



## WATONGA CITY COUNCIL MEETING MINUTES FOR JANUARY 18, 2022

*In accordance with the Oklahoma Open Meeting Law, this Agenda was posted January 13, 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, January 18, 2022 in the Conference Room of Watonga City Hall, located at 410 W. Main Street, Watonga, Oklahoma for a scheduled meeting.**

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

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

**Declaration of a Quorum:** at 6:05 PM.

### **AGENDA**

1. **Approve the Minutes** of the previous Council Meeting held December 21, 2021.

Motion to approve the Minutes of the previous Council Meeting held December 21, 2021 was made by Allen Cowan and seconded by Travis Bradt.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter 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.

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 Travis Bradt.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried.

3. **Review and accept the list of Claims** against the City of Watonga for the month of December 2021.

There was several minutes of discussion between Mayor Seitter, Council, City Manager Ms. Little, City Attorney Jared Harrison and Dacia Phillips with our Accounting Firm RS Meacham about the policies and procedures for the “review and accept the list of claims” and what this actually meant.

Mayor Seitter commented that he appreciates that we are using local vendors. It looks like most of our fuel purchases were done with locally owned businesses.

Mr. Cowan asked about the purchase order for the elevator repairs at the old City Hall. Is it still needed.

City Clerk Bills noted that it has taken almost 2 years to find parts to get the elevator fixed. The Fire Department and Police Department still use the upstairs room for training. We need the elevator to stay ADA compliant and it has to be properly maintained and inspected.

It was asked, do we really need this facility?

Mr. Bills replied no, elevator maintenance is expensive, but the upstairs classroom is a very convenient location for classes and training.

Mr. Cowan asked of City Treasurer Rodney Jacks about the Police Car Lease.

Mr. Jacks replied that we have one more payment due in May. We are almost through with this and that will be for all three units.

Mr. Cowan asked about the \$1,015 at Mark's Service Center.

Ms. Little explained that was for tires. Not fuel. We can get tires at State Contract Pricing through Mark's Service Center.

Ms. Willis asked Mayor Seitter about his previous comment concerning local vendors.

There was discussion of property evaluations, Ad Valorem taxes, how this works with GL Bonds and how it effects the City.

Motion to accept the list of Claims against the City of Watonga for the month of December 2021 was made by Allen Cowan and seconded by Ladina Willis.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried.

4. **Approve the Monthly Financial Report** for December 2021 from RS Meacham.

Ms. Dacia Phillips with RS Meacham: I need to take a minute to inform the Council of a final ruling issued from the US Treasury concerning America Rescue Plan Act (ARPA). Previously, these funds were limited as to where the money could be spent which was primarily infrastructure. A lot of those restrictions have been relaxed. The biggest change, the Treasury did an exemption to allow up to 10 million as replacement revenue for government services. That is the category with the least restrictions, and we do not have to actually go through the calculations. I know Ms. Little went to a seminar about doing those calculations and it was quite involved. But the Treasury is working for simplification and for us, we will receive much less than that 10 million. The Council will need to pass a resolution in April when the US Treasury Rules go into effect.

The Treasury also stated they will not enforce the interim rules if that money was spent in the spirit of the new final ruling. The Treasury defined government services as Police, Fire and other public safety, general administrative, administration staff and facilities, road building, maintenance, other infrastructure and health services. This is the most flexible eligible category. And funds are subject to streamlined reporting and compliance requirements, which is great news for us. We might have water and sewer projects we want to spend this money on, but our hands are not going to be tied to that now.

Ms. Little commented, asked for clarity, with one resolution, this will make a lot of those funds unrestricted? We can still use this money for infrastructure as we had planned, but we are not restricted to just infrastructure and it frees up the compliance reporting mechanism.

Ms. Phillips: There are some restrictions, we can not deposit the monies to mitigate against the pension plans. We can not replenish rainy day funds, we can not use the monies for debt service judgments or settlements. Nor can we spend the monies on programs that undermine the COVID-19 mitigation process. This is great news for smaller communities. It will free up a lot of time and expense.

Ms. Phillips: The Financial Report is for the first six months of the year. The first page, the General Fund included with the Financial Report was done in accordance with generally accepted accounting principals and government standards that basically lines up Operating Income and Expense, giving you an Operating Total. Then you have your other types of income and expense, and then your net income.

In this new format, (Referring to a handout.) what we tried to do is get all the incomes together and expenditures together and then get our total income and expense. It is a lot on one page, but it gives a lot of information that you can take and absorb. The main thing we want to do is to make sure you know we are in compliance with the budget.

For our year-to-date number on the revenue. In the second column, what we would call Operation Income is \$1,089,484. The annual budgeted amount for this is \$1,796,375. This puts us at 61 percent of projections (for the first half of the year). If we receive another \$706,000, shown in the YTD Variance Column, we would be at 100% of budget. Revenue is good. In the third column, you can also see that we exceeded December 2020 year-to-date, which was just \$987,449. In Transfers, there is \$800,405 year-to-date. The budgeted amount for this is \$1,305,000. We have divided this out so you can see the different types of transfers, although we actually budget the transfers as a whole. The Operating Transfers are what the Light and Water transfers to help support the services of the City. One of the advantages of owning your own electric system is having that money to help support the government services. We also have ambulance fees from your utility billing that we transfer in. There is the Earth Day fee and then we have some transfers in for EMS wages and that is actually new this month. Because the Blaine County 522 contract is with the PWA we actually receive the money into PWA and then we transfer it to the General Fund where the EMS expenses are actually paid. By separating those out, we can easily look and see what all our sources of revenue and expenditures are at one place in the report.

Mr. Cowan asked, the County 522 is paid quarterly, will the transfers be quarterly?

Ms. Phillips and Mr. Jacks replied, yes County 522 is paid quarterly and the transfer of that money will be quarterly but there will be other transfers more often as needed.

Ms. Phillips: In operational expenditures, and that could include some capital type purchases, but our total expenditures are at \$1,798,369. That is about \$13,000 more than the same time period last year, but as the percentage of Annual Budget, we are at 48 percent, for the first half of the year, so we are controlling our costs. I know that the Department Staff meetings that Ms. Little does are helping. She is getting budget numbers versus actual numbers out to the Department Heads monthly and doing well with that.

We have a total income here, year-to-date of \$1,889,889 and total expenditures of \$1,822,268. To use GAAP terminology we would say revenue over expenses, but you may be more familiar with the term “net income”. We have a net income of \$67,621 year-to-date. We knew this was going to be a tight year so we budgeted for a deficit, but right now we are in the black in the General Fund.

Mayor Seitter commented about the differences between what we see from last year to this year and it appears we are much better off this year. This is more apparent on this new report format.

Ms. Phillips allowed we will expand on this some more in the next report.

Mr. Cowan: The EMS transferring in and out, is that the \$5.00 added to the Light and Water bills? Is this for more than one month or are we misunderstanding the Treasurer's Report?

Mr. Jacks: The \$5.00 from the Light and Water is a once a month transfer. At this time, we have ambulance funds in two different accounts, we have Medicare Medicaid and insurance companies paying into the ambulance account (and the the County 522 funds), then I will draw out to reimburse the General Fund for wages. In the past, we paid payroll every two weeks and expenses (POs) were paid monthly. Now, we pay payroll and expenses alternating every two weeks. I will finish the Purchase Orders tomorrow, then I will do the transfer for those POs and EMS payroll on Friday.

Mayor Seitter: In the year-to-date Budget Variance Column on the Total Income line, it shows \$1,211,486. Is that the amount of money we are still expecting to come in this year? According to our budget?

Ms. Phillips: Yes, this was the projections back when we did the budget. We will update this when we do the Budget Amendments in a the next month or so.

Mayor Seitter: On the next line, Total Expenditures, it shows \$1,949,654, that is budgeted to spend?

Ms. Little replied, that is how much money we left to spend, that we could write checks for.

Mayor Seitter appreciated the new prospective on the report: It has more meaning to me. In the last column, year-to-date Budget Percentage, it show a negative 10.8 percent?

Ms. Phillips: We actually budgeted for a deficit and the City is almost \$400,000 better into the black than budget projections. This created an anomaly that the Excel Spreadsheet did not how to deal with. In the real world I think this should be something like 110 percent or greater.

There was more discussion of the budget process and how it is reported.

Overall, we have 11 percent more income and we have spent 2 percent less than projected.

Ms. Phillips: The Light and Water Fund, Electric operating income is at \$891,906. That is Direct Revenue versus Direct Expenses. We are at 86% of our total projection already. But realize that electric income is seasonal. We have had some hot months so we would expect this in our operating income here.

Water operating income is at \$188,744. We are 121 percent above this time last year as there was a capital project last year.

Sewer is at \$39,930 and Garbage is at \$38,321. This was also projected to be a loss. I do know that we spent about \$60,000 to JWC Environmental in December for auger repair.

Ms. Little explained, those repairs were approved by Council and ordered last fiscal year, but we did not receive the parts until last month. We could not pay the invoice until we had received the parts.

Ms. Phillips: After Administrative Revenue, Expenditures, Fees and Transfers, We have net income year-to-date \$523,689. \$98,593 of that is capital expenditures, which will be capitalized and depreciated over their useful life for the City. And again, we had projected a loss in the budget, but we are ahead so far this year, so the column showing the Percent of Budget is a negative 279 percent.

Mayor Seitter asked about the major increase in Total Operating Income. Last year at this time it was \$399,065 and this year it is \$1,158,902.

Ms. Little explained that is electrical sales and with increased sales are increased expenses.

Mayor Seitter and others were impressed with that much of an increase.

The group discussion was that most of that came from the grow house and the fact that the Casino has come online since this time last year.

Ms Phillips: There is not much activity in the Grant Fund. We had income of \$1,500 and there was about \$248,000 in ARPA funds that we talked about a few minutes ago.

Next in the report is the PWA Fund. There was not much activity in this fund either. The main item is the transfer out of \$50,126 which shows in the report earlier transferring County 522 to the General Fund.

The main thing to note in the Sales Tax Fund was the Boom Mower purchase for \$32,940 which is Capital Outlay. Year-to-date we have net loss of \$103,274 and we have spent 141,799 on capital projects, which is what this Fund is for.

In the Street and Alley Fund we spent another \$11,595 for the Workman and A Street Project.

Ms. Little added, that was the final invoice for that project.

Ms. Phillips: The last page of the report is the bar graph showing Sales Tax trends. This January we received \$172,704 which is more than the \$158,971 for January last year. For the first seven months of this fiscal year we received \$1,240,903. Last year, this same time period, we've received \$1,169,337 which is an increase of \$71,566 or 6.12 percent. As mentioned before, these numbers do not include what we're paying back. Use tax is up \$20,708 or 14.24 percent over the prior year as well.

Mayor Seitter commented about the good report and the fact that the City is accomplishing some great things. The challenge to me is that we are not visible to the community, but it is important to the community.

Mr. Cowan pointed out, the public does not think about infrastructure until something goes wrong. We are working and making progress to keep that from happening.

Motion to approve the Monthly Financial Report presented by Dacia Phillips with RS Meacham was made by Allen Cowan and seconded by Ladina Willis.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried.

5. **Consideration, Discussion and Action:** To approve Resolution No. 2022-1 with Attachment A, adopting Section 3 of the Housing and Urban Development Act of 1968 as required by the Oklahoma Department of Commerce, Community Development Block Grant 18237 CDBG 21.

Motion to approve Resolution No. 2022-1 with Attachment A, adopting Section 3 of the Housing and Urban Development Act of 1968 as required by the Oklahoma Department of Commerce, Community Development Block Grant 18237 CDBG 21 was made by Travis Bradt and seconded by Allen Cowan.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried.

6. **Consideration, Discussion and Action:** To approve a request from retiring City Employee Jimmy Johnson to withdraw \$35,000 in one lump sum from the monies already submitted to Oklahoma Municipal Retirement Fund (OKMRF) by and on behalf of Mr. Johnson in the 27 years of employment with the City of Watonga.

There was brief discussion with Ms. Phillips and Mr. Bills as to why this was required. OKMRF does ask for Council Action when a retiring employee withdraws a lump sum amount from their Pension.

Several commented that it is his money and after 27 years he has earned it.

Mr. Cowan asked when is Mr. Johnson's retirement date?

Ms. Little replied February 25.

Motion To approve a request from retiring City Employee Jimmy Johnson to withdraw \$35,000 in one lump sum from the monies already submitted to OKMRF by and on behalf of Mr. Johnson in the 27 years of employment with the City of Watonga was made by Ladina Willis and seconded by Allen Cowan.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried.

7. **Consideration, Discussion and Action:** To approve Resolution No. 2022-2 revising the Watonga Police Department Manual Section 702.4.2(C) to reset the limits in which Department Vehicles may be used by Employees to take home.

City Attorney Jared Harrison: To achieve what Council asked for the process became more complicated than we initial thought it would be. We discussed just pulling out one section and determined, that one section was not what we really needed. It only addressed one small part of the concern but left other questions unanswered. We went back and rewrote some of the language to get this where Council wants this, or to my understanding of what Council is asking for. This made the Section 702.4 much longer, in a sense we rewrote that section but we deleted Section 702.4.2 because it no longer pertains to the rewrite of Section 702.4. (Paragraph .2 is deleted.) The only question for Council to answer is the date this becomes effective.

Several discussed an effect date for this resolution. Common practice for similar items is to allow 30 days for transition and notification.

Ms. Little: My recommendation would be March 1.

Mr. Harrison: To accomplish what Council is asking for, I would only suggest, to approve Resolution No. 2022-2 that amends and updates section 702.4 of the Police Department Policy Manual to be effective March 1, 2022.

Motion to approve Resolution No. 2022-2 with an effective date of March 1, 2022 amending and updating the Watonga Police Department Manual Section 702.4 to reset the limits in which Department Vehicles may be used by Employees to take home was made by Travis Bradt and seconded by Allen Cowan.

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried.

## 8. **Council Comments:**

Mr. Cowan: I would like to thank everybody here today for giving your time. And to the people from the Oklahoma Municipal Assurance Group who came to help educate us. We, especially myself could use more of that. This team has really made some big steps. In the past, I was part of a Council that was successful, but in different directions. With this Council, we have had great success. This Council has really made some improvements. Thanks to everyone of you for your commitment to making Watonga a better place for us live today.

## 9. Mayor Comments:

Mayor Seitter: First off, I want to thank Ms Phillips for the financial report. She and I have communicated and I think I got my thoughts across and you have done a great job. This is exactly what I was asking for.

We talked before about a list of Community Improvements or a Capital Improvements List and I've been working on mine. Is there is way to share ideas with out violating the intent of the Open Meeting Act?

Mayor Seitter was looking for the open exchange of ideas and Mr. Harrison was cautious of this being seen as a possible violation of the Open Meeting Act.

After some discussion it was suggested that City Manager Ms. Little could collect the ideas from all involved, not just Council Member and compile these ideas into a single list for all to share.

Mayor Seitter: I am glad that the City Departments are making their lists, but where their lists will be about their specific departments. I would like our list to be more about the Community.

Ms. Little: I think that is where we need that open discussion to take place in a workshop. Departments needs are also the City's needs and some of Department priorities overlap with each other and maybe with some of Council's ideas. A workshop can formalize and finalize some of those higher risk and higher need priorities that we just do not have on paper right now.

Mayor Seitter: I understand that the Departments need their equipment and they need their employees to function. I think our concern is the over all Community such as the perception of the City.

Ms. Little: I think you will see that the Departments are more than willing to give up and focus on the city as a whole. I hope you will see this. We have "Team Talks" twice a week and we are going to compile all Departments as a single list. I hope that Council will see that we are all on the same page for much of what needs to be done, we just do not realize it because we have not put it down on paper.

Mayor Seitter asked, where are we at on the Traffic Light at 4 Corners?

Ms. Little replied, we are expecting the parts in February and the we will proceed with installation.

Mayor Seitter suggested, maybe in March?

Ms. Little implied that was a possibility.

## 10. City Manager Comments:

Ms. Little: Ms. Phillips is helping with a monthly report for Department Heads so that they know where they are at financially. We meet twice a week for "Team Talk" to discuss several items including finances and the Five Year Plan. We communicate, work together and get stuff taken care of. I think our meetings are going well.

I have six grants on my desk that we are currently working on. I will be bringing more information to the Council as these grants get approved so they can be accepted by Council. There are Earth Day grants, reimbursements for our AMI System, and we have someone that wants to commit funds to our proposed Waste Water Treatment Project. We have a lot of different things going on and this will also be part of the budget amendments.

I will be out of the office the rest of the week attending a City Management Association of America Conference, it is in Edmond. Last Friday I attended a budget workshop that had some very good information so I am going to pass the PowerPoint slides to Council via email. It is worth sitting through.

With staffing, everybody is good and healthy and so we hope to keep it that way. I appreciate all the support and on behalf of all the employees, we do appreciate the Council Members.

Mr. Bradt asked, do we have our new personnel?

Ms. Little: We hired two new personnel for the Light and Water Office. One is full time and the other is part-time. We also hired another for Light and Water field operations.

Mr. Jacks added, the two new people in the office were working by themselves this afternoon and were doing really well.

**11. Adjourn:**

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

Mayor Bill Seitter, hearing no further comment, called for a vote:

T. Bradt aye      A. Cowan aye      L. Willis aye      B. Seitter aye

Motion carried at 7:05 PM.

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Mayor Bill Seitter

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City Clerk, Verlen Bills