



WATONGA CITY COUNCIL MEETING MINUTES FOR MAY 17, 2022

*In accordance with the Oklahoma Open Meeting Law, this Agenda was posted
May 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, May 17, 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: Mayor Bill Seitter, Travis Bradt, Allen Cowan, Adam Tock and Ladina Willis. Also present, City Manager Karrie Beth Little, City Attorney Jared Harrison and City Clerk Verlen Bills.

Declaration of a Quorum: At 6:01 PM.

AGENDA

1. **Approve the Minutes** of the previous Council Meeting held April 19, 2022.

Motion was made by Allen Cowan and seconded by Travis Bradt to approve the Minutes of the previous Council Meeting held April 19, 2022.

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

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

Motion carried.

In the interest of time for others, Mayor Seitter moved to Agenda Item 5.

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.

Mayor Seitter: In Municipal Court, the number of warrants issued verses the number of warrants paid or on active payment arrangements do not match. So, we can assume that not all the cases require a financial consequence?

City Manager Karrie Beth Little: Correct.

Ms. Willis asked about the number of disconnects in the Light and Water Report. Are these people that have moved away?

Ms. Little: No. We just no longer received any payment.

Ms. Willis: I just want to understand the details.

Mayor Seitter: Those people do get 15 days notice and then they are notified before the service is cut off.

Mayor Seitter, Ms. Willis, Ms. Little and City Attorney Jared Harrison discussed at length, the differences between a new Utility Account and reconnecting an existing Utility Account.

Ms. Willis: If someone has a property here in Watonga and they have a home with an electric bill and they decide that they do not want to live at that house any longer, can they just have trash service?

Ms. Little implied, it is all or none.

Ms. Willis: Have we done that in the past?

Ms. Little replied yes but that was previous to me.

Ms. Little continued with discussion about the different types of utility billing and the City Ordinances that cover this.

Mayor Seitter: Commented for clarity, the answer is no, you do not get trash service just because you own property in the City.

Mr Harrison noted that this could change in the future as the City is talking about contracting for refuse service.

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

T. Bradt aye A. Cowan aye A. Tock 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 April 2022.

Mr. Bradt asked, who is ASAP Energy?

Ms. Little: They deliver fuel to the Airport.

Mr. Bradt: And who is Utility Technology Services?

Ms. Phillips: They operate the web portal for Light and Water.

Travis Bradt made the motion to accept the list of Claims against the City of Watonga for the month of April 2022. 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 L. Willis aye B. Seitter aye.

Motion carried.

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

Ms. Dacia Phillips with RS Meacham: This report is for the first 10 months of the year or 83.33 percent. On the first page is our General fund. Year-to-date for April we had a Total Income of \$1,890,948 or 96 percent of Budget. We are exceeding that 83.33 percent. We are in a good position there. For total Non-operating Income, which is primarily transfers, we are at \$1,608,343 and our Annual Budget is \$1,870,316 or 85.99 percent. We are in good shape there. And for our Total Expenditure we are \$2,971,976 And our annual budget is \$3,786,922. That is 77 percent of Budget. Even though our revenue exceeds budget, we are still holding our expenditures below Budget. So year-to-date, we have revenue over expenditures of \$496,801.

We should look at the Variance from the prior year, we are \$755,181 better off this year than the prior year. I can site about four reasons for this. The first one is that Sales and Use Tax is up about \$117,000 over the prior year. The second reason, and this got my attention, is that Oil and Gas Income is up \$99,789 better this year over last year. We are seeing this staying up in this area. And then as for the transfers, we can see that transfers in from the Grant Fund, one was the COVID Fund transfer that was received and is a one time thing. And then the First Responders COVID funds that were received and transferred in, again only for this year. There were also a few other transfers that were slightly above expected. This adds up to explain why we are \$755,181 better off this year than last year in the major operating fund of the City.

In the Light and Water Fund, the Electric Operating Income is at 143 percent of Budget, Water Operating Income is at 137 percent of Budget, Sewer Operating Income is at 214 percent of Budget and Garbage Operating Income, year-to-date, is \$113,826 exceeding Budget. Our Total Operating Income is at \$1,97,121 year-to-date. Then after Administrative Revenue Expenses, capital improvement fees and transfers, we have Net Income of \$879,254. On the budget basis with accounting of that we have \$149,322 in capital type items that will be capitalized and depreciated and will be converted to the Accrual Basis of accounting.

Couple of large notable items in April, we spent about \$47,500 for the Traffic Light, there was about \$3,200 in Sewer Expense for the CDBG, and about \$5,800 additional in Administration Expense.

The Grant Fund had no activity for April.

In the PWA Account for April, the significant item is that we made the last payment on the Lease for the P.D. Vehicles. Between principal and interest that amounts to about \$41,900. That was the last of three annual payments.

City Treasurer Rodney Jacks noted that we have not received the titles for these vehicle yet.

Ms. Phillips: Then we have Capital Outlay in the PWA year-to-date of \$106,092. So, year-to-date, we have a net loss of \$87,573, which is primarily our debt service. This also shows on the budget basis of accounting on our annual financial statements, they actually lower the principal amount of the debt that we owed in the capital outlays because it gets capitalized and depreciated over the useful life.

In the Sales Tax Account there was not much unusual activity for April. Sales Tax Income was \$182,923. We actually budgeted the ARPA funds revenue into this account but these funds were received into another account, this is why we are only at that 42 percent Budget for this item.

This will be adjusted when we do the Budget Amendments. Total Sales Tax Expense is \$148,008. Year-to-date we have a net loss of \$25,177 or we have expended \$25,177 more than we have brought in but that includes transfers and capital outlay.

In the Street and Alley Fund which is a special revenue fund for streets, we have year-to-date, revenue of \$28,896. This is only 71 percent of budget. This is a little bit under budget in this fund, but it is primarily the clean up and material sale are less than we budgeted. The Gas excise tax and Motor vehicle tax are about where we budgeted. And the Capital Outlay Project at Workman and A St. mentioned in the past. Year-to-date we have a Net Income of minus \$138,270 in restricted funds.

We have an improved Sales Tax Bar Graph that shows the City's portion of the Sales Tax and the Hospital's portion. At the bottom left of the Graph we have it divided out to show month by month. And then we have the Use Tax Graph. Sales tax is up \$125,544.58 or 11.56 percent over the prior year, and Use Tax is \$21,788.37 or 11.2 percent over the prior year. I think it good to see the City Sales Tax and the Hospital Sales Tax separately. Of the five percent sales tax, the City's portion is 3 percent, 2.5 percent is for the General Fund and .5 percent for Capital Improvements. The other 2 percent is for the Hospital.

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

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

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

Motion carried.

5. **Consideration, Discussion and Action:** A request from Todd Lafferty with Wheeler Brothers Grain Company, set the traffic light at Russworm Dr. and Clarence Nash Blvd. to a flashing 4-way stop during the 2022 wheat harvest time.

Mr. Todd Lafferty: We appreciate being on the Council agenda. I do not recall a time when we were not able to have the traffic signal working as a four-way-stop. In the past, talking with the Oklahoma Department of Transportation (ODOT) and others, no one had any issues with a four-way-stop during harvest time. NO, in recent discussions it has become apparent that ODOT does not want the traffic signal to be used as a four-way-stop.

Mr. Lafferty: Let me explain why we think it is important to change the traffic signal to a four-way-stop. Most of our truck traffic is now large tractor-trailer or semis. There are still a few of the tandem axle and smaller trucks. Mr. Lafferty explained as he showed a map of how the larger trucks are routed around the elevators to the different scales and different unloading pits or drives according to how a load of grain is graded. For the local framers, doing there own harvesting, we will give them a more direct route to unload so they can get back to the field sooner and he noted that we have four truck scales to help with this.

Mr. Lafferty continued, this amounts to a lot of back and forth traffic across the highway. If highway traffic is stopped at the intersection, then our truck traffic is delayed and starts to back up.

This year, harvest will be down, we are only expecting about half as much as last year but we are not certain. We are only hiring about six or eight independent contractor trucks, normally we would hire 30. We are estimating about 50 local or area farmers.

This year, our current bid price is ten cents better than the Fay Elevator so we anticipate we might get some traffic from the Fay area. Most of the traffic is not going to be Wheeler Brother's traffic. It's going to be independent farmers and custom harvesters. We think, that if it's turned into a four-way-stop, if there is an accident, it will be at a very low speed because traffic is coming to a complete stop. If it stays as lighted intersection we think the chances for a more serious accident are greater because every now and then somebody comes through trying to beat a yellow light and the farmers crossing highway 33 are having to judge oncoming traffic. So, we just feel it is safer for the community and for customers to turn it into a four-way-stop during harvest. Of course, we do not want any accidents, but should it happen, the one getting hurt will probably not be the one in the semi.

Mr. Lafferty: We can give 48 hours notice when we feel like harvest is starting to pick-up and we would like that light activated as a four-way-stop. Then, we can let you know when we think about going back to a lighted intersection. If we get some dry weather this may only take two weeks. There is no way to know. There was one year, we started harvest before Memorial Day. We just never know what Mother Nature is going to do.

Normally, harvest starts in this area about June 1. We appreciate your consideration.

Ms. Willis asked for detail as to why this would help with traffic flow for the Elevator.

Mr. Lafferty described how the traffic flows with a four-way-stop and how much faster it can be when some traffic is allowed through with a lighted intersection and the effect on the trucks crossing the highway. They also have trouble when traffic backs up waiting for the light to change and there is no gap for a truck to come across. People tend to ignore the signs asking drivers not to block the driveways.

The idea of traffic control personnel was briefly talked about.

Mr. Lafferty: I will say, if Council denies our request we will still get through harvest. We will figure out a way. It just makes it more difficult and there is also the extra safety concerns.

We have similar problems now, trying to load trains out but we do that year around. This special request is just for the short time of the year during harvest.

Ms. Willis: Do I understand that ODOT is not in favor of the four-way-stop?

Mr. Lafferty: That is what Ms. Little has indicated to me when we talked earlier. ODOT would prefer to leave that as a lighted intersection, but they also said that it was ultimately the decision of the City Council.

Mayor Seitter: Your concern is for Public Safety during harvest time?

Mr. Lafferty: Public Safety and traffic flow, making it easier for trucks to get across the highway.

Mayor Seitter: I am concerned about Public Safety and confusing the Public. We have a lighted intersection now. Then we go to a four-way-stop and then back again to a lighted intersection. Is that not an safety issue also?

Mr. Lafferty: I do not think that is an issue. I have been on Oklahoma City recently through an intersection that had been a lighted intersection in the past, but was now a four-way-stop. The following weekend it was back to a lighted intersection. Traffic flow through this intersection did not seem to be an issue either way. I really don't think it's a safety concern.

Mr. Lafferty continued: In the past, we would get on the Council Agenda to ask for this every year at harvest time. I am not sure why, but several years ago the lights stayed as a flashing four-way-stop for some time. This worked very well for us.

Mayor Seitter reported that people had complained to him about driving errors at the intersection because of the back and forth traffic light.

Mayor Seitter, Todd Lafferty and Austin Lafferty discussed the issues and safety concerns of switching the traffic light back and forth between a four-way-stop and a lighted intersection. The time of day could have some bearing on this. The idea of designated traffic control personnel was mentioned. They explained the differences between trucks at harvest time and the trains blocking the intersection at any time of the year.

Ms. Willis suggested and admitted “thinking outside the box” a temporary auxiliary signal light.

It was noted that could be confusing to a driver if the temporary light and the regular traffic light were out of sync.

Mr. Austin Lafferty: We have always tried to work with the City in the past, for example, in 2007 after the hurricane the City needed to weigh the trucks hauling debris so we did so at no charge to the City. The City needed to install a water line to the new Hotel / Casino and we allowed easement across our property, again at no charge. We want to keep a good working relationship with all of our Communities, we have recently helped with an easement in Greenfield.

We want to keep this good working relationship, and this request is important to us. Hopefully even more important next year.

From a liability standpoint, should a serious accident occur, I do not want someone to say, we could have gone to the City Council to requested the four-way-stop and we did not.

Ms. Willis: Would it be helpful, if we had a way to notify the public when the light changes?

Austin Lafferty: We could ask the Chamber if they could put out a message during harvest. We also have a texting service for customers and farmers, if they are signed up. We could get word out but we will not get everybody, especially those from out of area.

Ms. Willis asked, how long of time frame are we taking about?

Austin Lafferty: Depending on weather, it should be no more than the month of June, but could be a little as two weeks.

Mayor Seitter asked, what would trigger us to return to a lighted intersection?

Austin Lafferty: We would monitor the volume of harvest traffic. We do a daily counting.

There was some debate about when and how we would know to go back to a lighted intersection. Discussion was that there really is no specific measurement for this. When harvest traffic slows for several days?

Ms. Willis asked how we would communicate with the Public?

Mr. Lafferty again suggest the Chamber of Commerce and their own in house texting service.

Ms. Willis asked about the wording for such a message.

Mr. Lafferty: We might say, "During harvest the City has agreed to turn the light at the intersection into a flashing red light and once harvest slows down it will be returned back to a lighted intersection" or similar wording. We could also get this into next week's newspaper.

Mayor Seitter suggested we also put out notice when we switch the light back to avoid other problems.

It was suggested to put the four stop signs in the middle of the intersection as had been done in the past.

City Manger Ms. Little noted that ODOT will no longer allow that unless the lights have no power.

It was noted by several that communication is important.

Mayor Seitter: We do appreciate the cooperation we have received from Wheeler Brother's over the years.

We put in the new lighted intersection because that is what ODOT wanted us to do and we want good working relations with them. But we also want to keep a working kinship with Wheeler Brothers. So hence the dilemma for the Watonga City Council. To me it all comes down to Public Safety.

Mayor Seitter asked the City Attorney Jared Harrison for his input.

Mr. Harrison: It is the decision of the City Council, ODOT and Mr. Lafferty have both have said this. The Council is elected to make the hard decisions in the best interest of the City.

Mr. Bradt: If we elect to change the intersection to a four-way-stop then we need to communicate with the public as much as possible and as much in advance as we can.

Mr. Cowan: We have had the traffic signal working, lets say 60 days, people are adjusting to a proper traffic signal and now we want to bounce back to a flashing four-way-stop? I think I am more concerned about the safety of the public than I am for convenience, but this is not an easy answer. Wheeler Brothers has been an anchor to the City of Watonga for more than our lifetimes. They are a major employer and a large utility customer. They have also donated courtesy vehicles to the Airport.

Wheeler Brothers has been a great partner to the progress we have made and we thank you for that.

Ms. Willis: I'm thinking about the partnership and partnership is a community effort. We want to keep those relationships strong. I am also thinking about the liabilities What are we liable for?

Mr. Harrison: I know this was something that ODOT has brought up, in talking with Ms. Little. I think that ODOT may be exaggerating the liability issues somewhat. Are we liable because we knew that there would be problems with harvest but we did nothing to lessen that hazard? Or are we liable because we tried to do something to negate the harvest hazards and that in turn causes an accident because of the human tendency to do what we are use to doing?

I think, with legal reasoning it would get very difficult to put the blame on the City for a vehicle accident. Either way, I think it would be a big stretch to get there. Ultimately, when you're a driver, you're the one that's liable for making sure you follow the legal signage that is out there. Even if it is just the traffic light, forget someone out there waving a flag. As a driver, it is your duty to respond to the lawful traffic control devices that are there. I think it would be very difficult to find liability one way or the other.

Newspaper reporter Gram Dudley pointed out, it's not confusing to go from a solid light to a flashing light, when we see red light we will be stopping either way. It is confusing to go from a flashing light to a solid light because some people pull up and do not take the time to make the conscious decision as to whether the light is solid or flashing. I think it is more important to communicate to the public on the other end of this, after the light goes back to normal traffic signal.

Motion was made by Travis Bradt to switch the traffic signal to a flashing four-way-stop during harvest time as determined by Wheeler Brothers and communicating with the City of Watonga at least 48 hours before the traffic light needs to be switched. The City of Watonga will oversee notifying the Public with possible assistance from Wheeler Brothers, utilizing the Chamber of Commerce, the Newspaper and any other available channels to the Public. Motion was seconded by Ladina Willis.

Mayor Seitter, hearing no further discussion, called a roll call vote;

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

Motion carried.

Ms. Little: I want to note that we will work together to put the message out there through several communication avenues. I think the City should actually type the verbiage and use it as a Public Safety factor and to make sure that it gets communicated correctly. This is not an amendment to your requests but it is actually a factor that we have all considered. We will get together and put out the same message so it is not confusing. We will also put it out multiple times. We have found it more successful to repeat the communication and put it out on several different platforms.

Mayor Seitter noted that this was just for this year's harvest.

Mayor Seitter directed Council back to Agenda Item 2.

6. **Consideration, Discussion and Action:** To acknowledge a Letter from the Oklahoma State Fire Marshall's Office stating that they are the "Authority Having Jurisdiction" for the City of Watonga.

Mayor Seitter: In the past, when the High School was built, the City had Luke Talent as Building Inspector and the City was the Authority having Jurisdiction. The City reviewed all the plans and did all of the inspections. It was great for the school, because the city did not charge the School for doing that. The State Fire Marshal will charge the school, and others for doing this work. So I've done some research since Ms. Little and I talked about this, but there is the opportunity to have a third party contractor for the Jurisdiction. Are you aware of this?

Ms. Little: The Builder / Contractor will have to pay for that, but they can opt to have a third party contractor do the Plan Review and this will be faster. The State Fire Marshall's Office has a backlog of six to seven months. But the Builder / Contractor will have to request this service and it will have additional cost. I have spoken with the Engineer at the School and he is aware of this. This is becoming a concern in a lot of communities around the State.

Mayor Seitter: Other municipalities have received this same letter. There are other problems, the State Fire Marshall's Office is underfunded which contributes to miscommunications. Getting walk-throughs and inspections done during construction are troublesome. This can also cause expensive debates about what should have been done or done differently.

If a third party contractor can be hired, then you have better communication and a better understanding about what is going on and who is doing what.

We have some big projects coming up with the School and the County Jail. I do not know if we are involved in that third party deal or not. It was my understanding, when I was doing this, that it was the City's responsibility to do the inspections. Who's Jurisdiction is it, the City's, The State Fire Marshall's Office of the third party contractor? These details need to be worked out.

There was brief debate about the Council's response to this. Mayor Seitter noted the this was on the agenda so we can say that Council has seen this letter.

(No action was taken)

7. **Consideration, Discussion and Action:** To appoint Planning and Zoning Committee Members.

Mayor Seitter: We have a Planning and Zoning Committee now, but we are down to four members instead of five. The Planning and Zoning Committee hears the request for changes in zoning, this Committee gives a recommendation to the Council. If Council does not grant the request then the request can go to the Board of Adjustments. If the request is denied by the Board of Adjustments, then it would need to go to District Court.

Currently there are two or three Planning and Zoning Committee Members already associated with the City in other ways. My thought is that would be better for the process, for better transparency and to have different “eyes” looking at issues, it there were DIFFERENT people in this process. And not have the same people involved in several of these steps. If that makes sense.

Mr. Harrison and several others agreed.

Mayor Seitter: What we need to do is to come up with a list of names, I suggest each Council Member recommend one or two people from each ward. And Mr. Bradt (Council Member at large) is not going to be exempt from contributing a name or two. This is a five member committee and we need people that are willing to serve and we need all parts of the community represented.

Submit those names to Ms. Little so she can put a list together for Council.

Ms. Little: If you could get those names to me by June 10 so I could have the list ready for Council Meeting.

Mayor Seitter and Mr. Harrison agreed that we do not need to take any action on this today.

Mr. Cowan: So I can inform people, does the Committee meet on an as needed basis or will it be a regular scheduled meeting?

Ms. Little: We are going to set a monthly schedule. If there is nothing to be presented, we will let the members know that there is nothing to meet for. But in order for applications to flow better, if we get an application, we can tell the applicant when the next meeting will be rather than trying to contact all the parties involved and set up a meeting. It will be scheduled and everyone will be aware of the schedule.

Mayor Seitter: We do not need a motion for this. We will move on to Agenda item number 8.

8. **Consideration, Discussion and Action:** To appoint Board of Adjustments Committee members.

Mr. Harrison: The difference with the Board of Adjustments (verses the Planning and Zoning Committee) is that they will rarely meet. I do not think a regular schedule will be needed. It is not rare, in a city this size for the Board of Adjustments to go without a meeting for a year.

Mayor Seitter: That would be a change to Mr. Cowan's question / discussion.

Ms. Little asked, in some communities is it not uncommon for the Planning and Zoning Committee to have the same members as the Board of Adjustments?

Mr. Harrison: In some of the material that OML puts out, they say some municipalities will do just that because it is such a specific area. It is good to have the people that understand what the rules are.

Now, I can see where this is going, this does present another problem when there is an appeal and that appeal is to the same group of people. This process may need to change up some. But again, having that group of people that know the subject matter is also important.

The reasoning for the Planing and Zoning Committee and the Board of Adjustments is because of the unique knowledge and understanding needed to do a proper job. No offense to any of the Council Members, but you have to learn enough just to sit where you are at now without adding more to your responsibilities. Most of you have volunteered for this Council Position and you only have a limited amount of time to devote to this.

Mayor Seitter: Are you recommending that we set the same people to both boards?

Mr. Harrison: I do not really recommend this one way or the other. I just wanted you to know that it is done this way in other communities and could be done here. I do understand the reasoning for the different people but finding those people to serve could be an issue.

Ms. Little: And could follow the same process and get this list of names to me by June 10?

Ms. Willis: Are we asking for asking for someone to be on the Board of Adjustments and the Planing and Zoning Committee?

Mayor Seitter: It can be, but we can not vote on this right now. It will be what the Council decides and it may be determined by the number of people who want to serve. If we only get five people then those five people will be asked to serve on both the Committee and the Board.

Mr. Harrison: We are at the point that we are going to go out and get the names of people who want to help. That list may dictate what this is going to look like.

Ms. Little: As you talk to people and they have questions, encourage them to come talk to us. Sometimes people just want to ask a question to better understand, and we are here to help them.

Mayor Seitter, hearing no further discussion moved on to Agenda item 9.

9. **Consideration, Discussion and Action:** To approve the City of Watonga Financial Budget for Fiscal Year 2022-2023 per the Municipal Budget Act.

Ms. Phillips: As this is the first year that we are creating a budget under the Municipal Budget Act, I would like to refresh your memory on our deadlines. The first one is that a prepared budget has to be submitted to the governing body at least 30 days prior to the start of Fiscal Year. The next deadline is that a public hearing on the proposed budget must occur at least 15 days prior to the start of the fiscal year. We must publish a budget summary and notice of public hearing at least five days before the hearing in a newspaper. And then, the governing body must adopt the budget by resolution seven days prior to the start of the fiscal year. And then after the budget is accepted, we must submit it to the State Auditor and Inspector within 30 days after the start of the fiscal year. I would say, the process this year has probably been more thorough than it has been in the past. We had the Council Sessions and Ms. Little and Mr. Jacks and myself had most of the detailed preliminary work done ahead of that. Ms. Little gave Council a detailed review of what each department was doing and how they were trying to be more efficient. We restructured some departments, such as moving Garbage from the General Fund to the Light and Water Fund where the revenue for this is collected and we will get a more accurate amount of what it costs to run the Department.

We went over this so thoroughly at that previous meeting and we just finished up the Budget Memo, also which is also required by the Municipal Budget Act, I will just go over the highlights.

What I would like to point out is that we are going to be showing a net income, between all the funds of about \$95,702. Or, we plan to increase our fund balances or cash balances by \$95,702. We are budgeting tax revenues at 90 percent of the fiscal year 2022 projected amounts, unless we feel like that's not conservative enough. However, this year, we feel like that we are good at the 90 percent. Should we actually collect what we anticipate we are going to collect this year, that would represent an additional \$80,219 in additional revenues. This budget does include a 2% utility rate increase, we discussed inflation and how all of our costs are increasing and how long it's taking us to get supplies. But we also know that consumers are faced with additional expenses so we did not go any more than that even though it might have been justified.

Ms. Little pointed out that the current inflation rate is much higher than that 2 percent.

Mr. Phillips: The 2 percent increase is expected to generate an additional \$124,000.

Ms. Little: This should help offset some of our rising cost of operations.

Ms. Phillips: At the Council Workshop the budget discussion included various raises for employees for the purpose of staff alignment and for compensation to be commensurate with the positions and responsibilities. This is something that the Council has talked about in the past that needed to be addressed. This is an attempt to get this righted. The estimated annual cost for the employee raises is \$71,664. This has been absorbed by realigning overall operations costs to allow for this increase. We have also eliminated the City's cost for the 75 percent we pay for Employee Dependent health care, which is a savings of approximately \$25,460. There are very few entities, especially municipalities that offer that benefit. It is costly and it is not the same for every employee. This provides no benefit for the single employee. It just makes it a little more equitable between employees to not have this benefit.

This budget also includes retirement contribution expense for the City and is budgeted at 14.96 percent based on their most recent actuarial valuation.

Then there is the proposed capital request, it is detailed below and the anticipated funding sources. This is a big part of our budget. It totals \$5,747,599. Last year we had budgeted \$3.1 million, but of that \$3.1 million, about \$2 million was the FAA Runway Project which has not happened yet and we are having to put in this year's budget. So you can see we are budgeting a lot more in capital outlay.

The Restricted Funds from the Oil and Gas Saving for the Library and the Parks Department have been put aside.

In the Electric Department we did include \$150,000 of Capital Improvement Fees and \$248,098 from ARPA Funds because we are looking at that \$2.5 million water project.

For the Sewer Department, there is \$270,000 from the REAP Grant From the Light and Water Department.

In Public Works, the FAA Grant is \$1.9 million with the remainder to be funded from operations. That's our total Capital Outlay.

This is the same Capital Outlay Schedule that was presented at the Workshop.

For the Continued Debt and Lease Service payments, for the General Obligation Bond we have a payment \$115,965 during the fiscal year, which is paid from the Hospital Sinking Fund, which is funded by an Ad Valorem Tax. We have the the Trash Truck Lease that will be paid from the Light and Water Fund where Garbage Revenue is collected. This is a change for this year, we are trying to align expenses to where the income comes from. For the City Hall Capital Lease, we are paying half of that from Sales Tax and half from the Light and Water Fund. And then, we are anticipating grants and loan forgiveness for that Water Project, but we do not have a projected payment yet. Normally, what happens on this is the Drinking Water Revolving Loan Fund could be paying for this, but they do not actually issue a payment schedule until the project is completed. Because of the way the monies are drawn down, we do not yet know what that will be or if the this project is even going to be completed during the year. But we do want to remember that that is going to be out there.

Mayor Seitter asked, So we will have a payment of some type that we will be responsible for?

Ms. Phillips: There will be. I can tell you from our experience with similar projects, typically during construction you are just paying the interest every six months. When we get to that point, the municipal financial organizations will provide all that information to us in a presentation.

Mayor Seitter: We are not looking at specific loans or grants at this time?

Ms. Phillips described similar projects, with similar expenses in neighboring communities and they are 100 percent financed with grants, bonds, loan forgiveness and or long term 30 year loans. There are several different way to go about this. Probably, there will be the interest payments during the construction phase.

Ms. Phillips: Personnel Cost represent About 72 percent the General Fund Budget, which is a 3 percent decrease from the prior year, and it is 52 percent of the Light and Water Operating Budget, which is a 7 percent decrease from the prior year's budget. As of April 30, 2022, this Municipality had 221 days, and 230 days of cash on hand in the General Fund and Light and Water Fund, respectively. This represents the number of days municipalities can support the operating expenses based on the cash balance as of April 30. And I'm going to tell you that is up from 175 and 165 from the prior year.

And finally, this overall budget has been prepared with the purpose of implementing the vision of the City Council to increase investment in the City and infrastructure. To assist with economic development and to improve the quality of life for the Citizens of Watonga while enlisting the Team Members of the City with their knowledge of the operations to affect positive change.

There was discussion about financing for cleaning up drainage ditches.

Ms. Little replied that although we did not budget specifically for that, there are funds to hire an engineer to look at this ongoing problem. We may find funding for this infrastructure issue at a later time.

Mayor Seitter: We seem to keep putting off things like the drainage ditches and street overlays.

Ms. Little: We can not clean every ditch within our jurisdiction, but we need to start allocating funds every year to make sure that we get this done. But we just do not have the resources through the budget at this time, unless you want to take the savings and reserve for this.

Mr. Jacks and I met with Frank Crawford of Crawford Associates, and he was very surprised that we did not have any public works debt. There are very few municipalities that do not not have a public works debt.

The City is in a financial position to move forward and do some things we have not been able to do before.

Mr. Jacks: We will be able to take what we do have and leverage it to make it go further.

There was brief discussion of the 5 Year Capital Improvements Plan.

Discussion went to the complications of keeping the ditches along the the Highways cleaned up and working with ODOT.

There was discussion about the ditches within the City Limits and flood plains. Ms. Little explained the responsibility for maintaining this and the issues where the flood plain and private property come together. Much of this has to do with staffing, we just do not have enough personal to accomplish some of this.

Ms Willis asked about the street overlay project.

Ms. Little: That is out for bid and those bids should come in by June 15. They will be presented to the Council June 21. And then work could start get started shortly after that. And it's perfect timing because it's really hot during July and that is when asphalt works good. This is in this upcoming budget.

The Splash Pad Resurfacing was asked about.

Ms. Little: They could be done by the end of next week but this all depends on the weather. They are also have staffing and equipment issues.

Ms. Phillips: The Agenda Item is to approve the City of Watonga Financial Budget for the fiscal year 2022-2023. We cannot approve this tonight because we have not had the Public Hearing. We are really just checking box to acknowledge receipt.

After brief discussion, it was determined that Council would take no action on the 2022-2023 Budget at this time.

Mayor Seitter, hearing no further discussion moved on to Agenda Item 10.

10. **Consideration, Discussion and Action:** Set date for Public Hearing on the City of Watonga Financial Budget for Fiscal Year 2022-2023 per the Municipal Budget Act.

Ms. Phillips and Ms Little discussed the needed time line for a Public Hearing, Getting the Budget published in the Newspaper and getting it approved 15 days prior to the start of the Fiscal Year.

Mayor Seitter acknowledged that this would require a Special Council Meeting.

Ms. Phillips noted that she had the Publication Sheet ready.

It was determined that the Budget could make publication in the May 25 Newspaper.

Several suggested Wednesday June 1, 2022 because Tuesday would be the day after the Memorial Day Holiday. Some suggested that planing a meeting for the day immediately following a holiday could be an issue.

Mr. Harrison noted that he could not make that date, but he did not think it necessary for him to be present.

Ms. Little asked of Ms. Phillips how this Public Hearing should proceed.

Ms. Phillips: Just open the meeting for Public Comment. I would put a time limit for comments and restrict it to just comments about the Budget. Then close the Public Hearing and go on to the next item to which is to approve the Budget followed with another agenda item to approve the resolution.

Most communities she works with will also pass the Budget with the Resolution in the separate Public works Meeting.

Mr. Cowan suggested 6:00 PM for the meeting time. All were agreeable.

Motion was made by Allen Cowan to call a Special Council Meeting on June 1, 2022 at 6:00 PM for a Public Hearing on the City of Watonga Financial Budget for Fiscal Year 2022 – 2023 with an Agenda to approve said Budget and Budget Resolution. Motion was seconded by Travis Bradt.

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

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

Motion carried.

11. **Consideration, Discussion and Action:** To approve a contract with Erik Roscom to act as the Municipal Prosecutor for the City of Watonga.

Mr. Harrison: Mr. Eric Roscom is working for an alliance of the tribes that come together for certain issues. He is willing to do this part-time for reasonable money. I think he would be good at it. He just wants to get back into “the game” and to give back to the Community. I think this will help Municipal Court work smoother and faster.

Ms. Little: He has offered to help with some oversight of another department.

Motion to approve a contract with Erik Roscom to act as the Municipal Prosecutor for the City of Watonga 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 L. Willis aye B. Seitter aye.

Motion carried.

12. **Consideration, Discussion and Action:** To approve Ordinance No. 676 creating a franchise agreement with CenterPoint Energy Resources Corp. / Summit Utilities for natural gas distribution service upon an affirmative vote of the registered and qualified voters of the City of Watonga.

Mr. Harrison: This started as a draft from Center Point / Summit. (CP/S) I have redone much of this and made it stronger in favor of the City. The amount of revenue has not changed, but it does strengthen parts where we are to be notified about when and where work is to be performed in Watonga. We will have some input to this, which should be a good thing for the City. Even after Council approves this Ordinance it will still need to go to a vote of the People for approval.

Mr. Cowan asked, that compensation is two percent.

Mr. Harrison replied yes.

Mr. Jacks added, that is about \$22,000 a year.

Ms. Little: Our recent history with CP/S has not been good. There were some issues with their project on Clarence Nash Blvd. And we have had some complaints. That is why we were so egregious asking for a 48 hour notice. To give us time to monitor their work. They can show up with little notice and we have no idea what is going on. This also requires that CP/S will repair the streets, right-of-ways and other property back as was or better than when they started their work. Right now, we are not having much success with this. Watching CP/S and the contractor B&H has become very time

consuming for out Code Enforcer / Building Inspector. There is work in Watonga that is still not finished and we have not been able to determine why. I would recommend, if CP/S is going to continue to do business and operate in Watonga the way they are now, we need to renegotiate that 2 percent. We need to raise that because we are having to go back on the taxpayer's dime and fix their problems and issues. And, I should remind you that they did cause a water leak that was approximately \$10,000 worth of damage and they still have not paid this bill.

Mr. Harrison: If we are going to change the percentage, I will need to double check to see what can be done. That is just what I see on a regular basis. I do not know if that is a statutory maximum, but it is very common.

But, if Council is wanting to change that, I would say we just move on past this agenda item. We should negotiate with CP/S before we go any farther with this. They could decide, after we do a vote of the People, that they do not want to pay anymore than the 2 percent. We should have a conversation with CP/S before we make any changes.

Ms. Little: If Council approves this, when will go to a vote of the People?

Mr. Harrison: The next available election date is August 23, the next item on the agenda is Resolution for the Election.

Mayor Seitter noted, if we did raise that percentage, then CP/S would just pass that on through to the people.

Several agreed.

Mayor Seitter to Ms. Little: Are you good with this as it is or do you think we should negotiate?

Ms. Little: I think we should move forward. This ordinance gives us more authority for compliance.

Mr. Bradt: Is the name of the company Summit Utilities?

Ms. Little: CenterPoint has been officially purchased by Summit Utilities but for now they are still doing business as CenterPoint because that is how they are known.

Mr. Bradt: Do I understand that CP/S is going to lay more lines?

Ms. Little: They are not able to keep up with demand for service so that is why they are expanding their capacity.

Mr. Harrison added: Part of the agreement is to allow CP/S to do maintenance and upgrades to their facilities.

Travis Bradt made the motion to approve Ordinance No. 676 creating a franchise agreement with CenterPoint Energy Resources Corp. / Summit Utilities for natural gas distribution service upon an affirmative vote of the registered and qualified voters of the City of Watonga. Motion was seconded by Ladina Willis.

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

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

Motion carried.

13. **Consideration, Discussion and Action:** To approve Resolution No. 2022-6 setting an election date for the registered and qualified voters of the City of Watonga to approve Ordinance No. 676 creating a franchise agreement with CenterPoint Energy Resources Corp. / Summit Utilities for natural gas distribution services.

Mr. Harrison: This is part of the process for a franchise agreement. August 23 is the next available date on the Blaine County Election Board Calendar.

After some discussion it was determined that this was an Election Day for a Runoff Primary Election and Special Elections.

Motion was made by Travis Bradt and seconded by Allen Cowan to approve Resolution No. 2022-6 setting an election date for the registered and qualified voters of the City of Watonga to approve Ordinance No. 676 creating a franchise agreement with CenterPoint Energy Resources Corp. / Summit Utilities for natural gas distribution services.

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

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

Motion carried.

14. **Consideration, Discussion and Action:** To approve an easement on Watonga Airport Property to allow fiber optic internet service to the Aviation Building.

Mayor Seitter asked, once they run this fiber cable, will they provide the equipment for us to use the fiber or is that on us?

Mr. Harrison: That is usually included as part of the service.

Ms. Little agreed and added, this agenda item and the next two are for the same thing but going to different building on the Airport Property. The Aviation Building is the large building, the Terminal building is the smaller structure and the Club House is now being used by the Parks Department. This is all in the dirt, they will not cross any tarmac, taxiways or runways. They are not disturbing anything that will need to be repaired.

Mayor Seitter asked, and they did do the OKIE locates for this?

Ms. Little replied yes.

Motion to approve an easement on Watonga Airport Property to allow fiber optic internet service to the Aviation Building 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 L. Willis aye B. Seitter aye.

Motion carried.

15. **Consideration, Discussion and Action:** To approve an easement on Watonga Airport Property to allow fiber optic internet service to the Terminal Building.

Motion was made by Allen Cowan and seconded by Travis Bradt to approve an easement on Watonga Airport Property to allow fiber optic internet service to the Terminal Building. Mayor Seitter, hearing no further discussion, called for a vote;
T. Bradt aye A. Cowan aye A. Tock aye L. Willis aye B. Seitter aye.
Motion carried.

16. **Consideration, Discussion and Action:** To approve an easement on Watonga Airport Property to allow fiber optic internet service to the building known as the Club House.

Travis Bradt made the motion to approve an easement on Watonga Airport Property to allow fiber optic internet service to the building known as the Club House. Motion was seconded by Ladina Willis.
Mayor Seitter, hearing no further discussion, called for a vote;
T. Bradt aye A. Cowan aye A. Tock aye L. Willis aye B. Seitter aye.
Motion carried.

17. **Council Comments:**

Mr. Cowan: Is there any progress with the Airport Runway Project?

Ms. Little: Yes, the project will start may 23.

Mayor Seitter asked, and that is when we start counting the days?

Ms. Little replied yes. They are still mobilizing but they are back.

There was some questions about the time frame involved.

Mr. Harrison: There is a completion deadline they will have to meet.

Mr. Cowan asked, the contract bid has not changed?

Mr. Harrison answered no.

18. **Mayor Comments:**

I would like to say that we appreciate the City Employees, it is starting to get hot outside, those guys are out there in it. To me that almost as bad as being out in the cold in the wintertime.

I thought our Town Wide Cleanup was great. I learned that this year it was paid for with a \$30,000 grant. In the past the City has always paid for this, so we saved \$30,000 this year. Thank-you to Ms. Little for getting this done. This also allowed the cleanup dumpsters to stay a week longer.

Mr. Jacks added that we were able to collect old tires and batteries this year also.

19. City Manager Comments:

Ms. Little: The Splash-pad is being refinished and is going well. We anticipate that to be open by Memorial weekend.

We applied for an Arts Grant and were primarily approved. So, we are putting on an “Arts in the Park”. It will be starting on Memorial Day weekend. We will be featuring different arts, and it's for all age groups. This is funded half by the City of Watonga and the other half is funded by the Arts Council Grant. There will be a lot of stuff going on.

The Recycle Program has picked up. We have about 15 people that come on a regular schedule. That is really picking up and going very well.

We're doing some Park renovations, we are laying some more wood chips around and doing other work. We have seasonal help coming in also.

We have ordered tents similar to what the Cheese Festival uses. We found four of these at a really good price. We will try these out at the “Arts in the Park” event and will be available for other events.

Mayor Seitter: Will those tents be available for the Cheese Festival to use?

Ms. Little: Yes, they will be.

Ms. Little: Open Insurance Enrollment for our staff is next week. There will be presentations for the full time staff and they are required to attend. The City invests a lot of money in our in our employee's benefits. The employees need to come to make sure that they are getting what they need and what is best for them and their family.

We are having a Staff Appreciation Dinner this Thursday. It is just to let the staff know how much we appreciate them. Our staff are a valuable asset and we want them to know that we appreciate them.

I will be meeting with financial planners and moving forward in that process. Hopefully I will have that for Council on the June 21 meeting, so be prepared to move forward with this.

This week, we are working on our ISO (Insurance Services Office) review. This is done every three years. It involves several different departments and it has an impact on the City's Insurance rating. This is scheduled for Thursday.

Mayor Seitter: This for our property insurance rates and that is our Fire Department?

Ms. Little: It actually involves several departments including the Light and Water department. Water supply is about 30 to 40 percent of the points.

And, I appreciate the Council working with me and helping me while we are getting through this budget process. And a thanks to Ms. Phillips and her staff for their help with this also.

20. **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 L. Willis aye B. Seitter aye.

Motion carried at 8:07 PM.

Mayor Bill Seitter

City Clerk, Verlen Bills