

Nicole Wilson, 916 NW 20th Street, stated she would like to voice her concerns about crime in our city. She recently noticed an increase in crime and has grown more concerned about the safety of her family. She bought her home 13 years ago because it was in a nice neighborhood. Over the past three months her home has been broken into three times, two of those times while they were home. On two other occasions she had a man trying to come into her home while they were home. She has done some research and Lawton has made some national lists as far as being a dangerous city. Our crime rate is almost double the national and state averages, and yet our police officer to citizen ratio is lower than the state average. It appears that the number of officers we have is actually declining. Citizens have the right to feel safe in their home and not everyone can afford an alarm system. Crime keeps our city from recruiting business and becomes a factor for people when they decide to move. She realizes the council has to address other issues but if the citizens of our community are not safe then the other things take a back seat to our safety.

CONSIDER APPROVAL OF MINUTES OF LAWTON CITY COUNCIL REGULAR MEETING OF AUGUST 25, 2015.

MOVED by Wells SECOND by Jackson to approve the minutes of August 25, 2015. AYE: Morford, Jackson, Burk, Tanner, Phillips, Wells. NAY: None. MOTION CARRIED.

CONSENT AGENDA

Mayor Fitch stated item #4 will be discussed separately and Jackson requested item #10 be discussed separately.

MOVED by Burk SECOND by Morford to approve the consent agenda with the exception of items #4 and #10. AYE: Morford, Jackson, Burk, Tanner, Phillips, Wells. NAY: None. MOTION CARRIED.

1. Consider the following damage claim recommended for approval: Tiffany Williams in the amount of \$4,201.40. Exhibits: Legal Opinion/Recommendation and **Resolution No. 15-77**.
2. Consider the following damage claim recommended for denial: Brandi Smith in the amount of \$9,000.00. Exhibits: Legal Opinions/Recommendations.
3. Consider adopting a resolution ratifying the action of the City Attorney and the City Manager in making payment on the judgment in the Workers' Compensation case of Josh Anderson in the Workers' Compensation Court of Existing Claims, Case No. CM2015-00196Y. Exhibits: **Resolution No. 15-78**
4. Approval of amendment to schedules in original budget document related to Sinking Fund Estimate of needs. Exhibits: Revised Sinking Fund Schedules.

Brooks Mitchell, Finance Director, stated the sinking fund is used to pay bond indebtedness from the city through the ad valorem tax. Some of the projects we have that were approved by the voters

are funded through the ad valorem tax and we have the sinking fund to pay for that. Other judgments against the city are also paid through an ad valorem tax. The reason for the amendment is that when they prepared the budget they approved the budget before year end so they used the numbers they had available as of May 31st but those aren't the June 30th numbers so they have to come back to council after the budget is approved so they can actually use the year end numbers. The sinking fund schedule has been reviewed by our financial consultants and other interested parties.

MOVED by Tanner SECOND by Burk to approve an amendment to schedules in original budget documents related to Sinking Fund Estimate of needs AYE: Morford, Jackson, Burk, Tanner, Phillips, Wells. NAY: None. MOTION CARRIED.

5. Consider accepting donation of commercial washer and dryer from private donors, valued at \$8,783.00, to aid in the care and maintenance of animals housed at the City of Lawton, Animal Welfare Division shelter. Exhibits: None.
6. Consider entering into a letter of intent with Mid-America Christian University (MACU), to provide tuition discounts to City of Lawton employees. Exhibits: Letter of Intent.
7. Consider accepting \$63,000.00 which was authorized by the Highland Cemetery Board of Trustees from their Highland Cemetery Perpetual Care Fund, and approve allocating said amount into the City of Lawton Cemetery Care Fund for the purchase of cemetery equipment and construction and improvement items. Exhibits: Exhibit 1 - July 15, 2015, letter from Robert Williams, Chairman of the Highland Cemetery Board of Trustees and Exhibit 2 – July 30, 2015, letter from Stephen K. Newcombe, Highland Cemetery Perpetual Care Trustee.
8. Consider approving an agreement between Lawton Public Schools (LPS) and the City of Lawton for the purpose of mutually sharing respective facilities for the benefit of each other and the citizens of Lawton. Exhibits: Lawton Public Schools Facility Usage Agreement is on file in the City Clerk's office.
9. Consider approving a Memorandum of Understanding between the U.S. Wildlife Service (USFWS) the managing authority for the Wichita Mountains Wildlife Refuge (Service land) and the City of Lawton that manages the property along Lake Lawtonka to coordinate the construction of connecting fuel/fire breaks on the Service lands and the City property. Exhibits: Memorandum of Understanding for U.S. Fish & Wildlife Service.
10. Consider retiring Lawton Police Department's K-9 Kano from service. Exhibits: Letter from Dr. Robert Bower, DVM.

Jackson stated he would like to have Anthony Edwards, Kano's caretaker, come down and give us the background on this item.

Anthony Edwards, Lawton Police Department, stated Kano has been in service for four years and he has a health issue that causes him to fall down when he walks. During his time with LPD he has accounted for

169 narcotics arrests, over 54 criminal apprehensions, over \$55,000 in marijuana seized on the streets, over \$52,000 in methamphetamine off the streets, \$140 in cocaine, 1 pill of ecstasy, a total of 5 drug dealers car seized at \$50,500, seven guns off the street. Over his four year career, \$170,000 was taken off the streets.

Jackson questioned if there were plans to replace the dog.

Chief James Smith, Lawton Police Department, stated there are plans to purchase two dogs. It will take some time to purchase the dogs and train them.

Jackson stated he is impressed that these dogs have that much success. He questioned the time frame of acquiring the new dogs.

Chief Smith stated they will be calling the company to see if they have any dogs available. They get the dogs from Germany and once they purchase the dogs it is a four month training process.

Jackson requested the council be kept updated on the progress.

Burk questioned if they could use a dog from a kennel.

Chief Smith that these dogs are trained specifically for police work.

Burk questioned the cost.

Chief Smith stated they average \$5,000 - \$6,000 each.

Jackson stated most of the time some organizations will sponsor the cost.

Chief Smith stated they have received sponsorships to purchase dogs in the past.

MOVED by Jackson SECOND by Morford to approve the retiring of Lawton Police Department's K-9 Kano from service. AYE: Morford, Jackson, Burk, Tanner, Phillips, Wells. NAY: None. MOTION CARRIED.

11. Consider adopting a Resolution authorizing the installation and/or removal of traffic control measures on: Westbound NW Briarwood Drive at the intersection of NW Horton Boulevard. Exhibits: **Resolution No. 15-79** and Traffic Commission Minutes and Traffic Issue Requests.
12. Consider approving plans and specifications for the approximate half mile of water line improvements known as I-44 RAMP WATER LINE RELOCATION CITY OF LAWTON PROJECT NO. 2013-10 and authorizing staff to advertise for bids. Exhibits: Plans and specifications are on file in the Engineering Division office.
13. Consider approving Change Order No. 2 to the Meridian Contracting, Inc. contract for construction of Chlorine Booster Station to construct a stormwater detention pond. Exhibits: Change Order # 2 (on file in the City Clerk's office).

14. Consider awarding contract (CL15-058) Nomex Uniforms to Casco Industries Inc. of Oklahoma City, OK, Item 1 (Nomex Pants) and Northern Safety of Utica, NY, Item 2 (Nomex Shirts). Exhibits: Department Recommendation, Abstract of Bids, Price Sheet.
15. Consider extending contract (CL15-006) Annual Audit – City of Lawton to BKD, LLP of Oklahoma City, OK for an additional year. Exhibit: Department Recommendation, Contract Extension Form, Price Sheet
16. Consider approving appointments to boards and commissions.

Amanda Harris
7820 NW Baldwin Avenue
Lawton, Oklahoma 73505
09/22/2017

Angelica Andrea Fleming
Ward 8
5714 NW Lady Marna Avenue
Lawton Oklahoma 73505
09/22/2017

17. Consider approval of payroll for the periods of August 17-September 13, 2015.

NEW BUSINESS ITEMS:

18. Consider accepting the annual audit report of the City of Lawton for the year ended June 30, 2014. Exhibits: None.

Mitchell stated the council was emailed a draft of the audit report and the other disclosures. The audit report is not finished but will be in the next few days. He felt it was important that the auditors hit the high points of the audit. It has been a lengthy process, but there have been various things to work through. He introduced Mike Lyons and Don Williams from BKD.

Mike Lyons, BKD, state the audit is in the final stages of their internal review and they expect that issuance imminently. The council has been provided a rough draft and they do not expect significant changes. He stated there is a compliance audit related to the federal grants which will follow in the next couple of weeks as well. He stated they anticipate issuing a clean opinion which is a good thing. As of the end of fiscal year 2014, the unassigned general fund balance increased from the prior year and was at \$10 million. Not to say that is cash available for spending, there are other items included in that amount. There was some increase over the prior year of \$8.1 million. He stated the corrections had to do with some expenses that had been improperly recognized or expensed in an incorrect year. Another key item had to do with incorrectly calculating depreciation on a lot of fixed assets.

Don Williams, BKD, stated the adjustment made to the Lawton Economic Development Authority (LEDA) related to the land the authority still retains as part of the 2nd Street project. Based upon the sales value of the earlier lots there was a need to write down the land value by about \$750,000. In this audit report was the city and 13 other legal entities including LEDA. For LEDA, as of the end of June 30, 2014, there was a little over \$25 million deficit fund balance in the authority and that incurs because money was borrowed and used to help develop that project and the assets that are being developed are not the assets of the authority. That is a TIF district and the additional taxes over the next 20 years will be sufficient to satisfy the debt that creates that deficit position, so it will be in that position for a while and it will need to be monitored to see if that is being decreased on an annual basis. He stated the accounting rules are changing around how pension liabilities get recorded. In the June 30, 2015 report those new accounting changes will be in effect so they were not in this report. Based on general numbers it will result in the city putting on its books an additional liability for probably about \$60 million. Approximately \$30 million will relate to the firefighters pension plan and the rest will relate to the City's pension plan. The police pension plan is overfunded so they will get to book a million dollar liability. He stated most cities will be in this position of putting these liabilities on their books. He stated the accounting rules will also change for post employment benefit liability in the 2018 year and they will need to put on the books the liability for that future obligation and that number today is at \$15-\$16 million additional dollars.

Wells questioned how we are going to carry police and fire pensions on our books when those are state run programs.

Mr. Williams stated the state will continue to pay most of that liability, but the liability still has to be recorded in the entity that has the employees.

Wells stated the state took this over in 1980 and they determine whether they are short or over based on the whole state and we pay whatever the state says we owe understanding that if the state gets in trouble we have no choice to pay it. He does not know how you come up with a number.

Mr. Williams stated there are separate audits being done at the pension plan level which calculate what the number will be for each of the participants in the plan.

Wells stated the draft letter talks about material weaknesses and significant deficiencies. Significant deficiencies are normally the most serious type thing.

Mr. Williams stated of those categories the most serious level is material weakness. A lesser level is a significant deficiency. He stated a draft letter was sent to council today called the letter on compliance and control which they are required to issue as a result of the audit. In that letter there are three findings. The first finding has to do with the City's accounting systems and some of the challenges created by those systems. The city's books are maintained on a budgetary basis and the annual audit report is done on a full accrual in accordance with generally accepted accounting principles (GAAP) and the City's systems are not currently designed to facilitate that change. It is complex process to get from the City's system to the City's financial statements and they feel that is an issue that needs to be addressed. The second item deals with

the process of that conversion and the need to have enough personnel and enough training for your personnel to accomplish that process. The day to day activities are more or less in a cash basis and when it gets to the concept of applying an accrual basis it becomes much more technical and it requires much more in depth accounting knowledge to figure out what some of those adjustments need to be. There is a need to look at the resources in the city and the need for additional training for resources to get them better trained to convert to the annual financial statement basis of GAAP reporting. The third item, which is a significant deficiency, the first two were reported as material weaknesses, relates to policies and procedures. There is an opportunity to create better policies and procedures in the accounting department in terms of how different accounting transactions get processed including how they get reviewed and approved and how that gets documented. When they issue this report in final form they would be happy to come back and meet with the council again to go over any questions.

Wells stated the statements about our GEMS system is on mark. It is a terrible system and it is a disaster for all the employees that have to use it. The council will need to make the decision to upgrade that software in the next few years and it is going to be expensive but the employees waste so much time on this system and it is almost impossible to get an audit done.

Mayor Fitch suggested they do not accept this audit and when they have the final audit on Friday they will ask them to come back at a future meeting.

Jensen stated the council will take no action on this item.

ADDENDUM:

1. Consider accepting a grant of \$100,000.00 and entering into a grant agreement with the Oklahoma Highway Safety Office to target and reduce the number of alcohol-related crashes in the City of Lawton. Exhibits: A copy of the grant agreement summary is on file in the City Clerk's office.

MOVED by Wells SECOND by Jackson to accept a grant of \$100,000.00 and entering into a grant agreement with the Oklahoma Highway Safety Office. AYE: Morford, Jackson, Burk, Tanner, Phillips, Wells. NAY: None. MOTION CARRIED.

FINANCE REPORT

Mitchell stated they have talked about leak detection software and they have had several meetings and phone calls with vendors and tried to get things better defined. They are at the point now where they are focusing on two vendors. The cost to implement a customer portal for the leak detection software will be approximately \$48,000. If the decision is made to pursue this within this fiscal year his recommendation is to fund this through fund 35 which is the city's capital improvement project fund that is not tied to CIP revenues approved by the voters. Other upgrades will have to happen and one thing that will need to be in next years' budget is \$49,100 to upgrade the towers. The equipment we have now is in need of being replaced within the next year. They are still reviewing some of the reports that the systems will put out and they have not received everything to their satisfaction. They are making phone calls to other cities that are

on these systems and he anticipates that staff will come back to the council with a recommendation at the October 27th meeting.

Mitchell stated it is likely that a proposal will come forward to pay off the debt associated with the 2012 CIP out of the cash on hand that is available in the 2012 CIP accounts. If we were to pay this off early this might save us approximately \$300,000. We will have to go out for borrowing for the 2016 CIP to get some of these projects underway, but if we pay off the 2012, then all monies are available for the same projects.

Mitchell presented revenue and expenditure highlights for period ending August 31, 2015. (On file in the City Clerk's office).

Wells requested that staff add a line to distinguish the amount from the TIF district.

Phillips questioned the credit card payment delay as far as police fines.

Mitchell stated payment itself was not delayed, the payment gets made and the money goes into fund 29, which is our credit card maintenance fund for these fines. The delay happens when the money is not turned around and transferred into the general fund. If there is a delay in transferring the money it makes the revenue look less than what it really is.

REPORTS: MAYOR/CITY COUNCIL/CITY MANAGER

Phillips stated she did a ride along with the police department and they rode from 4:30 p.m. to 2:00 a.m. and answered the calls that came out. She enjoyed her experience and she felt very safe and she recommended all council members do this. She thanked LETA for taking on the 11th Street tree issue.

Tanner stated that every crime that occurs in the private prison in Lawton gets added into the statistics for Lawton which negatively impact our community. It would be nice to take that crime out of our statistics.

Burk stated he has friends that are police officers and he has always wanted to lower crime. Not one person came to him to address a public safety tax, he did that on his own. We needed more ways to get better pay and more officers on the street. He worked with the current council members to get this sales tax extension right. He does not believe that there is one council person that does not want to fix this, but it takes everyone working together. There has got to be an understanding that this is not us against you and he does not believe the citizens feel this way. Someone has to make tough decisions and there has to be compromise on both sides. They need to work together and they will come to a solution that is good for everyone.

Jackson stated the committee did their best to address the needs and figure out a mechanism to get money to the police and fire departments. The system is engaged and the negotiations are underway and it will eventually work out.

Wells stated they worked hard to come up with a program to help the police and fire departments and they did it based on what they were told the needs were and after they got the sales tax extension approved, it seemed like some people thought the needs changed. They need to stay on track and do what they said they would do and everyone needs to work together to do that.

Tanner stated it was explained to him that the reason they added personnel funds to the sales tax extension was so they could take pressure off the general fund so they could give the general employees raises.

Ihler stated that unfortunately staff will not be able to perform the curbside clean up this fall. Typically they are budgeted and approved for 25 drivers to help with the residential, commercial and industrial collection, but they are short nine drivers. Now on the residential side they pull three or four routes everyday and they are getting done about 8 pm or 9 pm in the evening. Because of the shortage of drivers they will not be able to do the fall cleanup as it relates to curb side pickup. As an alternate they will have a similar event to trash off on October 23rd and 24th at the McMahon Auditorium. They will send out more information on that event.

Mayor Fitch stated there will be applications available for the ward 7 council vacancy in the City Clerk's office tomorrow morning at 8:00 a.m. All applications will be due on Thursday, October 1st at 5:00 p.m. On October 2nd all resumes will be sent to all council personnel and there will be a special council meeting on Monday, October 5th at 3 p.m. to determine the process. They will probably continue that meeting to Tuesday at 3 p.m. and they could even continue an additional day. They hope to announce the appointment after these meetings and have that person sworn in at the regular council meeting on October 13th. That person would be seated until the next possible election which would most likely be in the June 2016 timeframe so as to not have the expense of an additional election. That election will cover four council seats.

There being no further business to consider, the meeting adjourned at 7:33 p.m. upon motion, second and roll call vote.

FRED L. FITCH, MAYOR

ATTEST:

TRACI HUSHBECK, CITY CLERK