



Council Chambers and
First Floor Conference Room
401 S. Johnstone Avenue
Bartlesville, OK 74003

**MINUTES OF THE
SPECIAL MEETING
OF THE
BARTLESVILLE CITY COUNCIL**

**Monday, May 17, 2021
7:00 p.m.**

**Mayor Dale Copeland
918-338-4282**

MINUTES

(The Notice of Meeting and Agenda was posted May 13, 2021 at 5:00 p.m.)

City Councilmembers present were Mayor Dale Copeland, Vice Mayor Jim Curd, Trevor Dorsey, Paul Stuart and Billie Roane.

City staff present were Mike Bailey, City Manager; Jason Muninger, City Clerk/CFO; Terry Lauritsen, Director of Water Utilities; Micah Siemers, Director of Engineering; Kelli Williams, Chief Communications Officer; Laura Sanders, Director of Human Resources; Alicia Shelton, Accountant; Police Chief Tracy Roles, Security; and Executive Assistant Elaine Banes.

- 1. The business meeting of the Bartlesville City Council was called to order at 7:00 p.m. by Mayor Copeland.**
- 2. Roll call was conducted a quorum established.**
- 3. Councilman Dorsey provided the invocation.**
- 4. Citizens to be heard.**

There were no citizens to be heard.

5. City Council Announcements and Proclamations

There were no announcements or proclamations.

6. Authorities, Boards, Commissions and Committee Openings

- Two openings on the Ambulance Commission
- One opening on the City Planning Commission
- One opening on the Construction and Fire Codes Appeals Board
- Three openings on the White Rose Cemetery Board

Mayor Copeland read the openings and encouraged citizens to volunteer on City Committees. Applications can be found at www.cityofbartlesville.org or at City Hall in the City Manager's Office.

7. Consent Docket

a. Approval of Minutes

- i. The Special Meeting Minutes of April 26, 2021.
- ii. The Regular Meeting Minutes of May 3, 2021.

b. Approval of Agreements, Contracts and Memorandums of Understanding

- i. An Amendment to Contract #F-21-053 between the Bartlesville Public Library Literacy Services/City of Bartlesville and the Oklahoma Department of Libraries.
- ii. Memorandum of Understanding to include employees covered by the Fraternal Order of Police (FOP) Collective Bargaining Agreement in the City's COVID-19 Vaccine Incentive Program.
- iii. Memorandum of Understanding to include employees covered by the International Association of Fire Fighters (IAFF) Collective Bargaining Agreement in the City's COVID-19 Vaccine Incentive Program.
- iv. Third amendment to the tower/ground lease agreement between the City of Bartlesville and New Cingular Wireless PCS, LLC for a portion of property located at 7136 East WT Bartlesville.

c. Receipt of Permits

- i. Conditional Permit No. SLR000074200611 for the construction of 17,440 linear feet of eighteen (18) inch PVC, 1,500 linear feet of eighteen (18) inch HDPE outfall force main, one (1) cascade aerator and all appurtenances to serve the City of Bartlesville, Washington County, Oklahoma.
- ii. Conditional Permit No. STR000074200612 for the construction of one (1) 4.1 MGD plant effluent lift station, associated yard piping relocation and all appurtenances to serve the City of Bartlesville, Washington County, Oklahoma.

Mayor Copeland read the consent docket in its entirety. Vice Mayor Curd pulled Item 7.c.i. and ii. for discussion.

Vice Mayor Curd moved to approve the consent docket with the exception of Item 7.c.i. and ii., seconded by Mr. Stuart.

Aye: Ms. Roane, Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Mayor Copeland
Nay: None
Motion: Passed

7.c. Receipt of Permits

- i. Conditional Permit No. SLR000074200611 for the construction of 17,440 linear feet of eighteen (18) inch PVC, 1,500 linear feet of eighteen (18) inch HDPE outfall force main, one (1) cascade aerator and all appurtenances to serve the City of Bartlesville, Washington County, Oklahoma.
- ii. Conditional Permit No. STR000074200612 for the construction of one (1) 4.1 MGD plant effluent lift station, associated yard piping relocation and all appurtenances to serve the City of Bartlesville, Washington County, Oklahoma.

At Vice Mayor Curd's request, Mr. Lauritsen explained the permits were required for the wastewater reuse system.

Vice Mayor Curd moved to approve Item 7.c.i. and ii., seconded by Ms. Roane.

Aye: Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mayor Copeland
Nay: None
Motion: Passed

8. City Manager and Staff Reports.

There were no reports.

9. City Council Comments and Inquiries.

There were no comments or inquiries at this time.

10. Recess in order to relocate into the 1st floor conference room for the workshop portion of the meeting.

Mayor Copeland recessed the meeting at 7:12 p.m.

11. Reconvene and open the workshop meeting.

Mayor Copeland opened the workshop meeting at 7:17 p.m.

12. Discussion of Federal ARPA payments to the City of Bartlesville via the State of Oklahoma. Presented by Mike Bailey, City Manager.

Mr. Bailey reported that with the adoption of the American Rescue Plan Act of 2021, Bartlesville will receive an allocation from the Federal Government through the State of Oklahoma. He provided a summary of the most important parts of the bill as follows: Non-entitlement cities' (under 50,000 population) funds will be transferred to State within 60 days of the Act, then State will transfer based on population within 30-days; payments will be made in two tranches with the second tranche occurring 12 months after the first; Bartlesville is expected to receive about \$5,8 million over the two years; and funds must be spent by December 31, 2024. Eligible categories of expense are to respond to public health emergency with respect to COVID, to respond to workers performing essential work by providing premium pay to eligible works of the government, to replace revenues lost during the COVID economic crisis and to make necessary investments in water, sewer, or broadband infrastructure. Funds cannot be used to make a deposit into a pension fund or to fund a tax reduction. Bartlesville should receive the first tranche of about \$2.9M by the end of this fiscal year and second tranche a year later. Budgeting these funds in FY 2022, will provide 3.5 years to spend the entire balance which would allow \$1.65 M per year. The Treasury Department has issued in "Interim Final Rule" that provides further guidance on how to apply the four categories. Regarding the category for COVID health emergency, the City currently has almost \$1 million in CDBG COVID relief funds for payments to individuals. Funds were also made available through the Bartlesville Development Corporation early into the pandemic year for assistance. The category regarding investments in water, wastewater or broadband infrastructure, the City has large capital investment in the near future, but they far exceed these revenues. All existing utilities have dedicated revenues for capital improvements. The most straight forward category to justify the expenditure of these funds is to replace lost revenue. While sales tax outperformed expectations, the interim rule further defines the term lost revenue that may benefit the City. Mr. Bailey stated that an analysis is currently being performed to determine if the City qualifies, and the results will be reported to the City Council in the near future. Another category is to provide premium pay to essential workers. As part of the budget this year, Staff is recommending a pay scale modification to bring employees pay scales up to the average of their peers. The most significant changes will be to the Fire and Police pay scales, but adjustments to other positions will be recommended as well.

It is believed that these increases will meet the rules established by Treasury and may also be covered by the ARP allocation.

Mr. Bailey concluded that the addition of \$5.9M over two years is significant and a decision about its disposition is not needed at this time. However, Staff will recommend that a portion of these funds (\$970,000) be appropriated for use in the FY 2022 budget. A plan for the remainder of the funds can be developed over the next several months to ensure that these funds are applied in the most advantageous manner for our community and organization.

Discussion covered Section 35.6 particularly assistance with building healthy, stronger neighborhoods as included in the eligible uses; broadband opportunity and how it is not the strongest need at this time; how if the amount of funding is reduced, the proposed pay increases could still be fulfilled; and how other than the staff request for employee pay increases, staff will return to Council for direction on the allocation of the remainder of the funds.

13. Discussion of staff recommendations for employee pay plan adjustments included in FY 2022 budget. Presented by Mike Bailey, City Manager.

Mr. Bailey reported that annually the City receives a comparison between our pay plans and those of our peer cities for general employees, fire employees, and police employees using population as a guide. The City also receives municipal salary survey results from OML using the same method of analysis as with Fire and Police. With the OML survey, some cities may differ since not all cities participate. Although it has always a goal to pay employees near the average of their peer, limited resources have hampered the ability to do this. As a result, many positions have fallen behind the market and the ability to recruit and retain employees in these positions have suffered as a result. At this point, nearly 2/3rds of the employees are behind market rate including 132 fire and police employees. The most important number is the minimum of each range. Police, sanitation, code enforcement and inspectors are the farthest out of range up to 16% in some cases. Maintenance workers, utility workers, and some fire employees are the next most significant up to 8% in some cases. Supervisors, directors, and other individual positions do not always have a useful range for comparison. MFRP combined with other factors is used in these instances.

Mr. Bailey reported that staff has worked to compile a plan that would address the most significant shortfalls while maintaining a reasonable cap on adjustment across the City. Using three main criteria – comparison to peer cities, difficulty recruiting and retaining employees at that position, and internal equity. For union employees, new pay plans with appropriate steps are offered to union leadership during negotiations. For general employees, adjustments are made to the existing pay scales.

A summary of affected positions were presented, and Mr. Bailey reviewed each position with the recommended changes which will provide a minimum of 2% increase up to 18% depending on the position. Positions not recommended for change will receive 2% cost of living adjustment (COLA), will be eligible for 2.5% merit, and amounts for Police and Fire are subject to negotiations.

Mr. Bailey concluded providing the cost and funding recommendations. In addition to the ARP allocation as discussed in Item 13, the City has experienced positive results in relation to sales tax for the last 12 months, as well as placing \$650,000 from the CARES Act funds to support the wages this year. The City is in a positive position that will make it possible to fund these positions while still maintaining the usual conservative budgeting practices. Given the City's and

many other local organizations' difficulty in recruiting and retaining value staff, Staff believes these increases are a critical step to maintaining the quality of the organization.

Discussion covered the City's recruiting plan which is in place for all positions, as well as the City's referral program; how the proposed pay scale and COLA would go into effect July 1 if approved; how the merit raises would go into effect as determined by the anniversary date via performance evaluations; and how the proposed recommendations are built into the proposed FY 2021-2022 budget.

14. Presentation of Findings for a Comprehensive Utility Rate Study. Presented by Dave Yanke, NewGen Strategies & Solutions.

Mr. Yanke, using a PowerPoint, provided background on his firm, scope of services, Municipal Solid Waste (MSW) Cost of Service Study and the Water and Wastewater Cost of Service Study. Scope of Services NewGen is providing is as follows: 1) conduct comprehensive water wastewater, and solid waste cost of service studies that allocate costs to each specific utility service; 2) develop a five-year revenue requirement forecast (FY 2022- FY 2026); 3) calculate the revenues realized under current rates for the projected five year revenue requirement; 4) design rates for residential and commercial customers by type of service provided; and 5) present findings to City of Bartlesville with expected updates to City Council, and to develop a draft and final report. Mr. Yanke presented tables starting with Solid Waste. He explained that the annual revenue requirement in this category is composed of vehicle replacement/outstanding debt/operating and maintenance expenses and provided total revenue requirements for FY 2022-2026; He reviewed tables covering Over/(Under) Current Rates; Proposed Rates for Residential (\$1.50 increase to residential cart fee in FY 2022 and a \$1.00 increase in FY 2023, 24 and 25, and a \$2.00 increase to the additional cart collection fee in FY 2022 and 23; Proposed Rates for Commercial Roll-Off (\$20 per pull increase and no rate increase for the rental fee); Proposed Rates for Commercial Cart Service (\$5.00 increase per cart and \$2 increase per collection in FY 2023, 24 and 25); Proposed Rates for Commercial Rear Load Service (30% rate increase in FY 2022 and 10% rate increase in FY 2023, 24 and 25); and the over/(under) with the proposed rates showing under for FY 2022, 23 and 24 and Over in FY 2025 and 26.

Mr. Yanke continued with water and wastewater category. He explained the annual revenue requirement is compiled of cash capital outlays, outstanding debt and operating and maintenance expenses. He provided tables covering the Capital Improvement Plan for Water & Wastewater major projects being the Wastewater Treatment Plant Expansion \$46,700,000, Caney PS Corridor Improvements \$21,000,000, Water Line Replacement \$3,275,000, Sewer Line point Repairs & Replacement \$1,650,000, Maple LS and Force Main Replacement \$1,400,000, Wastewater Vehicles & Equipment \$1,330,000, Turkey Creek 26" Sewer Line \$1,175,000 and Water Vehicles & Equipment \$1,245,000. The total revenue requirement for FY 2022 through FY 2026 was provided as well as the Current Over/(Under) Rates (all underfunded between FY 2022 through FY 2026). Mr. Yanke provided the proposed water rates for the minimum bill which is different per meter size and for the volumetric rate, which is different for the amount of volume used. He then provided the current wastewater rates and the proposed rates based on a minimum bill and volumetric rates each year for five years. He provided the Over/(Under) with the proposed rates showing under for FY 2022 through FY 2026. It was noted that wastewater utility is utilizing approximately \$4 million in reserves towards the revenue shortfall.

Mr. Yanke concluded by providing the current and proposed amounts for the average residential bill, as well as the current and proposed bill for commercial bills. The proposed combined average residential bill (currently \$85.09) for FY 2022 would be \$91.89, FY 2023 \$95.69, FY 2024 \$99.49, FY 2025 \$103.28 and FY 2026 \$108.62. The proposed combined average commercial bill (currently \$202.38) for FY 2022 would be \$218.32, FY 2023 \$225.42, FY 2024 \$232.52, FY 2025 \$239.62 and FY 2026 \$250.56. He added that proposed rates beyond the FY 2021-2022 can be structured differently if the Council so desires, and that additional work involving AMI is still in process.

Discussion covered the timing of the proposed increases; how the last rate study was eight years ago; how the cost of the wastewater plant expansion has increased; how the use of funds in the Capital Reserve does not affect the Stabilization Fund; how the Capital Reserve Fund is there to assist with funding a shortfall; if increases could be made at a different rate to minimize impact on citizens with fixed incomes; block differentials; and that Mr. Yanke agreed to prepare a scenario using the volumetric rates at 15% for the Council's review.

15. Presentation and discussion of the City of Bartlesville proposed budget for Fiscal Year 2021-2022. Presented by Jason Muninger, City Clerk/CFO.

Mr. Muninger presented a Budget Roles Summary, Preparation Schedule, and the Financial Structure of the City. Beginning with Revenue, Mr. Muninger reported that sales tax revenues, the City's largest source of recurring income, are projected to be relatively flat in FY 2021-2022, with anticipated revenues of \$19.5 million. Sales tax revenue, which accounts for about 37.4% of the City's recurring external revenues are divided between the General fund at 77.9%, Economic Development Fund at 7.4%, and the Capital Improvements Projects Sales Tax Fund at 14.7%. Continuing, Mr. Muninger reported that the proposed Budget includes Phase I of a new proposed five year rate, effective July 1, 2021, continues implementation of inclining block rate structure, capital improvement fees and rate levels sufficient to sustain operations and maintenance, and comprehensive rate study conducted in FY 2021 for FY 2022-FY 2026. The proposed budget also includes staffing changes increased overall full time employees by six. This includes the addition of one Building Inspector, one Assistant Fire Marshall, two Maintenance Workers (one at the golf course and one in the Street Department), the addition of one Administrative Specialist in the Police Department and the addition of three Police Officers, but with restructuring to the Department which will net one full time employee. The General Employee Pension will include 21.92% Actuary Funding and 22.92% Staff Funding with 81.36% funded in FY 2022. Salaries and Benefits include the above discussed compensation increases, Health Insurance and Work Comp Claims.

Mr. Muninger continued reporting that the proposed budget also includes \$871,520 for the Stabilization Reserve Fund which was established in 2016 to help ensure future financial stability. If approved the allocation would bring the overall balance of the Stabilization Reserve Fund to \$10.2 million. The Capital Reserve Fund which by ordinance requires five year capital plans for Water, Wastewater, and Sanitation. Transfers sufficient to cover these annualized capital expenses are typically made from the operating funds. The new proposed utility rates provide sufficient cash to make the necessary transfers. He added that debt is needed and shown for wastewater plant and wastewater reuse. He provided the Wastewater, Water and Sanitation Capital Plan five year funding summaries.

Also included in the proposed budget is the allocation of \$250,000 for the operation of the Bartlesville Municipal Airport which the City will take over management in August from

ConocoPhillips. Mr. Bailey reported that discussions regarding how the airport will be managed are still ongoing.

Mr. Muninger continued with projections. The FY 2022 Revenue Projection was presented showing total resources for FY 2022 Budget at \$31,481,969; FY 2022 Expected Amounts \$31,703,951; and the FY 2023 Expected Budget at \$30,877,340. The FY 2022 Expenditure Projection was presented showing total uses for FY 2022 Budget at \$30,250,884; FY 2022 Expected Amounts at \$28,944,975; and FY 2023 Expected Budget at \$30,388,313. The FY 2022 Budget Summary Surplus(Deficit) was presented showing FY 2022 Budget \$1,231,085; FY 2022 Expected Amounts \$2,758,976 and FY 2023 Expected Budget at \$489,026. Therefore, using modest assumptions the Council could adopt a similar budget in FY 2023, showing a slight revenue growth of 1.6% total and a slight expenditure growth of 0.5% inflation.

Mr. Bailey added that included in the proposed budget is funding for a comprehensive strategic plan for FY 2022. It will include hiring a qualified consultant familiar with municipal strategic plans. The plan will lead into FY 2023 budget.

A brief discussion was held regarding the increase in police personnel and how reducing it could add funds in another department that would assist in the backlog of demolishing dilapidated structures. It was agreed that the proposed increases in police personnel should remain at three and that assisting with dilapidated structures could possibly come from the ARP Act funds.

16. Presentation and discussion of the Capital Improvements Program (CIP) Budget for FY 2021-2022 and consider staff proposed project implementation schedule for the 2020 5-Year CIP Plan and 2020 General Obligation Bond. Presented by Micah Siemers, P.E., Director of Engineering.

Mr. Siemers provided began his report presenting the G.O. bond and Sales Tax Projects since 1999 with a total project cost of \$75.6 million. He continued stating that the accounting staff has identified in the FY 2021-2022 Operating Budget for the Capital Improvement Project (CIP) Sales Tax Fund a \$2,886,073 budget for new projects. Carry over projects totaling \$3,702,378 include the committed capital funding for previous fiscal year projects that have not yet been encumbered. Staff also compiled a list of proposed FY 2021-2022 ½ cent sales tax capital improvement projects totaling \$2,567,860 for Council consideration as well as carry over projects. These projects have been assembled from the list of voter approved projects as shown in the original 2020 ½ cent sales tax CIP.

Mr. Siemers continued reporting that in addition to allocating funds from the ½ cent sales tax revenue source, proposed carry over projects are summarized for the City Hall Fund, Storm Sewer Fund, as well as the 2012, 2017, 2018B, 2018C, 2019A, 2019B, and 2021 General Obligation Bond funds. One new project is shown for the 218C Bond fund. Staff is also recommending proposed and carry over projects for the Capital Reserve Fund. He reviewed each of the carry over projects from each fund.


In addition to the carry-over projects, Capital projects proposed for funding in FY 2021-22 include: street repairs, replacement of emergency vehicles, body-worn cameras and dispatch chairs for the police department, Artunoff Softball Field and Lee Lake parking lot improvements, City Hall cooling tower replacement and roof repairs, GPS camera parking enforcement system, Douglass Park parking lot repairs, and Sooner and Frontier pools epoxy repairs.

Mr. Siemers concluded his report stating that Staff organized the projects for the recently voter approved 5 year CIP and 3 year GO Bond extensions. Propose implementation schedules for both funding sources have been planned according to projected funding for each year of the duration of each funding source. The CIP projects have been arranged based upon anticipated sales tax revenue over the next five years and GO Bond projects have been arranged based upon issuing bonds over the next three years while maintaining a 15 mil property tax levy.

Vice Mayor Curd stated that he appreciated the conservative approach taken for the proposed budget.

Mayor Copeland inquired if there will be public information provided regarding the rate increases. Mr. Bailey stated that there will be information provided to the public via City Beat, media and social media.

17. There being no further business to discuss, Mayor Copeland adjourned the meeting at 10:55 p.m.



Jason Muninger, City Clerk/CFO



Dale W. Copeland, Mayor

