

CITY OF KREBS  
COUNCIL MEETING MINUTES  
NOVEMBER 16, 2021

KREBS CITY HALL  
5 NE WASHINGTON  
KREBS, OKLAHOMA

NOVEMBER 16, 2021  
TUESDAY  
7:00 P.M.

1. MEETING CALLED TO ORDER – Mayor Bobby Watkins called the meeting to order.
2. ROLL CALL - W Kay Scott, City Treasurer called the roll. Mayor Bobby Watkins – present, Tommy Walker – present, Connie Poole – present, Jason Wagnon – present, David Bailey – present.
3. PRAYER AND PLEDGE OF ALLEGIANCE – Mayor asked Ward 4 Councilman David Bailey to lead the prayer. Mayor Watkins led the pledge of allegiance.
4. DISCUSS AND ACT TO APPROVE THE MINUTES OF THE OCTOBER 26, 2021 COUNCIL MEETING. Mayor Watkins asked for motion to approve the minutes. Connie Poole made the motion to approve. David Bailey seconded the motion. Mayor Watkins called for a vote. David Bailey – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
5. DISCUSS AND ACT TO APPROVE THE CLAIMS. Mayor Watkins asked for a motion to approve the claims. David Bailey makes the motion to approve. Jason Wagnon seconds the motion. Mayor Watkins calls for a vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, David Bailey – yes. Motion passes.
6. REVIEW CITY OF KREBS FINANCIAL STATEMENT WITH MIKE KERN. Mr. Kern asks if Ralph Osborn, CPA & Auditor, can present the findings for the audits. Mayor Watkins asked where he is on the agenda. Mrs. Scott stated that he is on 8E and 8F.

8F. DISCUSS AND ACT TO APPROVE THE FINDINGS FROM RALPH OSBORN ON THE 2020/2021 AUDIT.

Mr. Osborn presented the 2020/2021 findings. Start on Page 5. This is the City of Krebs balance sheet. Everything is in 2 funds – one is the city side, the other is the public works side. Cash amount \$1,038,169 and the public works still owes the city \$186,702. There is no liabilities and no debt so the Net Cash amount is \$1,224,871. Page 6 – Revenue and expense for general fund = \$2,077,443. Sales tax amounted to \$883,000; Fines \$749,000; so \$1,600,000 was from those 2 sources. Next highest was the reimbursements of \$113,000. The others are just split – Use tax, Franchise tax, and a number of small taxes that come in. You spent \$1,849,000 – \$825,000 for public safety. That was your largest, administration was your second largest. You brought in \$227,000 more than you spent. You transferred out \$48,000 so you ended up with a net increase of \$179,000. Which was not too bad considering what last year was. Most sales tax over the last year has been down.

On the Public Works side on Page 8. Cash was \$321,000; \$165,000 in Restricted and Committed Cash; \$3,000 worth of land; \$3,500,000 worth of fixed assets. That would be the system, the equipment, with total assets of \$4,000,000. You owe the General Fund \$186,000. Had \$105,000 deposits on utilities. The Notes Payable current, what we would anticipate you pay off on your loan between now and June 30, 2022 would be \$71,000 and after that you would have \$232,000 left. That is broken down

on Page 19. The loans that you owe – 1 has a balance of \$120,000 and 1 has a balance of \$183,000 so the total is \$304,000. Should be paid off by the end of 2025. You'll pay \$82,872 each year until the last year and you will pay \$82,844. Any questions, so far. On Page 21, this is the internal control, should whether we found any problems or not. We didn't find any problems. We should have I guess after we have been going through Peer Reviews and we should have found some problems. I had gotten written up on the City of Krebs because we had included, Mr. Kern, the note on pension. Which we took it out of 2021. Asked Mr. Kern if that was okay with him. Mr. Kern stated yes. Any questions on the 2021?

#### 8E. DISCUSS AND ACT TO APPROVE THE FINDINGS FROM RALPH OSBORN ON THE 2019/2020 AUDIT.

Mr. Osborn stated the difference between the audits is on Page 18, the Schedule of Funding Progress is taken out. That was because of compliance problems with Peer Review and had nothing to do with Krebs. If we go back to Page 5 – this is the Town. You had \$845,000 in Cash; \$199,000 was owed at that time from Public Works to the town. That's what over a period of years has built up, not anything specific. Page 6 – \$1,909,000 and spent \$1,916,000. In 2021 your income increased just short of \$100,000 and your expenses went down. Again in 2020, largest revenues were Sales tax and court fines; and your Use tax. Basically the Use tax and Sales tax run the town. Expenses \$1,916,000 as anticipated Public Safety being \$920,000 and Administration is \$483,000. Nothing really stands out there. What normally the amounts that we would anticipate for Krebs. On the Public Works on Page 8, you had \$558,000 Cash; \$161,000 Restricted for usage; \$3,426,000 in the system; again \$199,000 Public Works owed to the General Fund; Deposits subject to Refunds \$89,000; Notes Payable \$68,000 – long term \$304,000, of course that was before the payoffs in 2021. Page 9 is the Operating Expense – brought in \$1,155,000 Water, Sewer, and Sanitation; Expenses \$1,145,000 so you had a Net Income of \$9,300 this includes Depreciation of \$156,000. Investment Income of \$2,400; interest and fees \$17,000; transferred in \$51,000 which leaves an increase of \$45,000. Page 10 – Cash Flow statement – Receipts \$1,164,000; paid suppliers \$651,000; employees \$361,000; Net income \$161,000; purchased Capital Assets \$108,000; Principal paid \$65,000; Interest and fees \$17,000; transferred in from the General Fund was \$51,000; Net Cash from Interest was \$2,400 so you increased \$24,000. In 2021 your cash actually decreased \$232,000 but you bought \$297,000 worth of equipment. So basically you transferred in \$51,000 from the General Fund. You increased Cash \$24,000 but purchased assets was \$108,000 so the only suggestion that we would have with those figures, with the equipment that you need, that you look at, I think you do, look at your rate structure. Whether it is sufficient to cover because, as you know, \$24,000 increase if you have a lift station or a pump go out that's about \$30,000. You are at a very close margin. Any questions?

Tommy Walker asked Mr. Osborn so we are in pretty good shape. Mr. Osborn responded he thinks so. Mr. Walker asked no money missing or anything. Mr. Osborn said he didn't see anything. You have cash deposits. You don't have the problems that other communities have.

Mayor Watkins asked for a motion to approve Mr. Osborn's findings for 2021 and 2019/2020. Tommy Walker makes a motion to approve. Jason Wagnon seconds the motion. Mayor Watkins calls for a vote. David Bailey – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

6. REVIEW CITY OF KREBS FINANCIAL STATEMENT WITH MIKE KERN. Mr. Kern – Page 3 Statement of Revenues and expenses. October – Revenues \$188,709.73 and for the 4 months ending \$759,544.16. Sales tax at the end of 4 months were \$210,730.87. If you extrapolate that out to the end of the year, we would exceed the revenue budget by about 7 or 8%. So the sales tax is holding up. Page 5 – Expenses for October were \$217,303.98 and for the 4 months ending \$884,338.60. Showing expenses in excess of

revenues by \$28,594.00. We spent \$23,000 in the Park that's a Capital Outlay and that was donated monies but we did budget it. Year to date we have spent monies in the Capital accounts police department, that's the main thing. Paid for 1 police car. The revenues are 5 to 7% above the budget. Any questions. Tommy Walker asked on Page 4 total Animal Control - \$80,000. Mr. Kern stated that he would look that up - it must be a miss print. Mayor Watkins asked if anyone had any questions for Mr. Kern.

7. BUSINESS PREVIOUSLY DISCUSSED. None

8. BUSINESS NOT PREVIOUSLY DISCUSSED.

A. DISCUSS AND ACT TO APPROVE THE 2022 HOLIDAY SCHEDULE

Mayor Watkins asked Mrs. Scott if it was the same as last year. She replied that we haven't added anything. It's the same holidays. Mayor Watkins asks for a motion to approve. David Bailey makes a motion to approve. Connie Poole seconds the motion. Mayor Watkins calls for a vote. Tommy Walker - yes, Connie Poole - yes, Jason Wagnon - yes, David Bailey - yes. Motion passes.

B. DISCUSS AND ACT TO APPROVE THE SCHEDULE FOR THE 2022 COUNCIL MEETINGS.

Mayor Watkins asks for a motion to approve. The third Tuesday of every month. Tommy Walker makes a motion to approve. Jason Wagnon seconds the motion. Mayor Watkins calls for a vote. David Bailey - yes, Jason Wagnon - yes, Connie Poole - yes, Tommy Walker - yes. Motion passes.

C. DISCUSS AND ACT TO APPROVE THE SCHEDULE FOR THE 2021 AUDIT & FINANCE MEETINGS.

Mayor Watkins asks for a motion to approve. The second Tuesday of every month. David Bailey makes a motion. Tommy Walker seconds the motion. Mayor Watkins calls for a vote. David Bailey - yes, Jason Wagnon - yes, Connie Poole - yes, Tommy Walker - yes. Motion passes.

D. DISCUSS AND ACT TO APPROVE THE SCHEDULE FOR THE 2021 MUNICIPAL COURT SCHEDULE

Mayor Watkins asks for a motion to approve. The second Tuesday of every month. Connie Poole makes a motion. Tommy Walker seconds the motion. Mayor Watkins calls for a vote. David Bailey - yes, Jason Wagnon - yes, Connie Poole - yes, Tommy Walker - yes. Motion passes.

G. DISCUSS AND ACT TO OPEN AND APPROVE THE SEALED BIDS FOR THE DEMOLITION OF 90 SW 8<sup>TH</sup>. PROPERTY OWNED BY ROSE ANN ROBERTSON.

Mayor Watkins states that this is ongoing for almost a year. We have 1 bid to take down the house next to Pete's Place. Bid from Henry Moss for \$7,000. Connie Poole asks what that includes.

Mayor Watkins states to take down the whole house. Mayor Watkins asks for a motion to approve or disapprove it. Tommy Walker makes a motion to approve. David Bailey seconds the motion.

Mayor Watkins calls for a vote. David Bailey - yes, Jason Wagnon - yes, Connie Poole - yes, Tommy Walker - yes. Motion passes.

H. DISCUSS DEBRIS CLEAN UP. Mayor Watkins states that we are still doing once per month. We borrowed a chipper from the City of McAlester. We are chipping it in the back. Tommy Walker asks if anyone is coming to pick it up. Mayor Watkins stated that's it's there for anyone who wants it. We have some guys who want the wood.

I. DISCUSS AND ACT TO APPROVE ORDINANCE NO 21-04. AMENDING ZONING ORDINANCE FROM RESIDENTIAL TO COMMERCIAL THIS WAS THE PROPERTY THAT LINDOL WILSON REZONED.

Mayor Watkins stated that we have voted to rezone it commercial. This is just to make it an ordinance. Its 10 acres next to Assembly of God Church past Hereford Lane. Mayor Watkins asked for a motion to put it into an ordinance. Connie Poole makes a motion to approve. Jason Wagnon seconds. Mayor Watkins calls for a vote. David Bailey - yes, Jason Wagnon - yes, Connie Poole - yes, Tommy Walker - yes. Motion passes.

J. DISCUSS AND ACT TO APPROVE THE REZONING OF BLOCK 28 LOT 7 FROM RESIDENTIAL TO COMMERCIAL (C-1) FOR CURRENT USE PROPERTY OWNED BY JAMES & PAM HARLEY.

Pam and James Harley addressed the council. Explained that they own Hideaway Storage. They have seen an increasing need for more storage units in this area. Within the last year, have gotten 3 – 4 calls per week for storage. We have a piece of property that we purchased and wanted to rezone and start putting in some Davis Buildings. They are insulated, would be painted, and would put gravel to drive through to the other storage units on Willow Street. Just recently had an old garage torn down on this lot. Start out with one side with the buildings where the slab is then move to the other side with buildings. Connie Poole asked are these separate buildings or one large building and how many? Mrs. Harley replied 7 or 8 individual buildings to start with. Tommy Walker, Connie Poole, and David Bailey asked where the location was and was it next to the highway. Mrs. Harley explained the location off of Church Street. If we put 8' X 16' buildings we can put at least 7 maybe 8. She showed the council members a flyer and explained that they would not have windows. Connie Poole asked if at a later time if these were going to be turned into tiny homes. Mrs. Harley stated no and they would have no windows, no electricity, no water. Tommy Walker asked about the zoning already being commercial according to what they had adopted several years ago pertaining to all state highways. Pat Layden stated that he thought it was already approved also. Mayor asked Pat Layden if we can do this. Mr. Layden stated that it wouldn't hurt just to make sure.

Mayor Watkins asked for a motion to approve to change the zoning to commercial. Tommy Walker made the motion to approve. Connie Poole seconded the motion. Mayor Watkins calls for a vote. David Bailey – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

K. DISCUSS AND ACT TO APPROVE ORDINANCE NO 21-05. AMENDING ZONING FROM RESIDENTIAL TO COMMERCIAL (C-1). Mayor stated that this is just putting into an ordinance. Jason Wagnon made the motion to approve. David Bailey seconded the motion. Mayor Watkins calls for a vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, David Bailey – yes. Motion passes.

L. DISCUSS AND ACT TO APPROVE RESOLUTION 21-02 TO ACCEPT FUNDS FROM AMERICAN RESCUE PLAN ACT (ARPA) FOR WATER AND SEWER INFRASTRUCTURE IMPROVEMENTS. Mayor Watkins asks Kay Scott to explain. Mrs. Scott states that there are funds available from the Federal Government for water and sewer infrastructure. There is \$339,000 available to Krebs. They recommend that the cities pass a resolution to accept the funds and to approve a person to accept the funds. This is for someone to sign for the money. Mayor Watkins asked for a motion to approve or disapprove. Connie Poole made the motion to approve. David Bailey seconded the motion. Mayor Watkins calls for a vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, David Bailey – yes. Motion passes.

M. DISCUSS AND ACT TO PAY MICHAEL HOUSE FOR 302 HOURS OF VACATION LEAVE. GROSS AMOUNT OF \$7,927.50 LESS TAXES OF \$2,289.52 WHICH EQUALS A NET AMOUNT OF \$5,637.98. Mayor Watkins stated that he is wanting to sell his vacation. Connie Poole makes a motion to accept.

Tommy Walker asked how long that it takes to build up this much vacation. Police Chief Dennis Cook stated about a year. He's about 50 hours from his cap per the contract. Tommy Walker stated yes. Tommy Walker makes a motion to approve. Connie Poole seconds the motion. Mayor Watkins calls for a vote. David Bailey – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

9. COMMENTS FROM THE COUNCIL AND MAYOR. David Bailey asked Kay Scott what the status is on the playground equipment. Mrs. Scott stated that she had emailed him last week but has not gotten a response. Also, said that it was going to be a couple of months when we ordered it but they were also dealing with some of their employees had gotten COVID. Tommy Walker asked have we paid for it yet. Mrs. Scott stated that we had to pay half of it when we placed the order.  
Mr. Walker asked where we stand on burning. We did away with the burning ordinance so are we still letting people burn. Mrs. Scott stated that she has not gotten any phone calls. Mr. Walker stated that he has seen several people burning. Pat Layden stated as of right now Krebs doesn't have an ordinance that bans burning. Mrs. Scott stated that according to DEQ there is only certain things that you can burn.
10. ADJOURN TO KUA. Mayor Watkins asked for a motion to adjourn to KUA. Connie Poole made the motion to adjourn. Jason Wagnon seconds the motion. Mayor Watkins calls for a vote. David Bailey – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.