



WATONGA CITY COUNCIL MEETING MINUTES FOR AUGUST 17, 2021

In accordance with the Oklahoma Open Meeting Law, this Agenda was posted August 13, 2021 Prior to 5:00 PM. at the Watonga City Hall, on the door of the City Clerk's Office, located at 117 North Weigle, Watonga, Oklahoma.

The City Council of the City of Watonga did meet at 6:00 PM on Tuesday, August 17, 2021 in the **Council Chamber** of Watonga City Hall, located at 117 North Weigle, Watonga, Oklahoma for a scheduled meeting.

Invocation & Pledge of Allegiance:

Council Present: Travis Bradt, Allen Cowan, Lindsey Doyel and Mayor Bill Seitter. Also present, City Manager Larry Mitchell, City Attorney Jared Harrison and City Clerk Verlen Bills. Ladina Willis absent.

Declaration of a Quorum: at 6:02 PM.

AGENDA

1. **Approve the Minutes** of the previous Council Meeting held July 20, 2021

Allen Cowan made the motion to approve the Minutes of the previous Council Meeting held July 20, 2021. Motion was seconded by Travis Bradt.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye B. Seitter aye

Motion carried.

2. **Approve the Minutes** of the Special Council Meeting held July 28, 2021

Motion to approve the Minutes of the Special Council Meeting held July 28, 2021 was made by Travis Bradt and seconded by Lindsey Doyel.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye B. Seitter aye

Motion carried.

3. **Approve the Minutes** of the Special Council Meeting held August 6, 2021

Motion to approve the Minutes of the Special Council Meeting held August 6, 2021 was made by Allen Cowan and seconded by Travis Bradt

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye B. Seitter aye

Motion carried.

4. **Approve the Minutes** of the Special Council Meeting held August 12, 2021

Travis Bradt made the motion to approve the Minutes of the Special Council Meeting held August 12, 2021. Motion was seconded by Lindsey Doyel.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan abstained L. Doyel aye B. Seitter aye

Motion carried.

5. **Approve the Monthly Reports** from EMS, Fire Department, City Treasurer, Library, Police Department and Community Development.

Mayor Seitter asked about a discrepancy in some of the numbers.

Interim Police Chief Aron Vales replied that was just a technical error and will be corrected next month.

Officer Vales went to explain an oversight in last months report. Doug Jackson and Anitra Harper are two essential individuals and should have been mentioned.

Travis Bradt made the motion to approve the Monthly Reports from EMS, Fire Department, City Treasurer, Library, Police Department and Community Development. Lindsey Doyel seconded the motion.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye B. Seitter aye

Motion carried.

Ladina Willis in attendance at 6:11 PM.

6. **Review and Accept** the list of Claims against the City of Watonga for the month of July 2021

Mayor Seitter: Again, I would like to make the comment, this is August and we are still seeing claims from the previous fiscal year. Our current practice is to issue the purchase order when we receive the invoice. We are into the second month of the fiscal year and we do not know for certain where we stand financially. Purchase Orders need to be issued before the debt is incurred.

Dacia Phillips from RS Meacham, the invoices from the previous year will be applied to the previous year's budget. We should notify the Department Heads of the need to insure all of the previous fiscal year's invoice do get turned in.

Mayor Seitter and Ms. Phillips continued to discussed this issue for a short time. The idea of Blanket Purchase Orders was mentioned. Mayor Seitter was concerned about the end of the fiscal year and trying to have a proper Estimate of Needs for the start of the fiscal year. Ms. Phillips admitted that it does get complected at times.

Mr Cowan asked about medical bills for the K9 Unit. Should this be at the end? (The K9 dog had been officially retired last month.)

Mr. Mitchell and City Treasurer explained that it should be. This is paid from a special account funded completely by donations. After this bill was paid there is approximately \$300.00 in this account. As it was donated for the specific purpose, the money will sit unless we acquire another K9.

Mayor Seitter asked, will we notify all of our vendors so that they will know we need invoices before the end of September?

Ms. Phillips noted that we have published the required legal notice.

There was debate as to whether or not this was sufficient notice to the vendors.

Mr. Cowan asked, in Code Enforcement, what determines the rate we pay for property cleanup?

Mr. Mitchell: It will depend on the condition of the property. It may also have been mowed previously and this would be a re-mow which is much easier to do.

Mayor Seitter: I have talked with our Code Enforcement Officer Mike Herdman about making sure we have an agreement with the contractor before the work is done.

Mr. Bradt asked about the invoice to Robbin's Roofing.

Mr. Mitchell replied, that was for the roof on the DHS Building. That roof is 20 years old and it looked like preventative maintenance was in order. We should consider setting aside money for a new roof in the very near future.

Motion to accept the list of Claims against the City of Watonga for the month of July 2021 was made by Allen Cowan and seconded by Travis Bradt.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

7. **Approve the Monthly Financial Report** for July 2021 from RS Meacham.

Ms. Phillips: To start, the General Fund, this is the first month of the year so the monthly column and the year-to-date will be the same. The third column is the Annual Budget. One month into the year, we would like revenues to be at 8.33 percent or higher and expenditures to be at 8.33 percent or lower.

Our total revenue for the month is \$174,273. That is just under 10% of budget which is good. We do budget conservatively for Sales and Use Taxes and other recurring tax revenues. Expenditures should be 8.33 percent or lower and we are at 290,861 which is 7.71 percent of budget, also good.

As you can see, we are over budget in a few areas of the General Fund. There was \$32,470 for insurance premiums, but that is an annual payment.

There was the \$5500 for the fireworks, also a one time item, and the roof repair at the new building \$4839 that Mr. Bradt mentioned. These were some of the items that put us over budget early in the year. After interest, income and transfers, we had expenses in excess of revenues of \$16,071 year-to-date.

The next page of the Report is the Water & Light Funds. The electric operating income which is electric sales minus electric expense is \$171,988. This is 17 percent of budget. This time frame is of course one of the highest usage months and reflect more of June sales over July sales.

Water operating revenue is at \$31,683 or 20% of budget. Our sewer operating income is at \$9,228 and our garbage operating income is at \$15,830 which is better than budget. One of the higher expenses in electric this month was \$12,500 for our quarterly line maintenance payments. After administrative revenue and expenses and transfers to other funds, we have net income of \$149,099. There was a glitch in the printout that showed a capital expense that should not be.

In the Grant Fund there was not much activity, just an expenditure of \$1,131.

In the Public Works Fund there was income of \$7,286 and expenditures of \$35,057. \$15,000 of that was for jet fuel purchase. We spent about \$6,000 for a runway sweeper but I think that is in materials and supplies and will get moved to a Capital expense. The Capital Expense showing on the report is for Fence Repair. After other income and expenditures, we have net loss for year-to-date of \$24,919. But \$15,000 of it was purchase for resale, and we had about \$11,000 in capital purchases.

It was discussed that Insurance will eventually pay for the fence repairs but we do not know when we will receive the money.

Ms. Phillips continued, in the Sales Tax Account, revenue was \$17,872 or 10% of the annual budget. The only purchase was a new Heat and Air Unit for the Library. So after other income in and transfers there was a net income of \$6337 year-to-date.

And finally, the Street and Alley Fund there was revenue of \$2605, which is approximately 26% of budget.

In Sales Tax, we collected \$184,844 in August. To compare the first two months of the fiscal year this year against the same time last year there was a \$4,100 increase or about 1.14 percent.

In Use Tax, for the two months of the fiscal year, we have collected \$60,413 for an increase of \$21,941 over the same two months last year or a 57.03 percent increase.

I usually mention that Use Tax is extremely unpredictable but it nice to see the increase in collections over the previous year.

Motion to approve the Financial Report from RS Meacham presented by Dacia Phillips was made by Allen Cowan and seconded by Lindsey Doyel.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

8. **Consideration and Discussion** a Water Rate Analyst Report prepared by Randy Clark with the Oklahoma Rural Water Association.

Mr. Mitchell introduced Randy Clark and explained that this was in part due to the major expense anticipated to treat Watonga water for nitrates.

Randy Clark did a rate comparison of the Water and Sewer Rates we currently charge versus the rates we need to charge in order to recover the cost of depreciation and upgrades such as a Nitrate Removal Plant. Mr. Clark noted that we should separate our water expense and sewer expense for a better accounting of the water and sewer rates.

Mr. Clark explained how he calculated the numbers in the charts. Initially the numbers look good with an operating ratio of 1.82 which looks good to the banks.

Our Water and Sewer Systems are depreciating as we speak. For depreciation, we should be putting back approximately \$17,212 per month for water and \$17,457 per month for sewer.

Mr. Clark continued and explained how he used the depreciation calculations to determine the suggested rate increase.

The increase would not have a major impact on the average residential bill. Mr. Clark suggested that we need to raise the base rates some and that we not include the first one thousand gallons in that base rate.

Mr. Clark recommended we charge the sewer rate directly from the water usage. When questioned about sprinkler use, he recommended, for those that do a large amount of yard sprinkling use a second meter with a water rate for sprinkling water only. He suggested that some communities are doing this for yard sprinkling and for swimming pools. Mr. Clark was not in favor of the sewer rates being set by winter averaging water usage as done in Watonga.

Mr. Clark went on to explain some recommended increases in the commercial rates and small commercial users would not see a large increase. He then described the summary of his report. The base rate should cover two thirds of the operating expenses. He suggest that we do a small rate increase annually, three percent depending on inflation. Your water and sewer systems operations need to be sustainable. If we were to adjust our rates as he recommends, we would be putting aside approximately \$416,000 next year for depreciation with only a small increase to the customer.

It was asked how Watonga compares to other communities. Mr Clark hesitated to answer because every community is different. He did give a range of what other communities charge and Watonga was on the lower end of the range.

Dacia Phillips and Mr. Clark discussed the Capital Improvement Fee we currently charge. Mr. Clark suggested that if we apply his suggested increase we could eliminate the Capital Improvement Fee.

Mayor Seitter asked how the math worked out. How could we generate this much for depreciation with just a small increase in rates.

Mr. Clark answered that we are already collecting some of this money, it just is not showing in a depreciation account.

Mayor Seitter asked where is this money? Ms. Phillips, Mr. Mitchell and City Treasurer Rodney Jacks discussed how this is currently working and how we might make some changes. It was noted that making some of these changes could also make us look more attractive for grant considerations.

Mr. Clark noted that we should consider doing this review every year and he is willing to help us. We need to consider that we owe sustainable infrastructure to the next generation

Council consensus was agreeable.

9. **Consideration, Discussion and Action:** To approve an Interlocal Government Cooperation Agreement with Blaine County Sheriff's Office to provide detention facilities for the City of Watonga.

Mr. Mitchell: This is a repeat from last year when we separated services into different agreements with the Sheriff's Office. The rate is \$27.00 per day to house prisoners at Blaine County Jail.

Interim Police Chief Aron Vales: This is about one fourth of what others would charge to house prisoners. Officer Vales listed the prices from several other area County Jails pointing out that Blaine County was considerably less.

City Attorney Jared Harrison: At sometime in the future, the City should look at recouping these expenses from the offender.

Officer Vales noted that we need to include these fees into the Court Cost.

Mayor Seitter suggest that the city should consider trying to recover some of this expense.

Mr. Harrison: I will have something on next month's Agenda for Council to consider.

Motion to approve an Interlocal Government Cooperation Agreement with Blaine County Sheriff's Office to provide detention facilities for the City of Watonga was made by Allen Cowan and seconded by Ladina Willis

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

10. **Consideration, Discussion and Action:** To approve a Lease Agreement with the Watonga Community Theater Group for the use of the Liberty Theater and associated building located at 115 E. Main St. and 113 E. Main St.

Ms. Pat Curtin presented a crisp one dollar bill to Council to pay the annual lease agreement. She thanked several for the help provided to her and the Theater Group. She commented about a few of the things they were trying to get repaired and cleaned up.

Travis Bradt made the motion to approve a Lease Agreement with Watonga Community Theater Group for the use of the Liberty Theater and associated building. Motion was seconded by Ladina Willis.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye
Motion carried.

11. **Consideration, Discussion and Action:** To approve the 2021 Community Development Block Grant (CDBG) Geographic Information System for Capital Improvement Planning (GeoCIP) Project Narrative.

Mr. Mitchell: This is for a \$26,000 grant to help map out our Fire Hydrants and water system. The meeting before earlier this evening was part of this process.

Mr. Harrison commented that he had seen GeoCIP used elsewhere and is impressive.

There was some group comments about having some proper maps of the City's Water System.

Motion was made by Allen Cowan and seconded by Lindsey Doyel to approve the 2021 Community Development Block Grant Geographic Information System for Capital Improvement Planning Project Narrative.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye
Motion carried.

12. **Consideration, Discussion and Action:** To approve the 2021 CDBG GeoCIP Capital Improvements Resolution No. 2021-7

Mr. Mitchell noted that this was just following through with the Grant process.

Motion to approve the 2021 CDBG GeoCIP Capital Improvements Resolution No. 2021-7 was made by Allen Cowan and seconded by Travis Bradt.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye
Motion carried.

13. **Consideration, Discussion and Action:** To implement a CDBG GeoCIP Citizens Participation Plan.

Mr. Bradt asked, are there any expenses to the City with this grant.

Mr. Mitchell replied, there may be some incidental expense. Some staff support and paper work. But there is no grant match or similar funding required.

Motion to implement a CDBG GeoCIP Citizens Participation Plan was made by Allen Cowan and seconded by Lindsey Doyel.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

14. **Consideration, Discussion and Action:** To approve the CDBG GeoCIP Disclosure and Certification Report.

Lindsey Doyel made the motion to approve the CDBG GeoCIP Disclosure and Certification Report. Motion was seconded by Allen Cowan.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

15. **Consideration, Discussion and Action:** To approve Resolution No. 2021-8 establishing a Fair Housing Policy for the City of Watonga.

Mr. Mitchell: These are standard requirements for Federal Grant Monies even though this has nothing to do with housing.

Motion to approve Resolution No. 2021-8 establishing a Fair Housing Policy for the City of Watonga was made by Allen Cowan and seconded by Travis Bradt.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

16. **Consideration, Discussion and Action:** To approve the Residential Anti-Displacement and Relocation Assistance Plan.

Travis Bradt made the motion to approve the Residential Anti-Displacement and Relocation Assistance Plan. Motion was seconded by Lindsey Doyel.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried.

17. **Consideration, Discussion and Action:** To approve Resolution No. 2021-9 creating a Local Planning Activity Committee (LPAC).

Lindsey Doyel made the motion to approve Resolution No. 2021-9 creating a Local Planning Activity Committee or LPAC. Motion was seconded by Ladina Willis.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye
Motion carried.

18. **Consideration, Discussion and Action:** Enter into executive session for confidential communications between the City Council and the Municipal Attorney regarding the pending case *Julia Barbara Cosby vs City of Watonga et. al.*, as authorized by Title 25 O. S. 307 § (B)(4).

Motion to enter into executive session for confidential communications between the City Council and the Municipal Attorney regarding the pending case *Julia Barbara Cosby vs City of Watonga et. al.*, as authorized by Title 25 O. S. 307 § (B)(4) was made by Travis Bradt and seconded by Lindsey Doyel.

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye
Motion carried at 7:12 PM.

The City Council and the City Attorney did discuss the pending case, *Julia Barbara Cosby vs the City of Watonga*.

Mayor Bill Seitter declared the end of executive session and reconvened the open Council Meeting at 7:43 PM.

19. **Council Comments:**

There was discussion among several about the Water Rate Analyst Report presented by Randy Clark with the Oklahoma Rural Water Association. The group determined that we should look at this again in more detail.

20. **Mayor Comments:**

I want to thank our City Employees for what they do. And a special thanks to Park Superintendent Donnie Dunn and his crew, getting the ditches south of town sprayed and cleaned up.

I received a call from Brent Almquist, if you recall, he is the District Engineer with the Department of Transportation out of Clinton. He would like to come and meet with us again to talk about the drainage problem south of four corners. Travis Bradt has been in contact with State Representative Mike Dobrinski and he is also a part of this conversation.

21. City Manager Comments:

Current Project Status;

Mr. Mitchell explained his list of comments as agenda items; one, to give you kind of a summary of where I think these projects are. And secondly, to get the comments organized into the minutes so that the new City Manager will have something to start with.

A. City Hall relocation to 410 W. Main.

I was hoping to get into the new building this week. We are running into the same problems everybody else is. Every item or service is two to four weeks before it can be scheduled or shipped. At this time we have a phone system ordered but will not get installed for at least a few more weeks. Also, we are trying to schedule the move around the slow period in the Light and Water Office. I have ordered the lettering for the building, it should be here by the end of August, and then they will schedule a time to install the lettering. There are other minor concerns such as furniture and cash drawers, nothing serious, just a lot of logistics and miscellaneous items. I think we should be able to move by mid September.

B. Police Department Policy and Procedure Evaluation.

I received a call from Rick Rumsey. He is finalizing the Police Department Best Practices for Watonga and they are doing the final edits on this report. Mr. Rumsey would like to schedule a date so he can present the Report to Council. He recommended that we not try to do this at a regular Council Meeting. We should schedule a Special Council Meeting or Workshop sometime late this month or early next month. After some discussion, the Council decided for 5:00 PM on Tuesday August 31, 2021.

C. CDBG Grant – Sewer Line Replacement Project.

This was for the Block Grant for the sewer line replacement that the Oklahoma Department of Transportation (ODOT) is not willing to help us with. We submitted the application for \$400,000 to address the problem. We have already spent \$45,000 for the engineering to apply for the grant and we have received our DEQ Permit for the Sewer line.

Now, I am just doing a little commentary, (speculation) here. We have, on fairly good authority that the City has made the final allocation for our project. The State cannot officially say what is and is not getting funded. They cannot say until they actually receive the monies from the Federal Government and how much they receive. I do know that Watonga is on the list to receive funding. Our application did not get thrown in the trash. But, it will depend on where we are on the list and how much money the State receives. The Federal Fiscal year ends September 30 so we should be hearing something on this shortly. In my last meeting with ODOT, I met with an engineer from Oklahoma City. His comment was, we'll just wait and see on whether or not Watonga gets the grant. I would of course, like to see this through and be here when the ODOT Regional Engineer is here for a meeting.

D. Lucky Star Casino / Hotel Agreement.

The last item on my list is the Lucky Star Hotel agreement. We have not heard anything from them in five months. We will continue to charge them the higher rate.

Mayor Seitter asked, noted, they are not using enough electricity to qualify for the discount?

Mr. Mitchell: They have not crossed that threshold yet.

Mr. Harrison: I do not think it would matter if they had because we do not have a signed agreement with them yet.

Mr. Mitchell: The Casino Hotel Group was going to sign a Memorandum of Understanding five months ago: This may all change when they actually get the Hotel part opened up.

Mr. Mitchell: This is what I know about these projects. I have been communicating with the new City Manager, she and I may get together next week.

And, I've enjoyed my time here. You have been very supportive. I think the City is on the right track and has made a lot of progress. I know sometimes, when you sit back and look at it, it is hard to see it the progress, but you really have done a lot. Even with COVID, the State economy shutting down and oil and gas shutting down the City has made real progress. We have worked through the limitations and I think you are on the right track. As they say in the movies, Happy Trails.

Mayor Seitter and several others expressed appreciation to Mr Mitchell for his service to Watonga and what he has helped us to accomplish.

22. Adjourn:

Motion to adjourn was made by Allen Cowan and seconded by Lindsey Doyel

Mayor Seitter, hearing no further comment, called for a vote;

T. Bradt aye A. Cowan aye L. Doyel aye L. Willis aye B. Seitter aye

Motion carried at 7:56 PM.

Mayor Bill Seitter

City Clerk, Verlen Bills