

Council Conference Room
Municipal Building
June 23, 2008

The McAlester City Council met in Special session on Monday, June 23, 2008, at 6:00 P.M. after proper notice and agenda was posted June 19, 2008, at 5:00 P.M.

CALL TO ORDER

Mayor Lewis called the meeting to order. Council Roll Call was as follows:

Present: Weldon Smith, Sam Mason, Donnie Condit & Mayor Lewis
Absent: Travis Read, Buddy Garvin & Haven Wilkinson
Presiding: Don Lewis, Mayor

Staff Present: Mark Roath, City Manager; David Burke, City Treasurer; and Cora Middleton, City Clerk

SCHEDULED BUSINESS

- 1. Hold a Public Hearing on the Fiscal Year 2008-2009 Proposed Annual Budget and provide all interested persons an opportunity to be heard, either for or against any item therein. (Don R. Lewis, Mayor)**

Mayor Lewis opened the Public Hearing at 6:04 P.M. for comments from the citizens.

Steve Harrison addressed the Council complimenting the individuals that worked on the budget. He commented on the transfer from the McAlester Public Works Authority to the General Fund, stating that the funds that were transferred would not be used by the Public Works but would be used to supplement the General Fund. He stated that this had been the situation in McAlester for a number of years and that long term this was not a healthy situation for the City. He commented that this could be evidenced by the current state of the major plants, distribution and collection systems. He added that this was a long term problem and would take a long term fix. He then suggested two possible changes to the budget. One was the miscellaneous revenue item, Randy Green reimbursement, in the General Fund. He stated that he thought it was appropriate that those funds be designated as transfers to the Reserve or Emergency Fund. The second item was the proposed capital project to extend a waste water main to a section of Highway 69 and 14th Street. He commented that this was initially proposed to be funded out of Economic Development Funds in the Capital program but is listed in the budget as a use of the Capital Improvement funds. He suggested that the City be directed to use Economic Development funds or this project. He added that if asked, the citizens would say that improvements to the water plant should be number one on the City's list of projects.

Steve Foster commented that he was happy with the budget. It was easier to read and the Workshops were very productive.

Greg McNall addressed the Council regarding the funding in the budget for the McAlester Economic Development Services. He commented that the budget proposed \$150,000.00 for MEDS and he requested that it be increased to \$218,000.00. He stated that MEDS had spent all the funding that they had and he felt they were headed in the right direction.

Mayor Lewis commented that the information that had been given was understandable and he asked if any other citizens had comments.

There were no further comments from the citizens and the Council began their discussion.

Councilman Mason commented that he had one issue to discuss. He stated that he had visited with the City Manager and the Chief Financial Officer concerning the transfer from the Emergency Fund equally into the MPWA and the General Fund. He stated that he would like to see the transfers show zero amounts or to be removed. He stated that he would like to amend the Emergency Fund items 5267621 and 5267622 to show the proposed budget in both of those instances as zero.

Mark Roath explained the reason for the transfers stating that with transfers already in place an amendment would not be necessary only Council approval.

Councilman Mason made a motion to strike items 5267621 and 5267622 in Fund 40, Emergency Fund, from \$860,675.00 in each instance to zero in each instance. The motion was seconded by Councilman Smith.

Before the vote, Mayor Lewis asked if the figures in Fund 40 needed to be changed.

Mark Roath commented that they would be adjusted accordingly after the meeting.

There was no further information, and the vote was taken as follows:

AYE: Councilman Smith, Condit, Mason & Mayor Lewis

NAY: None

Mayor Lewis declared the motion carried.

Councilman Smith moved to amend the budget to transfer the Randy Green reimbursement to the Emergency Fund. The motion was seconded by Councilman Mason.

Before the vote, Mark Roath commented that the amendment would lower the amount of contingency in the General Fund by \$11,052.00, for anything other than an emergency.

Mayor Lewis asked what the purpose was for moving that to the Emergency Fund.

Councilman Smith commented that it didn't need to be spent in the General Fund.

There was no further discussion, and the vote was taken as follows:

AYE: Councilman Condit, Mason, Smith & Mayor Lewis

NAY: None

Mayor Lewis declared the motion carried.

Councilman Smith moved to amend the Budget and move the Wastewater Main Extension out of the CIP Fund into the Economic Development Fund. The motion was seconded by Councilman Condit.

Before the vote, David Burke explained that the project had been put in CIP because of the balance in that Fund.

Mark Roath commented that they had been informed that either CIP or Economic Development funds could be used for that type of project. He also stated that development along that area was bunched up where utilities were available. If this was funded it could help with future development. He further commented that it was not an issue if paid out of either fund.

Councilman Mason commented that by moving that project into Economic Development it would free up CIP funds for other badly needed improvements.

There was no further discussion, and the vote was taken as follows:

AYE: Councilman Mason, Smith, Condit & Mayor Lewis

NAY: None

Mayor Lewis declared the motion carried.

Councilman Condit commented that he thought that the Public Hearing and the consideration of the Budget were being intermingled. He stated that he wanted to comment on the funding of MEDS. He stated that he had reviewed their proposed budget and saw their need but when you ask for a 68% increase that was quite substantial. He commented that last year when the subcommittee was negotiating the contract with MEDS the Council just wanted to make sure that MEDS understood what the Council expected.

Mayor Lewis asked if there were anymore comments on the budget and since there were none he closed the Public Hearing at 6:31 P.M.

Councilman Condit stated that he would like to have some suggestions for ideas; he did not want to deprive MEDS of the ability to function.

Mr. Roath commented that there could be two options. One would be to establish an amount and request that be put in the Budget subject to the review and development of a new contract. The second option would be to leave the amount in the Budget as is and let the new Council appoint a subcommittee to negotiate a new contract and amend the Budget as necessary at a later time. He added that they would need a contract because the contract that they currently had would expires on June 30th.

Councilman Condit commented that he preferred to leave this as is and let the new Council decide what should be done.

Councilman Smith agreed that it should be left as is and take a deeper look at economic development to make sure that we're doing what needed to be done.

Mayor Lewis commented that the amount for MEDS would remain the same at this time and the other three amendments could be made and the City still meet the deadline.

2. Consider, and act upon, a Resolution approving the City of McAlester, Oklahoma Annual Budget for the Fiscal Year 2008-2009 and establishing Budget Amendment Authority. (Mark B. Roath, City Manager and David Burke, City Treasurer)

Councilman Mason moved to approve RESOLUTION NO. 08-15, regarding the FY 2008-2009 Annual Budget with the three aforementioned amendments. The motion was seconded by Councilman Smith.

There was no further discussion, and the vote was taken as follows:

AYE: Councilman Mason, Smith, Condit & Mayor Lewis

NAY: None

Mayor Lewis declared the motion carried.

ADJOURNMENT

There being no further business to come before the Council, Councilman Condit moved for the Special Meeting to be adjourned. The motion was seconded by Councilman Smith and the vote was taken as follows:

AYE: Councilman Smith, Condit, Mason & Mayor Lewis

NAY: None

Mayor Lewis declared the motion carried, and the meeting was adjourned at 6:41 P.M.

ATTEST:

Don R. Lewis, Mayor

Cora Middleton, City Clerk