

**MINUTES OF THE SPECIAL  
JOINT BUDGET STUDY SESSION  
HELD BY THE MOORE CITY COUNCIL  
MOORE PUBLIC WORKS AUTHORITY  
MOORE RISK MANAGEMENT BOARD AND  
THE MOORE ECONOMIC DEVELOPMENT AUTHORITY  
MAY 14, 2018 – 6:30 P.M.**

The City Council of the City of Moore met at Moore City Hall in the upstairs conference room, 301 North Broadway, Moore, Oklahoma on May 14, 2018 at 6:30 p.m. with Mayor Glenn Lewis presiding.

*Adam Webb*  
*Councilman, Ward I*

*Danielle McKenzie*  
*Councilwoman, Ward I*

*Melissa Hunt*  
*Councilwoman, Ward II*

*Mark Hamm*  
*Councilman, Ward II*

*Jason Blair*  
*Councilman, Ward III*

*Louie Williams*  
*Councilman, Ward III*

PRESENT: McKenzie, Blair, Hunt, Williams, Webb, Hamm, Lewis  
ABSENT: None

STAFF MEMBERS PRESENT: City Manager, Brooks Mitchell; Assistant City Manager, Stan Drake; Assistant City Manager, Todd Jenson; City Attorney, Randy Brink; Community Development Director, Elizabeth Weitman; Economic Development Director, Deidre Ebrey; Fire Chief, Gary Bird; Assistant Fire Chief, Greg Herbster; Emergency Management Director, Gayland Kitch; Human Resources Director, Christine Jolly; Manager of Information Technology, David Thompson; Police Chief, Jerry Stillings; Public Works Director, Richard Sandefur; and Veolia Water Project Manager, Robert Pistole. The meeting was recorded by City Manager, Brooks Mitchell.

**Agenda Item Number 2 being:**

RECEIVE A REPORT FROM THE DIRECTOR OF ECONOMIC DEVELOPMENT.

Deidre Ebrey, Economic Development Director, stated that based on self-reported calculations on building permit applications for 2017 there was approximately \$31 million in commercial development permitted. Ms. Ebrey indicated that some of that construction was completed; however, most was still on-going. Most of the large projects permitted in 2017 would likely be completed in 2018.

The City received a new commercial real estate database after Excelligence suddenly went dark in December 2017. She indicated that the database was similar to an MLS for commercial properties and contained psychographic and demographic information. Ms. Ebrey noted that the City pays a small amount annually into the Greater Oklahoma City Chamber of Commerce's economic development efforts for job creation. Part of that payment would go toward the database. The new commercial real estate database, Real Massive, was obtained by the OKC Economic Development Partnership. The database links commercial real estate throughout the ten county and 33 community region that is a part of the regional partnership. Individuals that want to purchase, lease or shop commercial property in Moore can go to the City's website and click on a link that would take them directly to Moore properties.

Ms. Ebrey advised that retail space was available in several of the large shopping centers. The Gordmans property in the Riverwalk Plaza was under contract with a new buyer and set to close in 60 days.

She stated that the Fritts Farm development has a Johnnie's restaurant under construction due to open in June 2018. An additional 60,000 square foot developer purchased the old LA Fitness site. A retailer has already signed a lease for 40,000 square feet of the building. The pad site next door to Potbellies Sandwich Shop was under construction. Del Taco has permits for demolition of their existing building and construction of a new structure.

She advised that the former 22,000 square foot CDF Building on Tower Drive located on 5.7 acres sold for \$1,550,000. The current owner was remodeling the interior of the building. They anticipate housing 85 employees for a computer consulting firm, Third Helix Technology, and a medical billing service, Legacy Medical Management.

Ms. Ebrey stated that the previous Vaughn Foods site was sold to Del Real Foods out of Mira Loma, California as part of a national site search. They plan to employ 140 plus employees for food production. Some of the Vaughn Foods employees will stay under the new ownership. Ms. Ebrey checked with the Fire Department and Public Utilities and was told that the new owner appeared to be making an effort to do everything they are supposed to do regarding the City's codes.

Western Farmers Electric Cooperative will locate at 34<sup>th</sup> and Telephone Road. They are generators and wholesalers of wind, solar, natural gas, hydro, and coal power. OEC purchases the electricity from Western Farmers. They plan to employ 60 plus employees and will be located on the second floor of 80,000 square foot building. The bottom space will be leased out for office space. She stated that the State of Oklahoma received a request for this size of office space. She does not know yet if Moore was selected for the site.

She advised that Integris Micro-Hospital was under construction at 34<sup>th</sup> and I-35 Service Road for a fully licensed inpatient hospital with between eight and ten beds for observation and short-stay use, and will include emergency treatment and triage rooms, along with primary care and specialty care physicians, diagnostic and other outpatient clinical services. There will also be a 24-hour emergency room.

Burlington-Northern Santa Fe Railroad plan to expand Flynn Yard currently located in Moore and S. Oklahoma City for a logistics center. They have 195 acres north of 27<sup>th</sup> Street between Pole Road and the railroad tracks. The property will contain five to seven pad sites for an industrial users. They would take product off the rail, house it, and distribute it by truck. Information regarding a groundbreaking ceremony for the logistics center will determined.

Ms. Ebrey advised that Workforce Development Activities to bolster the workforce include teaming with NRHS on Project SEARCH and working with Southmoore High School on Junior Achievement Career Readiness. Working with Moore Public Library for resources and local business and industry for 14 week/70 hour internships. MNTC Strategic Planning Team helping match industry need with training offerings. Cleveland County has a 3.5% unemployment rate. Although a low employment rate is good, it does make it more difficult for employers to locate qualified employees. She stated that they work to encourage students to get trained in areas where they could be employed here after high school or college to create a labor pool.

**Agenda Item Number 3 being:**

RECEIVE A REPORT FROM JUDGE ROGERS REGARDING STATE QUESTION 788.

Brooks Mitchell, City Manager, indicated that Judge Susan Rogers was one of the City's Municipal Court Judges. Judge Rogers would make a presentation on State Question 788. She will explain how passage of the question would affect the City and what other cities might be planning in anticipation of this. Judge Rogers introduced Assistant Special Agent in Charge Richard Salter with the Oklahoma Drug Enforcement Administration ("DEA"). Judge Rogers asked that everyone read the statute because it would impact the City in ways they may not realize. She stated that they were not attempting to tell anyone how to vote but wanted everyone to be informed on how it would affect Code Enforcement and the Police Department.

Mr. Salter indicated that CBD was legalized in Oklahoma in 2015 allowing the retail sale of CBD Oil products not exceeding .03% of THC. THC is what makes a person high. Consumers may not know that the CBD being sold now has not been FDA approved and could contain pesticides and THC because it is not being tested. He added that the FDA was close to approving a CBD extract that was pure and FDA approved. Epidiolex is a pharmaceutical cannabidiol ("CBD") that has shown promise in two types of childhood epilepsy. The FDA has until June 27, 2018 to decide whether or not to approve Epidiolex based on data from clinical trials. Mr. Salter indicated that the vote to legalize medical marijuana was set for June 26, 2018.

Judge Rogers stated that the ballot title for State Question 788 basically states that the voter votes to allow the sale and growth of marijuana for medicinal purposes in Oklahoma. An individual 18 years old or older can have it but children under 18 years of age must have the application signed by two physicians and a parent or legal guardian. Judge Rogers said it does not have to be a medical doctor. Mr. Salter stated that Colorado was the first state to legalize medical marijuana for individuals 21 years of age. Judge Rogers stated that State Question 788 was expected to pass with a 60% vote. If passed the statutory language would allow a person in possession of a state issued medical marijuana license to legally possess 3 ounces of marijuana on their person, six mature marijuana plants, six seedling plants; 1 ounce of concentrated marijuana; 72 ounces of edible marijuana, and 8 ounces of marijuana in their residence. These amounts are cumulative. Any person who holds a medical marijuana card can possess these items. A medical marijuana card costs \$100 at the state. Possession of up to 1.5 ounces of marijuana by persons who can state a medical condition, but is not in possession of a state issued medical marijuana license, could be charged with a misdemeanor offense and fined.

Judge Rogers stated that part of the initiative states that employers are forbidden to test employees for marijuana. Councilman Hamm asked if the law included emergency responders. Judge Rogers indicated that it was the same for emergency responders unless the reason could be tied to a federal law. Also, no person could be prevented from obtaining a firearms concealed carry permit because they are a medical marijuana license holder. Judge Rogers noted there was a preemption against using it in divorce and child custody cases. She stated that cities and counties are allowed to hold a vote to increase the amount of marijuana allowed for possession but the amounts could not be lowered.

Councilwoman McKenzie asked for examples of conditions that would constitute being issued a medical marijuana card. Judge Rogers indicated that there were no conditions. A lot of states have it based on various medical conditions; however, Oklahoma does not. Mr. Salter felt this was the most liberal marijuana legalization bill in the country.

Mayor Lewis asked if underaged children could smoke marijuana. Judge Rogers indicated that they could if they had a medical marijuana card.

No person can be withheld from holding a state license such as a firearm concealed carry permit. Doctors, surgeons, uber driver, etc. might be high at work since marijuana can stay in the system for several days and cannot be legally tested. They may not take the marijuana to work or smoke at work. She stated that the legal question of how long it stays in the system is greatly disputed.

A question was posed about how the issue appeared on the ballot and whether it was by initiative petition or legislative action. Judge Rogers advised that it was by initiative petition. There are two more initiative petitions that are wanting put into the Constitution. Right now, in theory if it passes the legislature could amend portions of it. However, they are trying to get it on the ballot so that all the petition would be in the constitution.

Mr. Salter advised that there was an ATF memo that was sent out to all gun dealers in the country. Judge Rogers stated that a gun dealer in Moore who refuses to sell someone a gun because the ATF form required to be filled out by the purchaser indicates that they are smoking marijuana or have a medical marijuana card can be sued under state law for refusing to sell them the gun they are not allowed to sale under federal law.

Mr. Salter stated that the bill was being touted as a medical marijuana ballot; however, the only promising thing with marijuana is CBD which contains no psychoactive ingredients. It is just one chemical extracted from a marijuana plant. Mr. Salter stated that the marijuana extract containing 99% THC has LSD like affects.

Judge Rogers stated that there was a municipal preemption on zoning. Municipalities would be prohibited from changing or restricted zoning laws to prevent the establishment of a retail marijuana establishment. She noted that marijuana plants growing in a yard would arguably not be restricted since it is not considered a noxious weed but medicine. Dispensaries could be located anywhere except within a 1,000 feet of any school entrance. State questions supersedes state law and municipal laws.

Mayor Lewis asked how much a medical marijuana license would cost. Judge Rogers stated a medical marijuana license was \$100.00 and a grower's license was \$500.00.

Mr. Salter stated that it cost \$300.00 per plant to test for THC levels in marijuana plants. Pesticides such as Carbofuran used in growing marijuana plants is highly toxic and banned in the United States; however, some growers are using it and it is leeching into the plants. Rare forms of cancers are showing up due to the use of the pesticides. Oregon is introducing legislation to have every plant tested for pesticides.

Edible marijuana packaging appears to be marketed for children. The amount of THC included in the chocolates is unknown. Because it takes longer to feel the effects of the drug more and more is ingested before potentially overdosing. Mr. Salter stated that when you take away the illegality of certain drugs people believe it is safe to use it.

Mr. Salter commented that some people smoke marijuana because of its medicinal properties; however, marijuana contains 50% to 70% more carcinogens than tobacco smoke. The risk of lung cancer is actually 20 times higher from a cannabis cigarette than a tobacco cigarette, and ammonia levels are 20 times higher with 4 times more tar and 5 times more carbon monoxide than tobacco. Mr. Salter stated that the Food and Drug Administration ("FDA") came about to protect the public. FDA approval means the benefits of the item outweigh the potential risks for the item's planned use. He believes that marijuana is a gateway drug, causing kids to try harder drugs.

Judge Rogers stated that Colorado has an opt-out provision that Oklahoma does not have. There is no such provisions here, in fact, there is a preemption against it.

Mr. Mitchell stated that based on the statutory language, if the question passes, unless the legislature goes into special session and amends the statutes, the law would go into effect. Judge Rogers indicated that the law would go into effect in 45 days. Mr. Mitchell asked if there was anything the City could do to restrict the location of the marijuana shops other than the entrances to schools? Judge Rogers stated that anything the City does would likely result in a lawsuit.

Mr. Salter also advised of the environmental impact caused from Carbofuran, a neurotoxic insecticide that is used to protect marijuana crops. It is getting into the water tables and killing wildlife. Judge Rogers advised that Carbofuran is illegal in the United States and is highly toxic. Growers are painting the outside of the marijuana stalks with the Carbofuran and it is leeching into the marijuana. It eventually can get into the human food chain. It only takes a 1/8 of a teaspoon to kill a bear.

Mr. Mitchell asked if they were aware of any cities that have entered into discussion about cost sharing for a test case. Judge Rogers stated that she was not. However, she felt the Oklahoma Municipal League would be thinking about it.

Mr. Salter stated that regardless of someone's stance on the medical applications, they need to realize how the law reads and the practical applications.

**Agenda Item Number 4 being:**

DISCUSS THE PROPOSED 2018-2019 FISCAL YEAR BUDGET.

Brooks Mitchell, City Manager, indicated that he was offering two scenarios for the proposed budget. He stated that the budget included a 4.4% increase for fire and a 3.3% for police; however a COLA increase was not included for the general employees due to a projected decrease in revenues.

Option 1: The MEDA note for improvements for Sam's and the final payment for Dick's would pay off in FY 2020 freeing up almost \$1.5 million in additional revenues. Mr. Mitchell suggested that Option 1 was extending the term of the MEDA note an additional year and using the savings to fund the COLA increase for general employees in the amount of \$164,304, an animal control vehicle for \$61,500, allow for a contingency of \$347,815, a payroll adjustment for Assistant Fire and Police Chiefs in the amount of \$36,381 since the Assistant Police Chief is making less than the Major and the Assistant Fire Chief is almost in the same position, and a vehicle for Parks Maintenance. The total cost for Option 1 would be \$642,500.

Option 2: Mr. Mitchell advised that close to \$1 million in CDs would mature in March, of which \$400,000 could be transferred from the MPWA into the General Fund. It is possible revenues could exceed projections. It would allow for the items contained in Option 1, with the exception of having \$105,315 in the contingency line item instead of \$347,815, and still have the note paid off with the \$1.5 million in FY 2020 that would be available for budgetary needs that were not available now. The cost for Option 2 would be \$400,000.

Councilman Blair felt that there wouldn't be much difference between the two options since the \$400,000 in Option 2 must be paid back also. Mr. Mitchell stated that the difference would be extending the MEDA note one year for \$642,500 versus paying back \$400,000 to the MPWA in FY 2020.

Mr. Mitchell felt that Option 2 was more economical and the bond would still be paid off on time. However, if the City Council prefers Option 1 he confirmed through the Financial Advisor Chris Gander that refinancing the note would not have a negative effect on the City's bond rating.

He asked the City Council to consider both options and notify him of their preference.

Councilwoman Hunt expressed concern over public perception of funding made possible for specific items but the City was still contemplating a water rate increase. For this reason Councilwoman Hunt and Councilman Webb felt that Option 1 would be the best option.

SALE OF ALCOHOLIC BEVERAGES

Mr. Mitchell advised that the laws regarding the sale of alcoholic beverages have changed. Several of Moore's licenses are in line with Oklahoma City and Norman; however, some are not. Mr. Mitchell presented the City Council with his recommendations for the various liquor licenses.

Business	Moore	OKC	Norman	Proposed Revised Fee
Distiller (2)	\$950	\$3,125	\$35	No Change
Package Store Retailer (9)	600	905	905	800
Beer & Wine Renewal Restaurants	500	450	450	450
Caterer/Food Only	600	1,005	1,250	No Change
Caterer/Food, Beer & Wine	None	1,250	1,250	900
Caterer/Mixed Beverage	None	1,250	1,250	1,200
New Category:				
Grocery/Convenience Retail Beer	None	500	500	500
Grocery/Convenience Retail Wine	None	1,000	1,000	1,000

Mr. Mitchell estimated that the proposed change would increase revenues by approximately \$20,000.

**Agenda Item Number 5 being:**

DISCUSS WATER RATES.

Mr. Mitchell indicated that there was a projected shortfall of approximately \$800,000 in the MPWA. Moore purchases a large percentage of water from Oklahoma City. Water line repair must be made and historically the City transfers \$3 million into the General Fund and \$1.75 million to the Risk Management Fund.

**Proposed Rate Table Changes**

	Current	Proposed	Difference
<b>RESIDENTIAL</b>			
<b>Water:</b>			
Base Charge	\$ 9.50	\$ 11.50	\$ 2.00
First 10,000 gallons	\$ 3.20	\$ 3.20	\$ -
10,001-20,000 gallons	\$ 4.35	\$ 5.85	\$ 1.50
20,001 and above	\$ 5.62	\$ 6.17	\$ 0.55
<b>Irrigation (Sprinkler) Meter</b>			
Base Charge	\$ 20.00	\$ 20.00	\$ -
First 40,000 per thousand	\$ 3.40	\$ -	\$ (3.40)
First 30,000 per thousand		\$ 3.90	\$ 3.90
30,001-40,000 per thousand		\$ 5.85	\$ 5.85
Over 40,000 per thousand	\$ 4.20	\$ 6.17	\$ 1.97
<b>COMMERCIAL</b>			
<b>Water</b>			
Base Charge	\$ 20.00	\$ 20.00	\$ -
First 10,000 gallons	\$ 3.20	\$ 3.20	\$ -
10,001-40,000 gallons	\$ 3.90	\$ 5.85	\$ 1.95
40,001 and above	\$ 4.20	\$ 6.17	\$ 1.97
<b>Irrigation (Sprinkler) Meter</b>			
Base Charge	\$ 20.00	\$ 20.00	\$ -
First 40,000 per thousand	\$ 3.90	\$ -	\$ (3.90)
First 30,000 per thousand		\$ 3.90	\$ 3.90
30,001-40,000 per thousand		\$ 5.85	\$ 5.85
Over 40,000 per thousand		\$ 6.17	\$ 6.17
<b>CONSTRUCTION WATER</b>			
First 40,000 gallons	\$ 3.20		\$ (3.20)
Above 40,000 gallons	\$ 4.35		\$ (4.35)
1 - 20,000 gallons		\$ 3.20	\$ 3.20
20,001-40,000 gallons		\$ 5.85	\$ 5.85
Above 40,000 gallons	\$ 4.20	\$ 6.17	\$ 1.97

There is a proposed base rate increase of \$2.00. The increase in cost for water usage would affect those customers who use more than 10,000 gallons of water. Mr. Mitchell stated that in 2012 Oklahoma City began charging a service fee which the City never passed on to the utility customers. He advised that it was more becoming more difficult to absorb the cost. Councilwoman McKenzie asked what percentage of utility customers used over 10,000 gallons of water. Mr. Mitchell indicated that he did not know but would obtain the information for her. Councilman Blair asked for an example of what the proposed increase would do to the average bill. Councilwoman McKenzie also asked for an example of a bill with water usage in the medium range.

Mr. Mitchell advised that there have been 282 main breaks in the last three years. Most of the water infrastructure in the northwest part of the City was over 45 years old and should ultimately be replaced. He stated that he would have a report shortly on areas of the City that have waterlines that are over 25 years old and over 35 years old. Mr. Mitchell stated that if the proposed rate increase was approved it would be the lowest average rate in the metro after Oklahoma City. He wanted to note that under the terms of the Oklahoma City water contract there will be a 7% increase each year for the next five years at which time they will reassess the issue. He commented that although the City does not want to raise water rates we will be in a position to have to because we rely on Oklahoma City for water. Councilwoman McKenzie asked if there was a plan in place to fund the rate increase from Oklahoma City without passing it on to Moore's utility customers. Mr. Mitchell stated that the revenue must be derived from some source whether it is something such as a sales tax increase or a utility rate increase. Councilwoman McKenzie asked if the plan could involve reducing expenditures. He commented that the City could make budget cuts and scale back on city services. Mr. Mitchell stated that there were three things that could change the revenue picture.

1. He advised that the ½ cent sales tax will expire March 2019 and will need to be on the ballot in November 2018. Currently the allocation is 80% for residential streets and drainage and 20% for public safety. Options could be to change the allocations or to ask for a sales tax increase from ½ cent to ¾ of a cent.
2. Next year the legislature will revisit the bill which would allow municipalities to use property tax for public safety operations. This would not require as big of a transfer from the MPWA.
3. The ¼ cent sales tax is being used for the construction of new parks and equipment and the other half toward the construction of Fire Station No. 2. This tax will expire in 2021. It would be on the ballot in November 2020. An option would be to propose changing the allocation or raising the sales tax from ¼ cent to ½ cent.

Councilman Webb indicated that Moore's sales tax was 8.5%, OKC was 8.625%, and Norman was 8.75%. Councilwoman Hunt noted that Moore is keeping up with public safety wages but Moore doesn't have the same revenue.

Councilman Webb asked when the deadline would be to request a November election date. Mr. Mitchell stated that it was 75 days prior to the election date.

Councilwoman McKenzie asked when Mr. Mitchell needed Council's decision on the rate increase. Mr. Mitchell indicated that it would be presented as part of the budget and, if approved, would go into effect the first part of July 2018.

**Agenda Item Number 6 being:**

ADJOURNMENT

**Councilman Williams moved to adjourn the Special Joint Work Study Session, second by Councilwoman McKenzie. Motion carried unanimously.**

Ayes: McKenzie, Blair, Hunt, Williams, Webb, Hamm, Lewis  
Nays: None

**The meeting was adjourned at approximately 8:23 p.m.**

TRANSCRIBED BY:

\_\_\_\_\_  
RHONDA BAXTER, Executive Assistant

FOR:

\_\_\_\_\_  
ADAM WEBB, MPWA Secretary

FOR:

\_\_\_\_\_  
MARK HAMM, MEDA Secretary

These minutes passed and approved as noted this \_\_\_\_ day of \_\_\_\_\_, 2018.

ATTEST:

\_\_\_\_\_  
LINDA STEWART, City Clerk