

**MINUTES**  
**CITY OF CHEROKEE VILLAGE, ARKANSAS**  
**SPECIAL CITY COUNCIL MEETING**  
**1:00 P.M., WEDNESDAY, JULY 24, 2013**  
**CHEROKEE VILLAGE CITY HALL**  
**(meetings are video recorded)**

Mayor Pro Tem, Verna Mae Newman called the special meeting of the City Council to order at 1:00 p.m. on July 24, 2013, and led the Pledge of Allegiance

Roll was called by City Clerk Lana Hamilton. Present were Jerry Adams, Bill Circle, Chuck McMahon, Verna Mae Newman, Linda O'Neal, Pamela Rowland, and City Attorney Jon Abele; absent were Les Covington and Tom Thone.

**UNFINISHED BUSINESS:** Abandoned hospital will be auctioned on August 8<sup>th</sup> at 10 a.m. at the Sharp County Courthouse annex in Ash Flat with a minimum bid of \$9,090 and \$3,155.93 in back taxes.

Newman stated she had passed out sheets on the hospital and stated the matter needed to be discussed. Newman stated she had just learned information from talking with a representative from the State. Newman asked council to look at Item 368 on the handout; Newman stated this item was the hospital property. Newman stated the third column, starting with Greg Yateman was the list of people who had liens on the property. Newman stated the City did not know how much the liens were for. Newman stated the column with \$9,090 was the minimum bid for the property. Newman stated the last column was \$3155.93, which were the taxes due on the property. Newman stated when she spoke with the State, they informed her the City needed to go to the county for a title search. Newman stated the Mayor had learned there would be a \$300 fee for the title search. Newman stated the title search would give the City the exact amount of all the liens on the property. Newman stated the representative from the State said the City should be aware if they were to bid on the property August 8<sup>th</sup>, the City would be liable for the liens. Newman stated if the property is not sold at the auction, the State Commission could give the property to the City; there is no guarantee the liens would be removed if the property was given to the City. Newman stated the City would need a plan for the property to obtain at no charge and could not re-sell the property. Newman stated she failed to ask how long the City would have to own the property before the City could sell it. Newman stated if the City obtained the property under the pretense of using it for something and then sold it, the State could take it away from the City. Newman stated the City would be under the obligation of the intended plan. Newman stated there are some salvageable items at the hospital such as scrap metal, scrap aluminum, or items like desks and file cabinets that could be sold at a flea market. Newman stated the work that would need to be done is a new roof, new ceiling, new side walls, new floors and there is a green mold issue which could be easily taken care of. Newman asked Bob Bickle to report on his findings at the property.

year in which the property can be redeemed by the owner. Abele stated a buyer really couldn't do anything with the property in a year because the owner could give the purchase money back with no interest and re-claim the property. Newman asked if that was the case if the State gave away the property; Abele stated there is still the right of redemption. Abele stated you have to wonder why the first lien holder has not foreclosed on the property. O'Neal asked if the lien holders were in the order of first, second and third; Abele stated he had no way of knowing. Newman stated the woman she spoke with at the State assumed the list of people with liens was probably the total amount; Newman stated she also said it was too risky for the City to assume. Newman asked if the City purchased the property, would the City be in a position where they could do nothing to the property. Abele stated the City could do whatever it wished, but there was a chance the owner could get the property back. Newman asked if things in the building could be sold, or would the City be liable; Abele stated he was not sure. Newman stated one of the first things that would need to be done is to make the building secure. Newman stated secondly, an area of the building would need to be cleaned up so the salvageable furniture, etc. could be moved to that area to sell. Newman stated the beds would probably be scrapped, although they are in good shape. O'Neal stated a nursing home may be interested in purchasing the beds; Newman stated the building had been idle for 10 years and the beds are old. Newman stated there were other medical supplies still in plastic bags, bed sheets, bed pans, etc. that might be able to be sold. Rowland stated she had done a considerable amount of research and stated a lot of organizations that work with 3<sup>rd</sup> world countries, including the military, will buy equipment from hospitals that have gone under, surplus equipment or equipment that cannot be legally sold. Rowland stated that would be a profit maker.

Bob Bickle stated it would be beneficial to the City to contact a roofing contractor to inspect the roof to see if it could be repaired or needed a new roof. Bickle stated a contractor may not charge to inspect the roof. Newman asked about copper being stolen; Bickle stated it had not been. McMahon stated most of the wiring had been stripped from the electrical panels; McMahon stated the wiring needed to be inspected. Bickle stated any missing wire would have to be replaced. McMahon stated the building was heated by boilers that were fed by fuel oil and the City would need to see if there is an environmental issue with the fuel oil tanks.

O'Neal stated before there was any more discussion on spending money on these other issues, council needed to make a decision to do the title search. O'Neal moved to institute a title search with a reputable title company to complete the title search, seconded by Rowland. Newman stated she thought the City would have to go to the county for the title search but was not certain. A roll call vote was taken; there were 6 yeas, passing the motion to proceed with the title search. Newman stated council would be at a standstill until the title search was performed. Glenn Harris stated Liz Keel had contacted a title company and there was a \$300 fee to perform the title search. Newman stated she felt it was necessary to spend the \$300 to perform the title search to see if there were excessive liens against the property before deciding to bid on the property at the auction; O'Neal stated if there were additional liens against the property, the City would not want the property even if it were free. Rowland stated council

couldn't make a decision about the property without the information from the title search and stated we needed a date on when the title search would be complete. Liz Keel of Planning & Zoning stated Homestead Title will do title searches for the City at no charge, but they are running three weeks behind. Keel stated Sharp County Title could do the title search for \$300 but was uncertain how long it would take; Keel gave the cost of the title search to the Mayor because Planning & Zoning does not have the money in the budget to pay for it. Keel was asked to inquire with the title company to see how long the title search would take. Keel said she contacted Sharp County and they stated it could be a couple of weeks before the title search was complete; Keel stated she contacted Ozark Title and they could do the title search in one week for \$100. Newman stated another meeting would be called once the title search had been completed; Newman stated the Mayor's office would announce the meeting date and the media would be notified.

Circle stated the medical records would involve HIPPA; Circle stated if he had been treated at the hospital, he wouldn't want anybody looking at his records. Circle stated HIPPA was over the medical records and the City would have to contact the hospital authority. Newman agreed the records would have to be dealt with.

O'Neal moved to have Bob Bickle find a contractor to give an estimate on repairing/replacing the roof of the building in need of repairs, seconded by Rowland. A roll call vote was taken; there were 6 yeas, passing the motion to obtain an estimate of repair/replacement of the roof. Phyllis Endrihs spoke from the audience and stated she thought a new roof had been put on the building a couple of years before it closed. Newman stated the building has been closed since 2004. Rowland asked Bob Bickle to e-mail council after he had the roof inspected.

Circle asked Bob Bickle if he had an estimate on what the cost of repairs on the interior of the building would be; Bickle stated he did not have an estimate and each room would have to be inspected individually. Rowland stated until a use for the building was determined, the interior damage may not be an issue because certain areas may not be used and walls may be moved.

Adams asked if the City was to bid on the property, who would be the representative for the City. Attorney Abele stated it would be whoever was appointed.

Circle asked how much debt the City could afford to incur; Circle asked if council had a dollar figure in mind as to how much they could incur. Circle also asked if we had a use for the building if obtained. Newman stated there was a use for the building. Rowland stated there were many things the building could be used for and there was federal money and grants available. O'Neal stated not only would the City be purchasing a building, it would be purchasing a piece of property, something the City does not have now. Glenn Harris of Planning & Zoning stated the kitchen was still functional in the building and the building could be used as a shelter in the event of ice storms or other disasters.

**ADJOURNMENT:** O'Neal moved to adjourn the meeting, seconded by McMahon and passed unanimously.

**NOTE:** Minutes are prepared by Kathi Blackwell, Assistant to Clerk/Treasurer Lana Hamilton (with Hamilton's approval)

**DATE:** 8/16/13

**APPROVED:** Lloyd Hefley  
Lloyd Hefley, Mayor

**ATTEST:** Lana Hamilton  
Lana Hamilton, City Clerk/Treasurer