

**MUSTANG CITY COUNCIL
MUSTANG IMPROVEMENT AUTHORITY
BUDGET SESSION
MAY 9, 2013**

The Mustang City Council met in a special Budget Session on May 9, 2013 at 6:00 p.m. in the Police Department Community Room. Notice of the Meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Tuesday, May 7, 2013 at 3:25 p.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

A. CALL TO ORDER

Mayor Adams called the meeting to order at 6:00 p.m.

B. ROLL CALL

Councilmembers Present:	Bowers
	Jones---arrived 6:50 p.m.
	Hagan
	Mount
	Adams

Councilmembers Absent:	Taylor
	Staples

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.

Battles addressed Council and went over the presentation of the Budget. One of the City's goals is to avoid further reduction in the City's reserves. He went on to list his goals as listed on the presentation.

GENERAL FUND

Projected Beginning Fund Balance	\$2,000,000
Projected Revenues	\$19,016,200
Projected Expenditures	\$19,578,970
Projected Ending Fund Balance	\$1,437,230
Projected Reserve Use	\$562,770

Battles stated that the Projected Reserve Use is necessary to keep staffing and service at the level that we now have.

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 2

Adams commented that the first \$500,000 per month of our sales tax revenues goes directly into the General Fund. Any amount after that will get broken up into other pieces.

Janet Watts explained that \$.04 goes directly into the General Fund because that is the only fund that can impose taxes. We then transfer \$.03 into the MIA and then \$.02 is transferred back into the General Fund for operating. The \$500,000 that was mentioned is the 10% over that is transferred to the Limited Purpose Fund.

Battles reported that the Sales Tax has increased. April's Sales Tax, which we just received today, was 6.8%. This was the first month that we missed our projections. We would like to be conservative in our projections this year due to a new City Manager coming in soon.

Franchise Fees have increased significantly due to the growth of Mustang.

Building Fees have a steady incline due to the recovery of our local economy.

Court Fines have increased 12% compared to the last fiscal year.

Library Fines have remained steady for the past several years.

Battles explained the **General Reserve Fund**:

Projected Beginning Fund Balance	\$3,900
Projected Revenues	\$10
Projected Expenditures	\$0
Projected Ending Fund Balance	\$3,910

Park Improvement Fund:

Projected Beginning Fund Balance	\$80,000
Projected Revenues	\$58,800
Projected Expenditures	\$49,300
Projected Ending Fund Balance	\$89,500

Park Improvement Fund Revenues:

Park Development Fees	\$7,500
Interest on Investments	\$300
Transfer from GF	\$6,000 (\$15 of each business license)
Transfer from Court Fund	\$45,000 (\$20 per court fine)

Library Fund

Projected Beginning Fund Balance	\$25,000
Projected Revenues	\$14,075
Projected Expenditures	\$35,165

Police Department Traffic Enforcement

Projected Beginning Fund Balance	\$10,650
Projected Revenues	\$11,200
Projected Expenditures	\$20,900
Projected Ending Fund Balance	\$950

2012 GO Bond Project—Baseball

Projected Beginning Fund Balance	\$1,075,000
Projected Revenues	\$3,000
Projected Expenditures	\$1,078,000
Projected Ending Fund Balance	\$ 0

Battles stated that we do expect this project to be done by this fall, therefore, the zero balance. We are presenting what we have as of today but it does not mean that this is what we will have on June 30th.

2012 GO Bond Project—Town Center

Projected Beginning Fund Balance	\$1,915,000
Projected Revenues	\$3,600
Projected Expenditures	\$1,918,600
Projected Ending Fund Balance	\$ 0

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 4

Battles stated that if there is any money left on this Project the leftover money must be spent in the new addition only.

Street / Drainage Improvement Fund

Projected Beginning Fund Balance	\$600,000
Projected Armory Road Fund Bal.	\$185,700
Projected Revenues	\$718,700
Projected Expenditures	\$522,000
Projected Ending Fund Balance	\$982,400

Battles stated that we have currently saved back \$200,000 for Heights. We will be able to do the complete road of Heights for \$327,000. We are asking to come back and take \$127,000 out of the \$600,000 to complete the whole road of Heights that leads into the school. This road will be asphalt with curb cuts.

He continued to explain that Silver Star is on a ranking system. This system will tell them if the road is critical or not. He personally did not want to lay out a 12 month street schedule and a new City Manager not like it. We need a hard plan in place.

Hagan stated that she would still like to have Silver Drive repaired.

Battles stated that there is some money for panel replacements and Silver is on this list. We will leave the new City Manager set up how he wants to do this.

Debt Service Fund

Projected Beginning Fund Balance	\$270,000
Projected Revenues	\$410,800
Projected Expenditures	\$332,800
Projected Ending Fund Balance	\$348,000

Limited Purpose Fund

Projected Beginning Fund Balance	\$830,000
Projected Revenues	\$805,400
Projected Expenditures	\$1,406,170
Projected Ending Fund Balance	\$229,230

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 5

Battles reported that they leaned pretty hard on this Fund this year and he will go into this further later on.

Interest Earned	\$4,400	
Transfer from GF	\$127,000	(Transfer 10% of sales tax over \$500,000 after restrictions for capital & infrastructure per Res.#05-027)
Transfer from MIA	\$674,000	(Transfer of Restricted and Special Sanitation Revenue Collected)

Battles spoke to Council in regards to the Limited Purpose Projects.

LIBRARY

The Library is requesting shelves, new carpet, paint, books, etc. We will be purchasing \$45,000 worth of books in the new budget year.

PARKS-RECREATION / BASEBALL

Parks and Recreation is requesting Bleachers, benches, walk in freezer, etc.

Battles has spoken with the County Commissioner and are hoping that he may be able to come in and do the grading, etc. for the new parking lot and roadway for the baseball complex. Mr. Anderson said that he would be happy to help out.

Bowers asked if the chip & seal for the roads will hold up good. **Battles** explained that the chip and seal is good but will still need attention in 3-5 years down the road.

TOWN CENTER

Battles reported that Town Center is requesting Panic buttons for the facility and paint and carpet for Banquet Hall.

AQUATICS

They need a Lane Reel and Cover and Battles stated that this is definitely needed for the swim meets.

FINANCE

Battles reported that the only thing that the Finance Department is asking for is \$150 for a Printer/Fax/Copier/Scanner.

COMMUNITY DEVELOPMENT

They have requested a new HP Design Jet Plotter. This would provide a digital record and it is also a scanner.

POLICE DEPARTMENT

They have requested to Lease-Purchase three new vehicles, some emergency equipment, Software Upgrade (Police/Fire) and the prior year lease-purchase.

Chief Foley stated that the emergency equipment is for an unmarked car plus the emergency equipment for this vehicle. He then went on to explain the Software Upgrade. This is software on computers that help dispatch our police and fire. Right now our dispatchers have to do this all by hand but this software would automatically pick up the phone number, etc. and transfer it into the computer. Every movement of a police / fire vehicle is a single keystroke with a date and time on it. Right now we have a 4x5 card and punch them with a clock for the time. This will work along with ACOG.

Battles stated that this would be more efficient for our staff since there is no new staffing projected for this new fiscal year.

Hagan asked if this would give us a better rating? **Chief Foley** replied that he could not answer that. Most municipalities have already gone through several generations of this software and the City of Mustang has never entered into using it.

FIRE DEPARTMENT

They are asking for a SCBA Breathing Air Compressor. Their current Compressor is over 22 years old. The new compressor will be more efficient. Also, if the old one goes down then right now we do not have a back up.

STREETS

Battles stated that we are required under our Ordinance/Resolution to allocate "X" amount of dollars to the Streets from the Limited Purpose Fund.

WATER / SEWER

Battles stated that our engineers are currently working on the 74th Booster Station Upgrade and the Westside Lift Station. If this is not complete by June 30th then we have to go into this next fiscal year. Therefore, we have to put this in the new budget.

Robert Coleman stated that a very large developer looking at a housing addition on the East side of Mustang that has no sewer service. Along with the Health Plex coming in we need to start looking into the East Side of Town.

2006 MIA REVENUE BOND

Projected Beginning Fund Balance	\$2,300,000
Projected Revenues	\$2,142,500
Projected Expenditures	\$1,684,925
Projected Ending Fund Balance	\$2,757,575

Battles is trying to make sure Council is educated on Bonds so when Council is asked questions they will be able to readily answer these questions.

MUSTANG IMPROVEMENT AUTHORITY

Projected Beginning Fund Balance	\$2,200,000
Projected Revenues	\$16,054,300
Projected Expenditures	\$16,820,200
Projected Ending Fund Balance	\$1,434,100
Projected Reserve Use	\$765,900

MUSTANG CITY COUNCIL/ MIA BUDGET SESSION
MAY 9, 2013
PAGE 8

Janet Watts stated that there is \$100,000 for water and \$100,000 for sewer and the cmom. Then there is a 2% increase for Severn Trent.

Battles commented that our lines are getting old and need repair. He hopes that when the new City Manager comes on that he will address these issues. Battles feels that some of these issues will have to be done through an OWRB loan.

Watts stated that Bitterroot Cattle Company is also in here.

Jones asked if there was any Lift Stations included in this?

Battles stated "No", not at this time with a new City Manager coming in.

RISK MANAGEMENT FUND—INTERNAL SERVICE FUND

Projected Beginning Fund Balance	\$480,000
Projected Revenues	\$254,700
Projected Expenditures	\$250,000
Projected Ending Fund Balance	\$484,700

Battles explained that the City is self insured for Workers Compensation and we have another insurance for large amount claims.

MIA RESERVE

Projected Beginning Fund Balance	\$59,600
Projected Revenues	\$22,000
Projected Expenditures	\$ 0
Projected Ending Fund Balance	\$81,600

Battles reported that this is a reserve that was set aside. This is another one of these accounts that was set up a few years ago. **Watts** reported that this money has to be used for infrastructure for the MIA.

SEWER INFRASTRUCTURE IMPACT FEE

Projected Beginning Fund Balance	\$542,000
Projected Revenues	\$113,600
Projected Expenditures	\$264,100
Projected Ending Fund Balance	\$391,500

Battles explained that he would explain more in detail later.

2013 REVENUE BOND—REFINANCING 1998 A/B

Projected Beginning Fund Balance	\$548,000
Projected Revenues	\$1,197,700
Projected Expenditures	\$1,210,250
Projected Ending Fund Balance	\$535,450

Battles reported that we just refinanced these Bonds. We are saving a little over \$40,000 a year with the refinancing.

“TEN MINUTE BREAK”

Councilwoman Bowers asked what the Miscellaneous Revenue is about and **Janet Watts** explained this is money budgeted rolling in from one year to the next. You will never see it as an actual because it is cash. It is a budget number not an actual number.

Battles then asked Council to turn to Page 10. There are a few new line items like the Baseball Concessions, Baseball gate fees, etc. due to the new facilities and what we are projecting. We have seen an increase over the last eight months in our sales tax revenues.

He then went onto the next page. These accounts are where we draw our numbers on for our revenues. As for grants, we cannot count on them until we have the money in hand. When we receive these monies we do a budget supplement and add it to the Fund.

This covers the General Fund Revenues.

GENERAL FUND
MAYOR & COUNCIL

Battles explained the line items to Council.

Councilwoman Bowers asked what the memberships and subscriptions were for.

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 10

Battles explained that these are for OML, International League of Cities, etc. One good thing about OML is that they fight for us pretty hard at the capital when things come up.

He then went on discuss page 14. He highlighted these line items. You will see under Materials and Supplies there is no money in this line item for this fiscal year even though last year we had \$60,000 in there. With a new City Manager coming in Council can get with him to discuss their needs. We had to do this to balance the budget. Battles stated that he personally took this out so if Council wants to get mad at someone, get mad at him.

CITY MANAGER
PAGE 15

Battles explained that there is a reduction of salaries due to the City Clerk leaving. The new City Clerk has agreed to a different salary range. The new City Manager might not be happy with him because he cut the City Manager Budget down. We have other needs in the City and we need to get the Budget Balanced. He has been really aggressive in cutting the City Manager's Budget. Human Resources also works out of this budget by providing plaques, programs, etc.

Councilwoman Bowers asked about the GIS expense.

Battles commented that it is an ongoing process.

Robert Coleman stated that every time we get a new plat then we have another GIS charge. We absorb the fees for updating the GIS system.

Councilman Jones wanted everyone to be mindful and thinks the GIS system will be helpful. He wants to help builders.

Battles went on to explain pages 17, 18 and 19. You will notice the fees for the monthly Human Resources meetings. This is for the New Health Laws and it is very important that she continue her education regarding this issue. Under the new law some of our part time employees could be classified as full time employees and we would then have to offer them benefits. She needs to keep up with these changes.

LIBRARY
GENERAL FUND

Battles stated that this year's Library report is in great detail to provide Council with the most information as possible. Desiree Weber has done a great job in her position.

The one thing that was not cut out was the merit increase but we did cut the COLA increase. There will not be a COLA increase this year. We have some people that are maxed out on their merits. In City Hall we have around 3 or 4 people that have maxed out on their steps.

Councilwoman Hagan asked about the \$5,000 for each of the Council members. **Battles** explained that he took it out. **Hagan** stated that the money was pooled together sometimes to take care of repairs.

Mayor Adams commented that in the past years when if they got a COLA of 2% then a merit raise of 3% then the employee would get a 5% increase. He was not aware of that.

Chief Foley stated that it is not every employee that gets a raise. Everyone's anniversary date is different so the time staggers.

Battles commented that the people that work for this City are our best asset. We have a lot of people who work hard and take pride in their work. By not giving a COLA we are not saying they are not working hard enough but we are trying to be physically responsible for moving forward. We appreciate all the work that our employees do each and every day.

“BACK TO LIBRARY”

Battles noted that we are taking \$10,000 from the Limited Purpose for the \$45,000 for books.

Desiree Weber stated that a large portion goes for adult materials. The adult books are more expensive. She also stated that the proposed telephone budget is “0” because grants are paying for everything.

Battles reported on page 94 and 95 and it will give you the breakdown of everything for the Library Fund. He then thanked Desiree for being here tonight. Council gave her a hand.

PARKS AND RECREATION

Battles stated that this year they separated special events and adult programming. We wanted these adult programs to pay for themselves. Jean Heasley raises a lot of money for fundraising.

He explained that ground maintenance was for Severn Trent to mow our grass, but with the way that Silver Star wrote their contract we did not need this line item this year.

Page 33

Battles explained that there is an increase on the cleaning line item because there will be more cleaning due to the expansion. Our goal is to keep the Town Center the best that it can be.

Page 36

Battles reported that the part time salaries are the same. There is a lot more grass to mow and grow. Also, the education and training for our employees so that our employees are adequately trained.

Councilwoman Bowers asked why the Workers Compensation is larger.

Battles and Watts replied that it is off of the state rate.

Battles stated that we will have two new concession stand in this year's budget—one for baseball and one for soccer. We will not be hiring any new employees for these stands, but will use the staff that we currently have. This is a tuff situation.

He then explained that we currently do not receive any monies for Baseball operations. Once the new facility opens then the Optimist Club will drop out once we get the new facility going.

AQUATICS

Battles explained that we never know what costs will be on chemicals and we try to be diligent in this. We are getting ready to go into the season so these costs will go up rapidly.

PARK IMPROVEMENTS
TAB 5

Page 83 and 85

Battles reported on the breakdown of all fees.

Mayor Adams asked what year it was when we transferred a portion of a traffic fine into Parks and Recreation.

Watts stated originally it was 2001 but was increased in 2005.

Mayor Adams stated that usually there is a correlation with this and traffic fines.

City Clerk Winham stated that Parks needed money. Council thought this was a good thing at the time.

Mayor Adams asked if we could pass a hotel tax if that could go back into the Police Fund.

Watts and Winham replied that it goes into the Economic Development.

Battles went over the capital needs for Parks and Recreation. Silver Star has done a very good job in repairing our picnic tables.

Councilman Bowers asked if our neighborhood parks are going to be repaired. They are in terrible condition. Battles replied that Silver Star has been doing a good job in keeping them maintained. As for the asphalt itself, that is a large expense and not in this budget.

Councilman Jones stated that all the City Manager candidates have said that City Parks are a great liability to a City as far as maintaining them.

Battles stated that we need to have a City Manager that is into Parks.

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 14

Councilwoman Bowers stated that she hates having to go to Yukon to play tennis.

Battles stated that this is in the budget for this next fiscal year. The problem with nice tennis courts is that you have the skateboarders that will come in immediately and tear it up. We have this camera system that can be linked with our server and hopefully deter some of these problems. This will be up to the New City Manager to decide.

Councilman Jones asked if we could use the mulch that is from the trees that we grind up in our parks.

Battles replied that you do not know where these trees have been or what diseases they carry. We get our mulch from a certified company. This mulch is cleaned, etc. It is not like the rubber mulch that some used that was toxic and there is a good amount of heat that is given off from it.

GENERAL GOVERNMENT
PAGE 29

Watts reported that we are still with AT&T until we start with Cox. Silver Star contract increase is an increase of 2% or the CPI Index, whichever is higher.

Economic Development Incentive has one more payment. Normally we will pay it in July or August. We are projecting next year this line item will be "0".

FINANCE DEPARTMENT
PAGE 44

Battles stated that this department came in under last year's budget.

Watts reported that she cut the travel expenses. The bulk of the education reimbursement is tuition reimbursement. She has one employee working on their Master's degree and one a Bachelor's degree. She also reported that in the current years' budget she was given an extra employee but she has decided not to fill this position. The subscription line item is because the Finance Director and the City Treasurer has to be certified.

COMMUNITY DEVELOPMENT
PAGE 50

Battles stated that we need to be aggressive in their education and training.

Bowers asked how many employees this Department has because it has the highest budget.

Coleman replied that it has six (6) employees. We have no budget for Economic Development so we have no money for publications, no money for marketing and no money for Economic Development. As we move forward you may want to rethink this and set up some money for this endeavor.

Battles stated that he appreciates Coleman's work on this. He knows this is an area that needs to be looked at if our projections are up.

Coleman stated that it would cost \$30,000 for a market study. He thinks Yukon spent six figures before they got Lowe's, etc. We have to beat the interstates and the population. We have nothing to counter with. Some City's have presence in magazines. The Chamber works very well with retention—keeping people here that are already here. They would like to see the City work on expansion.

Battles stated that Coleman is fully capable and is very good at his job. He is right that there is data to be had but we do not have.

Coleman stated that we have another large prospect out there along the lines of a Lowe's and there is no guarantees but would like Council to keep an open mind in regards to this. This would be one of six or seven stores in the state. This would be very good for the City to be able to get this store.

POLICE DEPARTMENT
PAGE 53

Battles stated that last year the Chief asked for three positions. Between assuming the animal control officer and overtime these positions were never put into play. Chief came back this year asking for three officers, a Deputy Chief, two dispatchers, part time animal control and a records keeper. It was noted that Worker's Compensation did go up this year.

Mayor Adams reminded everyone that we are self insured.

Chief Foley reported that they cut \$18,889. We picked items that we could live with less and made this cut. He said that if he put the officers before the other personnel it would be putting the cart before the horse. If we got more officers then we would not have the supporting staff for these officers. Our dispatchers dispatch for Mustang and Union City.

Chief Hickman stated that there are times that calls to dispatch from emergency workers in the field get cued because there are not enough people to answer the phones.

Chief Foley commented that if we could have two more dispatchers we could cover the high volume times or do some staggering hours.

Councilwoman Hagan stated that we should try for at least one more dispatcher in this year's budget. **Chief Foley** thanked Hagan for recognizing his need for dispatchers.

Chief Foley stated that we dispatch for Union City and they are getting busier all the time. We do not receive enough money from Union City to cover the cost of one new dispatcher.

Battles asked Council to make these notations tonight and maybe we can cover these more at next Tuesdays meeting.

ANIMAL CONTROL
PAGE 64

Battles explained that animal control is a new line item. He is trying to get a new cage system for the back of the animal control vehicle. That way no one has to see a dead dog. It will also provide safety for anyone being near the vicious dog pen. He is trying to be more aggressive with this program.

“ FIVE MINUTE BREAK”

Battles went on to Pages 69 and 70.

Chief Foley stated that they applied for a Highway Safety Grant and he went on to explain. We were given a lesser Grant. They tell us the dates that we can put

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 17

an officer out on the street for overtime and they will reimburse us for this overtime. We had to get our foot in the door because it has been a while since our department has gone for this grant.

FIRE DEPARTMENT

Battles reported that the Chief did ask for more employees. He asked Chief Hickman to be lean in this next fiscal year.

Bowers asked who took care of the lawn. **Battles** stated that it is Five Springs Lawn Company. This is just for spraying the lawn. The Fire Department does the mowing themselves. **Bowers** thinks this price is too high. **Battles** stated that you do not want to drive by the Fire Station and see weeds. He feels this price is pretty reasonable.

Chief Hickman asked Council to keep in mind that if we have a major issue down the road we may have to come back to Council in regards to this. There is no room for change in this budget.

STREETS DEPARTMENT
PAGE 78

Battles stated that the street lighting is budgeted at \$170,000. This is just the cost of street lighting.

GENERAL RESERVE FUND
PAGE 80

Watts reported on the "not used" column. No further discussion on this line item.

TRAFFIC ENFORCEMENT
PAGE 98

Battles reported that on page 98 it will break down these line items. On page 99 the expenditures line items were gone over. The Services and Equipment line item includes two Laser Speed Detector Devices for \$2,500 and repair of traffic related equipment for \$2,000.

MUSTANG CITY COUNCIL / MIA BUDGET SESSION
MAY 9, 2013
PAGE 18

Chief Foley commented that these Laser Speed Detectors will be very good for use in the neighborhoods. He stated that this money comes from Traffic Tickets and not the General Fund.

Battles stated that he will try to meet with Staples and Taylor to bring them up to date.

Mayor Adams asked Councilman Jones to make notes on any questions that he may have in regards to the budget and pass them along to the City Manager. Councilman Jones will be out for the next meeting.

D. ADJOURNMENT

MOTION was made by **Mayor Adams** and seconded by **Councilwoman Bowers** to adjourn.

AYE: Bowers, Jones, Hagan, Mount, Adams

NAY: None

Meeting was adjourned at 9:16 p.m.

Attest:

Mayor

City Clerk