



Shanklin: Did it just come in the mail, did we ever discuss that prior to right now?

Vincent: We discussed it at least twice during the October time period and you were furnished a copy of this.

Shanklin: Whenever we got ready to put it on the ballot.

Vincent: Yes sir. And I'll pass that out now.

Shanklin: All right. My concern is why is Fagin and Bush involved, were they involved in it the first time 25 years ago?

Vincent: No sir.

Shanklin: Why wouldn't they have been?

Vincent: They weren't under contract to the City 25 years ago.

Shanklin: Is it to their benefit that we have to deal with them? Could this influence their decision or what?

Vincent: On this issue?

Shanklin: Yes sir.

Vincent: Whether it would go to a vote or not, no sir. In fact if we go to a vote and it were to pass, we would not have to do a bond issue or some other financing mechanism and they would make no additional money other than about the \$130 we paid him for this opinion.

Shanklin: But Mr. Finley has a letter from the Corps of Engineers that he will not accept our monthly payments, or how ever we have been paying them, if we, to continue the next 25 years. Is that what I've been told?

Vincent: No sir. What we approached the Corps (inaudible) after we presented the various options to the City Council back in October, we approached the Conservancy District with amending the contract to take out the requirement for a guarantee of the ad valorem taxes. If that is taken out of the contract, there would be no requirement for a vote of the people. The Master Conservancy District decided, through a vote, and Rick Endicott was there, motion was made and it was a unanimous vote that they do not approach the Corps of Engineers to amend the contract, they want to leave the contract written as it is. Therefore with that in place, with that language about ad valorem taxes in the contract, you have to go to a vote of the people, and this is confirmed by Mr. Gary Bush.

Shanklin: So you're saying then if it fails then we have to go to a bond issue?

Vincent: We have to finance some way to pay the remaining \$20 some million dollars that would become due and owing this year.

Shanklin: How come the other cities didn't have to go through this process?

Vincent: Well, Duncan went through a modified process with the sales tax that was to be paid out and I don't remember the pay out but they did a special sales tax to pay off the remainder. I can't speak to the other cities. I know that some cities, I believe there are four other cities besides us and Duncan, some of the cities have not acted yet.

Shanklin: Well, their contract's us the same as ours, wouldn't it be?

Vincent: No, they all had different anniversary dated based on when they were signed by their various water authorities and councils. There was no universal anniversary date.

Shanklin: I'm told that they haven't had to do it.

Vincent: I do know, sir, that one city ignored the advice of their attorney and didn't do it.

Shanklin: I didn't hear you.

Vincent: One city did not do it against the advice of their attorney.

Shanklin: And?

Vincent: I'm not going to mention the name of the city.

Shanklin: Well, I mean, what does that mean?

Vincent: They went ahead and just rolled the contract over against the advice of their attorney without going to a vote.

Shanklin: And we could have done the same thing?

Vincent: It would have been against our advice.

Hanna: I think what Bob's getting at, John, is if we do that, what's the ramifications?

Vincent: Ramification would be a taxpayer lawsuit against the City Council members for authorizing taxes in a contract in violation of State law. I'm not saying they'd win or lose but why take the chance?

Shanklin: Well that threat's there. I mean when you get out of bed, you've got to be real careful which shoe you put on first. OK.

Mayor: Mr. Baker, would you like to, there's a lot of different types of scenarios going around. One thing certainly I think that we've all heard and which has kind of put our people in the frame of mind that they're not ready for any kind of new taxes at all is that maybe the only increase that they've had on their taxes as far as ad valorem is concerned this year is from the City. Can you explain to the viewing audience why this has happened to us now?

Baker: Yes, I'll try. I've also heard that a lot of people have gotten their tax bills and they've seen increases on their ad valorem and a part of that increase is due to the City. The primary reason for this increase is the ad valorem taxes that were approved in November of '99 to support the 2000 CIP. If you recall we went to the voters in November of '99 and asked them to extend a one and a quarter sales tax to pay for certain projects. We had so many projects that we couldn't generate enough money from the sales tax so we asked the voters to also approve an ad valorem issue which was approximately ten mils at that time. So the increases that people are seeing on the City ad valorem primarily is because of that vote in 1999 to support several CIP projects. The biggest project, I think \$13 million out of the water treatment plant expansion and renovation is ad valorem, we have \$3 million for the southeast plant, we have 38th Street, we have the fire station, and this is all being paid out of ad valorem taxes. A slight increase might be due to judgments that the City has placed on the tax rolls over the year but the primary reason is the 1999 Capital Improvement vote.

Mayor: Mr. Baker, is there something that you, I think, personally, what my position on this is is to do our best that we can to educate the public as to what this is all about and certainly let them be the decision makers and hopefully this body will not come with a recommendation one way or the other on this and just simply inform the public out there what this is about and without any threats of any kind and then let them be the decision makers. Yes, Mr. Baker.

Baker: Mayor and Council if I might, I could give a little bit of background that maybe the general public is not aware of.

Mayor: Do that please.

Baker: One of the things that I'm hearing is that people don't understand what they're voting on on the 14th and I think it's very important that you understand that whether you vote yes or no, you need to know what you're voting on. And just a little bit of history, back in 1977 the voters of the City did approve a proposition that made the City of Lawton a member of the Waurika Master Conservancy District and gave us authorization to so much water out of that reservoir on an annual basis and we still have those water rights. We are authorized 14.9 million gallons a day from Waurika. Back in 1977 I believe that the voters approved that as an investment in this City's future. We have used very little of the water to date. We most recently had to start pumping from Waurika to Lake Ellsworth because of the elevation of Lake Ellsworth and Council approved a policy for that. I think in the near future we're going to rely more and more on Waurika water for our use, especially during the summer months, and as we grow and time goes by, I think we're going to rely, we're going to absolutely be required to use that water, so I still think it was a very wise decision by the people of this community back in 1977.

Also at that time, the voters approved paying the indebtedness by ad valorem tax, so basically and legally the City could have been making the payment, year in and year out since 1978, by ad valorem taxes. I don't know why but the elected body did not chose that financing mechanism and the payment has been made out of the general fund all that time to my knowledge and you've heard me say it's come right off the top and the reason I say that is because there has never been a corresponding revenue source for that amount of money. Our payment this year for the indebtedness is \$1.2 million dollars. One of the reasons that we are in the financial condition that we're

currently in, and one of the reasons that this City does not have a fiscally responsible reserve is because we're having to take a million dollars plus right off the top every year before we get started on our budget. What Council is asking the citizens to do on the 14th is to renew the contract for the financing part of this contract for another 25 years, and you heard the City Attorney say that that is legally required, and then we're asking the citizens to let us pay the indebtedness from the ad valorem tax. We do owe \$20 million dollars plus, \$20,851,000, that is a just debt that this City still owes whether the propositions on the 14th are approved or not, we have got to pay that money. The question is not whether or not we have to pay it, or whether we're going to lose the water, we have got the water rights and we've got the debt, the question is, how are we going to pay that \$20 million dollars? If the voters approve the propositions on the 14th, then we can extend our agreement and we can continue to make annual payments to the District at an interest rate of 3.4% per annum. This is a very, very good interest rate for the City and if you compare that to, say, revenue bonds over the same amount of years, we could save the taxpayers approximately \$4 million by making these annual payments to the District at that low interest rate.

If the voters chose not to support the issue and do not allow us to use ad valorem, then we've got to pay that \$20 million off and I talked with Mr. Finley today at the District, he said that we will have until September of '03 to pay that \$20 million off but he did say that he's not an attorney and I've asked Mr. Vincent to look into that further but he thinks we have until September to make that payment. So if it doesn't pass and if the voters say you cannot use ad valorem, then the City Council is going to have to make a decision on how you're going to pay that \$20 million dollars. The only way I know of paying it is to sell revenue bonds. If you sell revenue bonds, you're still going to get a pretty good interest rate because interest rates are down now but if you project that out over 25 years, you're going to pay at least \$4 million more than if you pay the 3.4% to the District.

Council's going to have to decide how to pay it and you're going to have to decide whether you're going to have an additional revenue source or you're going to continue to eat it out of the general fund like you have for 25 years and then you're going to have to face that problem in July or in June when you consider the operating budget for next year.

Mayor: Mr. Baxter please.

Baxter: Bill, when you say additional revenue source, would that be like an additional surcharge on said people's water bill?

Baker: That's one possibility and there aren't a whole lot of possibilities. We would project that in order to generate \$1.2 million, if you added it onto the utility bill, you would have to add on \$3 per month.

Mayor: Anything else Mr. Baker?

Baker: The only other thing is we did talk to our bond consultant today and he said, you know, it may be possible to sell those bonds without identifying an additional revenue source and just say we're going to eat it out of existing revenues and we're going to make our payments from existing revenues but he thought it might be harder to sell the bonds and you might have a higher interest rate than having a designated funding source.

Mayor: OK, thank you very much, Mr. Baker. One additional statement I'd like to make, there have been some inquiries by concerned citizens. I'd like to say that all payments have been made and the City is current with the payments. Is that correct Mr. Baker?

Baker: That's correct. We've made this year's payment and I think most of you or some of you received an e-mail from a citizen wanting to know what was done with the receipts received for this so far and there have not been any receipts. We've not had a dedicated revenue source to make these payments and like I told you, it's just been absorbed in the general fund year in and year out and one other thing that I want to emphasize is that this City does not have a reserve to speak of. Yeah, we have a little bit in reserve, but experts will tell you that you should have, a city or an organization like the city should have eight to ten percent of your operating budget in reserve. That means that we should have \$4 to \$5 million dollar reserve for a city of this size. We have a \$1.2 million reserve, hopefully, if we have any year end balance at all on June the 30th. So, to be fiscally responsible, we need to start establishing an acceptable reserve for this City which means you have to dictate a policy and then we have to budget for it. And one suggestion that I received was that if the voters are generous enough to approve the ad valorem that the Council might elect to take this money that's been freed up from the general fund and dedicate it towards a reserve so we could start working towards a responsible reserve for this community so that's just a suggestion that I've heard because another thing I've heard, and I hear a lot because people call me and stop me out on the streets, they are afraid that if they approve the ad valorem and the City's going to have a windfall of \$1.2 million and we're going to go out here and we're going to give raises and we're going to go buy things that we don't need and I can assure you that you won't allow that to happen and I won't allow that to happen because we're still facing a \$2.5 million deficit so if this money is freed up, it's going to help but we're not going to be able to go out and spend it on things that we don't need.

Mayor: You know that word reserve is not a new word to any of us. We've talked about a reserve I know for the five

years that I've been down here and we just seem that we can't put that foot forward and say yeah, we're going to put that reserve up there and it's going to bite us one day I will assure you of that right now. Mr. Hanna please.

Hanna: Bill, I have a question I think is going to concern all the taxpayers out there. Say they pass this ad valorem tax, will this be a dedicated fund strictly for the Waurika water project and the money cannot be spent for any other reason?

Baker: Yes. It could not be spent on anything.

Hanna: I think, like you said, a lot of people think if this is passed it will go to the general fund to be spent any way they want but if it is a dedicated fund it means that money collected will go strictly to Waurika and no where else, not one penny.

Mayor: That ad valorem tax, that is exactly correct, right, Mr. Baker?

Baker: That's...

Mayor: Mr. Vincent?

Baker: That's correct.

Mayor: But at the same time, Mr. Hanna, what that does, that does free up \$1.2 million that comes out of that general fund so the question then is what are you going to do with that money?

Hanna: I hope that we take that \$1.2 million and put it toward the \$2.7 that we're in debt so we can bring that debt back down again so we can balance out our budget come next June and try to have the City get back on its feet again.

Mayor: OK. Mr. Devine.

Devine: I kind of wanted to mention the subject that you was talking about a reserve back when we voted to balance the budget, what we accepted that when we applied a \$1.50 on our utility bill, 50% of that, 50 cents of that dollar fifty was supposed to have been set aside for our reserve, to start building a reserve and I asked Mr. Baker at the last Council meeting, I would like to have a report on how we stand on that. I realize that fifty cents is not much but it's a beginning but we are building a reserve, which is very minor and I agree that we definitely need a lot more but that was one of the reasons we voted on that from a dollar fifty, from a dollar to a dollar fifty was to set aside fifty cents for a reserve, to start building us some sort of reserve. Am I not correct on that?

Baker: I think the intent of Council was that the fifty cents would go toward increasing or establishing our reserve. I'm sending you a report. The Finance Director is doing a report on that, and it requires further explanation because at the end of the year if you have money left over, this Council has never really established a segregated reserve. What you've done is you've projected a carry over as of June the 30th of each year and as you know, we are now facing a two and a half million dollar deficit and we projected a carry over of \$600,000 in the general fund. We may not have that \$600,000 so if this fifty cents generates \$200,000 a year, and you segregate it towards the reserve, then yes, we would have a higher reserve, but we would have less carry over so I'm going to try to explain that in a memo to you because when we say carry over and reserve, some time we use them synonymously, and I'm not trying to make it complicated, but if we end the year in a negative balance, you could still say we've got \$200,000 over here in reserve generated from that fifty cents but then you've got \$200,000 less some place else. And I will hopefully explain that well in the memorandum that you're going to get. Does that make any sense?

Devine: Yes, but I, I understood it very plainly because me and Councilperson Moeller debated that very strongly because she only wanted to raise it a dollar and the agreement was that we would take and raise it a dollar fifty and put the fifty cents in reserve, I mean, there wasn't no debate that it could be or would be, it was definitely stated that way that that would be put in the reserve.

Baker: Well, the motion was not stated that way, the discussion was that way and we can take that money and set it over here in the reserve and we can subtract the \$200,000 from the carry over and it's six of one, half a dozen of the other but we can certainly do it. It just means your carry over will be \$200,000 less than it would be otherwise.

Mayor: OK. If we could, let's get back on the subject matter that we're gathered for this evening. Mrs. Moeller please.

Moeller: I agree we need to stick on this subject, and the, what concerns me is whether the voters approve this or not, I agree with taking it to the voters to be approved but the other thing to look at, not just this increase, but the County themselves have the leeway to raise the ad valorem five percent a year and he's been doing that. So that's another thing that the owners are going to get raised. Ours is small compared to what that is but it's still another

payment, and if they do not approve it, we need to continue to look at it to see what we're going to do because I think there's a good chance they won't approve it, they may, they may not, but if they don't, what do we do then?

Mayor: I think Mr. Baker's already said they are considering those avenues as he has worked on this today.

Moeller: And I'd like a few more answers than just waiting. A lot of this comes to us at the 12th hour and it sure would be nice if we got it sooner than that to address this. I wish someone had brought this up five years ago and said hey, in five years we're going to face this, we need to address it now. It would have been a lot easier to swallow, a lot easier to address.

Mayor: I understand that completely.

Moeller: We shouldn't wait until the last minute.

Mayor: I understand that completely.

Shanklin: Well, it really has been brought up. It's been brought up yearly. I can tell you it's been brought up for ten or twelve years that I can remember that we were going to be faced with it. I always thought it was 2007 for some reason or another, not 2002, but you know, if you only have \$400 a month income, and you can't pay your bills, I don't see how you think you can put \$20 over here in a savings account. It won't work.

Mayor: Mr. Baxter.

Baxter: Reserve and carry over are definitely not the same thing and the motion that was made did not contain the word reserve in it. The fifty cents was designated to apply towards the carry over. I don't know how you guys feel, but I'm going to support putting it on ad valorem simply for the fact that over a 25 year period it will save us \$4 million and that's the reason I'm going to support to vote that way. You guys can do whatever you want to do.

Mayor: OK. Mr. Hanna, coming down the table.

Hanna: I have to agree with what Baxter just said. This is a decision that we have to make that happened 25 years ago. I wasn't even in the country at the time, I was in the Army, I was out of the country when this happened but we're in debt, the City's in debt, we have to pay these debts. I think we ought to go the cheapest way possible to get out of this as much as possible. Again, we are going to need that water. If people don't believe what I'm saying and other people are saying, go out and look at the lakes and see how far they're down. People say we had a lot of rain, yes we did, we've had a lot of rain this year and people have not had to go out there and water their yards and so forth but there's been no runoff. The lakes are way down. That's the reason we pumped and if we have many more years like this year, we're going to be pumping from Waurika more and more and more. So I have to agree with Mr. Baxter. I'd rather go the cheap route, put it on the ad valorem tax than to go ahead and go with revenue bonds because we are going to save millions in the long run.

Mayor: OK, thank you sir. Mr. Bass?

Bass: I mean I agree with everybody. It really comes at a bad time because everybody just got through paying their taxes and the money's gone already but I think it's very important to pass this if there's any possible, there's no question about that. This is very important. Whoever controls the water controls everything.

Mayor: Thank you. OK. Any, Mr...

Haywood: I got here a little late but I agree with everyone else. I think, I don't think I was but about two or three years old in 1977 so, but...

Mayor: Have you had a little problem since the first of the year?

Shanklin: Did you make an A in math?

Haywood: I think I did, but anyway, I think if we can put this on the ad valorem taxes that in the long run, we're going to have to pay for this water whether we like it or not, and Waurika, the first year I came on in 1998 I did go to Waurika and observe what they had there and the guy talked to us, we went to a workshop and Mr. Baker was Assistant City Manager at that time but I think we definitely need, if the taxpayers agree with us, we need to pay this taxes. In the long run, it's going to save us some money. That's my reading.

Mayor: OK. Thank you, sir.

Shanklin: One thing, Mayor.

Mayor: Yes sir.

Shanklin: I don't think the City of Lawton has ever had a reserve. Let me tell you something, I've known this has been coming for some time, don't make it, that doesn't make me a soothsayer. I can only tell you and Mr., the Mayor has given you a chart of what a two cent sales tax does to us compared to other cities not even a third our size, they generate more money than that. I've known that, I've known it for a long time. People take our \$55 million general budget and divide it by our population, you can call it 80 or 90,000, and you want to take that \$600 that we spend for each citizen in the City of Lawton, Oklahoma, and compare it to Stillwater where they have 2,000, Norman, Oklahoma has 1,200; they can generate a reserve. We have never had, we have never had that luxury. Do you all understand that?

Baxter: I do understand that. Part of that is because we don't have the right retail stores which we are now in the process of getting.

Mayor: What else have we got on this subject that we've got right here tonight? Anything else? Mr. Baker, do you want to make a final statement?

Baker: I don't know if it's a final statement but just to follow up on what Councilman Shanklin said, people don't like an increase in their property taxes at all and it's hard, back in '99 I was very skeptical about the voters approving ad valorem at that time because I don't think the voters of the city had approved an ad valorem issue since like 1966, so it's a lot to ask and I know people don't like to raise their property taxes. I would just want to state that if you look at the ten largest cities in Oklahoma, and Lawton being the third or fourth largest, I guess it's debatable, we have the lowest ad valorem rate among the top ten cities in Oklahoma so our ad valorem is still reasonable. I realize that doesn't help when your ad valorem goes up and you have to pay more, but this is very important to the City's future and all we're asking voters on the 14th is, you know, to tell us what you want us to do and what you're going to allow us to do. If you don't want to use ad valorem, you're going to vote no, and then this City Council's going to have to figure out a way to pay that \$20 million debt. I would encourage people to vote yes. I think it's an investment in our future and we can save \$4 million, that's not my money, that's taxpayers' money of this community. \$4 million is a lot of money that you're going to be paying in additional interest if you don't pay this by ad valorem so I just ask people to go vote. This is the only issue on the ballot, probably a low turn out, but I'd encourage people to go vote and I'm certainly supportive of this, I think it's important to this community.

Mayor: OK. Thank you Mr. Baker. Mr. Vincent, simply for clarification purposes, and I have understood it, we do have to have an election per the contract regarding this water matter, is that correct?

Vincent: We have to have an election on the contract indebtedness per the Oklahoma Constitution.

Mayor: All right. Any other statements or questions?

Bass: I have one other question.

Mayor: Yes.

Bass: I'd like for Bill, we kind of got away from, if you have a home that cost \$100,000 or if you have a home that cost \$50,000, how much would it cost on your ad valorem? I don't think we've explained that yet.

Baker: We're looking at approximately a ten mil increase in the levy and that would equate to approximately \$4 a month on a property valued at \$100,000. So if you have a \$50,000 house, this would increase your taxes by \$2, approximately \$2 a month.

Mayor: Oh no, what...

Baker: Is it four mils?

Mayor: Yes sir.

Baker: OK, I'm sorry, four mils. I'm thinking of....

Shanklin: I hoped it wasn't four.

Mayor: What that means, on a \$100,000 house, that would increase how much?

Baker: Approximately \$4 per month on \$100,000 house.

Shanklin: \$50 a year, \$25 on a 50, roughly. Mayor, one thing, Bill mentioned the ten mils that we passed for the school, water treatment plant and ....

Mayor: There weren't any mils on that school, Bob, that was...

Shanklin: Some of it was, not on the school, we did taxes there.

Mayor: That was sales tax.

Shanklin: Sales tax. But we did that for more than just one reason, we did that to enhance the kids from Fort Sill so they would have a facility comparable to the other parts of the City where they come and go to. Am I right there, Mayor? You didn't preach that?

Mayor: I did preach that Mr. Shanklin.

Shanklin: OK. Are we not expanding our water treatment plant to also be able to have quality water for Fort Sill and build this plant down south east, hopefully, we should be redundant, but that is to enhance our position with keeping Fort Sill in our area. I know this is not, are you going to ask for, but that's what we did with that money, I mean the taxpayers need to know that we did this and it wasn't just a wish book. There were several reasons that you could say that the reason why we built the junior high and expanded the water treatment plant and going to build one down south. I don't think it's going to pass. I'm not going to worry about it. I'm not going to vote for it, no, because this Council's never seen a pay raise it didn't like and I do know that we'll be going into negotiations and I don't see if we have the money, they're going to get it, and the taxpayers, I think, realize that. The only thing I can tell you is that we have to find a way to do it and you say, one more time, Mr. Vincent, let's say it failed, we got until September to do what? Sell a bond and it does not have to have a, to be on our revenue period, right?

Vincent: You have to somehow find a way to pay twenty point eight hundred thousand dollars by...

Shanklin: ...through this, these people here got it by the ears, right...

Vincent: It's debatable whether it's due February 20th or September the 15th and we're looking into that issue but some time in 2003 the City of Lawton, if this fails on the 14th, is going to have to find \$20.8 million...

Shanklin: John, how do we find, how do we find that money, how do we guarantee the bonding people where the money will come from?

Vincent: Well, I was in the conversation with Mr. Endicott and Mr. Baker today and the bond counsel, or the bond authority that we talked to, and I can't remember his name right now Bill but, he indicated that we would have to have, in order to get the most favorable rate on the bond issue, a dedicated revenue source to pay off the \$20 million plus.

Shanklin: What is that?

Baxter: That's a surcharge on your water bill.

Mayor: Well, we don't know that yet.

Vincent: We haven't got into that part yet.

Baxter: Well, don't be ignorant, tell the people.

Mayor: I don't know. I'm not here to hide anything from people. I'm here to educate them and I'm going to tell them right now, go ahead Barbara, then I'll talk.

Moeller: Question.

Mayor: Yes ma'am.

Moeller: Whether the voters approve this or not, this is in their hands to approve it or not; if they do not approve this or even if they do approve it, when can we expect the next discussion as to what our next step is after the vote? Two weeks or the first of February, or will that depend on our deadline?

Baker: If the voters reject ad valorem funding, then we probably will come back to you the second meeting in January.

Moeller: With some ideas and suggestions.

Baker: And there aren't a whole lot. I mean...



Moeller: And if they approve it?

Baker: If they approve it then we don't have to come back to you other than...

Moeller: Other than what's going to happen for any money that's freed up, the reserve.

Baker: Right.

Moeller: That will come back?

Baker: Right.

Moeller: About the same time?

Baker: Yes.

Moeller: Thank you.

Baker: If Council wanted to provide guidance on that money that was freed up, yes.

Mayor: What I was going to say is this right here is on the City web site, City of Lawton web site, and it tells about proposition number one, proposition number two and also critical issue questions A through H on there for those out there in the viewing public there's some statements there and if you need clarification purposes or anything, our office number is 581-3301 and Paula is the lady that will answer the phone, she's here this evening, and we, all we want to do, as far as I'm concerned, is to educate the public and let them be the decision makers as they were on November 9, 1999. Mr. Baxter, there's nothing to my knowledge to hide on this thing at all about anything whatsoever.

Baxter: He asked the question where you're going to find the revenue source...

Mayor: That hasn't been identified.

Baxter: It hasn't but I'm telling you that's a possibility.

Mayor: Well it is a possibility, we all know that.

Baxter: You need to tell those people that, if you don't have nothing to hide, tell them that.

Mayor: They've been here longer than I have so they know that, Mr. Baxter.

Baxter: OK.

Shanklin: Well, the only other thing is that we didn't have a designated source for the first 25 years.

Baxter: Yes we did.

Shanklin: No, we didn't. It came right off the top of the budget.

Mayor: OK, yes sir, Mr. Baxter.

Baxter: I want to respond to that because that's wrong. There was a designated source and it was ad valorem tax. It was in the contract we could use it on ad valorem tax every year for 25 years straight if that's what we chose to do.

Shanklin: Mr. Vincent, explain that would you, to him, please sir?

Vincent: Mr. Baxter is correct. There was an ad valorem component in the current agreement which expires this February. There was a funding mechanism set up in the contract that the City Council, at any time it chose, could have determined there was insufficient revenue in the general fund budget and gone straight to ad valorem taxes.

Shanklin: Well now that's not what you told me.

Vincent: Yes sir, it was.

Shanklin: You said if we couldn't do it, we could take it to ad valorem.

Vincent: I said...

Shanklin: If we couldn't do it with the budget, you told me that and you told him different.

Vincent: That's what I just said Mr. Shanklin.

Shanklin: I don't even believe you any more, John.

Vincent: Sir, that is exactly what I just said.

Mayor: Mr. Baker, please. Never mind. All right, Council, do you want any further statements or discussion, or do you want to take action? You've expressed your desires, each one of you expressed those personally. Well, the only thing would be do you want to have a resolution to support it or not support it, Barbara, I think every Council member has spoken this evening, I think people know your desires and your wishes.

Shanklin: I don't think we're on TV now.

Mayor: We've got Kim sitting down there, doing a good job, she's been writing, she's been writing very heavily.

Baker: Councilman Moeller, the only thing, when the agenda item was written, part of it is to provide guidance to staff if you have any. If you don't, then we don't need any other action.

Moeller: I think until the voters vote and tell us what they want, we don't know which way to go." (End verbatim portion.)

#### COMMENTS:

Mayor Powell announced that he received a call from Dr. Gibson notifying that the State approved the \$100,000 award for work in Elmer Thomas Park to go with the funds provided by McMahon Foundation.

Haywood expressed condolences at the passing of long-time educator Joe Bob Craig.

Shanklin referred to an editorial regarding "a legislative task force started the ball rolling, but Lawton must develop its own plan". He said the editorial further says that the State was asked to provide \$300,000 to assist the cities efforts to retain Fort Sill and the next paragraph is that the next State budget, which begins July 1st, has an estimated \$593 million deficit so funding may have to come from local sources. Shanklin said we should look seriously and find out where and how we will spend \$300,000, or whatever it takes, and if we have \$700,000 left in the 2000 CIP, it would not be very good business sense to have that in our bank account when Fort Sill's mission is closed out and us not making some effort. He said he did not know how to do it, who we would give the money to or if we send a delegation to see our two senators, but we need to do something besides sit around and wait for someone else to do it for us.

Mayor Powell said that group was put together at the invitation of the legislative body and Dr. Gibson was appointed on this base closure on behalf of the State of Oklahoma representing all of our bases. Dr. Gibson was appointed by Larry Adair. Five Mayors were invited to be members of that group or to appoint someone in their behalf and Mayor Powell said he appointed Retired General Leo Baxter due to his outstanding military experience, so Lawton really has Dr. Gibson and General Baxter assisting. Mayor Powell said about three meetings had been held so far and that he agreed whatever we need to do to protect Fort Sill should be done.

There being no further business to consider, the meeting adjourned at 6:20 p.m. upon motion, second and roll call vote.