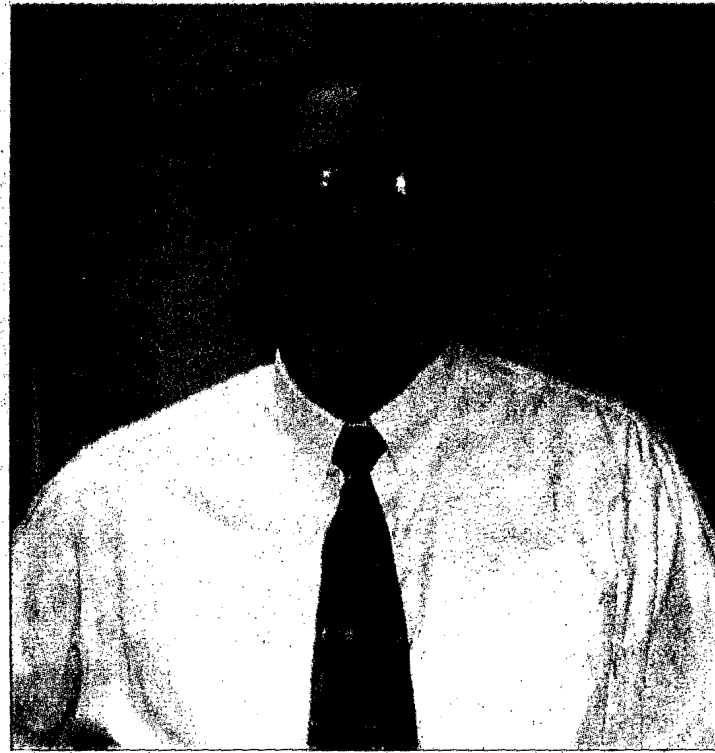
Jeffers was president of the Elementary Principals Association, an organization of over 450 principals citywide and held numerous state and local positions. He had an extensive and distinguished career with the Los Angeles School System.

Jeffers took the position of interim city manager on a volunteer basis. "I will do anything I can to help the city and keep it afloat. I'm willing and glad to do what I can," he said.

Jeffers met with Norris early Tuesday morning. "She was very gracious and extended her hand in friendship and said she will help me in any way she can," Jeffers said.

Jeffers said his first task will be to immediately begin a search for a new city manager. Jeffers is not seeking the job himself and said he has a 90-day contract with the city, running through February.

Earlier in the meeting city officials praised the work Norris did as both interim city manager



Michael Jeffers

and as manager.

"Ten years ago Sally was asked to be city manager and it was the right decision 10 years ago," said Mayor Mark Cordell. "She brought our community together. We have a good com-

munity and I think we need to move on," Cordell said.

Commissioner Nita Carroll said Norris "served with love for the community" and said she was grateful Norris will serve for another six months in city gov-

ernment.

Commissioner Brad Bechtel paid tribute to Norris' integrity and character, saying those attributes are "something we all aspire to" and he respected her.

However, Commissioner Max Wirtz had a different take about the way Norris' decision came about.

"I want this board to know my disappointment in the way their latest decision in regard to the city manager came about," said Wirtz.

"If we are a viable board, then where was the meeting to discuss this item? I was excluded from this process and frankly, the feeling of subversion abounds. Since being left out of this process/decision, I would hope that any future actions of this body will include me and all the city commissioners in an open and above board meeting.

"After asking this question many times in the past, I must ask again, 'where are the funds to search for and adequately pay a new city manager? If decisions

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Jeffers

Blackwell Journal-Tribune

of this importance are at be made without my knowledge, how can I represent Ward 2 and fulfill my duties?"

When the vote was taken on Norris' request for resignation, Wirtz voted. The other commissioners voted in favor of the request. In his comments Mark Cordell said the

Lodge is holding a silent parade at 8 p.m. Saturday, 24 to benefit needy children. Cordell thanked all the volunteers who helped with Centennial/Veterans Parade, calling it "true group effort."

He also noted the a Becky Hutton received INTEGRIS hospital, the C. Ingram Award as Volunteer of the Year.

In business from the Dale Oard asked about the resignation of Commissioner Steve LeValley, among inquiries, and was the going to appoint someone to fill LeValley's remainder? Oard was told by Mark Cordell that someone would be appointed to replace LeValley at the first commission meeting in December. Oard also expressed

concern about the city's shelter and its problems the "situation with the FO In another business meeting the commission heard a report on the 2006-07 city audit Joseph Carlson of the Joe E. Carlson CPA firm. Carlson said the city's assets exceed its liabilities and the city's

March 2007 01A06C12C

becky Hutton received from INTEGRIS hospital, the Joe C. Ingram Award as Volunteer of the Year.

In business from the floor, Dale Oard asked about the resignation of Commissioner Steve LeValley, among other inquiries, and was the city going to appoint someone to fill LeValley's remaining term? Oard was told by Mayor Cordell that someone would be appointed to replace LeValley at the first commission meeting in December.

Oard also expressed concern about the city's animal shelter and its problems and the "situation with the FOP."

In another business matter, the commission heard a report on the 2006-07 city audits by Joseph Carlson of the Joseph E. Carlson CPA firm. Carlson said the city's assets exceeded its liabilities and the city's net worth was \$14,866,166. He said total net assets increased by \$1.7 million. "The net assets are very strong," said Carlson. He said the reserves in the General Fund were only about \$97,000, but he would like to see it higher.

Carlson said he looked at internal controls, best business practices and management. "It was a very good audit," he said.

Commissioner Bechtel asked for a work session with Carlson and the commission at a later date. Bechtel Wednesday morning expressed concern with the city's liquidity, but did not elaborate.

In the Municipal Authority meeting that followed the commission meeting, trustees went into a short executive session to discuss amending Resolution No. 05-04-2004B to provide for an additional rate for a large power/educational facility user.

In open session, trustees approved a motion by Trustee Max Wirtz for a five-year contract from the date the new grade school opens.