

**MUSTANG CITY COUNCIL
APRIL 7, 2014
SPECIAL MEETING**

The Mustang City Council met in a Special Meeting on Monday, April 7, 2014, at 6:30 p.m. at the Mustang Public Library, 1201 N. Mustang Rd, Mustang, Oklahoma. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Thursday, April 3, 2014, at 3:45 p.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

A. CALL TO ORDER

Mayor Adams called the meeting to order at 6:30 p.m.

B. ROLL CALL

Councilmembers Present:	Taylor
	Staples
	Bowers
	Hagan
	Mount
	Adams

Councilmembers Absent:	Jones
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C. DISCUSSION ITEMS

1. **Presentation** by Joseph Painter with Alan Plummer Associates, Inc., regarding Greywater Re-Use.

Jeffrey E. Caffey, TX P.E., with Alan Plummer Associates, Inc., addressed the Council regarding an overview of water reuse. He stated Mr. Painter was unable to attend tonight; therefore, he would be giving the presentation. He advised the water reuse he is referring to is not greywater (as stated in the agenda), which comes from the shower, sink, etc., but instead, is referring to water that has gone to a treatment plant and been treated enough to be used for purposes such as irrigation, toilet and urinal flushing, and fire protection systems to name a few uses. He stated other terms for reuse water was recycled water and reclaimed water and advised utilizing reuse water is good for conservation, drought conditions, and provides efficiency and cost savings.

Caffey stated the Oklahoma Department of Environmental Quality (ODEQ) Rules for non-potable reclaimed water use was adopted in July 2012 (Categories 2-5) and that cities normally look at Category 2 or 3 uses, advising the lower the number, the stricter the requirements. He stated the City of Mustang's waste water treatment plant would need filters and a disinfection system to be able to utilize reuse water. He also gave examples of other cities currently utilizing reuse water and advised of the importance of public awareness and communication when discussing the implementation of a reuse system.

Discussion was held concerning the Category 2 uses and the possibility of irrigating Wild Horse Park with reuse water which would provide a cost savings to the City as well as being less dependent on Oklahoma City.

Discussion also included whether or not irrigating with reuse water would be harmful to children; however, as stated, ODEQ passed new regulations in July, 2012 and would allow it if the requirements were met.

Other discussion included rainwater catching being another benefit to the City; however, it does not fall into the reuse categories.

(Copy of presentation included in agenda file.)

2. **Discussion** regarding Quarterly Financial Statements Ending 3/31/2014.

Finance Director Watts gave an overview of the Quarterly Financial Statements Ending March 31, 2014:

Statement of Revenues & Expenditures – General Fund had a Month-to-Date positive change of \$59,671 and a Year-to-Date positive change of \$24,796 stating these figures included the one-time stipend of \$65,900 to the employees.

Balance Sheet – General Fund had a gain of \$24,796.

Ending Balance as a Percentage of Annual Revenues is 9.46% and the City is within the 10-15% of annual reserves. The end of March represents 74.97% of the fiscal year which indicates the year to date comparison to budget.

Statement of Revenues & Expenditures – Mustang Improvement Authority (MIA) had a Month-to-Date positive change of \$212,840 and a Year-to-Date positive change of \$86,770.

Balance Sheet – MIA had a gain of \$86,770

Ending Balance as a Percentage of Annual Revenues is 10.71%.

Monthly Operating Statement – MIA – the Oklahoma Water Resource Board (OWRB) requires this with the City having debt with them showing the net income of \$212,840 and at the bottom of the statement, showing the monthly debt payments that are included in the transfers and the G&A costs and is required to be separated like this.

City Manager Rooney asked if the City Council would still like this to be reported in the City Manager's Report and/or be included on the City Council agenda with the answer being yes to both.

3. **Discussion** regarding Use of Emergency Personnel to Unlock Vehicles.

City Manager Rooney stated the City has been providing a service, at no charge, of unlocking vehicles when a citizen has locked their keys inside it. He stated this is common practice in small communities; however, as communities grow, such as Mustang, this service puts a strain on city resources such as, manpower to respond to the location, the use of equipment to transport personnel to the area, and the fuel used to get there. He stated this service can oftentimes interrupt mandated training or other scheduled activities of the Fire Department and possibly create an issue when responding to an actual emergency.

Rooney provided the following stats regarding the calls to unlock vehicles: from January 1, 2014 through March 31, 2014, the Fire Department responded to 104 requests to assist citizens in getting their vehicles unlocked which averages to a little over one call per day; however, there have been as many as four calls on one single day during this time frame. He stated 98% of all of these calls are not emergencies and no human or animal life is at risk. He advised this type of call represents nearly 20% of all calls that the Mustang Fire Department responded to during the same period and this total is consistent with previous year's numbers and continues to grow.

He stated the Fire Department responded to over 400 calls to unlock vehicles last year. **Fire Chief Hickman** stated the Fire Department has already responded to 11 calls since April 1st (today is April 7th).

Rooney advised as of June 1, 2014, if Council does not have any concerns, the City will no longer be providing this service unless an emergency exists such as a child or pet being locked in the vehicle. He stated the private sector has vendors who can provide this service, at a fee, and citizens should contact those providers rather than emergency services. He stated staff will begin a process of informing citizens of this change through the City Manager's Report, newspaper articles, and other media outlets (Channel 20).

Discussion was held concerning the number of calls as well as some not knowing the Fire Department had been providing this service. It was discussed that 20% of all calls were for this service as well as the expense to the City.

4. **Discussion** regarding Licensing, Permitting and Inspection of Work within Easements and Right-of-Ways.

Community Development Director Coleman stated City Inspectors estimate they look at road bores, paving cuts, repairs and similar work within right-of-way anywhere from four to ten times per month. He stated this work is typically done by unlicensed persons without permits since this is currently not required in the City of Mustang. He stated some contractors will notify the Community Development Department as a courtesy informing of their intentions; others are just stumbled upon during routine work, while others go undetected. **Coleman** stated most cities require permits to work within the public right-of-way and many also mandate contractors licensing and bonding. He stated this is one of several areas not thoroughly addressed in the Code of Ordinances, but where the City has a vested interest in making sure work is done correctly and to a known standard and stated City Staff would be preparing an Ordinance for a future date establishing contractor licensing and bonding requirements, a plan review and permit fee schedule and penalties for violations. He stated the city has been fortunate in that we have had good subcontractors and so far have not had a major problem. He advised this was a safety issue, but also the City is providing a service and receiving no compensation.

Discussion was held concerning damage the road bores and cuts can cause with road bores being seen more often than cuts, but both being a problem, especially if not performed properly.

5. **Discussion** regarding Tree Limb Dumping.

Parks and Recreation Director Battles stated the City currently allows citizens to dump tree limbs at the Public Works site, but is becoming a problem mostly due to the cost of removal where the City pays Oklahoma Environmental Management Association (OEMA) to grind the limbs and haul them off, stating the fee received for dumping of the limbs does not cover the cost to remove them and also stated the Oklahoma Department of Environmental Quality (ODEQ) does not allow burning of the limbs. He stated there are contractors who dump limbs there as well where they bring the property owner with them to show proof of residence. **Battles** stated staff will be assessing the process and cost and will be bringing suggestions to the Council to make the process more cost effective. He stated the site is full now and with July 4th coming up, will need to have them removed.

Discussion was held concerning raising the rate to dump limbs at the Public Works site as well as no longer allowing it at that site, but to have citizens take the limbs to the actual dump site. Discussion was also held concerning the lawsuit a few years ago where neighbors on the north side of 59th Street sued the City over burning limbs, stating it adversely affected their health, even though the burn was ODEQ permitted.

6. **Discussion** regarding IRS Audit.

City Manager Rooney stated the Claims List approved by City Council at the April 1, 2014 meeting contained IRS penalties in the amount of \$8,599.96 advising the penalties were the result of an audit performed by the IRS in the fall of 2013 for the calendar years 2011 and 2012. **Finance Director Watts** stated the IRS audited payroll, all financials and details, receipts, fringe benefits, etc. **Rooney** stated according to the IRS, it is the government's position that the City Attorney, City Prosecutor, Municipal Judge, and Alternate Judge are employees of the City, rather than independent contractors since they are appointed by the Council.

He stated the IRS agreed if the City paid the penalties and made movement to correct the issues, the IRS would not come back on CY 2013 or 2014; however, the City must show some type of movement by July 1 of this year.

Discussion was held if those positions had to work solely for the City of Mustang or if they could work for more than one city at a time with it being stated the positions can be part time positions and work for more than one city. Discussion was also held concerning the salary to be offered to those positions and how it would be designed as well as how this would tie into Section 218 relating to Social Security with it being advised the City would have to pay it as well as State of Oklahoma taxes since they would be considered City employees.

Other discussion included when the IRS began auditing cities in 2006, a loophole was found where a 1978 State law stated cities would have legal departments and the IRS has been using this since they began auditing cities to help recover their costs. It was also discussed that the Mustang Charter states the City will have a legal department.

Discussion was also held concerning whether or not our contracts with Severn Trent and EST Engineering would be a problem with it being stated it did not include them; however, it was suggested it be studied as to whether those services should be contracted or be performed by the City.

Discussed was held if other cities have had this happen and for the City Manager to reach out to the Oklahoma Municipal League (OML) as well as state municipal attorney associations and our state legislative representatives to see if they could provide assistance.

Rooney stated staff would continue to research this and present a solution to Council for July 1, 2014.

Rooney stated another item brought up in the audit was the fuel credit card furnished to the former City Manager, Michael Rutledge, and the finding that he did not submit a mileage log to account for the business use of his vehicle. It was found the entire amount of fuel purchased by Mr. Rutledge should have been included in wages with federal income tax, social security, and Medicare withholding being applied. **Rooney** advised that no City employee receives a car allowance now.

7. **Discussion** regarding Soliciting RFPs for Engineering Services and Refuse.

City Manager Rooney advised the contracts for Engineering Services and Refuse expire June 30, 2014, and the City will be soliciting RFPs for these services. He stated the Refuse contract can be renewed should the City Council choose to do so, but feels it is still a good idea to check and compare rates and services. He stated his intention is to advertise beginning next week.

Discussion was held concerning the Refuse RFP including a separate line item for large item pick-up (such as the Spring Clean Up we do now) to see if this service could be offered more than once a year depending on cost.

8. **Discussion** regarding Budget Process Update.

City Manager Rooney stated this item was added to the agenda to give the Council information as to where we are in the budget process. He stated he and **Finance Director Watts** have been meeting with department directors and at the beginning of the process, the budget was \$479,000 away from balancing – this included step increases, health insurance increases, etc., and by the end of last week, the budget was approximately \$90,000 away from balancing. He stated the budget does not include any new personnel; however, this is needed, such as an additional administrative position in Parks and Recreation. He also stated he would like to utilize **Parks and Recreation Director Battles** in this upcoming year to provide oversight and management of the public works contracts.

Rooney advised fees for water and sewer have not been increased in quite some time although operating costs have increased; therefore, is recommending an increase in fees. He also advised he and **Watts** have been in contact with Alan Brooks regarding bonding and refinancing of the 2006 bonds. He stated the payoff time would decrease by 3½ years as well as the interest rate would drop from 5% to 2.2% and this would allow us to borrow some money for projects such as two miles of water distribution lines needing repaired, arsenic issues in our wells, and road repairs. He stated a limited amount of money would be available to borrow, but would help. **Rooney** stated the bonds would need to be refinanced before July 1 and stated Alan Brooks would be at the next City Council meeting to provide more information.

Rooney stated the City was currently in negotiations with the Fraternal Order of Police (FOP) and the International Association of Fire Fighters (IAFF). He stated most of the capital items requested were included in the budget and he hopes to have final numbers by end of next week. **Rooney** commended the department directors for their hard work and understanding and stated we continue to be frugal.

9. **Tour** of Library.

City Manager Rooney moved the tour of the Library to follow Adjournment.

K. ADJOURNMENT

MOTION was made by **Councilwoman Staples**, seconded **Councilman Taylor** to adjourn.

AYE: Taylor, Staples, Bowers, Hagan, Mount, Adams

NAY: None

The meeting was adjourned at **7:50 p.m.**

9. **Tour** of Library (Con't).

Library Director Webber conducted a tour of the Mustang Public Library.

Jay Adams, Mayor

Attest:

Lisa Martin, City Clerk