



## WATONGA CITY COUNCIL **SPECIAL MEETING** MINUTES FOR DECEMBER 17, 2020

*In accordance with the Oklahoma Open Meeting Law, this Agenda was posted December 15, 2020 Prior to 5:00 PM. at the Watonga City Hall, on the door of the City Clerk's office, located at 117 North Weigle, Watonga, Oklahoma.*

**The City Council of the City of Watonga did meet at 6:00 PM on Tuesday, December 17, 2020 in the Auditorium of Watonga City Hall, located at 117 North Weigle, Watonga, Oklahoma for a special meeting.**

### **Invocation & Pledge of Allegiance:**

**Council Present:** Travis Bradt, Julie Almaguer, Ryan Bruner, Allen Cowan and Lindsey Doyel. Also present, Mayor Gary Olsen, City Manger Larry Mitchell, City Attorney Jarred Harrison and City Clerk Verlen Bills. Kendra Baker, Mina Green and Bill Seitter were absent.

**Declaration of a Quorum:** at 6:01 PM

### CONSENT AGENDA

A. **Approve the Minutes** of the last Council Meeting held December 1, 2020.

Motion to approve the Minutes of the last Council Meeting held December 1, 2020 was made by Allen Cowan and seconded by Ryan Bruner.

Mayor Olsen called for a vote;

J. Almaguer    abstained        T. Bradt aye                    R. Bruner aye                    A. Cowan aye

L. Doyel        abstained

Motion carried.

B. **Approve the Monthly Reports** from EMS, Fire Department, City Treasurer, Library and Watonga Police Department.

Mr. Cowan asked City Treasurer Rodney Jacks about the \$5000 in the Hospital Capital Improvement Fund.

Mr. Jacks replied, that was to Rees and Associates. This is part of the \$26,000 that Council approved some time back. It was paid from the Hospital's share of the Huff Lorang Oil and Gas proceeds. This did not come from the General Fund.

Motion to approve the Monthly Department Reports from EMS, Fire Department, City Treasurer, Library and Watonga Police Department was made by Travis Bradt and seconded by Julie Almaguer.

Mayor Olsen called for a vote;

J. Almaguer    aye        T. Bradt aye        R. Bruner aye        A. Cowan aye

L. Doyel        aye

Motion carried.

Mina Green present at 6:06 PM.

C. **Approve the Monthly Financial Report** for December, 2020 from RS Meacham.

Mrs. Dacia Phillips with RS Meacham: We are 5 months into the fiscal year. We would like to see revenues to be 41.67% or higher, and expenditures at 41.67% or lower. Our total revenues grew to \$833,117. That is 43% of projected budget, which is good. We would like to be a bit higher than that but our Sales Tax, Use Tax and of some the other taxes are a little under projections. Overall we are at 43%. Our total expenditures are at \$1,488,152 and that is at 41% of budget. We are right where we need to be. After other income, expense and transfers year-to-date, we have a loss of \$32,695. We had a couple of notable expenditures for November. In Code Enforcement we paid approximately 18,000 for clean-up and we are four months into the contract with Blaine County Jail.

Mrs. Phillips continued: In Light and Water, Electric operating income, which is direct electric income versus direct expenses, we are at \$489,906 or 67% of budget. We show a loss in Water Operating Income (printout shows (\$93,596)) and a loss of \$46,311 in Sewer Operating Income. In Garbage Operating Income we are at \$42,842. That is 98% of projection. We did have a large expense of \$57,000 to clean out the digester. After Administrative Revenue, Expenses and Transfers Light and Water has a net loss of \$91,013 year-to-date.

There was little activity for November on the next few pages. The Grant account has year-to-date income of \$14,285.

In the Public Works Account, overall year-to-date we have a Net Income of \$12,311. We received \$46,600 in Grants and we have paid out \$46,600 in Capital Outlay for the Runway Project.

In the Sales Tax account, year-to-date we have a net income of \$61,770 and we have spent year-to-date, \$18,329 in Capital Outlay. So far this year we have not paid much for Capital Outlay from the Sales Tax Account.

Mrs. Phillips: In the Street and Alley Fund, year-to-date we have a net income of \$32,536. We have spent \$12,500 on the drainage project and money was transferred in to pay for that.

On the last page of the report is the bar graph for the last two years of Sales Tax trends. This does actually reflect sales tax received in December, 2020 of \$156,553. For the first six months of this fiscal year, we have collected \$1,010,367. For this same time period a year ago, we had collected \$1,384,327. We are down about 27% on sales tax from last year. In Use Tax we have collected \$104,928 for the first six months of the fiscal year, down 52.78% when compared to the same time period last year when we collected \$229,816.

Mr. Jacks added that these numbers for November and December show the first two months of the \$10,000 per month that the Tax Commission is deducting from our receipts to pay back an over-payment and we have 22 more months to completely pay this back.

Mrs. Phillips continued, this all happened prior to 2017 and Watonga is not the only community this is happening too.

Mr. Mitchel and Mrs. Phillips briefly discussed how this liability might be dealt with in the future, as far as reports and budgeting are concerned. They agreed that the City is still “in the black”.

Motion to approve the Final Report form RS Meacham presented by Dacia Phillips was made by Allen Cowan and seconded by Travis Bradt.

Mayor Olsen called for a vote;

J. Almaguer aye T. Bradt aye R. Bruner aye A. Cowan aye

L. Doyel aye M. Green aye

Motion carried.

D. **Review and accept** the list of claims against the City of Watonga for the month of November, 2020.

Mr. Mitchell: We sent out some modified list of claims for both the General Fund and the PWA Light and Water Fund. I want to draw your attention to the second page, a claim from Parkhill, number 1376. We discovered that was a double payment or duplicate payment. Parkhill recently acquired Cardinal engineering and they are doing the engineering work for Workman and A Avenue drainage. And we received invoices from both Parkhill and Cardinal Engineering. We have the corrections and adjustments.

Mr. Jacks noted that we had received the check back from them today.

Mr. Mitchell continued: In the Light and Water, as Mrs. Phillips has already mentioned, we had some significant invoices for the work of cleaning out the digester at the Treatment Plant. I have asked Light and Water Supervisor Warren Rice to be here and give us an overview of what that project entailed. If you remember, a few months ago, we talked about cleaning out the digester. At that time the Council authorized me to expend about \$13,000. We exceeded that number significantly and it was primarily due to what we encountered as we started cleaning the material out of the digester. And you will see those claims on there. There was one to Brenntag Southwest, another claim from APSS, and the third one was from Hamm and Phillips.

Mr. Rice: Hamm and Phillips and I went and looked at the project and calculated what it would take to do this. We thought that the sludge would settle to the bottom of the tank and the water would come off the top. It did not work out as planned. There was much more sand than anticipated and a layer of rock solid sediment. We used our backhoe and Fire Department hoses to try and breakup the sediment. We had to put personal into the digester with SCBA; they went in the digester with high pressure hoses and chipped this sediment out. Street and Alley hauled the sludge off for us, but this had to be mixed with lime and tested as DEQ required.

Between the packed sediment, sand, and just junk in the very bottom this job that was estimated to take several days took approximately three and a half weeks.

As for the cost, the companies helping us gave us considerable discounts, at least half of what the charges could have been. Hamm and Phillips only charged us \$25.00 per day for frac tanks and then only when in use.

Mr. Mitchell noted the schematic of the digester, prepared by Mr. Rice, that had been handed out. It is about 35 feet wide and 28 feet deep. We estimated approximately 120,000 gallons of sludge was removed.

Mr. Rice described more details of the issues encountered trying to get the digester cleaned out. He was very appreciative of the help from other City Departments and the companies helping us out with equipment.

Mr. Mitchell added, there was also an ice storm that delayed work for some time.

Mr. Cowan asked, in the modified report, under the General Government on page four, the top line, I am not understanding exactly what that is.

Mr. Mitchell replied, that is for advertising.

They briefly recalled all the ordinances that had been passed a short time ago that required publishing.

Mr. Bradt asked about the \$19,812.50 to Hamm and Phillips, was this the total expenses for cleaning out the digester?

Mr. Mitchell: There were three expenses there for about 37,000 and that is included. Then there is another expense for about \$5,000 from United Rentals.

Mr. Rice added, I rented a special hydraulic pump from United Rentals. This is what we used to get the bulk of the liquid out of the digester. This only took us about an hour and a half. Then we could get to the sediment and sludge.

Mr. Bradt asked, all added together, how much did this project cost?

Mr. Mitchell answered, the three added together, I think it is close to \$60,000.

Mr. Rice commented, if we tried to hire this done, it would have cost over \$200,000.

Mr. Mitchell: A am not sure how we would even draw up specifications for a project like this. But, we now have a clean tank. This was a job that needed to be done and this puts us in a good position when the Casino and Hotel come online in a couple of months.

Mr. Mitchell continued, we met with our Engineering Company yesterday, and they have gone through an evaluation of the Treatment Plant. They will attend our January Council Meeting to give you a report on the condition of the Wastewater Treatment Plant and their recommendations on where we could start to make improvements to the Plant.

Mrs. Almaguer asked, what can we do in the future to make sure this does not get this bad again?

Mr. Mitchell: That will also be part of the discussion we will have with the Engineers at the January Council Meeting. We need, what I would call a strategic plan on our approach to making improvements at the Treatment Plant, so that we do not repeat that same issues or have that same problems. The Engineers will have some good recommendations on how we can address this. We do not want to be sitting here two years from now doing this again.

Mr. Mitchell, Mrs. Phillips and Mr. Jacks discussed how the expense for the digester clean-out will work into the budget. Money is available for this, it is just a budgeting amendment.

Motion to accept the List of Claims against the City of Watonga for the month of November, 2020 was made by Allen Cowan and seconded by Ryan Bruner.

Mayor Olsen called for a vote;

J. Almaguer aye T. Bradt aye R. Bruner aye A. Cowan aye

L. Doyel aye M. Green aye

Motion carried.

### **ACTION AGENDA**

1. **Consideration, Discussion and Action:** To approve the 2019 – 2020 Audit from FSW& B presented by Derrel White.

Mr. Derrel White: We will summarize some of the significant things that are important to look at, particularly in terms of how we are going forward instead of looking back. I do not really like to spend a lot of time based on past numbers, because most of our procedures are forensic. So what I can explain to you, like the medical examiner, the last thing you want us to do is to look at the numbers and say your dead. We want to see these numbers in context and how the information that you get on a monthly basis is answered, And secondly, are we in a position to continue to be able to react to changing conditions in your situation.

To start, if you want a really good summary of the health of the City for the prior year, you can find that on page seven, the Management Discussion Analysis, technically, not part of our audit report, but it's based on numbers that we audited and it is the one place in our report where you can see a side by side, year to year of both governmental activities and business type activities.

As you know, we got hit with a double whammy last year. We got the hit from COVID and the sharp decline in oil and gas prices. As a result, sales taxes have really declined and continue to do so this year. Hopefully, we are at the bottom of this and it will start to level out and maybe start back up. We cannot control revenue or even predict with any certainty, I think more importantly, the thing that I feel sums up the overall accounting reporting system is how well we are positioned to react in the future and this is our Budget to Actual comparison which is on page 37.

It is real easy to have positive variances, when sales taxes and revenues are going up, and things are going great. It does not require much permanence or much management to do that. If we were just in a situation where revenues were trending down over time, we can address that with budget adjustments.

The more difficult thing is when we get into a situation like we have here now, over the last part of last fiscal year, and going into the current fiscal year, where there are significant changes, there is nothing to compare to. No one is certain how this is going to impact us. We had no idea in March, or June or even now, what this impact will be or how long this will last.

I considered this as I did the final review of procedures and support. The conclusions, that the different audits made in the different areas, and they were all tight, is that we were very responsive in a very difficult situation. That is definitely a positive position in this situation.

This was not just in every department, but each individual function of every department. We had a lot of positive variance in our budget last year. And again, this will show on page 37 in the far right hand column of that comparison.

This is because we made significant revisions and adjustments to the budget during the year. We did not start out thinking it was going to be that bad of a year. But we knew, by the time we were in the budget hearings last year, that our revenues would be down. We did not know it would be down 27%.

What I have seen this year demonstrates the improvements in accounting over the last five to seven years. We have a system now, that I think, is really responsive to capture things as they happen. Obviously that makes our job a lot easier.

And I think more importantly, you have confidence that the numbers in the monthly reports from Meacham that they are legitimate and coincide with the Audit. The report Mrs. Phillips presented this evening, for example, is kind of on a cash basis. These numbers grow more on accrual basis. The Audit report we presented accounts for the whole fiscal year. The fact that we did not have any major significant adjusting entries nor in individual areas, shows continuous improvement and gives me the confidence to say that we are certainly on the right track and our data reporting system is good.

In summing up, I would like to point out that all the changes that you can make in terms of changing to a City Manager form of government, updating ordinances and the other changes is certainly a more modern way of running government. We are seeing this much more today than we see the Mayor Council type of government. It is not really our job to recommend one type of governing over another, but we are in favor of the City Manger type of governance. This puts the City in a better position to identify and make these changes on a rapid basis.

In large Cities there are enough personnel in the different financial positions to allow for segregation of duties. In a smaller City sometimes, one employee has several duties to perform. We like segregation of duties, but we understand that in smaller Cities it is not always possible. We do the best we can with what we got and sometimes that is really difficult. I think, an outside consultant like Meacham is a big help with this.

The other positive help is that you, the Council and Management ask questions about individual line items. I can not emphasize enough how important it is that Employees see Council being pro-active and asking questions. This helps to litigate the risk that we can not directly do anything about.

Every year we see more expectations from citizens, granting agencies and others. We are continually asked to do more and more, but our resources to fund these expectations is actually decreasing. So, we are really having to do more with less. I really think, at least in our opinion, you have done a fine job of keeping up with that. Watonga continuing to do the things that you have done well and look to change and modernizing and making your system more efficient. You also utilize outside people as well as your own people and balance the cost benefit and litigate the risk. And the City Council has done their part by always asking; is an expense is a important function?

I would like to mention one thing somewhat out of the scope of an audit. As Watonga continues to modernize and make changes, it is good and still the responsibility of the entity to evaluate your individual controls in different areas. One of those is to make sure that your ordinances are consistent with what your are actually doing. For example water rates, did we test the rates to verify that they were calculated correctly? We did not find where this was not done but an ordinance showing that this was done is one of those increasing expectations. This is one of those things were we are trying to improve our procedures also.

I tell people all the time, I wish we could go back to the days where all we had was just look at checks, look at both sides, and see if there is evidence of fraud and other simple items. Now we have to visit all different types of risks that did not even exists 15 years ago, in terms of electronic transactions and volume of transactions in consolidations.

I liked what I saw tonight with your discussion about duplicate payment of an invoice. This says to me, that Watonga has the processes and procedures in place and it works. As an Auditor, I liked seeing that.

To summarize our unmodified opinion, which is what you wanted. There were no report-able conditions, on either compliance or internal control. That does not mean that everything is perfect. I think what that means, to the extent that we planned and reviewed your overall system, you have addressed the highest risk areas, effectively, in our opinion. And, that is an every year marathon, not a sprint, and we need to keep that up every year. Thank you.

Motion to approve the 2019-2020 Audit from FSW&B presented by Derrel White was made by Allen Cowan and seconded by Julie Almaguer.

Mayor Olsen called for a vote;

J. Almaguer aye T. Bradt aye R. Bruner aye A. Cowan aye

L. Doyel aye M. Green aye

Motion carried.

2. **Consideration, Discussion and Action:** To approve the Bid Specifications and Contract Documents for the Culvert and Drainage at Workman Ave. and A Street.

Mr. Mitchell: I have a copy of the full set of documents if anyone would like to look at those, but what you have is the front part of the bid specs that we will use when we bid the project out once you authorize us to proceed with the project. We hope to do that in early January so we can get the bid notice out to contractors the first week or so in January, and open bids in early February. We will have a contract ready for Council to consider and hopefully approve at the February Council meeting.

I have included some other information. We have an the Engineer's estimate of about \$100,000 and we have a budget of about \$140,000. We spent \$25,000 for the engineering and survey work because this particular intersection is in a floodplain. We had some particular issues that we had to address and that is why the engineering took a little longer than usual. The top of the concrete covered box is actually part of the roadway. And so that concrete box or culvert has to be reinforced. We could not just go out and purchase a standard concrete box and stick it in there, it had to be designed for the application so it that would stand up to traffic over the top of it. This created that issue for the engineer, but we are ready to go out for bids.

I did give you some information about the results of a REAP grant that we had applied for. And as you can see we were not successful. There were 30 applicants and 21 were approved. Unfortunately, our ranking did not turn out well. This was primarily because of our population. If you look at the ranking, we got seven points for our population size, and we have to use the latest census which was the 2010 census that showed we had a population of 5000, which included the prison population at the time. Today, our population is probably closer to 3000. Even at that you would have only moved up from five points to seven points. Most of the communities that receive these grants get 15 to 20 points and we could not make that up in the rest of the application. Some communities got 20 points just because of their population size, or lack of population. We get penalized for a larger populations with nowhere to make that up in the other criteria. I'm guessing that the majority of the 21 that got approved are communities that are less than 2500. The application also get minus points if you ask for more money, which is sort of counter intuitive to a grant application. I would think, the reason that you are asking for the money is the need to do a specific project. If you look at the rating sheet, if you start asking for more than \$25,000, you start getting minus points on your application. With \$25,000, I'm not sure what kind of a project you can do. For this project, the engineering was \$25,000. So, that is a frustration. But anyway, I think we had a very strong application had it not been for the population. With a lesser population we might have qualified.

So I would ask that unless you have questions that you would approve the bid specs and authorize us to proceed with sending out notices the first of the year for the project.

Mr. Bruner asked, how did they determine that it was desirable over essential?

The way I read the application criteria, a lot of these communities have what is called a strategic plan or comprehensive plan. They have identified, in that comprehensive plan, their capital improvement projects for a 5 year or 10 year period. And then, as you do that planning, they identify which projects have the highest priorities and which projects have a lower priority. Since we do not have a comprehensive or strategic plan, there is no way to identify the priorities. Other than I thought it was essential, but is the way they work out their criteria. It is in the floodplain, you would think that is essential. But that is not how you fill out the application. It has to be essential and you have to identify this as essential in a plan, a comprehensive plan, strategic plan or capital improvement plan. Then they would accept that, but since we do not have a plan, it is not essential part of it, it's essential because we asked for the money. And another question in the application was, would you do this project if you did not get funding? Certainly, we do not really have a lot of choice. Anyway, it was a great mental exercise that I went through. We have a whole set of plans. A lot of schematics. I think we gave you a preliminary set of construction plans a month or so ago. So we are ready to go out and bid the project.

Mr. Cowan: The last project we went out to bids with was for the Mercy CT Machine. If I recall we only got 2 bids for this project and I would have thought that Mercy would have been able to advertise this bid to a wider group of contractors. Do we have any plans to advertise outside of the Watonga area?

Mr. Mitchell replied, Cardinal Engineering will publish this bid in several regional publications aimed at contractors. They will list the project. And if you look into the bid notice, it will say, if you want a copy of the bid specs, call this number to contact the Cardinal Engineering for set of documents. Cardinal will see to getting this to the publication services. And, by timing this in January, hopefully, we will get a better response because companies will start looking at scheduling their projects for the new year. If we can get on the front end of their schedule, sometimes we will get a better bid. The difficulty with this is that it may be considered a small project for a lot of companies. That may limit the number of bids we receive.

Motion to approve the Bid Specifications and Contract Documents for the Culvert and drainage at Workman and A Street was made by Ryan Bruner and seconded by Julie Almaguer.

Mayor Olsen called for a vote;

J. Almaguer aye T. Bradt aye R. Bruner aye A. Cowan aye

L. Doyel aye M. Green aye

Motion carried.

3. **Consideration, discussion and action:** to approve resolution no. 2020-18 repealing the previous Election Resolution; fixing the date of the Election in the City of Watonga, Oklahoma; further designating the Offices to be filled at said Election, including the qualifications and voting information necessary for conducting said Election; directing submission of same to the Secretary of Blaine County Election Board; and notice of Election.

City Attorney Jared Harrison: We have learned things that apparently no one with the Election Board knew. Municipal Elections, unless you have primaries, cannot have a runoff. This was one of the big items we talked about previously was how we had planned for that. When the Election Board called me and asked us to make this modification, I actually ended up calling OML and walked this through with them. Their initial reaction was yes, you have run election if no one gets more than 50% of the vote. Then, an hour or so later, they call back and suggest, that we might want to change that. I still do not have great statutory site (reference) as to where this comes from. But, suffice it to say, on top of that, I feel comfortable that we will not have run-off election. This was really the Election Board's only concern. So, for the most part, that are the only changes in this Resolution, rescinding the prior Resolution and dropping that run-off election.

Mr. Mitchell asked, what is the filing date. When do we have to get this to the election board.

Mr. Harrison, at least 15 days prior to the filing date. We still have a about a month to get this done.

Several asked or discussed, when is the filing date?

Mr. Harrison answered, for municipal elections, it starts on the first Monday in February. This year that falls on February 1.

Julie Almaguer made the motion to approve Resolution no. 2020-18. Repealing the previous Election Resolution; fixing the date of the Election in the City of Watonga, Oklahoma; further designating the Offices to be filled at said Election, including the qualifications and voting information necessary for conducting said Election; directing submission of same to the Secretary of Blaine County Election Board; and notice of Election. Motion was seconded by Travis Bradt.

Mayor Olsen called for a vote;

J. Almaguer aye    T. Bradt aye    R. Bruner aye    A. Cowan aye

L. Doyel aye    M. Green aye

Motion carried.

4. **Consideration, discussion and action:** Resolution No. 2020-19 modifying the Holiday Pay Policies located in the Personnel Manual to remove provisions erroneously contained in the previous update.

Mr. Mitchell: The Resolution you have tonight modifies a previous provision in Resolution 2020-6 that had been approved in June. I do not know how this is in the resolution passed in June, but there was a sentence in the last section that reads, "Each full time EMT/Paramedic, Firefighter, or Police Officer that is not scheduled to work on a holiday will receive standard pay of 8 hours.". We do not know how that got in there. We have gone back and looked at our drafts. We can not figure out how that sentence got added. But it was added and it was a mistake. It was brought to our attention by the Police Chief in November and that is why we're asking you to resend that previous resolution and replace it with the this new Resolution 2020-19 before Council tonight. All of the rest of the provision remains the same.

Julie Almaguer made the motion to approve Resolution 2020-19 modifying the Holiday Pay Policies located in the Personnel Manual to remove provisions erroneously contained in the previous update. Motion was seconded by Lindsey Doyel.

Mayor Olsen called for a vote;

J. Almaguer aye T. Bradt aye R. Bruner aye A. Cowan aye

L. Doyel aye M. Green aye

Motion carried.

## 5. Council Comments:

Mr. Bruner asked about the Opening of the Casino.

Mr. Mitchell: We have not heard anything from the Casino Group, other than they are postponing their opening, and that is not official. That is just rumor. I do not believe Mr. Harrison has heard anything from their Attorney and I have not heard anything from the Management Group. We officially turned the water line over to them on December 9. We finally got the water line tested and it passed test. They were notified the Waterline was ready on about the 9<sup>th</sup> of December. The weather may have caused problems. Maybe they have other problems internally at the Casino. Or, maybe they could not get their staff together and trained, we do not know and we have not heard anything.

Mr. Cowan: How are things progressing with the Parks Department moving into the buildings at the Golf Course?

Mr. Mitchell: That is going to work out very great. I think it will be a good space for them. According to Mr. Dunn, that about 50% of his mowing is at the Golf Course and Airport so it will be really convenient for them. Once the Parks Dept. get situated there, we plan to use the Pro Shop lobby area for employee training and other events. It is valuable space and I think it is well worth maintaining.

Mr. Cowan asked, what are we planning to do with the buildings that the Parks Dept. is vacating?

Mr. Mitchell: I think the Street Depart. is interested in utilizing some of that. Light and Water may also be throwing out a bid for some of that space.

Mr. Jacks noted that Building Inspector Terry Lauminck was helping Mr. Dunn with a heater at the Golf Course buildings.

This prompted Mr. Mitchell again to compliment the City Employees on how they all work together to get a job done. Whether cleaning out the digester or cleaning up from an ice storm.

Mr. Cowan asked of Mr. Jacks about the Sales Tax over-payment that we are paying back as a deduction from our Sales Tax receipts. Is this also effecting the Sales Tax to the Hospital?

Mr. Jacks replied that their percentage is being deducted from what they would normally receive.

Mr. Bruner, where are we at with the Golf Course property in relation to the Airport.

Mr. Mitchell: We are hoping to get some kind of master plan from the Engineer who is helping us with the Airport. We will decide what property goes where accordingly.

At some point we will need to surplus the equipment at the Golf Course and recoup some of the value and Mr. Bruner has mentioned that irrigation pumps and other equipment.

Once we get a preliminary master plan for the Airport property, we need to think about where the ionization project is going to fit in. We have received the reports from the ionization pilot project and submitted that to DEQ. We are waiting for them to either approve, modify, amend, and then submit their proposed consent order to us as to how we are going to address that problem. Once we get the response from DEQ we will share that with Council.

Mr. Jacks gave a report on the Light & Water Capital Improvements Savings Accounts. He reported that the Water Account balance was \$204,259. The Sewer Account was \$135,514.63 and the Electric Account was \$191,905.24. And the balance of the Account that could be used as needed is approximately \$93,000. Total is \$624, 993.59. Mr. Jacks reminded the Council, considering the cost of projects today, this money could disappear quickly.

#### **6. Mayor Comments;**

Mayor Olsen commented, I want to thank all the Employees in the City for keeping the lights on and keeping the streets clean and getting the Christmas Lights up. It looks really nice. Thanks.

#### **7. City Manager Comments;**

Mr. Mitchell: I want to say thanks to FSW&B, our auditors for getting report out as quickly as they did. We had a very good experience with the people that came in and visited with us today. They were very professional, we appreciate that very much.

I am a visual guy, and I really appreciate the pictures. (Color Graphs) On page eight, a bar graph that shows business type activities. If I am reading this correctly, this tells me that we are doing a really good job on all of our rates except for sewer. Our electric revenue versus expenses is way up. Water is in good shape, but sewer rates are lacking some. That tells me that we need to take a serious look at our sewer rates. The graphs are much easier for me to see verses charts and schedules with numbers.

The other thing I need to explain is the gift boxes on the table in front of you. This is my thank-you to you for serving on the City Council. I do not think there's anything in there that that will cause you any serious harm unless you're allergic to chocolate.

I would like to remind everyone that the holiday schedule for next week and the following week, City Employees will be off a couple of days, both of those weeks. And, this next Monday, December 21, is sort of the triple witching hour for us. We have a Light & Water Office personal to be on vacation and we will be running the statements out on the 21<sup>st</sup>. And, it is a short week. There is also a payroll that is due on the 21st. So, if you get a couple of calls from citizens, just let them know that we're doing everything we can, but we will be short handed. Some of the Light & Water crew will be in the Office to help out.

Tomorrow, we are having a little Christmas luncheon for the Employees, Council and others are welcome to participate. This will be different this year. We will put together carry-out trays and Department Supervisors will pick this up and take back to their place. Sort of a come and go buffet. If your interested, come on by.

Mr. Harrison noted, I just received the title for the Ferguson today. The City now owns that property and I know how much the City needs more property to take care of.

Mr. Mitchell added, and if we spend \$10,000 we might be eligible for a grant? And Happy Holidays to all.

8. **Adjourn:**

Motion to adjourn was made by Ryan Bruner and seconded by Allen Cowan.

Mayor Olsen called for a vote;

J. Almaguer aye T. Bradt aye R. Bruner aye A. Cowan aye

L. Doyel aye M. Green aye

Motion carried at 7:03 PM.

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Mayor Gary Olsen

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City Clerk, Verlen Bills

This "Special Meeting" was called to attend to agenda items from the December 15 meeting which was canceled due inclement weather. Heavy Snow.