

Meeting of 2003-5-6 Special Meeting

MINUTES
LAWTON CITY COUNCIL SPECIAL MEETING
MAY 6, 2003 - 5:30 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBERS

Mayor Cecil E. Powell, Also Present:
Presiding Larry Mitchell, City Manager
 John Vincent, City Attorney
 Brenda Smith, City Clerk
 Col. George Steuber, Fort Sill Liaison

The meeting was called to order at 5:30 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: Glenn Devine, Ward Three
 Amy Ewing-Holmstrom, Ward Four
 *Robert Shanklin, Ward Five
 Jeffrey Patton, Ward Six
 *Stanley Haywood, Ward Seven
 Randy Warren, Ward Eight

ABSENT: Randy Bass, Ward One
 James Hanna, Ward Two
*Shanklin and Haywood entered at approximately 5:40 p.m.

BUSINESS ITEM:

1. Brief presentation of the FY 2003-2004 Municipal Budget.
Exhibits: None. Preliminary Budget will be distributed at the special meeting.

The tentative budget review process will consist of the power point presentation of the preliminary budget tonight, two weeks for Council to review the material, a budget workshop on May 20 to focus on revenues, and a department budget review for fire, police, public works, and parks and recreation (the four largest departments) on June 3, followed by the balance of departments at the following meeting.

The preliminary budget was handed out at this time. Mitchell said it contains information that was not included in previous years, such as certain graphs and supplemental requests. He said the recommendations may be modified, dropped, altered, added to, etc. and he hoped the members would take with them from tonight's meeting the concept on how the budget was put together, the major elements in bringing a balanced budget and then discuss the detail at a later date, realizing each member has different priorities or interests. He said there had been a lot of discussion with the directors, who are welcome to present alternatives to these recommendations when their portion is reviewed. Mitchell said they were telling the directors they did not necessarily have to agree with what he was suggesting but all they were trying to do was get a handle around the budget problem and try to focus on how that budget can be balanced; once we get into the workshops, we are more than willing to look at alternative proposals.

Mitchell said he would give an overview of the budget process, historical information from the mid-90's to present, his recommendations or philosophies as a manager on how he views and approaches the budget. The finance director will then get into a little more of the detail of the proposal. Questions were welcomed at any time during the presentation. Mitchell read from the executive summary and his presentation is summarized as follows:

Charter requirement: The Charter requires that the City Manager submit an FY 03-04 preliminary budget for the fiscal year beginning July 1, 2003 running through June 30, 2004. This preliminary budget is submitted tonight in accordance with the Lawton City Charter and the Oklahoma Municipal Budget Act.

General overview: The City's municipal budget is far more important to the Lawton community than the sum of the dollars and cents that total more than the \$36 million in general operating expenditures. First of all, the annual budget must be viewed as the principle policy document adopted by the City Council simply because the projects, programs, and activities funded are the collective statements that set forth city priorities for the coming year.

Secondly, the municipal budget is only a twelve-month estimate of city revenues and expenditures which are both subject to change in the ups and downs of the private business cycle. The basic assumption that the annual municipal budget is fixed and rigid must be modified to include the realization that the primary financial document of the city is flexible and can be revisited during the year with supplemental appropriations and program amendments. In other words, if the revenue picture changes, then things that have been eliminated from the budget can be reinstated or however we wish to do that.

Finally, there are both external and internal factors that exert pressure on the budget process which complicates the financial issues facing the City. Currently the City of Lawton faces three external factors that could impose significant limitations on the City's ability to estimate next year's revenue collections. The deployment of 8,000 troops from Fort Sill to Iraq, the outcome of the Oklahoma budgeting process which they are now struggling with trying to balance a \$680 million deficit, and then closer to home, the experience this year of the Lawton Public Schools and their budget problems where they have had to lay off 150 teachers, another 150 support personnel and close two elementary schools. All of these factors will certainly affect the local revenue picture with respect to water sales and sales tax receipts. Compounding this external unpredictability are internal factors, such as labor union contracts, health care costs, and aging capital equipment that places additional demands on the development of an annual budget that is balanced politically as well as financially.

Mitchell drew attention to a chart showing the history of expenditures and revenues from 1996 to 2004. In 1996 the revenues and expenditures were fairly close, and then between 1999 and 2000 the lines crossed and expenditures ran above revenues for the next three to four years. Revenues were fairly stable for the last three to four years but expenditures continued to grow causing the current structural deficit, or gap between revenues and expenditures.

Ewing-Holmstrom asked what was happening differently now than in 1998 to 2000 which appear to have been wonderful days for Lawton. Mitchell said the time was one of the largest economic booms of the last 40 to 50 years for the state and nation and a lot of money was coming in; as revenues increased, we added employees and costs but when the revenue started going the other direction, the recurring expenses continued to move upward.

Mitchell said the next chart shows the history of expenditures from 1997 to 2003. Over a 6-1/2 year period, personnel costs increased \$10 million; maintenance and operation went from \$9 million to \$14 million.

Manager's Philosophy: The City of Lawton is rapidly approaching the start of a new fiscal year and will face a number of economic warning signals during the months ahead. For the coming fiscal year, the municipal budget picture looks bleak at best, especially in light of the fact that the City has little if any financial reserves to draw upon.

Given the gravity of the situation, how does the Manager view the budget process and how does the manager balance the conflicts between declining revenues and rising expenses? First of all, I think it's important to distinguish between short-term pain and long-term gain. In our view, the best way to approach a "chronic" structural deficit is to develop a baseline budget that establishes a starting point for a series of fundamental choices.

This baseline budget is constructed around four key governing tools; fiscal stability, capital investment, sustainable development, and civic infrastructure. Fiscal stability is not only the method by which a city balances its annual budget, it is also a policy statement that provides long-term direction to both council and staff. The Lawton City Council has taken that initial step, we did that this year, by agreeing to adjust utility rates annually and setting aside funds for a special reserve account.

The second building block in developing a baseline budget is a continuous commitment to capital investment. The City must dedicate a portion of its financial resources to constructing and expanding, maintaining and replacing its utility infrastructure and heavy equipment. To date the City has done an excellent job of funding both through the five year CIP program and the annual capital outlay appropriation.

Third essential element or key is to maintain the core priorities of the City's budget at the pursuit of sustainable development at both the local and regional levels. The ability to attract, support and expand the commercial and industrial job center for the community is a very important function of municipal government.

And the final or fourth key to the long-term health of the city is the formation of a strong civic infrastructure. Building partnerships with neighborhood groups, civic organizations, business associations, state and federal agencies, public utility company and military operations help reinforce the core values and priorities established in the budget document. Community buy-in and consensus improve the flexibility and performance of the municipal organization.

Status of Current Year Budget: It is critically important to establish the relative health of the City's current year

budget in order to gain a proper perspective of the recommendations under consideration for the next fiscal year. We are all well aware of the negative financial environment in which the City of Lawton is operating in today. For the past six months the City has been struggling to meet the revenue projections established in the FY 02-03 municipal budget. There are three principle reasons for this revenue shortfall: a smaller carryover balance, lower water sales than projected, and the rapidly increasing health care costs.

The City of Lawton has historically used the year-end carryover to help fund expenditures the following year. The chart shows the history of the carryover fund, budgeted to actual, from 1997 to 2003. It shows similar lines developing to the previous chart on revenues and expenditures to the actual amount of carryover and the budgeted amount. Between 1999 and 2000, the carryover balance peaked and then declined rapidly; the distance between the lines indicated the growing deficit between the budgeted and actual carryover.

Water sales collections were projected at more than \$12 million for this current fiscal year, which was about \$2 million above actual collections for FY 01-02. A chart reflected that water sales had been fairly stable from 1998, 1999, through 2002. Given the original water revenue estimate of \$12,142,000, the City will realize a revenue shortfall of about \$1.5 million in water sales.

Ewing-Holmstrom said the 2003 projection does not seem to be in line with the history of the projections and asked how that happened. Mitchell said one reason could be that last year's water rate increase could have been figured as a straight line projection based on the number of accounts, rather than looking at how people actually used the water. Mitchell said about 22-23% of our water accounts are minimum bill, and those saw no rate increase because the base was not increased, only the usage, \$1.78 to \$2.10 for the thousand gallons over the 2,000 gallon minimum. Endicott added that it was an unusually mild summer but he really could not tell how the number was arrived at or whether historical information was considered. Endicott said the chart was prepared to show this because we hardly ever reached \$10.5 million, much less \$12.1 million in water sales revenue.

Mitchell said the City experienced an unexpected jump in health insurance claims during the first six months of the fiscal year. The \$312,000 included in this year's budget has really only delayed the solvency problem. Right now the issue is that the claims can no longer be paid with the premiums that are being collected, which has created a deficit of nearly \$500,000. Combining all of these factors resulted in a shortfall of about \$2.5 million. The City Council previously authorized the transfer of \$1,052,000 from the capital outlay fund and directed that expenses be cut another \$1.5 million. Those two actions will get us through the current year, and we will start July 1 with a carryover balance of about \$540,000. We started last year projecting a carryover of \$2 million, we are starting next year with \$540,000, so you can see the gap in just that twelve month period.

Continuing from the executive summary: Mitchell said an observation, the fundamental tension exists between short term spending commitments and the need to maintain a structurally balanced budget that builds a fund reserve over the long term. Employee costs for wages and benefits have out paced the rate of growth in revenue collections. The City of Lawton's four largest departments: public works, police, fire, and parks and recreation, account for over 70% of all annual expenditures in the general fund. Given the current budget deficit and the upward pressure for increasing employee costs, I am recommending the Council consider adopting a four point approach to the budget this year:

First, bring the general fund budget to structural balance. This will require reducing the size of City programs, containing personnel costs, and raising utility revenues. Secondly, reinstate the capital outlay program. The scheduled replacement of capital equipment is essential to the cost effective operation of City services. Third, fully fund the employee health plan. The City's self funded health insurance program can return to solvency through increased contributions and through changes in the plan benefits. And fourth, resolve conflicts between employee groups. The competitive nature of union contract negotiations should be tempered with the expressed commitment to recognize individual employee equity.

Mitchell presented a chart showing the hiring and employment history from 1996 to 2004. In 1996 the City had 748 employees, in 2001 there were 815. The number was reduced slightly the next two years and the current year shows a reduction in the number of employees from 813 to 798. The recommendation in the proposed budget would reduce that further to 768 employees. A chart was presented showing the personnel by major groups, public works having the most. A five year history was shown on public works and park, police, fire, and then all other departments combined under general. Endicott said the charts are included in the preliminary budget book under the "graphics" section.

Mitchell said applying our theory and approach to the budget for the coming year, we are recommending to the Council that we reduce personnel costs by \$2,378,000; reduce city programs and services by \$854,000; increase utility revenue by approximately \$2 million; invest or contribute \$340,000 to the employee health plan, and finally capture about \$500,000 in salary lapse which would mean a total general fund adjustment of \$5.5 million. The combined effect of reducing costs by \$3.2 million and increasing revenue by \$2 million would bring the City's general fund into balance by June 30, 2004. Mitchell offered to answer questions and said the finance director will also provide more detail on the recommendations.

Mayor Powell asked how utility revenues would be increased. Mitchell said part of it is revenue from our large industrial customers where the rates were modified or anticipated to change very shortly.

Rick Endicott, Finance Director, said to put together a budget like this is phenomenal work. He thanked the following for their assistance: Laura Smith, Julie Magness, Mary Owensby, Paula Brower-Maples and Angie Alltizer.

Endicott's presentation was given using power point slides which are on file. The presentation is summarized as follows:

The projection is to start the fiscal year with \$536,000. We estimate general fund revenues to be \$23.5 million, and revenues from the enterprise fund transferred into general fund for a total general fund revenue, including the carryover, of \$34.8 million. General fund expenditures would be \$33.6 million. If those expenditures and revenues were realized, we estimate we would end the year next year with a \$1.1 million fund balance.

The budget includes increasing revenues, decreasing and controlling employee costs, reduce and/or close certain programs and services, budget for salary lapse (funds are budgeted for a person's salary for the entire year so if the position is vacant for two months due to an employee leaving, there is a lapse). There is a need for \$500,000 in additional chemical costs at the water treatment plant. Endicott said we want to fund the rolling stock capital outlay as promised several months ago. There has been some growth in Lawton with Home Depot, Lowe's and retail businesses. We have projected additional sales tax revenue of 2.5% for next year. This year we projected 2% and it seems to be pretty well on target. With the new businesses, we believe it is a little conservative but at this point we would rather be too low than too high.

Additional water revenue may be realized from Goodyear, Fort Sill and Geronimo; negotiations are currently underway with Fort Sill and rates for Goodyear were previously adopted. Geronimo went on line a month or so ago so and revenue adjustment is included for those particular users.

There is a recommendation for a 3% increase in water rates, going from \$2.10 to \$2.16 in usage and an increase in the base rate from \$7.49 to \$8. The overall increase in water revenue would be a little more than 3%. There is also a recommendation to increase sewer rates from \$7.16 to \$7.37.

The Waurika payment is \$1.3 million and in order to balance the budget we believe the Waurika payment needs to be addressed; in the past it has not been but it has gone to a vote of the people and the people decided they did not want it on their ad valorem taxes. This is a large portion of our general fund budget and in my opinion it is a part of the cost of water so we recommended a \$4.50 surcharge to utility bills to fund the Waurika payment.

Shanklin asked if that would pay the Waurika debt. Endicott said he used an average of 30,000 accounts to come up with that number. Shanklin asked if the charge would be applied to those outside of Lawton who receive utility service from Lawton. Endicott said that would be a recommendation that we would be open to and for this part he only assumed 30,000 accounts so that would just be the City of Lawton. Discussion was held on the number of accounts and the funds that would be generated.

Patton asked if the charge would remain in effect until the entire Waurika debt is retired. Endicott said it is for this particular year. Mitchell said it would be up to the Council to determine the amount of time the charge was needed and he was not suggesting that it be done for 25 years. Mitchell said if revenues improved in the coming years, it could be possible to take it off but the \$1.3 million is a big piece of the public works department budget. Haywood asked if the increase would be \$54 per year. Endicott said he took a 5,000 gallon per month type customer, and with the sewer and water and Waurika there would be approximately \$5.40 per month increase on the bill.

Patton said he thought he read earlier that Council agreed to increase utilities yearly. Mitchell said it was not an ordinance, but there was a motion on the Council floor one evening suggesting the rates be adjusted by the CPI annually, and it could range from 2.5% to 3% depending on which CPI is used, but the Dallas cost of living index is 2.6%.

Endicott presented a chart showing the history of the sales tax; there is a steady increase in sales tax and he felt comfortable with the projection next year for sales tax to be \$15.8 million, which is a 2.5% increase over the \$15.4 to \$15.5 million projected to be received this year.

Shanklin said there are three debts with Waurika, the conduit, the reservoir and the maintenance costs. He asked if the maintenance costs would be paid from the general budget. Endicott said yes.

Endicott said in personnel and benefit recommendations in the budget, we are recommending that some vacant positions be eliminated; step increases be frozen for all employee groups; and the pay plan be reduced by 2% for all employee groups. He presented charts showing how the pay plan has grown and the revenues have not kept pace. Endicott said it was his personal feeling that as the finance director that he would be remiss if he did not advise the

Council that if costs are not controlled in the pay plan right now, in the out years we will not dig ourselves out of this hole very rapidly; it will still be a slow process even with this recommendation, but as painful as it is, this is the fairest way we could figure out how employees could participate in this painful year that is approaching. Endicott said no one likes to make a recommendation like this, it hurts us all from the very beginning employee to the very top and we are recommending that.

Endicott said we recommend changing the policy on sick pay in lieu, which right now we pay employees, they can accrue up to 96 hours a year and if so, we will pay them at the end of the year, but we want to change this program to where it goes on the end of the employee's time with the City, either through retirement or when they leave the City, they can accrue and it would not be capped but we would not pay a yearly amount as we do right now.

Endicott said the City Manager had addressed some of the health plan costs and benefits; we are recommending that all employees participate in the health plan costs by \$25 per employee and the City would continue to participate in the employees' health plan costs. There are some other issues included about the health plan and questions can be answered by the Human Resources Director.

Mitchell said he and Tim Golden looked at ten or 12 options and felt the option reflected in the budget would be best; it can bring the health plan back to solvency by increasing the single premium rate and asking single employees to contribute to the health plan; the City would also plug in about \$340,000 into that plan. Endicott said charts are included on all of the personnel adjustments and recommendations.

Endicott said the next area deals with programs and services. Everyone has different priorities and the recommendations included in the budget may be changed by Council. He said because of the \$5.5 million we continue to talk about, we are looking for large dollars when we have to look at programs and services, and the reason we chose some of these was due to the dollars involved and we tried to deal with priorities. One of the things being recommended is developing a central license and permit center; currently there are two license and permit areas or functions, one is under the finance department and one is under the building development or building code section. There are tremendous inefficiencies, all the time customers come in and say, you have to figure out what kind of permit they need before you can tell them which way to go, and it would be much more efficient to combine that permit center and have one complete license and permit center.

Endicott said we are recommending contracting out senior services programs to the Center for Creative Living; combine landscape maintenance and athletic maintenance; close neighborhood centers or reduce hours and reduce personnel.

Shanklin asked if Council was told that from the beginning about the cost of chemicals being more when we went into this new water treatment plant. Jerry Ihler, Public Works Director, said when we brought the package we told you the cost of construction and operational costs and showed ozone being the big cost. Shanklin asked if it was supposed to save money in the long run. Ihler said a 20 year cost analysis and savings in the cost of construction and operation showed it would be more cost effective with this option.

Haywood asked if senior services was being transferred to the Center for Creative Living. Endicott said there are two recommendations, one to contract out the senior services centers to the Center for Creative Living, and the other is recommending closing some centers. Mitchell said we think we need to reduce programs by about \$850,000 and we focused in on those activities that appeared to be in that range of cost so it is either doing X or doing Y or doing Z; if Council feels they want to do Y instead of X, then that's fine by us, we don't have any particular preference. Mitchell said that police, fire, public works and parks and recreation make up 75% of the budget and must contribute to the cost reductions. He said if the service is not maintenance in the parks, then it may be street sweeping or it may be reducing a street crew or something else but to get our budget balanced, we need to find about \$850,000 in reduced programs, so we are not necessarily saying this is our first choice, we're just saying here's one that the Council needs to look at; we've already had this discussion with the department directors and we have told them that at the appropriate time we can have those discussions but in order to bring you a preliminary budget that is balanced we had to identify something and so that is where we are.

Endicott said the stormwater management program needs to be addressed in the upcoming budget. This is a new EPA and DEQ requirement, a federal unfunded mandate. The Council approved a draft plan with the initial step in the program being public education, then progressing to three or four different classifications or categories as the plan is implemented. Oklahoma City and Tulsa have designated a surcharge on utility bills to help fund it, or from a portion of their licensing fees. Consideration in Lawton may be to fund it starting out by transferring a few dollars from our sewer rehab enterprise fund into this new program.

Endicott said there has been a request to use a portion of the franchise tax for enforcement of utility easements, so we may have to take revenue out of our franchise tax to do this and that is one of the topics we need to continue to look at. There is an item to consider capping the hotel/motel tax at its current level of \$450,000 and that will be a consideration for this year's budget. Council will receive an agenda item about transferring the prisoner overflow to the county jail, which will cost an additional \$100,000, The exact amount is not yet known and they are still

putting together the proposal, but funds would need to be included in the budget.

Endicott said on longevity, we are recommending in this budget year to change longevity for all new employees that start July 1, 2003, that they receive longevity after ten years of service; currently employees receive longevity after four years of service and it goes on the number of years of service, and maxes out at 21 years. The recommendation is that any new employee receive longevity after ten years.

Endicott said on capital outlay, \$1,362,700 is included for rolling stock. Items are listed as rolling stock for wheeled type vehicles and separate listings for "other" capital outlay at \$549,000 for computers, desks, chairs, and like items.

Endicott said this is the summary with a little more detail of what we believe will be saved if these or some of these recommendations are implemented. Deleting the vacancies would be about \$619,000. Freezing salaries, reducing the pay plan and changing the sick pay in lieu would be about \$1,759,000. Programs and services are \$853,000. Increase water and sewer - \$424,000. Additional revenue from Fort Sill, Goodyear and Geronimo is \$350,600. The Waurika payment would be \$1,344,000. Salary lapse is \$500,000. Take out of all of that the portion the City would fund of the health plan was \$322,000. That brings us back to the \$5,528,387.

Endicott said this kind of brings us back full circle to where we started. We believe we'll start the year at \$536,000 if everything goes well the rest of this year. We believe that our expenditures and revenues are on line, we will end the year with \$1,177,663 on July 1, 2004.

Warren asked if the \$500,000 coming back in to start the budget with as the carryover is the last \$500,000 of the rolling stock money. Mitchell said yes, and we told Council the capital outlay money would be the last dollar we spend, so yes.

Endicott said they organized the budget to have the graphs in one section and there is a tab stating supplemental information and in that there is a glossary of accounts of revenue and expenditure accounts. Something new that was added this year is behind the blue tab in that section is the authorized manning table and you will see the base salaries of all employees of the City of Lawton. Endicott said the numbers shown include the 2% reduction in salaries from this current year's salary, and that's about ten pages, then there is supplemental requests which shows all of the requests the departments made when we initially started putting the budget together for capital outlay.

Mitchell said each department was asked to provide a baseline budget and to submit in a separate package all of their supplemental requests that were over and above the current year budget, and obviously given the financial position there was not a lot of discussion about the supplemental budget requests. Each department was asked during budget reviews to prioritize those requests. Supplemental requests include 21 new or additional employees at a cost of \$1,124,000 that are not recommended or included for funding.

Endicott said Page One after the Budget Summary tab tells you everything that is behind it; everything behind page one is the detail and the breakdown of this page, and across the top part of the page where it says general fund, it shows you what we start with, what our projected revenues are, what our projected total resources are, that's projected revenues plus the carryover, then it shows the estimated operating expenditures, giving total expenditures, gives you the transfer in from the enterprise fund and gives you a projected balance over here at the end. There are some funds shown below that are dedicated funds like wastewater maintenance, drainage maintenance, hotel/motel tax, capital outlay; one of the things included is the reserve for disasters and grants at \$200,000 for FY 03-04 with a projected balance of \$338,000 at the end of '03-04. That page will save a lot of time in understanding the total budget.

Mitchell said a comment about that top line, it was obvious when Standard and Poors was doing our credit rating review that they paid a lot of attention to that page and since we may be looking at a CIP program and election in the fall of 2004, we think that projected balance really needs to look as good as possible coming in late 2004 or early 2005.

Shanklin said he had known for two or three years that we were headed to this dilemma that faces us right now, and this is a different format which is by far the most informative, quick at your fingertips that he had ever seen. He said you addressed the problems and we should not have to go through line item by line item because it is spelled out and the Council should look at some of the detail and see what the majority want to do. Shanklin said any time we have give pay raises, those are compounded, they are in there forever.

Mayor Powell said everyone can study the material and questions can be presented at the next meeting. Mitchell said the next budget meeting is set for May 20 and they would like to focus on revenue and will need some sort of consensus from the Council on what the preferences are as far as revenues because without that number, you cannot determine expenses. Mayor Powell said we do not have a lot of control over the revenues. Mitchell said you have control over utility revenues. Mayor Powell agreed and said the sales tax and sale of water and those kinds of

things are not controlled. Mitchell agreed.

Mayor Powell said as he had expressed to Mr. Endicott, he did not totally agree with increasing 2% on sales tax; we appreciate that the City of Lawton-Fort Sill has stayed above the state and nation well knowing that many places are down 5% - 7%. He said we are a little risky by going out 2% but knowing that there are new businesses he could see why it would be projected and even think higher than that in hopes that it does happen.

COMMENTS.

Mayor Powell welcomed Randy Warren back as a member of the City Council, and welcomed Jeff Patton to the City Council.

Mitchell said he thought we put together a very professional budget product, there is a lot of information that you probably have not seen before, and he also wanted to say that it was probably the hardest thing for him to do. He said it is probably a city manager's worst nightmare to try to address and deal with a \$5 million budget deficit. Mitchell said it was a very unpleasant thing for him to do from that perspective; we have done everything we can to minimize layoffs and furloughs and that sort of thing and he hoped the City employees recognized that.

Mayor Powell said the monument at Lawton's entrance was being portrayed on the back wall and it did not cost the City of Lawton one penny, it was donated by a local monument company, to include the inscription since we are discussing cutting the budgets. He said three more have been donated for the west and south entrances to the community.

Mayor Powell asked if any staff member wanted to speak and be extremely brief tonight, and asked if the staff had access to the budget workbooks. Mitchell said yes, they would distribute them and that they had received several requests but decided they would like to share them with the Mayor and Council first, with no offense to anyone in the audience. Mayor Powell said in view of the fact that copies of the handout would be provided, and he would say that none of them like what they had heard tonight but in some manner, this is not the final of what will be done but it will be something close to it in all probability, but everyone should stick together and hope for the best for everybody.

There being no further business to consider, the meeting adjourned at 6:45 p.m. upon motion, second and roll call vote.