

BILL NO. 1989

SPECIAL ORDINANCE NO. _____

AN ORDINANCE APPROVING THE REBATE APPLICATION OF MCGINNIS WOOD PRODUCTS INC. MADE UNDER THE CITY'S UTILITY INCENTIVE PROGRAM.

WHEREAS, the Board of Aldermen of the City of Cuba, Missouri (City), has determined that it is in the best interests of the City to approve the rebate application of McGinnis Wood Products Inc made under the City's Utility Incentive Program, having been informed that said utility customer in fact qualifies under said program.

BE IT ORDAINED, by the Board of Aldermen of the City of Cuba, Missouri, as follows:

Section 1: The rebate application of McGinnis Wood Products Inc. made under the City's Utility Incentive Program is hereby approved. A copy of said application is attached hereto as Exhibit "A".

Section 2: This ordinance shall be in full force and effect starting _____.

READ TWO TIMES AND PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF CUBA, MISSOURI, THIS ____ DAY OF _____, 2021.

CODY LEATHERS, MAYOR

Attest:

CHRISTINE NASH, CITY CLERK

(City Seal)

Approved this _____ day of _____, 2021.

CODY LEATHERS, MAYOR

Attest:

CHRISTINE NASH, CITY CLERK

(City Seal)

Approved as to the form.
WILLIAMS, ROBINSON, RIGLER & BUSCHJOST, P.C.

By: Lance B. Thurman, #51214
901 North Pine Street, Fourth Floor
Post Office Box 47
Rolla, Missouri 65402
(573) 341-2266

ATTORNEYS FOR THE CITY OF CUBA, MISSOURI

Alderman	Vote on First Reading On _____, 2021	Vote on Second Reading On _____, 2021
Kevin Copling		
Sam Black		
Debbie Martin		
Warren Graddy		
Curtis Holt		
Jeff Bouse		



03/05/2019

To Whom it May Concern:

McGinnis Wood Products, Inc. initiated a major expansion of its facilities in Cuba, MO, in 2017. The original goal was to double the production capacity of bourbon barrels from approximately 600 to 1,200 per day in a single shift. In addition, once current production is moved to the new plant, the old plant will be converted to produce small/specialty barrels for which there is great demand. Our goal was to make the new facility more efficient and keep the number of new hires for the new facility at a minimum (anticipated around 10 new hires). However, it was anticipated, once the move to the new building was complete and the conversion of the old plant to the small/specialty barrel plant could be done, this new operation would require the hiring of up to an additional 15 employees. The latter is not expect to occur until sometime in 2020.

In the beginning, we had a total budget of \$3 million for this expansion (half building/half systems and equipment for the production line), but once the building was completed at the end of 2018 (on budget at a total cost of \$1,509,961.89) and serious thought was put into the flow of the new production line, it was decided that we would endeavor to put in a state-of-the-art production line incorporating as much automation as possible to improve the working conditions for our employees and reduce costs going forward. This brought total anticipated cost at between \$8 and \$9 million. We have expended a total of \$2,375,190.07 on the new equipment and systems to date with another \$2,458,440.62 contracted for completion within the next 6 months. We anticipate \$1.5-\$2.5 million in additional equipment/systems before the new plant is complete and ready to run at full capacity. Once operations have ceased in the old plant, we anticipate spending another \$500,000-\$1million on getting the small/specialty barrel line operational.

Again, our goal is to have the new plant nearing production by the end of 2019—we'll actually be moving our steel department into the new facility in June, and then having the new small/specialty barrel line operational by the end of 2020.

Sincerely,


Leroy McGinnis, C.E.O.