

MINUTES  
BOARD OF CITY COMMISSIONERS  
SPECIAL MEETING  
MAY 19, 2026

The Board of City Commissioners, in conjunction with The Sallisaw Municipal Authority, met in a special meeting on May 19, 2026, in the Council Chambers, 113 N. Elm St, Sallisaw. Notice of the meeting was given by e-mailing to Sequoyah County Times; by e-mailing to KXXM; by posting at City Hall on May 14, 2026, at 3:30 P.M.; by posting on the City's websites; and, by giving notice to the City Clerk.

Members Present:	Marley Abell,	Mayor
	Kenny Moody,	Member, Ward 1 (arrived at 9:50 a.m.)
	Josh Bailey,	Member, Ward 2
	Brad Hamilton,	Member, Ward 4

Members Absent:	Julian Mendiola,	Member, Ward 3
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Staff Present:	Brian Heverly,	City Manager
	Jordan Pace,	City Attorney
	Kim Jamison,	City Clerk
	Robin Whitekiller,	Finance Director
	Kayle Griffin,	Chief Accountant
	Micki Kimble,	Director – Prevention Services
	John Owens,	Police Chief
	John Weber,	Captain - Police
	Jarod Vinson,	Director – WTP
	George Bormann,	Economic Development Director
	Miranda Parks,	Sr. Customer Service Supervisor
	Gene Martin,	Director – Equipment Services
	Drew Fullbright,	Fire Chief
	D.J. Burgess,	Foreman, WWTP
	Herb Hutchinson,	Captain – Police
	Les Walters,	Director – Parks
	Blakely Smith,	Director – Electric
	Steven Armstrong,	Crew Leader – Electric
	Doug Martin,	Senior Network Technician
	Bryan Hyler,	Director – Street
	Matt Morris,	Director – Water/Sewer
	Jamie Phillips,	Director – Solid Waste
	Christian Sizemore,	Network Technician
	Jacob Acker,	Computer Technician
	Keith Miller,	Community Development Director
	Jessican Del Carpio,	Director – Business Support

Others Present:	Lynn Adams; John Holland.
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## **Meeting Called to Order**

Mayor Abell called the meeting to order. The meeting began at 9:00 A.M.

## **Declaration of a quorum**

A quorum was declared present.

## **Pledge of Allegiance**

The City Manager led everyone in the Pledge of Allegiance.

## **Presentation and Review of Proposed FY 2027 Budget**

The City Manager welcomed everyone noting that we were here to review the city's budget in preparation for FY 27. Advising that the documents they see are drafts and are working documents. The final will be what is approved in June. Mission statement remains the same. He reviewed the budget topics for discussion. And the budget requirements in accordance with the Oklahoma Municipal Budget Act. He reviewed events, projects and purchases over the past year. Noting which were complete or almost complete. He then turned it over to the Finance Director to go over the budget pieces.

She began by thanking her staff for all their hard work during the process. She then presented an in-dept overview of the preliminary budget for FY 2027. The key elements that will make up the FY 2027 budget include: anticipated revenues and planned appropriations, purchases in the capital improvement fund, including the soccer fields, a skateboard park, continuing the landfill expansion process, lift station rehab, employee salaries and benefits, animal shelter expansion, airport fuel farm design, the radar system upgrade for Elm and Cherokee. Also included is the Maple, Pinto, Badger Water Loop, if you all decide leave. As well as the booster pump replacement and upgrades for Richland Estates. The general fund is made up of taxes; gross receipts taxes; permits and licenses; municipal court fines; transfer from SMA and balance forwards. The general fund expenses include salaries and benefits; insurances; operating supplies; maintenance; sports complex/brushy park; transfers out (sales and use tax); funding for non-profit organizations. The SMA revenues are taxes from general funds; utility revenues; penalties; connection/reconnect fees; balance forward amounts. SMA expenses include transfers out; purchased power cost; telecommunication programming; engineering fees; debt service. Across all funds the major revenue sources include electric service (37.32%); sales tax (22.76%); telecommunications (5.39%); water and sewer (11.87%); landfill and sanitation (10.94%). The major expenses across all funds are purchased power cost (20.67%); salaries and benefits (38.34%); daily operations (21.79%); capital projects and purchases (6.41%); telecommunications services and fees (4.05%); debt service (8.75%). The sales tax, use tax, hotel/motel tax were reviewed noting that the sales tax is stable and the use tax as well as the hotel motel tax are under what was anticipated.

The general fund estimated revenue is \$31.9 million. After meeting the transfer requirements, the general fund can only produce 3.5 million on its own. The non-proprietary departments' budgets show an increase of \$427,000.00, most of that increase is for salaries and benefits. The proprietary departments' budgets show

an increase of 2%, again most of that increase is related to salaries and benefits. \$500,000.00 was budgeted for contingency and \$530,000.00 for salary and benefit adjustments. Also, \$200,000.00 is included in contingency for health insurance increases, as the final numbers were not received prior to finalizing the draft budget. The general fund transfers and contributions were reviewed. Total contingency, sundry, and transfers out total \$10.9 million, which is an increase of \$538,000.00. Personnel structure was discussed. We are starting off with 153 full-time positions budgeted. There was an increase of \$24,000.00 for salaries and benefits. This is a bit skewed due to an additional pay period for FY 26 (once every eleven years there is an additional pay period). Two positions were funded, one in fleet (if enterprise is not utilized) and one for water/sewer. \$13.26 million is budgeted for salaries and benefits, excluding COLA and additional employees, and pay adjustments. \$146,000.00 for current longevity plan. The budget for health insurance is \$1.9 million. Retirement numbers as well as insurance premiums were reviewed.

10:03 A.M. – 10:18 A.M. Break.

Capital Improvement Fund. This fund is used for items with a cost greater than \$5,000 and a useful life greater than 2 years. For the new Fiscal Year, the Capital Improvement Fund budget is \$3,412,481.00 before any final adjustments. Expenses for the new year include \$1.8 million in new requests that were funded, the ongoing lease purchases; contingency/reserve; future PD construction. No new lease purchases were included in the budget.

Infrastructure Improvement Fund. Total budget is \$2 million. Trying to grow Fund so that future needs can be met.

Current/future capital needs/projects were discussed. Included were landfill expansion, equipment needs, drainage study, expansion of the animal shelter; sewer and water line upgrades, other infrastructure.

Sallisaw Municipal Authority FY 27 budget is \$43,272,778. Key revenue elements of the SMA budget are sales and use tax from the general fund (\$9.1M); telecommunications revenue (\$1.9M); landfill/sanitation revenue (\$3.9M); electric services revenue (\$13.3M), water/sewer revenue (\$4.2M); and estimated balance forward (\$7.9M). A decrease of \$1.2 million (2,83%). Key appropriations are transfers, \$500K to Infrastructure, \$500K to capital improvement, \$16.2 million to general fund; purchase power cost \$7.15M; debt service payments \$3.3M; telecommunication obligations and fees \$577K; contingency \$500K; operating reserves \$4.3M. Transfers of sales and use tax total \$5M. SMA debt payments total \$3,376,012.

The Chief Accountant reviewed all special revenue and grant funds, how they operated and any goals.

The Finance Director gave a summary of the primary funds.

10:44 A.M. – 10:51 A.M. Break.

**Conduct Planning Session to Discuss Various City Operations, Policies, Programs, and Services, and Possible and /or Provide Direction to Staff**

The City Manager opened the discussions with the Enterprise proposal. Which is a five-year pilot program with the concept of transitioning the “white fleet” to lease vehicles on “open leases”. The goal would be to

reduce overall cost of ownership; reduce mechanic time on white fleet vehicles. 5 vehicles every year on 5-year leases. The program could be ended at any time. Mr. John Holland with Enterprise gave an in-depth overview of the program and answered any questions. It was the consensus of the board to give the program a try.

The City Manager gave a history of the SMA. The SMA was formed in 1988 to manage utilities and provide funding for city operations, facilities, and projects. He then presented a chart showing the electric usage and revenue from 2021 to present.

Motion was made by Moody, seconded by Bailey, to recess for lunch until 12:45 P.M. Vote: Moody aye; Bailey aye; Hamilton aye; Abell aye. Motion carried 4-0. The meeting recessed at 11:52 A.M.

Motion was made by Bailey, seconded by Moody, to reconvene the meeting. Vote: Bailey aye; Moody aye; Hamilton aye; Abell aye. Motion carried 4-0. The meeting reconvened at 12:48 P.M.

The City Manager presented preliminary research regarding the feasibility of constructing a municipal power plant as a potential long-term strategy to address electric utility costs. He explained that a plant sized to meet the City's needs and generate sufficient excess revenue would likely require 50–70 megawatts of capacity and an estimated investment of approximately \$120–140 million, potentially higher depending on final design, permitting, and construction costs.

Funding options discussed included a combination of federal grants, tax incentives, low-interest loans, and approximately \$20 million in revenue bonds. A formal feasibility study would be required to support financing applications and determine project viability.

The City Manager noted that while construction could be completed within one to two years after groundbreaking, permitting, environmental reviews, regulatory approvals, and participation in the regional power market could extend the overall timeline to approximately five to eight years before the facility becomes operational.

Several key issues were identified for further study, including appropriate plant size, site selection, permitting requirements, project costs, funding strategies, operational partnerships, and long-term rate impacts. The City Manager emphasized that ownership of a power plant would not necessarily result in immediate electric rate reductions and that revenues generated from power sales would be dependent on market conditions and operating costs.

The preliminary assessment concluded that while a power plant project appears financially feasible, significant operational, financial, and market risks remain. A comprehensive feasibility study would be necessary to determine whether the project would achieve the City's goals of maintaining revenues while reducing utility costs for customers.

The City Manager presented proposed staffing and organizational changes, including adding a fleet mechanic position and a wastewater operator positions, restructuring several positions, and eliminating selected vacancies through attrition with no layoffs anticipated. The changes are intended to improve operational efficiency, support future recruitment efforts, and are projected to result in a net reduction of one to two positions and approximately \$32,000 in annual savings once fully implemented.

The City Manager also proposed a 4.5% cost-of-living adjustment (COLA) for all employees, raising the minimum wage to approximately \$15 per hour. Alternative COLA options based on salary thresholds were discussed. The estimated annual cost of the proposal is approximately \$500,000, and future compensation strategies may place greater emphasis on benefits and retirement contributions rather than annual wage increases.

Capital Improvement Proposals and Projects were presented. A list of funded as well as unfunded items was reviewed. Staff gave detailed information their departments requests.

2:27 P.M. - 2.39 P.M. break.

Equipment requests from the various departments were presented.

Motion was made by Moody, seconded by Bailey, to recess the meeting until 9:00 a.m., May 20, 2026. Vote: Moody aye; Bailey aye; Hamilton aye; Abell aye. Motion carried 4-0. The meeting recessed at 3:30 P.M.

### **Wednesday, May 21, 2026**

Board Present: Marley Abell; Kenny Moody; Josh Bailey; Brad Hamilton

Board Absent: Julian Mendiola

Staff Present: Brian Heverly; Kim Jamison; Robin Whitekiller; Kayle Griffin; Jordan Pace; Blakley Smith; Bryan Hyler; Jacob Acker; D.J. Burgess; Herb Hutchinson; Gene Martin; Jessica Del Carpio; Miranda Parks; Jarod Vinson; John Weber; Drew Fullbright; Jamie Phillips; George Bormann; Les Walters; Keith Miller; Matt Morris; Micki Kimble.

Others Present: Lynn Adams

Motion was made by Bailey, seconded by Moody, to reconvene the meeting. The meeting reconvened at 9:00 a.m. A quorum was present.

Capital Improvement funding options were discussed. Staff recommend Option 2 plus branch options without a feasibility study. Discussed in detail were Badger Lee water loop; energy assessment pilot; feasibility study/power plant; vehicle lease. It was the consensus of the Council to go with staffs recommendation.

9:55 a.m. – 10:10 a.m. break.

Council had no changes to the personnel structure that was presented.

A 4.5% COLA was presented for FY 27 with 2 options. Option 1 (everyone receiving 4.5% COLA) was good with the board.

Staff was requested to look at changes to the retirement plan, would like to see options for transitioning to a Defined Contribution plan.

10:15 a.m. - 11:05 a.m. break.

Proposed changes to the Master Fee Schedule was discussed.

Motion was made by Bailey, seconded by Moody, to recess for lunch until 12:30 p.m. Vote: Bailey aye; Moody aye; Hamilton aye; Abel aye. Motion carried 4-0. The meeting recessed at 11:22 a.m.

Motion was made by Moody, seconded by Bailey, to reconvene the meeting. Vote: Moody aye; Bailey aye; Hamilton aye; Abell aye. Motion carried 4-0. The meeting reconvened at 12:30 p.m.

Topics discussed in depth were: Debt Maintenance/Reduction; Landfill Expansion; New WWTP; Fire Department.

1:07 p.m. – 1:17 p.m. break.

Summarized funding needs: Must fund are landfill expansion and new WWTP. Need to be funded are electrical survey and upgrades; new substations; fire station expansion; police station expansion; personnel; IT upgrades; equipment/vehicle replacement. Future needs to be funded: brushy; gym/event center; drainage study; sports complex.

10-year plan was reviewed as a draft document. Infrastructure funding is a need. Discussed the option of extending sales tax to be dedicated solely to infrastructure.

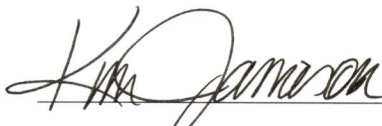
Staff reviewed changes needed for final budget. At this time, it was requested that the funding for the Boys & Girls Club be increased to \$25,000.00.

Motion was made by Bailey, seconded by Moody, to adjourn the meeting. Vote: Bailey aye; Moody aye; Hamilton aye; Abell aye. Motion carried 4-0. The meeting ended at 2:01 p.m.

Approved this 8<sup>th</sup> day of June 2026.

  
Marley Abell, Mayor

Attest:

  
Kim Jamison, City Clerk

