

CITY OF KREBS  
SPECIAL CITY COUNCIL  
MEETING  
JUNE 20 2024

KREBS CITY HALL  
5 NE WASHINGTON  
KREBS, OKLAHOMA

JUNE 20, 2024  
THURSDAY AT  
6:00 P.M.

1. MEETING CALLED TO ORDER by Mayor Tommy Ray Walker

2. ROLL CALL by Cindy J. Cooper, City Clerk

Mayor Tommy Ray Walker – present,  
Jason Wagnon- absent,  
Dan Heathcock- present

David Bailey- present,  
Connie Poole- present,

3. DISCUSS THE 2024-2025 CITY OF KREBS BUDGET

Mike Kern city accountant states there is some confusion about how we arrive at some of the budget numbers so he has put together a little verbiage about budget overview. Mike Kern states the technical name for the budget is called the estimate of needs. All numbers used in the preparation of the budget are estimates for next year. Last year we started with all the wages then we decided to give raises, which is fine. To begin with everything is estimates because nothing has been spent. That is why it is called and estimate of needs. It is an estimate. You can change those things. Mike Kern states the total budget is comprised of an estimate of next years revenue. The recurring taxes, the sales tax, the use tax, alcohol beverage, capital improvements. All those taxes as per state statue, you can only take 90% of what you received last year. That is state statue, you cannot change that. The miscellaneous revenues there is no real true guidance on that. I have some information about the estimates because we had some pretty big numbers on our insurance. The OMAG sent us a bunch of money.

Kay Scott states, that was for the hail damage to the vehicles.

Mike Kern states the grand total of the budget is appropriated by the city council by line items within the departments it is not an approval for expenditures. All we are doing is setting aside monies for the different expense lines. The council still has to approve all the claims. Appropriations are estimates and can be added to or subtracted from as long as the grand total appropriations does not change. Mike Kern states, he sets the preliminary budget but has no authority for setting any final amounts. Mike Kern states, the council sets the final numbers. Each line item and appropriations will be based on **need**. Mike Kern states that is very critical. Not based on percentage increases in other departments or percentage increase compared to total last year. Mike Kern states our budget is almost 10% less than it was last year so if someone is asking for more than they got last year its going to be tough. Mike Kern states he has proposed the water and sewer rate increase for residential is four percent on water and six percent on sewer. Mike states we need to build up the sewer revenue because we have a lot of expense on the sewer department. On commercial we are going to propose to raise it .17 cents a day.

Mike Kern states we can look at packet dated 6/20/2024, that is preliminary. We can start with the salary and wages. Mike Kern asked if the mayor and council pay was correct.

Kay Scott states, yes until next April then Connie Poole's will go up to \$250 a month. Mike asks Kay Scott if her salary was correct.

Kay responds yes.

Mike clarifies that Debra Young's rate is \$17.25 and Cindy's is \$22.47.

Kay affirms that is correct.

Connie Poole asks how Mike came up with the overtime estimate.

Kay Scott states it says how many over time hours that amount is based on.

Connie Poole states, you are saying your overtime for a year is over \$13,000 and Cindy's is a little over \$7000? So beside regular pay you are getting almost \$1000 a month extra for overtime?

Kay responds, yes.

Connie Poole states I want to know how we are breaking down those hours that's a lot of overtime for one year. I don't know how you come up with that. Connie states she wants to see the records of overtime for the past three years. Connie Poole states to her that is just a lot of overtime.

David Bailey states projected overtime is about \$61,000 to \$62,000 for the year. You have Billy what they are allowing for, and Jonathan.

Connie Poole states she understands that but, I am talking about office wise. That's a big amount of overtime for a year to me.

David Bailey states yeah, it is.

Connie Poole states, I mean eight to five, should be able to...

Kay Scott states we don't work eight to five.

Connie Poole states, whatever your hours are that's a lot of overtime and that's what I want to look at for the last three of four years. That's just a lot of overtime.

Mike Kern states we will continue to street and alley. Mike asks if the hourly rates were correct.

Kay Scott states they are all correct.

Connie Poole states, this is just an estimate, right? Nothing is written in stone?

Mike Kern replies yes, this is just their rates.

Connie Poole asks, we can go back and change something.

Mike Kern replies yes. It is up to the council to decide what they want to put in there I am just starting with this. Mike Kern states the police payroll is \$719,010 but we cannot calculate if any the police retire then we have to pay them comp time and all that and there is no way to make that calculation. Mike states we put in an over time factor for Nancy and Alyssa based on prior experience. Retirement is a function of grand total wage. Retirement is separate line item.

Dennis Cook asks what the \$137,000 amount on line item 12 is.

Mike Kern states that is the difference between the revenue budget from last year and the revenue budget from this year. So, we are a \$137,000 on the revenue side but the bad part is we have \$293,211 more expenditures than we did last year so we lost \$155,000.

Mike Kern states Dennis gave us another request on the budget. Mike asks Dennis what the \$814,000 on salary include?

Dennis Cook states it includes nine police officers, animal control code enforcement officer, and two administrative positions. Shift differential, incentive pay, and insurance.

Mike Kern states the insurance is broke out separately. Mike states, that is not paid out of your account.

Dennis Cook states it shows here it is.

Mike Kern states, it is not. It is not charged to your department.

Dennis Cook asks about retirement if it comes out of his department.

Mike Kern states it comes out of your department but it is not part of your payroll.

Mike Kern states a capital expense item is something that is going to last more than a year. Mike states it is up to the council to decide on a new capitalization policy. Do you want to capital items \$500 and more or \$1000 and more?

Mayor Walker asked what the police capital expenditure was last year.

Dennis Cook states it was \$59,000. But the reason I did that is we are not buying a vehicle this year and our maintenance this year is going to be tremendous. We haven't bought a vehicle in four years.

Kay Scott states she shows the maintenance to be \$152,613 when she prints out what the police department charged out.

Dennis Cook states I disagree with that.

Mike Kern states we are going to have to look at some numbers.

Kay Scott states the total you have spent this year is over a million dollars.

Dennis Cook asks what's that got to do with it?

Mike Kern states for Cleet he has \$104,000

Kay Scott states she has \$67,000. It's based off tickets, right?

Dennis Cook states yes. There is no way to estimate that.

Kay Scott states so far this year its \$67,000.

Mike Kern states the council needs to study the budget and decide how much you want to change each line item. What you add to one line item you are going to have to take it away from somewhere else. We only

have so much in there. What is key in the over all scope of things the budget is seven percent less than it was last year.

Kay Scott states we don't have that many funds available. Our checking account is low.

Mike Kern states, that is why I place so much emphasis on miscellaneous income. We cannot take 90% of that it's against state statute. We don't know what's going to happen.

Dennis Cook states I have zero in capital outlay.

Mike Kern states, that is what we are starting with.

Dennis Cook states, but I had \$100,000 in there last year.

Mike Kern states, yeah and spent \$121,000.

Dennis Cook states well I didn't buy a vehicle last year.

Mike Kern states yes from Vance auto.

Dennis Cook states, that's the animal control vehicle.

Mayor Walker states, he is a police officer too.

Dennis Cook states it's assigned to animal control.

Mike Kern and Mayor Walker state, that is part of the police department. Mike Kern states we bought a pickup from Vance for \$46,000.

Dennis Cook states that was bought with insurance.

Mike Kern states you cannot count it that way.

Dennis Cook asks, where did my \$100,000 go?

Mike Kern asks what do you need the \$60,000 for capital for?

Dennis Cook states that is in case we lose an *inaudible*.

Mike Kern states we need to specifically say what it is.

Dennis Cook states we need to buy a finger print machine for \$21,000.

Kay Scott states we can use IT fund for that.

#### 4. COMMENTS FROM THE COUNCIL AND MAYOR

#### 5. ADJOURN

David Bailey makes a motion to adjourn. Dan Heathcock seconds.

Mayor Walker calls for a vote. Dan Heathcock- yes, Connie Poole- yes, David Bailey-yes.  
Motion passed.