

**MUSTANG CITY COUNCIL
MUSTANG IMPROVEMENT AUTHORITY
SPECIAL MEETING – BUDGET WORK SESSION
MAY 6, 2021**

The Mustang City Council met in a Special Meeting on Thursday, May 6, 2021 at 6:00 p.m. in Meeting Rooms C & D, Mustang Town Center, 1201 N. Mustang, Rd. Notice of the meeting was posted as required on Tuesday, May 4, 2021, at 2:50 p.m in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

A. CALL TO ORDER

Mayor Grider called the meeting to order at 6:01 p.m.

B. ROLL CALL

Councilmembers Present:	Ray
	Teeple
	Wald
	Jones
	McKenzie
	Grider

Councilmembers Absent: Sholund

Councilman Sholund joined the meeting at 6:03 p.m.

C. DISCUSSION ITEMS

C.1 **Discussion and Review** regarding the Proposed Annual Operating Budget for FY 2021-2022 for the City of Mustang/MIA.

City Manager Rooney reviewed the "Message from the City Manager" stating it will provide an overview of the budget and identifies changes and goals. He stated during fiscal years 2020 and 2021, revenue collected faced a shortfall due to a weakening economy in the oil and gas industry bust, COVID-19, and a devastating ice storm in October, 2020. He stated the City filed paperwork with the Federal Emergency Management Agency (FEMA) for partial reimbursement of ice storm expenses incurred by the City stating Mustang should be reimbursed by FEMA up to 75% with a possible reimbursement from the State of Oklahoma up to 12.5% as has occurred in prior ice storm events. **Rooney** advised it is fiscally prudent to maintain reserves no less than 15-20% of annual revenues stating the General Fund maintained a reserve averaging 8.34% and Mustang Authority Fund averaging 11.85% mostly due to the expenses incurred by the October, 2020 ice storm.

Rooney presented the "Assumptions" included in the "Message from the City Manager" and along with **Finance Director Watts**, provided a PowerPoint overview of the budget (PowerPoint available in City Clerk's office and online for review).

Attached to the minutes is a detailed list of questions and answers during the meeting.

Councilman Jones left the meeting at 6:53 p.m.

D. ADJOURNMENT

MOTION was made by **Mayor Grider** and seconded by **Councilman Sholund** to adjourn.

AYE: Ray, Teeples, Wald, Jones, McKenzie, Sholund, Grider

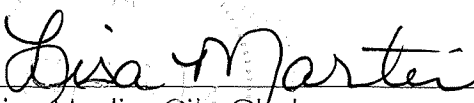
NAY: None

Meeting was adjourned at 6:54 p.m.



Brian Grider, Mayor

Attest:



Lisa Martin, City Clerk

FY 2021-22 Budget Work Session Questions

Councilman Travis McKenzie noted that he realized that (OEMA) was already having issues with their new trucks and also asked who does maintenance for them?

City Manager, Timothy Rooney responded by stating that having been appointed as the OEMA Representative for the City of Mustang he will follow up on that through the appropriate channels.

Newly elected Mayor, Brian Grider asked if the Community Development Block Grant (CDBG) Grant funded walking path to be developed, would be the only sidewalk project under this budget year?

City Manager, Timothy Rooney answered this question by stating that the City puts money aside for sidewalks that the city also does, although the city tends to try to look at commercial areas along State Highway 152 that don't have sidewalks and the city tries to make sure to at least have sidewalks on one side of the street.

Councilman McKenzie asked if there is any way, we could tap into the CDBG Grant funds to assist the City in sidewalk developments.

City Manager, Timothy Rooney responded clarifying that the CDBG Grant of \$152, 225.00 will be utilized for that.

Councilman McKenzie asked if any of that cost by the schools geared towards resource officers was funded by the schools or is that coming from the budget.

City Manager, Timothy Rooney stated that the school's pay for 2/3rds of the school resource officers in the 9 months of school session.

Mayor, Brian Grider asked if the city assumes that the sales tax note payments contributions are going to go over \$1 million does the city expect more by 2030.

City Manager, Timothy Rooney responded by stating that yes there could be a significant increase or decrease in the sales tax, the city should have enough funds to balance off note payments or cover up any difference.

Mayor, Brian Grider followed this up by asking whether these funds could be used in new capital projects.

Finance Director, answered no. The funds are implemented and utilized based on what the public/citizens voted on. Which is to fund Public Safety, Streets, and Quality of Life.

Councilman Nathan Sholund asked whether the low interest from the Bond Council was due to COVID-19 or were these regular rates.

City Manager, Timothy Rooney responded by stating the interest rate was reducing overtime prior to COVID-19. However, due to the uncertainty of the financial market during COVID-19 there were fluctuating estimates and interest rates varied.

Newly elected Councilman, James Wald asked who monitors sales tax in the city to make sure the property sales tax is being paid within the city limits.

City Manager, Timothy Rooney responded, stating that the State of Oklahoma (Oklahoma Tax Commission) is the one that collects the 4% sales tax and the commission can come out and audit at the city's request.

Finance Director, Janet Watts added, she keeps a keen eye on the sales tax. Especially to ensure that the correct corporations or businesses are paying the sales tax to the right municipality and not to the wrong city.

Mayor, Brian Grider asked for an estimate of the sales tax contribution from dispensaries.

Finance Director, Janet Watts mentioned she would have to look at the records and also mentioned the legality involved in providing such information due to confidentiality reasons.

Newly elected Councilman, James Wald asked if there would be sales tax collected from a (car) dealership if it was located in Mustang.

Finance Director, Janet Watts stated, yes. There would be a sales tax collected during the sale of the vehicle.

Mayor, Brian Grider added to that by stating, a small portion of it goes to the city and a large portion of it goes to the State and a decent portion goes to assist the State in teacher payrolls.

Mayor, Brian Grider asked when he pays his water bill where do these fees collected land in the various fund budgets in the city.

Finance Director, Janet Watts stated that those funds are aligned to the MIA funds and then spread out eventually to other funds.

Councilman, Keith Teeple asked how much does FEMA reimburse.

City Manager, Timothy Rooney responded, by stating that FEMA reimburses 75% and then the City caters for the 25% balance.

Councilman McKenzie, asked if there is a timeline or date outlook on when the City is supposed to be reimbursed.

Finance Director, Janet Watts stated that sometimes takes states 2-3 years to reimburse cities.

City Manager, Timothy Rooney responded, by stating that FEMA is overloaded due to the number of various natural disasters in the past one year and that the regular timeline is anywhere around 9 months.

Councilman Keith Teeple, asked does the reserve have tendency to get bigger in the better years.

City Manager, Timothy Rooney responded, with yes. As it did right before COVID-19. Although it is important to note that in addition, to the pandemic the ice storm also contributed to the uncertainty of predicting or generating revenue, which flows to the reserves. Concluded by noting that last year, 2020 was one of the most difficult budgets the city has gone through.