



Outlook

Update on Stratum - City Hall buildout project

From Mike Null <mnull@greencovesprings.com>**Date** Thu 2026-08-06 9:22 AM**To** Cheryl Starnes <cstarnes@greencovesprings.com>; Darren Stutts <dstutts@greencovesprings.com>; Erin West <ewest@greencovesprings.com>; Glee Glisson <gglisson@greencovesprings.com>; Matt Johnson <mjohnson@greencovesprings.com>; Thomas Centracchio <TCentracchio@greencovesprings.com>**Cc** John Wallace <jwallace@greencovesprings.com>; Greg Bauer <gbauer@greencovesprings.com>

Mayor and Council,

As the City Attorney made you all aware previously, we had received notice from a creditor claiming entitlement to any payments owed to Stratum Contracting by the City. Our City Attorney has ascertained that the total amount in question is \$58,000. This lawsuit between the lender and Stratum does not involve the City except to the extent that if the claim is found to be legitimate, we could be liable to pay back any portion of the \$58,000 that we pay Stratum if the lender is successful in court.

After speaking with Stratum's legal Counsel and James Smithson, owner of Stratum, our City Attorney is amenable to the City paying Stratum's subcontractors and vendors directly, as long as we retain at least \$58,000, the amount of the claim. James Smithson is amenable to this as well. He has already submitted invoices and we are working to set up the vendors and subs as city vendors so we can pay them.

The two main subcontractors that are refusing to work due to lack of payment are the electrical and plumbing subs. They have the bulk of the remaining work, which should take less than two weeks total to complete the project. To keep the project moving, I have requested that finance process these payments to the subs and vendors immediately once each sub or vendor is set up in our payables system.

I bring this to your attention because Council has authorized payment of three pay requests from Stratum to date. The first was paid out and we have held the second two based on the initial claim from the creditor. They have submitted two additional pay requests which staff has not submitted to Council for approval. In the interest of moving the project toward completion, I am authorizing payment of portions of all outstanding pay applications to the appropriate subs, including those not yet approved by City Council. Staff will bring these pay applications to Council at the September 1 regular meeting to ratify these payments.

Thank you for the confidence that you place in staff to get these projects done, and please reach out directly if you have any questions.

Thank you,

Mike Null
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