



WATONGA CITY COUNCIL SPECIAL MEETING MINUTES FOR DECEMBER 7, 2021

*In accordance with the Oklahoma Open Meeting Law, this Agenda was posted
December 3, 2021 Prior to 4:00 PM at the Main Street Entrance of Watonga City Hall,
located at 410 West Main Street, Watonga, Oklahoma.*

**The City Council of the City of Watonga did meet at 4:00 PM on Tuesday, December 7, 2021
in the Conference Room of Watonga City Hall, located at 410 W. Main Street, Watonga, Oklahoma
for a Special Called Meeting.**

Invocation & Pledge of Allegiance:

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

Declaration of a Quorum: at 4:03

AGENDA

1. **Consideration Discussion and Action:** To approve an Development Permit Application for Alberto Acosta for residential construction, to be located at 917 W. Second Street on property partially encroaching a flood plain. The property described as a tract of land in the Southeast Quarter (SE/4) of Section Twenty-four (24), Township Sixteen (16) North, Range Twelve (12) West of the Indian Meridian, Blaine County, Oklahoma. Being more particularly described as follows, commencing 10 feet South of the Southwest corner of Block 146 in the City of Watonga, thence West 622 feet, thence North 350 feet and 2 inches (350.17') to the point of beginning, thence continuing North 350 feet and 2 inches (350.17'), thence East 622 feet, thence South 350 feet and 2 inches (350.17'), thence West 622 feet to the point of beginning. This property legal description is recorded in Book 1333, Page 512.

Ms. Little explained that Flood Plain Manager Justin Woldridge and herself have meet with Mr. Acosto's Contractor and he has met all the requirements needed for this application. The application has been reviewed by Code Enforcement. The lowest floor level needs to be three feet above the base flood elevation and on the application it is noted that the lowest floor level will be seven feet above base flood elevation.

Mayor Seitter asked is this a residence and what type of construction will it be?

Mr. Woldridge replied, it is a residence and it is slab on grade construction.

Mr. Woldridge pointed out the exact location on a map.

City Attorney Jared Harrison, responding to question from the Council, explained exactly what it is they are approving.

Motion by Allen Cowan and seconded by Travis Bradt to approve a Development Permit Application for Alberto Acosta for residential construction, to be located at 917 W. Second Street on property partially encroaching a flood plain. Described as commencing 10 feet South of the Southwest corner of Block 146 in the City of Watonga, thence West 622 feet, thence North 350 feet and 2 inches (350.17') to the point of beginning, thence continuing North 350 feet and 2 inches (350.17'), thence East 622 feet, thence South 350 feet and 2 inches (350.17'), thence West 622 feet to the point of beginning.

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.

Ms. Jana Walker was waiting online to present the audit report, so for consideration, the Mayor moved ahead to agenda item number 3.

2. **Consideration Discussion and Action:** To approve an Employee Longevity Stipend as recommended by City Manger Karrie Beth Little.

Ms. Little presented her recommendation for Employee Longevity Stipend as follows:

Part-time or under 1 yr: \$100

1 – 4 yrs: \$200

5 – 9 yrs: \$300

10 – 14 yrs: \$400

15 yrs & over: \$500

Dept heads to receive an additional \$150

This is basically the same Stipend Schedule as last year with some minor changes. It does include the one time \$100.00 Pandemic Stipend that the Cares Act funds allowed for in 2020 but it did not get paid last year. I feel we should pay this to show diligence. The City does choose to pay this stipend this time of year as has been the practice for some time. This Employee Stipend has been included in the budget.

There was brief discussion, do all employees qualify for the \$100.00 Pandemic stipend?

Ms. Little noted that it was not just First Responders, but almost all employees worked regular schedules, during this whole time, in the past and they continue to do so.

Mayor Seitter asked, how was the \$100.00 per employee determined?

Ms. Little: That is a figure that I came up with. We would have been allowed up to 13% over and above the budgeted pay, but the City just does not have those kind of funds. To standardize, I took it to the lowest level of payment of \$100.00 and applied that to everyone that was on the payroll.

There was discussion to clarify the Stipend Schedule.

Ms. Little reminded the Council that the Pandemic Stipend was included in the schedule but this was only for this year.

Mayor Seitter: Do you have a total amount that this will cost.

Ms. Little replied, \$22,150 and that does include the one time COVID Stipend.

Mayor Seitter asked, do we have a breakdown of that amount? How much is each part of the stipend costing us and how is it being paid?

Ms. Dacia Phillips with RS Meacham was present and commented, the primary part of the stipend had been included in the approved budget. The COVID Stipend part was not budgeted, but CARES Act money did allow for this.

Ms. Willis suggested that she did not remember seeing this when they approved the budget.

Ms. Phillips: The full budget work up is quite lengthy. It includes all the line by line details for each employee including benefits, a stipend, hours and possible overtime etc. This item is included in the totals, but may not get noticed with all the other details.

Ms. Little was able to retrieve an itemized list of what the different parts of the stipend is costing the City. Longevity pay is \$13,700. The additional for Department Heads is \$1,650 and the COVID Stipend \$6,800 totaling \$22,150.

Mr Bradt asked, how long have we been paying a longevity stipend?

Ms. Phillips replied, at least since 2012.

There was discussion as to how this works with our budget and the CARES Act money. There was additional discussion for the allowed 13 percent.

Ms. Phillips explained how the CARES Act Money was being accounted for, we have met all the requirements. She also suggested that we are well under budget for Personal Services and this Stipend could be absorbed into that budget also if we needed to.

Mayor Seitter: I believe we want to pay this, it is just that we want to understand how this fits with our budget.

Ms. Little: We have the finances to pay this and it shows the employees that we do care. As small as we might see this, it speaks volumes to the ones receiving this.

Discussion concluded with the consensus of the Council that it is necessary and important for employee moral and to show that we do care.

Motion was made by Allen Cowan and seconded by Lindsey Doyel to approve the Employee Longevity Stipend as recommended by City Manger Ms. Little as follows:

Part-time or under 1 yr: \$100

1 – 4 yrs: \$200

5 – 9 yrs: \$300

10 – 14 yrs: \$400

15 yrs & over: \$500

Dept heads to receive an additional \$150 and added this year is pandemic pay of \$100 which is a one time payment due to the monies received from the CARES act funds. This was added because it was not paid out in 2020, at the height of the pandemic.

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.

3. **Review and Accept the Audit Report** for the City of Watonga from Jana A. Walker CPA PLLC for the Fiscal Year ending June 30, 2021.

Mayor Seitter noted that Ms. Walker is present via video conference.

Ms. Walker thanked the Council for the opportunity to be of service and for allowing the video conference presentation.

Ms. Walker: This report is the fiscal year ending June 30, 2021 and includes all governmental business, the component units, and all major funds. There were some changes this year and we were able to include the Library audit with the City Audit as it is considered a component unit. That is about the only major change in your audit this year and is noted in the letter.

Ms. Walker continued with the preface to the audit explaining the City's responsibility and the Audit's responsibility and how they will derive their opinions. The City was able to provide all the financial information they needed and they were able to give us an unqualified opinion or an opinion without reserves.

Ms. Walker: “The Management Discussion and Analysis”, This is where I like to spend some time because it really just gives you an overall prospective of where we are at as of June 30, 2021, our net position. Here are the highlights we saw throughout the year. From this we can drill down into some of the detail if we need to. And do not hesitate to ask. The financial summary of the City is really the bullet points in this part of the report. (Page 4) I see exactly where the City ended up for June 30 2021, and I can see the City ended the year in a very nice positive net position. Especially considering the recent oil and gas industry ups and downs, the COVID pandemic and the inconsistent sales tax. But the City of Watonga has a net positive position just shy of 20 million dollars. I do not have any concerns with the financial health of Watonga going forward. Compared to the previous year, we had some adjustments of approximately \$900,000, but in the grand scheme of things, not a huge difference.

Ms. Walker continued to explain the City's investment in infrastructure and the capital investments to maintain the infrastructure. In overall terms she described the different major funds and the different expenditures for these funds.

Ms. Walker went on to describe the Audit Report as she went into more detail about the different parts of the City Business. She noted that the City has good reserves and is able to maintain those reserves. The City total position is down only 4.2 percent and that is not bad all things considered.

Mayor Seitter asked about the distribution of the restricted funds.

There was brief discussion as to the different restricted funds.

Mayor Seitter asked how the purchase of the new City Hall building was shown in the report.

There was discussion of the debt disclose and how it will list in liabilities and as an asset.

Ms. Walker described the report that explains the finances in some what of a a chronological prospective. How did we start the year and how did we finish the year. This is a summary and there is more detail in the balance of the report. There is nothing abnormal here.

The next part of the report is expenditures. We do want to be sure that the business activities are self supporting. Watonga utilities easily meet this criteria but this should be monitored.

Mayor Seitter asked, the report shows we brought in \$588,000 less than the previous year?

Ms. Walker answered yes, and that is revenue, the majority of that is tax revenues and other general revenues, but probably, taxes the biggest part of that.

Mayor Seitter asked, our expenses went up \$387,000?

Ms. Walker replied yes, or 5 percent.

Ms. Little noted that we had to operate with less funding.

There were several questions about the audit details.

Ms. Walker explained the Capital Assets Summary Report. The City's Capital Assists are just over approximately 17 million dollars currently. She listed what is considered capital assists.

Along with this part of the report, because most capital assets are financed with long term debt, is a summary chart showing the long term debt, capital lease obligations, notes payable and bonds payable as well. This will be in more detail further into the report.

It is very difficult to determine what the next year will be, especially in today's economic environment. I would like to remind the City, as we talk about the future financial terms that we should always try to think conservatively.

Ms. Walker described in length, the details of the Audit Report and how these details will reflect back and reconcile with the summaries talked about earlier.

The last statement shows the cash flow for the proprietary funds. It shows where we started the year with approximately 1.7 million and where we have been with the cash flow. There has been a slight decrease of approximately \$76,000 but there is still approximately 1.4 million in cash and cash equivalents. Anytime you have big purchases or pay off debt, those items will draw down on the cash but those pay outs were self supporting. These were some transfers that went out for big purchases of almost \$844,000 and some capital assets that were paid out through the year. Those things happen as a normal part business.

Ms. Walker gave more details of the different parts of the Audit Report and where to look for detailed answers to question that might come up.

Part of the Audit is to make sure the City is in compliance with standards and the City meets all these requirements. We did not find any issues with compliance.

Then there is the internal controls audit which is a topic of conversation. Management is well on top of this. Any previous concerns have been addressed. I found no significant deficiencies or material weaknesses. That does not mean we can have a relaxed attitude about this. Processes change, the working environment changes, we should always be ahead of things and be ready to make the changes we need to keep up.

Motion to accept the Audit Report for the City of Watonga from Janna A. Walker CPA, PLLC for the Fiscal Year ending June 30, 2021 was made by Travis Bradt 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.

Over the previous several months there had been a large turnover in Police Department Personnel, so the Council had asked that all the Police Department Personnel be present for a short time at Council for introductions.

All the Police Department Personnel were present at approximately 5:00 PM.

Ms. Little introduced the new Police Chief John Noriega. All other Officers introduced themselves as did all the Council Members and other present in Council.

Mayor Seitter: We want to let you (the Police Officers) know that we do appreciate you and what you do for the City and the Council is behind you.

Other Council member echoed the same sentiment as discussion amongst the group continued.

Officer Noriega allowed that he had worked in the area previously as a Deputy for the Blaine County Sheriff.

City Treasure Rodney Jacks asked, are we at full staffing levels for the Police Department now?

Several commented that we are short just one officer.

Somewhat in closing, Mayor Seitter: The Council will support our Police Department as long as you allow us the position to do so.

The Officers appreciated the opportunity to “officially” meet the Council and the Council thanked the Officers for making the effort to be here as a group.

4. **Discussion** of Municipal Financial Policies and Procedures as applicable to the City of Watonga.

(The following is just few excerpts from a lengthy conversation.)

A summary of Financial Accounts was handed out and Ms. Phillips handed out a early pre-release copy of November Financial Report.

Ms. Little and Ms. Phillips explained the the monthly financial report.

There was discussion of the differences between General Government and Public Works Authority and how the Light & Water, EMS and the Airport all fit into this.

Mayor Seitter noted, I think some of the confusion is that we do not understand the terminology.

Ms. Phillips reviewed a list of definitions that had been handed out. She continued on with explanations of the Audit Report that had just been presented. She explained the difference in the monthly reports and noted, much of this required by government accounting standards.

There was debate about the difference between Public Works and Light & Water. City Attorney Jared Harrison presented a different prospect to help clarify.

Ms. Phillips added the legal reasoning from her point of view.

Ms. Little: In so many words, asked Council if they are concerned about the transparency of the finances.

Mayor Seitter: I think it is transparent to those that understand it. He referenced back to the reports and commented that when some of this is added together, we handle a lot of money.

The group talked about different report formats, what we could do and what needs to be shown.

Ms. Phillips described what is the accountability and how that is summarized in the reports.

Ms. Little suggested that maybe we need to do better report summaries.

Ms. Willis observed that everyone sees things differently.

Mayor Seitter: We need to set long term goals, we need a long term plan.

Ms. Little noted that this is part of what OMAG wants to help us with.

More discussion incurred of long term goals and how we should approach this.

Mr. Cowan suggested that everyone write down what they think our goals should be and then we put this together and see what are the top five.

Others added additional ideas to this.

5. **Comments:**

Mayor Seitter: I want to thank the City Employees for the Christmas lights up and down Main Street, next to the The Liberty Theater and other places around town.

Ms. Willis: It was nice to see all the parking places filled up on Main Street the other evening. I would like to comment about parking along the highway causing some visibility problems.

Ms. Little: The REAP Grant information I sent out to Council should be on the next agenda. Next Saturday, 9:00 AM to 1:00 PM the City is sponsoring a Home Based Business Bizarre at the Library. This is a new idea we are trying, if it works well we will look at again for next year. It is for Home Based Business in Watonga only. We have 14 signed up for this so far.

I would also like to invite Council to join us for lunch on Friday. We will be serving an Appreciation Holiday Lunch to all the City Employees and the Council is welcome to join us. It is from 11:00 AM to 1:00 PM at the old Golf Club House.

6. **Adjourn:**

Motion to adjourn was made by Lindsey Doyel and 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 at 6:14 PM.

Mayor Bill Seitter

City Clerk, Verlen Bills