

CITY OF KREBS
COUNCIL MEETING MINUTES
MARCH 21, 2017
KREBS CITY HALL AT 7:00 PM

1. Mayor Bobby Watkins called the meeting to order.
2. ROLL CALL – W. Kay Scott, Clerk/Treasurer called the roll. Bobby Watkins – Present, Tommy Walker – Present, Connie Poole – Present, Jason Wagnon – Absent, Daulfin Bennett – Present.
3. Mayor Watkins led the prayer and pledge of allegiance.
3. CONSIDER AND ACT TO APPROVE THE MINUTES OF THE FEBRUARY 21, 2017 COUNCIL MEETING. Mayor Watkins asked for a motion. Daulfin Bennett made the motion to approve the minutes. Connie Poole seconded the motion. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
4. CONSIDER AND ACT TO APPROVE THE CLAIMS. Mayor Watkins asked for a motion. Connie Poole made the motion to approve the claims. Daulfin Bennett seconded the motion. Mayor Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Daulfin Bennett – yes. Motion passes.
5. REVIEW CITY OF KREBS FINANCIAL STATEMENT WITH MIKE KERN. Turn to Page 3 Statement of Revenues and Expenses. Month of February – Revenues were \$172,015.78 so for the 8 months ending revenues were \$1,090,622.23. Budgeted amount was \$1,284,137 so in the next 2 months we will surpass the budgeted amount. Page 5 – the grand total Expenses for February were \$117,485.07 which makes the Net Income for February \$54,530.71. For the year to date - Expenses were \$1,118,246.43. We have expenditures in excess of income at the end of 8 months in the amount of \$27,624.20. This is the normal pattern so within the next 4 months we should be building up on the positive side of revenues over expenses. I don't see anything unusual. We are pretty much through our Capital Outlay expenditures so should expect excess revenues over expenses for the next 4 months. Any questions or comments? (none)
6. BUSINESS PREVIOUSLY CONSIDERED. None.
7. BUSINESS NOT PREVIOUSLY CONSIDERED
 - A. REVIEW AND ACCEPT THE AUDIT FINDINGS FOR FISCAL YEAR 2015/2016 FROM RALPH OSBORNE, CPA.

Amy Hale from Ralph Osborne's office addressed the council with the findings from the audit. Mrs. Hale explained that she has worked for Ralph for about 9 years and is familiar with the City of Krebs. She handed out to all the council members a copy of the audit findings. The financial statements have been found to materially correct. For the General Fund cash and cash equivalents were \$572,425. Due from PWA (KUA) is \$212,243. Total revenues for the General Fund were \$1,785,888 and total expenditures were \$1,653,106 which left a net increase of \$132,782. Sales Tax revenues decreased by 17% but the Use Tax revenues increased by 32%. Total increase was about 4%. Fines increased about 9% and total expenditures decreased by about 4%.

Krebs Utility Authority – Cash and cash equivalents ended the year with \$219,025. Statement of Net Assets – Modified Cash Basis. Your operating expenses were \$1,024,511 which is up about 9% from last year. Operating expenses were \$1,026,684 which was up only 2%. Net operating loss of \$2,173. I am going to point out that you had depreciation expense of \$145,644 so if you take that out you are actually doing pretty good. You had a total non-operating expenses of \$19,915 so you had a decrease in net assets of \$22,088. Your cash actually increased by \$39,295 for the year. Ralph said he is comfortable with that if you are comfortable with that because at least it is an increase.

Mike Kern stated that he tried to stress that the Net Cash provided by the operating activities is \$144,000 and the principle and interest payments are roughly \$82,000 so normally in those RDs they want us to have 125% and so we have exceeded that. Mrs. Hale agreed that yes you have exceeded that.

Mrs. Hale stated that the rest of the findings are disclosures which is pretty normal – they are not different from the prior years. Want to point out that on Page 19 the changes in long term debt shows that you did pay \$47,359 in principle so you ended the year owing about \$626,738. That will be paid off in the year 2025 if you continue on the payment schedule that you are on right now. Pages 21 and 22 are the auditor's report on the internal controls

over financial reporting and compliance. Report states that Mr. Osborne considers the failure to use purchase orders for all purchases to be a significant deficiency. Basically we had noted that you had some purchases that did not have purchase orders attached and I have already talked to her (Kay Scott) about that. And I think for the 2017 year she has gotten that straightened out because we discussed it last in the year last year so there were some stragglers into this year. We still have to have it in here because it was found and that is also going to be a compliance issue. But I believe that she has that worked out for this next year.

Mayor Watkins asked if anybody had any questions? Mrs. Scott asked if we can do that for the KUA as well since she (Mrs. Hale) has gone over everything. Mr. Kern stated that both of them were included in the report. Tommy Walker asked Mr. Kern if everything looked good. Mr. Kern stated it did and then explained about putting money aside for the water tower repairs and that the KUA had paid back some of the \$212,000 owed to the City General Fund.

Mayor Watkins asked for a motion to approve the findings of the 2015/2016 audit. Connie Poole made the motion. Daulfin Bennett seconded the motion. Mayor Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Daulfin Bennett – yes. Motion passes.

- B. CONSIDER AND ACT TO APPROVE DAVID NELMS AS CHAIRMAN OF THE BOARD OF COMMISSIONERS FOR THE KREBS HOUSING AUTHORITY. Mayor Watkins asked for a motion. Connie Poole made the motion. Tommy Walker seconded the motion. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
- C. CONSIDER AND ACT TO APPROVE DONNA PROVINCE AS VICE-CHAIRMAN OF THE BOARD OF COMMISSIONERS FOR THE KREBS HOUSING AUTHORITY. Mayor Watkins asked for a motion. Tommy Walker made the motion. Daulfin Bennett seconded the motion. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
- D. CONSIDER AND ACT TO APPROVE GEORGIA AKINS AS TENANT COMMISSIONER OF THE BOARD OF COMMISSIONERS FOR THE KREBS HOUSING AUTHORITY. Mayor Watkins asked for a motion. Connie Poole made the motion. Tommy Walker seconded the motion. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
- E. CONSIDER AND ACT TO APPROVE THE PAYMENT OF COMP TIME, VACATION AND SICK LEAVE ACCRUED FOR JACKSON R. SUTER. GROSS AMOUNT OF \$17,808.11 WITH A NET AMOUNT OF \$10,237.08. Mayor Watkins asked for a motion. Daulfin Bennett made the motion. Tommy Walker seconded the motion. Mayor Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Daulfin Bennett – yes. Motion passes.
- F. CONSIDER AND ACT TO APPROVE THE PAYMENT OF COMP TIME, VACATION AND SICK LEAVE ACCRUED FOR DAKOTA Q. GRANTHAM. GROSS AMOUNT OF \$8,939.70 WITH A NET AMOUNT OF \$5,685.06. Mr. Walker asked if he owes us \$4,500. Pat Layden stated we talked about that and recommends that you accept his check at the same time we give him his last check and it can be postdated for 3 days. Police Chief Dennis Cook stated that he will sign for his final check. Mayor Watkins asked for a motion. Daulfin Bennett made the motion. Tommy Walker seconded the motion. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
- G. CONSIDER AND ACT TO ESTABLISH A YEARLY PERMIT OF \$120 FOR DESIGNATED TRUCK PARKING AT THE PARKING AREA CREATED BY THE KATY RAILROAD ACROSS FROM THE CITY HALL. THIS WOULD BE FOR RESIDENTS OF KREBS WHO ARE DRIVER/OPERATORS OF LARGE TRUCKS. Ed Klink addressed the council. We have a couple of citizens of Krebs that are drivers of large trucks. There are specifications for this : 1) hours of operation, 2) have to be a resident of Krebs, 3) the City of Krebs will be held harmless in the event of an accident, etc., 4) cost of yearly permit and they shall display the decal where it will be visible, 5) Permitted parking only. It will provide an avenue to take care of a problem that the city has and it will be revenue generating. Ms. Poole asked how long will they be parked there? Mr. Walker asked about the hour of operation. Mr. Klink stated that we will have designated times such as no one starts before 7 a.m.; no hazardous materials allowed; just because we have issued them a permit does not mean that they can park whatever they want to whenever they want to. Mr. Walker asked if we should talk to the people that live in the 3 houses by this area. Mr. Klink stated we can. Mayor Watkins asked for a motion. Tommy Walker made the motion to let the trucks park across the street. Mrs. Bennett made note that it not occur until all the stipulations are in place. Connie Poole seconded the motion. Mayor Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Daulfin Bennett – yes. Motion passes.

H. CONSIDER AND ACT TO CREATE A KREBS FARMERS MARKET PROGRAM. THIS WOULD ENCOURAGE OUR LOCAL FARMERS/GARDENERS TO GROW AND SELL THEIR PRODUCE HERE IN KREBS. Ed Klink stated here tonight is to put together a plan for a farmers market. There is a piece of property on Hwy 270 next to the Gorilla Store that needs to be cleaned up and is owned by Roseanne Robertson. Krebs would clean up the property in exchange for a 10 year lease from the property owner. Whatever the cost of the cleanup would be divided by 10 years and if she sold the property then she would owe the pro-rated amount to the City of Krebs for the cleanup charges. Cleanup would probably cost between \$5,000 - 6,000. The city passed ordinances for a health conscious city such as no tobacco on city property. This is the 1st step toward accomplishing our efforts to make Krebs a healthy city. This is going to take a mind-set to change all this. This would allow citizens of Krebs to benefit from fresh produce and also would be an incentive to all the citizens to get out and move around. We may need to have a town meeting to present what we are trying to do to benefit the citizens. There are several challenges to this. Ms. Poole and Mrs. Bennett do not like the location because of the traffic. Like the idea of the farmers market but not the location. Ms. Poole would prefer it to be on city property. Mr. Klink stated that one of the reasons it's on the agenda is to explore this idea. Mr. Walker asked who can sell produce. Mr. Klink stated only Krebs citizens grown produce. Pat Layden stated that he was concerned about the city using public monies to clean up the property and not get the full amount of monies that was spent. Mr. Klink stated that we have entered into an agreement with the State of Oklahoma through the grants from the Tobacco Settlement Fund (TSET) in which we would put forth effort to earn these grants. Mrs. Bennett asked if we could swap places with the truck parking. Mayor Watkins stated we need to get the property cleaned up. Mike Smith has bought the pink liquor store and there is 8 acres next to it. Mr. Klink stated that we need to get with our citizens and get interest built up from our citizens to raise a garden and sell their goods. Pawhuska is a good example. We are after something unique to raise interest in Krebs. Mayor Watkins stated that maybe we could get someone interested in making Krebs bread again. Some entrepreneurship. Mayor Watkins asked for a motion. Connie Poole made a motion to Table until we talk to Mike Smith. Daulfin Bennett seconded the motion to Table. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes to Table.

8. COMMENTS FROM THE COUNCIL AND MAYOR. None

9. ADJOURN TO KUA. Mayor Watkins asked for a motion. Daulfin Bennett made the motion. Tommy Walker seconded the motion. Mayor Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.