MUSTANG CITY COUNCIL
DECEMBER 17, 2013

The Mustang City Council met in regular session on Tuesday, December 17, 2013, at 7:00 p.m. in the Mustang Municipal Building Council Chambers. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Friday, December 13, 2013, at 10:16 a.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 7:00 p.m.

B. PLEDGE OF ALLEGIANCE/INVOCATION *(Jim Harris, Pastor, Clear Springs Free Will Baptist Church)*

Jim Harris, Pastor, led the assembly in the Pledge and Invocation. He invited everyone to their Christmas Eve service and also provided information regarding their "be the church event" where instead of holding a church service, they go out into the community and do community service such as helping people clean their yards, etc.

C. ROLL CALL

Councilmembers Present: **Taylor**
Staples
Bowers
Jones
Hagan
Mount
Adams

Councilmembers Absent: **None**

D. INTRODUCTION OF GUESTS/HEARING OF CITIZENS OR DELEGATES

None.

E. NEW BUSINESS, DELETIONS OR CONTINUANCES TO THE AGENDA

None.

F. <u>CONSENT AGENDA</u>

1. Approval of **12/03/13** City Council Minutes
*2. Claims List for **FY '14**
3. Approval of City of ***Mustang Recreation Center*** to be ***closed*** on ***January 3, 2014***.
4. Approval of **Resolution No. 14-024**, Making Changes in the General Fund Budget by Making a Supplemental Appropriation to Increase the 2013-2014 Fiscal Year Budget by $774.
5. Approval of **Resolution No. 14-025**, Making Changes in the General Fund Budget by Making a Supplemental Appropriation to Increase the 2013-2014 Fiscal Year Budget by $4,151.00
6. Approval to **Deny Tort Claim** dated October 22, 2013, in the amount of $35.00.
7. Approval of the City Manager's Office to Formally **Establish a Truck Route** and to Post "No Thru Truck" Signs at Specific Locations throughout the City.
*8. Acknowledgement of Receipt of **DEQ Permit No. SL000009130865**, to Construct Sanitary Sewer Lines for Spitler Lake Estates Addition, Section 2.

Councilman Taylor requested Item F-6 be pulled for a roll call vote.

MOTION was made by **Mayor Adams**, seconded by **Councilman Mount** to approve Items F-1 thru F-5, and F-7 thru F-8 of the Consent Agenda.

AYE: **Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
NAY: **None**

ITEM F-6: Approval to **Deny Tort Claim** dated October 22, 2013, in the amount of $35.00.

Councilman Taylor requested a roll call vote on this item.

MOTION was made by **Mayor Adams,** seconded by **Councilwoman Staples** to approve Item F-6 of the Consent Agenda.

AYE: **Staples, Bowers, Jones, Hagan, Mount, Adams**
ABSTAIN: **Taylor**
NAY: **None**

G. INFORMATION/REPORTS

1. City Manager

City Manager Rooney provided information regarding the Westside Lift Station and the Booster Station advising:

a. Westside Lift Station:
EST has nearly completed the study and report phase of this project and is waiting for a response regarding the line size of a sewer line along SH-152 just west of Clear Springs Road which is the final piece of data needed to complete the report. EST has completed the following:
1. Reconnaissance and Data Collection;
2. Three Alternatives were identified;
3. Three Alternatives were evaluated;
4. EST has the report and alternatives nearly completed and will submit the engineering report in the beginning of January.

Rooney advised upon submission of this report, the next step, called the "final design phase" in the proposal, will be to discuss with the City which alternative is preferred and purchase the property to construct the new lift station, if necessary

b. Booster Station:
EST has nearly completed the Preliminary Design Phase of this project. EST has completed the following:
1. Field Reconnaissance and Data Collection;
2. Surveying;
3. Determining Alternatives.

Rooney advised the only remaining step for this project is completing the report and EST anticipates being able to submit this phase in January.

2. City Council

Mayor Adams asked the Councilmembers if they had anything to report in their respective Wards:

Councilman Taylor stated he had the opportunity to visit the Christmas Light show presented by the Mustang Church of the Nazarene advising it was exceptional. He stated he was able to meet a couple of the children who were selected for the "Shop with a Cop" program at the Saturday Lodge Breakfast and commended that program. He also encouraged everyone to participate in the blood drive stating the theme of this drive is Mustang vs Yukon.

Councilwoman Staples wished everyone a Merry Christmas, but did not have anything to report at this time.

Councilwoman Bowers stated she enjoyed her mission trip to Mexico and stated words could not express the feeling she had when seeing the children's faces when receiving their backpacks.

Councilman Jones wished everyone a Merry Christmas and stated he had received a thank you letter thanking the City Manager and staff for taking care of a tall grass problem.

Councilwoman Hagan wished everyone a Merry Christmas, but did not have anything to report at this time.

Councilman Mount wished everyone a Merry Christmas. He also commended the Police Department and Fire Department for their quick response to an accident involving his mail carrier when delivering mail.

Mayor Adams stated he has enjoyed the City's Christmas parties and thought it was great to visit with the Board and Commission members at the Volunteer Appreciation party and to be able to thank them for volunteering to serve. He also stated to remember the holiday season is the birth of Christ and to think about the troops and their families who are not together at Christmas.

H. DISCUSSION ITEMS

*1. **Discussion, Consideration and Possible Action** to Accept the Comprehensive Annual Financial Report and Report on Internal Control and Compliance with Government Auditing Standards for Fiscal Year Ending June 30, 2013.

Finance Director Janet Watts stated she was pleased to present the 2012-2013 Comprehensive Annual Financial Report (CAFR). She advised this report is intended to update the City Council and the citizens of Mustang on the status of the City's financial position and results of operations for the past fiscal year, and has been prepared in compliance with all requirements of the Governmental Accounting Standards Board (GASB).

Watts introduced ***Ann Marie Elfrink, CPA***, who audited the City of Mustang's financial statements.

Elfrink advised she had conducted the audit of the financial statements of the City of Mustang, Oklahoma for the year ended June 30, 2013 and gave an unqualified opinion on the financial statements and also conducted an A-133 audit because of the disaster relief federal funds received in May and issued an unqualified opinion on compliance related to that. She stated she tests and reviews internal controls from the standpoint of designing her particular procedures related to the audit; however, does not offer an opinion on the internal controls. She stated the financial statement preparation and presentation, and the design and implementation of internal controls is the responsibility of management, with her responsibility being to give an opinion on whether the financial statements are fairly presented and her opinion was that they were.

Elfrink advised the Council of a couple new accounting pronouncements (60 thru 66) put in place this last year by The Governmental Accounting Standards Board (GASB) which made a change in the terms on some of the items that were commonplace. She stated one change is that Net Assets is now Net Position and that used to, on the Balance Sheet, there would be three different categories: Assets, Liabilities and Equity. She stated this is now Net Position, Deferred Outflow of Resources and Deferred Inflow of Resources which were added as a result of one of the GASBs. **Elfrink** stated Deferred Outflow is like a liability in a way and that's why the change to Net Position. She also stated in addition, your debt issuance costs that were recorded as an asset and amortized for the life of your debt are no longer permitted to be treated in that way, so they were completely written off to your beginning year fund balance so caused a beginning of year reinstatement in fund balance, but was the only thing that caused that reinstatement. She stated those were the only two pronouncements (63 and 65) that affected the City's financial statements for this past year.

Elfrink advised for the year coming up, there are three standards (68 thru 70) that could have an effect on our financial statements. She stated GASB 68 is requiring when an entity has Defined Benefit Pension Plans such as the City does, who has three separate plans, if the plan is not fully funded, the City is required to recognize its share of that unfunded liability on the financial statements. She stated it will not affect the City's fund financial statements or the way you see your budget versus actual and will not affect the Mustang Improvement Authority since there are no employees, but it will affect government wide financial statements. **Elfrink** stated the City has two types of plans. One is an agent plan and that is the Oklahoma Municipal Retirement Plan (OMRF) where basically the City is looked at as a separate entity that shares in the investment services of the OMRF and the unfunded liability is calculated strictly for the City of Mustang and changes from year to year and the employer contribution rate changes based on that change as well as calculations and actuarial calculations. She stated this one is pretty straight forward because the City will probably have to end up recognizing the full amount of that unfunded liability in the neighborhood of about $1 Million. Second are the City's two cost sharing plans which are the Police and Firefighter pension plans and it is unclear at this time how it might affect the City. She stated more guidance related to that should be provided in the next few months, but at this time, in those two particular pension plans, the employer and employee's portions of the obligation to fund the plan is dictated by State Statute with the State picking up the lion's share of the amount, so who is going to have to pick that up on the financial statement is still to be determined. She stated there is not a lot of guidance yet about those, plus, it could also be impacted by a change in the Statute.

Elfrink stated she looked at the plans briefly to give an idea of what the unfunded liability is. The unfunded liability for the Fire pension for the City of Mustang is four tenths of 1% of the total pool, which is the current covered payroll. She stated it is looked at that way because it is the current working employees who drive any additional amounts into the plans; the ones who have retired are not contributing into the plan, so the standard is to look at the covered payroll. She advised the total pool has an unfunded liability of about $1,127,000,000.00 and even though the City's share is only four tenths of 1%, that comes to approximately $4.7 Million. She stated currently the State is paying that, but they are not bringing the funding level up, it's actually decreasing, so they are not fully funding their portion of it. She stated she was bringing this to our attention because there is a lot of discussion about this in the municipal finance area right now. **Elfrink** stated for the Police, the City's share of that total pool is six tenths of 1%, but have an unfunded liability of $228,591,000.00, making the City's share at approximately $1.4 Million. She stated it does not have a cash impact necessarily and certainly not related to the pronouncement, but there is a feeling that those liabilities that are real need to be more clearly disclosed so what that effect will be is uncertain. She stated she would think the $1 Million associated with that plan would be something the City would have to pick up.

Elfrink stated moving forward from that and related to the audit, she very easily was able to take the City's prior year's audit and track that through our financial system and look at the activity on the financial system which made sense to her as well as the entries that were made also made sense to her. She stated she asked for quite a bit of information from ***Janet Watts*** and her staff and received the information very quickly, openly, very responsive, and highly professionally. She stated she was very impressed with every person she came in contact with at the City and with their particular skill sets and from that standpoint she felt very comfortable with the opinion on the audit.

Councilman Jones asked if the changes in terminology and different language changes were made by Federal, State, and/or the accounting groups across the nation as a whole.

Elfrink answered that GASB has different people that sit on the Board. She stated it is an accounting standards board and a standard setter. She advised in order for an entity to be compliant with generally accepted accounting principles and related to government, you must fall under the GASB. She stated it is similar to FASB that the commercial industry follows. **Elfrink** advised GASB is the official standard setter and so the City's financial statements would not be in keeping with that and would not be very reliable if you did not follow those standards.

Jones asked if it was mostly Federal then.

Elfrink stated GASB tries very much to mirror FASB and you find the two over the years trying to align. She stated they are trying to look at places where they are different and trying to shore it up; however, there are some things that are unique to a government so the standards would be different, but as far as basic accounting and how things are measured and reported, they try to mirror FASB as much as possible.

MOTION was made by **Mayor Adams**, seconded by **Councilwoman Staples** to Accept the Comprehensive Annual Financial Report and Report on Internal Control and Compliance with Government Auditing Standards for Fiscal Year Ending June 30, 2013.

AYE: **Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
NAY: **None**

2. **Discussion, Consideration and Possible Action** regarding Approval of **Ordinance No. 1095**, Amending Chapter 78, Article V, of the Municipal Code by Adding Section 78-215 Pertaining to Noise Disturbance from Use or Operation of Motor Vehicle, Off-Road Recreational Vehicle, Motorcycle, All-Terrain Vehicle, Minibike or Other Vehicle, Imposing a Penalty and Providing for Enforcement; Declaring Repealer; Providing for Severability; and Declaring an Emergency.

City Manager Rooney stated at the November 19, 2013 Council Meeting, Mr. Clyde Langston addressed the City Council regarding a nuisance issue his neighborhood was experiencing regularly as a result of four-wheelers being driven and raced on adjacent undeveloped property. He stated he visited with Mr. Langston on November 20th, and ***Police Chief Foley, Community Development Director Coleman***, and he met on November 22nd to further discuss the concern and how it might best be addressed. He stated staff reviewed municipal codes in Midwest City and Norman that contained language which would address Mr. Langston's concerns and that information was provided to ***City Attorney Miller***. He stated ***Miller*** prepared an ordinance based on that language (Ordinance No. 1095) and it is being presented to the City Council for action. **Rooney** stated it appears Mr. Langston's neighborhood has dealt with this issue for quite some time without any action by the City of Mustang and this Ordinance would allow action to occur and for the violators to be ticketed. He stated staff recommends approval and adoption of this Ordinance.

Councilwoman Hagan advised she was against the Ordinance and that neighbors needed to get along without pulling the City Council into the problem. She stated it seemed like a "Grinch" law. She also stated she was concerned the Ordinance didn't mention anything concerning decibel levels.

Councilman Jones advised it was not just a neighborhood problem, but that it affected all areas of Mustang. He stated in its right place, it could be proper and fitting, but not as it is here. He stated he had been a witness to the audible part and recommended the Ordinance be approved. **Jones** also stated he thought Chief Foley and the Officers would provide a warning and directions and not ticket on the first offense.

Councilman Taylor asked what the penalty would be and if the Police Department would have to witness it for a conviction.

City Attorney Miller advised it would be a fine up to $750. He stated a citizen could also file a citizen complaint where the general rule is that the citizen would need to be observing the conduct upon which the complaint was based.

Councilwoman Staples stated she was concerned with anyone being ticketed even without there being a complaint from the neighborhood. She stated her neighborhood has large lots and people do have recreational vehicles, but no one has complained.

Mayor Adams stated he tends to cringe on making new laws, but this is limited to recreational off road types of vehicles and noise disturbance which are probably not appropriate inside the municipal area.

Taylor stated he agreed with ***Mayor Adams,*** in a neighborhood such as Castle Rock 2 for instance, it would not be for the greater good of the neighborhood to allow these types of vehicles; however, if someone owns a larger lot, such as five acres, would they not be able to enjoy a recreational vehicle.

Adams advised it is based on the noise factor and that the sound level on five acres would not be so loud and there probably would not have a complaint filed on the noise level.

Jones advised that lot size is interesting, but not material. He stated it is citizen complaint oriented and the citizens should have some kind of ability to help in quality of life issues.

Councilman Mount advised he was also against the Ordinance. He stated it was an infringement on people's rights and that the Council was limiting rights all the time. He stated he did not want to be like Midwest City or Norman, that the City of Mustang is a community with a nice country atmosphere where neighbors can get along. **Mount** also stated he did not like the language in Sec. 78-215 (c) and read it aloud.

Adams asked what recourse do people have then since nuisance laws have not been able to be used.

Taylor stated that ***Mount*** brings up a good point in that we need to be careful as a Council not to take away property rights and that the Council should find a way to restrict these acts with small lots.

Rooney stated however, in this case, it's a field that backs up to a residential neighborhood and those owners have property rights too.

Adams stated the Council needs to understand that the Ordinance states "which creates a noise disturbance".

Hagan asked at what point is it a problem though.

Adams replied if the Police see it or someone files a complaint.

Taylor asked if the Council would entertain a motion to table to the next meeting. He stated he would like further discussion and this topic is one with a lot of passion.

Jones stated he was against tabling the item and felt the Council had sufficient information to make a decision.

Adams asked ***Chief Foley*** if this Ordinance is enforceable.

Chief Foley advised yes; however, at the moment, they have nothing. He stated currently, the Police Officer will respond to a neighbor complaint about a noisy vehicle on open lots and fields and ask property owners to prohibit it, but they don't. He stated the Police Officer can only ask them to leave, but can't do anything further. He advised this Ordinance gives the Police Officer a chance to warn people first, but can cite them if they are called back. He stated it is based on disturbing somebody and noise level and provides a tool to alleviate the problem. **Foley** advised it did not include agricultural equipment.

Rooney asked ***Chief Foley*** if he shared this Ordinance with his staff.

Foley answered yes, and they were in favor of it since we are currently in lack of anything giving them authority to solve the problem.

Staples asked if someone was riding a recreational vehicle in an area and no one complained, they would be OK?

Foley answered yes, if no complaint, then there is no reason to go out there.

Staples stated then if no one's bothered, then no law is broken.

Adams stated it is a tool for the Police to do something about it.

Jones stated there have been complaints from many others – not just from Mr. Langston.

Taylor reminded the Council of a Public Hearing on this topic a year ago and that all the Councilmembers were present. He stated there were people for and against an Ordinance and that the complaints were not one sided.

Adams stated the majority of the complaints were in regard to vacant property next to their property, not necessarily on their own property.

MOTION was made by **Mayor Adams**, seconded by **Councilwoman Staples** to Approve **Ordinance No. 1095**, Amending Chapter 78, Article V, of the Municipal Code by Adding Section 78-215 Pertaining to Noise Disturbance from Use or Operation of Motor Vehicle, Off-Road Recreational Vehicle, Motorcycle, All-Terrain Vehicle, Minibike or Other Vehicle, Imposing a Penalty and Providing for Enforcement; Declaring Repealer; and Providing for Severability;

AYE: **Taylor, Staples, Bowers, Jones, Adams**
NAY: **Hagan, Mount**

The Emergency Clause died for lack of motion.

Mayor Adams explained the Emergency Clause would put the Ordinance into effect immediately; otherwise, it will go into effect in 30 days.

J. CITY ATTORNEY'S REPORT

None.

K. ADJOURNMENT

MOTION was made by **Councilwoman Hagan**, seconded **Councilman Jones** to adjourn.

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

The meeting was adjourned at **8:00 p.m.**

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Jay Adams, Mayor

Attest:

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Lisa Martin, City Clerk

MUSTANG IMPROVEMENT AUTHORITY
DECEMBER 17, 2013

The Mustang Improvement Authority met in regular session on Tuesday, December 17, 2013, at 7:00 p.m. in the Mustang Municipal Building Council Chambers. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Friday, December 13, 2013, at 10:16 a.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

A. CALL TO ORDER

Chairman Adams called the meeting to order at 8:00 p.m.

B. ROLL CALL

Trustees Present: **Taylor**
Staples
Bowers
Jones
Hagan
Mount
Adams

Trustees Absent: **None**

C. NEW BUSINESS

None.

D. CONSENT AGENDA

1. Approval of **12/03/13** MIA Minutes.
*2. Claims List for **FY '14**
*3. Acknowledgement of Receipt of **DEQ Permit No. SL000009130865**, to Construct Sanitary Sewer Lines for Spitler Lake Estates Addition, Section 2.

MOTION was made by **Chairman Adams**, seconded by **Trustee Taylor** to approve Items D-1 through D-3 of the Consent Agenda.

AYE: **Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
NAY: **None**

E. INFORMATION/REPORTS

1. Trustee Manager

None.

2. Trustees

None.

F. DISCUSSION ITEMS

*1. **Discussion, Consideration and Possible Action** to Accept the Comprehensive Annual Financial Report and Report on Internal Control and Compliance with Government Auditing Standards for Fiscal Year Ending June 30, 2013.

MOTION was made by **Chairman Adams** and seconded by **Trustee Taylor** to Accept the Comprehensive Annual Financial Report and Report on Internal Control and Compliance with Government Auditing Standards for Fiscal Year Ending June 30, 2013.

AYE: **Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
NAY: **None**

G. ADJOURNMENT

MOTION was made by **Chairman Adams** and seconded by **Trustee Bowers** to adjourn.

AYE: **Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams**
NAY: **None**

Meeting was adjourned at **8:02 p.m.**

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Jay Adams, Chairman

Attest:

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Lisa Martin, Secretary