

Meeting of 2001-12-17 Special Meeting

MINUTES
LAWTON CITY COUNCIL SPECIAL MEETING
DECEMBER 17, 2001 - 8:00 A.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

Mayor Cecil E. Powell, Also Present:
Presiding Bill Baker, City Manager
 John Vincent, City Attorney
 Brenda Smith, City Clerk
LTC Anthony Puckett, Fort Sill Liaison

The meeting was called to order at 8:00 a.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: Randy Bass, Ward One
James Hanna Ward Two
 John Purcell, Ward Four
 Robert Shanklin, Ward Five
 Barbara Moeller, Ward Six
 Stanley Haywood, Ward Seven
 Michael Baxter, Ward Eight

ABSENT: Glenn Devine, Ward Three

BUSINESS ITEM:

1. Discuss goals for the City and related issues and provide direction to staff. Exhibits: None.

Mayor Powell said the purpose of the meeting is for planning for the future for the Lawton-Fort Sill community; the City Manager and others will be preparing the budget soon and it would be helpful if he knew the desires and priorities of the Council. He apologized if anyone was present thinking there would be discussion about a reported retail sales outlet that might or might not be coming to this area, and because of the agenda, that cannot be discussed at this time. Mayor Powell said there would be a time when residents could speak regarding that issue, but the meeting today will be limited to the reason it was called, and the media had called and asked him if the sales outlet would be discussed and he told them no because it was not on the agenda.

A man from the audience asked when Wal-Mart would be discussed. Mayor Powell said there is nothing on tomorrow night's agenda but it will be on the agenda at some point in time. Vincent said if there is no challenge to the ordinance, the next time it will be on the scheduled agenda is January 22. Vincent said the Council adopted an ordinance for sale of property, which can be challenged by a referendum petition containing 25% of the number of signatures of registered voters of the city that cast votes in the last city-wide general election; that has to be filed with the City Clerk's Office no later than December 27. He said his office cannot assist in drafting the petition because they have to do the legal reviews. Vincent said the Election Board Secretary should be contacted but he felt it would require around 2,000 signatures and it has to be filed by December 27; if it is not challenged then the sale will take place and it is scheduled right now to be considered by the Council on January 22.

Mayor Powell said everything had been above board and they have been very open this morning, as he was on TV about how they can get involved. He said the Council in his opinion was in a lose-lose situation; if it does happen out there, those will be upset and if not, it will be the same thing that happened two years ago when they didn't let a shopping center go into in an obliterated part of town and then they were dumb for not wanting economic development coming in here, didn't want those tax dollars, so it becoming a lose-lose situation is very unfortunate but again the process will work.

Mayor Powell said he felt a maintenance fund was needed for buildings so funds did not have to be shuffled between accounts to make repairs. He said he would like to see a reserve fund to take care of unexpected matters and asked the City Manager what our reserve fund is today. Baker said \$500,000. Mayor Powell said it should be about \$3 million to cover unexpected expenses. Mayor Powell said staff see if it would be beneficial to have a

roofing crew, and they cannot do some of the jobs that are out for bid, but they could keep from turning a \$500 job into a \$50,000 job a few years later. He asked Council to comment and then they could prioritize the items if so desired.

Baxter agreed a reserve fund was needed, and said at times there were reserve funds and certain people asked for it, which tends to make other Council members want to ask for it, but a larger reserve fund is needed. He said soccer fields are needed, a lot of them, fast and badly; four fields will be established at 38th and Lee. Kim Shahan, Acting Parks & Recreation Director, said the four fields can be made into eight fields for smaller kids to play. Baxter asked how many fields were at the Fort Sill polo field and Shahan said 16. Baxter said Lawton has half of what is needed. Mayor Powell said a person had offered to donate some land for soccer fields. Shahan said there is property available within the City operation that could be activated, although it is not park land at this time.

Baker said to get more soccer fields quickly you are probably looking at capital improvements money and if Council wants more soccer fields soon, he did not think that would be possible through the operating budget but if Council wanted to consider reprioritizing some of the already approved projects, if soccer fields enjoy a higher priority, staff could bring back an item to look at other projects that might be deferred in favor of soccer fields but finances will be needed if this is to be done quickly.

Purcell said he had been asked to look at a soccer complex and not having fields spread all over and discussion was having it at 38th and Lee, but there needs to be 15 or 16 fields like they have in other cities where tournaments can be held and all the kids can play at the same place.

Purcell said we are working on a list this morning and we heard that there was some lack of support for increasing rates. He said there are a few things that will cost more next year before considering the other things to be discussed this morning; there is a \$400,000 plus problem that must be solved in the way of personnel, there are pay raises for next year that are mandatory in the contract which must be honored; there is another new contract coming up that will have to be negotiated before next year and that money will probably be a substantial raise because they are behind now. The City employees will get a mid-year 3% raise and next year that will cost double what it costs this year so there is more money we need, and of course the general employees need a pay raise next year also. All of these extra costs will be built in so it seems the City Manager needs some kind of guidance and maybe he should bring two budgets, one that says here is what we want and here is what it will cost, and another budget and Council needs to step up and provide guidance because a lot of work goes into preparing a budget and if we are not going to go this route, do not waste everyone's time, but if we say there will be no utility rate increases then the City Manager needs to know that this morning so he can figure out how to do a budget, or maybe not this morning, but he needs to know before he starts the budget. He said there are a lot of increased costs going into next year and if you say you are not going to raise rates, you cannot get there from here. Equipment purchases have been delayed due to lack of funding and if that keeps up the City will be where it was seven or eight years ago with everything falling apart. There are a lot of problems and Council will need to provide guidance on whether or not a utility increase should be considered.

Mayor Powell said if we try to decide whether or not to have a rate increase, it will get off of what the planning session is to be for. Purcell said the City Manager needs the guidance.

Baxter said he would not support a rate increase for the citizens of Lawton but he would support a rate increase for people outside the city limits that buy water from the City of Lawton, and that would be his guidance for the City Manager.

Hanna said he would like to see the Council work together and push things forward instead of arguing and bringing up the past. He said it is good to have a little conversation back and forth about agreeing and disagreeing and talking about things, but we should get out of the past and move things forward because if not, we will never move the city forward unless we all come together; right now we are at a standstill or stalemate, people do not want to come here because we cannot make up our minds what we want to do so we have to work together as a Council.

Hanna said he would like someone to talk to Olive Garden about putting in a restaurant here; people leave here all the time to go to Oklahoma City or Wichita Falls to eat and that is tax dollars leaving the City of Lawton. He said they are in conjunction with Red Lobster and we can have them both here, and then business and people might come here.

Bass said he thought Council needed to take care of the city employees, they are under paid, the insurance program is going busted and that has to be straightened out somehow but you have to take care of the employees so they can take care of the city. He said a meeting will be held December 20 about making 38th Street into a four-lane highway from Rogers Lane to Cache Road. Hanna asked if proposals are being solicited for the insurance. Vincent said proposals are due January 8. Bass said that may not solve the problem and we need to focus on that area.

Baker said this year to balance the budget he recommended that general employees receive a 3% increase for only

half of the year; the other two major employee groups got an increase for the entire fiscal year. He said he has submitted to the general employees that he will not make that type of recommendation again; if fire and police get a cost of living increase for the entire year, then the preliminary budget he submits to Council will contain funds for the general employees also for the entire year. Baker said he did not like to do that this year, it was probably not the right thing to do but he felt he had to do it to balance the budget. He said he was told last year to not bring a preliminary budget that included any type of rate increase and it was very, very difficult, and next year to balance the budget, in his opinion, revenues will have to be increased, programs will have to be decreased, or a combination of both will have to occur. Baker said little things can be cut, maybe a few employees and a few things out of the operating budget, but in his opinion, the only way to have a good, responsible budget is to do one of those things and it is not easy to cut programs because people will attend meetings as advocates for a particular program, the library, the museum, arts, parks and recreation; it is easy to say we will eliminate the Parks & Recreation Department, but you are not going to do that so you have to be realistic. There has not been a rate increase for three years except for the \$2.35 for the sewer which was a completely separate program.

Shanklin said he was still concerned over the water rate consultant, it has been a month since we asked those questions and he wanted to know who was stymying it, who has the foot on the throat of being able to get those questions answered and back before the Council and get the water rate raised because he did not intend to do anything as long as you allow your staff to ignore that water rate consultant that we paid good money for. Baker said he got the answers on Friday and has to speak with the Finance Director to find out what our next step is, and a special meeting may be necessary. Shanklin said he thought the Council should get to see those before having a meeting. Baker said he would send them out today but he had not even had a chance to read it yet. Shanklin said when they raised percentages they were only talking about cost, and not anything about profit, so he felt there was a considerable sum being taken away from the in-town water rate payers so he was looking forward to that.

Shanklin said the central corridor is composed of Wards 2, 5 and a good portion of 7, and it is from I-44 to Sheridan Road. Sheridan and Fort Sill Boulevard are the two main entrances into Fort Sill. It is the oldest part of Lawton and our heritage is in the central corridor where we have the only City-owned cemetery, a new central junior high, Elmer Thomas Park, McMahan Auditorium, the museum, downtown, the mall, the courthouse, city hall, the library, police station, bank institutions and our history. He said we are letting it go to pot and if we do not do something now, it will be too late 10-15 years from now. He asked for Council support to help us get Lawton back where it is a pretty city, but it is not right now.

Shanklin said there are tools in the codes and ordinances to force people to paint and clean up the exterior of their houses, and those people who live outside of this corridor and outside of town who could care less, we have the tools to force them to do something with their property. A young man from Loco, Oklahoma, still has not come in for his building permit and he is ignoring us, that is on Lake property. We have got to support the staff and the staff has got to help us when we are looking for our arterial roads that are a disgrace, like 4th Street. Shanklin said doing this will save property values in the central corridor, and he considered the new central junior high the best thing that had ever happened to the central corridor because that is a feeder school for Lawton High and the new school shows Fort Sill and TRADOC that we are making a commitment to give their kids the same type of quality facility that is enjoyed on the east and the west, and in time that will help get our property values back up if we can help clean up our area.

Shanklin said the Mayor has a task force ready to go to work after the first of the year to work with the Chamber and different individual businesses, and all the civic organizations, to help clean up Lawton. He said the central corridor has miles of street that need overlay and they have been on the short end of the budget, and it may not be until the next CIP but it is the oldest and most ignored section of town; there are drainage problems at Sheridan and Gore, Arlington, Lake and Bell that need to be addressed in the next CIP and these people have waited long enough.

Shanklin said he had a problem with mowing contracts because all they have to do is mow it, scald it, but they leave grass everywhere and in the street, do not edge up against the house and they collect \$120; you do not pay that to have your yard mowed, so Council needs to look at the RFP before staff decides that is how it will be done, because it was too late this year before he found out we could not make them edge it because it was not in the contract.

Shanklin said ASCOG has a program coming where they will try to clean up 2nd Street from Ferris to the mall, and he wanted to attend that meeting with the Mayor. He said we need to do anything we can to create an atmosphere that we are successful instead of the poor boy look that we are now giving anyone and everyone who comes into our town. Shanklin said DOC started a program where six or seven people would go out on a daily basis but it only lasted two or three weeks and they gave it up, but the manpower is there. He said a great number of residents in the central corridor are his age or older and do not have the financial or physical ability to take care of their property as the code states, such as dead trees and limbs in alleys and that type of thing. He said if we want to use DOC we will have to go through the Governor or some way to be able to get some help for the citizens in cleaning up their areas. Mayor Powell said he would be leaving at 5:30 Thursday afternoon for the ASCOG meeting if Shanklin wanted to go with him.

Hanna said he had talked to the City Manager about mowing and he hoped he was still looking into having a mowing crew like they talked about, putting all the resources under one department to handle these problems. He said we have about 15 departments doing their own mowing but not at the same time and they do not help each other, but only do their own little section. Hanna said the city needs to have its own mowing crew like the schools have, we can get someone hired to take care of these things and break it down in different sections and have someone check on them and that way the City Manager has only one department to go to as far as holding accountable, and the City Manager was to consider it. Shanklin said we pay someone \$120 to mow a yard and it looks worse than it did before they mowed it. Hanna said he hoped this would take some of the pressure off of Neighborhood Services.

Mayor Powell said on the edging, we send out notices then send a contractor out to mow and people wanted to put in a bid on it but they did not find out about it in time. Shanklin said he did not want it just mowed as fast as they could and leave grass everywhere, it looks worse than it did.

Baker said Jackson was heading up a committee that would make recommendations to him by the first of February on consolidating all mowing into one activity and once we do that, we can look at whether it would be more cost effective for the City to mow some of these properties instead of contracting it out. He said in some cases we found it was better to contract it out and in other cases it was not, and the main advantage of doing it yourself is you have control of it and can manage it, and under contract and the price situation sometimes you do not get as much as you do in house, such as policing up, picking up the grass and edging and making it look good. Baker said he should receive a report on it in about a month.

Haywood said we need to support the City Manager as much as possible; we need to make sure the employees receive their raise every year or pay them what is comparable to other cities; we need to support the staff and when we send them to do a study and they do it and bring it back, we just throw it to the side and we should consider what they have said and then make a decision. He did support the soccer fields for the kids and felt they should have them not only on 38th Street but also on the east side, so they should probably have those in two locations. Haywood said insurance is important and medication is very high.

Haywood said he agreed about the mowing also, they do not trim the lawns and they leave grass in the streets. He said some businesses do not cut their lawns and others keep their businesses immaculate and we should try to keep a clean city. He said 11th Street all needs to be commercial, rather than housing and an item will be on the agenda tomorrow night in that regard. Haywood said we need to get transportation available and it cannot be drawn out any more.

Haywood said we do need a reserve because things can come up. He said each member was elected from a certain area but sometimes they go out of their areas and the council person needs to be contacted if a project is in his area and talk to him about it first before bringing it to the floor.

Moeller said she agreed with most of the comments and wanted to add more; general employees have been overlooked, the insurance is in very bad shape and it should never have gotten this far; we should do a little bit more prevention rather than crisis management and preact on things rather than reacting when it is almost too late and it will always cost you more money. She agreed about the streets in the central corridor but said those are not the only ones in need, those in her area are newer but some were put in before the standards were adopted that we have now, and it is a poor excuse and should not have happened but it did. Moeller said the demolition of old, ugly buildings should continue, as well as the method of having the owners pay rather than having the City pay all the time.

Moeller said the in-line skating will likely not be able to take place at Fort Sill for some time. She said she asked for a long range plan when she came on Council as to where we want to be in three, five and ten years, and all these areas belong on that road map; if we know where we are going, we can decide how to get there and maybe get there cheaper if we have good direction.

Moeller said she would like research done on the cost of developing a reserve fire and police unit for emergency use only from among the retirees who are willing and able to come back to assist in some manner, even if it is not full duty, without jeopardizing their retirement or whatever else may be involved. She said some could man desks or phones and some may be able to do more than that, but some type of reserve unit should be pursued.

Vincent said the issue on the reserve units would require a change in state law on retirement for police and fire, and they are looking into it as several other cities are concerned also.

LTC Puckett said there are three garrison goals from Fort Sill and on the surface they do not seem to impact the budget or draw on resources; the first is a federal partnering of resources or going into cooperative ventures between the Fort Sill directorates and the City of Lawton departments that have the same function. The second is along the lines of Project Impact but it is to come to a comprehensive agreement or plan for crisis response, or

consequence management, between the City and Fort Sill. Mayor Powell said a meeting is planned for January 17th with General Maples and whoever he desires about the EOC for Fort Sill to hear what is happening here and that will set things into motion and will include the post hospital. LTC Puckett said the third point is to reinvigorate the Lawton Fort Sill Coop Program between units and Lawton area businesses. Mayor Powell said those are very good points and all of them can be done with very little or no money.

Mayor Powell said there is a strong possibility that the McMahon Foundation may be interested in putting in the road in Elmer Thomas Park as per the design Council approved two months ago. The Foundation would request the City put an irrigation system in the area of the road, trees and shrubs, and the design of the park indicates those things happening and that should be done in conjunction with the road, and once that happens, the City would maintain the area. They are talking about a rather immediate thing and the conversation was the City could do a preliminary in-house design for a projected cost, not exact, but projected cost could be taken to their board to see if it was affordable and perhaps do it in two phases.

Mayor Powell said no one has mentioned infrastructure as a priority and we must continually address that so we do not receive another \$62 million mandate; the sewer rehab is on target but he was more concerned about the water distribution system, and we are fortunate that it appears the breaks have been down this year. The mobile equipment must be part of the planning as far as the budget is concerned.

Purcell said most of the comments from the members are items which would require more revenue and no one mentioned anything that would take less revenue. He said he, Shanklin and Devine know what is coming up next year and Council needs to provide the City Manager some guidance, and to tell him to come back with a balanced budget but not increase revenue was to him irresponsible. Purcell said you either have to increase revenue, decrease service or a combination of the two, and in an attempt to give the City Manager some guidance, he would go out on a limb and make a motion that we give the Manager guidance to bring back a balanced budget but not preclude him from increasing some kind of utility raise, let him decide and we can change it but let him decide whether outside sales are going to be increased or whatever but it is irresponsible to tell him, at this point in time with everything we've all said, to come back and no rate increase because that means there is no more revenue next year than there is this year, how are we going to pay for all the things we just talked about.

MOVED by Purcell, SECOND by Hanna, to give the City Manager guidance to come back with a balanced budget but to not preclude him from having a rate increase if we need it to balance the budget.

Mayor Powell asked Purcell to restate the motion. Purcell said the motion is to provide the City Manager guidance to bring back a preliminary budget, which Council can change all it wants, but the preliminary budget will be balanced but not preclude him from including some kind of revenue increase and what we are talking about is the utility increase because we cannot do taxes because that takes a vote of the people, to balance the budget as a preliminary budget.

SUBSTITUTE MOTION by Shanklin, SECOND by Baxter, to direct the City Manager to bring the budget back as Purcell described but first bring it back with the rate increases that have been overdue, past due, long overdue for the outside water sales people and those folks that we may have an illegal contract with, and if that's true, we're looking at over \$1.5 million right there before we ever mention or threaten the inside city limit water users.

Shanklin said he wanted to see that first and he would not say he would vote for a rate increase until we see what we will do on the outside. Purcell said that was what he thought he was saying so he would withdraw his original motion, and the City Manager knew we were under charging outside and over charging inside. Shanklin said the Council needed a workshop on it. Purcell withdrew his motion and Hanna withdrew the second. Shanklin said he would withdraw his also. Purcell said they needed one.

Mayor Powell said he was making notes during the meeting and had written down outside water sales, revenue generated, and once we get that figure, we can come nearer what we are talking about. Shanklin said it might make it more palatable to those inside the city limits if they had to have a slight water increase. Purcell agreed and said he would withdraw his motion; Shanklin agreed to leave his motion in place.

Baker said unless council just wanted to give him some guidance, the preliminary budget was his responsibility, the charter makes that very clear. He said he would prepare the preliminary budget and make recommendations he felt were necessary and may give it in two forms, one with his recommendation, it is balanced but requires x, and another form that requires no additional revenues but includes program cuts. He said he did not want to put council on the spot to decide today whether to increase revenues or not, and he would put the preliminary budget together and if he thought it requires rate increases to provide the needed level of service in the community to our citizens, that recommendation will be in there, but he would give council an option. He said unless the council just wanted to give him guidance, he did not think he needed any, and he kind of knew how most of them feel, they had talked and he knew some did not want to see rate increases under any circumstances, others would be amenable but he could put the preliminary budget together unless council just wanted to give him some guidance.

Mayor Powell asked if staff had enough information as far as outside water sales. Baker said we will have to get back with council to finalize the report and answer the questions. Shanklin said do not throw a figure out there yet. Baker said the answer is yes, that would be an option to increase revenues, look at that report and what is recommended and maybe the possibility for additional revenues.

VOTE ON SUBSTITUTE MOTION: AYE: Hanna, Devine, Purcell, Shanklin, Moeller, Haywood, Baxter, Bass. NAY: None. SUBSTITUTE MOTION CARRIED.

Moeller said she went to a course at the NLC convention on using tourism to build your economy and she learned that Lawton-Fort Sill is very much undersold in the tourism area, and if we did that right, we would have all of the income we would need. She said after World War II, Europe rebuilt its economy on tourism. Moeller said she will do a break out on this and would like to bring it back as an agenda item later for Council consideration for a way to rebuild our economy through tourism and the two ladies who gave the course were phenomenal. Mayor Powell said the timing is now because the State has been driving hard on this area in the last year or two and it is the best cash crop around.

Shanklin said when he and Baker were going to Medicine Park to keep from being black mailed which to a certain degree, they informed them they did not need any of Lawton's money, they did not come out there anyway or support them, they got all their support from the 1.6 million people who go through the Wildlife Refuge every year. Moeller said we are a lot of those people who go out there with our families. Shanklin agreed and said those at Medicine Park did not want to believe that.

Mayor Powell summarized the comments made by each person as shown above.

Mayor Powell said Purcell brought up on personnel \$400,000 and he did not understand that. Purcell said the \$400,000 was to play catch up, since we did not do anything with the fire department, that is what it will cost to catch up for next year with the fire department before we get into their contract for a 4% pay raise, so we need to do that and we need to honor that, then we have police department negotiations, and we have personnel numbers that are going up is what he was getting at and that was why he was saying you cannot get there from here without a rate increase.

Mayor Powell said we talked about the offer or discussion of an offer from McMahon Foundation and asked if the City Manager should work on including something in the budget as far as that road was concerned and consensus was yes. Shanklin asked if an irrigation system was already in place by the road that is there. Mayor Powell said we are talking about the road that would go throughout the whole park and it may cost \$1.3 million.

Baxter said there are opportunities for grant funding, such as the Fire Act grant to help with chemical spills and equipment, and the reason he supported the reserve was so we would have money to be able to go get these grants. He said we had to pass up a couple of grants because we did not have funds available for match.

Purcell asked what was meant by reserve, the City Manager said there was a \$500,000 reserve and asked if that was the carryover or if there was a \$500,000 reserve somewhere else. Baker said it is the carryover and asked for guidance regarding the reserve; it is a very important issue in developing a preliminary budget; if Council wants a higher reserve built into the budget, he needed to know that. He said we should have \$2.5 to \$3 million reserve to be fiscally responsible, we have \$500,000 and there is a reason for that; in the past if you had money in an account, then people started looking at it, but if Council wants the reserve increased in next year's budget, he needed to know that.

Mayor Powell said this City needs to be run in a business-like manner and in order to do that you have to have reserves because it has already been proven time after time that you have to take from one account to pay for something in another one and the money goes in a circle and that is not a good business practice. He said he meant to have a true reserve that is there if we need it for emergencies.

Purcell said we have the Council Contingency which is somewhat of a reserve but they get into it for every little thing, so either that needs to go up or have a separate reserve. Mayor Powell said whether it is called a reserve or a contingency, as much liability as there is and as many people as work here and exposure, there must be something they can put their hands on.

Shanklin said in talking about the reserve we should keep in mind our per capita income and what we spend per capita from our general operating budget is barely half of what other cities have. He said Stillwater spends almost \$2,000 per citizen; Norman beats us considerably and it boils down to the fact that we are not generating the revenues other cities generate. Shanklin said the Mayor put out a paper showing that Enid did \$1.7 billion in retail sales at the bottom of the list with 60,000 people in that county and we did \$2.4 billion for 114,000 people so we are twice as big as they are so you double the \$1.7, and they are outdoing us by \$1 billion in that area by those figures from the Daily Oklahoman so we will not have the same revenues and the same reserves that these other cities have because they have more money to spend than we do. Mayor Powell asked Shanklin if he, as a

businessman, had a reserve. Shanklin said he does now but he had seen the time when he did not, and it was probably the same with the Mayor.

Bass asked if money in a reserve could be used to apply for matching grants. Baker said the intent of the reserve was to have it available for absolute emergency situations and the local match for grants and other things that come up through the year would probably be addressed better by increasing the contingency. Baker said last year the contingency was \$200,000, and this year it was \$100,000 so they could balance the budget, but if the intent is to have operating money during the year for unforeseen things that come up then you should put that in the contingency. Baxter said he did not have a problem with it being in contingency, but if we have a chance to get \$500,000 by spending \$50,000, he wanted to have it available.

Baker said this year's budget has a direct impact on next year's budget, and talking about carryover, this year we went way out on a limb and estimated \$3.5 million but actually had \$3.2 million. There will be recommendations for the duration of this fiscal year to try to cut expenditures so we can realize some carryover to support next year's budget. He will be talking with the Finance Director this week and be coming to Council with recommendations, but we have to cut expenditures for the rest of this year. Baker said another thing he recommended to balance this year's budget was to increase the anticipated lapse of personnel from \$500,000 to \$750,000 and if that \$750,000 does not materialize then that has a negative, direct, significant impact on next year's budget so he will be coming back some time in January with some recommendations to try to get by this year as conservatively as possible to start preparing for next year.

Purcell said the lapse funding made the actual carryover higher in some years and he suggested in budgeting to not use lapse funding. He said if you do not budget the lapse funding and it happens, it helps with the carryover the following year, and that was just his suggestion. Baker said he thought it was very wise not to budget the lapse funding, and when he became City Manager he told the Finance Director that he would never balance the budget by budgeting lapse funding and he had to do that this year, and it is much better not to if you can do it.

Shanklin asked if the City Manager was saying we really did not need those people to begin with; we have grown 125 or 130 employees over ten years and have the same population, we have the same number of water meters we had ten years ago but yet our budget has grown, not counting the sewer rehab people, just the bureaucracy has grown here.

Kim Shahan, Acting Parks & Recreation Director, said the City has acquired properties that must be maintained next year, such as the large acreage at 67th and Rogers Lane, grass areas on 82nd Street, and discussion of the trees and shrubs in Elmer Thomas Park which will require a high level of maintenance. He said staffing will need to be considered for these areas.

There was no further business to consider and the meeting adjourned at approximately 9:15 a.m. upon motion, second and roll call vote.