

NOTICE OF SPECIAL MEETING

Mayor and Board of Commissioners of the City of Enid, Oklahoma

Notice is hereby given that the Mayor and Board of Commissioners of the City of Enid, Oklahoma, will meet in special session at 12:00 p.m. on the 26th day of April, 2016, in the Council Chambers of the City Administration Building, located at 401 W. Owen K. Garriott Road in said city, and the agenda for said meeting is as follows:

- AGENDA -

MAYOR AND BOARD OF COMMISSIONERS SPECIAL MEETING

1. CALL TO ORDER/ROLL CALL.
2. "JOAN RILEY DAY" PROCLAMATION.
3. REVIEW THE SIGN REGULATIONS FOR ECONOMIC DEVELOPMENT OPPORTUNITIES LOCATED AT LAND RUN TOWN CENTER, 4406 WEST OWEN K. GARRIOTT ROAD AND TAKE APPROPRIATE ACTION.
4. DISCUSS AND TAKE NECESSARY ACTION ON THE FISCAL YEAR 2016-2017 CITY OF ENID BUDGET.
5. ADJOURN.

CERTIFICATE AS TO POSTING

I, the undersigned Assistant City Clerk of the City of Enid, Oklahoma, do hereby certify that prior to 12:00 P.M. on the 25th day of April 2016, a true copy of the above Notice of Meeting was posted at the entrance to the Administration Building of the City of Enid, located at 401 W. Owen K. Garriott Road in said City. I further certify that I received at least forty-eight (48) hours advance notice of said meeting as required by State Statutes.

DATED at Enid, Oklahoma this 25th day of April 2016.

Assistant City Clerk

(SEAL)

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**MINUTES OF SPECIAL MEETING OF THE
MAYOR AND BOARD OF COMMISSIONERS OF THE CITY OF ENID, OKLAHOMA,
HELD ON THE 26TH DAY OF APRIL 2016**

The Mayor and Board of Commissioners of the City of Enid, County of Garfield, State of Oklahoma, met in a special meeting at 12:00 P.M. on the 26th day of April 2016, in the Council Chambers of the Administration Building of the City of Enid, located at 401 West Owen K. Garriott Road in said city, pursuant to notice given forty-eight (48) hours in advance to the Clerk of the City of Enid, and pursuant to notice thereof displayed at the entrance to the Administration Building of said city, in prominent view and which notice was posted prior to 12:00 P.M. on the 25th day of April 2016.

Mayor Shewey called the meeting to order with the following members present and absent:

PRESENT: Commissioners Janzen, Brownlee, Timm, Vanhooser and Mayor Shewey.

ABSENT: Commissioners Ezzell and Wilson.

Staff present were City Manager Jerald Gilbert, Assistant City Manager Joan Riley, City Attorney Andrea Chism, City Clerk Linda Parks, Director of Engineering Services Christopher Gdanski, Chief Financial Officer Erin Crawford, Director of Public Utilities Louis Mintz, Director of Marketing and Public Relations Steve Kime, and Human Resources Director Sonya Key.

A proclamation was read and presented proclaiming April 26, 2016, as "Joan Riley Day."

It was noted that Commissioner Wilson arrived at 12:12 P.M. and sat in for the remainder of the proceedings.

Motion was made by Commissioner Brownlee and seconded by Commissioner Vanhooser to approve a sign package for economic development, submitted by Land Run Town Center, regarding its development located at 4406 West Owen K. Garriott Road.

Following brief discussion, the vote was taken as follows:

AYE: Commissioners Janzen, Brownlee, Timm, Wilson, Vanhooser and Mayor Shewey.

NAY: None.

Discussion was held on the Fiscal Year 2016-2017 City of Enid Budget.

Opening comments were made by Chief Financial Officer Erin Crawford. Ms. Crawford reviewed the State's budget requirements, and provided a brief summary of General Fund revenues and expenditures for Fiscal Year 2016-2017. She advised commissioners that General Fund revenue was projected at \$41,416,675.00, an overall decrease of seven percent (7%) from the current year budget. This was due in part, to a projected decrease in sales tax of eight percent (8%), which had been budgeted at \$31.45 million. She addressed General Fund expenditures, noting an increase in personnel costs. She explained that three (3) positions had been eliminated for the upcoming year. However, a 27th payroll and increased health and pension costs had played a part in the overall increase. She spoke regarding Contractual Services, Maintenance & Operation and Capital Outlay expenditures, noting that

minimal changes had been made over all the departments. Lastly, transfers, budgeted at \$25,617,950.00, were addressed.

A review of the individual General Fund departments was presented, with staff addressing questions and concerns of the Commission.

Commissioner Timm stated that he was concerned with increased personnel costs, and asked that staff be careful as they provided pay increases to employees each year.

Commissioner Brownlee stated that he wanted to ensure that employees were rewarded for their hard work. He did think it was good to watch, but he also thought it was more impacting to actually watch the efficiencies through which staff worked. Cutting positions was a good approach. However, he didn't feel that the City's budget issues should come on the shoulders of its people. He stated that he thought employees should be empowered appropriately, and that things should be restructured appropriately to gain the best bang for the buck. He went on to say that sometimes raises were justified. Efficiencies could always be improved with any organization.

Commissioner Timm asked staff to explain the pension changes in the proposed budget.

Mr. Gilbert explained that the City had a defined benefit pension system that had been in place for many years. The benefit in that plan depended upon when an employee retired, how long they had working, and how much money they made. The City also offered a 401(K) benefit plan. One of the biggest challenges in personnel costs was that the City still currently offered both plans. That was actually being evaluated at this time. Whatever action was taken, the defined benefit plan would still have to be funded for a long time to come.

Mr. Gilbert spoke on earlier comments made by Commissioner Brownlee. He stated that without the employees efficiently doing the things that needed to be done in the city, the City would not be successful. It was a difficult time, and they were trying to work through it.

Commissioner Janzen stated that he agreed that they needed to be concerned about the employees. However, they also needed to be concerned with the citizens and what they expected from the City. He noted that it appeared to him that there was no money being spent on roads or repairs in the proposed budget.

Mr. Gilbert responded, stating that there was approximately \$4 million in the capital budget for a couple of streets, and \$285,000.00 in the Local Street Program for non-arterial street repairs.

Commissioner Janzen stated that the longer the City ignored the infrastructure issues, the bigger those issues would become. That was something that needed to be addressed every year. If they weren't, the City would get further and further behind, and the citizens would complain even more than they did now.

Commissioner Brownlee had questions regarding various individual departments. He began with the Administration Department, stating that during the Commission's recent retreat, they had talked in length about coaching and leadership for the City Manager, his leadership team, and for the Mayor. He didn't see those costs included in the budget.

Mr. Gilbert stated that there was nothing specifically directed toward that training. However, he had anticipated a cost of \$5,000.00 which could be taken from any of the expense lines in

that budget. He went on to say that he was currently enrolled in some of that training, and the cost had been paid from the current year's budget.

Commissioner Brownlee asked if Mr. Gilbert had received a proposal back for that type of training, and if so, what had been proposed.

Mr. Gilbert stated that the proposal received suggested a retainer of \$5,500.00 per month for six (6) months. It entailed master executive training, staff training, and leadership development training.

Commissioner Brownlee asked if that cost should be included in the Administration Budget.

Mr. Gilbert stated yes, if that was the exact package the Commission wanted.

Commissioner Brownlee stated that it was loud and clear during the retreat that this was something that would be beneficial. He was unsure of what the Commission wanted to spend, but he could see value in adding the expense in some capacity to the budget.

Commissioner Brownlee had questions regarding the PR/Marketing Budget, specifically \$10,000.00 budgeted for utilities, and \$10,000.00 for Vision Internet.

Ms. Crawford explained that the \$10,000.00 expense for utilities was for gas, electric and telephone utilities for the Enid Television Network facility, and for iPad and cell phone data plans. She went on to say that the web master was based out of that department, and the additional \$10,000.00 was for the City's actual website expenses.

Commissioner Brownlee questioned the Civic Leaders Tour budgeted for \$1,000.00 in the General Government Budget. He stated that he didn't believe those tours occurred any more.

Mr. Gilbert stated that he was unsure of what that particular item was. He felt that the expense had probably been picked up from previous expenditures from prior years' budgets, and he would look into the matter to determine if this was a viable expense for the department.

Commissioner Brownlee referred to \$100,000.00 budgeted in the Accounting Department for annual audit and financial statement preparation. He asked if staff had negotiated any kind of release with the CPA firm for timeliness of the audit.

Mr. Gilbert stated that the new arrangement letter had not been received. However, that issue would be negotiated.

Commissioner Brownlee had questions regarding the \$85,000.00 line item budgeted for credit card fees in the Records & Receipts Department.

Ms. Crawford explained that to be more customer friendly, the City did not charge a fee for credit card transactions made by its customers for utility bills, permits, hangar rent, licenses, etc. This was the fee paid the credit card company to process those transactions.

Assistant City Manager Joan Riley stated that these fees continued to increase from year to year as customers used credit cards and debit cards more frequently. She also stated that this issue had been discussed at length on the State level as cities were incurring increased expenses on these types of transactions.

Commissioner Brownlee asked if this was something that should be reconsidered. It seemed like an easy way to increase revenue by \$87,000.00.

Mr. Gilbert stated that this was something that could certainly be considered. He went on to say that most places didn't put these fees back on the customer. However, staff would look into the legality of doing that and bring back those findings for discussion at a future study session.

Commissioner Brownlee stated that he was a big proponent of the Library. It was an important part of the community. However, its budget of \$910,000.00 was a lot of money. Was there any way that it could be reduced?

Ms. Riley responded. She stated that the Library budget had been significantly reduced over a period of years. Part of that was accomplished by reducing positions. Hours of operation was the main issue with the Library. It wasn't an eight-hour opening. It was open 9:00 A.M. to 8:00 P.M. on most days. There were many programs involved with various adults, children and teens. It took a lot of people to coordinate those programs. The Library maintained a minimal amount of staffing while still operating to the level it was being operated. It was operating very well, and it was operating very efficiently. It was one of those areas that was hard to quantify, because it was a service.

Commissioner Brownlee stated that he wasn't trying to make a case that the Library was an unworthy expense. It was just a big number, and someone had to ask the hard questions.

Commissioner Vanhooser left the meeting at 12:58 P.M.

Lastly, Commissioner Brownlee stated that he understood the purpose of cutting positions. However, he was concerned with backfill or continuation in the event of the City Manager's absence if the Assistant City Manager position was not filled. He asked Mr. Gilbert to explain his plan of action in the event he was out of town or if something happened to him.

Mr. Gilbert explained that the only reason he had eliminated that position was because of the sales tax downturn. He felt it was prudent in this situation, but fully intended to bring it back at some point when finances allowed. In the meantime, he would lean on his Senior Leadership Team. He had several leaders on his team who were quite capable of filling in in his absence. He would like to try that approach. It wasn't a foreign concept to the City. The City had had Assistant City Managers before, and had had periods when it didn't. It had managed. It would be able to manage again with some of the capable people it had. It would also be an opportunity for growth for his staff.

Commissioner Brownlee stated that he was concerned about communication and the Commission's ability to work with any one of the team members. He asked if they would feel like they had the authority to make decisions and move things forward in his absence.

Mr. Gilbert stated that yes, he thought they would be able to do that. He also stated that he felt the Commission's concerns. He was solely looking to eliminate the position now because of the economic situation, and fully intended to bring it back at some point. If his plan of action didn't work, he would accelerate the hiring of the position.

Commissioner Janzen stated that there were several items he would like to address. He questioned the \$35,000.00 line item budgeted in the Administration Budget for discount tickets for employees. He stated that he didn't feel that enough employees actually took advantage of that to make it a viable employee benefit, and asked that the practice be discontinued.

Mr. Gilbert stated that typically, 20 or 30 low-priced tickets were purchased for almost every event at the Enid Event Center, and they generally were sold out. He also noted that the ticket sales did generate some revenue, so the net cost to the City was approximately \$10,000.00.

Commissioner Janzen stated that he, once again, would like to remove the item budgeted in General Government for the Roggow contract. In his opinion, the City was not getting \$48,000.00 worth of benefit from that service.

Commissioner Janzen spoke regarding the Public Relations/Marketing Department. He stated that five (5) years ago, the City had no PR Department. Now the department had a budget of \$511,000.00, which was more than the City could afford to spend. He stated that as far as the community was concerned, the City's public relations were no better than they were five (5) years ago. He liked the shows. But to him, the City wasn't getting \$500,000.00 worth of benefit. He would like to see it move in a different direction.

Mayor Shewey stated that someone had to sell the city of Enid. Who else promoted the city like the Enid Television Network did? They had a consolidated effort. They were the ones doing the marketing.

Commissioner Wilson stated that she would like to see less television shows and more good press releases. They should be informing the public of what the City of Enid was doing so that its citizens felt informed. That was what a PR group did. It kept everyone on the same page.

Commissioner Brownlee stated that \$500,000.00 was a lot of money, and he didn't disagree with what Commissioner Wilson was saying. However, if the PR Department accomplished the things that commissioners had asked to be changed during discussion at the retreat, it would be worth quite a bit of money to the City. He hoped those things would continue to be pushed forward. He wouldn't have a problem with the PR Budget if those things were accomplished.

Mayor Shewey stated that he liked the marketing side of the department as much as the PR side of the department.

Commissioner Janzen stated that he agreed, but didn't know if the City could afford it or not.

Ms. Riley stated that she would like to see the department focus on inside the City, with good news-type stories and those types of things in multiple ways. Not just the television. In multiple avenues. She went on to say that Visit Enid did an excellent job of marketing outside the City. Together, they had a budget of over \$1 million.

Commissioner Brownlee commented that the first thing that was always cut in a budget downturn was marketing, and he wasn't sure that this was the place to cut. He stated that he felt the City had a good story and they needed to stand behind that story. However, there were certain objectives that needed to be met.

Mayor Shewey responded. He stated that this was very important to this region, and this region was very important to Enid. They had to keep promoting Enid.

Commissioner Timm questioned the increase for Labor Related Issues in the General Government Budget, and had questions regarding the NAPA contract.

Ms. Crawford stated that the increase in labor related issues was based on future expenses for current trials and arbitrations that would be carried over into the new year. She addressed the NAPA

issue, stating that there had been a lot of feedback from the service departments, both good and bad, regarding that contract. She also stated that numerous meetings had been held with NAPA officials to discuss the various issues that concerned the departments, and that staff would continue to look at that service to determine if it was the best service for the City.

Commissioner Timm had questions regarding the \$168,000.00 expense budgeted in the Capital Replacement Tools and Specialized Equipment line item.

Ms. Crawford explained that this expense was for the purchase of a street painting machine for the Stormwater and Roadway Maintenance Department, and for a 4-post lift with jacks for the Fleet Management Department, both of which were one-time items.

Commissioner Timm asked Ms. Crawford to explain the Transfers to Other Funds line item, budgeted at \$744,845.00.

Ms. Crawford explained that this amount was a substantial increase from the prior year and included the following: A transfer to the VDA Budget in the amount of \$165,000.00 for Consultant Services and the Vance Scholarship Program; \$40,000.00 to the CIC Budget for the Juvenile Program; A transfer to the Golf Fund in the amount of \$233,845.00, which was up \$34,000.00 from the prior year due to the 27th payroll previously discussed; and a transfer to the Enid Economic Development Authority in the amount of \$306,000.00, due to Love's Travel Stop and Academy incentives approved during the current budget year.

Discussion was held regarding a trail painting machine, previously purchased to construct trails.

Mr. Gilbert stated that use of this machine depended on whether or not there were projects that were suitable for the machine. He stated that it had been used on the Crosslin Trail System, but there were no other trails planned at this time. Staff had explored other options for its use, but it was becoming more and more obvious that the equipment was not useful and should be sold at some point in time to purchase other equipment that the departments could use.

Commissioner Wilson stated that the equipment was purchased to cut down on the cost of constructing trails, and now it wasn't being used. The machine cost a lot of money, and it should be used for what it was intended.

Mr. Gilbert stated that one reason the machine wasn't being used was because there weren't any projects that suited it. Also, the people who did the work didn't find the machine useful to them. That was only a part of the issue, and when future equipment was purchased, staff needed to listen to the people who actually used the equipment. He stated that staff was challenged with the trails. Purchasing that machine was an effort to try and make it better. If it could be sold for a reasonable price, he would like to do that and purchase some equipment that could be used every day.

Closing comments were made on the proposed budget.

Commissioner Brownlee stated that at first glance, he appreciated staff's conservative approach to the budget. He felt they nailed the numbers. Revenue projections were good. They had done everything they could to manage expenses in the best way possible. He appreciated their hard work because it was a big project.

Commissioner Timm agreed, stating that staff did a fine job with the budget.

There being no further discussion, motion was made by Commissioner Janzen and seconded by Commissioner Brownlee that the meeting adjourn, and the vote was as follows:

AYE: Commissioners Janzen, Brownlee, Timm, Wilson and Mayor Shewey.

NAY: None.

The meeting adjourned at 1:40 P.M.

CITY OF ENID, OKLAHOMA

BY: _____
WILLIAM E. SHEWEY, MAYOR

(SEAL)

ATTEST:

LINDA S. PARKS, CITY CLERK

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