



## **WATONGA CITY COUNCIL MEETING MINUTES FOR JULY 19, 2022**

*In accordance with the Oklahoma Open Meeting Law, this Agenda was posted July 15, 2022, Prior to 5:00 PM at the Main Street Entrance of Watonga City Hall, located at 410 West Main Street, Watonga, Oklahoma.*

**The City Council of the City of Watonga did meet at 6:00 PM on Tuesday, July 19, 2022 in the Large Meeting Room of Watonga City Hall, located at 410 W. Main Street, Watonga, Oklahoma for a scheduled meeting.**

### **Invocation & Pledge of Allegiance:**

**Council Present:** Travis Bradt, Allen Cowan and Adam Tock. Also present, City Manager Karrie Beth Little, and City Clerk Verlen Bills. Bill Seitter, Ladina Willis and City Attorney Jared Harrison absent.

**Declaration of a Quorum:** By Vice Mayor Travis Bradt at 6:02 PM.

### **AGENDA**

1. **Approve the Minutes** of the previous Council Meeting held June 21, 2022.

Allen Cowan made the motion to approve the Minutes of the previous Council Meeting held June 21, 2022. Motion was seconded by Adam Tock.

Vice Mayor Travis Bradt, hearing no further discussion, called for a vote;

A. Cowan aye      A. Tock aye      T. Bradt aye

Motion carried.

2. **Approve the Monthly Reports** from EMS, Fire Department, City Treasurer, Library, Police Department, Municipal Court, Community Development, Park's Department, Light & Water Department, Street & Alley Department, and the Airport.

Mr. Cowan noted appreciation that EMS staffing has improved by 2 personnel.

Mr. Bradt expressed appreciation for the Fire Department considering the major fire incident currently active in northern Blaine County and the extremely hot weather.

Mr. Tock asked how the Firefighters were being fed?

There was brief discussion of the resources that are available and other resources that are being brought in to help.

Vice Mayor Bradt mentioned a letter from a traveler passing through Watonga expressing appreciation for the help they received from one of our Police Officers.

Motion to approve the Monthly Reports from EMS, Fire Department, City Treasurer, Library, Police Department, Municipal Court, Community Development, Park's Department, Light & Water Department, Street & Alley Department, and the Airport was made by Allen Cowan and seconded by Adam Tock.

Vice Mayor Travis Bradt, hearing no further discussion, called for a vote;

A. Cowan aye      A. Tock aye      T. Bradt aye

Motion carried.

3. **Review and accept the list of Claims** against the City of Watonga for the month of June 2022.

Mr. Cowan asked about clothing purchases.

Ms. Little: We are now purchasing our uniforms instead of renting the uniforms. Some employees choose to keep the jeans that we had been renting and we purchased those from the company. Other Employees opted to purchase their own so they were paid an equivalent allowance to do so. Also, Employees are doing their own laundry.

Vice Mayor Bradt: There are more “unpaid invoices” on the list than previously.

Ms. Little: We are trying to assure that we generate an P.O. to encumber the expenditure before we receive the actual invoice. In the past, the P.O. was only showing what was paid.

Ms. Jenna King with RS Meacham: It appears that you are actually starting to use purchase orders in the way they are intended. It is a three step process, you request the purchase, you purchase it, then you get the invoice and pay the invoice. In the past Council did not see that first step, it was not in the system. Now we are backing up the time frame a bit and Council is seeing the first step, getting a more accurate prospective.

Ms. Little: It is the bigger picture, Council is seeing the requested encumbrance and the purchase.

Mr. Tock: I appreciate what the Fire Department does and their detailed report. I know the Police Department also works hard and does a lot but this does not show on their monthly report. I know that some of their work is sensitive in nature but would it be possible to get more information on Police Department activities?

Allen Cowan made the motion and Adam Tock seconded the motion to accept the List of Claims against the City of Watonga for the month of June 2022.

Vice Mayor Travis Bradt, hearing no further discussion, called for a vote;

A. Cowan aye      A. Tock aye      T. Bradt aye

Motion carried.

4. **Approve the Monthly Financial Report** for June 2022 from RS Meacham.

Ms. Jenna King with RS Meacham: I would like to point out the new sales tax report that I just handed out. In the report that you received, in the Council Packet, this last page of the report is missing the bottom line.

I want to point out, overall, Sales Tax is up 10.8 percent over prior years. Normally this would be great but inflation has been over 9 percent, Currently, I think it dropped back down below 9 percent at one time but it is not consistent. This is very concerning, we just need to be prepared that things are going to be costing more and employees are going to be struggling if this does not slow down. Recently we were concerned about the COVID Epidemic and how to budget with those concerns. But, we have not had double digit inflation since 1996. Mr. Meacham asked me to let you know that we are very concerned about this.

The financials for this year look very good. We are probably looking at first quarter to mid year adjustments to the budget and that is going to be some significant adjustments.

Mr. Cowan: How do we compare to the other Cities that RS Meacham works with?

Ms. King: Watonga is doing fair. We would like to see sales tax keep up with inflation and Watonga is in line. There are some places that have had negative sales tax increase and we are concerned about those places. There is also a place not too far from here in, Seiling, and I do not know how they do it, but their Sales and Use Taxes up approximately 46 percent over last year. Somebody is doing something right.

Ms. King: I wanted to point out, we have increased the transfers from the Light and Water Fund into the General Fund. Historically, we had been moving between \$75,000 and \$100,000 each month. We did raise that up to \$125,000 per month for this upcoming fiscal year. Do not get to concerned about what we are seeing here tonight, this is past.

We are concerned about what will be happening, and what will apply to us.

One way to offset some concern, with the Federal Government increasing interest rates, is to think about doing something different with the City's investments. I think Ms. Little is going to talk about this shortly and I will leave that to her, but we do encourage that.

Ms. King: The first part of the Financial Report is the General Fund. To point out some significant activity for June. On the Rental Sales and Miscellaneous Income line item we did receive \$5,500 in reimbursements from the Lions Club which was for the fireworks and we also receive a approximately \$5,000 from OMAG. On the Grant line item, next line down, we received \$19,581 for a DEQ grant. I think that was for the Town Wide Cleanup. We also received \$20,000 reimbursements from FEMA for storm damages in 2015 and 2016. Those expenses have already been paid so there is no restrictions on those funds. The biggest change in income compared to last year is the Oil and Gas Income. Remember though that part of this is restricted to the Parks, the Library and the Hospital.

In expenses in General Government there was only one thing that is really noted, and this is the event tents for a little over \$3,000 in June.

I want to mention that the General Fund is ending the year almost \$550,000 to the good and I should repeat from earlier, operating transfers this year were approximately \$1.4 million and last year, including all transfers, was \$1.3 million. The transfers are broken down into more detail in this year's report than previous years.

Mr. Tock asked briefly about the event tents and Ms. Little responded.

Ms. King: There is not much unusual activity in the Light and Water Fund for revenue. In expenses, there was the purchase of a motor and a pump both slightly over \$5,000 a piece and that's about all the significant activity that I saw in June that was out of the ordinary. We have a Net Income of \$1.1 million year to date. Last year, at this same time frame, we had a Net Loss. But remember, we did have several capital expenses for the Lucky Star Casino and some large capital expense at the Waste Water Treatment Plant.

Ms. Little to verify and point out: In the General Fund, this has not been audited so this is not the final report for the year?

Ms. King confirmed.

Ms. Little: Our Income is up 11 percent overall?

Ms King: That is 11 percent over budget.

Ms. Little: We brought in 11 percent more than what was expected and expenses were only 92 percent compared to budget?

Ms. King: That is correct and that's the trend that we want to see, we want to see our revenues above budget and our expenditures under budget. There is one line item at 100 percent and if needed we can make an adjustment there with the audit prep. When we do see the Audited Financial Statements with Accruals, it will not look like this. Ms. King briefly described what the Audit Report might look like.

In the Grant Fund there was no activity for June. Compared to budget we see a negative 9 percent. That is not anything to be concerned about The Grant Fund did go over budget slightly, but as we do the Audit prep this will get combined with the other funds and be absorbed in the full picture.

There is not much activity in the PWA Fund, but we are showing a loss. However, we have funds waiting to be received that are not recorded yet. There are capital outlays at the Airport that we have not received reimbursements for yet. Again, this will get corrected in the Audit prep.

Mr. Jacks noted that we have received funds and invoices and this is in the works.

Ms. King: sometimes there are timing issues on when bills comes in, when they get paid and when you get reimbursed for it. That is why this looks this way.

In the Sales Tax Fund there was no significant activity in June. At this time the numbers appear to be off with a negative 5 percent in the last column. Again, this will be taken care of once the assets are where they need to go, transfers are where they need to go and revenues where they need to go and how this relates to the ARPA funds. This is some of the journal entries that may be made when we do your final year end adjustments.

In the Street and Alley fund there was not any significant activity in June and finally, a number that says positive 97 percent and I do not have to explain. We have already covered the Sales Tax and inflation earlier this evening.

Mayor Seitter: This report is basically the end of the year?

Ms. King: Yes, Watonga ended the year almost 11 percent over budget for revenues and approximately 8 percent below budget for expenses.

There was more discussion as to how Watonga compares to other communities in the area.

Ms. King noted that Watonga Sales Tax is keeping pace with inflation for the most part. We are better than other communities and not quite as good as others, we are about in the middle.

Mr. Tock reported on traffic numbers coming and going through Watonga.

There was discussion as to how this related to Sales Tax Collections.

Motion to approve the Monthly Financial Report for June 2022 from RS Meacham presented by Jenna King was made by Allen Cowan and seconded by Adam Tock.  
Vice Mayor Travis Bradt, hearing no further discussion, called for a vote;  
A. Cowan aye      A. Tock aye      T. Bradt aye  
Motion carried.

Mayor Bill Seitter present at 6:24 PM.

5. **Consideration, Discussion and Action:** Discussion and possible action to approve any change orders and/or contractor's pay applications for Inman Excavating on the sanitary improvements project #18241 CDBG 21.

Ms. Little: There are two alternatives presented. Alternative 1 and Alternative 2. The Engineer Josh Risley recommends Alternative 1. This is for different size pipe. This came about after the pre-construction meeting and onsite inspections with all parties, Josh Risley, Inman Excavating, Mr. Rice, Mr. Woldridge and Mr. Daugherty there was concern about de-watering and the pipe floating out of the ground.

Mayor Seitter: This Change order was from the Engineer Josh Risley?

Ms. Little: Yes, Josh Risley with Parkhill Engineering.

Mayor Seitter: There was more volume than originally planned for?

Ms. Little indicated yes.

Mayor Seitter expressed concerns about change orders in general but conceded that they are necessary at times.

Mayor Seitter: Are we paying for this from our budget?

Ms. Little: Yes, It will be paid from the Capital Improvement Fund for Sewer. There are ample funds in that account.

City Treasurer Rodney Jacks reported that there is approximately \$162,000 in that account.

Mayor Seitter: Do we anticipate any other change orders at this time?

Ms. Little: No.

Inman Excavating did get their plan approved by ODOT and they started staging Monday.

Mr. Cowan asked about the different amounts of Alternative 1 for \$8,475.00 and Alternative 2 for \$7,675.00.

Ms. Little: This is not the difference, this is two options. Choose one or the other.

There was some discussion of the Restricted Funds in the Sewer Fund and the General Fund. This will be paid for the restricted Sewer Fund.

Mayor Seitter: This is just for materials, there is no additional labor on this change order. How long is this project expected to take?

Ms. Little: It is anticipated to be completed by early winter, November or December but we think it might be done by September. It will depend on how much de-watering is needed. And the weather of course.

Motion to approve alternate No. 1 for \$8,475.00 of Change Order No. 1 as recommended by Parkhill Engineering for the sanitary improvements project # 18241 CDBG 21 was made by Allen Cowan and seconded by Adam Tock.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye    A. Cowan aye    A. Tock aye    B. Seitter aye

Motion carried.

6. **Consideration, Discussion and Action:** To approve a contract with Harrison & Mecklenburg and Jared Harrison for the City of Watonga City Attorney.

Motion to approve a contract with Harrison & Mecklenburg and Jared Harrison for City Attorney for the City of Watonga was made by Travis Bradt and seconded by Allen Cowan.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye    A. Cowan aye    A. Tock aye    B. Seitter aye

Motion carried.

7. **Consideration, Discussion and Action:** To approve a contract with RS Meacham for Accounting Services for the City of Watonga.

Ms. King with RS Meacham: There are no changes to the agreement from last year. We will still do all the bookkeeping services that we are doing now, the audit prep, the power cost adjustment calculations, payroll, and the monthly reports just as we have done previously. The City is billed at an hourly rate and that rate is still the same.

Mayor Seitter asked, what is involved in calculating the Power Cost Adjustment.

Ms. King: That is the one part of this I have not done. Ms. Dacia Phillips does that. At one time or another I have provided all the other services mentioned here.

Ms. Little reported that this is the exact same agreement as last year's

Motion to approve a contract with RS Meacham for Accounting Services for the City of Watonga was made by Allen Cowan and seconded by Travis Bradt.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye    A. Cowan aye    A. Tock aye    B. Seitter aye

Motion carried.

8. **Consideration, Discussion and Action:** To approve a Lease Agreement with the Watonga Community Theater Group for the use of the Liberty Theater and associated buildings located at 115 E. Main St. and 113 E. Main St.

Ms. Little: This agreement was rewritten last year by Mr. Harrison and is the same agreement for this year. The Theater Group has already paid the One Dollar.

Travis Bradt made the motion to approve a Lease Agreement with the Watonga Community Theater Group for the use of the Liberty Theater and associated buildings located at 115 E. Main St. and 113 E. Main St. Motion was seconded by Allen Cowan.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye    A. Cowan aye    A. Tock aye    B. Seitter aye

Motion carried.

9. **Consideration, Discussion and Action:** To enter into executive session to discuss renewing the Agreement with Karrie Beth Little for City Manager as authorized pursuant to 25 O.S. § 307(B)(1) when discussing the employment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee.

Motion was made by Travis Bradt and seconded by Allen Cowan to enter into executive session to discuss renewing the Agreement with Karrie Beth Little for City Manager as authorized pursuant to 25 O.S. § 307(B)(1) when discussing the employment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee. Motion was seconded by Allen Cowan.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye    A. Cowan aye    A. Tock aye    B. Seitter aye

Motion carried at 6:42 PM.

Mayor Bill Seitter declared the end of executive session at 8:06 PM.

10. **Consideration, Discussion and Action:** To renew the Agreement with Karrie Beth Little as City Manager.

Motion to renew an annual Agreement starting July 1, 2022 and ending June 30, 2023 with Karrie Beth Little as City Manager was made by Travis Bradt and seconded by Allen Cowan.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye    A. Cowan aye    A. Tock aye    B. Seitter aye

Motion carried.

## **11. Council Comments:**

Mr. Bradt asked about the Garbage Service Bids.

Ms. Little: We did receive a very detailed bid specification and we are going to have it reviewed. I will take it to conference with me to ask a couple of people review it for us. Then it will be brought to a Special Counsel Meeting as soon as we get it ready instead of waiting until the August Meeting. We will need to do the bid proposal first. Then we can advertise for bids. Those bids will come back to Council for approval.

Mr. Bradt asked, do we have any update on the property being donated by the Christian Church?

Ms. Little Yes, in discussion they did confirm that it does not require any special requirements. It could be donated to W.E.D.A. or NODA. If it is a City Entity we can still move forward. The only requirement is that they list it through the OML website.

Mr. Bradt: As a Church Member, the motion has been made, we just need to follow through with the donation.

Ms. Little: Mr. Harrison should be able to prepare the deed for us.

Mr. Cowan: I would like to pass along a big thank you to all employees that have worked out in this heat and got the jobs done.

Ms. Little: On that note, we sent out an advisory about working in this heat. I sent it to all emails and we posted it. We are adjusting some hours, but City services will still continue. One of the things we did today was to run double trash trucks early so that we could still provide service but keep our people out of the heat. We are limiting our time outside mid-day as much as we can. We want to keep our people safe.

Mr. Tock: Does our equipment have proper air conditioning?

Ms. Little: We have a few older work trucks that do not have A/C or did have and it is not practical to repair. We avoid using those vehicle when possible. When we have to run the trash truck, we follow with a chase truck and we rotate staff every 15 minutes into the air conditioning. We are working through this.

## **12. Mayor Comments:**

Mayor Seitter: Where are we with the OMAG Council Handbook?

Ms. Little: We are working on that. It is very in depth and there are a lot of details to work out. I hope to bring that to Council in August.

Mayor Seitter: Do we have any plans to deal with the birds around City Hall?

Ms. Little: The Fire Department did come wash things down today. We have researched ideas and tried several things but unfortunately we are going to have to make the decision to remove the trees.



### **13. City Manager Comments:**

Ms. Little: We are doing a pre-construction meeting with Stan's Asphalt Friday the 21<sup>st</sup>. They anticipate being able to do those roads that we approved in August. That is moving along well.

With the sewer-line project along highway 281, the CDBG Grant Project, they staged on Monday and the pipe will be delivered on Friday. This project is looking good.

We are on day six for the fire in northern Blaine County. It was going well. We have received a lot of donations of water and supplies at our Fire Department and we have become kind of the staging area for other smaller departments because we have the storage space. This has become a major cooperative effort.

I will be at a conference for the rest of the week for a summer CML Conference. You can reach me on the phone.

We also hosted the OMPA Regional Training, which included Watonga, Gary and Okeene electric, sewer and water people. We had about 20 in attendance. It was a very good training that we were able to assist with.

We attended training on lead and copper. It was presented by New Mexico Regional EPA staff. Oklahoma DEQ had asked them to come and give this training. Mr. Brewer and I went and learned a lot about lead and copper rules and we will be asking for grants for this. This problem is getting a lot of clout but unfortunately it has not received a lot of direction yet.

We did host the July 4th event. It was well attended and well received and we appreciate everyone that came out to support the event. This was taken on because the Chamber did not have the resources or manpower to do this so the City took this on and it was really nice.

Mr. Tock complemented the cotton candy.

Ms. Little: I did a presentation on utilities at the Lions Club last week, that was well received.

I will be giving a presentation to Kiwanis next week. It will be more of a City update that they have asked for.

I did meet with a financial planner last week, the last of several meetings. We do have several options on the table and I will be presenting those to the Council later this evening. We do have some things that we can do to increase our ability to cash in on interest rates as they go up still maintain access to our funds. This is called a Sweep Account at Bank 7, where most of our large utility accounts are located at. It is much better interest than we are currently getting. Our money is just sitting, not making money and we need to make sure that we get that moving while the interest rates are good.

We have Planning and Zoning and Board of Adjustment Meeting scheduled for July 25. This is the first meetings for these committees since Council appointed them in June. There is one zoning request for the Planning and Zoning Committee to hear and that recommendation should come to Council in August. Other than that I'll save some of this good news for our other agendas.

14. **Adjourn:**

Motion to adjourn was made by Allen Cowan and seconded by Travis Bradt.

Mayor Seitter, hearing no further discussion, called for a vote;

T. Bradt aye      A. Cowan aye      A. Tock aye      B. Seitter aye

Motion carried at 8:19 PM

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Mayor Bill Seitter

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City Clerk, Verlen Bills