

The McAlester City Council met in Special session on Tuesday, July 21, 2015 at 5:30 P.M. after proper notice and agenda was posted, July 20, 2015, at 3:51 P. M.

Call to Order

Mayor Harrison called the meeting to order.

Roll Call

Council Roll Call was as follows:

Present: Weldon Smith, John Titsworth, Travis Read, Robert Karr & Steve Harrison
Absent: Buddy Garvin & Jason Barnett
Presiding: Steve Harrison, Mayor

Staff Present: Peter J. Stasiak, City Manager; John Modzelewski, City Engineer/Public Works Director; William J. Ervin, City Attorney and Cora Middleton, City Clerk

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to open a Public Hearing addressing two (2) Ordinances. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Titsworth, Karr & Mayor Harrison
NAY: None

Mayor Harrison declared the motion carried and the Public Hearing was opened at 5:31 P.M.

Public Hearing

- **An ordinance of the City of McAlester relating to the imposition of a city excise tax (sales tax) of one half percent (.5%) in addition to any and all other excise taxes now in force, for the purpose of funding street construction, repairs, maintenance, and improvements, as well as related infrastructure improvements within the project areas.**
- **An ordinance of the City of McAlester, amending prior ordinance 2159, relating to the imposition of a city excise tax (sales tax) of one half percent (.5%) in addition to any and all other excise taxes now in force; extending said excise tax, and from the date of said extension, repurposing the one half percent (.5%) excise tax presently being levied pursuant to said ordinance no. 2159 for the purpose of funding street construction, repairs, maintenance, and improvements, as well as related infrastructure improvements within the project areas.**

Mayor Harrison opened the floor for Citizens' Comments on the two (2) ordinances.

Stephanie Giacomo, 509 W. Adams addressed the Council stating that she could support the ½ cent sales tax but could not support the repurposing of the ¼ cent Economic Development sales tax. She commented that many of the City's organizations depended on that for funding.

Dr. Marsha Gore, 1904 Sandpiper addressed the Council expressing her opposition to the repurposing of the ¼ cent Education Sales tax. She highlighted some of her concerns about the school system losing that funding.

Brent Grilliot, 528 E. Adams; Dan Heathcock, P.O. Box 272, Krebs; Danny Giacomo; Jimmy Williams, 803 Village Boulevard and Jason Strickland, 419 E. Monroe each addressed the Council expressing their opposition to the repurposing of the ¼ cent Education Sales tax.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to close the Public Hearing. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Titsworth, Karr & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried and the Public Hearing was closed at 5:54 P.M.

Scheduled Business

1. Consider and act to approve an ordinance of the City of McAlester relating to the imposition of a city excise tax (sales tax) of one half percent (.5%) in addition to any and all other excise taxes now in force, for the purpose of funding street construction, repairs, maintenance, and improvements, as well as related infrastructure improvements within the project areas. (*William J. Ervin, Jr., City Attorney*)

ORDINANCE NO. 2541

AN ORDINANCE OF THE CITY OF MCALESTER, OKLAHOMA, RELATING TO THE IMPOSITION OF A CITY EXCISE TAX (SALES TAX) OF THREE- QUARTER PERCENT (.75%) (IN ADDITION TO ANY AND ALL OTHER EXCISE TAXES NOW IN FORCE); SAID EXCISE TAX TO BE LEVIED UPON THE GROSS PROCEEDS OR GROSS RECEIPTS DERIVED FROM ALL SALES TAXABLE UNDER THE OKLAHOMA SALES TAX CODE; PROVIDING FOR THE USE OF THE PROCEEDS OF SAID EXCISE TAX; PROVIDING FOR THE EFFECTIVE DATE OF SAID EXCISE TAX; PROVIDING FOR SUBSISTING STATE PERMITS; PROVIDING FOR PAYMENT OF TAX; PROVIDING THAT THE TAX IS IN ADDITION TO TAXES CURRENTLY LEVIED, EXCEPT AS PROVIDED ABOVE; INCORPORATING CERTAIN PROVISIONS OF PRIOR CITY ORDINANCES; PROVIDING FOR AMENDMENTS TO THIS ORDINANCE; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE ARE CUMULATIVE AND IN ADDITION TO ANY AND ALL TAXING

PROVISIONS OF OTHER CITY ORDINANCES; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to approve **ORDINANCE NO. 2541.**

Before the vote, Attorney Ervin reviewed the language of the Ordinance explaining that this was a new tax that would go into effect on January 1, 2016 and expire June 30, 2023. He commented that it was dedicated to funding streets, maintenance and infrastructure and it did not replace any other tax.

There was discussion among the Council including Manager Stasiak and Attorney Ervin concerning a revised version that had been distributed to the Council, if this would allow the City to sale bonds, how much revenue a ½ cent sales tax would generate, informing the citizens of what the proposals were, changing it to a ¾ cent permanent sales tax, finding other ways to fund street repairs, if this proposal was tied to the second ordinance, funding for Education and Economic Development and the City not competing with Education and Economic Development.

Vice-Mayor Read moved to amend the Ordinance changing the sales tax from ½ cent to ¾ cent with no expiration and effective January 1, 2016. The motion was seconded by Councilman Karr. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Read, Karr, Smith & Mayor Harrison

NAY: Councilman Titsworth

Mayor Harrison declared the motion carried.

2. Consider and act to approve an ordinance of the City of McAlester, amending prior ordinance 2159, relating to the imposition of a city excise tax (sales tax) of one half percent (.5%) in addition to any and all other excise taxes now in force; extending said excise tax, and from the date of said extension, repurposing the one half percent (.5%) excise tax presently being levied pursuant to said ordinance no. 2159 for the purpose of funding street construction, repairs, maintenance, and improvements, as well as related infrastructure improvements within the project areas. (*William J. Ervin, Jr., City Attorney*)

Mayor Harrison stated that this had been his proposal and that he was going to pull the item but before it was pulled he wanted more discussion concerning the matter. He explained that this tax had been passed in 2003 after school bonds had been defeated many times. He then read an excerpt from the minutes of the July 8, 2003 Special Meeting. In the minutes, “Manager Green had explained that the proceeds from the “Phase 1” bond sale had been a little over \$10 million, and the McAlester Public Schools were entitled to \$6.1 million.” The minutes also stated that “the school administration had expressed their wish to receive their money upfront, forgoing any claim to further interest earned.”

Mayor Harrison recessed the Special Meeting at 6:30 P.M., to allow the Planning and Zoning Commission to call their scheduled meeting to order and recess to the 2nd Floor Conference Room. The Special Meeting was reconvened at 6:32 P.M.

Mayor Harrison continued to read from the July 8, 2003 minutes. He then referenced excerpts from the minutes from a July 26, 2005 and a June 20, 2006 Council meetings where the McAlester Public Schools had submitted requests for excess proceeds from the ¼ cent Education Sales Tax. He then commented that the City had obtained a legal opinion from a bond attorney regarding the payments to the School System of the additional funds. Mayor Harrison informed the audience of how the cities in Oklahoma were funded, emphasizing that sixty-six percent (66%) of the City of McAlester's funding was sales tax and every time the State Legislature approves an exemption that lowers the cities funding. He also commented that the McAlester Public Works Authority would be responsible for the payment of the bond not the Public School System.

Councilman Karr commented on the percentage of sales tax that the City had received for the first month of the fiscal year and stressed the City's priorities.

Mayor Harrison then formally withdrew this item.

3. Consider and act to approve resolution authorizing the calling and holding of an election in the City of McAlester, State of Oklahoma, for the purpose of submitting to the registered qualified electors of said city the question of approval or rejection of the ordinances contained in items 1 and 2 above. (*William J. Ervin, Jr., City Attorney*)

A motion was made by Mayor Harrison and seconded by Councilman Smith, to strike item two (2) from and approve RESOLUTION NO. 15-10.

After a brief discussion between Mayor Harrison and Attorney Ervin regarding the changes that needed to be made to RESOLUTION NO. 15-10 and **ORDINANCE NO. 2541**, the vote was taken as follows:

AYE: Councilman Smith, Read, Karr & Mayor Harrison
NAY: Councilman Titsworth

Mayor Harrison declared the motion carried.

Recess Council Meeting

A motion was made by Councilman Smith and seconded by Vice-Mayor Read to recess the Special Meeting and convene the McAlester Public Works Authority.

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

AYE: Councilman Smith, Read, Karr & Mayor Harrison
NAY: Councilman Titsworth

Mayor Harrison declared the motion carried and the meeting was recessed at 6:42 P.M.

Reconvene Council Meeting

The meeting was reconvened at 6:43 P.M.

Adjournment

There being no further business to come before the Council, Councilman Karr moved for the meeting to be adjourned. The motion was seconded by Vice-Mayor Read and the vote was taken as follows:

AYE: Councilman Karr, Read, Smith, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried and the meeting was adjourned at 6:44 P.M.

ATTEST:

Steve Harrison, Mayor

Cora Middleton, City Clerk