

Meeting of 2001-6-4 Special Budget Meeting

MINUTES
SPECIAL CALLED MEETING
LAWTON CITY COUNCIL
JUNE 4, 2001 - 6:00 P.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

The meeting was called to order at 6:00 p.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
 Glenn Devine, Ward Three
 John Purcell, Ward Four
 Robert Shanklin, Ward Five
 Barbara Moeller, Ward Six
 Stanley Haywood, Ward Seven
 Michael Baxter, Ward Eight

ABSENT: None.

BUSINESS ITEM:

1. Discuss the preliminary City of Lawton budget for fiscal year 2001-2002 and take appropriate action. Exhibits: Preliminary Budget was previously distributed.

Shanklin asked if work being done on East Rogers Lane was through FEMA funds. Jerry Ihler, Public Works Director, said no, the work is being done in-house and materials will cost approximately \$50,000. Ihler said FEMA will reimburse the City for equipment and man-hours on approved projects, and some of those funds could offset material costs for other projects. Assistant City Manager Gary Jackson said the City received \$294,000 for all of the small projects, and some funds will be received on a reimbursement basis after work is completed.

Baker said he handed out a list of positions that are vacant, and of the eleven positions recommended for elimination, ten are vacant so we are working toward that attrition. He said information was distributed showing the savings from the secretarial pool in Parks & Recreation will be \$13,104 per year.

Baker noted Council tentatively earmarked additional funding of \$30,000 for the Museum and \$15,000 for Mobile Meals, although a vote was not taken. Mayor Powell noted hotel/motel tax collections were \$368,215 for 11 months, so the \$400,000 goal will likely be reached.

AUDITING Rick Endicott, Auditing Director, offered to answer questions and there were none.

LIBRARY

Marion Donaldson, Library Director, said one full-time position was eliminated from the Library and one part-time position was added. Baker said he did not reduce the budget for books as the McMahan Foundation gave a \$100,000 grant with the City's commitment to not reduce its funding for the books. Purcell asked about the County grant and Donaldson said the City will receive approximately \$40,000 from the County. She said a condition of the State Aid funding is that the City must fund an equal amount to the previous year, and the fluctuation in energy costs may cause a problem next year. Haywood commended the Library's efforts.

INFORMATION SERVICES

Doug Wells, Information Services Director, distributed information showing the current year's budget, next year's budget request, and the amount included in the preliminary budget. One clerical position was eliminated from this department. Wells said there was a change in state law and an agenda item will be presented regarding E911 fees, as well as fees on cell phones. He presented a check for \$55,000 for back E911 fees from a company that has been providing service but not paying those fees and he explained the difficulty in locating all of the companies involved since federal actions allowed competition with local telephone companies.

Shanklin asked about the \$51,000 computer purchase. Wells said it is a lease purchase payment; total cost was about \$300,000 and it is a five-year lease purchase. Costs for this department in previous years were reviewed and it was noted that E911 is a relatively new service, with the 5% fee on the telephone bills generating approximately \$400,000 per year and the cost to operate E911 is about \$1 million.

Purcell asked if the \$55,000 check will mean an increase in this year's budget in the E911 budget. Baker said the money will be put into the general fund and become part of the carryover, which was estimated at \$3.5 million to support next year's budget and that \$55,000 will help.

Purcell asked if this has to go in the E911 budget and Baker said no. Purcell said the budget shows a projected carryover for next year of \$556,000. Baker said that is as of June 30, 2002. Purcell said the projected carryover as of June 30, 2001, is \$3.5 million and Baker agreed. Purcell asked if you would now have a projected carryover as of June 30, 2001, of \$3,555,000. Baker said the \$3.5 million is an estimate and projection and this will help insure we have the \$3.5 million, and if the projection was perfect, we would have \$55,000 more.

Purcell said we just found out we have \$55,000 more than we thought we had a week ago, we are looking for \$45,000 that we already said we needed; can this \$55,000 be used to cover that \$45,000; that is the question. Baker said it could be.

Mayor Powell asked if there was some way to quell the noises that this city is not seeking to take the 911 services for Comanche County and if anyone could make that statement. Baker said he can make the statement; we have talked with the County and at the last meeting the City's position was there is no real apparent advantage to the City of Lawton to combine E911 with the county; however, if the county wants to pursue that we told them we would discuss it and if there are savings for the taxpayers, the Council would consider it but to this point the county has not officially asked that we do that. Baker said we are not trying to take that from the county and there is no advantage to us to do it, but if there is a savings for taxpayers, it is something we may want to consider.

Mayor Powell said he had been asked several times why the city was trying to take over E911 for the entire county and he said he did not know or think that was right. Purcell said when they met with Commissioner Pope, they talked about E911 and told him they were willing to take it provided the county wanted them to and provided they come up with the funds needed to run it. Purcell said it is cheaper for the citizens, supposedly and they are still checking, to combine E911 with either the city or Comanche County Memorial or somewhere else than it is for the county to run it on its own as a separate E911 because of all of the equipment involved, but that was from the county commissioner's perspective on saving money and providing the service to the citizens. Purcell said there is another entity that wants E911 kept where it is no matter what the cost, and that may be where you are hearing that we are trying to take it; we have made it clear to Pope that we do not particularly want it but we will take it if it makes sense, it is cheaper, and they provide the funds. Mayor Powell said he was receiving questions from a variety of citizens asking why the City was wanting to take it over for the entire county and we are not trying to do that. Purcell agreed. Mayor Powell said he was trying to clarify that because he had been hearing too much of it. Baker said he would not recommend it unless they could show a savings to the citizens of Lawton and we have not yet seen that.

LEGAL SERVICES Vincent offered to answer questions and there were none.

FINANCE

Steve Livingston, Finance Director, said the budget is about the same as last year's. \$80,000 was included last year for software but staff was unable to proceed with the purchase and funds were not available this year. An additional employees was requested in Financial Services and that was not included in the preliminary budget.

Baxter asked about Account 231 on page 49. Livingston said that is for the City's audit. Baxter asked why the cost nearly doubled. Livingston said the audits are usually done in three year contracts and this year proposals were taken, which were higher than past costs. Livingston said the average audit cost for cities this size is \$40,000.

Baker said Account 231 on page 55 should be changed from \$380,000 to \$400,000 regarding the hotel/motel tax based on collections to date, and it is an offset. Livingston suggested hotel/motel tax receipts be placed in a separate fund effective July 1.

Account 279, Other Expenses, includes the Council Contingency fund at \$100,000; \$300,000 for employee raises if that is enacted in January, and funds for re-evaluation costs to the county.

Purcell said something needed to be done about general employees; the City Manager gave percentages at the last meeting showing general employees were keeping up with the two unions, but many times the general employees have to wait until mid-year to get their raise. He said if Council makes them wait again, some future Council may have to put up with some onerous things and we cannot keep doing this; if we do not take care of the general employees, they may find someone who will take care of them and a future Council will have to worry about it. He said medical costs will increase July 1, and general employees will not get a pay raise until January so they would be getting less after July 1. Purcell suggested instead of giving a 3% pay raise on January 1, consideration be given to a 2% pay raise on July 1 for the entire year, which would cost an additional \$100,000. Mayor Powell suggested that be considered further toward the end of the session.

BUILDING DEVELOPMENT

Dan Tucker, Building Development Director, said their critical need was for vehicles, which were removed from last year's budget. He said the plumbing inspector and traffic engineer were eliminated. Baxter asked the number of vehicles needed and Tucker said three. Shanklin asked who was the Planning and Building Development Director. Tucker said that position was eliminated previously.

PLANNING

Bob Bigham, City Planner, said the budget is about the same as last year. The grant applications are up considerably due to transit and air quality. Account 231 shows an additional \$15,000 for Project Impact and Council approved the initial application at its last meeting, and this is to hire a consultant to run that program. The application is still being reviewed by FEMA for this two-year, \$300,000 program and a \$100,000 local match is required. A workshop should be held this summer and the result of the workshop will identify the projects. Baker said it is a two-year program and he had been assured that most of the local match can be in-kind, so we will be working toward that.

Bigham distributed information and said Council previously approved a Notice of Intent application to the Oklahoma Emergency Management Department for hazard mitigation grant funds. He said the grant application is due in Oklahoma City by July 13. The first page is a summary of projects submitted, containing six projects totaling \$5 million for this 75/25 match program. Funds are realized from Presidential disaster declarations, and \$16 million will be available state-wide with the top priority being purchase of repetitive loss flood structures. Council will have an agenda item on June 26 to decide whether to fund purchase of 27 repetitive flood loss structures, although only about half of the 27 may qualify due to the cost benefit ratio. Three structures at the top of the page will be purchased under the Meadowbrook Project so we are dealing with one house in the first application, and the balance in the second application.

Devine suggested thought be given to setting money aside in case of approvals of grants requiring matching funds. Baker said grant opportunities are being pursued and the problem will soon become the lack of matching funds; when \$5 million in work can be obtained for \$1.2 million, it is a really good deal, but you have to come up with the \$1.2 million. Baker said Council approved the Notice of Intent for the program, but not the actual application, and if you want to apply for the funds, we will have to talk about where the local share will come from as it is not in next year's budget.

HOUSING AND COMMUNITY DEVELOPMENT

Frank Pondrom, Housing and Community Development Director, said no City funds are required in this budget and the City Manager had made reductions, placing funds in a contingency account. One concern was the costs for electricity and gas for their offices. Baker said he made cuts in this budget but those funds will go into contingency and will be available.

Mayor Powell asked the location of the offices to be rented; response was 1307 and 1309 Washington in Citizens Plaza in the Lawton View neighborhood. Mayor Powell asked if there was space available in a City facility. Baker said no, we are looking at options involving the old fire station on Lee Boulevard and the Chung Graham building but right now we do not have space; they were temporarily located with Building Development due to a mold problem in the previous facility.

Mayor Powell asked how many employees there were and how much floor space was needed. Pondrom said there are seven employees and they need 2,000 square feet of space; rent is \$894 per month with no bills included. Mayor Powell said it is usually cheaper to own than to rent. Shanklin said funds are coming from the grant rather than from the City's general operating budget. Baker said the Chung Graham building was purchased for \$150,000 with the thought of repairing it and using it for Fire and Community Development activities. Bids were about

\$300,000 for rehabilitation so they are looking for other options. Mayor Powell said he knew of a place within walking distance from this building that would be less than \$100,000, and you would not have to spend \$300,000 on it.

POLICE

Bill Adamson, Police Chief, offered to answer questions. Purcell asked about the organization of the department. Adamson said there is a deputy chief over the uniformed division, which include lakes, traffic and all those who wear uniforms, and a deputy chief over the non-uniformed divisions which include training, technical services, CID and all non-uniformed personnel. The organizational chart in the preliminary budget had been stricken due to errors.

Baxter asked about Materials and Supplies at the bottom of Page 140, \$296,000. Baker said those are for Accounts 201 through 216 on Page 141. Baxter said three different police officers approached him and asked him why last year the City Council cut radar guns out of the City budget, and he informed them that did not happen, that no radar guns were requested in last year's budget. Baxter asked Adamson if there were any radar guns in the preliminary budget that he could not determine. Adamson said there are no radar guns in this budget. Baxter asked Adamson if he was aware that some officers wanted additional radar guns in their units. Adamson said he was sure there were quite a few that would like to have them because they make it easy for an officer to write traffic tickets, yet they do not necessarily write the types of tickets he would like them to write.

Baxter said those three police officers told him the Police Chief was in a meeting and made that statement; he asked Adamson if he ever made that statement at a meeting with police officers that the City Council last year cut radar guns out of the police budget. Adamson said no, he did not recall ever making that statement.

Purcell said the preliminary budget shows six marked patrol units and asked if that was keeping up with the need. He said one of the reasons for starting the rolling stock program was being so far behind in police vehicles for patrol. Adamson said he requested 12 units, and would have asked for 14 but knew that would be ambitious. Adamson said the police fleet is in better condition than he had ever seen it in 26 years, so we can go for a year but that he would not say that next year. Purcell said next year the need may be for 12 or 14. Adamson said that is correct, and the way the fleet is being operated, we would have to ask for more vehicles if we operated other than a one man, one car system, but usually he would need more than this. Purcell said Council were told that police would need about 20 cars per year replaced to keep up. Adamson said he thought 18 was what he had stated total for the police department.

Regarding lakes operations, the cost estimate for the 2001-2002 budget is \$189,904 for personnel costs, and purchases from block grant funds for \$29,000, so the total is \$218,904. The \$29,000 was for two Yamaha ATV vehicles, four-wheel all terrain vehicles. Adamson said a 2001 four-wheel drive Dodge pickup as an additional vehicle was also included in that \$29,000. Mayor Powell asked if matching funds were required for the block grant. Adamson said yes, we do match a very small portion. Adamson said the cost projection for next year is \$195,601 for personnel costs and no equipment purchase.

Devine asked what the revenue was from citations. Adamson said he could not say as that was a court function, and he would say it would not be very much. Shanklin said he understood it was around \$2,500. Purcell asked where the \$700,000 number came in to run the lakes. Shanklin said you have to add the lakes operation and law enforcement to get the total cost.

FIRE

Don Barrington, Fire Chief, said the department is divided into three divisions: fire prevention, training, and operations.

Baxter asked about \$90,000 for a fire truck and where it would be located. Barrington said it is a lease purchase, the truck will go to Station 4 and the truck at Station 4 will go to Station 6. Shanklin asked if we had already lease purchased an apparatus. Baker said due to the cost and trying to balance the budget, it was placed under lease-purchase; it is not leased, but it will be purchased over a three-year period. Mayor Powell asked if the total cost of the unit would be three times the money. Barrington said you can buy a new pumper apparatus now for \$225,000 to \$230,000. Shanklin asked if the apparatus is on the premises now. Barrington said no. Mayor Powell said it is subject to approval. Devine said we would probably pay \$90,000 this year, \$90,000 next year, and then the balance the third year. Mayor Powell said you have to consider interest also. Baker said he understood 10% was the cap by State Statute on a lease purchase by a municipality.

Shanklin asked if the company maintains the equipment for that three-year period until it is paid for. Baker said we will own it and be making payments on it over three years to a finance company. Barrington said they usually come with a one-year warranty, then a limited warranty after that.

Purcell said that was one of the reasons they had rolling stock, and if we just used the rolling stock money this year, we could buy the whole thing this year, but we cannot and he understood that because of other things.

Purcell said last year they had paddles and two cameras donated by the Junior League. He said we need to put one or two cameras in the budget for firefighters to use at fire scenes, and to eventually have one at each station. Barrington said the cost is approximately \$16,000 per camera with the thermal imaging. Hanna said the deputy chiefs go to every call. Barrington said one unit is carried on a rescue vehicle that makes the majority of the structure fires, and the other one is on engine five on the west side of town. Barrington said the importance of the cameras is during the first few minutes you are on the scene, and if it takes time to deliver the equipment, such as eight or ten minutes, it could hamper the operation. Purcell said if the City buys one camera per year, after four years they would have one at each station.

Baxter said he thought Emergency Management on Page 158 was a waste of money and that could be used to fund the two cameras. Baker said this \$30,000 is the City's share of the Civil Defense, Richard Atkins' operation, and whether it was a waste or not he was not sure although the City does get some services for that money. Baker said we are in the process of writing our own emergency operations plan for the City and getting in a position where we can activate our own EOC, and it is Council's decision whether to continue that for an additional year but we are getting some services from the county and he recommended it be left in. Haywood recommended it be left in.

Purcell asked that \$16,000 be included in the list of items discussed previously for one camera.

Haywood asked of the 120 firefighters, how many are minority, African American and minorities all together. Barrington said there is one African American and some Indian and Hispanic, probably eight or nine. Haywood said he would like to see the figures and asked if we are trying to recruit any minorities, females also included in minority. Barrington said they tried for a number of years to make it accessible to people by providing classes at Vo Tech and to allow people to see what the occupation is about. Barrington said Vo Tech has had success with high school seniors recently in a regular class. Haywood said Tulsa and Oklahoma City have females and minorities, and it pays good money. Barrington encouraged applicants and said they were trying to get exposure to people who might be interested in applying by going to career day. Purcell said he and former Councilmember Green had made efforts in the past to get people to apply, and it was a problem.

Shanklin said Vo Tech has a section for would-be firefighters and there is some demand or they would not have spent the \$1 million to be able to provide the training. Shanklin asked why the Council is not informed as to how many firefighters and police officers will be replaced on a yearly basis when others retire. Barrington said they provide a list to Financial Services each year of the pending retirements, so that could be provided to Council. Shanklin said if you want to see a varied group of applicants, they should let everyone know there would be 12 new firemen this year, or whatever the number. Shanklin said Council usually does not know until the announcement is made that the class is graduating and the persons are ready to start work. Devine said notices are posted in the community centers. Barrington said they advertise when there are openings. Mayor Powell asked that Council be notified as requested.

MUNICIPAL COURT

Mayor Powell said it should be in the paper in the morning that we will take applications through this coming Friday at 5 p.m. for the Municipal Judge. Shanklin asked if there was a 30-day window to receive applications. Mayor Powell said they had been taking applications since the day after the action and it would be in the paper tomorrow that applications will close on Friday. Shanklin asked if it was in the newspaper that we would be taking applications. Mayor Powell said he would think anyone within a 500 mile radius of Lawton would have known about it, but to make sure he had asked that it be in the paper so those who are interested will have four days to respond. Shanklin asked if the Council had any input as to the time frame or how did we go about it. Mayor Powell asked if Shanklin wanted it open for another 30 days and Shanklin said no, but he was under the impression Council would approve going out for advertisement for applications. Vincent said the City Code in Chapter 9 says the Mayor makes the nomination at a Council meeting. Shanklin asked if he would make three. Vincent said the Mayor can submit one name, and that is all the Code requires, then at the following Council meeting, the Council must vote to either approve or reject the Mayor's nomination. Mayor Powell said he asked the advice of the City Attorney as late as this morning to make sure he was doing things right. Shanklin said he was not challenging that and did not know we had it open yet, and told three judges in his driveway they would be opening it for applications. Mayor Powell said in his desk drawer there are applicants that started coming in the day after. Shanklin said that is good.

Purcell said the last time we did this, the Mayor appointed a committee and all the applicants came in and the committee went over the applicants and gave the Mayor three names, and that is where the confusion came in, and the Mayor nominated one of them. Mayor Powell said he nominated the one the committee brought to him. Purcell agreed, and said they nominated three and gave a recommendation. Purcell said we are doing it a little differently this time.

There were no questions regarding the Municipal Court budget.

Mayor Powell said this concludes review of the department budgets. He said he had down the Museum for \$30,000, the Mobile Meals for \$15,000, the Fire Department camera for \$16,000, and there was discussion about \$100,000 for the 2% raise for general employees. Mayor Powell said last year we included \$5,000 for a lobbyist but it was not in this budget.

Devine asked if the lobbyist had done any good. Mayor Powell said the lobbyist had worked on things for the airport that had not come to pass, but as far as receiving any money, we have not. Devine asked if we were giving the lobbyist enough money. Mayor Powell said he spoke with the lobbyist this morning and he assured him he was working and he would be willing to do it for another year for \$5,000.

Hanna asked if they had hired a grant writer. Mayor Powell said not to his knowledge. Baker said we get a lot of grants and may have to turn some down because we may not have the matching funds.

Council indicated a consensus to include \$5,000 for the lobbyist.

Mayor Powell said the total amount needed would be \$166,000 for the items listed. He asked the City Manager if there was a recommendation on the funding source. Baker said we projected a reserve of \$556,000 at the end of next fiscal year, and it should not be reduced although that is one option of Council; another option is to direct him to cut elsewhere as far as the \$66,000. Baker said he did not feel he could cut any more out of capital outlay due to the amounts he had already cut, and that he could not recommend cutting additional staff so that would leave the 200 accounts. Baker said if directed to do so, he would look at the 200 accounts, maybe in travel which he had already cut but that he could cut it more. Baker said he cut travel by \$40,000 compared to this year's budget, and cut it by \$130,000 from the departments requests.

Devine asked if we took money from rolling stock to buy other things. Baker said the \$3 c/o charge on the utility bill generates \$1.2 million per year, and we discussed this previously. Baker said when Council approved the \$3 charge, the discussion was about rolling stock and Purcell had stated that already; the resolution itself and the fee schedule say that \$3 is for capital outlay, and capital outlay includes things that roll and things that do not roll, like desks and computers. Baker said out of the capital outlay he is recommending \$1.2 million is from the rolling stock charge. Devine said in other words we cannot use the \$1.2 million to come up with the \$66,000 and Baker said no.

Mayor Powell said it appears Baker can get \$66,000 from the 200 accounts. Hanna asked if anyone else would have to be laid off. Mayor Powell said no, it would probably come out of the travel budgets. Purcell said the City just got \$55,000 more than they thought so it would really be just \$11,000 if you look at it that way. Baker agreed.

Baker asked Livingston to comment on the \$55,000 received tonight. Livingston said it was not anticipated, and when you get to this point in the budget and realize how much estimating is done to come up with \$3.5 million, then you get good news and have a danger of looking at things with only one eye when you need to use both eyes to make an accurate estimate because we may be in danger of things that may not have developed the way we thought they would, such as utility expenses. Livingston said we try to be conservative and think we can make \$3.5 million but we may make more than that or we may make less than that. Livingston said \$55,000 does not seem like a lot but it might be at some point.

Mayor Powell asked Baker about the \$66,000. Baker said he could cut that out of the 200 accounts. Mayor Powell asked if we could still get the same type of knowledge we need for all departments, and have one person instead of three going to training. Baker said he did not know if he could cut it all from travel but would cut as much as he could, and some may have to be out of some other 200 accounts.

Purcell said \$902,000 in actual rolling stock was budgeted, out of the \$1.2 million and the rest is in computers or other items that are not rolling stock. He said if \$900,000 per year is adequate for rolling stock, that is equivalent to \$2.25 per month on the utility bill. Purcell said he could not, in good conscience after telling the citizens what we would do with rolling stock, and you just heard we do not have enough money in rolling stock money for honest to goodness rolling stock so instead of buying a \$230,000 fire engine, which is what rolling stock was for, we will lease purchase it due to a shortage of money, and he had no problem with that and understood it, but if we are going to do that, we need to reduce the utility bill by seventy-five cents for rolling stock. Purcell said he understood what the resolution and ordinance said, and that was because the City Attorney at the time insisted there was no such legal title to be put in an ordinance or resolution called rolling stock, but the records show and the last five years' budgets show everything in rolling stock separately and it was not capital outlay. He said to be fair with the citizens, and they get in trouble all the time by saying one thing and a few years later there are problems and they go back on what they say so they could reduce the utility bill for rolling stock down to \$2.25 per month and add seventy-five cents per month for other capital outlay and you would then be doing what you said you would. Purcell said it appears they are hearing the \$902,000 for rolling stock may be enough for the future, but we should not continue with the \$3 capital outlay and then use it for other things.

Shanklin said in response to that, the people he sees wonder where we are getting all of the new vehicles; the

complaints were where we were getting all the money and the answer was we have got rolling stock. He said he thought we had bought plenty of vehicles and did not understand that we had to have brand new vehicles for everyone; if you add up all of the vehicles that have been bought, we have almost one for every two people. He said he was not concerned because it was not misappropriation of funds at all, it is just the fact that you either have to have one or the other and the City Manager chose to move that money around and it is still in capital outlay, it is not in anyone's pocket, it is not going to any salaries, we have a critical budget and the City Manager did an outstanding job. Shanklin said if you are leading up that this is a ploy and whatever you have in mind that we are going to raise water to satisfy this budget, he would not go for it.

Purcell said that is the kind of ridiculous statement that hacks him off. Shanklin said he could not help what hacks Purcell off and that he grandstands every time, every night he comes down here he has some grandstand play. Purcell asked if he could have the floor.

Mayor Powell said he was trying to understand Purcell's suggestion. Purcell said it is to reduce the rolling stock from \$3 to \$2.25, pass a resolution and change the ordinance, and then impose a seventy-five cent charge on the utility bill for other capital outlay, leaving exactly the same level of \$3 per month that has been in place for the last five years. Purcell said we do not have enough in rolling stock to buy an entire fire engine. Shanklin asked how you would change the resolution when it is not even on the books. Purcell said someone mentioned needing more street sweepers a few weeks ago and we cannot afford that, and he was only saying there were plenty of more items that needed to be bought from rolling stock and he was not suggesting for one second to raise the utility bill.

Mayor Powell said the Chief tonight and Ihler previously said they can live with what we have right now. Purcell said he had no problem and was only saying to separate it out. Mayor Powell said next year we might have to look at some increases but they can live with what is in the budget now.

Bass asked if Purcell was trying to free up \$200,000 or \$300,000. Purcell said no, it will not free any up. Bass asked if it would free up any money next year. Mayor Powell said no. Purcell said it frees up money for other capital improvements. Purcell said he was only trying to say to live with what they told the people. Mayor Powell said it would be a change in the language and no difference in the money. Purcell said there would be no extra on the utility bill but from now on in rolling stock we would spend \$900,000 per year, which seems to be what Shanklin was saying that we are now buying too many vehicles and we will not buy that many, so it seems to be satisfactory this year and if it is, we should be able to continue on in that mode for a while and if some future Council decides that is not enough, they can reverse it or do something else.

Shanklin asked how you were going to change the resolution when it is not even in there. Vincent said he had Resolution No. 96-56 and under Section 22-111, and this does not require an ordinance change but only a resolution adopted by Council, it says "in addition to the charges listed below, a fee will be added to each account for each occupied unit per month to be deposited and expended for capital outlay, excluding senior citizens and disability discount accounts, in the amount of \$3". Vincent said it would be possible to write a resolution to amend this resolution to break it out at \$2.25 for wheeled-type capital outlay and seventy-five cents for other capital outlay expenditures. Purcell said that was all he was saying and it would be coming out and being upfront and telling the people where the \$3 is being spent. Mayor Powell said in this budget, all of the money is in the right place and no one is being misled whatsoever; it may not have a wheel on it, but it has been spent for necessities that make these departments function. Shanklin said it was a bunch of hooey.

Devine asked if it would be appropriate to request that the City Attorney re-write or make amendment to that resolution for the June 12 Council meeting agenda. Shanklin asked what it would say. Devine said to reduce it from \$3 to \$2.25 for rolling stock and take the other seventy-five cents and leave it on there for other capital outlay. Shanklin said you can use it now by the way we passed it, and Purcell was thinking of it one way and he was thinking of it another way, but it is in the paper now and it does not say it can be used for rolling stock and rolling stock only, and he asked the City Attorney if it did and Vincent said no. Shanklin asked how you would change something like that. Vincent said the motion that was made by Mr. Beller, after a lot of discussion, and he did not know if the minutes were verbatim or just a summary, and that was the first time rolling stock was mentioned as far as the minutes were concerned. Mayor Powell asked that Vincent answer his legal question. Vincent said the legal question is the money can be spent as it currently is being proposed in the budget, legally.

Baxter said he agreed with Shanklin and did not want to break it down because you may need a ladder truck in the future and if you break those amounts down, you would not have enough money to buy the ladder truck, and then you will be doing another lease purchase and it may take ten years to buy one and that would not be a good idea.

Purcell asked if it would be appropriate to make a motion tonight to ask the City Attorney to bring back a change to the resolution and/or the ordinance. Vincent said you cannot make a motion tonight because it is not appropriate but you can give direction, we can prepare a resolution for consideration along the lines of what Devine and Purcell said, but he would recommend approving the budget on June 12 and depending on how it is approved, they would know exactly what direction to go.

Mayor Powell said Baker said he could find the \$66,000 and asked where the \$100,000 would be coming from. Shanklin said he would tell everyone how they could get the \$100,000; should and if we ever get a water rate change in this next fiscal year and it is any ways near what they provided for Tulsa, the outside water sales will almost double. Shanklin said he thought we sold something like \$800,000 worth of outside water, and those people who are paying \$1.07 may go to \$2.20 and even \$2.20 is cheap, cheaper than what we are paying for it, but Tulsa is selling some of their water for \$2.70 per thousand outside. Shanklin said the people in Ward 5 who are 65, 75 and 80 years old have already paid for their water treatment plant, yet we sold them an ad valorem to help expand it one more time and they are not going to get anything out of that other than to build a plant to sell water to someone out in the county at a cheaper rate than they pay. Shanklin said there is \$400,000 or \$500,000 waiting to be generated if we can ever get a report and we have been after it for three years.

Mayor Powell said staff had been working on getting the report. Shanklin said it did not seem that calling the company was working. Livingston said he had been in touch with Black and Veatch and we have all of the information to them. Livingston said it is not all Black and Veatch's fault, and certainly not our fault in a sense that we have drug our feet, but it took a long time because we had to get a lot of information to give to them, and the kind of information they wanted and had to have from us to do the kind of study that needs to be done, they had to break our utilities down in ways our programs were not broken down. They had to know the profile of our customers in a way that we did not know and were not accumulating data. We had some basic data and the data processing section did an outstanding job; it took a long time and he was not critical of that because they had to write programs to search the files to be able to provide the data. Large boxes of information was mailed to Black and Veatch, one of the boxes broke open and got lost and the post office finally figured out where it was supposed to go and said the package had been opened and they did not know if anything was missing so it took a while to put that together and figure out what was missing and send the additional information. This is a very complicated study and he did not know if it would be an answer to the revenues.

Shanklin asked what was meant by profiling our customers. Livingston said an example is if you make a contract with a rural water district on the east side to supplement their water, and their peak times would be the same as Lawton's peak times because they are providing residential water, so should they be paying at the same cost since they are tying up our plant capacity at a time when we need it the worst so you get into different kinds of customer profiles to figure out what a customer is costing you. This customer is not going to be a big customer but if they use any water, it will be used at a time when you need it the most so they are looking at peak capacity times and what day you treat the most water at the plant, and that is easy enough to figure out, but then they wanted to know what customers and what groups of customers used, such as Goodyear, Fort Sill, the residential customers, and we had to do a lot of that kind of work to try to figure out who was using our water, how much the rural water associations and districts used, so that became the problem in trying to figure out who was using water when we needed it the most, and Geronimo will use a lot more of our facilities than Rural Water District 1 is using that is hooked on right up there at the plant.

Mayor Powell asked if there was any idea when the study would be received. Livingston said Black and Veatch estimates they are 80% complete; they will come down and run through the data again and talk about it, and the firm has more questions as to where we go from here.

Shanklin asked if it would help if Baker called them. Baker said he would be happy to call and point blank ask when we can expect the finished product and he would let Council know. Shanklin said one example is the water district on the east side uses a million gallons a day and that is what that east water tower holds so our people are paying to pump a million gallons up in that tower so the rural water district can have that water at no extra charge, it is all on the taxpayers of Lawton.

Mayor Powell asked if Council was in support of Baker's recommendation of a 3% cost of living increase for general employees as of January 1, or as Purcell suggested, 2% for the entire year, which would cost \$400,000 and that is where the additional \$100,000 is needed; Baker's recommendation is \$300,000. Baxter said many members quiz other members and second-guess staff or second-guess the Traffic Commission so he would not second-guess the City Manager and would support his recommendation for 3% in January.

Bass asked if the 3% was if you have the money. Mayor Powell said no. Baker said he asked Council to guarantee that 3% at mid-year and strike the "if funds are available". Mayor Powell said it was stricken.

Baker said the 2% now would actually, in the long term, hurt the employees more than waiting until mid-year to get the 3% because if you give 3% at mid-year, then the following year they would take advantage of that 3% for the entire year. He said it may appear you are doing something for them, but over a long term he was not sure it would benefit them financially that much.

Purcell said everyone else will be getting a pay raise and general employees will bring home less money than they are today because we will be holding more out of their checks for increased medical, and that was the reason he thought Council should do something.

MOVED by Purcell, to approve a 2% pay raise for general employees effective 1 July to be included in the budget.

Devine said if you give them 2% now, it will stay from now on; if they wait six months, they get 3% and that extra 1% carries on from now on, so they will lose 1% for the next whenever. He said that was the same thing he asked them on the floor last year and instead of taking the money at one time, they were smart and took the raise at a later date and it worked out better for them in the long run. Devine said he believed if they were asked that same question again, they would rather take the extra 1% in January because they would end up with 3% from now on, and if they take the 2% now, it will be 2% from now on, so they will lose 1% by taking it six months early.

Baker said if you stay with the 3% you could commit to the general employees that it will be effective 1 January 2002 or earlier if funds are available, so when the water study comes in and if Council elects to raise water utility rates, then you could do it earlier, but you are committing to 1 January or earlier if funds are available.

Mayor Powell said there is a motion on the floor and asked if there was a second; there was none.

Devine said the general employees may want to tell Council during the public hearing on the budget which percentage and method they would prefer. Shanklin said if you want to compare their pay with the private sector, you would be surprised, and he was not putting them down because he had watched them work last week and had worked with them, and those are the guys who will get the less amount of money when you give that 3%; do you want to give 3% to someone who is making \$2,860 or 3% to someone who makes \$770 bi-weekly, there is a tremendous amount of difference. Shanklin said some of these people should not even get a raise in the higher echelon, we should try and help those people that are on the lower end so they can participate in the insurance.

Moeller asked if the employees will in fact get less because of the medical. Baker said it will effect the employees who have dependent coverage only; the City pays full coverage for the employee and 50% for the dependent and for those with dependent coverage, it would be about \$3 per pay period.

Mayor Powell asked the City Attorney what action would be appropriate. Vincent said the next thing is for Council to hold a public hearing on June 12 and possibly vote on the budget at that time.

Baker said on the \$66,000 he would like to adjust the projected carryover to support next year's budget by that \$55,000 and that would be considered revenue to support next year's budget, and then just cut \$11,000 out of the 200 accounts, instead of cutting \$66,000, and it would probably be from travel.

Shanklin said he wanted to use that \$55,000 for lakes capital outlay; take \$50,000 out of the travel and if anyone wanted to know why, he had time to tell them, but he did not want to get there. Shanklin said he knew we could cut it and use that \$55,000 for lakes and lands capital outlay because they need it.

Vincent said motions can be made to direct the City Manager to adjust the budget as Council sees fit and it is not formal approval of the budget.

MOVED by Shanklin, SECOND by Baxter, that Baker take \$50,000 out of travel and education, to allow for the \$30,000, the \$15,000 and the \$5,000, that is \$50,000, and \$55,000 go toward capital outlay for the lakes and lands that we cut the other night.

Purcell said they still need \$16,000 for the camera. Baxter asked if they could get the camera and do \$40,000 out of that check, doing \$40,000 for the lakes capital outlay. Shanklin agreed with Baxter's suggestion and amended his motion to reflect same; Baxter seconded the motion as amended.

Shanklin reviewed his motion as follows: we are taking \$50,000 out of the travel and education and it will pay \$15,000 and \$30,000 and \$5,000; and that \$55,000 check that fell in on us this evening, \$15,000 of it will go for a camera and the remaining \$40,000 will go for lakes and lands capital outlay which was annihilated the other night. Purcell said he thought they left the \$50,000 in for construction and improvements. Shanklin said we did but we cut the capital outlay for equipment.

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

Purcell asked if sufficient guidance had been given to bring back an item to change the utility bill or if he needed to request an agenda item. Vincent said he would write a resolution. Mayor Powell said the budget would remain the same regardless of that and Purcell agreed.

REPORTS: MAYOR/CITY COUNCIL/CITY MANAGER.

Mayor Powell said we lost retired LT Lewis Morris on Sunday in having open heart surgery and he passed along sympathy to family, friends and the Fire Department.

Baxter said he would like to make a statement in reference to the newspaper; on more than one occasion a former councilmember has written an article to the newspaper alleging how the Mayor and this City Council needs to be recalled. Baxter said he did not personally know that guy so he did not know how he could tell him that he needed to be recalled, and he did not want to bad mouth him too bad but he did not appreciate some of his comments and did not appreciate the newspaper printing that trash. Baxter said that guy did not leave this Council on the best of terms with the trust that he earned with the people in this City; he lost their trust and that's why he did not run for Council again and he does not need to be writing chicken statements in the paper.

Purcell said Rogers Lane between Garden Village and Flower Mound Road will be closed for the next 45 to 60 days, and it was in the paper before but anything that could be done to further emphasize it would be appreciated.

Mayor Powell and Baker expressed appreciation to all staff members involved in the budget process.

There being no further business to consider, the meeting adjourned at approximately 7:50 p.m. upon motion, second and roll call vote.