

The McAlester City Council met in Special session on Tuesday, May 21, 2013, at 5:30 P.M. after proper notice and agenda was posted, May 17, 2013, at 4:25 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, Buddy Garvin, Sam Mason & Steve Harrison

Absent: None

Presiding: Steve Harrison, Mayor

Staff Present: Peter Stasiak, City Manager; John Modzelewski, City Engineer/Public Works Director, Mel Priddy, Community Services Director; David Medley, Utilities Director; Brett Brewer, Fire Chief; Jim Lyles, Police Chief; Toni Ervin, Chief Financial Officer and Cora Middleton, City Clerk

Scheduled Business

1. Consider and take action to authorize the Authority's Financial Advisor to distribute bid packets with respect to the financing of certain street improvements. (*Peter J. Stasiak, City Manager*)

A motion was made by Councilman Smith and seconded by Councilman Read to authorize the Authority's Financial Advisor to distribute bid packets with respect to the financing of certain street improvements.

Before the vote, Manager Stasiak explained that this was to bring forth information regarding the financing of the City's Street Projects. He added that Jon Wolff, Vice-President Municipal Finance Services, Inc. was in attendance to review the information and answer any questions.

Jon Wolff addressed the Council congratulating them on the passing of the proposition. He then reviewed the information that his firm had obtained regarding the financing of the proposed street projects. He explained that with the decline of the City of McAlester's sales tax revenue, the firm had felt it would be prudent to be very conservative in the amount of debt that the City would create and that should sales tax revenue increase in the future the City could consider increasing the debt.

There was discussion among the Council, Manager Stasiak and Mr. Wolff regarding the term of the debt, splitting the authorized amount, when the bid packets would be due, the change in payments on the detailed document that Mr. Wolff had furnished to the Council and how the sales tax will expire before the end of the payments.

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

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

NAY: None

Mayor Harrison declared the motion carried.

2. Consider and act to approve settlement of Cox vs. City of McAlester, et al. and authorize the Mayor to execute any and all documents related thereto. (*William J. Ervin, City Attorney*)

A motion was made by Councilman Garvin and seconded by Councilman Karr to approve the settlement of Cox vs. City of McAlester, et al. and authorize the Mayor to execute any and all documents related thereto.

Before the vote, Manager Stasiak explained that this was a settlement of the Cox Claim; the City had actually won this on a "Summary Judgment". Prior to the "Summary Judgment" the City of McAlester had offered the claimants \$25,000.00. It had been appealed and the insurance company had been able to settle this for \$30,000.00. He added that the City did have a \$10,000.00 deductible as this occurred before this fiscal year when the City was able to lower its deductible. He commented that the City Attorney recommended approval of this item.

There was a brief discussion regarding the Council previously authorizing the City Manager to settle this claim in Federal Court, if that authorization was still valid and the difference in the amount that the claim actually was settled for and the amount that was previously authorized.

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

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

NAY: None

Mayor Harrison declared the motion carried.

Recess the Council Meeting

A motion was made by Councilman Smith and seconded by Councilman Titsworth to recess the Special Meeting to convene the McAlester Public Works Authority. There was no discussion, and the vote was taken as follows:

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

NAY: None

Mayor Harrison declared the motion carried, and the meeting was recessed at 5:49 P.M.

The Special Meeting was reconvened at 5:50 P.M.

WORKSHOP

1. Discussion of Fiscal Year 2013/2014 Budget.

Manager Stasiak briefly updated the Council on the changes to the proposed budget since the initial presentation. He explained that this proposed budget would have an approximately \$2.8 million decrease in revenue from the 2012/2013 Fiscal Year Budget. He then informed the Council that Ms. Ervin would further review the proposed budget.

Ms. Ervin addressed the Council explaining the savings to the City regarding the employee insurance benefit, the change in the amount of insurance for the firemen, a new request from the Old Town Association and the potential savings to the City if they paid off three (3) lease/purchase agreements this fiscal year.

There was discussion among the Council, Manager Stasiak and Ms. Ervin regarding the amount of savings if the City did pay off the three (3) lease/purchase agreements, what funds would be used to pay off the lease/purchases, how the City's ambulance service expenses compared to its revenues, the missing detail in the personnel cost section, and how the monthly sales tax had been projected in the proposed budget,.

Steve Foster, Chairman of the Audit and Finance Advisory Board addressed the Council explaining the he had a few questions concerning the proposed budget. Mr. Foster inquired about the change in the projected franchise tax, how worker's compensation had been projected, about the Bond Trust Funds and about the City planned to address the future landfill closure.

There was further discussion among the Council, Manager Stasiak and Ms. Ervin concerning the allocations to the separate departments from the interdepartmental funds, the Animal Control

Officer in the Police Department and who would cover his duties if he were on vacation, the number of officers that were budgeted in the Police department, the number of fire personnel and how those numbers were affected by absences with in each department, the crime statistics for the City of McAlester, the funding of the various organizations within the City, insuring that funds furnished to those organizations from the City were used appropriately, furnishing the Council with statements showing how the funds were used, how the City received input from the various organizations and how the City continued to fund the organizations.

Manager Stasiak commented that the City of McAlester was facing a very difficult year but it would adapt to the future and when the economy turned around he would come back to the Council to add services.

Mayor Harrison thanked Manager Stasiak and the staff for their effort in putting the proposed budget together.

Manager Stasiak stated that the final product with all the detail would be ready by Friday. He added that the budget would need to be adopted seven (7) days before the end of the current fiscal year and the City still needed to conduct a public hearing, so a Special meeting might be needed.

Adjournment

There being no further business to come before the Council, Councilman Smith moved for the meeting to be adjourned, seconded by Councilman Titsworth. There was no discussion, and the vote was taken as follows:

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

Mayor Harrison declared the motion carried, and the meeting was adjourned at 7:04 P.M.

ATTEST:

Steve Harrison, Mayor

Cora Middleton, City Clerk