MINUTES
SPECIAL CALLED MEETING
LAWTON WATER AUTHORITY
JUNE 16, 1998 - 5:30 P.M.

The meeting was called to order at 5:55 p.m. by Cecil E. Powell, Chairman. Notice of meeting and agenda were posted on the City Hall notice board in compliance with State law.

ROLL CALL
PRESENT: G. Wayne Smith, Richard Williams, Jeff Sadler, John Purcell, Robert Shanklin, Charles Beller, Carol Green, Randy Warren.
ABSENT: None.
ALSO PRESENT: Gil Schumpert, City Manager; Felix Cruz, City Attorney; Brenda Smith, City Clerk

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BUSINESS ITEMS:

1. Consider reducing the maximum water consumption provided in the base water and sewer rates and increasing related water charges and recommend adoption of those rates effective July 1, 1998, to the Lawton City Council. Exhibits: City Council Resolution.

MOVED by Beller, SECOND by Purcell, to approve the rates as read by the Mayor.

Note: Rates are changing new account fee from $5 to $20 and base rate from 3,000 to 2,000 gallons.

Williams said there is $1.8 or 9 million in 1990 CIP and over $600,000 in Fund 35. Some funds are not necessarily earmarked and could be reapportioned for this need. He said fees should not be increased when funds are available.

Sadler said Williams mentioned previously an increase of $4 to $5 on the utility bill and asked what the difference would be. Williams said he felt there should be some funds applied to the utility bill and a lesser, 2 cent sales tax, requested from the citizens. Williams said you would end up with a vehicle, which in the year 2000, would allow a 7% sales tax that could include something for economic development, a city/county jail, and even if both of those were a quarter cent, you would still end up with a sales tax of 7-1/2%. Williams said the fact is that something needs to go on the utility bill, and you want to try and keep your sales tax as low as possible.

Williams asked Powell if the Fort Sill troops today at lunch indicated the sales tax was a little high. Powell said yes. Purcell said that was a perception of the troops and it was pointed out that in fact that is not true because it is much higher in all the other cities around here, and this was a perception of some young troops, not that it really was but that was what they thought. Powell agreed and said what was asked at a luncheon today of the troops at Fort Sill about their perceptions.

Warren said he heard Sadler=s question and Williams gave him that politician running for office answer. Warren said Williams could not believe the rest of the members would want to raise utility rates. Williams said he was referring to raising rates to balance the budget. Warren said at the same time, Williams would balance the budget by stealing funds from Fund 35, but that was OK because it could be replaced with a utility increase later, and that did not make any sense at all.

Williams said Fund 35 was mostly items that had been put in there by staff that in some cases Council had agreed to or not that may have been left over from different projects. He said the 1990 CIP continues to accrue interest and there are funds to be spent. Warren asked which project Council had not approved. Williams said he was not sure which Council had identified $22,000 for a solid waste tractor to be put in Fund 35, and maybe Councils in the past had identified that those funds should be placed in Fund 35, but the fact remains that there are low priority items in the 1990 CIP and in Fund 35 that could be used to offset the asbestos replacement and fuel tank replacement that are being financed through the general fund for next year.

Shanklin asked if the motion on the floor is to reduce the 3,000 to 2,000 water rate and Powell said yes. Purcell said those actions had been approved already. Shanklin said he would have liked to attended a meeting and Warren said it was done on the Council floor the last time the group was in session. Shanklin asked where the meeting was before that. Shanklin said there are other ways to balance the budget besides this and that everyone was tired of talking about it. Shanklin said he had been in on a lot of budgets and that this was a very sorry job in his opinion.

Sadler asked why it had taken this long to spend $790,000 from the 1990 CIP for a project and the status of it. Shanklin said there is not much traffic on it and not many houses and there is not a need for that large of an expenditure.

Jerry Ihler, Public Works/Engineering Director, said when the 1990 CIP was approved, there was $1 million appropriated for street improvements, $1 million for water distribution and $1 million for sewer improvements. As part of that budget, there was a list of projects in each area and they kept going down the list. Due to accrual of interest, more projects were being done than originally anticipated. Douglas was the next project on the list for streets so they are in the process of designing it and would bring an item in July for Council to approve the plans and specifications. Shanklin asked if anyone on the Council now prioritized Douglas and Ihler said no. Sadler asked if it was being done in-house. Ihler said the design is being done in-house but the work is a total reconstruction and would be done by a contractor. Sadler asked if the City is committed to anyone at this point. Ihler said no funds had been spent, other than staff time in design.

Green said there are not that many houses on Douglas from 17th to Sheridan, about 15, but it is a very heavily used street. She said it is the only street you can take going from 17th Street off of Bishop Road to Lee Boulevard. Sadler asked how big a section was being done and response was 17th to 23rd. Williams said those living on Douglas may not want a lot of traffic coming through.

Schumpert said you cannot use the $800,000 from Douglas for both the budget and for the second year of the sewer rehabilitation; you can only take it out of that pot one time. He said there would be an $800,000 shortage on the sewer rehabilitation if the funding is taken; there is not enough left in the 1995 CIP to do the second year of the sewer rehabilitation, which will be $2.6 million and there is $1.9 million available. Schumpert said Council wanted to go through the budget before dealing with the sewer rehabilitation issue.

Purcell asked if Ihler came up with $1.9 million, some from 1990 CIP and some from the 1995 CIP, and by the time he finished, he was at about $2.3 million total. Ihler said the 1995 CIP money had $1.9 million left over from the quarterly sewer projects that were going to be done in-house and for various reasons could not address so there is $1.9 million. Ihler said he did not know how they got to $2.4 million. Purcell asked where you get from $1.9 million in year two that would come out of the 1995 CIP, where would we get the money to get to the $2.6 million that is needed in year two, and that he thought that was coming from some of the 1990 CIP, which Council had not yet discussed. Ihler said the only project he had ever heard mentioned out of the 1990 CIP was the Douglas Avenue Project. Shanklin said that is not part of the $1.9 million and Purcell agreed.

Purcell said it was his understanding that when the budget was finished they would look at where to come up with the $2.6 million for year two for the sewer.

Sadler asked if the discussion was about taking Douglas Avenue funding for year two of the sewer rehabilitation. Shanklin said yes. Purcell said funding is needed but they are trying to use the money twice.

Powell reviewed the motion on the floor and asked if there was discussion on the motion.

Williams said he had identified two areas, Fund 35 for almost $110,000, and $240,000 from the 1990 CIP, which would include four projects, and the budget could be balanced. He said it is a question of whether they wanted to use money sitting in a fund drawing interest to complete low priority projects that may or may not ever get done, and some of them have been sitting there for five years.

<u>MOVED by Warren, SECOND by Purcell</u>, to hear the previous question, which was the motion on the floor.

Cruz explained the motion for the previous question is made when a motion is on the floor and a vote must be immediately taken. If the motion passes, there will be no more debate and a vote will immediately be taken on the previous motion. Six votes are required to pass a motion to call for the previous motion. Cruz suggested a roll call on the question.

VOTE ON MOTION ON PREVIOUS QUESTION: AYE: Purcell, Beller, Green, Warren, Smith. NAY: Shanklin, Williams, Sadler. MOTION FAILED FOR LACK OF SIX AFFIRMATIVE VOTES.

Beller said the action was previously taken in the Council meeting and that this was the most confused he had ever seen this body. Cruz said consideration should be given to the item being discussed. Beller asked for what purpose. Cruz said the Authority must enact the item. Beller asked why it was not done in the Authority first and asked if some had met to decide the issue and there was argument. Cruz said the presiding officer can decide the order of business, and the order of business suggested was to determine what action would be taken by Council and then move over to the Authority, and in his legal opinion, the only action before this body is to consider Item 1. Beller asked if that is the end of the discussion if that is done and then they go back to the Council meeting and do it again. Cruz said no, once the action is disposed of, Council will reconvene to vote on the budget.

Purcell said the City Council had already approved the issue. Schumpert said the Water Authority sets the rates. Beller asked how Council could approve something that had not been recommended by the Water Authority and it seemed the City Attorney had erred. Powell asked that order be restored and an explanation be provided. Cruz said the action is to dispose of Item 1 which had been read, and this will support the action of the Council in adopting the resolution. Purcell said Council had already approved what would now be recommended to them. Cruz said even though Council had approved it, it had to be acted on by the Authority. Beller suggested it not be done out of order in the future. Powell said he had not met with anyone.

Sadler said he thought there were a couple of other discussion points to be made and that was why he did not vote on the motion to call the roll.

VOTE ON MOTION TO APPROVE THE RATES: AYE: Beller, Green, Warren, Smith, Purcell. NAY: Shanklin, Williams, Sadler. MOTION CARRIED.

There was no further business and the meeting adjourned at 5:15 p.m. upon motion and roll call vote.

CECIL E. POWELL, CHAIRMAN

ATTEST:

BRENDA SMITH, SECRETARY