

**MUSTANG CITY COUNCIL
MUSTANG IMPROVEMENT AUTHORITY
BUDGET SESSION
MAY 4, 2012**

The Mustang City Council met in regular session on Friday, May 4, 2012, 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 2, 2012 at 9:55 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 6:00 p.m.

B. ROLL CALL

Councilmembers Present:	Taylor
	Grubbs
	Bowers
	Jones
	Hagan
	Mount
	Adams

Councilmembers Absent:	None
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C. DISCUSSION ITEMS

- 1. Discussion, Consideration and Possible Action** Regarding the Proposed Annual Operating Budget for **FY 2012-2013** for the City of Mustang/MIA.

The **City Manager** read his budget letter to the Council. We will go through each line item tonight and try to get through as much as possible tonight.

Mayor Adams explained to the new Council Members that the hardest thing to do is to sit in on a budget meeting when everything is new to you. He asked them not to be overwhelmed.

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GENERAL FUND

Finance Director, **Heather Campbell**, reported on the General Fund Budget.

\$ 2,489,527	Projected Beginning Fund Balance
\$20,310,527	Projected Revenues
\$20,310,527	Projected Expenditures
\$ 2,489,527	Projected Ending Fund Balance

FRANCHISE FEES AND SALES TAX

She said that the Franchise Fees remain level. We have slightly increased the Sales Tax Projections based on the last 12 months of revenue and the current economic outlook. Last year we decreased our sales tax projections just a little to conform to what we were seeing at that time. As of now, we are meeting all these expectations so that is the reason for the slight increase for this next fiscal year. The slight increase is about \$300,000.

Rutledge stated that we base this information on our historical data. We see what the trends are.

FEES

Campbell reported that the Fees are primarily from our Construction Permits and Inspection Fees which have been adjusted to reflect the current economy and year to date revenues. They have been projected according to what we have seen in the past twelve months in the economy and what our Economic Development Director has projected for the next twelve months based on his discussions with the developers and builders. All of these fees are driven by Ordinance. This simply states what we expect to produce in the next fiscal year.

Rutledge stated that we have not increased the fees and **Campbell** replied that they are based on our projections of what the City will receive from this revenue.

FINES

Campbell went on to explain that Fines, Citations and Ordinance Fines are perceived that we will stay level in this area. We do not anticipate an increase or decrease at this time.

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GENERAL RESERVE FUND

Campbell stated that the General Reserve Fund is a stabilization fund used in case of Emergency.

\$205,000	Projected Revenues
\$ 0.00	Projected Expenditures
\$205,000	Projected Ending Fund Balance

Hopefully we will not have any inclement weather, etc. where we would have to use this money but it is here in case of an Emergency.

Rutledge stated that an example of this would be like the ice storm where the costs were in excess of \$200,000.

PARK IMPROVEMENT FUND

Campbell reviewed the Park Improvement Fund. This fund is driven by Ordinance and her projections are listed below:

\$ 22,367.00	Projected Beginning Fund Balance
\$145,700.00	Projected Revenues
\$145,700.00	Projected Expenditures
\$ 22,367.00	Projected Ending Fund Balance

The revenue source for this fund comes from a variety of different places. We transfer \$15.00 for each Business License that the Community Development office issues. They also receive a portion of every ticket written, unless that ticket is dismissed. It also has its' own interest bearing account.

LIBRARY FUND

Campbell reported that the Library Fund is very similar in the fact that it is driven by Ordinance.

\$ 8,978.00	Projected Beginning Fund Balance
\$32,600.00	Projected Revenues
\$32,600.00	Projected Expenditures
\$ 8,978.00	Projected Ending Fund Balance

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The Library Fund is very specific and can only be used for certain purposes. For example, when the library receives Grant money the Library has the ability to match these monies through this fund.

POLICE FUND—TRAFFIC ENFORCEMENT

\$13,670.00	Projected Beginning Fund Balance
\$10,300.00	Projected Revenues
\$10,300.00	Projected Expenditures
\$13,670.00	Projected Ending Fund Balance

Campbell stated that again, this fund is driven by Ordinance. The Revenue source comes from citations that are not dismissable. The Police Department uses this fund for material and training for education for their school. This Fund is very specific in what these funds can be used for.

STREET/DRAINAGE IMPROVEMENT FUND

\$190,000.00	Projected Beginning Fund Balance
\$389,000.00	Projected Revenues
\$389,000.00	Projected Expenditures
\$190,000.00	Projected Ending Fund Balance

Campbell stated that this fund is shown **after** the completion of the N. Czech Hall Road Project, S. Czech Hall Road Project and the Rollin Acres Road Project. These Projects are being taken care of with our current budget.

Rutledge stated that he has received the bids on the S. Czech Hall Road and the Rollin Acres Projects and they have both come in under budget according to our engineer's estimates.

LIMITED PURPOSE FUND

\$ 810,219.00	Projected Beginning Fund Balance
\$ 554,000.00	Projected Revenues
\$1,259,361.00	Projected Expenditures
\$ 104,858.00	Projected Ending Fund Balance

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Campbell reported that this Fund is also known as the Capital Projects Fund. This is where all the Department Heads have made their requests for capital items and things that are needed for infrastructure and departmental needs across the city. The Revenue source for this fund is by Resolution. Council voted several years ago that anything in excess of \$500,000 in a monthly sales tax that we receive we would then transfer 10% into this fund.

We also have a Resolution for a transfer from the Mustang Improvement Authority. We have a restricted and special sanitation revenue collection that is collected on the utility bills. This is dedicated to the Capital Improvement Fund along with a small amount of interest from the banks.

Rutledge spoke in regards to what Projects will be funded with the Limited Purpose Fund. These projects are listed in the Budget Meeting packet. He went on to explain each individual Project.

He went on to say that the Chief of Police had asked for additional manpower. He asked for an additional dispatcher, an additional records clerk and additional police officers. We trimmed that down to three officers (one for each shift) and doing away with the others. With the additional police officers comes the cost of adding three more police cars. He has a problem with this.

Currently the Police Department has a staff of 21 people. Our calls are increasing and our crimes are also increasing. He feels that we need the additional police officers instead of a records clerk or another dispatcher. The Police Department has paid a tremendous amount in overtime because they are short handed.

Councilman Grubbs asked how many officers are on each shift.

Rutledge stated that there are four (4) per shift. Council needs to remember that people get sick or want to take vacations and there is no one to replace that missing person.

Mayor Adams asked how many dispatchers do we have.

Campbell replied that there are four (4) full time dispatchers and one (1) part-time.

Councilman Grubbs asked if the detectives could help out when needed.

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Rutledge stated that the detectives have a full case load now without pulling them off these cases.

Mayor Adams asked if there was funding available for the additional officers (three officers).

Rutledge replied "yes".

Mayor Adams talked about the additional Police vehicles. We now have a plan to do three (3) new cars each year and in seven (7) years we would have the entire fleet rotated out. He feels that we should stay with the three cars per year that we have committed to and the money that has been requested to acquire more cars be applied to a new dispatch officer or whatever else the Police Chief is asking for.

Councilman Grubbs asked that if we have 21 vehicles and only four (4) officers on each shift, then we have a lot of cars sitting around. Why do we need more vehicles?

Rutledge replied a lot of these cars are left over from the 1990's. This is something that he could ask the Chief of Police to come in to answer some of these questions.

He went on to say that we have two (2) more dedicated officers that are funded partially by the school.

Councilwoman Hagan commented that it bothered her that they are asking for three (3) more officers. She feels like she is being double taxed for these officers. She is paying City Sales Tax and Advalorem Tax on the bond issue. She is wondering why the school does not have enough income to have their own security. If they did that we could add those two officers back into our everyday force and then add just one additional officer. She just thinks that the school can have their own security.

Rutledge commented that we have a contract with the school and these officers are partially funded by the school. During the summer months when there is no school the officers come back to their duty as a full time officer for the City until school starts again. These officers would not be here if the school would not have funded them as they did. Some of the schools have Canadian

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County Deputies at their schools and it is possible that the schools in town could also do that.

Councilman Jones stated that he thought that the school paid 75% and we paid 25%. **Rutledge** replied "that is correct."

Councilman Grubbs stated that he would like us to move forward with the schools and not step backwards.

Councilwoman Hagan stated that she does not think that this is a School and City conflict. She sees it as bringing our City forward. If we can afford three new officers then why can we not afford to bring these two officers back and get an additional officer. We need these officers on our streets, especially at night.

Councilman Grubbs wants us to make the bond between the Schools and the City stronger than it has ever been. If we do not work together, we are moving backward and not forward.

Councilman Taylor stated that he agrees with Councilman Grubbs. He suggested that maybe we have some kind of joint task force between the City and the Schools to talk about these issues.

Councilman Jones feels that would be a good idea to work with the Schools.

Mayor Adams stated that the difference between hiring three new officers and bringing back the two school officers and adding an additional officer is 50% savings. He agrees that right now it would hurt any future mending between the City and the Schools.

Councilman Mount stated that we need to work on our relationship with the School Board.

Mayor Adams does not think that anyone disagrees that three more officers on the street would not be a great idea. This is already covered by the budget so we are good to go with that. Do we sacrifice the need of an additional Dispatcher and an additional Records Clerk for the possibility of four more vehicles for the officers?

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Rutledge stated that we have set a goal to purchase a certain number of cars every year. We need to build up our force to an adequate level to where we are not calling people in every night.

Councilman Grubbs stated that this is a seldom occurrence.

Mayor Adams asked if the Police Department really needed seven (7) vehicles this year.

Rutledge stated he would have to look into this.

Mayor Adams asked that Rutledge bring in the Chief to answer some of their questions.

Campbell stated that the Records Department only has one (1) full-time employee and one (1) part-time employee.

Rutledge stated that the City is growing. We need more people to keep us safe. We need to move forward and make sure that Public Safety comes first.

Councilman Taylor asked the City Manager to get with the Chief to see if he has explored any State or Federal Grant Money for the hiring of extra Police Officers. Also, see if the Chief has any ideas on how to bring in more reserves.

Campbell stated that the Chief has submitted a Grant for overtime help but it is not for full-time new staffing help.

MOVING ON WITH THE LIMITED PURPOSE FUND PROJECTS

Rutledge moved onto the Fire Department's Projects and explained each project.

The Fire Department did ask for a new \$35,000 compressor system to refill oxygen tanks but we took this out. The current compressor works fine. The Chief just thought that it was old and needed to be replaced.

Rutledge went on to explain the Water Projects. He said that the 74th Street Booster Station needs some upgrades to it at a total of \$250,000.

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Councilman Mount asked about our water towers. Does the City do any future planning in regards to the water? Mustang has grown to 17,000 people with more growth estimated in the future. He also stated that he feels that we need more than one (1) booster station. He is concerned with how long we can adequately serve water to the people.

Rutledge stated that "we absolutely look forward". We have another relatively new booster station at the corner of SW 59th Street and County Line Road. We can cross feed into all of our systems.

He went on to discuss the painting of the water tower. He has had all three towers looked at. At this time, we are looking at only painting one (1) tower which is the main tower here in the City.

Rutledge went on to discuss the Telemetry Radio System at a cost of \$21,662 for the Sewer Project. This system would allow Severn Trent to track all of our wells and how they are pumping, what they are doing, etc. He feels this is a fair estimate.

Councilman Grubbs stated that there has been talk of a lift station on the west side of town and he did not see anything in here about this. He also went on to state that there is no water east from SW 89th and SH 4. There is a lot of developable land out there that we could get people to develop with a little incentive. This really needs to be thought about.

Rutledge stated that he had a meeting with the engineers yesterday. They talked about the Spitler Lake area. There is room to build 235 total houses in that area. They currently have between 20-30 houses there. He foresees a lot of growth in this area in the future. All of that sewage would have to go into the Lakehoma sewer station. It will not take another 235 houses. He asked the engineers what we need to do to update this process. We might have to build a sewer station for the Spitler Lake area but he does not want to build one lift station for one development. He wants to do what is best for the entire area. We are doing everything proactive that we can right now.

Mayor Adams asked if this is something like this could be done through OWRB.

Rutledge stated "yes and he has already contacted them on this".

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BOND FUND

Campbell reported that this is specific to the excess sales tax that is driven by Ordinance the 2006 Bond Series. We have 1 cent dedicated to the 2006 Bond.

\$2,205,000.00	Projected Beginning Fund Balance
\$1,853,113.00	Projected Revenues
\$1,678,504.00	Projected Expenditures
\$2,379,609.00	Projected Ending Fund Balance

The 2006 Bond matures in October of 2021 but we have been diligent that we are properly funding the Bond Fund so that if it comes to be callable we have options to look at if we so desire.

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\$ 2,400,000.00	Projected Beginning Fund Balance
\$17,045,650.00	Projected Revenues
\$17,045,650.00	Projected Expenditures
\$ 2,400,000.00	Projected Ending Fund Balance

No discussion on this item.

MUSTANG IMPROVEMENT AUTHORITY RESERVE

\$ 78,500.00	Projected Beginning Fund Balance
\$ 40,500.00	Projected Revenues
\$ 0	Projected Expenditures
\$119,000.00	Projected Ending Fund Balance

This is very specific by Ordinance as to what these funds can be used for.

SEWER IMPACT FEE

\$680,000.00	Projected Beginning Fund Balance
\$137,000.00	Projected Revenues
\$386,425.00	Projected Expenditures
\$430,575.00	Projected Ending Fund Balance

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Campbell reported that the Ordinance was written at the time that Phase I was done with the OWRB. The expenditures that you see in this fund are those semi-annual loan payments. Also, an Ordinance was written that the revenue was derived from the Sewer Impact Fees collected on the side of Community Development. Those are all dedicated and ear marked to the OWRB loan and the Waste Water Treatment Plant expansion.

Rutledge explained that the Sewer Impact Fee is from \$1,000 for every new home built after this went into effect.

REVENUE BOND

\$1,101,150.00	Projected Beginning Fund Balance
\$1,479,660.00	Projected Revenues
\$1,680,000.00	Projected Expenditures
\$ 900,810.00	Projected Ending Fund Balance

Campbell explained that the Revenue Bond is the 1998 "A" & "B" Bonds. The "A" Bond will mature December 1, 2015 and the "B" Bond will mature December 1, 2018. This is a 1 cent dedicated sales tax like the 2006 Bond. Again, this is all driven by Ordinance.

DISCUSSION

Councilman Taylor asked why we had a carryover of over \$800,000 from last year in the Limited Purpose Fund.

Campbell explained that we do a calendar of all Capital Projects that have been approved for funding and we spread that out through the twelve (12) months. It is not uncommon when a Department Head changes their mind and decides they would rather do something in the next budget year. We then carry over those funds to the following year. Sometimes these projects also come in at a cheaper amount than we allotted for.

Councilman Jones asked the City Manager to explain about the \$5,000 each Councilmember and Mayor has set aside for them to use for their favorite projects for the City. **Rutledge** explained. This comes from the General Fund, not the Limited Purpose Fund. This money cannot be used to buy something for someone but it must be used to do projects to better the City.

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Rutledge stated that they just got quotes for security glass across the front desk areas where the Court Clerk, Utility Billing Clerk and Community Development Clerk sit. The reason for this is that people come in to pay their utility bills or pay a ticket and they are not happy about it at all. People have come in Intoxicated, carrying weapons and also spitting on our employees. The quote came in around \$6,000. This should have been done when the building was built but it was chosen not to be done. He would encourage Council to do this. We might even ask each Councilmember to apply \$1,000 from their fund to do this project.

Councilman Jones talked about leaving the flashing Stop Signs at SW 59th and Hwy 92.

Rutledge stated that this is Oklahoma City property. Oklahoma City will leave them there for now but that could change at any time.

Mayor Adams stated that he does not think it would be a bad idea to get more. We definitely need more and they definitely work.

MOTION was made by **Councilman Taylor** and seconded by **Councilwoman Hagan** to take a ten (10) minute break and then go through the General items.

AYE: Taylor, Grubbs, Bowers, Jones, Hagan, Mount, Adams

NAY: None

RETURN TO MEETING AT 8:00 P.M.

Campbell clarified that what she just went through was each different fund. Within each one of these funds there are different operating things that occur. The General Fund is where you will find the daily operational accounts that are divided by each Department. What we were looking at in the Capital Fund is over and beyond the everyday costs that they incur.

She went on to explain that the reason the 2012 "GO" Bond Fund is not included on this budget was because it would be premature since we have not gone through the 30 day waiting period to receive that money. You will see this in the budget once the money has become available.

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TAB 3 **MAYOR AND COUNCIL**

Campbell reviewed the proposed budget. The first year has a typo and it should say \$1,000. She then went over the rest of the budget. She is putting together a report on what projects Council would like to move forward with.

Our fiscal year is from July 1 to June 30th of each year. We have to have encumbered and ordered by June 30th anything that we wish to purchase in this fiscal year.

TAB 4 **CITY MANAGER DEPARTMENT**

The **City Manager** explained the GIS System. Other than that everything is pretty much the same. He has also asked for an additional person in his department. The City Manager Department includes the City Clerk, Court Clerk, City Manager and Human Resources Director.

Rutledge stated that he is in the process of looking for an Administrative Assistant. They have not found anyone that they liked as of yet, but they are still looking.

Mayor Adams asked that they look at the possibility of redesigning the City website and making it more modern. He would also like it to be made capable of being maintained by the City employees.

Rutledge stated that he has had someone working on the website. He went on to explain why the website is so bad right now.

Councilman Taylor stated that we need to find a way to stream the meeting.

Councilman Grubbs stated that Channel 20 was not working and **Rutledge** replied that the problem has been corrected and is now working.

Mayor Adams asked if we need to set aside a budget item because we really need to make sure that we are accessible to the public from a technology standpoint.

City Clerk explained how the code books work and when codification takes place.

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Rutledge stated that we again have \$3,500 budgeted again this year for Christmas Lights. We have not made the order yet but will be doing so soon. He asked Council if \$3,500 is enough for this year because it gives us a total of \$7,000. He feels we really need the Christmas decorations and would like to buy something better than we did the last time. Some Councilmembers and the City Manager stated they do not have a problem with buying "Merry Christmas" decorations. He will do some research and bring back to Council for their consideration.

Mayor Adams stated he would like for the City Manager to do this.

Rutledge stated that he would like to hire a Project Manager to ride herd over these new Bond Issue Projects. He was so pleased with the Project Manager that overlooked the Sewer Project that he called him again. This person stated that he was busy but he has other friends that do this type of work. He would really like to bring someone on board who will be here every day to oversee this work and make sure it is done right. This is included in this budget.

Mayor Adams stated that this is an important project and needs to be done right. Having a Project Manager to oversee these projects is critical.

TAB 7 **GENERAL GOVERNMENT**

Campbell stated that in this budget she has asked for a module for paperless billing. We would see a tremendous decrease in postage and printing expenses. This would be an opt in program and people would not be required to go to this.

Rutledge stated that our Department Heads have done an excellent job this year in trying to find out ways to lower costs.

Rutledge then went through each line item.

Campbell stated that the Office Supply line item is pooling all office supplies for all departments.

Mayor Adams stated that the next meeting is scheduled for Monday, May 14, 2012. We can post another meeting for May 16, 2012 in case we do not get everything done on May 14th.

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Mayor Adams recommended that next year immediately following the elections the budget meeting dates be scheduled and delivered to everyone so they can pre-schedule their schedules.

D. ADJOURNMENT

MOTION was made by **Councilman Taylor** and seconded by **Councilman Jones** to adjourn.

AYE: Taylor, Grubbs, Bowers, Jones, Hagan, Mount, Adams

NAY: None

Meeting was adjourned at 8:55 p.m.

Attest:

City Clerk

Mayor