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MOVED by Warren, SECOND by Devine, to approve appointing Kathy Fanning as Acting City Clerk effective Monday morning at her current salary plus working out of classification pay of 10% not to exceed 90 days, then appoint Melody Cudd as Acting City Clerk at her current salary plus out of classification pay of 10% for a period not to exceed 90 days. AYE: Shanklin, Patton, Haywood, Warren, Bass, Devine, Ewing-Holmstrom. NAY: Hanna. MOTION CARRIED.

1. Continue discussions on the FY 2003-2004 Preliminary Budget for the City of Lawton. Exhibits: Sales Tax Information; Waurika Surcharge Information.

Mitchell reviewed information provided with the agenda concerning sales tax rates. Rick Endicott, Finance Director, said Police, Fire, Parks & Recreation, and Public Works are the largest departments and budget review would begin with them.

POLICE DEPARTMENT

Chief Thorne and Deputy Chief Johnson reviewed the Police Department budget proposals. Each department had been asked to keep spending levels the same as the current year's budget due to funding constraints and to submit a supplemental request for any other items. Thorne said many officers had retired and there will be additional training costs for replacements and for those promoted. The supplemental request was for eight officers and two civilian personnel. There is insufficient manpower for the duties that have been added.

Activity 65, Headquarter Division, shows a decrease in "other expenses" because grant match funds were placed in the City at Large account rather than in each department's budget. One officer was moved from patrol to headquarters. Capital outlay for Activity 66 is \$207,000 for six patrol vehicles; none were purchased last year. The patrol units will include radar, cameras, radios and all needed equipment. Older units will be phased out of use when the new units arrive. A problem had been found with the Crown Victoria standard police package units. The manufacturer notified the City of the problem and the existing units in service have been retrofitted to take care of the defect. Twelve cars were included in the supplemental request due to lack of funding for cars in last year's budget. One of two cars have been totaled in accidents during the year but they were the fault of the other driver and the City received insurance settlements of around \$5,000 but lost the cars. Additional training had been provided for officers to improve in driving and prevent additional accidents.

CID Division has transfers within accounts to meet changes in the contracts; request is for one unmarked vehicle. Technical Services has a supplemental request for funding for prisoners' food. \$22,000 was taken from other accounts this year to provide food since there are more inmates. Funds are requested for training on the OLETS system which is a legal requirement. There is a request for \$8,500 for a new microfilm reader/printer; parts cannot be obtained for the existing equipment.

Discussion was held on costs involved in officers retiring and training for new officers, uniforms and equipment for new officers, and providing weapons for new officers because officers take their service weapons with them when they retire.

Mitchell said work on the budget started in January and departments were asked to stay within current budget amounts but the full extent of the problem was not realized at that point. Supplemental requests were submitted by departments to show the additional needs but funds were not available to approve those supplemental requests.

The number of officers available at any given time was discussed; there is no state or federal mandate requiring a certain number of officers in proportion to the population but there are guidelines depending on the area of the nation. Staffing for DARE, COP, and motorcycle officers is not available or greatly reduced. The cost of adding 18 officers was discussed as well as some vehicles having two officers to prevent having to call for back up as much. A question was asked about whether a person should stay in their car during a traffic stop or get out, and Thorne responded that the officer would give that direction based on various circumstances he would evaluate. The effect of the 2% salary reduction and other budget reduction measures on the personnel and ability to recruit was discussed. The effect of the budget reduction on an officer was estimated at \$2,000 to \$3,000.

Review of the Police budget ended at 7:15 p.m.

FIRE DEPARTMENT

Chief Hadley and Deputy Chief Brooks reviewed the budget; the 200 and 300 accounts are about the same as last year. Some personnel costs are dependent upon union negotiations. \$40,000 for matching grants was placed in the City at Large account and it will be available if needed. Endicott said \$93,000 was placed in City at Large for matching grants and it is designated by department. Hadley said there is a need for training funds due to EMT,

hazardous materials and other programs that would benefit the public in receiving a firefighter response.

Deletion of nine firefighter positions was discussed. Salary reduction for a driver with ten years of experience under various union negotiation scenarios could be \$8,000 per year. Shanklin asked if it would be \$3,000 for a police officer but \$8,000 for a firefighter driver. Hadley said the firefighters have incentives that are built in above their salaries and one proposal was to eliminate those incentives. The number of firefighters retiring and how deleting nine positions would affect the ISO insurance rating for Lawton was discussed. Loss of positions could increase ratings from Class 3 to a Class 4 but that had not been verified.

Hadley explained that no stations would be closed and the equipment would be rearranged to accommodate deleting nine positions. Quint Two with the 75 foot aerial ladder at Station 4 on Cache Road would not be manned but would be available as a reserve unit. Manning requirements to comply with ISO ratings were discussed and that standard requires calling in firefighters on overtime to prevent manning from going below 32. This number would drop to 29 under the proposal to eliminate nine positions which could affect the insurance ratings, however, those ratings are done by each company and on an area wide basis.

Mitchell asked how many were drivers. Hadley said there are 36 drivers. Mitchell asked how many pieces of equipment there were. Hadley said ten front line, two brush pumpers, two at the airport; about 14-15 altogether and not all of those are manned all of the time. The rank of driver is paid more than the rank of firefighter. Hanna asked if a driver would go back to a firefighter if nine positions were deleted. Hadley said we would lay off three lieutenants, three drivers and three firefighters, assuming we did not have attrition, then demote three junior lieutenants to driver and demote six drivers back to firefighters so we would have 21 lieutenants instead of 24; we would lose three in each position by doing it that way and that is by contract. The effect of salary reduction on retirement is that retirement is calculated on the highest 30 months salary so a reduction for a long period of time would have a detrimental impact on retirement.

An increase in electricity and natural gas costs was noted. Funds remaining from accounts such as these will stay in the general fund to support the carryover for the following year's budget.

Endicott said the incentive costs are included in the preliminary budget; figures show a 2% salary reduction and freezing steps for the next year. A contract is still being negotiated. Devine asked the effect of rolling the contract and Mitchell said there are insufficient funds to do so.

Fire Department budget review concluded at 7:40 p.m.

MOVED by Patton, SECOND by Shanklin, to recess for ten minutes. AYE: Patton, Haywood, Warren, Bass, Hanna, Devine, Ewing-Holmstrom, Shanklin. NAY: None. MOTION CARRIED.

The meeting recessed from 7:40 to 7:50 p.m. and roll upon reconvening showed all members present.

PARKS & RECREATION DEPARTMENT

Kim Shahan, Parks & Recreation Director, introduced Richard Bonine, Recreation Supervisor; Gerald Catlett, Parks & Grounds Supervisor; and Margaret Chalfant, Arts & Humanities Supervisor. Shahan distributed a different budget proposal than the one in the published preliminary budget. Dollar amounts of each proposal were the same. Shahan said his proposal would not impact the service to the public as much as the City Manager's proposal. Account 100 (salaries) are reduced by \$164,675; Accounts 200 and 300 are reduced by \$308,330.

Shahan's review is summarized as follows:

The Lake Superintendent position has been vacant and will not be filled. Parks and Grounds will do the maintenance and Recreation Services will collect fees.

Senior citizens will receive service on a reduced basis. Several full time employees will have their hours reduced to 30 or 20 hours per week, instead of the current 40 hours. Recreation and Senior Services will be allowed to continue under Shahan's proposal. Reductions were made in the 200 accounts. Capital outlay for the lakes was deleted and funds are recommended to be used for salaries and operations.

Reductions in service include offering one practice a week instead of two. Senior program will have two part time at 30 hours a week and two at 20 hours a week. Activity 44, reduce centers, 3 part time at 30 hours and 2 at 20 hours. Sports - 2 coordinators go from 40 to 30 hours. Recreation centers are open from 1 to 9 p.m. now and it would be 2:30 to 9 p.m. Tuesday through Saturday during the school year.

The senior program is Monday to Friday 8 to 5, Town Hall 8:30 to 2. In this proposal, the hours would remain the same at Town Hall. The High Rise and Pleasant Valley would have normal operation but two hours less on Thursday and close on Friday. The nutrition program would still go on there with the County as it does now. In

response to a question from Ewing-Holmstrom, activities at Town Hall are crafts and the building is available for public rental. Arts for All has an office in the basement.

Numbers of participants in the various programs were reviewed. One page of the proposal shows employee reductions and another shows possible revenue increases but that portion was not meant for consideration at this time.

Shanklin said he did not know or understand that you could reduce the hours of a full time employee in the manner described. He said those persons are invested in certain incentives that may be affected. Shahan said they would have insurance.

Haywood asked if programs and employees could be restored if it is a hot summer and funds become available. Endicott said monthly reports will be provided to Council and actions can be taken at Council's discretion. Haywood said once you take away something, it is hard to get it back.

Shanklin said he was satisfied with the plan as long as senior services was not being eliminated. Hanna agreed. Warren asked how the employees were affected by the proposals. Shahan said his proposal would save all of the employees except the part time. Endicott said a process would be required in reducing full time to part time, those positions you would have to eliminate from the budget and then reinstate part time so the 40 hour employees would have to be terminated as full time, then the hiring process would begin for part time. The other part is the capital outlay which is funded by the \$3 charge on the utility bill and this \$230,000 is shown coming from that source but the proposal is to use it for operations.

Warren asked how many were rolling stock. Shahan said a motor grader and a dump truck. Warren said he thought the City Manager and director should work out the service level to fit the dollars available. Shahan said 12 people would be eliminated in the City Manager's proposed budget; in January we submitted the budget and we came to this in the last five months trying to reduce. Mitchell said he had not had a chance to digest what Shahan had presented tonight but it was his philosophy as City Manager that if the numbers are close, he will work with the directors and adjust to their recommendations if we can work it out. He said he was concerned about \$200,000 in capital outlay being used to fund the operation of the department. Mitchell said he was nervous that some operations may have funds available only through February and that can be revisited if needed. He said Haywood made a good comment that as revenues increase, we can reinstate and he was receptive to any suggestions of directors in maintaining services but had not had a chance to digest the information.

Shahan said the proposal submitted in terms of dollars reflects the hourly wages the employees currently make. He asked about the statement about the positions being closed and reopened. Vincent said he would look into it further and the RIF provisions may come into effect if an employee is reduced from 40 hours to 20, which could cause some additional costs. Shahan said the two senior programming employees at 40 hours are going to 30 hours and two others at 40 hours are going to 20 hours.

Bass said you cut a motor grader and dump truck but there is \$50,000 for a project. Shahan said that has been eliminated also. Ewing-Holmstrom said there is \$2,577 for travel and Shahan said it is for training for the senior services employees.

Mayor Powell said Shahan was doing a great job and he appreciated his department.

Hanna asked Shahan which plan he recommended and Shahan said the plan he had presented. Parks & Recreation budget review concluded at 8:25 p.m.

PUBLIC WORKS

Jerry Ihler, Public Works Director, and Mike Shaw, Deputy Public Works Director, distributed a handout which they reviewed. There are 15 divisions. One Deputy Director of Operations position will not be filled so Equipment Maintenance, Animal Welfare and Solid Waste will report to Public Works Admin. Six positions are recommended for deletion. Some divisions are funded through special revenues; the animal welfare capital outlay is funded through a special account. Sewer Technical and Construction is funded from 1995 CIP in the beginning, then through the OWRB loan program and the \$2.35 on each utility bill. This is for the first seven-year phase of the program which ends June 2005. The pay back is for 20 years. Phase Two begins July 2005 and funding will be required for that also. Phase Two's estimated cost is \$28 million, which could require an additional \$5 per utility bill.

The drainage maintenance is funded by \$1 per utility bill. Wastewater Maintenance is an EPA mandate where all sewer mains must be cleaned over a five-year program; Lawton agreed to do that on three, five year cycles for a 15-year program. The first cycle was completed in June and the second cycle is beginning. There are new regulations and EPA mandates that cities will have to make this permanent.

Bass asked if funds from the \$1 assessment were spent last year. Ihler said \$600,000 was spent and drainage maintenance carries its balance forward from year to year, rather than any remaining funds going to the general fund. Funds are sometimes allowed to remain to be able to purchase specialized equipment.

Ihler said a second notice of violation was received regarding water treatment and the ozone will help with the total organic carbon removal. \$320,000 is included for purchase of four packer trucks. None were purchased last year and it is customary to purchase three each year. A superintendent was not hired for the landfill last year and the duties were carried out by the assistant director of operations but that position is being deleted.

Sewer construction shows a \$300,000 increase. A separate sheet was distributed showing the increased cost of materials and supplies, including increased pipe costs. Mayor Powell asked that staff obtain the needed pipe from the local Silverline Plastics factory. This will be explored.

Ihler emphasized the need to be able to retain field personnel. Positions have been deleted in the past where there were vacancies, but it is difficult to be able to assemble a crew without enough men so an effort is needed to retain all field personnel positions.

Ihler said the department has been reduced to a point that a need exists to determine priorities of which services should be provided and which should be discontinued. The recommendation was to discontinue residential street sweeping as one option because it would be more agreeable to the community than someone having to wait longer to have a sewer backup abated, for instance. Another recommendation would be to go to once a week trash pickup, although this has been discussed numerous times in the past and the public indicated a strong desire to retain twice a week service.

Shanklin said he had heard remarks from those under Ihler about privatizing the solid waste and landfill. He said his objective was to see if money could be saved and that Norman uses different, less expensive equipment than Lawton and it might be worth looking into using it here also.

Shanklin said Ihler has 15 divisions, 300 employees and is probably under paid. Ewing-Holmstrom said she appreciated the candid remarks that any further reductions would have to result in services and activities being cancelled.

Shanklin said a letter from David Wingate said a council member dictated that the Street Division not be allowed to keep the alleys clean in Old Town North. He asked why he would do that and said there was no reason and he did not like the letter and could not believe it. Shanklin said he had asked Mitchell if we pick up all trash that is placed in the alleys, regardless of the regulations, and the answer was yes. Shanklin said he did not agree that our crews should pick up everything that may be tossed out instead of picking up what is allowed under the ordinance. Ihler said the previous City Manager sent a letter in August 2002 asking Council about this and the consensus was for the crews to continue to pick up whatever is placed on the curb or alley by the resident. Shanklin asked that Mitchell look into and respond as far as the letter signed by David Wingate.

HUMAN RESOURCES

Tim Golden, Human Resources Director, said his budget was lower due to the 2% salary reduction. The educational incentive program was recently changed and costs should be in line as a result of that action. The employee injury prevention program began in 1992 and has reached the point where an employee without an injury for 11 years would receive a \$500 savings bond for high risk areas, and \$200 for low risk areas. This will increase the cost of the incentive an additional \$19,000. Golden said the program is good but it is a hard budget year and it is a decision to be made. Discussion was held with regard to the merits of the program and the duties of the Safety & Risk Officer. Bass suggested the members be allowed to read the policy and give it some thought before making the decision. Golden said a decision will be needed prior to the start of the next fiscal year or the City would be bound by the policy and employees would be entitled to the incentives.

Golden explained the professional services account and the travel and training account which pays for employees in any department to attend college. Reimbursement rates were given.

Human Resources budget review concluded at 9:15 p.m.

COMMUNITY SERVICES DEPARTMENT

Bob Bigham said community services administration is recommended to be eliminated. The Assistant Planning Director would be given the combined duties as the director. Activity 19 is mass transit at \$446,728. This is matched by FTA. Shanklin said he thought it was to go to \$250,000 a year. Bigham said some additional capital was being purchased and he would provide additional information. Benches and signs are being installed now.

Activity 21, Planning, a part-time secretary is recommended to be added partly due to the number of grants

requiring additional clerical support, and grant funding being available to pay for this support. Devine asked if any benefits are provided to a 20 hour a week employee. Additional information will need to be provided to answer several questions with regard to part time employees.

Activity 23, Inspection Services, shows an additional plumbing inspector and a code enforcement officer. Funding for these comes from deleting the Health Department contract for \$108,000.

Devine said an inspector should be available at all times instead of all of them being at Wal Mart. Bigham said that was a unique occurrence for them to do a team inspection for a big project.

Bigham said the license function in Revenue Service is moved to License and Permits in Community Services to avoid the confusion of having two license offices.

Bigham said Council recently adopted a resolution and a policy to provide funds to certain individuals who install back flow valves to prevent sewer backup damage. Funds were not provided for this program and action is needed in that regard.

Ewing-Holmstrom asked why the telephone and postage went from \$397 two years ago to \$3,500. Endicott said he thought they were trying to buy a new telephone system with voice mail.

Tom Aplin reviewed all sections of the Community Development/Housing budget. Aplin gave revised figures for the 100 accounts that were received following HUD approval of the consolidated plan, which was estimated previously. It was noted that all other employees would be frozen in step and receive a 2% salary reduction so the addition of these amounts to the personnel accounts was questioned and will be looked into. Reducing costs for copying and newspaper publication was discussed as to how the use of technology could improve the information flow and cut down on costs such as these.

Activity 81, Neighborhood Services. Bigham said the hazard mitigation storm water plan is 80% complete. Funding will not be required this year but would be required in the future. It is a federal mandate. Mitchell suggested the sewer rehab funding could be used to start the program. Some members disagreed and a decision will be needed in the future.

Angie Alltizer said Account 231 shows an additional \$25,000 for demolition and that was from the proceeds from the County Treasurer received through litigation.

Mitchell said the major change is whether or not to continue the contract with the Health Department.

Alltizer said funds for nuisance abatement mowing are in the Parks & Grounds budget in the amount of \$70,000.

A print out of dues and memberships was requested showing what organizations employees are members of where the City pays the dues.

The Health Department contract has been \$108,000 for several years. \$41,000 was for additional food service establishment inspections; \$45,000 was for mosquito abatement. Haywood asked who would provide that service. Bigham said no one. Alltizer said the City could assume the responsibility and she explained that larvacide is the most effective method. Haywood asked that the Health Department spray the park for mosquitoes prior to the Juneteenth Celebration.

Bigham continued saying \$2,500 was for flu vaccines for City employees; additional inspections for home day care, notices for standing water, taverns, \$15,000 for food handling classes and permit. This is a local requirement and is not mandated by the state. Discussion is needed on how this will be handled. It was pointed out that Lawton is the only city in Oklahoma that has a contract with a state health department; Norman spends \$10,000 a year to spray for mosquitoes and we pay \$45,000. Bigham was asked to provide written information on his previous statements and Council will take the matter into consideration.

Endicott asked if there was a consensus on any of the issues discussed to this point. Warren said everyone seemed to like the Parks & Recreation plan Shahan presented and that someone should check into the personnel figures for CDBG. Shanklin asked for information on the \$4.50 water increase for both inside and outside residents. Vincent said he thought there was interest in increasing outside rates to 1-1/2 times the inside rate. Ewing-Holmstrom said she would not vote for the budget until it was reduced.

Endicott asked about the \$19,000 safety incentive program. Mayor Powell suggested capping it. Ewing-Holmstrom spoke in favor of deleting it in favor of saving jobs. Mitchell said the item would be returned for Council action.

Bass expressed concern that the Parks & Recreation plan included using capital outlay funds and that was not supposed to be done. Vincent said a resolution would be required to amend the fee. Bass said continuing to use

capital outlay funds for operational expenses was not a good idea. Shanklin agreed. Ewing-Holmstrom said funds are spent for trips to the Oklahoma City Zoo and retaining the fire protection was more important in her opinion.

ADJOURNMENT:

MOVED by Shanklin, SECOND by Hanna, to adjourn. AYE: Warren, Bass, Hanna, Devine, Shanklin, Patton, Haywood.
NAY: Ewing-Holmstrom. MOTION CARRIED. Adjourned at 10:20 p.m.