

**MUSTANG CITY COUNCIL / MIA
BUDGET SESSION
MAY 14, 2013**

The Mustang City Council met in a Special Budget Session on Monday, May 14, 2013 at 6:00 p.m. in the Mustang Police Department Community Room. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on May 10, 2013 at 8:45 a.m. in compliance with the Open Meeting Law, 25 O.S., Section 302, et. seq.

A. CALL TO ORDER

Mayor Adams called the meeting to order at 6:10 p.m.

B. ROLL CALL

Councilmembers Present:	Taylor Staples Bowers Hagan Mount Adams
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Councilmembers Absent:	Jones
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C. DISCUSSION ITEMS

1. **Discussion, Consideration and Possible Action** Regarding the Proposed Annual Operating Budget for **FY 2013-2014** for the City of Mustang / MIA.

Interim City Manager Battles went over what was discussed at the May 9, 2013, meeting. A new proposed budget sheet was provided. He stated through conversations with the Library Director and the Oklahoma Department of Libraries, that \$10,000 could not be allocated out of the Limited Purpose Fund, but instead had to be put into the General Operating Fund with the library book purchases because it's Federal and State Aid money. **Battles** said we were told initially we could do this if cutting across the board – that it could be allocated out and it would not affect state aid, but in further conversations with them, the additional \$10,000 needed to be in our General Operating Fund due to the possibility of the cuts to the library not matching the percentage of cuts to other departments. **Battles** stated we don't want to put state aid in jeopardy so there will be \$10,000 less reserves from the last meeting. **Battles** advised Projected Reserve use was changed to \$572,770 due to the \$10,000 being added to the projected expenditures.

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Mayor Adams stated he wanted to make clear that the City will start with a \$2,000,000 fund balance in FY2014 which is not as low as the paper made it sound.

Battles stated as of today, there is a \$2.1M balance. He advised if we continue down this same path, he feels confident about having the \$2,000,000 beginning balance.

Battles stated sales tax had increased 7% during current budget year, but are projecting a 2% sales tax increase for FY2014 and feel confident with that number.

Battles advised the Franchise tax had increased significantly due to population growth recorded in the 2010 census.

Battles stated Mustang is experiencing a steady incline in building fees due to the recovery of our local economy.

Adams stated that **Community Development Director Coleman** said we issued more permits in March than we did all last year.

Battles advised municipal court fines had increased 12% compared to last fiscal year and library fines have remained a steady stream of revenue over the last few years.

Battles stated the projected beginning General Reserve Fund balance was \$3,900 with projected revenues of \$10, projected expenditures \$0, leaving a projected ending fund balance of \$3,910 for maintenance and improvements to city facilities, infrastructure and capitol. He stated this is earmarked for those expenses.

Adams commented this is the account that was opened for building the new City Hall and this is money left over.

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Battles stated the Park Improvement Fund projected beginning balance is \$80,000, with projected revenues of \$58,800, projected expenditures of \$49,300, leaving a projected ending balance of \$89,500. **Battles** stated the revenues included:

Park Development Fees - \$7,500

Interest on Investments - \$300

Transfer from General Fund includes - \$6,000 (\$15 of each business license)

Transfer from Court Fund - \$45,000 (\$20 per court fine)

Battles stated the **Mayor** had asked in the last meeting, how they came up with the \$20.00 per court fine going into the Parks fund. **Battles** advised the Council had approved this in 2001, with the amount being amended in 2005.

Councilman Taylor asked why all projected revenue isn't being used in Parks.

Battles said you have to have some money on hand for break downs and he has to be cautious about depleting that fund. **Battles** advised some of their large projects are about \$30,000-\$40,000 projects and want to have funds for our long term capital.

Taylor asked why he wouldn't at least spend the \$58,800 which would not deplete all of it.

Battles advised he was very cautious in regards to depleting those funds and said it is very important to have a plan in place. He stated the New City Manager may not want this much long term capital and may want to change it. **Battles** stated we had given him a lot of room to wiggle.

Battles advised the projected beginning Library Fund balance to be \$25,000, with projected revenues of \$14,075, projected expenditures of \$35,165, leaving a projected ending fund balance of \$3,910.

Battles advised the projected beginning PD Traffic Enforcement balance to be \$10,650 with projected revenues of \$11,200, projected expenditures of \$20,900, leaving a projected ending fund balance of \$950.

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Battles advised the projected beginning 2012 GO Bond Project – Baseball balance to be \$1,075,000 with projected revenues of \$3,000 (interest), projected expenditures of \$1,078,000, leaving a projected ending fund balance of \$0. He stated the anticipated completion date of the baseball complex in Wild Horse Park being the Fall of 2013.

Battles advised the projected beginning 2012 GO Bond Project – Town Center balance to be \$1,915,000 with projected revenues of \$3,600 (interest), projected expenditures of \$1,918,600, leaving a projected ending fund balance of \$0. He stated the anticipated completion date of the expansion of the Town Center Building being the Fall of 2013.

Battles advised the projected beginning Street/Drainage Improvement Fund balance to be \$600,000, the projected Armory Road Fund balance being \$185,700 (grants - ODOT Reimbursement for Phase II of the Armory Road), with projected revenues of \$718,700, projected expenditures of \$522,000, leaving a projected ending fund balance of \$982,400.

Battles stated he notated in the last meeting that the City will be starting the Heights project which will take an additional \$127,000. The project is anticipated to start mid-June and although we may not have to take the \$127,000 out of the beginning balance today, we will need to encumber those funds. **Battles** also stated he did not want to lay out a 12 month street plan with a new City Manager coming in.

Councilwoman Hagen asked **Battles** to explain how Heights was chosen.

Battles stated traffic counts were evaluated and the City also talked with the Police Officers and neighbors due to the school traffic in that area. He stated they decided it was important to do the whole street now and not panel by panel. **Battles** stated the contractor will be Silver Star Construction. He advised the street will be asphalt and curbing with about 200 feet of the street from Hwy 152 south being concrete as well so incoming and outgoing traffic does not buckle up the asphalt. He stated they are also working on a ranking system and once completed, will have a list showing what roads are critical, etc. **Battles** said this information and ranking system would help the new City Manager in making more informative decisions regarding street improvements.

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Adams also stated this project is comparable to the one completed in the Branches.

Battles advised the projected beginning Debt Service Fund balance to be \$270,000, with projected revenues of \$410,800, projected expenditures of \$332,800, leaving a projected ending fund balance of \$348,000.

Finance Director Watts advised the Debt Service Fund is also called the Sinking Fund. She stated it is where the Ad Valorem Property Taxes on all of the homeowners is assessed by the County and deposited into this fund so the debt payments can be made on the 2012 bonds. **Watts** also stated it is used if the City had any judgments against it.

Battles advised the projected beginning Limited Purpose Fund balance to be \$830,000, with projected revenues of \$805,400, projected expenditures of \$1,406,710, leaving a projected ending fund balance of \$229,230. **Battles** stated this amount is less the \$10,000 for library books that was added to the General Fund.

Battles explained how it was funded:

Interest Earned - \$4,400

Transfer from GF - \$127,000 – Transfer 10% of sales tax over \$500,000 after restrictions for capital and infrastructure per Res 05-027.

Transfer from MIA - \$674,000 – Transfer of Restricted and Special Sanitation Revenue Collected

Battles stated the following Limited Purpose projects were funded:

- Library
 - o \$11,680 Breaking down and moving shelving for Library Expansion and additional items;
 - o \$40,100 New Carpet, Base, Painting in existing Library;
 - o \$18,210 Painting of backroom areas of Library and story time room, Library book room

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- Parks-Recreation/Baseball
 - o \$1,000 New drop safe for recreation center (Parks-Recreation);
 - o \$87,730 Bleachers and Benches for new baseball park;
 - o \$15,900 Field rake machine, utility cart, and mower for new baseball park;
 - o \$13,000 Walk in Freezer for Concession Operations (two concession stands to operate now);
 - o \$24,940 Concession Equipment for baseball and soccer concessions;
 - o \$216,000 New Parking Lot and Roadway for baseball complex (gravel, but anticipating receiving help from the County and could possibly get chip and seal);
 - o \$4,900 golf cart

Taylor asked why the new parking lot and roadway wasn't included in the bond issue.

Adams said we tried two years previously and it was voted down twice, but when it came out this third time, it was cut out as part of the cost including the bleachers. He stated the bond issue failed before because the citizens thought it was too expensive.

Councilwoman Bowers stated Moore rakes their own fields.

Battles stated we maintain our fields and we have a good reputation. He stated it is a possibility, but we are talking about six fields and we don't have any additional employees.

Bowers stated in Moore, it's the kids that play do the raking.

Battles said Moore also hires people to drag their fields. Battles said he agrees that it's good to have the kids rake it, but we would still have to have a drag and level it off.

Taylor wanted to know what kind of golf cart was to be purchased.

Battles said it's a utility bed golf cart for running concession supplies as well as for trash pick up.

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Adams said it's also to be used as a shuttle for those who are handicapped to get from the parking lot to the fields.

Bowers asked how many utility and golf carts do we have now.

Battles said two – a utility cart and golf cart. He stated the current golf cart was donated by the Softball Association.

Limited Purpose projects funding (cont'd.)

- Town Center
 - o \$2,100 panic buttons for facility;
 - o \$17,500 Paint and Carpet existing Banquet Hall

Battles said the only place with no panic button is the banquet hall – don't want false alarms.

Battles said anything that's not under the new roof cannot use bond money.

Taylor asked if anything was put in the budget in case lights go out as they did before.

Battles said no, the batteries were changed out, but the bathrooms still do not have batteries.

- Aquatics
 - o \$1,740 Lane Reel and Cover (for swim meets)
- Finance
 - o \$150 Printer/Fax/Copier/Scanner
- Community Development
 - o \$10,000 HP Design Jet Plotter (becoming more digital/retainment)

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- Police
 - o \$58,450 New Lease-Purchase (3 vehicles);
 - o \$9,550 Emergency Equipment;
 - o \$103,620 Prior year lease-purchase;
 - o \$150,000 Software Upgrade (Police/Fire) – Call tracking system

Battles mentioned the animal control cage – current cage is open. This is an enclosed unit.

- Fire
 - o \$35,000 SCBA Breathing Air Compressor – current one is 20 years old
- Streets
 - o \$102,000 Street Improvements
- Water/Sewer
 - o \$250,000 74th Booster Station Upgrade
 - o \$25,000 SCADA
 - o \$207,600 Westside Lift Station

Battles stated when he became the Interim City Manager, there were two high priority projects, but no planning. The engineers had not been asked to move towards getting those done.

Hagan stated regarding Police funding, that **Chief Foley** was asked what funding he had requested. He had asked for three additional officers, two dispatchers, a deputy chief, a part time animal control officer, and vehicles. **Hagan** stated **Chief Foley's** main concern was in regards to the \$150,000 software upgrade because it still took a dispatcher to hit the buttons to get these records started and there was no money in the budget for additional dispatchers. **Hagan** said this worried her.

Adams said when **Chief Foley** was talking and was asked what was the most important item to him that was cut out of the budget and he responded it was the two dispatchers. **Adams** stated Mustang Police Department handles dispatching for the City of Mustang and Union City. **Adams** asked how many dispatchers do we have at this time.

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Battles said we have five full time dispatchers, but only three times a week are two on the same shift together.

Adams stated **Chief Hickman** was OK with everything, but needed the SCBA breathing unit. He also stated **Coleman** was good with everything with exception to the market analysis that was promised last year. **Adams** stated businesses are really looking to move in down Mustang Road and we need a detailed analysis and numbers to provide to them.

Hagan stated if we were going to spend that much money for the software upgrade, we needed the dispatchers. Her understanding is that they would still have to punch a button to get the call into the system.

Battles said from the description that was provided to him, the call would go into the system automatically.

Hagan stated there still has to be a dispatcher to answer.

Taylor encouraged everyone to go watch a dispatcher from 10:00 pm to midnight and see the work they do.

Adams said he had been working all weekend long trying to come up with a way to address these items. He did think of a plan he would like to discuss.

Taylor asked how many jailers, dispatchers and police personnel could the City afford if the gravel parking lot was cut.

Battles stated they were allocated differently and that the Limited Purpose Fund is not a General Operating Fund.

Taylor asked if we could we do additional hires though.

Battles stated the money would have to be allocated back. The Limited Purpose Fund has some earmarks in there and can't be changed automatically. It would have to be voted by Council through Resolution

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Watts advised the Limited Purpose fund has about \$674,000 that comes from the 2006 sales tax penny and has to go there due to the bond indentures. The \$127,000 is the vote of the governing body that's earmarked toward infrastructure that could be transferred to the General Fund.

Battles advised the projected beginning 2006 MIA Revenue Bond fund balance to be \$2,300,000 with projected revenues of \$2,142,500, projected expenditures of \$1,684,925, leaving an ending fund balance of \$2,757,575. **Watts** advised the payments will go down over the next few years. **Battles** advised this is the monthly payment for the 2006 Revenue Bond.

Battles advised the projected beginning Mustang Improvement Authority fund balance to be \$2,200,000 with projected revenues of \$16,054,300, projected expenditures of \$16,820,200, leaving a projected ending fund balance of \$1,434,100. **Battles** also stated the projected reserve use to be \$765,900.

Battles advised the projected beginning Risk Management Fund – Internal Service Fund balance to be \$480,000, with projected revenues of \$254,700, projected expenditures of \$250,000, leaving a projected ending fund balance of \$484,700. He stated the City is self insured for Workers' Compensation and that the amount could be less or could be more, but still feel we save money by being self insured.

Battles advised the projected beginning MIA Reserve Fund balance to be \$59,600 with projected revenues being \$22,000, projected expenditures of \$0, leaving a projected ending balance of \$81,600.

Battles advised the projected beginning Sewer Infrastructure Impact Fee fund balance to be \$542,000 with projected revenues of \$113,600, projected expenditures of \$264,100, leaving a projected ending balance of \$391,500.

Adams stated the expenditure on this is for the payment to OWRB for our loan for the upgrade to the wastewater treatment plant.

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Battles advised the projected beginning 2013 Revenue Bond – Refinancing 1998A/B fund balance to be \$548,000 with projected revenues of \$1,197,700, projected expenditures of \$1,210,250, leaving a projected ending balance of \$535,450. He stated these were the bonds that were just refinanced and saves just over \$45,000 per year for the next five years. He advised this is a transfer from MIA for the monthly payment for 2013 bond (refinancing 1998A/ 1998B revenue bonds).

Taylor stated last year there was an item for painting of the water tower – was it in this year's budget.

Battles advised no, that no one had asked for it this year.

Taylor asked if we looked into hiring a part time dispatcher.

Battles said yes, but the Chief stated his main concern was training long term. **Battles** stated to keep in mind, there was no additional staffing included in this budget for any department. He stated the conversation of the dispatchers came up at the last budget meeting.

Battles stated in the last meeting, we went through the General Fund. He stated every department is operating on less money than last year. He advised the Workers Compensation Risk Management fund has increases because of State rates and regulations. It went up to \$7.52 for Parks/Recreation employees, to \$6.71 for Police, and to \$7.00 for Fire.

Battles stated he wanted to provide some more information regarding merit raises for non-union employees. He stated for department heads with a good evaluation, they receive a 3% increase, not 2% as stated in the last meeting. **Battles** advised the merit increase is 4% for non-department head employees with a good evaluation. He stated over the last several years, when COLAs have been presented and accepted, the employees still get a merit increase with a good evaluation.

Taylor stated we were generous

Battles stated he also wanted to notate, that the merit increases were given unless the employee is capped and this goes for union and non-union employees. Out of 72 full time employees, 14 are capped which means even upon a good evaluation, they do not get a merit increase.

Battles stated the City and IAFF have reached a verbal agreement. He stated the Fire Department did an excellent job and thanked them for buying in to what the City is trying to accomplish.

Battles advised the City is not proposing a COLA at this time.

Bowers stated this is a huge yearly merit increase especially with a COLA. The City gives their employees a lot.

Battles said the employees work hard too. Department heads would have said no to a COLA over the last three years knowing the budget.

Adams talked about his thought process over the weekend. He stated it hit hard listening to **Chief Foley** talk about the need for dispatchers, **Coleman** talk about the needed market analysis, and the need for an official upgrade to the website which isn't in the budget either. He stated he got numbers from Finance regarding what it would cost for salary and benefits for two new dispatchers and was told it would be right at \$99,000. He stated the Market Analysis cost would be at least \$30,000, and a full website upgrade with maintenance would cost approximately \$25,000. **Adams** stated this mostly has to come from the General Fund. **Adams** stated one of the things he looked at was Resolution 05-027 which transfers 10% of sales tax over \$500,000 to the Limited Purpose fund. He stated that amount this particular year happens to be \$127,000. **Adams** said we could pass a Resolution to disable the current Resolution for FY2014 and move that \$127,000 back to the General Fund. He stated the \$127,000 could fund the dispatchers for one year and have about \$28,000 left over for website development and the rest left over into the General Fund. He stated he knows everyone is thinking that helps for this year, but what about next year.

Adams stated revenues could be different next year, plus Lowes would be paid off and that money would be coming back in and might be able to fund the positions normally. He stated we would have to look at the Limited Purpose fund after taking out the \$127,000 since the ending balance could be a little low and don't want to deplete it all the way down. He stated we also might could transfer some money from the Street/Drainage Improvement Fund to help offset the amount taken from the other fund.

Adams also stated one of the other funds he looked at was the MIA Reserve. He stated it shows no projected spending and is basically a reserve fund for infrastructure. He advised we could pay for SCADA, which is the digital system that monitors our water and sewer, and pay for that with the MIA Reserve.

Adams stated we then take the \$25,000 reserved for SCADA in the Limited Purpose fund plus an additional \$5,000 and put into Community Development to be used for the market analysis.

Adams stated this was just an idea and was a way to not hurt the fund balances and a way to pay out of different accounts. He stated they would have to vote as a Council to suspend the Resolution and could be done for one year and then re-evaluate for the next year. He stated it may be something that could be done away with in the future altogether.

Councilwoman Staples asked why Chief Foley wasn't given any dispatchers.

Battles stated there was no staff hiring across the board; however, to keep in mind, we put two more staff members on that are not union. He stated we are not done with Police Union negotiations and this could be brought up.

Battles also stated we are expanding the Library and ballpark with no additional staffers. He stated we know the risk. **Battles** advised across the board, for our financial status, is why we did it.

Adams stated we didn't have a COLA, not hiring additional people, and we still have this much revenue and expenditures out of the general fund.

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Battles stated at the end of the day, to maintain current services, our expenditures exceed our revenue in the general fund. He stated we cut the budget as much as we could without taking any services away.

Staples stated she was worried if we do away with the Resolution, it would go on forever.

Taylor asked what that money has been used for in the past.

Battles said he didn't have the information in front of him, but we could probably find ten different ways it's been used. He stated to keep in mind, any capital expenditures should be approved by Council.

Councilman Mount stated he cringes a little bit when talking about taking any money out of the streets. He stated two of his biggest complaints he receives are the condition of the streets and not enough policeman on the streets. He stated the streets are terrible and just continue to deteriorate. **Mount** advised last year, we put in two miles on Czech Hall and maybe Rolling Acres.

Adams said the proposed streets this year is Heights from Hwy 152 to the high school, the Armory Road, and few panels on Blue Bird and Silver.

Battles said he isn't trying to pawn this off to the next City Manager, but feels it is something he should have a say in when deciding what streets or projects need attention. He said we need a plan and the rating system mentioned earlier and to reserve the money and understand the process, price, etc.

Discussion was held regarding the different streets needing attention and ways to make them safer.

Taylor asked when the last bond was done on the streets.

Adams stated 2008 and he believes it was for \$2,500,000.

Discussion was held regarding bonds for streets prior to the 2008 bond as well as a sales tax dedicated to streets in the late 1990s.

Adams said we have \$522,000 projected expenditures for the street improvements fund this year and asked what was being done with this.

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Battles advised to go to page 117-118 of the Annual Budget for Fiscal Year 2013-2014. He stated page 117 describes the revenue and page 118 describes the grant revenue. He stated the \$254,300 is the reimbursable money from ODOT for the Armory Road. That's what's left in that balance. He stated that only includes concrete, asphalt, hard top. **Battles** stated dirt work and everything else is separated out. He stated under the restricted carryover, the \$185,700 is for the Armory for everything the ODOT grant does not cover. **Battles** advised the engineer's estimate shows we will spend approximately \$260,000 for the hard top expenses therefore spending the entire grant plus will cut into our normal street budget a little bit.

Battles stated page 119 provides the breakdown of how those costs are allocated for the armory.

Mount asked when will we receive the \$254,300 back.

Battles said bids were in and hope to have it awarded soon with an anticipated start date of August. He stated, once started, we can then start getting reimbursed. He advised everything is good with the State regarding the grant requirements.

Adams stated with the carry over and the reimbursement, we might be able to assign a new street project.

Staples asked if there was any chance we could lean on OKC to redo 59th.

Adams said we have been leaning on them.

Taylor stated Oklahoma City Councilman McAtee said it's in their plans.

Adams said it's also in the ACOG plan before the 2020 timeline to redo 59th from County Line Road to Cemetery Road.

Adams stated we also needed to look at 89th street. With the right plans in place, could resurface a good portion of it in four years.

Battles said we do have a quality street contractor in Silver Star which helps tremendously and benefits us moving forward.

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Taylor urged Council to look at a bond for the streets.

Battles advised Council to turn to page 123, Debt Service Fund. He stated this will give a breakdown of what the payments are for and how they are done.

Battles advised Council to turn to page 126-127, Limited Purpose Fund. Discussion was held concerning the freezers and the amount of food that was kept in stock. Battles advised with the walk in freezer, it could be on a back up breaker so not to lose product.

Bowers asked if we have any generators.

Battles said no. He said the City is looking into purchasing a generator for the servers at City Hall in order to not lose data.

Discussion was held concerning Western Days and the fact that the booths had been moved to Wild Horse Park. **Adams** asked if the electricity was adequate. **Battles** stated yes, that the Oklahoma Mustang Club had made a donation. Further discussion was held concerning the parade and the possibility of route changes.

Bowers asked if the City has to purchase from certain vendors. She stated for example, the 6' work tables on page 150 could be purchased for less.

Battles advised those are stainless steel per Health Department rules. He stated we can buy from any vendor unless the amount is over \$25,000, then we have to bid. He stated we do get three quotes and keep them on file though, showing we did our fiscal responsibility.

Adams stated we can also utilize state contracts.

Battles said the rake, utility cart and mower prices were taken from state contracts.

MOTION was made by **Councilwoman Bowers** and seconded by **Councilwoman Hagan** to recess for ten minutes.

AYE: Taylor, Staples, Bowers, Hagan, Mount
NAY: None

Council recessed at 7:45 p.m.

Mayor Adams called the meeting back into session at 7:50 p.m.

Battles asked the Council to turn to page 166 – MIA Bond Fund, 2006 Revenue Bonds. He stated this breaks down the overall costs. **Battles** advised the end balance is above the beginning balance. He advised page 168 notates the transfers and shows the interest payments.

Battles asked Council to turn to page 169-170 – MIA Fund Revenues. He discussed the charts regarding revenue and expenditures for the MIA. He stated page 172 breaks down the revenues further.

Taylor asked what the ambulance fee was.

Battles said that was the fee we receive for EMSA – it's \$1.50 and included on the water bill.

Battles discussed Miscellaneous Revenue advising this could vary, such as reimbursements, penalties, etc. He also went over the Transfer fees. **Battles** also discussed the expenditures on page 174. He stated the disaster April 2012 storm money should be expended by the end of the current year.

Taylor asked about ambulance revenues of \$245,000 and expenditures of \$230,000. What was the extra \$15,000.

Watts stated you never know what they will bill us. She said it can climb from year to year.

Battles advised MIA can take debt, it stands on its own. He advised an Ordinance was passed in 2006 to include on water bill each year. He stated it is based either by CPI or 2%.

Battles talked about how unique the budget is and can be confusing on how the City has to operate. He stated the City had hired a company in 1995 and spent \$10,000 to have them review our budget and make suggestions on how to make it more understandable to the public. He stated once they were done, they could not provide anything different than what we currently did. He said it's very tough, but wish there was a way to make it more understandable, but it is very unique in its structure.

Mount advised this is the best and most information he has seen since being on the Council.

Battles gave a lot of credit to **Janet Watts**.

Staples asked what was the 568-5871 transfer 4th penny excess.

Watts stated it is the transfer after the MIA transfers money to Fund 66, whatever money is leftover on that 4th penny in excess is also transferred to the Fund 66 in case the city chooses to call those bonds in early and make that payment sooner than the maturity date.

Staples asked where the 4th penny comes from

Watts stated from sales tax.

Battles asked Council to turn to page 178. He stated the City struggles with the maintenance cap. He said for instance it's set at \$175,000 and we are already over that amount. He stated the facilities and infrastructure age and we need to be able to meet those needs and meet ODEQ standards. **Battles** advised we need some sort of a checklist to hold Severn Trent accountable for the numbers we are getting. He also advised the Severn Trent contract states we use the CPI for increases each year to their contract and that we will be reviewing this increase structure.

Battles asked Council to turn to page 179 where he explained the water projects.

Battles asked Council to turn to page 180 – Sewer and mentioned the descriptions under the "Other Services and Charges" heading.

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Adams provided some background information regarding the Canadian River Study Joint Project with ACOG as required by ODEQ. He stated ACOG is performing this study and our portion of the study is \$50,000. Otherwise, it probably would have been close to \$500,000 had we done the study by ourselves. **Adams** advised ODEQ may want to change the designation of the Canadian River to warm water habitat which means our fluids would have to be processed even cleaner than we are doing now. He stated we will have a presentation at the next Council meeting from a company showing how we can utilize the gray water for parks irrigation.

Battles stated total contract for next FY is \$1,688,100.

Battles asked Council to turn to Page 182 Sanitation which provides the OEMA contract breakdown, for a total of \$1,213,800.

Battles asked Council to turn to Pages 184-185 Internal Service Fund. He advised this provided information regarding Risk Management and Workers Compensation self insurance breakdown.

Battles directed Council to Page 187 MIA Reserve Fund. He stated the total reserve was \$81,600 and this money can only be allocated for water and sewer.

Battles directed Council to Page 192 Sewer Infrastructure Impact Fund. He stated we issued more building permits last month than the entire year. He advised there was a reserve carryover of \$542,000. **Battles** stated there was money reserved to go towards the OWRB loan for the sewer expansion project.

Battles asked Council to turn to Page 196 – 2013 Revenue Bond Funding (1998A & B Refinancing). He stated this was the refinancing that was just completed on the 1998 A & B bonds. He advised we will save \$45,000 a year with the refinancing and this number should look a lot better in twelve months.

Staples advised she would need to think about whether or not to do away with Resolution 05-027 because she is afraid it would become permanent.

Taylor stated he could not vote for it without knowing what it has been used for in the past. He asked if it could be provided by Thursday's meeting.

Battles stated yes, it wouldn't be a problem.

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Adams stated if we were to consider the suspension of the Resolution, we could make it state that it's for this year only.

Battles advised Council could discuss the Resolution and changes in Thursday's meeting, then if directed by Council, could place the Resolution on Tuesday's City Council meeting.

Staples asked if we could discuss alternative funding for a dispatcher.

Battles said the budget is just too tight.

Taylor said we could cut the gravel parking lot.

Staples stated she doesn't think the parking lot will be that much money.

Adams commented with opening up the new baseball fields, where will everyone park if there isn't a new parking lot.

Taylor stated public safety is more important than a parking lot for a ballpark.

Adams summarized his plan as presented earlier.

Mount stated he does want to see the SCADA fixed.

Battles suggested Council go ahead with Thursday's meeting to go over the information requested and then take whatever comes from discussion to City Council on Tuesday on whether to change the Resolution or not.

Staples stated she wants dispatchers but wonders what the union will think.

Battles stated we were being very aggressive in not hiring across the board. He stated it could be a problem and he hopes, moving forward, a plan can be laid out.

Bowers asked if the unions will be unhappy with this budget.

Battles said the Fire agreement is in place, but still up in the air with the Police union. He stated they do know that no one is getting a COLA. He advised there have been delays lately on the part of the Police.

Battles stated we are also trying to address an officer at the school and how that it is currently being funded. He stated we have been in conversations with the Superintendent regarding their percentage of the cost. He stated the school may request a third officer and will have to address that additional cost as well.

Adams stated we needed to look at the Dispatch contract for Minco and Union City and decide if we are adequately getting reimbursed from them.

Staples asked what percentage of the cost is picked up by the school.

Battles stated he believes it's about 40%. He stated we needed to look at the total cost, including salary, benefits and uniform and are currently talking about it with them, but can't just spring an additional \$40,000 cost on them. He said none of us want county officers working at the school, that we need a Mustang car and our people there.

Battles said we will come back Thursday and bring a five year history of what has been allocated out of the limited purpose fund discussed.

Watts advised 10% is to go towards infrastructure, but not sure it was notated in previous budgets.

Battles stated we will have to look at past completed capital improvements using Limited Purpose Funds and bring that information to Council.

D. ADJOURNMENT

MOTION was made by **Councilwoman Hagen** and seconded by **Councilwoman Bowers** to adjourn this meeting.

AYE: Taylor, Staples, Bowers, Hagan, Mount
NAY: None

Meeting was adjourned at 8:50 p.m.

Attest:

Mayor

City Clerk