

October 2, 2018

1. The Ottawa County Board of Commissioners held their regular scheduled meeting at 1:45 PM, October 2, 2018, with the following members present: Chairman Chad Masterson, Commissioners Russell Earls and John Clarke. District Attorney Kenny Wright was also in attendance.

Notice of the meeting was posted at the south door of the Ottawa County Courthouse at 4:26 PM, September 27, 2018. Commissioners' Meeting Agendas and Minutes can also be found online at [ottawa.okcounties.org](http://ottawa.okcounties.org).

2. The Pledge of Allegiance was recited.

3. Motion by Clarke, second by Earls, to approve the minutes of September 27, 2018. By vote: Masterson, aye; Clarke, aye; Earls aye.

4. Motion by Earls, second by Clarke, to approve the following claims: 2017-2018 SUSAN RHODES REAL ESTATE CO 150 NEO REALTY GROUP INC 150.00 POST ENTERPRISES LLC 150 WALTER P MOORE 16112.60 MIAMI PUBLIC UTILITIES 7626.43 OTTAWA CO RWD #7 2200 CANON FINANCIAL SERVICES 186.59 AADVANTAGE LAUNDRY SYSTEMS INC 179 CABLE ONE 69.34 A T & T 51.21 LAKELAND OFFICE SYSTEMS 20.34 MAINTENANCE AGREEMEN WAL-MART PAYMENTS 56.79 SUPPLIES KELLPRO INC 83.20 SOFTWARE LICENSE CABLE ONE 143.78 CABLE SERVICE RENAISSANCE TULSA HOTEL 93.00 LODGING ACE HARDWARE 121.22 PARTS A T & T 3773.28 NEW PHONE SYSTEM WAGWORKS INC 108.00 ADMIN FEES MIAMI NEWS-RECORD 135.85 LEGAL NOTICE MIAMI PUBLIC UTILITIES 1288.46 UTILITIES MIAMI PUBLIC UTILITIES 1,618.60 UTILITIES MIAMI NEWS-RECORD 182.20 LEGAL NOTICE MIAMI NEWS-RECORD 156.10 LEGAL NOTICE MIAMI NEWS-RECORD 168.55 LEGAL NOTICE MIAMI NEWS-RECORD 181.90 LEGAL NOTICE OTTAWA CO ELECTION BRD 96.00 ELECTION EXPENSES MIAMI PUBLIC UTILITIES 56.92 UTILITIES CABLE ONE 183.03 CABLE SERVICE Health RITE-TEMP REFRIGERATION LLC 150.00 REPAIRS ADMIRAL EXPRESS INC 487.15 OFFICE SUPPLIES GALT FOUNDATION 194.60 PROFESSIONAL SERVICES Highway OSU AGRICULTURE CONFERENCES 110.00 REGISTRATION FEE OSU AGRICULTURE CONFERENCES 110.00 REGISTRATION FEE KRISTA FOSTER 147.97 TRAVEL EXPENSES SCOT KIRKPATRICK 94.09 TRAVEL EXPENSES RENAISSANCE TULSA HOTEL 84.28 LODGING RENAISSANCE TULSA HOTEL 321.72 LODGING A-1 CDL TRUCK RENTAL 200.00 RENTAL RENAISSANCE TULSA HOTEL 93.00 LODGING WAL-MART PAYMENTS 117.41 OFFICE SUPPLIES GUARDIAN SECURITY SYSTEMS INC 37 SECURITY SERVICES A-1 CDL TRUCK RENTAL 200 RENTAL KATNER MILLS 600.94 PARTS HOMETOWN BOTTLED WATER 12.50 BOTTLED WATER TEETERS ASPHALT 116710.43 ASPHALT TEETERS ASPHALT 96387 ASPHALT FABICK CAT 1221.18 REPAIRS FABICK TRACTOR CO 797.83 PARTS 000403 CENTERGAS FUEL 32 PROPANE KATNER MILLS 415.70 SHOP SUPPLIES FABICK TRACTOR CO 1753.42 REPAIRS WISPER 69.94 INTERNET SERVICE VANCE DODGE 118.11 VEHICLE REPAIR A T & T LONG DISTANCE 75.20 PHONE BILL LAKELAND FINANCIAL SERVICES 104.25 LEASE PAYMENT EMPIRE DISTRICT ELECTRIC 226.94 UTILITIES 000411 WYANDOTTE TELEPHONE CO 287.28 PHONE BILL Hwy-ST KEMP STONE CO INC 5262.34 MATERIALS KEMP STONE CO INC 3077.91 MATERIALS TEETERS PAVING

17700.16 ASPHALT TEETERS PAVING 15368.88 ASPHALT SCURLOCK INDUSTRIES  
 550.00 CONCRETE BLOCK LAKELAND PETROLEUM 4822.01 FUEL Mtg Cert JOLENE  
 HOOPER 100.00 OFFICE CLEANING RURAL FIRE-ST BARNEYS LAST STOP 43.17  
 FUEL SH COMMISSARY TIGER COMMISSARY SERVICES INC 1,041.50 COMMISSARY  
 SH Svc Fee THULIN AUTOMOTIVE 1199.59 VEHICLE REPAIR OK NATURAL GAS CO  
 162.48 UTILITIES CLEARWATER ENTERPRISE 574.65 UTILITIES U S CELLULAR  
 1106.36 CELL PHONE MIAMI PUBLIC UTILITIES 73.76 UTILITIES; By vote: Clarke, aye;  
 Earls, aye; Masterson, aye.

5. No discussion in citizens' participation or public comments.

6. Motion by Earls, second by Clarke, to approve agreement regarding additional engineering services between Ottawa County and Walter P Moore and Assoc. concerning Cayuga Road Phase II. By vote: Clarke, aye; Earls, aye; Masterson, aye.

7. Motion by Earls, second by Masterson, on approval of Resolution 2018.17 county road machinery & equipment revolving fund. By vote: Clarke, aye; Earls, aye; Masterson, aye.

8. Motion by Earls, second by Clarke, to approve of Resolution 2018.18 authorizing application for financial assistance from the rural economic action plan fund for track seal and repair for Afton school. By vote: Clarke, aye; Earls, aye; Masterson, aye.

9. Motion by Earls, second by Clarke, to approve of Resolution 2018.19 authorizing application for financial assistance from the Rural Economic Action plan fund through Grand Gateway EDA's Rural Economic Action plan fund on behalf of the Turkey Ford Public School District. By vote: Clarke, aye; Earls, aye; Masterson, aye.

10. Motion by Earls, second by Clarke, to approve of Resolution 2018.20 from the Town of Fairland authorizing application for financial assistance from the Rural Economic Action fund for and on behalf of the Fairland volunteer fire department through Grand Gateway EDA's Rural Economic Action plan fund. By vote: Clarke, aye; Earls, aye; Masterson, aye.

11. Motion by Earls, second by Clarke, to approve of Resolution 2018.21 authorizing application for financial assistance from the Rural Economic Action plan fund for the Miami Seniors Center. By vote: Clarke, aye; Earls, aye; Masterson, aye.

12. Motion by Clarke, second by Masterson, to approve of supplement and modification agreement between the Ottawa County Commissioners and the Department of Transportation of the state of Oklahoma for county improvements for roads and bridges over Windy Creek. By vote: Clarke, aye; Earls, aye; Masterson, aye.

14. Cash fund estimate of needs and requests for appropriations from various county offices:

CARF	\$484.00
BOND	\$592.18
TRUST	\$49,904.60
CBRI	\$19,389.97
CHILD	\$2.26
CENTER	\$400.00
CCRF	\$5,941.15
DCRF	\$313.75
EMPG	\$5,000.00
92-A-1	\$42,000.00
92-C-1	\$1,000.00
92-D-1	\$13,450.72
92-A-2	\$40,000.00
92-C-2	\$1,000.00

92-D-2	\$12,450.74
92-E-2	\$1,000.00
92-G-2	\$2,000.00
92-A-3	\$40,000.00
92-C-3	\$2,000.00
92-D-3	\$6,450.73
92-G-3	\$8,000.00
HWY 1	\$33,211.64
HWY 2	\$33,211.64
HWY 3	\$33,211.65
LAW	\$1,612.14
F5-C	\$487.00
C5-D	\$320.00
RESALE	\$6,076.37
LITTER	\$100.00
REC-D	\$2,280.00
FF-AFT	\$2,244.74
FF-COM	\$2,226.05
FF-FAI	\$2,209.59
FF-MAI	\$2,238.27
FF-PAR	\$2,239.58
FF-PEO	\$2,225.47
FF-PIC	\$2,204.58
FF-QUA	\$2,197.62
FF-WYA	\$2,215.45
B5-D	\$1,707.17
B5-F	\$11,862.79

By vote: Clarke, aye; Earls, aye; Masterson, aye.

16. Motion by Earls, second by Clarke, to approve the following checks for deposit: #2099 from Cacoc, Inc./CAMA \$11,467.87; #8144 from Quapaw Services Authority \$12,500.00; #8143 from Quapaw Services Authority \$15,000.00; #50064033 from HSBC \$26.00. By vote: Clarke, aye; Earls, aye; Masterson, aye.

17. Motion by Earls, second by Clarke, to approve reports submitted by the County Clerk, Election Board, Ottawa County Health Department, Assessor, and Treasurer. By vote: Clarke, aye; Earls, aye; Masterson, aye.

19. Commissioners Activity Reports: District 1: normal maintenance, District 2 & 3: Cayuga road and new bridges ready to asphalt, normal maintenance, District 3: Concrete over drainage, aggregate on concrete, normal maintenance, fall cleanup on October 20

20. Kathy Bowling, because of her due diligence as County Treasurer, presented a flow sheet created by Bill Turner, accountant for Ottawa County, which states, the Sheriff has spent \$600,000 of his general fund for the fiscal year of 2018-2019 in July and August. Commissioner Earls stated it is the elected official's duty to stay within his budget, but he can't spend a penny of that money unless we sign the purchase orders. Do we, as the BOCC sign every purchase order that he sends, since he is the department head? Even though he is way over his budget in the first two months? Maybe he has a plan to get to the end of the year. I don't know what it is. It looks grim at this point. I need some advice, guidance, and instructions. Do we as Commissioners stop approving purchase orders?

Bowling stated: The Statute says, “you are obligated to pay contracts at the beginning of the year, and then you will know what you have left over, for the rest of the year.”

Earls: A lot of his big obligations have been met.

Purchasing Agent Mays stated: but they haven’t. I was only able to pay just roughly around \$30,000.

Earls: But the cars came out last month.

Mays: Yes, the cars, but I’m talking other obligations. He has turn key that is \$11,000 a month. All of his food expenses should be done every single month, Lakeland, Canon, are not encumbered. Cash Account for Sheriff’s office is down to \$4000 for October.

Earls: Over all?

Mays: Over all.

Commissioner Clarke said, “meet all of his other obligations.”

Earls: I think it is the decision of the department head, or elected official. We currently do not encumber lease purchases. He has money coming in every month in his cash accounts. Why he only has \$4000 for the month is grim.

Bowling explained to Earls, general is appropriated. It is how much he can spend in that year. There is \$161,000 in general that will affect everybody that the general account pays to. So that is actual cash in the bank, and he is down to \$4000 in appropriated funds.

Bowling then read the Statute. The amount and purpose of each purchase order or contract shall be charged against the appropriation as made by the excise board or governing body at the time purchase is made or contract let, and the balance in the appropriation account after such charges are deducted, shall constitute the unencumbered balance available. That is the point of it, to set that money aside. Bowling continued, the 13 cars we purchased (and don’t need), that money is set aside to pay for them, because you are in contract with it them. What money you have left, you have available to spend. PO’s are being approved for other things.

Clarke: These claims that are to be paid are purchases that have already taken place, correct?

Bowling: That to me is the opposite of the way it should be. But maybe that’s why we have the purchasing agent, because they don’t like it when she says they don’t have any money to spend. If you don’t have any money, you don’t buy it. The Sheriff’s office is not following procedure. That is illegal, am I right?

District Attorney Wright: Illegal is not the correct term. But to my understanding that is contrary to accounting purchasing policies. If they are not going to follow purchasing procedures, that is problematic.

Mays: They (the Sheriff’s department) are not following purchasing procedures.

Wright: There is not a quick and easy solution. It is a very detailed oriented thing. One of the more complicated parts of this situation, and for planning our way forward I believe it would be helpful for this Board, and for the Sheriff, to know how we want to pay for these jail expenses. The Sheriff says he has paid a lot of expenses, which in his opinion are the responsibility of the Board and the County, as opposed to what is coming out of his budget. Honestly, the authorities aren’t super clear how that is all delineated, and we probably have to go historically through the budget.

Earls: I have been here 20 years.

Wright: I believe historically the sheriff’s in the past have paid for some expenses out of their budget. Is that correct?

Earls: That is correct.

Wright: But not all expenses?

Earls: All expenses were paid for out of the sheriff's budget up until recently. When sheriff Durborow resigned, and Derwin was appointed to finish out that term, Derwin indicated there were some large items that he couldn't overcome. \$100,000 for locks, and there was a laundry list of 5, 6, 7 items. So, we allocated \$130,000 for additional items to get the department back on top. Prior to that, it was always in the Sheriff's budget, and he took care of everything. The thing to remember is, when the jail was built, it was bought and paid for the day it was opened, so there was no bond payment taken out of the taxes collected, and secondly there is ½ penny tax retained to maintain and operate it. So, you go out of the State of Oklahoma, and lots of Sheriff's departments are at the total mercy of the general fund, and what they can raise. They don't have the ½ cent sales tax generating 1.3 million dollars in addition to what his cash funds are. He is setting beautiful and he needs to go to Nowata County and run their operations for a week, and he will be a new man. We have anteed up a lot of money the past two years, so he should be responsible for general maintenance. We offered up another \$150,000 to put a roof on the jail, which is no fault of his own. Poor design.

Wright: Does the county purchasing procedure say what happens when you spend money before you have a purchase order?

Mays: Technically you have to return those items.

Wright: That is going to cause some problems down the line but, if you have a policy and procedure in place, I recommend you follow it. Don't approve purchase orders that have not followed correct procedure. We will deal with the results, the best we can.

Earls: The Sheriff has put County government as a whole, in the hole. So now we are looking at the option of using our highway funds to prop up county general temporarily. It's either that, or borrowing money and paying interest. That's where he has put us. Every other office has a balanced budget. Other County officials work very hard to stay in their budget and beyond. They give money back at the end of the year. And for this to happen! I have been here 20 years, we've never been here. Ever. We've used our highway funds to prop us up before, but we've never been in this situation in October.

Bowling: It really was in September. That is what I wanted to make everyone aware of.

Becky Smith, Ottawa County Assessor stated, not only has he been overspending the budget, it was decided his office would get no raises because of his overspending. He continues to send over status forms giving certain people hundreds of dollars a month in raises.

Earls: Not only that, he had already given substantial raises prior to that.

Clarke: I just looked at one today. That employee was given a 16 % raise.

Wright: I advised the sheriff that most likely he would have to roll back all of these raises that he has given, and also a likelihood that would have to have a reduction in force. I'm not talking about deputies on the street, I am talking about administrative personnel.

Wright: Some really tough decisions for him to make. We have to keep this in mind, he has a lot of non-recurring revenue that is a fair bit more than what he gets in appropriations.

Bowling: Cash funds, another issue. The sheriff's office has checks over there that need to be deposited. They don't do their paperwork. They don't give us what we need on a day to day basis. They forgot to bring over their checks before appropriations should be deposited, now they have to wait until November to get it. By their own admission, "They forgot".

Earls: We are here to help.

Bowling: We have also tried to help. How long does it take? Where is the accountability? Give me a timeline.

Earls: I am not going to give you a timeline. If he (Sheriff) comes to the table, and the District Attorney meets with him as suggested, then we will try it again.

Bowling: They have already met. We have already tried.

Wright: I would say this, from this point going forward, "it feels like you are working harder than they are, that's not right." What I hope, is that we see a pretty drastic change, and I'm going to rely on you guys to tell me if it's not. I don't see what you all see on a daily basis. And frankly I don't understand enough without your help either.

Clarke: I don't understand, if he is told time and time again not to do what he has been doing, then it means absolutely nothing to him.

Wright: I have explained to him, if this doesn't work my job requires me to contact the AG's office and have them initiate an investigation for financial malfeasance, and if that's found he will be removed from office. That appears to have got his attention.

Cassie Key, Court Clerk, is concerned about the money coming out of the general for the sheriff's department for raises. She adds, it is not fair to any of my employees, or your employees. If it is within the budget to give raises then so be it. It's coming out of County general, and that's affecting us.

Bowling: I have helped. I do care about the County, otherwise I wouldn't be working here. I am frustrated with the lack of doing anything he has been told to do. He looks at the Board and says exactly what you want to hear, and there is no follow through. I have tried to help but, the facts are not taken seriously.

Smith: He sent over three raises in one day after the excise board said no to raises. He did it anyway. If you add up each person per month, he has given raises to it is probably more than any of our offices received for the whole year. That's not ok. Part of that is coming out of general, and that's not fair to our people.

Earls: It is not fair to the Board that has worked hard to get a \$750,000 cushion.

Bowling: And now it is gone.

Wright: Obviously, if the rate of spending continues, we will have a revenue failure. If he keep's spending at this rate, at some point that's not sustainable. Let me do a little bit of research on this. If we get to the point we have to declare a revenue failure we have to kick the excise board back in. That would enable the excise board to come in and look at everything piece by piece. If we have a revenue failure it's going to cause problems with our non-constitutional offices, because if they've have all of the unnecessary out of the constitutional offices, then you've got to start shutting down non-constitutional offices, even to the point of not functioning at all. That's probably kind of a last resort kind of thing. We've got to find a way forward. I think he's got the idea he is going to have to make some pretty important decisions.

Smith: Are you going to approve the requested raises for the sheriff employees for the month of October?

Wright: Do they have to tell you what funds the payroll is coming out of?

Mays: He pays everything out of general. He has no cash funds.

Wright: We should not approve raises if they are coming out of general.

Mays: Unless the Board tells us not to give raises, it's his department. He cannot use his cash funds at this point, because he has no money. He is not even bringing over deposits for his cash funds so he can use them.

Earls: At this point I don't think we should allow comp time, and as a Board we should shut it down.

Smith does not want her employees laid off because of the sheriff's overspending. By the end of the fiscal year, there will be a 1.2 million deficit in the general account.

DA: There will be a follow up meeting with the Sheriff on a weekly basis. A drastic change is needed.

22. Motion by Earls, second by Clarke, to approve the following blanket purchase orders:

1102-6-4100-2005

001478 JOHNS TRACTOR WOR	\$1,000.00	09/27/2018
001479 MIAMI INDUSTRIAL SU	\$500.00	09/27/2018
001480 O REILLY AUTOMOTIVE	\$2,000.00	09/27/2018

1102-6-4200-2005

001481 ACE HARDWARE	\$300.00	09/27/2018
001482 KATNER MILLS	\$1,000.00	09/27/2018
001483 UNIFIRST CORPORATI	\$600.00	09/27/2018

1102-6-4300-2005

001486 B & B AUTO SUPPLY IN	\$800.00	09/27/2018
001487 AUTOMOTIVE OF FAIRL	\$600.00	09/27/2018
001488 HUGHES LUMBER CO	\$600.00	09/27/2018
001489 TOMO DRUG TESTING	\$150.00	09/27/2018
001502 WAL-MART PAYMENTS	\$250.00	09/27/2018

1216-7-7001-2005

001493 HOMETOWN BOTTLED	\$200.00	09/27/2018
001494 INTEGRIS BRHC	\$300.00	09/27/2018
001495 WAL-MART PAYMENTS	\$400.00	09/27/2018

1313-6-4200-2005

001484 KEMP STONE CO INC	\$4,000.00	09/27/2018
001485 WALTER SPECIALTY SE	\$2,000.00	09/27/2018

1313-6-4300-2005

001490 KEMP STONE CO INC	\$6,000.00	09/27/2018
001491 KEMP STONE CO INC	\$6,000.00	09/27/2018
001492 KEMP STONE CO INC	\$6,000.00	09/27/2018
	\$18,000.00	

Motion to adjourn by Masterson, second by Earls. By vote: Clarke, aye; Earls, aye; Masterson, aye.

Chad Masterson, Chairman

Robyn Mitchell, Ottawa County Clerk

MIAMI NEWS RECORD