



# McAlester City Council

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## NOTICE OF MEETING

### Regular Meeting Agenda

Tuesday, January 13, 2015 – 6:00 pm  
McAlester City Hall – Council Chambers  
28 E. Washington

Steve Harrison .....	Mayor
Weldon Smith .....	Ward One
John Titsworth .....	Ward Two
Travis Read, Vice Mayor .....	Ward Three
Robert Karr .....	Ward Four
Buddy Garvin .....	Ward Five
Jason Barnett .....	Ward Six
Peter J. Stasiak .....	City Manager
William J. Ervin .....	City Attorney
Cora M. Middleton .....	City Clerk

*This agenda has been posted at the McAlester City Hall, distributed to the appropriate news media, and posted on the City website: [www.cityofmcalester.com](http://www.cityofmcalester.com) within the required time frame.*

*The Mayor and City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to respond to a page or to conduct a phone conversation.*

*The McAlester City Hall is wheelchair accessible. Sign interpretation or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk's Office at 918.423.9300, Extension 4956.*

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#### CALL TO ORDER

*Announce the presence of a Quorum.*

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#### INVOCATION & PLEDGE OF ALLEGIANCE

Captain Lannette Daniels

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#### ROLL CALL

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#### CITIZENS COMMENTS ON NON-AGENDA ITEMS

*Residents may address Council regarding an item that is not listed on the Agenda. Residents must provide their name and address. Council requests that comments be limited to five (5) minutes.*

**CONSENT AGENDA**

*All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A. Approval of the Minutes from the December 9, 2014, Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- B. Approval of the Minutes from the December 23, 2014, Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- C. Approval of Claims for December 17, 2014 through January 6, 2015. *(Toni Ervin, Chief Financial Officer)*
- D. Consider and act upon, ratification of the Code of Conduct for the City of McAlester originally adopted October 27, 2009. (There have been no changes to the document.) *(Cora Middleton, City Clerk)*
- E. Concur with the Mayor's appointment of Chris Taylor, 108 Saunier Way, to the McAlester Planning Commission to fill the vacant position created by the resignation of John McNally, for the balance of the unexpired term to expire on May 31, 2017. *(Steve Harrison, Mayor)*
- F. Consider and act upon, authorization of payment to Infrastructure Solutions Group, LLC; dba Mehlburger Brawley, Invoice # MC-14-06-02, in the amount of \$13,489.00 for Construction Management and Resident Project Representative Services related to CIP#3 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- G. Consider and act upon, authorization of payment to T. McDonald Construction, Inc., Contractor's Application for Payment #2, in the amount of \$58,169.15, for the construction of road and infrastructure improvements related to CIP#3 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- H. Consider and act upon, authorizing the Mayor to sign the necessary FAA forms to Request for Reimbursement for Construction Programs related to construction projects at the McAlester Regional Airport. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*

**ITEMS REMOVED FROM CONSENT AGENDA**

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## PUBLIC HEARING

*All persons interested in any ordinance listed under Scheduled Business shall have an opportunity to be heard in accordance with Article 2, Section 2.12(b) of the City Charter.*

## SCHEDULED BUSINESS

1. Consider and act upon, acceptance of the annual City of McAlester Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2014. *(Toni Ervin, Chief Financial Officer)*

### Executive Summary

Motion to accept the annual Audit for Fiscal Year ending June 30, 2014 for the City of McAlester.

2. Consider and act upon, authorizing the Mayor to sign the application for the Arvest Purchasing card. *(Toni Ervin, Chief Financial Officer)*

### Executive Summary

Staff recommends authorizing the application for the Arvest Purchasing card.

3. Consider and act upon, to declare certain Police Department issued handguns as surplus, and to provide for their safe and orderly disposal by first offering them for sale at the appraised trade-in value to the employee that carried the weapon in service, or in the alternative as a trade-in against new handguns purchased, for the appraised trade-in value. *(Gary Wansick, Chief of Police)*

### Executive Summary

Declare pistols surplus.

4. Consider and act upon, approval of the purchase of 43 new Glock pistols. *(Gary Wansick, Chief of Police)*

### Executive Summary

Motion to approve the purchase of new Glock pistols to replace existing pistols carried by officers.

5. **TABLED FROM PREVIOUS MEETING:** Consider and act upon, authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151 between the City of McAlester and the U. S. Department of Transportation Federal Aviation Administration. *(Joe Ervin, City Attorney)*

### Executive Summary

Motion to approve authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151.

## NEW BUSINESS

*Any matter not known or which could not have been reasonably foreseen prior to the time of posting the Agenda in accordance with Sec. 311.9, Title 25, Oklahoma State Statutes.*

**CITY MANAGER'S REPORT (Peter J. Stasiak)**

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- Report on activities for the past two weeks.

**REMARKS AND INQUIRIES BY CITY COUNCIL**

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**MAYORS COMMENTS AND COMMITTEE APPOINTMENTS**

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**RECESS COUNCIL MEETING**

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**CONVENE AS McALESTER AIRPORT AUTHORITY**

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*Majority of a Quorum required for approval*

- Approval of the Minutes from the December 23, 2014, Regular Meeting of the McAlester Airport Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item C, regarding claims ending January 6, 2015. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item D, ratification of the Code of Conduct for the City of McAlester originally adopted October 27, 2009. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item H, authorizing the Mayor to sign the necessary FAA forms to Request for Reimbursement for Construction Programs related to construction projects at the McAlester Regional Airport. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item 1, acceptance of the annual City of McAlester Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2014. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, authorizing the Mayor to sign the application for the Arvest Purchasing card. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 5, authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151 between the City of McAlester and the U. S. Department of Transportation Federal Aviation Administration. *(Peter Stasiak, City Manager)*

**ADJOURN MAA**

**CONVENE AS McALESTER PUBLIC WORKS AUTHORITY**

*Majority of a Quorum required for approval*

- Approval of the Minutes from the December 23, 2014, Regular Meeting of the McAlester Public Works Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item C, regarding claims ending January 6, 2015. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item D, ratification of the Code of Conduct for the City of McAlester originally adopted October 27, 2009. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item F, authorization of payment to Infrastructure Solutions Group, LLC; dba Mehlburger Brawley, Invoice # MC-14-06-02, in the amount of \$13,489.00 for Construction Management and Resident Project Representative Services related to CIP#3 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item G, authorization of payment to T. McDonald Construction, Inc., Contractor's Application for Payment #2, in the amount of \$58,169.15, for the construction of road and infrastructure improvements related to CIP#3 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *((John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item 1, acceptance of the annual City of McAlester Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2014. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, authorizing the Mayor to sign the application for the Arvest Purchasing card. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 3, to declare certain Police Department issued handguns as surplus, and to provide for their safe and orderly disposal by first offering them for sale at the appraised trade-in value to the employee that carried the weapon in service, or in the alternative as a trade-in against new handguns purchased, for the appraised trade-in value. *(Gary Wansick, Chief of Police)*
- Confirm action taken on City Council Agenda Item 4, approval of the purchase of 43 new Glock pistols. *(Gary Wansick, Chief of Police)*

ADJOURN MPWA

## **RECONVENE COUNCIL MEETING**

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## **ADJOURNMENT**

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## **CERTIFICATION**

*I certify that this Notice of Meeting was posted on this \_\_\_\_\_ day of \_\_\_\_\_ 2015 at \_\_\_\_\_ a.m./p.m. as required by law in accordance with Section 303 of the Oklahoma Statutes and that the appropriate news media was contacted. As a courtesy, this agenda is also posted on the City of McAlester website: [www.cityofmcalester.com](http://www.cityofmcalester.com).*

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**Cora M. Middleton, City Clerk**

The McAlester City Council met in a Regular session on Tuesday December 9, 2014, at 6:00 P.M. after proper notice and agenda was posted, December 5, 2014 at 9:15 A.M.

### **Call to Order**

Mayor Steve Harrison called the meeting to order.

William J. Ervin, City Attorney, gave the invocation and led the Pledge of Allegiance.

### **Roll Call**

Council Roll Call was as follows:

Present: Weldon Smith, John Titsworth, Travis Read, Robert Karr, Buddy Garvin, Jason Barnett & Steve Harrison

Absent: None

Presiding: Steve Harrison, Mayor

Staff Present: Peter J. Stasiak, City Manager; John Modzelewski, City Engineer/Public Works Director; Toni Ervin, Chief Financial Officer; William J. Ervin, Sr., City Attorney and Cora Middleton, City Clerk

### **Consent Agenda**

- A. Approval of the Minutes from the November 17, 2014, Special Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- B. Approval of Claims for November 19, 2014 through December 2, 2014. *(Toni Ervin, Chief Financial Officer)* in the following amounts: General Fund - \$116,938.95; Nutrition - \$2,214.73; Airport Grant - \$422,444.00; Tourism Fund - \$3,691.59; SE Expo Center - \$7,263.02; E-911 - \$5,218.81; Economic Development - \$6,794.99; Grants & Contributions - \$440.84; Fleet Maintenance - \$2,645.05; CIP Fund - \$18,398.99 and Federal Forfeiture Fund - \$9,000.00.
- C. Consider and act upon, authorization of payment to Mehlburger Brawley, Invoice # MC-14-01-01, in the amount of \$6,888.00 for Construction Management and Resident Project Representative Services related to CIP#3 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*

- D. Consider and act upon, authorization of payment to T. McDonald Construction, Inc., Contractor's Application for Payment #1, in the amount of \$106,555.24, for the construction of road and infrastructure improvements related to CIP#3 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- E. Consider and act upon, to concur with Oklahoma Municipal Assurance Group recommendation to deny Claim No. 140345-KW. *(Cora Middleton, City Clerk)*
- F. Consider and act upon, to concur with Oklahoma Municipal Assurance Group recommendation to deny Claim No. 140342-KW. *(Cora Middleton, City Clerk)*
- G. Consider and act upon, approval of the 2015 Annual Meeting Schedules for the McAlester City Council, the McAlester Airport Authority, the McAlester Public Works Authority, and the McAlester Retirement Trust Authority. *(Cora Middleton, City Clerk)*
- H. Concur with the Mayor's appointment of Harvey Bollinger, 2702 Hardy Springs, to the McAlester Board of Adjustment to fill the vacant position created by the resignation of John McNally for the balance of the unexpired term to expire on March 31, 2017. *(Steve Harrison, Mayor)*

Mayor Harrison asked that Item "A" be pulled for individual consideration and Manager Stasiak requested that Item "B" be removed for individual consideration.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to approve items "C through H" of the Consent Agenda. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Titsworth, Karr; Garvin, Barnett & Mayor Harrison  
 NAY: None

Mayor Harrison declared the motion carried.

#### **Items Removed from Consent Agenda**

- A. Approval of the Minutes from the November 17, 2014, Special Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*

Mayor Harrison moved to approve the Minutes from the November 17, 2014, Special Meeting of the McAlester City Council with the inclusion of the following language on page one (1) the first sentence of the first paragraph after, "informed the Council "that the Contractor". The motion was seconded by Vice-Mayor Read. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Titsworth, Karr; Garvin, Barnett, Smith & Mayor Harrison  
 NAY: None



Mayor Harrison declared the motion carried.

- B. Approval of Claims for November 19, 2014 through December 2, 2014. (*Toni Ervin, Chief Financial Officer*) in the following amounts: General Fund - \$116,938.95; Nutrition - \$2,214.73; Airport Grant - \$422,444.00; Tourism Fund - \$3,691.59; SE Expo Center - \$7,263.02; E-911 - \$5,218.81; Economic Development - \$6,794.99; Grants & Contributions - \$440.84; Fleet Maintenance - \$2,645.05; CIP Fund - \$18,398.99 and Federal Forfeiture Fund - \$9,000.00.

A motion was made by Councilman Smith and seconded by Vice-Mayor Read to approve the claims for November 19, 2014 through December 2, 2014.

Before the vote, Manager Stasiak informed the Council of a claim on page seventeen (17) and eighteen (18) of the claims that was for the purchase of a 2014 Police vehicle. He explained that \$13,880.00 had been left from a previous purchase of police vehicles and \$9,000.00 was the matching amount that had been taken from the Federal Forfeiture Fund. He added that he was disclosing this in an effort to maintain transparency. There was no other discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Karr, Garvin, Barnett, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to open a Public Hearing to address two (2) Ordinances.

There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Karr, Garvin, Barnett, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried, and the Public Hearing was opened at 6:07 P.M.

### **Public Hearing**

*All persons interested in any ordinance listed under Scheduled Business shall have an opportunity to be heard in accordance with Article 2, Section 2.12(b) of the City Charter.*

- AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2501 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2014-15; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.
- AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING SECTION 2-67, PERSONNEL POLICIES OF THE CODE OF

ORDINANCES; REPEALING ALL CONFLICTING ORDINANCES;  
PROVIDING FOR A SEVERABILITY CLAUSE.

There were no comments on the proposed Ordinances, and Vice-Mayor Read moved to close the Public Hearing. The motion was seconded by Councilman Smith, and the vote was taken as follows:

AYE: Councilman Read, Smith, Garvin, Barnett, Titsworth, Karr & Mayor Harrison  
NAY: None

Mayor Harrison declared the motion carried, and the Public Hearing was closed at 6:08 P.M.

**Scheduled Business**

1. Consider and act upon, an Amendment to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide Construction Testing during construction of improvements for runway safety and to provide an Approach Slope Survey. (*John C. Modzelewski, P.E., City Engineer and Public Works Director*)

**Executive Summary**

Motion to approve Amendment #8 to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide Construction Testing during construction of improvements for runway safety for a fee not to exceed \$23,325.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to approve Amendment #8 to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide Construction Testing during construction of improvements for runway safety for a fee not to exceed \$23,325.

Before the vote, Director Modzelewski addressed the Council explaining that this amendment would allow LBR, Inc. to provide the Construction Testing Services, required by the FAA, to construct the Runway Improvements that were identified in the Airport Improvements Projects. He added that LBR, Inc. would be the flow through for W2 Engineering, Inc. and the tests would include density and compaction tests and all of the FAA required tests for the project.

Councilman Smith commented that LBR would not make anything for this amendment. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Barnett, Titsworth, Karr, Garvin & Mayor Harrison  
NAY: None

Mayor Harrison declared the motion carried.

2. Consider and act upon, an Ordinance amending Ordinance No. 2501 which established the budget for fiscal year 2014-2015; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. (*Toni Ervin, Chief Financial Officer*)

**Executive Summary**

Motion to approve the budget amendment ordinance.

**ORDINANCE NO. 2523**

**AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2501 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2014-15; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.**

A motion was made by Councilman Karr and seconded by Vice-Mayor Read to approve **ORDINANCE NO. 2523**.

Before the vote, CFO Ervin addressed the Council explaining that this amendment was to appropriate additional funds for Worker's Compensation settlements.

After a brief discussion regarding the amounts of the settlements, the vote was taken as follows:

AYE: Councilman Karr, Read, Smith, Titsworth, Garvin, Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

A motion was made by Vice-Mayor Read and seconded by Councilman Karr to approve the EMERGENCY CLAUSE. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Karr, Garvin, Barnett, Smith, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

3. Consider and act upon, a resolution authorizing the amending of the Personnel Policies Document. *(Toni Ervin, Chief Financial Officer)*

Executive Summary

Staff recommends motion to approve resolution authorizing the amending of the Personnel Policies Document.

A motion was made by Councilman Smith and seconded by Vice-Mayor Read to approve RESOLUTION NO. 14-30, amending the Personnel Policies Document.

Before the vote, CFO Ervin addressed the Council explaining that there were changes in the language in the Policy as a result of the recent trainings that the supervisors had attended.

Councilman Smith requested that in the future any time a document was changed that the changes were shown by strikethrough and additions were underlined. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Titsworth, Karr, Garvin, Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

4. Consider and act upon, an Ordinance on proposed revised Personnel Policies, including Drug and Alcohol Testing Policies, for amendment of the City Code Section 2-67 and repeal of any previous Drug and Alcohol Policies; repealing all conflicting ordinances; providing for a severability clause. *(Toni Ervin, Chief Financial Officer)*

**Executive Summary**

Staff recommends discussion of any changes, questions, concerns, and a motion to approve the Revised Drug and Alcohol Testing Policies.

**ORDINANCE NO. 2524**

**AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING SECTION 2-67. PERSONNEL POLICIES OF THE CODE OF ORDINANCES; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE.**

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to approve **ORDINANCE NO. 2524.**

Before the vote, CFO Ervin addressed the Council explaining that the policies were being updated for legal compliance and these changes would become effective in thirty (30) days. She added this would allow all of the employees to read the policy.

Councilman Smith asked if the “Old Policy” had been updated with the new language. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Titsworth, Karr, Garvin, Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

**New Business**

There was no new business.

**City Manager's Report**

- Report on activities for the past two weeks.

Manager Stasiak reported that the auditors had been in City Hall last week doing some cleanup work. He commented that they would be finishing up with in the next week and should have the preliminary audit prior to the end of the year. He reported that December 16<sup>th</sup> and 17<sup>th</sup> the police department would be receiving training from Brazos on the ticket writers and should be in use on the 17<sup>th</sup> and should have all out on the streets in the next few weeks. He added that Dr. Sewell had brought in approximately \$3,000.00 in donations for the Dog Park.

### **Remarks and Inquiries by City Council**

Councilman Garvin asked Manager Stasiak to furnish him information regarding repairs of the water line at highways 270 and 69. He commented that it was constantly breaking and needed to be repaired correctly.

Councilman Barnett, Smith, Read, Titsworth and did not have any comments for the evening.

### **Mayor's Comments and Committee Appointments**

Mayor Harrison congratulated everyone that had been involved in putting the Christmas Parade together. He added that it had been the largest crowd he had seen.

### **Recess Council Meeting**

Mayor Harrison asked for a motion to recess the Regular Meeting to convene the Authorities. Vice-Mayor Read moved to recess the Regular Meeting and convene the Authorities. The motion was seconded by Councilman Smith. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Karr, Garvin, Barnett, Titsworth, & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried and the meeting was recessed at 6:23

### **Reconvene Council Meeting**

The Regular Meeting was reconvened at 6:25 P.M.

### **Adjournment**

There being no further business to come before the Council, Councilman Garvin moved for the meeting to be adjourned. The motion was seconded by Councilman Karr.

AYE: Councilman Garvin, Karr, read, Barnett, Smith, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried, and the meeting was adjourned at 6:25 P.M.

ATTEST:

\_\_\_\_\_  
Steve Harrison, Mayor

\_\_\_\_\_  
Cora Middleton, City Clerk

The McAlester City Council met in a Regular session on Tuesday December 23, 2014, at 6:00 P.M. after proper notice and agenda was posted, December 22, 2014 at 11:22 A.M.

### **Call to Order**

Mayor Steve Harrison called the meeting to order.

Sergeant Rob Daniels, Salvation Army, gave the invocation and led the Pledge of Allegiance.

### **Roll Call**

Council Roll Call was as follows:

Present: Weldon Smith, John Titsworth, Travis Read, Robert Karr, Jason Barnett & Steve Harrison  
Absent: Buddy Garvin  
Presiding: Steve Harrison, Mayor

Staff Present: Peter J. Stasiak, City Manager; John Modzelewski, City Engineer/Public Works Director; Toni Ervin, Chief Financial Officer; William J. Ervin, City Attorney and Cora Middleton, City Clerk

### **Citizens Comments**

There were no citizen's comments.

### **Consent Agenda**

- A. Approval of the Minutes from the November 25, 2014, Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- B. Approval of Claims for December 3, 2014 through December 16, 2014. *(Toni Ervin, Chief Financial Officer)* In the following amounts: General Fund - \$107,548.81; Parking Authority - \$146.36; Nutrition - \$1,193.82; Tourism Fund - \$2,966.98; SE Expo Center - \$16,725.24; E-911 - \$4,939.08; Economic Development - \$618.46; Grants & Contributions - 4,306.29; Fleet Maintenance - \$10,387.42; Worker's Compensation - \$941.68 and CIP Fund - \$14,991.63.
- C. Consider and act upon, authorization for the Mayor to sign a lease purchase agreement with Arvest Bank for the purchase of 13 vehicles. This was previously authorized by the Council on October 28<sup>th</sup> with a non-taxable rate of 2.15%. Upon bond council's legal

advice, the non- taxable rate presented on October 28<sup>th</sup> will be changed to a taxable rate of 3.11%. *(Toni Ervin, Chief Financial Officer)*

- D. Consideration and action, to accept the donation of Lots 6, 7, 8, 9, 10, 11, 12, 13 & 14 of Block 4, The Paddocks Subdivision along with an easement along the western boundary of Lots 8, 9, & 14 of the Howe Addition for the Belmont Trail Project. *(Leroy Alsup, Community and Economic Development Director)*
- E. Consider and act upon, authorization of payment to Poe & Associates, Inc., Invoice # 0-102096-9565, in the amount of \$57,075.38, for engineering services related to CIP#4 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director)*
- F. Consider and act upon, receipt of Oklahoma Department of Environmental Quality (ODEQ) Permit No. SL000061140908 for the construction of 1,768 linear feet of eight (8) inch PVC sanitary sewer line and all appurtenances to serve the Choctaw Nation of Oklahoma McAlester Campus. *(John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director)*
- G. Consider and act upon, authorization of payment to Lot Maintenance of Oklahoma, Inc., Invoice # 033347, in the amount of \$8,625.00, for video of sewer mains in Sixth Street and South Avenue, related to CIP#4 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to approve the Consent Agenda.

There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Titsworth, Karr; Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

A motion was made by Councilman Smith and seconded by Vice-Mayor Read to open a Public Hearing to address two (2) Ordinances.

There was no discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Titsworth, Karr, Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried, and the Public Hearing was opened at 6:04 P.M.

### **Public Hearing**

*All persons interested in any ordinance listed under Scheduled Business shall have an opportunity to be heard in accordance with Article 2, Section 2.12(b) of the City Charter.*

AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2501 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2014-15; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

AN ORDINANCE AUTHORIZING THE CITY OF MCALESTER, OKLAHOMA TO SUBMIT TO THE REGISTERED QUALIFIED VOTERS OF SAID CITY WHETHER SPECIFIC CHANGES TO THE CITY CHARTER SHOULD BE APPROVED.

There were no comments on the proposed Ordinances, and Vice-Mayor Read moved to close the Public Hearing. The motion was seconded by Councilman Smith, and the vote was taken as follows:

AYE: Councilman Read, Smith, Karr, Barnett, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried, and the Public Hearing was closed at 6:04 P.M.

### **Scheduled Business**

1. Consider and act upon, an Ordinance amending Ordinance No. 2501 which established the budget for fiscal year 2014-2015; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Toni Ervin, Chief Financial Officer)*

Executive Summary

Motion to approve the budget amendment ordinance.

### **ORDINANCE NO. 2525**

AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2501 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2014-15; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to approve **ORDINANCE NO. 2525**, amending FY 2014-2015 Operating Budget.

Before the vote, CFO Ervin addressed the Council explaining that this amendment would appropriate for the new Salt Shed and for the Airport Grant Drainage Project. There was no other discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Karr, Barnett, Titsworth & Mayor Harrison

NAY: None



Mayor Harrison declared the motion carried.

A motion was made by Vice-Mayor Read and seconded by Councilman Karr to approve the EMERGENCY CLAUSE. There was no discussion, and the vote was taken as follows:

AYE: Councilman Read, Karr, Barnett, Smith, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

2. Consider and act upon, authorizing the Mayor to sign the McAlester Regional Airport (MLC) Five Year Capital Improvement Plan. (*John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director*)

Executive Summary

Motion to authorize the Mayor to sign the McAlester Regional Airport (MLC) Five Year Capital Improvement Plan.

A motion was made by Councilman Smith and seconded by Vice-Mayor Read to authorize the Mayor to sign the McAlester Regional Airport (MLC) Five Year Capital Improvement Plan.

Before the vote, Director Modzelewski addressed the Council explaining that the new program manager at the FAA was requesting some preliminary documents and a schedule for the 2015 airport project identified as "Replace Existing Drainage Pipe, Damaged Inlets, Lights, Signs and Connecting Taxiway Pavement". He informed them that he had discussed this project with the Oklahoma Aeronautic Commission and since the City had received the full amount of Non Primary Entitlement money (600,000) that a project was needed for the year in order to not lose any of the annual appropriations (150,000).

Mayor Harrison suggested having the Council and the Airport Advisory Board involved in this process.

There was no other discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Barnett, Titsworth, Karr & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

3. Consider and act upon, Amendment No. 9 to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide consulting services, including plans and specifications for Project 3-40-0057-013-2015 "Replace Existing Drainage Pipe, Damaged Inlets, Lights, Signs, and Connecting Taxiway Pavement". (*John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director*)

Executive Summary

Motion to approve Amendment #9 to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide consulting services, including plans and specifications for Project 3-40-0057-013-

2015 "Replace Existing Drainage Pipe, Damaged Inlets, Lights, Signs, and Connecting Taxiway Pavement" for not to exceed \$72,940.

Councilman Smith moved to approve Amendment No. 9 to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide consulting services, including plans and specifications for Project 3-40-0057-013-2015 "Replace Existing Drainage Pipe, Damaged Inlets, Lights, Signs, and Connecting Taxiway Pavement" for not to exceed \$72,940. The motion was seconded by Vice-Mayor Read.

Before the vote, Director Modzelewski addressed the Council explaining that this amendment would allow LBR, Inc. to provide the Construction testing services that were required by the FAA to construct the "Improve Runway 2-20 Safety Areas; Remove Runway 2-20 Approach Surface Obstructions; and Improve Runway Object Free Area (ROFA) East of Runway 2-20" project. He added that this project had been accepted by the Oklahoma Aeronautic Commission as one of the projects included in the Five (5) Year Capital Improvement Plan.

There was no other discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Titsworth, Karr, Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

4. Consider and act upon, authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151 between the City of McAlester and the U. S. Department of Transportation Federal Aviation Administration. (*Peter Stasiak, City Manager*)

Executive Summary

Motion to approve authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151

A motion was made by Councilman Smith and seconded by Councilman Karr to authorize the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151 between the City of McAlester and the U. S. Department of Transportation Federal Aviation Administration.

Before the vote, Manager Stasiak addressed the Council explaining that he had been contacted by the FAA asking the City to consider the new five (5) year agreement with holdover clause. He commented that the cost to move the equipment out of the current building had decreased and it was the City's responsibility. He stated that there was a small building next to the FAA building that would be near the AT&T cables.

There was discussion among the Council, Attorney Ervin and Manager Stasiak regarding the City's conversations with the FAA about moving the equipment, if the City was trying to sell the building, possibly having all emergency related entities located in the FAA building, having the same contract as previously presented, the expense of moving the cables, the holdover clause in

the agreement and if the FAA did not want to sign a one (1) year lease, just leaving the matter as it was.

Attorney Ervin stated that he could submit the language to the FAA in the week and have response by the first meeting in January.

After another brief discussion concerning the sale of the building and having a clause that the relocation of the cables was not to exceed \$50,000.00, Councilman Smith moved to table the agreement until the first meeting in January. The motion was seconded by Vice-Mayor Read.

There was no further discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Karr, Barnett, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

5. Consider and act upon, authorizing the Mayor to sign a contract between the City of McAlester and K-Bar Company, LLC for the construction of a new Salt Shed to be installed at the Public Works Complex for a Total Bid equal to \$90,754.00. (*John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director*)

**Executive Summary**

The recommendation is to enter into an agreement with K-Bar Company, LLC for the construction of a new Salt Shed to be installed at the Public Works Complex for a Total Bid equal to \$90,754.00.

Councilman Karr moved to authorize the Mayor to sign a contract between the City of McAlester and K-Bar Company, LLC for the construction of a new Salt Shed to be installed at the Public Works Complex for a Total Bid equal to \$90,754.00. The motion was seconded by Councilman Smith.

Before the vote, Director Modzelewski addressed the Council informing the Council that Salt Shed Project had been advertised on November 16th and 23rd, 2014. The City had issued plans and specifications to eight (8) companies and had received three (3) bids, which were opened on December 9th, 2014. He added that after review of all bids it had been determined that K-Bar Company, LLC was the lowest, qualified, responsible bidder. Director Modzelewski commented that the project would be fully completed within forty five (45) days from the Notice to Proceed.

After a brief discussion concerning the materials that would be used in the construction and when the Notice to Proceed would go out, the vote was taken as follows:

AYE: Councilman Karr, Smith, Titsworth, Read, Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

6. Consider and act upon, declaring certain vehicles and equipment surplus property in accordance with the Code of Ordinances Sec 2-286 and authorize the City Manager to

sell them in accordance with the Code of Ordinances Sec 2-287. *(Toni Ervin, Chief Financial Officer)*

Executive Summary

Motion to declare certain vehicles and equipment surplus and authorize the disposal of them.

A motion was made by Vice-Mayor Read and seconded by Councilman Smith to declare certain vehicles and equipment surplus property in accordance with the Code of Ordinances Sec. 2-286 and authorize the City Manager to sell them in accordance with the Code of Ordinance Sec. 2-287.

Before the vote, CFO Ervin explained that the Finance Department had worked closely with Fleet Maintenance to identify the worn out vehicles and equipment.

There was no other discussion, and the vote was taken as follows:

AYE: Councilman Read, Smith, Titsworth, Karr; Barnett & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

7. Discussion on possible merger of hospital trusts, Public Health Authority (PHA) and McAlester Regional Health Authority (MRHC). *(Peter Stasiak, City Manager)*

Executive Summary

Discussion only.

Mayor Harrison informed the Council that he had requested that this item be placed on the agenda. He explained that there were two (2) Authorities that affected the Hospital and one was now just the landlord for two (2) properties. Mayor Harrison stated that he had asked if separate Boards were needed any longer and the Attorney had advised that they could be combined into one (1) Board. He added that to combine the two (2) authorities, all three (3) bodies would have to agree to the merger and then take the matter to the District Attorney.

Councilman Smith commented that the Public Health Authority did not have much business to conduct.

Mayor Harrison stated that it was not the intent to get involved in the day to day operations. He added that the Hospital had indicated the wish to start the process.

There was no further discussion and no vote was taken.

8. Consider and act upon, approval of an Ordinance of the City of McAlester with proposed amendments to the McAlester City Charter, and authorizing the Mayor to submit the proposed changes to the qualified registered voters of the City of McAlester; and consider and act to approve a resolution calling a Special Election for the purpose of submitting the proposed Charter changes to the qualified electors of the City, and authorizing the issuance of a Proclamation for the election regarding the propositions to change the McAlester City Charter. *(William J. Ervin, City Attorney)*

Executive Summary

Motion to approve an Ordinance proposing amendments to the City of McAlester Charter.

ORDINANCE NO. 2526

AN ORDINANCE AUTHORIZING THE CITY OF MCALESTER, OKLAHOMA TO SUBMIT TO THE REGISTERED QUALIFIED VOTERS OF SAID CITY WHETHER SPECIFIC CHANGES TO THE CITY CHARTER SHOULD BE APPROVED.

A motion was made by Vice-Mayor Read and seconded by Councilman Karr to approve ORDINANCE NO. 2526, and RESOLUTION NO. 14-31, authorizing the Mayor to submit the proposed changes to the qualified registered voters of the City of McAlester, and calling a Special Election for the purpose of submitting the proposed Charter changes to the qualified electors of the City, and authorizing the issuance of a Proclamation for the election regarding the propositions to change the McAlester City Charter.

Before the vote, Attorney Ervin commented that this information was familiar to the Council and had only been revised from the previous documents.

Mayor Harrison stated that he wanted to get this before the voters as soon as possible.

There was no further discussion, and the vote was taken as follows:

AYE: Councilman Read, Karr, Barnett, Smith, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried.

New Business

There was no new business.

City Manager's Report

- Report on activities for the past two weeks.

Manager Stasiak reported that the training for the Police Departments digital ticket writers had taken place and currently there were three (3) per shift in service. He commented that these devices should reduce time and improve accuracy. He stated that the new ambulance had been delivered and should be in service after the first of the year. He added that staff had met with the Audit & Finance Advisory Committee on the preliminary audit. He commented that there had been no audit findings and the City had qualified again for the CAFR Certification. He stated that the Audit would be brought to Council in January and he wished everyone a Merry Christmas.

### **Remarks and Inquiries by City Council**

Councilman Barnett and Karr wished everyone a Merry Christmas.

Councilman Smith did not have any comments for the evening.

Vice-Mayor Read expressed his appreciation to the City Staff for getting the Salt Shed bid out and moving forward.

Councilman Titsworth stated he was glad to see things accepted by the City and he wished everyone a Merry Christmas.

### **Mayor's Comments and Committee Appointments**

Mayor Harrison expressed his appreciation for the accomplishments of the CFO and finance staff and he wished everyone a Merry Christmas.

### **Recess Council Meeting**

Mayor Harrison asked for a motion to recess the Regular Meeting to convene the Authorities. Councilman Smith moved to recess the Regular Meeting and convene the Authorities. The motion was seconded by Vice-Mayor Read.

There was no discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Karr, Barnett, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried and the meeting was recessed at 6:23

### **Reconvene Council Meeting**

The Regular Meeting was reconvened at 6:50 P.M.

### **Adjournment**

There being no further business to come before the Council, Councilman Smith moved for the meeting to be adjourned. The motion was seconded by Vice-Mayor Read.

AYE: Councilman Smith, Read, Karr, Barnett, Titsworth & Mayor Harrison

NAY: None

Mayor Harrison declared the motion carried, and the meeting was adjourned at 6:52 P.M.

ATTEST:

\_\_\_\_\_  
Steve Harrison, Mayor

\_\_\_\_\_  
Cora Middleton, City Clerk

**CLAIMS FROM**

**December 17, 2014  
Thru  
January 6, 2015**



PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-1	MISC VENDOR					
	BRETT BREWER	I-201412246924	01 -5432202	OPERATING SUP BRETT BREWER: REIMB MEAL EXP	072119	51.45
	KAREN BOATRUGHT	I-201412246926	01 -5213331	EMPLOYEE TRAV KAREN BOATRUGHT: TRAVEL EXP	072121	169.04
	HUNTER REED	I-201501026944	01 -5431207	CLOTHING ALLO HUNTER REED: REIMB BOOT ALLOW	072122	150.00
	GARY WANSICK	I-201501066956	01 -5321331	EMPLOYEE TRAV TREIMB TRAVEL EXP-TRAINING	072123	312.16
01-A00026	AT & T LONG DISTANCE					
		I-201412306937	01 -5215315	TELEPHONE UTT PHONE EXP-LONG DISTANCE	072108	48.94
01-A00267	AIRGAS, INC					
		I-9034194316	01 -5432202	OPERATING SUP EMS SUPPLIES & OXYGEN	072124	155.52
		I-9034656822	01 -5432202	OPERATING SUP EMS SUPPLIES & OXYGEN	072124	121.11
		I-9034692413	01 -5542203	REPAIRS & MAI OXYTEN & ACETYLEN-PARKS	072124	95.89
		I-9034692414	01 -5653213	SAFETY EXPENS RESPIRATORS FOR SAFETY	072124	86.40
		I-9923090341	01 -5432202	OPERATING SUP EMS SUPPLIES & OXYGEN	072124	318.25
01-A00362	VYVE BROADBAND					
		I-201412176919	01 -5431328	INTERNET SERV INTERNET SVS-N FIRE STATION	072078	69.95
		I-201412176919	01 -5431328	INTERNET SERV INTERNET SVS-S FIRE STATION	072078	62.95
		I-201412306939	01 -5865328	INTERNET SERV INTERNET SVS-CENTRAL GARAGE	072109	83.88
		I-201412306939	01 -5547328	INTERNET SERV INTERNET SVS-OAKHILL CEM	072109	59.95
01-A00751	ATWOODS					
		I-2365/9	01 -5547204	SMALL TOOLS CORDLESS DRILL	072127	99.99
		I-2366/9	01 -5865207	CLOTHING ALLO BOOT ALLOWANCE	072127	84.99
		I-2368/9	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072127	35.48
		I-2369/9	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072127	24.46
		I-2373/9	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072127	125.43
		I-2381/9	01 -5542203	REPAIRS & MAI MISC MAINT & REPAIR ITEMS	072127	97.25
01-A00770	BOLTE ENTERPRISES, INC					
		I-952201	01 -5431203	REPAIRS & MAI MISC AUTO PARTS FOR FIRE	072128	53.29
		I-952233	01 -5431203	REPAIRS & MAI MISC AUTO PARTS FOR FIRE	072128	67.66
		I-952612	01 -5431203	REPAIRS & MAI MISC AUTO PARTS FOR FIRE	072128	28.30
01-B00089	BANK OF OKLAHOMA					
		I-5063960	01 -5547308	CONTRACTED SE CFM CARE FUND ADMIN FEE	072130	368.02
01-B00180	UNION IRON WORKS, INC.					
		I-S1833316.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072132	12.98
		I-S1833576.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072132	98.97
		I-S1833708.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072132	21.72
		I-S1833739.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072132	24.40
		I-S1834613.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072132	12.16
		I-S1834836.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072132	10.68
01-B00490	BRIGGS PRINTING					
		I-62886	01 -5211202	OPERATING SUP BUS CARDS FOR ACCOUNTANT	072134	45.00

1/06/2015 10:26 AM  
 PACKET: 12369 CLAIMS FOR 01/13/2015  
 VENDOR SET: 01  
 FUND : 01 GENERAL FUND

REGULAR DEPARTMENT PAYMENT REGISTER

PAGE: 2

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-D00640	SPORT SUPPLY GROUP, INC	T-96604762	01 -5542203	REPAIRS & MAI TENNTS NET FOR CHADICK	072136	198.89
01-C00149	CANON FINANCIAL SERVICE	I-14462566	01 -5215312	EQUIPMENT REN MONTHLY COPIER LEASE	072137	783.87
01-C00206	CARGILL SALT	I-2902050134	01 -5865218	STREET REPAIR SALT FOR STREETS	072138	4,484.97
		I-2902050135	01 -5865218	STREET REPAIR SALT FOR STREETS	072138	4,484.97
01-C00245	CATHEY & ASSOCIATES, L.	I-36995	01 -5431202	OPERATING SUP OFFICE EXP-DESK TOP	072139	90.00
01-C00320	CENTERPOINT ENERGY ARKL	I-201412306936	01 -5215314	GAS UTILITY GAS EXP-WWTP	072111	23.24
		I-201412306936	01 -5215314	GAS UTILITY GAS EXP-FIRE EMER RESP COMPL	072111	425.37
01-C00667	HESSSEL HOLDING CO. dba	I-1428297	01 -5865218	STREET REPAIR VIBRATORS FOR STREETS	072140	864.89
01-C00840	CRAWFORD & ASSOCIATES P	I-0666	01 -5215302	CONSULTANTS CONSULTANT FEES	072141	1,486.25
01-D00130	DATA FLOW	I-16767	01 -5211202	OPERATING SUP A/P CHECKS	072142	386.90
01-D00540	DOLESE BROTHERS	I-RM14083673	01 -5865218	STREET REPAIR CONCRETE FOR ST. REPAIRS	072146	870.00
01-E00259	ERGON ASPHALT & EMULSIO	I-9401261186	01 -5865218	STREET REPAIR OIL FOR DURAPATCH	072147	4,447.26
01-E00266	ERVIN & ERVIN ATTORNEYS	I-201501026943	01 -5214302	CONSULTANTS CONTRACT LEGAL SVS-JAN 2015	072117	3,125.00
01-F00042	FBI NAT'L ACADEMY ASSN	I-38101-2015 DUES	01 -5321331	EMPLOYEE TRAV ANNUAL DUES-OKLA CHAPTER	072149	85.00
01-G00010	G & C RENTAL CENTER, IN	I-31576	01 -5865218	STREET REPAIR EQUIP RENTAL FEE	072151	60.00
		I-31658	01 -5865218	STREET REPAIR EQUIP RENTAL FEE	072151	84.00
		I-31703	01 -5865218	STREET REPAIR EQUIP RENTAL FEE	072151	373.00
01-G00089	GFOA-GOVT FINANCE OFFIC	I-14-01317	01 -5211202	OPERATING SUP FINANCIAL REPORTING FEE	072152	580.00
01-G00130	GALL'S, AN ARAMARK CO.,	I-002813390	01 -5321207	CLOTHING ALLO CLOTHING ALLOWANCE	072153	6.98
		I-002830773	01 -5321207	CLOTHING ALLO CLOTHING ALLOWANCE	072153	67.78

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-G00130	GALL'S, AN ARAMARK CO.,	continued				
		T-002830895	01 -5321207	CLOTHING ALLO CLOTHING ALLOWANCE	072153	338.93
		I-002845328	01 -5321207	CLOTHING ALLO CLOTHING ALLOWANCE	072153	339.00
		I-002856246	01 -5321207	CLOTHING ALLO CLOTHING ALLOWANCE	072153	67.78
01-G00316	GIVENS LAW FIRM, P.C.					
	I-23		01 -5214302	CONSULTANTS LEGAL FEES-GREEN	072155	187.12
01-I00049	IDEAL CLEANING					
	I-201501026946		01 -5548308	CONTRACTED SE MONTHLY CLEANING SVS-DEC 2014	072159	1,455.00
01-I00061	RICOH USA, INC.					
	I-5033885092		01 -5321308	CONTRACTED SE POLICE COPIER MAINT FEE	072160	72.50
01-I00101	TMA					
	I-14-01325		01 -5211330	DUES & SUBSCR YRLY MEMBERSHIP DUES	072161	200.00
01-I00110	IMPRESS OFFICE SUPPLY					
	I-037176		01 -5215202	OPERATING SUP OFFICE SUPPLIES	072162	25.93
01-T00140	INDIAN NATION WHOLESALE					
	C-988803 CR		01 -5210202	OPERATING SUP BREAK ROOM SUPPLIES	072163	14.72-
	I-6201850		01 -5210202	OPERATING SUP BREAK ROOM SUPPLIES	072163	267.43
	I-6204055		01 -5210202	OPERATING SUP BREAK ROOM SUPPLIES	072163	309.10
01-I00262	INVESTIGATIVE CONCEPTS,					
	I-1212121916		01 -5653348	DRUG TESTING/ MTSC BACKGROUND CHECKS	072231	19.95
01-J00121	JAMESCO ENTERPRISES, LL					
	I-9761		01 -5542202	OPERATING SUP JANITORIAL SUPPLIES	072164	355.06
01-J00142	JAMES STANFORD					
	I-588737329		01 -5225330	DUES & SUBSCR REIMB WEB DOMAIN REG FEE	072165	169.93
01-J00340	JIM WOOD REFRIGERATION					
	I-14-16742		01 -5548203	REPAIRS & MAI ICE MACHINE FOR CITY HALL	072167	3,395.00
01-L00067	COMPLIANCE RESOURCE GRO					
	I-042230		01 -5653348	DRUG TESTING/ RANDOM DRUG TESTING	072232	50.00
01-L00355	LIVE VIEW GPS INC.					
	I-201760		01 -5321308	CONTRACTED SE GPS RENEWAL FEE	072170	479.88
01-L00380	LOCKE SUPPLY CO.					
	I-24682926-00		01 -5548203	REPAIRS & MAI MISC MAINT & REPAIR ITEMS	072171	448.64
	I-24687605-00		01 -5548203	REPAIRS & MAI MISC MAINT & REPAIR ITEMS	072171	76.84
	I-24693347-00		01 -5548203	REPAIRS & MAI MSC MAINT & REPAIR ITEMS	072171	159.07
	I-24755877-00		01 -5548203	REPAIRS & MAI MSC MAINT & REPAIR ITEMS	072171	121.19
	I-24809045-00		01 -5548203	REPAIRS & MAI MSC MAINT & REPAIR ITEMS	072171	4.49

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-L00428 LOWE'S CREDIT SERVICES						
		I-02063	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	42.55
		I-02123	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	149.47
		I-02834	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	40.55
		I-02861	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	79.49
		I-04258	01 -5542204	SMALL TOOLS MISC SMALL TOOLS	072172	219.25
		I-04509	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	7.48
		I-05055	01 -5431203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	34.97
		I-05144	01 -5547203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	73.71
		I-06417	01 -5542204	SMALL TOOLS MISC SMALL TOOLS	072172	82.39
		I-06459	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	35.09
		I-06664	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	23.53
		I-07272	01 -5547203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072172	39.82
		I-07276	01 -5865203	REPAIR & MAIN MISC MAINT & REPAIR ITEMS	072172	199.28
		I-07303	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	153.36
		I-07425	01 -5865203	REPAIR & MAIN MISC MAINT & REPAIR ITEMS	072173	61.72
		I-07617	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	46.00
		I-07878	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	269.36
		I-07918	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	21.55
		I-08838	01 -5431203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	4.70
		I-09061	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	18.98
		I-09651	01 -5431203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	48.39
		I-14218	01 -5431203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	26.56
		I-902617	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	134.12
		I-902743	01 -5547203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	79.00
		I-905626	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072173	17.10
		I-907843	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072174	14.59
01-L00433 LOVE ENVELOPES						
		I-0043210-TN	01 -5215202	OPERATING SUP CITY ENVELOPES-ALL DEPTS	072175	87.96
		I-0043212-TN	01 -5215202	OPERATING SUP CITY ENVELOPES-ALL DEPTS	072175	321.70
01-M00470 MILLER BROTHERS ENTERPR						
		I-13970-06	01 -5548203	REPAIRS & MAI MISC REPAIRS	072176	145.00
01-M00487 MILLER OFFICE EQUIPMENT						
		I-MCA363326	01 -5215312	EQUIPMENT REN MONTHLY COPIER SVS	072177	965.90
01-MC0099 MCAFEE & TAFT						
		I-444886	01 -5214302	CONSULTANTS LEGAL FEES	072178	1,863.00
		I-444887	01 -5210302	CONSULTANTS/L LEGAL FEES-IAFF	072178	92.00
		I-444888	01 -5210302	CONSULTANTS/L LEGAL FEES-FOP	072178	483.00
		I-444889	01 -5210302	CONSULTANTS/L LEGAL FEES-FOP	072178	460.00
		I-444890	01 -5210302	CONSULTANTS/L LEGAL FEES-IAFF	072178	184.00
		I-444891	01 -5210302	CONSULTANTS/L LEGAL FEES-FOP	072178	92.00
01-N00250 MCALESTER NEWS CAPITAL						
		I-05617260	01 -5212317	ADVERTISING & COUNCIL PUBLICATIONS	072181	11.91
		I-05617261	01 -5212317	ADVERTISING & COUNCIL PUBLICATIONS	072181	18.96

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-N00250	MCALISTER NEWS CAPITAL	continued				
		I-05617273	01 -5212317	ADVERTISING & COUNCIL PUBLICATIONS	072181	12.06
		I-05617274	01 -5212317	ADVERTISING & COUNCIL PUBLICATIONS	072181	177.09
01-000136	OKLA SPORTING SUPPLIES					
		I-1236333	01 -5321325	FIRING RANGE AMMO	072233	1,558.50
01-000270	OKLA DEPT OF AGRICULTURE					
		I-14-01202	01 -5542206	CHEMICALS FEE FOR HERBICIDE PERMITS	072191	800.00
01-000414	OKLA TAX COMMISSION-AUT					
		I-14-01308	01 -5321202	OPERATING SUP TITLE & TAG-POLICE UNIT	072194	39.00
01-000520	OIL-OK INDEPENDENT LIVI					
		I-122014-2010/2011	01 -5101355	OIL-OK FOR IN CONTRACT WITH OIL	072195	2,000.00
01-000561	OMCCA					
		I-1524	01 -5213336	FEES TRAINING FEES	072196	110.00
01-P00078	PAMLI N. JOSLIN					
		I-667	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	120.00
		I-668	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	310.00
		I-669	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	424.00
		I-670	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	148.00
		I-671	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	136.00
		I-672	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	72.00
		I-673	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	291.00
		I-674	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	836.00
		I-675	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	444.00
		I-676	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	236.00
		I-677	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	274.00
		I-678	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	84.00
		I-679	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	84.00
		I-680	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072235	574.00
		I-681	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072236	304.00
		I-682	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072236	997.00
		I-683	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072236	767.00
		I-686	01 -5653340	CLOTHING ALLO CLOTHING ALLOWANCE	072234	150.00
01-P00242	PETER STASIAK					
		I-201501026945	01 -5210331	EMPLOYEE TRAV TRAVEL EXP-GOVERNERS COUNCIL	072198	169.71
		I-201501056953	01 -5210331	EMPLOYEE TRAV TRAVEL EXP-CHOCTAW ECON MTG	072198	117.44
01-P00250	PETTY CASH					
		I-201412246927	01 -5215202	OPERATING SUP OFFICE EXP-HEATER	072199	43.58
		I-201412246927	01 -5213331	EMPLOYEE TRAV TRAVEL EXP-OMCCA MTG	072199	185.42
		I-201412246927	01 -5225331	EMPLOYEE TRAV TRAVEL EXP-SERVER TRAINING	072199	124.57
		I-201412246927	01 -5321331	EMPLOYEE TRAV TRAVEL EXP-OKC	072199	23.51
		I-201412246927	01 -5431331	EMPLOYEE TRAV TRAVEL EXP-INST TRAINING	072199	30.82

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
<hr/>						
01-P00250	PETTY CASH	continued				
		I-201412246927	01 -5431331	EMPLOYEE TRAV TRAVEL EXP-INST TRAINING	072199	19.60
		I-201412246927	01 -5431331	EMPLOYEE TRAV TRAVEL EXP-LEADERSHIP TRAINING	072199	25.02
		I-201412246927	01 -5431331	EMPLOYEE TRAV TRAVEL EXP-LEADERSHIP TRAINING	072199	19.26
		I-201412246927	01 -5431331	EMPLOYEE TRAV TRAVEL EXP-INST TRAINING	072199	14.26
		I-201412246927	01 -5212202	OPERATING SUP OFFICE EXP	072199	16.22
		I-201412246927	01 -5101202	OPERATING SUP COUNCIL MTG EXP	072199	60.00
		I-201412246927	01 -5431207	CLOTHING ALLO RETMB TOOLS EXP-EMER TOOLS	072199	34.79
		I-201412246927	01 -5431331	EMPLOYEE TRAV TRAVEL EXP-INST TRAINING	072199	15.02
		I-201412246927	01 -5215202	OPERATING SUP SUPPLIES FOR EVENT	072199	25.85
01-P00337	PITTS COUNTY CRIMINAL J					
		I-201412296928	01 -5213335	COUNTY INCARC INCARCERATION FEES-SEPT 2014	072201	7,172.00
		I-201412296929	01 -5213335	COUNTY INCARC INCARCERATION FEES-NOV 2014	072201	7,084.00
01-P00420	POSTMASTER					
		I-2015-BOX 907	01 -5215202	OPERATING SUP YRLY BOX RENT-BOX 907	072202	482.00
01-P00451	PURCHASE POWER / PITNEY					
		I-1389093-DEC14	01 -5215317	POSTAGE POSTAGE FOR POSTAGE MACH	072204	750.00
01-P00560	PUBLIC SERVICE/AEP					
		I-201412306935	01 -5215313	ELECTRIC UTIL ELECTRIC EXP-1016 S SOUTH	072112	208.66
		I-201412306935	01 -5215313	ELECTRIC UTIL ELECTRIC EXP-PD/NARC	072112	160.50
		I-201412306935	01 -5215313	ELECTRIC UTIL ELECTRIC EXP-1699 E CARL ALBER	072112	24.14
		I-201412306935	01 -5215313	ELECTRIC UTIL ELECTRIC EXP-PAVILION@KOMAR PK	072112	40.81
		I-201412306935	01 -5215313	ELECTRIC UTIL ELECTRIC EXP-KOMAR PARK	072112	159.49
		I-201412306935	01 -5215313	ELECTRIC UTIL ELECTRIC EXP-FIRE EMER RESP CO	072112	775.11
01-R00247	RESONANCE BROADBAND					
		I-201412306934	01 -5544328	INTERNET SERV INTERNET SVS-SBC	072113	60.00
01-S00710	STANDARD MACHINE LLC					
		I-240458	01 -5431203	REPAIRS & MAI HOSE FOR EMER VEHICLE	072213	80.40
01-S00726	STAPLES ADVANTAGE					
		I-08722	01 -5225401	COMPUTER TECH MISC COMPUTER SUPPLIES	072214	32.38
		I-09593	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	68.32
		I-19361	01 -5225401	COMPUTER TECH MISC COMPUTER SUPPLIES	072214	183.96
		I-20069	01 -5225401	COMPUTER TECH MISC COMPUTER SUPPLIES	072214	7.49
		I-22445	01 -5653202	OPERATING SUP OFFICE SUPPLIES	072214	20.49
		I-32513407800	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	59.43
		I-3251340793	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	35.59
		I-3251340796	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	560.58
		I-3251340797	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	169.90
		I-3251340798	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	15.00
		I-3251340799	01 -5215202	OPERATING SUP OFFICE SUPPLIES	072214	367.01
		I-3251340801	01 -5215202	OPERATING SUP INK FOR STOCKROOM	072214	641.94

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-T00010	T. H. ROGERS LUMBER CO.					
		I-497571	01 -5542203	REPAIRS & MAI MISC MAINT & REPAIR ITEMS	072216	6.94
		I-497699	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072216	20.49
01-T00030	TAPCO					
		C-CM007126 CR	01 -5865203	REPAIR & MAIN CONES FOR CITY VEHICLES	072217	1,738.00-
		I-7474015	01 -5865203	REPAIR & MAIN CONES FOR CITY VEHICLES	072217	1,738.00
		I-1475575	01 -5865203	REPAIR & MAIN CONES FOR CITY VEHICLES	072217	1,738.00
01-T00032	TASER INTERNATIONAL					
		I-S11382246	01 -5321202	OPERATING SUP BATTERY PACKS FOR TASERS	072218	165.96
01-T00058	BIZTEL COMMUNICATIONS					
		I-6016	01 -5211202	OPERATING SUP LABOR TO MOVE PHONES	072219	227.81
01-T00303	THOMPSON WEST					
		I-830891412	01 -5210330	DUES & SUBSCR STATE STATUES 2014-2015	072220	139.34
		I-830891412	01 -5212330	DUES & SUBSCR STATE STATUES 2014-2015	072220	78.00
01-W00040	WALMART COMMUNITY BRC					
		I-003440	01 -5431202	OPERATING SUP MISC OPERATING SUPPLIES	072225	29.94
		I-00569	01 -5431202	OPERATING SUP MISC OPERATING SUPPLIES	072225	78.41
		I-00804	01 -5320202	OPERATING EXP MISC SUPPLIES FOR CID	072225	19.50
		I-03329	01 -5542203	REPAIRS & MAI MISC OPERATING SUPPLIES	072225	19.85
		I-03606	01 -5542203	REPAIRS & MAI MISC OPERATING SUPPLIES	072225	112.29
		I-04601	01 -5431202	OPERATING SUP MISC OPERATING SUPPLIES	072225	43.09
01-W00195	WELDON PARTS TNC.					
		I-1380083-00	01 -5431203	REPAIRS & MAI MISC REPAIRS & PARTS	072228	69.60
		I-1382209-00	01 -5431203	REPAIRS & MAI MISC REPAIRS & PARTS	072228	23.23
		I-1386557-00	01 -5865203	REPAIR & MAIN LIGHTS FOR TC TRUCK	072228	173.32
01-W00270	WHITE ELECTRICAL SUPPLY					
		I-S1835321.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072230	92.76
		I-S1837665.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072230	288.00
		I-S1837665.002	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072230	13.72
		I-S1838869.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072230	103.60
		I-S1843864.001	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	072230	64.59
			FUND	01 GENERAL FUND	TOTAL:	75,640.56

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 02 MPWA

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-A00273	ALDINGER CO					
		I-SRVCE018705	02 -5973316	REPAIRS & MAI EQUIP CALIBRATION FEE	072125	266.00
01-A00362	VYVE BROADBAND					
		I-201412176919	02 -5975328	INTERNET SERV INTERNET SVS-UTM OFFICE	072076	62.95
		I-201412306939	02 -5973328	INTERNET SERV INTERNET SVS-WWTP	072109	68.65
01-A00582	AT&T					
		I-201412306941	02 -5267315	TELEPHONE UTI INTERNET SVS-CITY HALL	072110	1,414.50
01-B00180	UNION IRON WORKS, INC.					
		I-S1832051.001	02 -5216202	OPERATING SUP FLASHLIGHTS FOR MTR RDRS	072132	230.98
		I-S1833974.001	02 -5975209	UTILITY MAINT MISC REPAIR & MAINT ITEMS	072132	37.71
		I-S1834697.001	02 -5975209	UTILITY MAINT MISC REPAIR & MAINT ITEMS	072132	43.52
		I-S1834844.001	02 -5975209	UTILITY MAINT MISC REPAIR & MAINT ITEMS	072132	10.22
		I-S1834865.001	02 -5975209	UTILITY MAINT MISC REPAIR & MAINT ITEMS	072132	18.93
01-C00320	CENTERPOINT ENERGY ARKL					
		I-201412306936	02 -5267314	GAS UTILITY GAS EXP-CENTRAL GARAGE	072111	559.27
01-C00840	CRAWFORD & ASSOCIATES P					
		I-8666	02 -5267302	CONSULTANTS CONSULTANT FEES	072143	1,406.25
01-D00150	DAVID T HARDGRAVE					
		I-4-1412	02 -5973302	CONSULTANTS ( MONTHLY PRE-TREATMENT FEE	072143	1,744.70
01-D00322	DEPT. OF ENVIR. QUALITY					
		I-61012841	02 -5864329	DEQ FEES QTRLY REPORT FEE-LANDFILL	072145	20.86
01-D00540	DOLEF BROTHERS					
		I-AG14142574	02 -5975218	STREET REPAIR CRUSHER ROCK FILL	072146	356.97
		I-AG14143227	02 -5975218	STREET REPAIR CRUSHER ROCK FOR REPAIRS	072146	180.02
		I-AG14143786	02 -5975218	STREET REPAIR CRUSHER ROCK FILL	072146	538.02
		I-AG14144450	02 -5975218	STREET REPAIR CRUSHER ROCK FOR REPAIRS	072146	882.95
		I-AG14145088	02 -5975218	STREET REPAIR CRUSHER ROCK FILL	072146	866.22
		I-AG14146626	02 -5975218	STREET REPAIR CRUSHER ROCK FILL	072146	824.69
01-F00037	FASTENAL					
		I-OKMCA130111	02 -5975218	STREET REPAIR MISC SUPPLIES FOR UTM	072140	21.62
01-H00075	HARRIS CONSTRUCTION SER					
		I-1113	02 -5975218	STREET REPAIR ROCK HAULING FEE	072157	2,494.20
01-K00210	KIAMICHI ELECTRIC COOP.					
		I-201412176920	02 -5267313	ELECTRIC UTIL ELECT UTIL-UTM OFFICE	072079	444.31
01-L00428	LOWE'S CREDIT SERVICES					
		I-06150	02 -5975209	UTILITY MAINT MISC REPAIR & MAINT ITEMS	072172	45.52



VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-000275	OKJA DEPT OF COMMERCE					
	I-012015-#8908	02 -5267521	CDBG LOAN #89 CDBG - EDIF #8908		072193	1,145.83
01-P00040	PACE ANALYTICAL SERVICE					
	I-147515546	02 -5973304	LAB TESTING MONTHLY TESTING FEES		072197	191.47
	I-147515547	02 -5973304	LAB TESTING MONTHLY TESTING FEES		072197	137.00
01-P00078	FAMLI N. JOSLIN					
	I-585	02 -5864202	OPERATING SUP CLOTHING ALLOWANCE		072234	60.00
01-P00250	PETTY CASH					
	I-201412246927	02 -5871331	EMPLOYEE TRAV TRAVEL EXP-TRAINING		072199	11.06
	I-201412246927	02 -5871212	FUEL EXPENSE REIMB FUEL EXP		072199	20.00
01-P00560	PUBLIC SERVICE/AEP					
	I-201412306935	02 -5267313	ELECTRIC UTIL ELECTRIC EXP-5200 WATERWORKS R	072112		32.17
01-S00216	SEVERN TRENT ENV SVS.,					
	I-201501056955	02 -5974302	CONSULTANTS OPERATION SVS FOT WTP		072211	98,702.75
01-S00580	AT & T					
	I-201412176917	02 -5267315	TELEPHONE UTI PHONE UTIL-DATA LINE		072080	192.00
01-U00051	UTILITY SUPPLY CO., INC					
	I-080910	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	468.42
	I-080911	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	625.57
	I-080912	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	100.00
	I-080913	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	303.52
	I-080914	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	103.76
	I-080915	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	191.63
	I-080916	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	137.52
	I-080917	02 -5975209	UTILITY MAINT WATER/SEWER REPAIR SUPPLI		072222	100.00
01-U00120	UNITED PACKAGING & SHIP					
	I-153084	02 -5973304	LAB TESTING SHIPPING FEES		072224	32.05
FUND 02 MPWA				TOTAL:		115,173.81

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PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 03 AIRPORT AUTHORITY

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-C00320	CENTERPOINT ENERGY ARKL					
		I-201412306936	03 -5876314	GAS UTILITY GAS EXP-AIRPORT	072111	39.25
01-F00170	FIRST NATIONAL BANK					
		I-012015-#119617	03 -5876511	FNB LOAN #119 LOAN #119617 - AIRPORT AUTH	072150	5,020.00
			FUND 03 AIRPORT AUTHORITY	TOTAL:		5,059.25

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FUND : 08 NUTRITION

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-A00324	AJISHA RAE HOWELL					
		I-201501026948	08 -5549308	CONTRACT SERV CONTRACT MEAL DELIVERY	072126	150.00
		I-201501026949	08 -5549308	CONTRACT SERV REIMB MILEAGE FOR MEAL DEL	072126	91.84
01-G00288	GERALDINE E MALKOWSKI					
		I-201501026950	08 -5549308	CONTRACT SERV CONTRACT MEAL DELIVERY	072154	150.00
		I-201501026951	08 -5549308	CONTRACT SERV REIMB MILEAGE FOR MEAL DEL	072154	95.20
01-R00304	RICHELLE CHEYENNE					
		I-201501026952	08 -5549308	CONTRACT SERV REIMB MILEAGE FOR MEAL DEL	072207	103.60
01-S00580	AT & T					
		I-201412306940	08 -5549315	TELEPHONE UTI PHONE EXP-NUTRITION	072114	215.52
01-W00040	WALMART COMMUNITY BRC					
		I-05902	08 -5549202	OPERATING SUP MISC OPERATING SUPPLIES	072225	87.02
				FUND 08 NUTRITION	TOTAL:	893.18

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 09 LANDFILL RES./SUB-TITLE D

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-B00244	BIG MAC TANK TRUCKS, LL					
	I-S1424030		09 -5864327	SUB TITLE D E LEACH WATER REMOVAL	072133	577.50
	I-S1424848		09 -5864327	SUB TITLE D E LEACH WATER REMOVAL	072133	997.50
	I-S1425999		09 -5864327	SUB TITLE D E LEACH WATER REMOVAL	072133	945.00
	I-S1426000		09 -5864327	SUB TITLE D E LEACH WATER REMOVAL	072133	892.50
			FUND 09	LANDFILL RES./SUB-TITLE DTOTAL:		3,412.50

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PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 24 AIRPORT GRANT

VENDOR	NAME	ITEM #	G/I. ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-B00507	BRONZE OAK LLC					
		I-PAYMENT #2	24 -5876401	CAPITAL OUTLA RUNWAY IMPROVEMENT-AIRPOR	072135	405,080.10
		I-PAYMENT #3	24 -5876401	CAPITAL OUTLA RUNWAY IMPROVEMENT-AIRPOR	072135	163,274.85
			FUND	24 AIRPORT GRANT	TOTAL:	568,354.95

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FUND : 27 TOURISM FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-B00490	BRIGGS PRINTING					
		I-61382-4	27 -5655318	PRINTING	MCALESTER BROCHURES	072134 1,174.00
		I-61740-2	27 -5655318	PRINTING	PRINTING FEE-BROCHURES	072134 54.00
01-MC0134	MCALESTER MAIN STREET					
		I-122014-2010/2011	27 -5655353	MAIN STREET P CONTRACT WITH MCALISTER MAIN S	072179	1,141.59
01-000137	OKLA TOURISM/RECREATION					
		I-042000E-2015013	27 -5655214	TOURISM EXPEN MAILING FEE-TORISM BROCHU	072190	450.00
01-P00450	PRIDE IN MCALESTER					
		I-122014-2010-2011	27 -5655352	MISC PRIDE IN CONTRACT WITH PRIDE IN McALEST	072203	2,250.00
01-R00247	RESONANCE BROADBAND					
		I-201412306934	27 -5655214	TOURISM EXPEN INTERNET SVS-TOURISM	072113	100.00
01-U00128	UNITED PACKAGING & SHIP					
		I-153121	27 -5655202	OPERATING SUP SHIPPING FEES FOR TOURISM	072224	23.78
		I-153122	27 -5655202	OPERATING SUP SHIPPING FEES FOR TOURISM	072224	25.11
		I-153123	27 -5655202	OPERATING SUP SHIPPING FEES FOR TOURISM	072224	22.94
		I-153124	27 -5655202	OPERATING SUP SHIPPING FEES FOR TOURISM	072224	21.03
		I-153125	27 -5655202	OPERATING SUP SHIPPING FEES FOR TOURISM	072224	23.27
				FUND	27	TOURISM FUND
					TOTAL:	5,285.72

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 28 SE EXPO CENTER

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-L00078	LAMBERT MECHANICAL INC	I-143394	28 -5654316	REPAIRS & MAI EMER REPAIRS TO BOILER	072169	2,700.00
01-L00428	LOWE'S CREDIT SERVICES	I-906490	28 -5654203	REPAIR & MAIN MISC MAINT & REPAIR ITEMS	072173	195.78
01-P00560	PUBLIC SERVICE/AEP	I-201412306935	28 -5654313	ELECTRIC UTIL ELECTRIC EXP-EXPO RV PARK	072112	40.01
01-R00247	RESONANCE BROADBAND	I-201412306934	28 -5654328	INTERNET SERV INTERNET SVS-EXPO	072113	100.00
01-S00009	SADLER PAPER CO	I-05284	28 -5654203	REPAIR & MAIN JANITORIAL SUPPLIES	072210	310.87
			FUND 28 SE EXPO CENTER	TOTAL:		3,346.66

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PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 29 E-911

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-N00058	NATIONAL EMERGENCY NUMB					
		I-300019874	29 -5324309	CONTRACTED SE YRLY DUES	072180	137.00
01-S00590	AT & T					
		T-201412176918	29 -5324401	CAPITAL OUTLA PHONE UTIL-911 EQUIP RENTAL	072081	2,403.33
		I-201412306940	29 -5324315	TELEPHONE UTI PHONE EXP-E-911	072114	2,246.46
01-W00392	WINDSTREAM CORPORATION					
		I-201412306938	29 -5324315	TELEPHONE UTI PHONE EXP-911 CTY TRUNK LINE	072115	451.44
			FUND	29 E-911	TOTAL:	5,238.23



PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 30 ECONOMIC DEVELOPMENT

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-H00244	HOTEL SAZA					
		I-22221826	30 -5652331	EMPLOYEE TRAV TRAVEL EXP-GOV MKTNG TEAM	072158	274.95
01-MC0134	MCLESTER MAIN STREET					
		I-122014-2010/2011	30 -5211353	MAIN STREET P CONTRACT WITH MCLESTER MAIN S	072179	1,141.50
01-000061	OFDC					
		I-77461	30 -5652330	DUES & SUBSCR MEMBERSHIP FEE	072185	300.00
		I-77462	30 -5652330	DUES & SUBSCR MEMBERSHIP FEE	072185	300.00
01-000133	OKLA SOUTHEAST, INC.					
		I-107	30 -5652330	DUES & SUBSCR ANNUAL MEMBERSHIP DUES	072189	400.00
01-000275	OKLA DEPT OF COMMERCE					
		I-012015-#12248	30 -5211510	CDBG / EDIF D CDBG - EDIF CONT #12248	072192	282.50
01-P00250	PETTY CASH					
		I-201412246927	30 -5652202	OPERATING SUP OFFICE EXP	072199	9.35
01-P00450	PRIDE IN MCLESTER					
		I-122014-2010-2011	30 -5211352	MISC PRIDE IN CONTRACT WITH PRIDE IN McALEST	072203	2,250.00
01-R00260	RETAIL ATTRACTIONS LLC					
		I-0621	30 -5652302	CONSULTANTS CONSULTANT FEES	072206	1,000.00
01-R00464	ROBISON INTERNATIONAL,					
		I-122014-2012-13	30 -5211361	LOBBYING SERV LOBBYING SERVICES-MDSA	072208	2,000.00
			FUND 30 ECONOMIC DEVELOPMENT	TOTAL:		7,958.35

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 35 FLEET MAINTENANCE

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-A00770 BOLTE ENTERPRISES, INC						
		I-952532	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	18.75
		I-952536	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	16.56
		I-952558	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	29.08
		I-952623	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	15.30
		I-952676	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	37.32
		I-952681	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	148.80
		I-952746	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	19.99
		I-952780	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	30.44
		I-952785	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	207.26
		I-952794	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	16.33
		I-952861	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072128	21.24
		I-952920	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072129	87.09
		I-952923	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072129	16.79
		I-952935	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072129	27.02
		I-952936	35 -5862203	REPAIRS & MAI MISC REPAIR PARTS FOR PKS	072129	106.38
		I-952938	35 -5862203	REPAIRS & MAI MISC SMALL PARTS	072129	31.18
01-B00150 BEALES GOODYEAR TIRES						
		I-1-11661	35 -5862203	REPAIRS & MAI MISC TIRE REPAIRS	072131	10.00
		I-1-11739	35 -5862203	REPAIRS & MAI TIRES FOR S-36	072131	2,102.00
		I-1-9301	35 -5862203	REPAIRS & MAI MISC TIRE REPAIRS	072131	300.00
		I-1-FC836	35 -5862203	REPAIRS & MAI MISC TIRE REPAIRS	072131	4.50
		I-1-GS11299	35 -5862203	REPAIRS & MAI TIRES FOR PD-45	072131	597.92
		I-1-GS11427	35 -5862203	REPAIRS & MAI TIRES FOR S-2	072131	243.88
		I-1-GS11478	35 -5862203	REPAIRS & MAI TIRES FOR POLICE VEHICLES	072131	1,108.10
		I-1-GS11499	35 -5862203	REPAIRS & MAI TIRES FOR POLICE VEHICLES	072131	1,283.20
		I-1-GS11590	35 -5862203	REPAIRS & MAI MISC TIRE REPAIRS	072131	80.39
01-C00245 CATHEY & ASSOCIATES, L						
		I-37062	35 -5862203	REPAIRS & MAI WINDSHIELD FOR E-911 TRUC	072139	235.00
01-F00037 FASTENAL						
		I-QKMCA130141	35 -5862203	REPAIRS & MAI SMALL PARTS AS NEEDED	072148	79.99
01-G00490 GRISSOM IMPLEMENT INC						
		I-450323	35 -5862203	REPAIRS & MAI MISC SMALL REPAIR PARTS	072156	15.99
		I-454579	35 -5862203	REPAIRS & MAI MISC SMALL REPAIR PARTS	072156	84.83
01-J00310 JET TIRE SERVICE						
		I-112465	35 -5862203	REPAIRS & MAI MISC TIRE REPAIRS	072166	48.95
01-K00190 YELLOWHOUSE MACHINERY C						
		I-21291	35 -5862203	REPAIRS & MAI MISC REPAIR PARTS	072168	345.18
01-N00271 FREEDOM FORD INC						
		I-158946	35 -5862203	REPAIRS & MAI MISC VEHICLE REPAIRS	072182	27.95
		I-159599	35 -5862203	REPAIRS & MAI MISC VEHICLE REPAIRS	072182	42.95
		I-159659	35 -5862203	REPAIRS & MAI MISC VEHICLE REPAIRS	072182	73.00

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 FUND : 35 FLEET MAINTENANCE

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VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-N00271	FREEDOM FORD INC		continued			
		I-83655	35 -5862203	REPAIRS & MAI MISC VEHICLE REPAIRS	072182	96.75
01-N00340	BLUE TARP FINANCIAL, IN					
		I-31717462	35 -5862203	REPAIRS & MAI IMPACT WRENCH FOR SHOP	072183	628.59
01-000050	OCT EQUIPMENT, INC.					
		I-P02984	35 -5862203	REPAIRS & MAI REPAIR PARTS FOR S-33	072184	335.93
01-000075	O'REILLY AUTO PARTS					
		C-0230-249807	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	87.99-
		C-0230-250748	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	113.12-
		C-0230-253329	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	12.49-
		C-0230-253340	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	59.64-
		I-0230-249216	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	228.09
		I-0230-249218	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	228.09
		I-0230-249673	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	127.96
		I-0230-249786	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	87.99
		I-0230-250385	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	113.12
		I-0230-250500	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	31.44
		I-0230-250632	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	63.48
		I-0230-250737	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	112.21
		I-0230-250778	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	10.53
		I-0230-250780	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072186	72.24
		I-0230-250879	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	53.85
		I-0230-250970	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	135.99
		I-0230-250973	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	10.99
		I-0230-250987	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	16.14
		I-0230-251024	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	79.99
		I-0230-251159	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	4.19
		I-0230-251218	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	12.78
		I-0230-251243	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	8.34
		I-0230-251274	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	25.66
		I-0230-251309	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	12.78
		I-0230-251803	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	29.98
		I-0230-252365	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	43.19
		I-0230-252990	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072187	28.68
		I-0230-253155	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072188	13.67
		I-0230-253173	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072188	33.47
		I-0230-253308	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072188	190.68
		I-0230-253326	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072188	65.70
		I-0230-253339	35 -5862203	REPAIRS & MAI MISC AUTO PARTS	072188	52.81
01-P00329	PITSTOP					
		I-6001	35 -5862203	REPAIRS & MAI SPARE KEYS FOR VEHICLES	072200	18.00
01-Q00022	KEITH COFFEE DBA QUALIT					
		I-1970	35 -5862203	REPAIRS & MAI REPAIRS TO FAM-1	072205	1,922.09

PACKET: 12369 CLAIMS FOR 01/13/2015

VENDOR SET: 01

FUND : 35 FLEET MAINTENANCE

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-R00480	ROGER KEY EQUIPMENT					
		I-91417	35 -5862203	REPAIRS & MAI REPAIR PARTS FOR PK-57	072209	928.38
01-S00234	SHARE CORPORATION					
		I-897017	35 -5862203	REPAIRS & MAI SHOP SUPPLIES-EVAPO-KLEEN	072212	773.00
01-U00127	UNITED ENGINES, LLC					
		I-638504	35 -5862203	REPAIRS & MAI DRAG LINKS FOR S-35	072223	166.00
01-W00072	WARREN CAT					
		I-PS100534617	35 -5862203	REPAIRS & MAI REPAIR PARTS FOR S-10	072226	612.00
01-W00195	WELDON PARTS INC.					
		I-1386016-00	35 -5862203	REPAIRS & MAI MISC REPAIR PARTS	072228	34.75
		I-1387851-00	35 -5862203	REPAIRS & MAI MISC REPAIR PARTS	072228	42.34
		I-1390616-00	35 -5862203	REPAIRS & MAI MISC REPAIR PARTS	072228	69.52
01-W00269	WHITES TRACTORS					
		I-803236	35 -5862203	REPAIRS & MAI MISC REPAIR PARTS	072229	75.00
			FUND	35 FLEET MAINTENANCE	TOTAL:	14,846.31

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VENDOR SET: 01

FUND : 41 CIP FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-1	MISC VENDOR					
	LEROY ALSUP	I-201412246925	41 -5652402	TRAILS GRANT LEROY ALSUP: REIMS FILING FEE	072120	58.00
01-C00667	HESSEL HOLDING CO. dba					
		I-1428298	41 -5865406	CIP#1 - 17TH REBAR FOR CIP#1	072140	875.00
01-D00217	DEERE CREDIT, INC.					
		I-012015-#0063527	41 -5865510	LEASE PAYMENT LEASE PMT #0063527-EXCAVATOR	072144	1,140.15
01-F00170	FIRST NATIONAL BANK					
		I-012015-#137	41 -5865510	LEASE PAYMENT LEASE PAYMENT ON DURAPATCHER	072150	3,378.84
01-T00630	TWIN CITIES READY MIX,					
		I-103056	41 -5865406	CIP#1 - 17TH CONCRETE FOR CIP#1	072221	880.00
		I-103126	41 -5865406	CIP#1 - 17TH CONCRETE FOR CIP#1	072221	472.00
01-W00193	HTW ENTERPRISES INC dba					
		I-66847	41 -5431403	AMBULANCE SIGNS FOR NEW AMBULANCE	072227	1,872.00
			FUND 41 CIP FUND	TOTAL:		8,675.99

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VENDOR SET: 01

FUND : 42 FEDERAL FORFEITURE FUND

VENDOR	NAME	ITEM #	G/I. ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-S00939	SUPERCIRCUITS, INC.					
		I-890850A	42 -5321401	CAPITAL OUTLA INTERVIEW ROOM CAMERA	072215	1,815.66
			FUND	42 FEDERAL FORFEITURE FUND TOTAL:		1,815.66
				REPORT GRAND TOTAL:		815,701.20

## \*\* C/L ACCOUNT TOTALS \*\*

YEAR	ACCOUNT	NAME	AMOUNT	===== LINE ITEM - =====		===== GROUP BUDGET =====	
				ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG	ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG
2014-2015	01 -5101202	OPERATING SUPPLIES	60.00	3,750	2,647.30		
	01 -5101355	OUT-OK FOR INDEPENDENT LTV	2,000.00	21,600	9,600.00		
	01 -5210202	OPERATING SUPPLIES	560.81	2,500	1,001.25		
	01 -5210302	CONSULTANTS/LABOR RELATION	1,311.00	45,000	17,268.82		
	01 -5210330	DUES & SUBSCRIPTIONS	139.34	3,300	1,271.89		
	01 -5210331	EMPLOYEE TRAVEL & TRAININ	287.15	6,100	1,453.75		
	01 -5211202	OPERATING SUPPLIES	1,239.71	3,700	2,063.70		
	01 -5211330	DUES & SUBSCRIPTIONS	200.00	850	650.00		
	01 -5212202	OPERATING SUPPLIES	16.22	400	296.62		
	01 -5212317	ADVERTISING & PRINTING	220.02	2,000	326.42		
	01 -5212330	DUES & SUBSCRIPTIONS	78.00	470	237.00		
	01 -5213331	EMPLOYEE TRAVEL & TRAINING	354.46	2,100	508.26		
	01 -5213335	COUNTY INCARCERATION EXPEN	14,256.00	0	52,272.00-	Y	
	01 -5213336	FEES	110.00	2,400	890.00		
	01 -5214302	CONSULTANTS	5,175.12	50,000	33,344.23-	Y	
	01 -5215202	OPERATING SUPPLIES	2,904.79	31,500	4,459.18		
	01 -5215302	CONSULTANTS	1,486.25	25,000	4,997.07-	Y	
	01 -5215312	EQUIPMENT RENTALS	1,749.77	21,000	0.00		
	01 -5215313	ELECTRIC UTILITY	1,368.71	294,500	145,144.78		
	01 -5215314	GAS UTILITY	448.61	13,200	5,428.05		
	01 -5215315	TELEPHONE UTILITY	48.94	35,000	15,333.34		
	01 -5215317	POSTAGE	750.00	12,600	5,907.75		
	01 -5225330	DUES & SUBSCRIPTIONS	169.93	3,000	2,750.07		
	01 -5225331	EMPLOYEE TRAVEL & TRAINING	124.57	10,000	6,654.13		
	01 -5225401	COMPUTER TECHNOLOGY	223.83	15,000	8,797.82		
	01 -5320202	OPERATING EXPENSE	19.50	3,000	1,336.99		
	01 -5321202	OPERATING SUPPLIES	204.96	15,000	11,195.04		
	01 -5321207	CLOTHING ALLOWANCE	820.47	52,320	25,869.23		
	01 -5321308	CONTRACTED SERVICES	552.38	11,000	6,347.01		
	01 -5321325	FIRING RANGE	1,558.50	7,500	3,710.00		
	01 -5321331	EMPLOYEE TRAVEL & TRAININ	420.67	10,000	7,977.86		
	01 -5431202	OPERATING SUPPLIES	241.44	12,900	3,311.19		
	01 -5431203	REPAIRS & MAINT SUPPLIES	437.10	9,900	4,920.42		
	01 -5431207	CLOTHING ALLOWANCE	184.79	18,000	6,135.20-	Y	
	01 -5431328	INTERNET SERVICE	132.90	2,270	420.50-	Y	
	01 -5431331	EMPLOYEE TRAVEL & TRAININ	123.98	8,300	4,320.18		
	01 -5432202	OPERATING SUPPLIES	646.33	24,000	10,329.07		
	01 -5542202	OPERATING SUPPLIES	355.06	1,200	26.62		
	01 -5542203	REPAIRS & MAINT SUPPLIES	1,061.64	47,500	18,639.87		
	01 -5542204	SMALL TOOLS	301.64	3,000	996.21		
	01 -5542206	CHEMICALS	800.00	17,000	12,610.96		
	01 -5544328	INTERNET SERVICE	60.00	1,380	700.43		
	01 -5547203	REPAIRS & MAINT SUPPLIES	192.53	11,000	4,378.95		
	01 -5547204	SMALL TOOLS	99.99	1,000	900.01		
	01 -5547308	CONTRACTED SERVICES	368.02	4,660	220.00		

## \*\* G/L ACCOUNT TOTALS \*\*

YEAR	ACCOUNT	NAME	AMOUNT	=====LINE ITEM=====		=====GROUP BUDGET=====	
				ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG	ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG
01	-5547328	INTERNET SERVICE	59.95	720	360.30		
01	-5548203	REPAIRS & MAINTENANCE SUPP	5,822.36	42,000	4,790.53		
01	-5548308	CONTRACTED SERVICES-CLEANI	1,455.00	16,000	3,140.00		
01	-5653202	OPERATING SUPPLIES	20.49	1,000	740.49		
01	-5653213	SAFETY EXPENSE	86.40	24,000	10,272.17		
01	-5653340	CLOTHING ALLOCATION	6,101.00	0	11,440.77-	Y	
01	-5653348	DRUG TESTING/PHYSICALS	69.95	12,000	5,657.25		
01	-5865203	REPAIR & MAINT-TRAFFIC CON	2,172.32	60,500	34,858.13		
01	-5865207	CLOTHING ALLOWANCE	234.99	3,188	2,763.03		
01	-5865218	STREET REPAIRS & MAINTENAN	15,669.09	261,000	77,105.21		
01	-5865328	INTERNET SERVICE	83.88	1,920	677.08		
02	-5216202	OPERATING SUPPLIES	230.98	7,000	1,436.34		
02	-5267302	CONSULTANTS	1,486.25	20,000	156.93		
02	-5267313	ELECTRIC UTILITY	476.48	220,785	29,502.45		
02	-5267314	GAS UTILITY	559.27	8,000	5,829.51		
02	-5267315	TELEPHONE UTILITY	1,606.50	59,827	15,941.54		
02	-5267521	CDBG LOAN #8908	1,145.83	13,750	5,729.19		
02	-5864202	OPERATING SUPPLIES	60.00	400	340.00		
02	-5864329	DFQ FRES	20.86	2,000	1,152.29		
02	-5871212	FUEL EXPENSE	20.00	3,200	2,193.15		
02	-5871331	EMPLOYEE TRAVEL & TRAININ	11.06	3,400	2,263.53		
02	-5973302	CONSULTANTS (IND. PRETREAT	1,744.70	22,000	14,082.82		
02	-5973304	LAB TESTING	360.52	32,100	14,987.02		
02	-5973316	REPAIRS & MAINTENANCE	266.00	22,000	6,717.14		
02	-5973328	INTERNET SERVICE	68.65	824	343.45		
02	-5974302	CONSULTANTS	98,702.75	1,356,096	665,176.75		
02	-5975209	UTILITY MAINTENANCE SUPP.	2,186.32	32,500	4,700.16-	Y	
02	-5975218	STREET REPAIRS & MAINTENAN	6,164.69	115,000	44,585.95		
02	-5975328	INTERNET SERVICE	62.95	756	378.30		
03	-5876314	GAS UTILITY	39.25	500	294.10		
03	-5876511	FNB LOAN #119817 PAYMENTS	5,020.00	60,240	25,100.00		
08	-5549202	OPERATING SUPPLIES	87.02	1,000	720.11		
08	-5549308	CONTRACT SERVICES	590.64	15,500	7,889.05		
08	-5549315	TELEPHONE UTILITY	215.52	3,386	1,699.49		
09	-5864327	SUB TITLE D EXPENSE	3,412.50	80,000	47,498.40		
24	-5876401	CAPITAL OUTLAY	568,354.95	1,823,620	442,046.45		
27	-5655202	OPERATING SUPPLIES	116.13	4,000	3,011.97		
27	-5655214	TOURISM EXPENSE	550.00	48,000	30,350.30		
27	-5655318	PRINTING	1,229.00	15,000	9,352.50		
27	-5655352	MISC PRIDE IN MCALESTER	2,250.00	27,000	13,500.00		
27	-5655353	MAIN STREET PROGRAM	1,141.59	12,600	5,750.46		
28	-5654203	REPAIR & MAINT SUPPLIES	506.65	18,846	15,551.92		
28	-5654313	ELECTRIC UTILITY	40.01	57,000	24,619.56		
28	-5654316	REPAIRS & MAINTENANCE	2,700.00	31,100	4,675.16		
28	-5654328	INTERNET SERVICE	100.00	1,200	500.00		



\*\* G/I. ACCOUNT TOTALS \*\*

YEAR	ACCOUNT	NAME	AMOUNT	=====LINE ITEM=====		=====GROUP BUDGET=====	
				ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG	ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG
	29 -5324308	CONTRACTED SERVICES	137.00	65,500	13,384.49		
	29 -5324315	TELEPHONE UTILITY	2,697.90	59,499	33,532.52		
	29 -5324401	CAPITAL OUTLAY	2,403.33	30,713	16,293.02		
	30 -5211352	MISC PRIDE IN MCALESTER	2,250.00	27,000	13,500.00		
	30 -5211353	MAIN STREET PROGRAM	1,141.58	12,600	5,750.52		
	30 -5211361	LOBBYING SERVICES	2,000.00	24,000	12,000.00		
	30 -5211510	CDBG / EDIF DURALINE LOAN	282.50	3,390	1,412.50		
	30 -5652202	OPERATING SUPPLIES	9.35	4,000	3,445.37		
	30 -5652302	CONSULTANTS	1,000.00	130,000	107,030.00		
	30 -5652330	DUES & SUBSCRIPTIONS	1,000.00	3,500	12.00		
	30 -5652331	EMPLOYEE TRAVEL & TRAINING	274.95	17,500	8,113.46		
	35 -5862203	REPAIRS & MAINTENANCE SUPP	14,846.31	240,000	103,064.23		
	41 -5431403	AMBULANCE	1,872.00	157,000	176.00		
	41 -5652402	TRAILS GRANT PROJECT	58.00	236,798	176,893.25		
	41 -5865406	CIP#1 - 17TH STREET	2,227.00	119,020	86,081.26		
	41 -5865510	LEASE PAYMENTS	4,518.99	40,547	13,474.67		
	42 -5321401	CAPITAL OUTLAY	1,815.66	33,000	19,784.32		
	** 2014-2015 YEAR TOTALS **		815,701.20				

NO ERRORS

\*\* END OF REPORT \*\*

PACKET: 12369 CLAIMS FOR 01/13/2015  
VENDOR SET: 01  
BANK : FNB FIRST NATIONAL BANK

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
--------	-------------	------	---------------	---------------	----------	--------	--------------	-----------------

## \*\* POSTING PERIOD RECAP \*\*

FUND	PERIOD	AMOUNT
01	12/2014	2,202.99CR
01	1/2015	73,437.57CR
02	12/2014	2,773.85CR
02	1/2015	112,399.96CR
03	12/2014	39.25CR
03	1/2015	5,020.00CR
08	12/2014	215.52CR
08	1/2015	677.66CR
09	1/2015	3,412.50CR
24	1/2015	568,354.95CR
27	12/2014	100.00CR
27	1/2015	5,185.72CR
28	12/2014	140.01CR
28	1/2015	3,206.65CR
29	12/2014	5,101.23CR
29	1/2015	137.00CR
30	1/2015	7,958.38CR
35	1/2015	14,846.31CR
41	1/2015	8,675.99CR
42	1/2015	1,815.66CR
ALL		815,701.20CR

## SECTION ONE: City of McAlester Code of Conduct:

### **1 - PURPOSE**

The purpose of this Code is to establish guidelines for ethical conduct that govern all City employees, full or part time, Elected Officials, persons serving on City Boards or Commissions, and Volunteers in performing their duties. All the above are covered by this code and must subscribe to this Code, understand its meaning, and follow it.

Ethics inquiries are considered "personnel issues" and are protected from mandatory disclosure by the Oklahoma Open Records Act.

Nothing in this Code creates any right to employment with the City.

### **2 - DEFINITIONS**

**PERSONNEL** -- Any person personnel of the City, full or part time. All Elected officials, persons serving on City boards or commissions, and volunteers are included in this definition.

**Code of Conduct Advisor** – The person in each department, appointed by the Department Head who is the liaison with the City Clerk's Office regarding conduct issues. Responsibilities include:

- facilitating the complaint process
- answering questions regarding ethics and this Code
- training employees on ethical guidelines

### **3 - THE CODE**

The City of McAlester's Code of Conduct outlines expected behaviors for personnel. The City will conduct its business fairly, impartially, in an ethical manner, and in full compliance with all applicable laws, policies and regulations. Personnel will not engage in conduct that raises questions about the City's honesty, impartiality and reputation.

**The following Code of Conduct standards are examples, not meant to cover all possible situations:**

#### **A. I am ethical in all activities.**

- I put the public's interest above my own.
- I do not allow personal biases to dictate my job behavior.

- I make impartial decisions, free of bribes, unlawful gifts, and personal interests.
- I do not make work decisions based on any personal relationship.
- I admit when I am wrong and try to remedy the situation.
- I use my official title only when conducting City business.
- I avoid exceeding, or appearing to exceed, my authority.
- I do not improperly use or permit the improper use of confidential information.

**B. I am financially responsible.**

- I manage City resources entrusted to me in a prudent and responsible manner.
- I do not misuse public funds for personal gain or for unintended purposes.
- I report any improper behavior regarding City resources as specified in this Code.

**C. I use public property properly.**

- I use City vehicles only for official City business, according to my department's guidelines.
- I do not use a City purchasing card for personal use.
- I do not show favoritism in allowing the use of public property.
- I do not grant the use of public property for political or commercial uses. (Non-profit charitable use must be approved by management at the Department Director or higher level.)
- I do not falsify, or inappropriately destroy, reports or records.

**D. I follow appropriate practices regarding gifts.**

- I do not use my official position to solicit gifts, donations, discounts or services for personal gain.
- If a gift, donation, discount or service is offered to me, I do not accept it if I believe or it appears that the item offered could influence my behavior in favor of the person or organization offering it.
- An occasional non-monetary item of nominal value is not considered a "gift," such as food at a reception generally open to employees or the public, as long as it does not present any appearance of a conflict of interest. "Nominal value" means \$100 or less on any occasion or in total from one person or organization during a consecutive twelve-month period.
- If I receive a gift (such as food, seasonal decorations, etc.) from vendors or City business partners, I make it available to my work group.
- I do not accept travel, meals, or refreshments from persons doing business with the City, unless the refreshments or meals are furnished

as an incidental part of my appearance at a public event in an official capacity, as hospitality extended for a purpose unrelated to the City's official business, or if travel, meals and lodging are provided in connection with teaching, a speaking engagement, participation on a professional or civic panel, or conference attendance in an official capacity.

- If my work group or I give a gift to a vendor in recognition of good service, the value will be less than \$25.

**E. I set an example for ethical behavior.**

- I inform my department's Code of Conduct Advisor, or the Ethics Board, if I personally witness a violation of this Code.
- I do not pressure others to break this Code or any other rules, regulations or policies.
- I understand that if I have questions or concerns regarding this Code, I will ask my supervisor or my department's Code of Conduct Advisor.

**4 - COMPLIANCE WITH THIS CODE**

Personnel are responsible for understanding and following this Code, and are expected to perform their work with honesty and integrity in any areas not specifically addressed. A violation of this Code may result in disciplinary action, up to and including termination, upon completion of due process.

**5 - DISCIPLINARY ACTIONS**

The Code of Ethics will be strictly enforced, and City employees found to be in violation will be promptly disciplined, in compliance with the City's Human Resources Policy or the appropriate bargaining unit memorandum of understanding.

**6 - REPORTING SUSPECTED NON-COMPLIANCE**

**Who May Report?**

Any City employee, elected officials, and/or Citizen of McAlester may file a complaint alleging unethical conduct.

**Duty to Report**

Personnel must promptly report any suspected violations of this Code. If an employee suspects a violation of applicable laws, rules or regulations by any employee, he/she will report it to any department's Code of Conduct Advisor or directly to the Ethics Board.

The City encourages employees to identify themselves when reporting suspected violations because this will better enable the City to investigate. However, the City recognizes that employees may want to remain anonymous. The employee must still include enough information so that an investigation can be conducted. Information must include the names of the individual(s) involved, and the actions believed to violate this Code, along with verifiable documentation.

## **7- FALSE REPORTS**

The City recognizes that false accusations can have serious effects on innocent individuals. False accusations occur when an individual fabricates an incident. An employee who deliberately makes false accusations will be subject to the same disciplinary actions noted in Section 5... "No-cause" or "questionable-cause" findings do not constitute false accusations.

## **8 - DECLARING A POSSIBLE CONFLICT OF INTEREST**

City personnel are subject to requirements of the state of Oklahoma and the City Code provisions regarding conflict of interest. These cover situations in which personnel and/or personnel's spouse have a "substantial interest" (as defined by the Act) in a "business" (as defined by the Act), and the personnel and/or spouse are in a position to exercise power or authority or perform a duty that affects that business.

Personnel must be sensitive to any relationship that has or may have a connection to City business. This includes influencing others to make decisions that could have direct financial impact on themselves, a family member, personal relationship, or business entity with which the employee, a family member or person affiliated in some other way is involved.

Personnel, who believe they may have a conflict of interest based on this guideline, will inform their Ethics Advisor or the Ethics Board, who will review the situation and make a determination regarding the presence of a conflict. If a conflict of interest exists, the personnel will file the Personnel Conflict of Interest Statement with his/her department, the Human Resources department, and the City Clerk, as required by statute.

## **9 - INVESTIGATION PROCEDURES**

The City will investigate all reports of suspected violations of this Code, including anonymous reports, to the extent possible. Personnel will cooperate in these investigations.

### **Procedure for Resolving Ethics Complaints**

The complainant must complete and submit a complaint form to City's Ethics Board within three months of the alleged occurrence.

The Ethics Board will, within a reasonable amount of time, begin a confidential investigation.

At the end of the investigation, the Ethics Board will notify the complainant (if known) that the matter has been addressed. If the complainant is anonymous the city manager will be notified. The Ethics Board will notify the accused personnel and his/her Department Director (if applicable) of the decision and recommendations.

Investigation and prosecution of potential criminal activity will proceed independently and be conducted by the appropriate officials.

## **10 - CONFIDENTIALITY AND WHISTLE-BLOWER PROTECTION**

### **Confidentiality**

No City employee will disclose the identity of anyone who reports a suspected violation or who participates in a related investigation, unless such disclosure is required by law, regulation or legal process.

Records regarding complaints will be filed in the City Clerk's Office and remain confidential. All records will be kept in a locked file cabinet. Only the Ethics Board will have access.

### **Protection Against Retaliation**

It is a violation of this Code to retaliate in any form against an individual who, in good faith, reports a violation of this Code, or assists in the investigation of a reported violation. An employee who retaliates will be subject to disciplinary action, up to and including termination.

## **11 - COMMUNICATION OF THIS CODE**

This Code will be reviewed with new employees during orientation in Human Resources. A signed acknowledgement of the review and receipt of the Code will be retained in each employee's file.

## **12- RECOMMENDATIONS**

The Ethics Board may make recommendations to amend this Code with the final approval being the City Council

### **APPENDIX A**

#### **Warning Signs of an Ethical Problem**

Below is a sample of phrases that may signal an ethical problem.  
"No one will ever know."

"I can still be objective."

"I deserve it."

"They owe it to me."

"Let's keep this under our hats."

"Oh, don't be such a prude."

"They'll never miss it."

"They had it coming."

"I'm just fighting fire with fire."

"I'll return it when I'm finished."

"Don't tell me. I don't want to know."

"It's OK if I don't gain personally."

"I'm just doing what I'm told."

"Technically, it's legal."

"Everybody does it."

"It's our department's way of doing business."

"This won't affect my work."



## ARTICLE 7. GENERAL PROVISIONS

### Section 7.01. Conflicts of Interest, Board of Ethics, and Code of Conduct.

- (a) **Conflicts of Interest.** The use of public office for private gain is prohibited. The City Council shall implement this prohibition by ordinance, the terms of which shall include, but not be limited to: acting in an official capacity on matters in which the official has a private financial interest clearly separate from that of the general public; the acceptance of gifts and other things of value; acting in a private capacity on matters dealt with as a public official; the unethical or illegal use of confidential information; and appearances by City officials before other City agencies on behalf of private interests. This ordinance shall include a statement of purpose and shall provide for reasonable public disclosure of finances by City officials with major decision-making authority over monetary expenditures and contractual and regulatory matters and, insofar as permissible under state law, shall provide for fines and imprisonment for violations.
- (b) **Board of Ethics.** The City Council shall, by ordinance, establish an independent Board of Ethics to administer and enforce the conflict of interest and financial disclosure ordinances. No member of the Board may hold elective or appointed office under the City or any other government or hold any political party office. Insofar as possible under state law, the City Council shall authorize the Board to issue binding advisory opinions, conduct investigations on its own initiative and on referral or complaint from officials or citizens, subpoena witnesses and documents, refer cases for prosecution, impose administrative fines, and to hire independent counsel, subject to notification to the City Council. The City Council shall appropriate sufficient funds to the Board of Ethics to enable it to perform the duties assigned to it and to provide annual training and education of City officials and employees, including candidates for public office, regarding the Code of Ethics. All City boards and committees shall promptly report in writing any findings of unethical activity by an elected or appointed official to the Board of Ethics.
- (c) **Code of Conduct.**
- (1) The City Council shall create and approve a written Code of Conduct for the City of McAlester. This Code shall describe, in general terms, ethical and unethical behavior and shall give examples of specific acts or failures to act that shall be considered violations of this policy, while not precluding non-specified items. This Code shall be reviewed at least annually, amended as necessary, and re-approved by the Council.
  - (2) All City Council members, City officers, and employees shall be supplied with a copy of the Code of Conduct upon taking office or being employed by the City and at least annually thereafter. After each receipt of the Code, they shall certify in writing that they have read and understand the Code, have adhered to the Code, and are not aware of any violation of the Code by any Council member or City employee. Any exceptions shall be noted in writing. These certifications will be maintained in the City's administrative and personnel files.
  - (3) City officers and employees who violate any provision of the Code of Conduct shall be subject to disciplinary action up to and including dismissal. Persons who violate the Code may also be subject to prosecution under State or Federal Law.

**ACKNOWLEDGMENT OF RECEIPT**  
**OF THE**

**CITY OF MCALESTER**  
**CODE OF CONDUCT**

I, the undersigned employee of the City of McAlester, hereby acknowledge that I have received a copy of the Code of Conduct for the City of McAlester. By signing below, I agree to familiarize myself with and abide by the policies and procedures outlined in the Code of Conduct. Further, I understand that this agreement does not create an obligation or contract of employment between the City of McAlester and myself.

I understand that if I have any questions about the provisions contained in this Code of Conduct, I should direct them to the Human Resources Coordinator and/or City Manager.

I understand that this Code of Conduct serves only as a guide and that the City of McAlester reserves the right to change any of its provisions and/or procedures at any time for any reason.

My signature below acknowledges that I have received the City of McAlester Code of Conduct. I understand that it is my responsibility to read, understand, and follow all policies, procedures, and memorandums.

**Signatures:**

\_\_\_\_\_  
Employee Name (Print)

\_\_\_\_\_  
HR Coordinator Signature

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Christopher Taylor

Bio:

Happily married to Sonja Taylor for over 37 years. Father of five children all of them graduates of McAlester High School. Proud Grandparent with five grandchildren. A resident of McAlester since October 1985. Servant of Jesus and Lakewood Christian Church, Former Scout Master, Boys & Girls Club Coach, and Pittsburg County Small Claims Court Mediator. Currently a private business owner.

A Veteran, having served in the USAF, from 1973-1983, then went to Federal Aviation Administration. Retired from FAA as member of Management at McAlester Automated Flight Service Station in 2005.

Worked for Lockheed Martin as member of Management both in McAlester and Ft. Worth until retirement in 2010.

Past President of McAlester Main Street Board the past two years. McAlester Main Street Board member for over three years.

I love the people of McAlester and desire to make the community a place for better relationships between the citizens and visitors through active participation in businesses, organizations, and events.

## SCHEDULE "D"

### FORM OF PAYMENT REQUISITION

PAYMENT REQUISITION  
SERIES 2013 PROJECT ACCOUNT  
THE MCALESTER PUBLIC WORKS AUTHORITY CONSTRUCTION FUND

FROM: Trustees of The McAlester Public Works Authority

TO: BancFirst

DATE: December 31, 2014

Pursuant to the provisions the Series 1999 Revenue Bond Indenture dated as of May 1, 1999, as heretofore supplemented and amended by a Series 2002 Revenue Bond Indenture dated as of July 1, 2002, as supplemented and amended by a Series 2012 Supplemental Note Indenture dated as of December 1, 2012, and as further supplemented and amended by a Series 2013 Supplemental Note Indenture dated as of June 1, 2013 (collectively, the "Indenture"), all by and between The McAlester Public Works Authority and BancFirst, as Trustee, you are directed to pay Creditor from the Series 2013 Project Account within the Construction Fund of said Authority as indicated below, the amounts shown for the purposes set forth in this Requisition.

Infrastructure Solutions Group, LLC; dba Mehlburger Brawley	874081029
CREDITOR	TRUST NO.

719 S. George Nigh Expressway McAlester, OK 74501
MAILING ADDRESS

Professional Services	Invoice: MC-14-06-02
ITEM	ITEM NO.

December 31, 2014	CIP #3	\$ 13,489.00
DATE	PURPOSE	AMOUNT

#### AUTHORIZATION AND CERTIFICATE OF CITY MANAGER/CHAIRMAN

With reference to the above requisition, the undersigned certifies:

1. The above requisition is approved.

2. Each obligation therein has been properly incurred and is now due and unpaid and that insofar as such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, and such materials, equipment or supplies were actually installed or delivered to or for the Project as evidenced by the certificate of the supervising architect or engineer or other appropriate certification.

3. That obligations in the stated amounts have been incurred by the Authority and that each item is a proper charge against the Construction Fund and has not been paid.

4. That there has not been filed with or served upon the Authority, notice of any lien, right to lien, or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of, the respective amounts stated in this requisition which has not been released or will not be released simultaneously with this payment.

5. That such requisition contains no item representing payment on account of any retained percentages which the Authority is at the date of such certificate entitled to retain.

THE MCALESTER PUBLIC WORKS AUTHORITY



City Manager or Chairman

Date: December 31, 2014

Date Approved: \_\_\_\_\_

Date Paid: \_\_\_\_\_

\_\_\_\_\_  
Authorized Officer

Submit in triplicate:

1 to Trustee Bank

1 to Authority

1 to City



December 31, 2014

John Modzelewski, P.E., City Engineer  
City of McAlester / McAlester Public Works Authority  
PO Box 578  
McAlester, OK 74502-0578

In Reference To: CIP #3, Second Street from Comanche Ave to Modoc Ave  
Construction Management and Resident Project Representative  
Invoice # MC-14-06-02

Dear Mr. Modzelewski:

Please find attached the invoice for Engineering Services for the above referenced project. Please process this invoice for payment at your earliest convenience. If you have any questions please do not hesitate to let us know.

Please mail all payments to Infrastructure Solutions Group, LLC; dba Mehlburger Brawley's McAlester office at the following address:

**Infrastructure Solutions Group, LLC  
719 S. George Nigh Expressway  
McAlester, OK 74501**

Sincerely,

Infrastructure Solutions Group, LLC  
dba Mehlburger Brawley

Robert Vaughan, P.E.  
Branch Manager

Enclosure

RV/ks

**RECEIVED**  
JAN 05 2015

BY: .....



**INFRASTRUCTURE  
SOLUTIONS GROUP, LLC**  
Consulting Engineers

INVOICE SUBMITTED TO:

December 31, 2014

City of McAlester  
PO Box 578  
McAlester, OK 74502-0578

Invoice # MC-14-06-02

In Reference To: CIP #3, Second Street from Comanche Ave to Modoc Avenue  
Construction Management and Resident Project Representative

Construction Start Date: November 14, 2014  
Calendar Days in Contract: 330 days  
Percentage Complete to Date:  $47/330 = 14.2\%$

CONSTRUCTION MANAGEMENT – \$40,000.00	
14.2% of \$40,000.00	\$ 5,680.00
RESIDENT PROJECT REPRESENTATIVE - \$103,500.00	
14.2% of \$103,500.00	<u>\$ 14,697.00</u>
TOTAL SERVICES BILLED TO DATE	\$ 20,377.00
LESS PREVIOUSLY INVOICED	- <u>\$ 6,888.00</u>
<b><u>TOTAL DUE THIS INVOICE</u></b>	<b><u>\$ 13,489.00</u></b>

All invoices are payable within 15 days of receipt. Please send payments to

**Infrastructure Solutions Group, LLC**  
**719 S. George Nigh Expressway**  
**McAlester, OK 74501**

## SCHEDULE "D"

### FORM OF PAYMENT REQUISITION

PAYMENT REQUISITION  
SERIES 2013 PROJECT ACCOUNT  
THE MCALESTER PUBLIC WORKS AUTHORITY CONSTRUCTION FUND

FROM: Trustees of The McAlester Public Works Authority

TO: BancFirst

DATE: January 6, 2015

Pursuant to the provisions the Series 1999 Revenue Bond Indenture dated as of May 1, 1999, as heretofore supplemented and amended by a Series 2002 Revenue Bond Indenture dated as of July 1, 2002, as supplemented and amended by a Series 2012 Supplemental Note Indenture dated as of December 1, 2012, and as further supplemented and amended by a Series 2013 Supplemental Note Indenture dated as of June 1, 2013 (collectively, the "Indenture"), all by and between The McAlester Public Works Authority and BancFirst, as Trustee, you are directed to pay Creditor from the Series 2013 Project Account within the Construction Fund of said Authority as indicated below, the amounts shown for the purposes set forth in this Requisition.

T. McDonald Construction	874081029
CREDITOR	TRUST NO.

P.O. Box 1043 Eufaula, OK 74432
MAILING ADDRESS

Construction Services	Invoice: Payment # 2
ITEM	ITEM NO.

December 15, 2014	CIP #3	\$ 58,169.15
DATE	PURPOSE	AMOUNT

#### AUTHORIZATION AND CERTIFICATE OF CITY MANAGER/CHAIRMAN

With reference to the above requisition, the undersigned certifies:

1. The above requisition is approved.



2. Each obligation therein has been properly incurred and is now due and unpaid and that insofar as such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, and such materials, equipment or supplies were actually installed or delivered to or for the Project as evidenced by the certificate of the supervising architect or engineer or other appropriate certification.

3. That obligations in the stated amounts have been incurred by the Authority and that each item is a proper charge against the Construction Fund and has not been paid.

4. That there has not been filed with or served upon the Authority, notice of any lien, right to lien, or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of, the respective amounts stated in this requisition which has not been released or will not be released simultaneously with this payment.

5. That such requisition contains no item representing payment on account of any retained percentages which the Authority is at the date of such certificate entitled to retain.

THE MCALESTER PUBLIC WORKS AUTHORITY



City Manager or Chairman

Date: January 6, 2015

Date Approved: \_\_\_\_\_

Date Paid: \_\_\_\_\_

\_\_\_\_\_  
Authorized Officer

Submit in triplicate:

1 to Trustee Bank

1 to Authority

1 to City



January 2, 2015

John Modzelewski, P.E., City Engineer  
City of McAlester  
PO Box 578  
28 E. Washington  
McAlester, OK 74502-0578

Re: Second Street Improvements (CIP #3)  
Contractor's Pay Estimate No. Two (2)

Dear Mr. Modzelewski:

Enclosed you will find six (6) copies of the Contractor's Pay Request No. Two (2) for the referenced project which covers the time period through December 15, 2014. Attached to each copy of the Pay Estimate are construction photographs and an updated Project Schedule.

We recommend payment of this Pay Estimate No. Two (2) in the amount of \$58,169.15.

Please place this item on the agenda for approval at your next meeting and upon approval please ask the Mayor to sign all six (6) copies. Send four copies to our office located at 719 S George Nigh Expressway, McAlester, OK 74501, one copy to the Contractor with payment and retain the final copy for your records.

If you have any questions please do not hesitate to contact our office at (918) 420-5500.

Sincerely,

Infrastructure Solutions Group, LLC  
dba Mehlburger Brawley

Dale Burke, P.E.  
President

DB/mj  
Enclosures

Project No. MC-14-01

cc w/enclosure: Cliff Pitner, Resident Project Representative, Infrastructure Solutions Group, LLC

Contractor's Application for Payment No. <b>2</b>		
Application Period: 11/26/2014-12/15/2014		Application Date: 12/15/2014
To (Owner): CITY OF MCALESTER	From (Contractor): T. McDONALD CONST., INC.	Via (Engineer): Mehlburger Brothers
Project: SECOND STREET IMPROVEMENTS CIP #3	Contract:	
Owner's Contract No.: N/A	Contractor's Project No.: 2099	Engineer's Project No.: MC-14-01

**Application For Payment  
Change Order Summary**

Approved Change Orders			
Number	Additions	Deductions	
			1. ORIGINAL CONTRACT PRICE..... \$ <u>\$2,730,987.50</u>
			2. Net change by Change Orders..... \$ <u> </u>
			3. Current Contract Price (Line 1 + 2)..... \$ <u>\$2,730,987.50</u>
			4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate)..... \$ <u>\$183,827.10</u>
			5. RETAINAGE:
			a. 10% X <u>\$18,382.71</u> Work Completed..... \$ <u>\$1,838.27</u>
			b. 10% X <u>\$18,382.71</u> Stored Material..... \$ <u>\$1,838.27</u>
			c. Total Retainage (Line 5a + Line 5b)..... \$ <u>\$3,676.54</u>
			6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c)..... \$ <u>\$180,150.56</u>
			7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application)..... \$ <u>\$106,555.24</u>
			8. AMOUNT DUE THIS APPLICATION..... \$ <u>\$73,595.32</u>
			9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Progress Estimate + Line 5 above)..... \$ <u>\$2,566,263.11</u>
TOTALS			
NET CHANGE BY CHANGE ORDERS			

**Contractor's Certification**

The undersigned Contractor certifies that to the best of its knowledge: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

By: [Signature] Date: 01/02/15

Payment of: \$ \$73,595.32  
(Line 8 or other - attach explanation of the other amount)

is recommended by: [Signature] 1/2/15  
(Engineer) (Date)

Payment of: \$ \$73,595.32  
(Line 8 or other - attach explanation of the other amount)

is approved by: \_\_\_\_\_  
(Owner) (Date)

Approved by: \_\_\_\_\_  
Funding Agency (if applicable) (Date)

# Progress Estimate

# Contractor's Application

For (contract) MC-14-01						Application Num: 2				
Application Per: 1/20/2014 TO 12/15/2014						Application Date: 12/15/2014				
A				B	C	D	E	F		G
Item				Bid Value	Estimated Quantity Installed	Value	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	1/4 (F) B	Balance to Finish (B - F)
Bid Item No	Description	Bid Quantity	Unit Price							
1	EARTHWORK	1	\$65,000.00	\$65,000.00						\$65,000.00
2	SOLID SLAB SOD	5355	\$3.00	\$16,065.00						\$16,065.00
3	AGGREGATE TYPE A	2135	\$47.50	\$101,412.50						\$101,412.50
4	BASE REPAIR-AGG BASE TYPE A	220	\$85.00	\$18,700.00						\$18,700.00
5	LIME	68	\$200.00	\$13,600.00						\$13,600.00
6	LIME STABILIZED SUBGRADE	12800	\$12.00	\$153,600.00						\$153,600.00
7	TACK COAT	3000	\$1.00	\$3,000.00						\$3,000.00
8	PRIME COAT	135	\$10.00	\$1,350.00						\$1,350.00
9	DRIVING SURFACE (OVERLAY) SUPERPAVE S5 (PG64-22)-3"	600	\$140.00	\$84,000.00						\$84,000.00
10	BASE REPAIR PATCH (OVERLAY) SUPERPAVE S5 (PG64-22)-3"	75	\$150.00	\$11,250.00						\$11,250.00
11	RCP BASE REPAIR PATCH (SUPERPAVE S5 (PG64-22)-3")	70	\$150.00	\$10,500.00						\$10,500.00
12	WATER LINE BASE REPAIR PATCH (SUPERPAVE S5 (PG64-22)-3")	25	\$150.00	\$3,750.00						\$3,750.00
13	COLD MILLING PAVEMENT (OVERLAY)	3700	\$8.00	\$29,600.00						\$29,600.00
14	PC CONCRETE FOR PAVEMENT (PLACEMENT)	11520	\$24.50	\$282,240.00						\$282,240.00
15	PC CONCRETE FOR PAVEMENT (PLACEMENT)	2600	\$132.00	\$343,200.00						\$343,200.00
16	CONCRETE JOINT SEALING	23625	\$1.20	\$28,350.00						\$28,350.00
17	CONCRETE CURB (6" BARRIER-INTEGRAL)	4400	\$9.00	\$39,600.00						\$39,600.00
18	4" CONCRETE SIDEWALK	1800	\$44.00	\$79,200.00						\$79,200.00
19	6" CONCRETE DRIVEWAY	2000	\$66.00	\$132,000.00						\$132,000.00
20	TACTILE WARNING DEVICE	420	\$22.00	\$9,240.00						\$9,240.00
21	INTEL CI DES 2 (STD)	2	\$6,600.00	\$13,200.00						\$13,200.00
22	INTEL CI DES 3 (STD)	1	\$7,150.00	\$7,150.00						\$7,150.00
23	6" PERFORATED UNDERDRAIN ROUND	6000	\$10.00	\$60,000.00						\$60,000.00
24	6" NON-PERFORATED UNDERDRAIN ROUND	200	\$20.00	\$4,000.00						\$4,000.00
25	REMOVAL OF CONCRETE PAVEMENT W/ASPHALT OVERLAY	12000	\$7.00	\$84,000.00						\$84,000.00
26	REMOVAL OF SIDEWALK	1300	\$4.00	\$5,200.00						\$5,200.00
27	MOBILIZATION	1	\$80,000.00	\$80,000.00	0.5	\$40,000.00		\$40,000.00	50.0%	\$40,000.00
28	TENSAR ROADRAIN	12800	\$10.95	\$140,160.00						\$140,160.00
29	CONCRETE JUNCTION BOXES	4	\$4,500.00	\$18,000.00			\$9,029.00	\$9,029.00	50.2%	\$8,971.00
30	19"X30" RC PIPE CLASS III	23	\$200.00	\$4,600.00			\$1,504.20	\$1,504.20	32.7%	\$3,095.80
31	30" RC PIPE CLASS III	890	\$110.00	\$97,900.00			\$2,877.60	\$2,877.60	2.9%	\$95,022.40
32	24"X30" RC PIPE ARCH CLASS III	5	\$500.00	\$2,500.00						\$2,500.00
33	44"X27" RC PIPE ARCH CLASS III	33	\$350.00	\$11,550.00	30	\$10,500.00		\$10,500.00	90.9%	\$1,050.00
34	SEWER LINE CONNECTIONS (UNDER RCP WEST SIDE FROM COMMAMCHE TO CANAL)	11	\$1,500.00	\$16,500.00						\$16,500.00
35	8" SDR 35 PVC MAIN SEWER LINE	2910	\$65.00	\$189,150.00			\$12,444.90	\$12,444.90	6.6%	\$176,705.10

36	4" ID CONCRETE PRE-CAST MANHOLE	10	\$5,500.00	\$55,000.00						\$55,000.00
37	SEWER SERVICE CONNECTION	75	\$950.00	\$71,250.00			\$2,577.58	\$2,577.58	3.6%	\$68,672.42
38	SEWER LINE AGGREGATE BASE FOR SURFACE REPAIR	2910	\$10.00	\$29,100.00						\$29,100.00
39	16" PVC C-900 DR 14 WATER MAIN	115	\$90.00	\$10,350.00			\$3,580.65	\$3,580.65	34.6%	\$6,769.35
40	10" PVC C-900 WATER MAIN	1365	\$40.00	\$54,600.00	630	\$25,200.00	\$5,029.68	\$30,229.68	55.4%	\$24,370.32
41	8" PVC C-900 WATER MAIN	2830	\$24.00	\$67,920.00			\$3,082.52	\$3,082.52	4.5%	\$64,837.48
42	16" WATER MAIN CONNECTION	2	\$3,000.00	\$6,000.00						\$6,000.00
43	10" WATER MAIN CONNECTION	6	\$2,000.00	\$12,000.00						\$12,000.00
44	8" WATER MAIN CONNECTION	4	\$1,000.00	\$4,000.00						\$4,000.00
45	16" TO 10" WATER MAIN CONNECTION	1	\$3,000.00	\$3,000.00						\$3,000.00
46	16" GATE VALVE	2	\$4,500.00	\$9,000.00						\$9,000.00
47	10" GATE VALVE	4	\$2,000.00	\$8,000.00			\$3,909.15	\$3,909.15	48.9%	\$4,090.85
48	8" GATE VALVE	11	\$800.00	\$8,800.00			\$5,575.35	\$5,575.35	63.4%	\$3,224.65
49	NEW FIRE HYDRANT ASSEMBLY	10	\$5,500.00	\$55,000.00						\$55,000.00
50	1" AIR RELEASE VALVE	1	\$1,500.00	\$1,500.00						\$1,500.00
51	2" METER CONNECTION	4	\$1,600.00	\$6,400.00			\$5,701.87	\$5,701.87	89.1%	\$698.13
52	WATER SERVICE RECONNECTION (SHORT)	55	\$900.00	\$49,500.00			\$17,087.40	\$17,087.40	34.5%	\$32,412.60
53	WATER SERVICE RECONNECTION (LONG)	40	\$900.00	\$36,000.00			\$12,427.20	\$12,427.20	34.5%	\$23,572.80
54	WATER AGGREGATE BASE FOR SURFACE REPAIR	600	\$10.00	\$6,000.00						\$6,000.00
55	TRAFFIC CONTROL	1	\$45,000.00	\$45,000.00	0.5	\$22,500.00		\$22,500.00	50.0%	\$22,500.00
56	2 YEAR MAINTENANCE BOND	1	\$10,000.00	\$10,000.00						\$10,000.00
57	SWPPP	1	\$15,000.00	\$15,000.00						\$15,000.00
58	AS-BUILTS SURVEY	1	\$5,000.00	\$5,000.00						\$5,000.00
59	4" DWV SCH 40 SEWER SERVICE LINE (REQUIRED FOR SERVICE SEPERATION)	120	\$25.00	\$3,000.00						\$3,000.00
<b>Totals</b>				<b>\$2,730,987.58</b>		<b>\$98,200.00</b>	<b>\$84,817.10</b>	<b>\$183,027.10</b>	<b>6.7%</b>	<b>\$2,547,960.48</b>

# Stored Material Summary

# Contractor's Application

For (contract): CITY OF MCALESTER SECOND STREETG IMPROVEMENTS						Application Number: 2			
Application Period: 11/21/2014 TO 12/15/2014						Application Date: 12/15/2014			
A	B	C	D		E		F		G
Invoice No.	Shop Drawing Transmittal No.	Materials Description	Stored Previously		Stored this Month		Incorporated in Work		Materials Remaining in Storage (\$) (D + E - F)
			Date (Month/Y)	Amount (\$)	Amount (\$)	Subtotal	Date (Month/Year)	Amount (\$)	
80309		WATER SERVICE CONNECTION FITTINGS	11/2014	\$18,166.27					\$18,166.27
80306		WATER AND SEWER LINE PIPE/ GATE VALVES	11/2014	\$29,141.54			12/2014	\$8,586.90	\$20,554.64
11170142		ARCH PIPE 18"X 29" RCP			\$1,504.20	\$1,504.20			\$1,504.20
62486		30" RCP PIPE			\$2,877.60	\$2,877.60			\$2,877.60
62579		STORM DRAIN FRAME AND GRATE AND HARDWARE			\$9,029.00	\$9,029.00			\$9,029.00
80533		18" METER CANS			\$5,177.50	\$5,177.50			\$5,177.50
80532		2" VH77-15B-11-77-NL SETTER			\$3,952.74	\$3,952.74			\$3,952.74
80532		6" DR-14C900 PVC PIPE			\$3,082.52	\$3,082.52			\$3,082.52
80532		6" MJ GATE VALVE			\$5,575.35	\$5,575.35			\$5,575.35
80532		8"X4" SDR-26 WYE W/SCH40 OUTLET			\$2,577.58	\$2,577.58			\$2,577.58
80530		5/8" X 3/4" ZENNER WATER METER			\$5,693.18	\$5,693.18			\$5,693.18
80530		10"X1" CC 315 TAPPING SADDLE			\$6,636.52	\$6,636.52			\$6,636.52
Totals				\$47,907.81	\$46,106.19	\$46,106.19		\$8,586.90	\$84,827.10





Phone: (918) 266-0209 Fax: (918) 266-0235

19711 EAST 6TH STREET  
TULSA, OK 74108  
F.EIN 73-0706102

# INVOICE

Invoice No. 080532  
Date 11/24/2014  
Order No. 14787  
Customer ID T.MCDONALD  
Salesperson JERRY JEWETT

BILL TO:	SHIP TO:
T. MCDONALD CONSTRUCTION P.O. BOX 1043 EUFAULA, OK 74432	T. MCDONALD CONSTRUCTION 2ND STREET IMPROVEMENTS KREBS, OK

F.O.B. POINT		SHIP VIA		TERMS		CUSTOMER P.O. NO.		ORDERED BY		DATE SHIPPED	
		OUR TRUCK		Net 10th Prox						11/21/2014	
LINE NO.	QTY ORDERED	QTY SHIPPED	QTY IN ST.	ALL MATERIALS SUBJECT TO MANUFACTURER'S WARRANTIES			UNITS	PRICE	EXT. PRICE		
01	95.00	95.00	0.00	1" SS INSERT			EA	1.55	147.25		
02	4.00	4.00	0.00	2" VH77-15B-11-77-NL SETTER			EA	806.59	3,226.36		
03	2.00	2.00	0.00	2" FB1000-NL CORP STOP			EA	201.01	402.02		
04	560.00	560.00	0.00	6" DR-14 C900 PVC PIPE			EA	5.05	2,828.00		
05	140.00	140.00	0.00	8" X 14" SDR-35 PVC PIPE			EA	4.10	574.00		
06	80.00	80.00	0.00	10" DR-14 C900 PVC PIPE			EA	12.50	1,000.00		
07	1.00	1.00	0.00	10" MJ GATE VALVE L/ACC			EA	1,190.00	1,190.00		
08	21.00	21.00	0.00	6" MJ GATE VALVE L/ACC			EA	465.00	9,765.00		
09	75.00	75.00	0.00	8" X 4" SDR-26 WYE W/ SCH 40 OUTLET			EA	31.53	2,364.75		
10	75.00	75.00	0.00	4" DWV 45			EA	4.25	318.75		
11	18.00	18.00	0.00	4" 2-WAY CLEAN OUT TEE			EA	16.84	303.12		
12	75.00	75.00	0.00	4" DWV FIP ADPT LHUB			EA	5.00	375.00		

*PAY ADD 2*

Tax Description	Tax Rate	Sales Total	22,894.25
KREBS, PITTS, OK	9.500	Freight	0.00
		Tax Total	2,174.95
<b>TOTAL</b>			<b>25,069.20</b>

TERMS NET 10th  
PAY FROM THIS INVOICE, STATEMENTS FAXED UPON REQUEST  
A FINANCE CHARGE OF 1-1/2 % PER MONTH, EQUAL TO 18% PER YEAR WILL BE ADDED TO ALL PAST DUE ACCOUNTS

# INVOICE



**Hanson**

Ship To:  
OK-CITY OF MCALISTER  
MCALISTER OK 74501  
United States of America

Bill To:  
T. McDONALD CONSTRUCTION INC.  
P. O. BOX 1043  
Bustala OK 74432  
United States of America

*PAID APR 2*

Remit To:  
PO BOX 942481  
DALLAS TX 75294-2481  
United States of America

Invoice Date	Page Number
02-DEC-14	1 of 1
Invoice Number	
11170142	
Sales Contract	Customer Number
10749489	10024591
Customer Order	

Date	Plant	BOL No	Description	Qty	Unit	Unit price	Extended Price
01-DEC-14	562	2077861	MISC				
			18"X29" ARCH CL-3 S. RCP	24	LINEAR	37.50	1,380.00
			18"X29" OMNIFLEX RCP GASKET	3	EACH	.00	.00
			<del>22"X34" ARCH CL-3 S. RCP</del>	8	LINEAR	66.88	535.04
			<del>22"X34" OMNIFLEX RCP GASKET</del>	1	EACH	.00	.00
			<del>27"X44" ARCH CL-3 S. RCP</del>	40	LINEAR	87.18	3,487.20
			<del>27"X44" OMNIFLEX RCP GASKET</del>	5	EACH	.00	.00
			POBIT LIFT HOLE PLUG	9	EACH	.00	.00
			STRUCTURE TOTAL				3,402.24
			MATERIAL SUB-TOTAL				3,402.24

Term: 30 NET EOM

Total Qty	90	Sales Tax:	486.2
Take Discount of	IF PAID ON OR BEFORE	AMOUNT DED	3,888.44
.00	NO DAY 01 30		





P.O. BOX 2010 • CATOOSA, OKLAHOMA 74015  
(918) 438-1182 • FAX (918) 438-1185

SOLD TO:

**T. McDonald Construction, Inc.**  
**P.O. Box 1843**  
**Enfema, Ok 74432**

Terms: Net 30 Days.

# INVOICE

1-18-14

Date <b>12/1/2014</b>	Customer P.O. No.
--------------------------	-------------------

SHIP TO: (if other than SOLD TO)

**Second St Imps**  
**McAlister, Ok**

Sales Person	Tax Exempt No.	<input type="checkbox"/> Cash <input type="checkbox"/> Charge <input type="checkbox"/> Moss. Ref'd.	Shipped Via	F.O.B.	
		<input type="checkbox"/> C.O.D. <input type="checkbox"/> Paid Out <input type="checkbox"/> Pd. on Acct.			
Structure	Quantity	Description	CNC	Unit Price	Amount
Structure	Quantity	Description	Unit	Unit Price	Amount
	11 jts	30" RCP	88	30.00	2,640.00
	1	Delivery Charge	1	300.00	300.00
Subtotal					\$1,940.00
Sales Tax (9.0%)					\$237.60
Total					\$3,177.60

1044 App 2

Past due accounts draw interest at 1 1/2% per month from due date until paid. This is an annual rate of 18%.

Manholes requiring a base are quoted from the  
bottom of the base NOT THE FLOW LINE.



P.O. BOX 2010 • CATOOSA, OKLAHOMA 74015  
(918) 438-1182 • FAX (918) 438-1185

SOLD TO:

# INVOICE

62573

Date	Customer P.O. No.
------	-------------------

12/9/2014

SHIP TO: (if other than SOLD TO)

**T. McDonald Construction, Inc.**

**P.O. Box 1043**

**Enfeda, Ok 74432**

**Second St Imps**

**McAlester, Ok**

Terms: Net 30 Days

Sales Person	Tax Exempt No.	<input type="checkbox"/> Cash <input type="checkbox"/> Charge <input type="checkbox"/> Miss. Rand.	Shipped Via	F.O.B.	
Structure	Quantity	Description		Unit Price	Amount
		Customer		Jobite	
Structure	Quantity	Description	Unit	Unit Price	Amount
	5	Cast Iron R&C 1189	5	261.00	1,305.00
	16	18 x 36 Frame & Grate	16	259.00	4,144.00
	16	6" Barrier Curb	16	130.00	2,080.00
	1	Lat Hardware	1	1,500.00	1,500.00
	2	W6 x 16 x S4 I-Beam		0.00	0.00
	9	S4 x 7.7 I-Beams		0.00	0.00
	All	nuts & bolts		0.00	0.00
Subtotal					\$9,029.00
Sales Tax (0.0%)					\$0.00
Total					\$9,029.00



DAY APP 2

Past due accounts draw interest at 1 1/2% per month from due date until paid. This is an annual rate of 18%.

Manholes requiring a base are quoted from the bottom of the base NOT THE FLOW LINE.



Phone: (918) 266-0209 Fax: (918) 266-0235

19711 EAST 6TH STREET  
TULSA, OK 74108  
F.EIN 73-0706102

# INVOICE

Invoice No. 080533  
Date 11/24/2014  
Order No. 147887  
Customer ID TMCDONALL  
Salesperson JERRY JEWETT

BILL TO:	SHIP TO:
T. MCDONALD CONSTRUCTION P.O. BOX 1043 EUFAULA, OK 74432	T. MCDONALD CONSTRUCTION 2ND ST IMPROVEMENTS KREBS, OK

F.O.B. POINT		SHIP VIA		TERMS	CUSTOMER P.O. NO.	ORDERED BY	DATE SHIPPED	
		OUR TRUCK		Net 10th Prox			11/21/2014	
LINE	QTY ORDERED	QTY SHIPPED	QTY BO.	ALL MATERIALS SUBJECT TO MANUFACTURER'S WARRANTIES		UNITS	PRICE	EXT. PRICE
01	1.00	1.00	0.00	6" X 1" IP 315 SADDLE		EA	36.40	36.40
02	1.00	1.00	0.00	1" F1100 CORP STOP		EA	42.15	42.15
03	1.00	1.00	0.00	1" X 6" NL BRASS NIPPLE		EA	7.25	7.25
04	1.00	1.00	0.00	1" BRASS BALL VALVE		EA	22.69	22.69
06	1.00	1.00	0.00	1" D040 AIR RELEASE VALVE		EA	250.00	250.00
08	95.00	95.00	0.00	16" RD METER CAN W/CI LID & 2" HOLE		EA	50.00	4,750.00

*PAY ADJ*

Tax Description	Tax Rate	Sales Total	5,108.49
KREBS, PITTS, OK	9.500	Freight	0.00
		Tax Total	486.31
<b>TOTAL</b>			<b>5,593.80</b>

TERMS NET 10th  
PAY FROM THIS INVOICE, STATEMENTS FAXED UPON REQUEST  
A FINANCE CHARGE OF 1-1/2 % PER MONTH, EQUAL TO 18% PER YEAR WILL BE ADDED TO ALL PAST DUE ACCOUNTS





Phone: (918) 266-0208 Fax: (918) 266-0235

19711 EAST 6TH STREET  
TULSA, OK 74108  
F.EIN 73-0706102

# INVOICE

Invoice No. 080530  
Date 11/24/2014  
Order No. 147873  
Customer ID TMCDONALD  
Salesperson JERRY JEWETT


BILL TO:	SHIP TO:
T. MCDONALD CONSTRUCTION P.O. BOX 1043 EUFAULA, OK 74432	T. MCDONALD CONSTRUCTION 2ND ST IMPROVEMENTS KREBS, OK


F.O.B. POINT		SHIP VIA		TERMS		CUSTOMER P.O. NO.		ORDERED BY		DATE SHIPPED	
		OUR TRUCK		Net 10th Prox						11/21/2014	
LINE NO.	QTY ORDERED	QTY SHIPPED	QTY DO.	ALL MATERIALS SUBJECT TO MANUFACTURER'S WARRANTIES				UNITS	PRICE	EXT. PRICE	
01	95.00	95.00	0.00	5/8" X 3/4" ZENNER WATER METER				EA	54.98	5,223.10	
02	4.00	4.00	0.00	2" ZENNER WATER METER				EA	337.53	1,350.12	
03	95.00	95.00	0.00	10" X 1" CC 315 TAPPING SADDLE				EA	64.09	6,088.55	

*PAYABLE 2*

Tax Description	Tax Rate	Sales Total	12,661.77
KREBS, PITTS, OK	9.500	Freight	0.00
		Tax Total	1,202.87
<b>TOTAL</b>			<b>13,864.64</b>

TERMS NET 10th  
PAY FROM THIS INVOICE, STATEMENTS FAXED UPON REQUEST  
A FINANCE CHARGE OF 1-1/2 % PER MONTH, EQUAL TO 18% PER YEAR WILL BE ADDED TO ALL PAST DUE ACCOUNTS

<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <small>(See Instructions on back)</small>		<small>Approved by Office of Management and Budget, No. 80-10181</small> <b>PAGE 1 OF 1 PAGES</b>	
<b>3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED</b> Federal Aviation Administration		<b>1. TYPE OF REQUEST</b> <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL	
<b>4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY</b> 73-8005314		<b>2. BASIS OF REQUEST</b> Four	
<b>5. EMPLOYER IDENTIFICATION NUMBER</b> 73-8005314		<b>6. PARTIAL PAYMENT REQUEST NO.</b> Four	
<b>7. RECIPIENT ACCOUNT OR OTHER IDENTIFYING NUMBER</b>		<b>PERIOD COVERED BY THIS REPORT</b> FROM (Month, day, year) 3/29/13 TO (Month, day, year) 11/13/14	
<b>8. RECIPIENT ORGANIZATION</b> Name City of McAlester No. and Street P. O. Box 578 City, State and Zip Code McAlester, Oklahoma 74502		<b>10. PAYEE (Where check should be sent (if different than item 8))</b> Name (same) No. and Street City, State and Zip Code	
<b>STATUS OF FUNDS</b>			
<b>CLASSIFICATION</b>  Grant Amount \$1,420,815.00	<b>(a) Grant Amount</b>	<b>(b) Previous Requests</b>	<b>(c) Current Request</b>
<b>TOTAL</b>			
a. Administrative Expense - Advertising	307.55	0.00	0.00
b. Preliminary expense - FAR's	4,800.00	4,800.00	0.00
c. Land, Structures, Right-of-Way			
d. Architectural engineering basic fees - MOA	85,000.00	82,769.38	0.00
e. Other architectural engineering fees - Const. Adm.	22,100.00	0.00	7,293.00
f. Project inspection fees	52,000.00	0.00	8,825.00
g. Land development			
h. Relocation expense - Relimb. Agreement	77,212.00	77,212.00	0.00
i. Relocation payments to individuals & businesses			
j. Demolition and removal - Utility Relocation	28,767.25	0.00	0.00
k. Construction and project improvement cost	1,227,998.20	0.00	397,944.00
l. Equipment			
m. Miscellaneous cost			
n. Total cumulative to date (sum of lines a thru m)	1,498,185.00	184,781.38	413,662.00
o. Deductions for program income - Insurance Premium			-555.00
p. Net cumulative to date (line n minus line o)			578,088.38
q. Federal share to date			549,184.00
r. Rehabilitation grants (100% reimbursement)			
s. Total Federal share (sum of lines q and r)			549,184.00
t. Federal payment previously requested			155,982.00
<b>u. Amount of Federal payment requested</b>			155,982.00
<b>v. Percentage of physical completion of project</b>	%	%	%
<b>12. CERTIFICATION</b>  I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award	<b>a. RECIPIENT</b>	<b>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b> TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor	
	<b>b. Representative certifying to line 11v.</b>	<b>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b>  TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant	
		<b>DATE REPORT SUBMITTED</b> 11/13/14  <b>TELEPHONE (area code, number and extension)</b> 918 / 423-2500  <b>DATE SIGNED</b> 11/13/14  <b>TELEPHONE (area code, number and extension)</b> 405/377-6278	

<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <i>(See Instructions on back)</i>		Approved by Office of Management and Budget, No. 60-R0161		PAGE 1 OF 1 PAGES
<b>3. FEDERAL SPONSORING AGENCY AND ORGANISMAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED</b> Federal Aviation Administration		<b>1. TYPE OF REQUEST</b> <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL		<b>2. BASIS OF REQUEST</b> <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL
<b>4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY</b> AIP 3-40-0037-012-2011		<b>5. PARTIAL PAYMENT REQUEST NO.</b> Three		
<b>6. EMPLOYER IDENTIFICATION NUMBER</b> 73-6005314	<b>7. RECIPIENT ACCOUNT OR OTHER IDENTIFYING NUMBER</b>	<b>PERIOD COVERED BY THIS REPORT</b> FROM (Month, day, year) 3/29/13 TO (Month, day, year) 11/13/14		
<b>8. RECIPIENT ORGANIZATION</b> Name: City of McAlester St. and Street: P. O. Box 576 City, State and Zip Code: McAlester, Oklahoma 74502		<b>9. PAYEE (If there check should be sent if different than item 8)</b> Name: (same) St. and Street: City, State and Zip Code:		
<b>11. STATUS OF FUNDS</b>				
<b>CLASSIFICATION</b>	<b>(a) Grant Amount</b>	<b>(b) Previous Requests</b>	<b>(c) Current Request</b>	<b>TOTAL</b>
Grant Amount \$407,351.00				
a. Administrative Expense - Grant Administration	12,735.00	8,417.00	0.00	\$ 8,417.00
b. Preliminary expense - Update Airport Layout Plan	16,530.00	16,530.00	0.00	\$ 16,530.00
c. Land, Structures, Right-of-Way				\$
d. Architectural engineering basic fees				\$
e. Other architectural engineering fees - Const. Adm.	14,685.00	0.00	4,846.05	\$ 4,846.05
f. Project inspection fees	28,740.00	0.00	0.00	\$ 0.00
g. Land development				\$
h. Relocation expense				\$
i. Relocation payments to individuals & businesses				\$
j. Demolition and removal - Utility Relocation	17,591.00	0.00	0.00	\$ 0.00
k. Construction and project improvement cost- BB&H	263,510.00	0.00	0.00	\$ 0.00
l. Equipment				\$
m. Miscellaneous cost-Approach Slope Survey RW 2-20	75,000.00	0.00	0.00	\$ 0.00
n. Total cumulative to date (sum of lines a thru m)	428,791.00	24,947.00	4,846.05	\$ 29,793.05
o. Deductions for program income				
p. Net cumulative to date (line n minus line o)				29,793.05
q. Federal share to date				28,303.00
r. Rehabilitation grants (100% reimbursement)				
s. Total Federal share (sum of lines q and r)				28,303.00
t. Federal payment previously requested				23,700.00
u. Amount requested for reimbursement				\$ 4,803.00
v. Percentage of physical completion of project	%	%	%	33%
<b>12. CERTIFICATION</b> I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award		<b>a. RECIPIENT</b>	<b>13. SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b> TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor DATE REPORT SUBMITTED 11/13/14 TELEPHONE (Area code, number and extension) 918 / 423-2500	
<b>b. Representative certifying to line 11v.</b>		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant	DATE SIGNED 11/13/14 TELEPHONE (Area code, number and extension) 405/377-8276	




<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <small>(See instructions on back)</small>		<small>Approved by Office of Management and Budget, No. 80-R0181</small>		<small>PAGE 1 OF 1 PAGES</small>				
<b>3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED</b> <p style="text-align: center;">Federal Aviation Administration</p>		<b>1. TYPE OF REQUEST</b> <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL		<b>2. BASIS OF REQUEST</b> <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL				
<b>4. EMPLOYER IDENTIFICATION NUMBER</b> <p style="text-align: center;">73-6005314</p>		<b>5. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY</b> <p style="text-align: center;">FAA-2014-001</p>		<b>6. PARTIAL PAYMENT REQUEST NO.</b> <p style="text-align: center;">Five</p>				
<b>7. RECIPIENT ACCOUNT OR OTHER IDENTIFYING NUMBER</b>		<b>PERIOD COVERED BY THIS REPORT</b> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">FROM (Month, day, year) 11/13/14</td> <td style="width: 50%; border: none;">TO (Month, day, year) 12/4/14</td> </tr> </table>			FROM (Month, day, year) 11/13/14	TO (Month, day, year) 12/4/14		
FROM (Month, day, year) 11/13/14	TO (Month, day, year) 12/4/14							
<b>8. RECIPIENT ORGANIZATION</b> Name: City of McAlester No. and Street: P. O. Box 578 City, State and Zip: McAlester, Oklahoma 74502		<b>10. PAYEE (If there check should be sent (if different from item 8))</b> Name: (same) No. and Street: City, State and Zip Code:						
<b>11. STATUS OF FUNDS</b>								
<b>PROGRAMS - FUNCTIONS - ACTIVITIES</b>								
CLASSIFICATION	(a) Grant Amount	(b) Previous Request	(c) Current Request	TOTAL				
Grant Amount \$1,420,815.00								
a. Administrative Expense - Advertising	\$ 307.55	\$ 0.00	\$ 0.00	\$ 0.00				
b. Preliminary expense - FAR's	4,800.00	4,800.00	0.00	4,800.00				
c. Land, Structures, Right-of-Way								
d. Architectural engineering basic fees - MOA	85,000.00	82,769.38	0.00	82,769.38				
e. Other architectural engineering fees - Const. Adm.	22,100.00	7,293.00	8,619.00	15,912.00				
f. Project inspection fees	52,000.00	8,625.00	11,212.50	19,837.50				
g. Land development								
h. Relocation expense - Reimb. Agreement	77,212.00	77,212.00	0.00	77,212.00				
i. Relocation payments to individuals & businesses								
j. Demolition and removal - Utility Relocation	26,767.25	0.00	0.00	0.00				
k. Construction and project improvement cost	1,227,998.20	397,944.00	405,080.10	803,024.10				
l. Equipment								
m. Miscellaneous cost								
n. Total cumulative to date (sum of lines a thru m)	1,496,165.00	578,643.38	424,911.60	1,003,554.88				
o. Deductions for program income - Insurance Premium				-555.00				
p. Net cumulative to date (line n minus line o)				1,002,999.88				
q. Federal share to date				952,850.00				
r. Rehabilitation grants (100% reimbursement)								
s. Total Federal share (sum of lines q and r)				952,850.00				
t. Federal payment previously requested				549,184.00				
<b>12. CERTIFICATION</b>								
<b>12. CERTIFICATION</b> I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award		<b>13. SIGNATURES</b> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <b>a. RECIPIENT</b>             TYPED OR PRINTED NAME AND TITLE            Steve Harrison, Mayor         </td> <td style="width: 50%; border: none;">           SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  </td> </tr> <tr> <td style="border: none;"> <b>b. Representative certifying to line 11v.</b>             TYPED OR PRINTED NAME AND TITLE            Tyler McDonald, Airport Consultant         </td> <td style="border: none;">           SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  </td> </tr> </table>			<b>a. RECIPIENT</b>  TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	<b>b. Representative certifying to line 11v.</b>  TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 
<b>a. RECIPIENT</b>  TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 							
<b>b. Representative certifying to line 11v.</b>  TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 							
		<b>DATE REPORT SUBMITTED</b> <p style="text-align: center;">12/4/14</p>						
		<b>TELEPHONE (Area code, number and extension)</b> <p style="text-align: center;">918 / 423-2500</p>						
		<b>DATE SIGNED</b> <p style="text-align: center;">12/4/14</p>						
		<b>TELEPHONE (Area code, number and extension)</b> <p style="text-align: center;">405/377-8276</p>						

<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <small>(See Instructions on back)</small>				<small>Approved by Office of Management and Budget, No. 00-R0101</small>		<small>PAGE 1 OF 1 PAGES</small>	
<b>3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED</b> Federal Aviation Administration				<b>4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY</b> A17 3-40-0857-012-2011		<b>5. PARTIAL PAYMENT REQUEST NO.</b> Four	
<b>6. EMPLOYER IDENTIFICATION NUMBER</b> 73-8005314		<b>7. RECIPIENT ACCOUNT OR OTHER IDENTIFYING NUMBER</b>		<b>PERIOD COVERED BY THIS REPORT</b> FROM (Month, day, year) 11/13/14 TO (Month, day, year) 12/4/14			
<b>8. RECIPIENT ORGANIZATION</b> Name City of McAlester No. and Street P. O. Box 578 City, State and Zip Code McAlester, Oklahoma 74502				<b>10. PAYEE (Please check one for use if different than item 8)</b> Name (same) No. and Street City, State and Zip Code			
<b>STATUS OF FUNDS</b>							
<b>CLASSIFICATION</b>		<b>PROGRAMS - FUNCTIONS - ACTIVITIES</b>			<b>TOTAL</b>		
<b>Grant Amount</b>		<b>(a) Grant Amount</b>	<b>(b) Previous Requests</b>	<b>(c) Current Request</b>	<b>TOTAL</b>		
<b>Grant Amount</b>		<b>\$407,351.00</b>					
<b>a. Administrative Expense - Grant Administration</b>		12,735.00	8,417.00	0.00	8,417.00		
<b>b. Preliminary expense - Update Airport Layout Plan</b>		16,530.00	16,530.00	0.00	16,530.00		
<b>c. Land, Structures, Right-of-Way</b>							
<b>d. Architectural engineering basic fees</b>							
<b>e. Other architectural engineering fees - Const. Adm.</b>		14,685.00	4,848.05	5,727.15	10,573.20		
<b>f. Project inspection fees</b>		26,740.00	0.00	0.00	0.00		
<b>g. Land development</b>							
<b>h. Relocation expense</b>							
<b>i. Relocation payments to individuals &amp; businesses</b>							
<b>j. Demolition and removal - Utility Relocation</b>		17,591.00	0.00	0.00	0.00		
<b>k. Construction and project improvement cost- BB&amp;Alt</b>		283,510.00	0.00	0.00	0.00		
<b>l. Equipment</b>							
<b>m. Miscellaneous cost-Approach Slope Survey RW 2-20</b>		75,000.00	0.00	0.00	0.00		
<b>n. Total cumulative to date (sum of lines a thru m)</b>		428,791.00	29,793.05	6,727.15	35,520.20		
<b>o. Deductions for program income</b>							
<b>p. Net cumulative to date (line n minus line o)</b>					35,520.20		
<b>q. Federal share to date</b>					33,744.00		
<b>r. Rehabilitation grants (100% reimbursement)</b>							
<b>s. Total Federal share (sum of lines q and r)</b>					33,744.00		
<b>t. Federal payment previously requested</b>					28,303.00		
<b>u. Amount requested for reimbursement</b>		\$	1	1	\$ 6,441.02		
<b>v. Percentage of physical completion of project</b>		%	%	%	72%		
<b>12. CERTIFICATION</b> I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award		<b>a. RECIPIENT</b>  <b>b. Representative certifying to line 11v.</b>		<b>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b> TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor SIGNATURE OF AUTHORIZING OFFICER TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant		<b>DATE REPORT SUBMITTED</b> 12/4/14 <b>TELEPHONE (Area code, number and extension)</b> 918 / 423-2500 <b>DATE SIGNED</b> 12/4/14 <b>TELEPHONE (Area code, number and extension)</b> 405/377-8276	



<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <i>(See Instructions on back)</i>				Approved by Office of Management and Budget, No. 60-R0181		PAGE 1 OF 1 PAGES	
<b>1. TYPE OF REQUEST</b> <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL				<b>2. BASIS OF REQUEST</b> <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL			
<b>3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED</b> Federal Aviation Administration				<b>4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY</b> 60-0000000000000000		<b>5. PARTIAL PAYMENT REQUEST NO.</b> Six	
<b>6. EMPLOYER IDENTIFICATION NUMBER</b> 73-6005314		<b>7. RECIPIENT ACCOUNT OR OTHER IDENTIFYING NUMBER</b>		<b>PERIOD COVERED BY THIS REPORT</b> FROM (month, day, year) 12/14/14 TO (month, day, year) 12/15/14			
<b>8. RECIPIENT ORGANIZATION</b> Name: City of McAlester No. and Street: P. O. Box 578 City, State and Zip: McAlester, Oklahoma 74502				<b>10. PAYEE (Where check should be sent (Adjustment to line 8))</b> Name: (same) No. and Street: City, State and Zip Code:			
<b>11. STATUS OF FUNDS</b>							
<b>CLASSIFICATION</b>		<b>PROGRAMS - FUNCTIONS - ACTIVITIES</b>			<b>TOTAL</b>		
Grant Amount \$1,420,815.00		(a) Grant Amount	(b) Previous Requests	(c) Current Request	TOTAL		
a. Administrative Expense - Advertising		307.55	0.00	0.00	0.00		
b. Preliminary expense - FAR's		4,800.00	4,800.00	0.00	4,800.00		
c. Land, Structures, Right-of-Way							
d. Architectural engineering basic fees - MOA		85,000.00	82,769.38	0.00	82,769.38		
e. Other architectural engineering fees - Const. Adm.		22,100.00	15,912.00	3,315.00	19,227.00		
f. Project inspection fees		52,000.00	19,837.50	4,200.00	24,037.50		
g. Land development							
h. Relocation expense - Reimb. Agreement		77,212.00	77,212.00	0.00	77,212.00		
i. Relocation payments to individuals & businesses							
j. Demolition and removal - Utility Relocation		26,767.25	0.00	0.00	0.00		
k. Construction and project improvement cost		1,227,998.20	803,024.10	183,274.85	966,298.95		
l. Equipment							
m. Miscellaneous cost (Construction Testing)				15,507.50	15,507.50		
n. Total cumulative to date (sum of lines a thru m)		1,498,185.00	1,003,554.98	186,297.35	1,169,852.33		
o. Deductions for program income - Insurance Premium					-555.00		
p. Net cumulative to date (line n minus line o)					1,169,297.33		
q. Federal share to date					1,129,832.00		
r. Rehabilitation grants (100% reimbursement)							
s. Total Federal share (sum of lines q and r)					1,129,832.00		
t. Federal payment previously requested					952,850.00		
<b>u. Funds requested for construction</b>					1,169,297.33		
v. Percentage of physical completion of project		%	%	%	87%		
<b>12. CERTIFICATION</b> I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award		<b>a. RECIPIENT</b>		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor		DATE REPORT SUBMITTED 12/15/14	
<b>b. Representative certifying to line 11v.</b>		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant		DATE SIGNED 12/15/14		TELEPHONE (line code, number and extension) 918 / 423-2600	
						TELEPHONE (line code, number and extension) 405/377-8276	

<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <i>(See Instructions on back)</i>				Approved by Office of Management and Budget, No. 40-R0181		PAGE 1 OF 1 PAGES	
1. TYPE OF REQUEST <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL				2. BASIS OF REQUEST <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL			
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED  Federal Aviation Administration				4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY  AIP 3-40-0057-012-2011		5. PARTIAL PAYMENT REQUEST NO.  Five	
6. EMPLOYER IDENTIFICATION NUMBER  73-6005314		7. RECIPIENT ACCOUNT OR OTHER IDENTIFYING NUMBER		PERIOD COVERED BY THIS REPORT FROM (Month, day, year)      TO (Month, day, year) 12/4/14      12/15/14			
8. RECIPIENT ORGANIZATION Name      City of McAlester No. and Street      P. O. Box 578 City, State and Zip      McAlester, Oklahoma 74502				10. PAYEE (If here check should be sent if different than item 8) Name      (same) No. and Street City, State and Zip Code			
STATUS OF FUNDS							
CLASSIFICATION		PROGRAMS - FUNCTIONS - ACTIVITIES			TOTAL		
Grant Amount      \$407,351.00		(a) Grant Amount	(b) Previous Requests	(c) Current Request			
a. Administrative Expense - Grant Administration		\$ 12,735.00	\$ 8,417.00	\$ 0.00	\$ 8,417.00		
b. Preliminary expense - Update Airport Layout Plan		16,530.00	16,530.00	0.00	16,530.00		
c. Land, Structures, Right-of-Way					\$		
d. Architectural engineering basic fees					\$		
e. Other architectural engineering fees - Const. Adm.		14,685.00	10,573.20	2,202.75	\$ 12,775.95		
f. Project inspection fees		28,740.00	0.00	0.00	\$ 0.00		
g. Land development					\$		
h. Relocation expense					\$		
i. Relocation payments to individuals & businesses					\$		
j. Demolition and removal - Utility Relocation		17,591.00	0.00	0.00	\$ 0.00		
k. Construction and project improvement cost- BB&A		263,610.00	0.00	0.00	\$ 0.00		
l. Equipment					\$		
m. Miscellaneous cost-Approach Slope Survey R/W 2-20		75,000.00	0.00	0.00	\$ 0.00		
n. Total cumulative to date (sum of lines a thru m)		428,791.00	35,520.20	2,202.75	\$ 37,722.95		
o. Deductions for program income							
p. Net cumulative to date (line n minus line o)					37,722.95		
q. Federal share to date					35,837.00		
r. Rehabilitation grants (100% reimbursement)							
s. Total Federal share (sum of lines q and r)					35,837.00		
t. Federal payment previously requested					33,744.00		
u. Amount requested for reimbursement					2,093.00		
v. Percentage of physical completion of project		%	%	%	87%		
12. CERTIFICATION		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL			DATE REPORT SUBMITTED		
I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award		<b>a. RECIPIENT</b>  TYPED OR PRINTED NAME AND TITLE Steve Harrison, Mayor			12/15/14  TELEPHONE (Area code, number and extension) 918 / 423-2500		
<b>b. Representative certifying to line 11v.</b>		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  TYPED OR PRINTED NAME AND TITLE Tyler McDonald, Airport Consultant			DATE SIGNED 12/15/14  TELEPHONE (Area code, number and extension) 405/377-8278		



# McAlester City Council

## AGENDA REPORT

Meeting Date: January 13, 2015 Item Number: 1  
Department: Finance  
Prepared By: Toni Ervin, CFO / Nate Atchison, Finley and Cook Account Code: \_\_\_\_\_  
Date Prepared: January 5, 2015 Budgeted Amount: \_\_\_\_\_  
Exhibits: 1

### Subject

Consider and act upon, accepting the annual City of McAlester Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2014.

### Recommendation

Motion to accept the annual Audit for Fiscal Year ending June 30, 2014 for the City of McAlester.

### Discussion

In accordance with the City Charter, the Audit and Finance Advisory Committee has conducted a review of the June 30, 2014 City of McAlester GAAP Financial Statement.

### Approved By

		<i>Initial</i>	<i>Date</i>
Department Head	T. Ervin	_____	1/5/2015
City Manager	P. Stasiak	<u>PJS</u>	_____

# **City of McAlester**

**McAlester, Oklahoma**

*The Auditors' Communication with  
Those Charged with Governance*

June 30, 2014





January 6, 2015

Honorable Mayor and City Council  
City of McAlester  
McAlester, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McAlester, Oklahoma (the "City"), as of and for the year ended June 30, 2014, and have issued our report thereon dated January 6, 2015. Professional standards require that we provide you with the information about our responsibilities under auditing standards generally accepted in the United States and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 13, 2014. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City adopted new accounting guidance during the year ended June 30, 2014, as noted below. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an Amendment of GASB Statement No. 25* (GASB 67). GASB 67 addresses reporting by pension plans that administer benefits for governments and outlines basic framework for the separately issued financial reports of defined benefit pension plans, and details note disclosure requirements for defined benefit pension plans. The City adopted GASB 67 effective July 1, 2013. The adoption changed various reporting terminology, footnote disclosures, and required supplementary information to be disclosed.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.



### **Significant Audit Findings, Continued**

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We identified no such misstatements.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 6, 2015.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants. We are aware of the City's relationship with Crawford & Associates, P.C.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, the schedule of funding progress—defined benefit retirement plan, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of investment returns, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements of non-major governmental funds, combining statements of general fund accounts, combining statements of McAlester Public Works Authority accounts, combining statements of McAlester Airport Authority accounts, combining statements of Internal Service Funds accounts, budgetary comparison schedule for Major Capital Project and Debt Service governmental funds, budgetary comparison schedule for Nonmajor Governmental Funds, schedule of Revenue Bond Coverage, and schedule of expenditures of federal awards, (collectively referred to as the "other supplementary information"), which accompany the financial statements but are not RSI. With respect to the other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Honorable Mayor and City Council  
City of McAlester  
McAlester, Oklahoma  
January 6, 2015  
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**Other Required Communications**

We as independent auditors are required to:

- a. Communicate significant deficiencies or material weaknesses in internal control to the audit committee or its equivalent.
- b. Report directly to the audit committee (or equivalent) any fraud that causes a material misstatement of the financial statements and any fraud involving senior management. Fraud perpetrated by lower-level employees is also to be reported if it resulted in an individually significant misstatement.
- c. Report illegal acts that come to our attention (except those that are clearly inconsequential).

We have nothing to report.

**Restriction on Use**

This information is intended solely for the use of you, the City management, the City staff, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

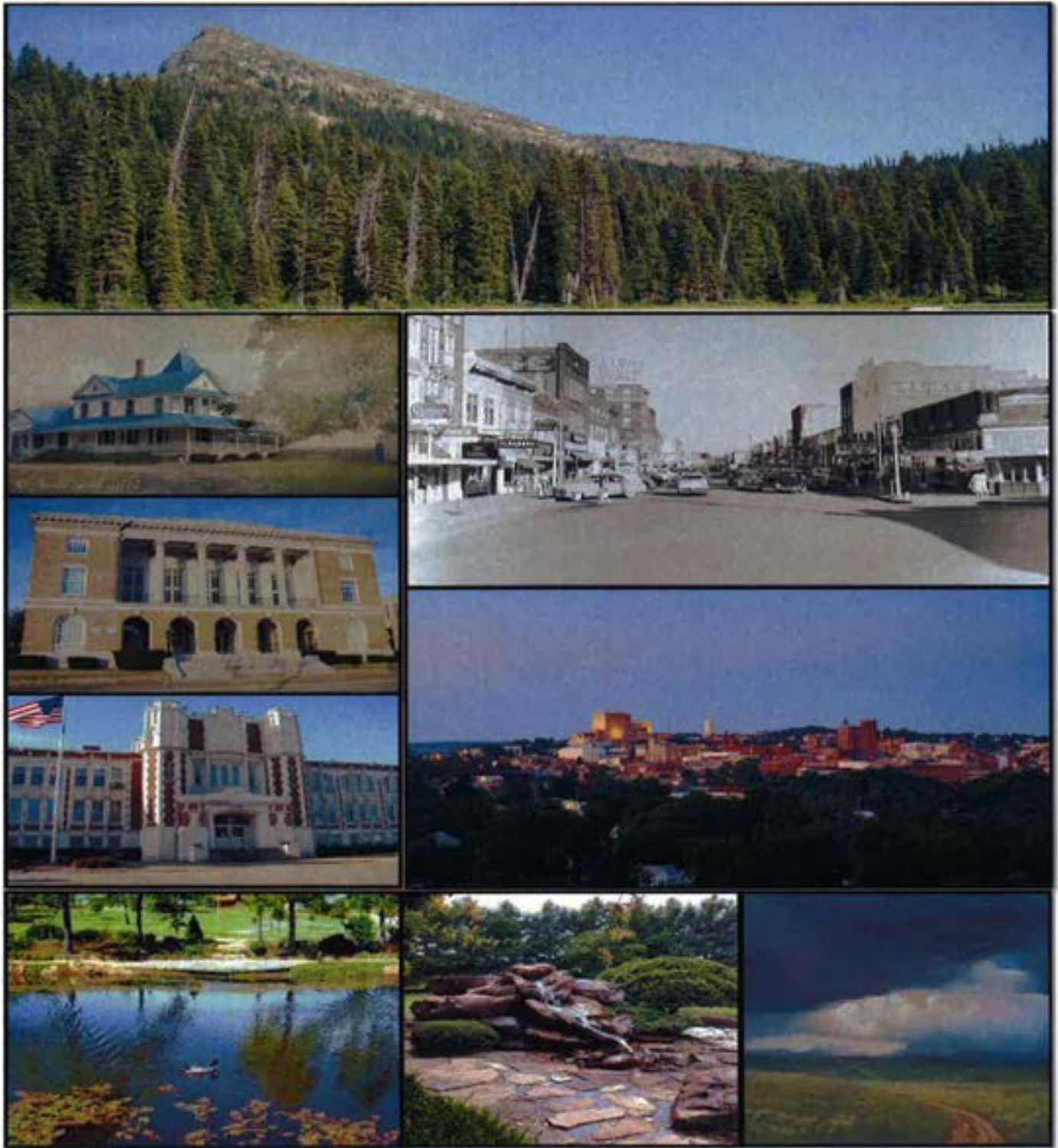
Sincerely,

FINLEY & COOK, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS



Nathan Atchison  
Partner





## *City of McAlester, Oklahoma*

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND  
ACCOMPANYING INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014

**THE CITY OF MCALESTER, OKLAHOMA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

Prepared By:  
City of McAlester Department of Finance  
Toni Ervin, Chief Financial Officer

CITY OF MCALESTER, OKLAHOMA  
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## Introduction Section

## **City of McAlester**

PO BOX 578 - 28 EAST WASHINGTON - MCALESTER, OKLAHOMA 74502-0578 (918)423-9300 FAX (918)421-4971

January 6, 2015

### **Honorable Mayor, Members of the City Council and the Citizens of the City of McAlester, Oklahoma:**

It is required by state statute that every general-purpose government publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes the responsibility for the accuracy of the data and the completeness and reliability of the information contained in this report. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that assets of the City are protected from loss, theft or misuse in order to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements that are free from material misstatements. Due to cost, internal controls should not exceed the anticipated benefits of providing the control. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The City's financial statements have been audited by Finley and Cook, a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2014. The independent auditor's report is presented as the first component of the financial section of this report.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.



## **Profile of the Government**

McAlester is located in Southeast Oklahoma. The City is governed by the Council-Manager form of government. This form of government most closely resembles the private sector with the Manager serving as the Chief Executive Officer, the Mayor as the Chairman of the Board, and the Council as the Board of Directors. The City Council is the legislative body for the City of McAlester. It is comprised of the Mayor, Vice-Mayor and five council members who are elected to serve four-year terms. The seven members represent each of the City's six wards.

The City of McAlester provides a variety of municipal services to 18,000+ residents, including police and fire protection, planning and zoning services, parks and recreational activities, and the construction and maintenance of streets, and other infrastructure. The City also provides water, wastewater, storm water, and solid waste to its residents under the legal entity of (MPWA) McAlester Public Works Authority.

The City operates on a fiscal year basis, beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>. All funds of the City with revenues and expenditures are required to have annual budgets. The City Manager's proposed operating budget for the fiscal year commencing the following July 1 is submitted to the City Council prior to June 1. A public hearing is held prior to June 15 to obtain citizen comments. Subsequent to the public hearing but not later than seven days prior to July 1, the budget is adopted by Ordinance of the City Council. The adopted budget is filed with the Office of State Auditor and Inspector. The appropriated budget is prepared by fund, function and department. All supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments without City Council approval up to \$25,000. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

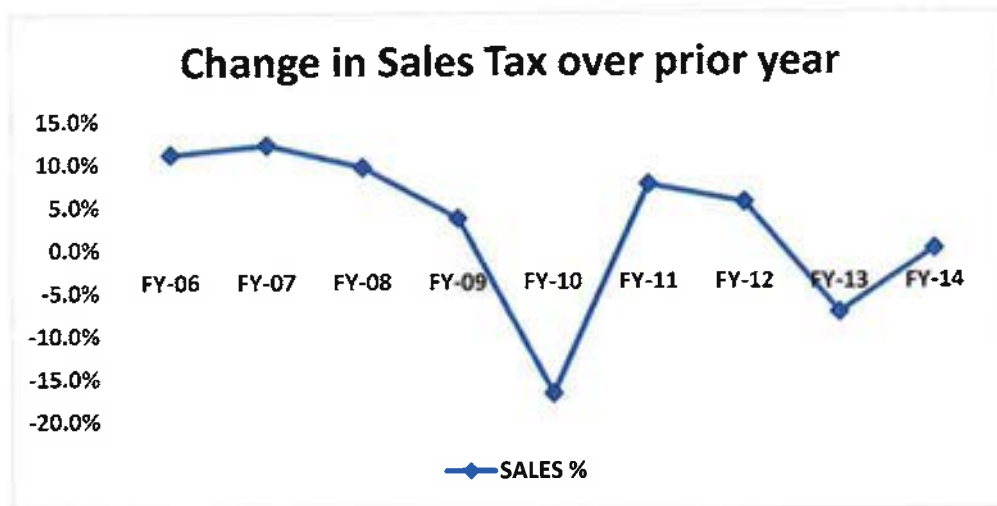
## **Local Economy**

Positioned in the center of Southeast Oklahoma, the City of McAlester is the largest community within the Choctaw Nation and serves as a regional hub for industry, tourism, retail, and healthcare. With a trade area of 70,000 people, McAlester boasts a thriving economy that is continuously creating new business opportunities.

Where the Ouachita foothills meets the Eufaula Lake reservoir, McAlester contains a scenic and memorable backdrop for outdoor enthusiasts to enjoy. Within the City limits, the historic Old Town and Downtown districts promote local culture and provide a variety of retail options to residents.

Some of the essential employers that contribute to the City's diverse economy include the McAlester Army Ammunition Plant, Spirit Aerosystems, Berry Plastics, Choctaw Defense, the McAlester Regional Health Center, National Oilwell Varco, the Oklahoma State Penitentiary, and Tucker Energy.

Sales tax represents 57% of the City's total General Fund Revenue, excluding transfers. Even though sales tax numbers have decreased for the fiscal year, sales tax collections shows signs of stabilization. McAlester's local economy has demonstrated resiliency and strength. Therefore, the economic outlook remains optimistic. Annual trends in City sales tax are illustrated below:



### Major Initiatives

With cooperation and leadership from the mayor and council, city management and staff, many major projects were successful in fiscal year 2013-14. We have continued our dedication to major street improvements projects. With previous year's savings on refinancing our 1999A bond and issuance of new bond money assigned to street projects, CIP#1 at \$794,000 kicked off the beginning of the numerous street projects identified. CIP#2 is in the design stage, an engineering firm has been hired and is planned as a \$1,740,000 project with a portion located on A Street and a portion located on Sixth Street. The future street projects will be CIP#3 at \$2,290,000 on Second Street, CIP#4 at \$2,641,000 located on Sixth Street and South Avenue, and CIP#5 at \$4,832,000 located on Washington Avenue.

This year was a banner year for the City in providing quality of life projects and activities for our community. Chaddick Park received a major playground upgrade from dated equipment that only accommodated 30 children to state of the art handicap accessible equipment that will accommodate 120 children. Our Movies in the Park series that was held at Chaddick Park was a huge success and fun activity for our community.

With grants and continued community support, the following projects were implemented. The Union Pacific Trails project in North Town provides an alternative walking trail for citizens who want to learn the history of McAlester on their outings. The addition of a Disc Golf Course, adjacent to Rotary Park, will be a local option for disc golf sports enthusiasts and will encourage tourism. The new dog park named Central Bark was a

much needed community addition and is used daily. And finally, the Firewise Program is affording equipment to the citizens of McAlester to improve the appearance and safety of their property at no cost.

The preparation of this Comprehensive Annual Financial Report is a combined effort of the Finance Department and the professional assistance of Crawford & Associates, P.C. Our sincere appreciation is extended to all who contributed to its preparation.

Finally, we would like to thank the Mayor, the members of the City Council, and the members of the Audit and Finance Committee for their policy guidance which is contained in this document. As the governing body, we appreciate their leadership, encouragement and support in strengthening and improving the fiscal policies of the City of McAlester.

Respectfully Submitted,



Peter Stasiak  
City Manager



Toni Ervin  
Chief Finance Officer

**CITY OF MCALESTER, OKLAHOMA**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2014**

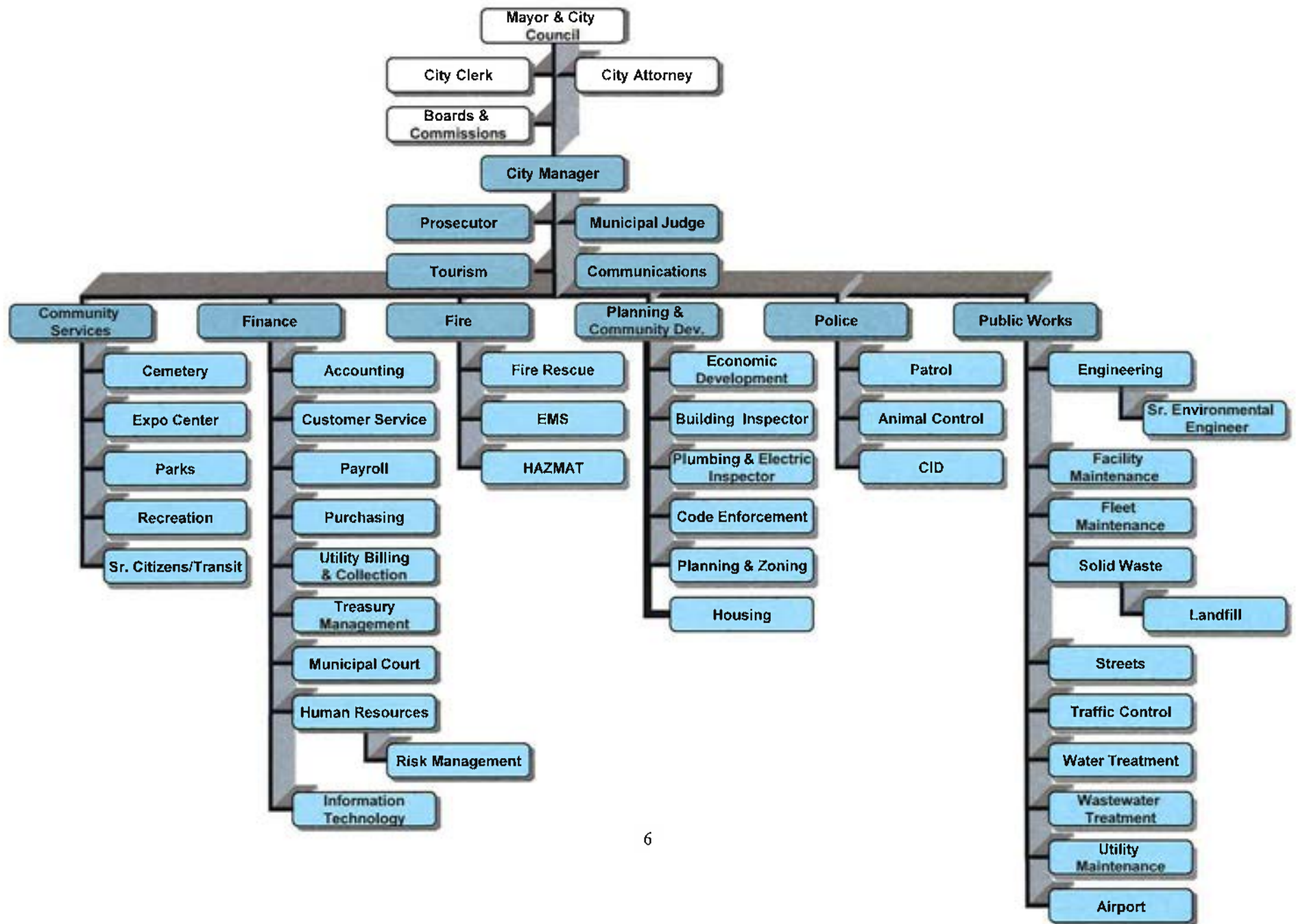
**City Council**

Steve Harrison, Mayor  
Weldon Smith, Member Ward 1  
John Titsworth, Member Ward 2  
Travis Read, Member Ward 3  
Robert Karr, Member Ward 4  
Buddy Garvin, Member Ward 5  
Jason Barnett, Member Ward 6

**Administration**

Peter J. Stasiak	City Manager
Cora Middleton	City Clerk
Toni Ervin	Chief Financial Officer

# City of McAlester Organizational Chart



Financial Section



## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
City of McAlester  
McAlester, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McAlester, Oklahoma (the "City") as of and for the year ended June 30, 2014, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the McAlester Regional Health Center Authority (the "Authority"), which represents 99.9% of the total assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

### **Opinions**

In our opinion, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

### **Emphasis of Matters**

#### *Adoption of New Accounting Standards*

As described in Note 13 to the financial statements in 2014, the City adopted new accounting guidance of the Governmental Accounting Standards Board (GASB) as follows: Statement No. 67, *Financial Reporting for Pension Plans—An Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

#### *Restatement of Beginning Net Position*

As more fully discussed in Note 8 to the financial statements, the beginning net positions of the governmental activities, business-type activities, and enterprise funds, along with certain fund balances of governmental funds, were restated due to the reclassification of certain revenue bonds and bond activity from enterprise funds and business-type activities to governmental funds and governmental activities. Our opinion is not modified with respect to these matters.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information, the schedule of funding progress—defined benefit retirement plan, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of investment returns as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)



## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

### **Other Matters, Continued**

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

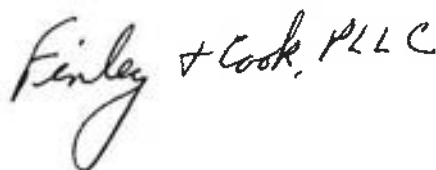
#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory and statistical sections, as listed on the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Finley + Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma  
January 6, 2015

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As management of the City of McAlester, we offer readers this narrative overview and analysis of the financial activities of the City of McAlester for the fiscal year ended June 30, 2014. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The City's overall financial position improved during the year ended June 30, 2014. Total net position increased by \$3,673,126 and the City's total government-wide assets and deferred outflows continuing to exceed its total liabilities at June 30, 2014, by \$26,012,821 which represents its total government-wide net position.
- The City's governmental activities experienced a current year increase in net position of \$3,485,084, while business-type activities experienced a current year increase in net position of \$188,042. However, while overall financial condition did improve from the prior year, there are still several areas of concern and conditions that are worth noting in terms of the City's financial position. These concerns or conditions include the following:
  - While the City has total government-wide net position amounting to \$26,012,821, it is segregated by \$16,116,141 in a net investment in capital assets and \$9,671,931 of net position restricted for various purposes, thus leaving the City with a \$224,749 of an unrestricted net position, split by a \$331,766 of an unrestricted net position (deficit) located in the City's governmental activities and \$556,515 of unrestricted net position in the City's business-type activities. This negative balance is indicative of the McAlester Public Works Authority (MPWA) issuing revenue bonded indebtedness (reported in the governmental activities in the government-wide financial statements) for the benefit of entities not included within the City's primary government, primarily school system improvements and economic development activities. The capital assets related to the debt for the school system improvements and economic development are not shown in these financial statements, but rather in each of those entities separate financial statements. Most of this debt is expected to be retired from future dedicated sales tax collections. The result of reporting the long-term debt without corresponding capital assets is to report an unrestricted net position (deficit).
  - At June 30, 2014, the City's governmental funds reported combined ending fund balances of \$34,671,130. That net amount is the result of \$5,987 non-spendable fund balance, \$28,542,781 in restricted fund balance, \$3,510,329 of assigned fund balance, and \$2,612,033 in unassigned fund balance.
  - All activity of the revenue bonds issued by the McAlester Public Works Authority were previously reported in an enterprise fund and as business-type activities; however, these revenue bonds were related to activities and capital improvements of the City's governmental activities including street and drainage improvements, along with activities for the benefit of entities not included within the City's primary government, primarily school system improvements and economic development activities. Therefore, these activities are now being reported in the governmental funds and governmental activities.
  - On June 30, 2013, the City effectively halted the admission of new employees into its single employer defined benefit pension plan, in order to freeze the plan's liabilities at their current levels. In its place, the City has created a single employer defined contribution plan for its employees, which is administered by the Oklahoma Municipal Retirement Fund (OMRF).

- The City has implemented GASB Statement 67-Financial Reporting for Pension Plans, during this fiscal year, which requires new and additional disclosures, and additional Required Supplementary Information schedules related to the funded status of the City's single employer pension plan.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

The financial statements presented herein include all of the activities of the financial reporting entity of the City of McAlester (the "City"). The financial reporting entity consists of the following separate legal entities:

- The Primary Government
  - City of McAlester
  - McAlester Public Works Authority
  - McAlester Airport Authority
  - McAlester Municipal Improvement Authority (currently inactive)
- Discretely Presented Component Units
  - McAlester Regional Health Center
  - McAlester Parking Authority

The entities included as part of the primary government are included in this report within the governmental-wide statements in either of two categories of activities – governmental and business-type. The discretely presented component units are combined and reported in a single column labeled Component Units. This management discussion and analysis focuses on the primary government as defined above.

The governmental-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

### **Reporting the City as a Whole**

#### ***The Statement of Net Position and Statement of Activities***

This discussion and analysis is intended to serve as an introduction to the City of McAlester's basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 20 & 21, respectively) report information about the City as a whole and about its activities in a way that helps answer questions. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other non-financial factors, such as changes in the City's tax base, the condition of the City's roads and other infrastructure, and the quality of services to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into three types of activities:

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City's activities that charge a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer, and solid waste collections utilities, along with its airport activities, are reported here.
- **Discretely-presented component units** -- These account for activities of the City's reporting entity that do not meet the criteria for blending, and include the Regional Health Center Authority and the Parking Authority.

### **Reporting the City's Most Significant Funds**

#### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. The City of McAlester, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of McAlester can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** -- Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

**Proprietary funds** -- When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Enterprise funds are one type of proprietary funds and are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and solid waste collection, disposal services, and airport services. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary funds* - When the City is responsible for assets that – because of a trust arrangement or other fiduciary requirement – can be used only for trust beneficiaries or other parties, such as the City's single employer Defined Benefit Retirement Plan and Trust Fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance operations.

### **A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

For the year ended June 30, 2014, net position for the governmental activities and business-type activities increased \$3,673,126. The results indicate the City, as a whole, improved its financial condition from the prior year.

#### **The City of McAlester's Change in Net Position**

	Governmental Activities	Business-type Activities	Total
Beginning net position (deficit), restated	\$ (3,496,917)	\$ 25,836,612	\$ 22,339,695
Increase in net position	3,485,084	188,042	3,673,126
<b>Ending net position</b>	<b>\$ (11,833)</b>	<b>\$ 26,024,654</b>	<b>\$ 26,012,821</b>

Following is a summary comparison of change in net position from last year for the City of McAlester.

#### **The City of McAlester's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	(Restated) 2013	2014	(Restated) 2013	2014	(Restated) 2013
<b>Assets:</b>						
Current and other assets	\$ 37,554,887	\$ 31,112,450	\$ 6,004,915	\$ 6,084,278	\$ 43,559,802	\$ 37,196,728
Capital assets	30,201,974	30,845,763	26,848,160	27,067,882	57,050,134	57,913,645
<b>Total assets</b>	<b>67,756,861</b>	<b>61,958,213</b>	<b>32,853,075</b>	<b>33,152,160</b>	<b>100,609,936</b>	<b>95,110,373</b>
<b>Deferred Outflows of Resources:</b>						
Deferred outflow on refunding	1,004,449	1,118,150	-	-	1,004,449	1,118,150
<b>Liabilities:</b>						
Long-term liabilities	66,943,076	64,990,322	5,849,461	6,223,238	72,792,537	71,213,560
Other liabilities	1,830,067	1,582,958	978,960	1,092,310	2,809,027	2,675,268
<b>Total liabilities</b>	<b>68,773,143</b>	<b>66,573,280</b>	<b>6,828,421</b>	<b>7,315,548</b>	<b>75,601,564</b>	<b>73,888,828</b>
<b>Net position:</b>						
Net investment in capital assets	(9,351,998)	(9,975,157)	25,468,139	25,309,905	16,116,141	15,334,748
Restricted	9,671,931	9,774,023	-	-	9,671,931	9,774,023
Unrestricted (deficit)	(331,766)	(3,295,783)	556,515	526,707	224,749	(2,769,076)
<b>Total net position</b>	<b>\$ (11,833)</b>	<b>\$ (3,496,917)</b>	<b>\$ 26,024,654</b>	<b>\$ 25,836,612</b>	<b>\$ 26,012,821</b>	<b>\$ 22,339,695</b>

The significant decline in the size of the governmental activity unrestricted net position (deficit) is primarily the result of receiving proceeds from sale of capital assets of \$1,350,000 and a decrease in revenue bonds outstanding of \$1,225,000 related to non-capital school and economic development debt.

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to approximately \$16.1 million. Although the City's investment in its capital assets is reported

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**CITY OF MCALESTER, OKLAHOMA**  
**JUNE 30, 2014**

net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, approximately \$9.7 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is generally considered to be available to be used to meet the government's ongoing obligations to citizens and creditors. For the current year, this unrestricted net position amounted to approximately \$224,749. The governmental activities deficit balance of \$331,766 is indicative of the McAlester Public Works Authority (MPWA) issuing revenue bonded indebtedness for the benefit of entities not included within the City's primary government, primarily school system improvements and economic development activities. Most of this debt is expected to be retired from future dedicated sales tax collections. However, the result of reporting the long-term debt without corresponding capital assets is to report an unrestricted net position (deficit).

**The City of McAlester's Statement of Activities**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
		(Restated)		(Restated)		(Restated)
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 3,538,079	\$ 2,905,487	\$ 8,746,434	\$ 9,719,309	\$ 12,284,513	\$ 12,624,796
Grants & Contributions	1,219,239	1,211,012	-	-	1,219,239	1,211,012
Capital Grants & Contributions	314,587	231,653	72,772	665,393	387,359	897,046
General Revenues:						
Sales & Use Tax	13,950,434	14,056,846	-	-	13,950,434	14,056,846
Other Taxes	1,686,195	1,692,003	-	-	1,686,195	1,692,003
Other General Revenues	1,797,294	512,456	59,618	133,089	1,856,912	645,545
<b>Total Revenues</b>	<b>22,505,828</b>	<b>20,609,457</b>	<b>8,878,824</b>	<b>10,517,791</b>	<b>31,384,652</b>	<b>31,127,248</b>
<b>Program Expenses:</b>						
Legislature	92,698	119,631	-	-	92,698	119,631
Administration	2,633,457	2,593,075	-	-	2,633,457	2,593,075
Public safety	8,269,035	8,398,927	-	-	8,269,035	8,398,927
Community services	2,176,495	2,692,851	-	-	2,176,495	2,692,851
Administration services	1,011,076	1,073,174	-	-	1,011,076	1,073,174
Health and welfare	256,902	277,730	-	-	256,902	277,730
Public works	2,764,212	2,641,505	-	-	2,764,212	2,641,505
Economic development	243,467	334,831	-	-	243,467	334,831
Interest on long-term debt	2,603,604	2,365,317	-	-	2,603,604	2,365,317
Water	-	-	2,504,280	2,699,541	2,504,280	2,699,541
Sewer	-	-	1,534,532	1,633,520	1,534,532	1,633,520
Sanitation	-	-	3,291,636	3,836,266	3,291,636	3,836,266
Airport	-	-	330,132	322,386	330,132	322,386
<b>Total Expenses</b>	<b>20,050,946</b>	<b>20,497,041</b>	<b>7,660,580</b>	<b>8,491,713</b>	<b>27,711,526</b>	<b>28,988,754</b>
Revenues in excess of expenses	2,454,882	112,416	1,218,244	2,026,078	3,673,126	2,138,494
Net Transfers	1,030,202	913,496	(1,030,202)	(913,496)	-	-
<b>Increase in Net Position</b>	<b>\$ 3,485,084</b>	<b>\$ 1,025,912</b>	<b>\$ 188,042</b>	<b>\$ 1,112,582</b>	<b>\$ 3,673,126</b>	<b>\$ 2,138,494</b>

For the year ended June 30, 2014, on a government-wide basis, the City experienced an improvement in its financial condition resulting in an increase in total net position of \$3,673,126. The increase in the change in net position can be attributable to an increase in other general revenues related to proceeds from sale of capital assets of \$1,350,000.

The City's current year governmental activities increase in net position of \$3,485,084 represents a significant change from the increase in net position of \$1,025,912 experienced in the prior year. This year's increase in the change in net position from the prior year change can be attributable in large part to receiving proceeds from sale of capital assets of \$1,350,000.

The business-type activities experienced a current year increase in net position of \$188,042, and represents a significant change from the increase in net position of \$1,112,582 experienced in the prior year. This year's decrease in the change in net position from the prior year change can be attributable in large part to a decrease in charges for services utility revenue.

In reviewing the activity net (expense)/revenue, all business-type functions, with the exception of sanitation and airport, (water and sewer) charges for services more than covered all related expenses.

### ***A FINANCIAL ANALYSIS OF THE CITY'S FUNDS***

As the City completed its 2014 fiscal year, the governmental funds reported a combined fund balance of \$34,671,130. However, that net amount is the result of \$5,987 in non-spendable fund balance, \$28,542,781 in restricted fund balance, \$3,510,329 of assigned fund balance, and \$2,612,033 in unassigned fund balance.

For the reasons discussed previously in regards to business-type activities, the enterprise funds reported combined net position of approximately \$26 million.

The General Fund's total fund balance increased by \$312,448, or 13.3%, which is a decrease from the change in fund balance of prior year. This is in large part due to a slight decrease in current year sales tax, an increase in expenses, and a decrease in net transfers in.

The McAlester Public Works Authority enterprise fund reported an increase in net position, after transfers and capital contributions of \$134,787 for the year.

#### **General Fund Budgetary Highlights**

For the year ended June 30, 2014, the General Fund reported actual budgetary basis amounts available for appropriations above final estimates by \$1,941,000 or a 13.0% positive variance. This variance is due to the City only appropriating \$1,055,690 of actual \$2,698,546 beginning budgetary fund balance. General Fund actual expenditures were under final appropriations by \$853,939 or a 5.7% positive variance.

### ***CAPITAL ASSETS & DEBT ADMINISTRATION***

#### **Capital Assets**

At June 30, 2014, the City had approximately \$57.1 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges. This represents a net decrease of \$863,511 from last year.

Below are details regarding the City's capital assets for the years ended June 30, 2014 and 2013.<sup>1</sup>

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<sup>1</sup> For more detailed information on capital asset activity please refer to page 45-46, Note 5. Capital Assets and Depreciation

<sup>2</sup> For more detailed information on long-term debt activity please refer to page 47-53, Note 7. Long-Term Debt and Debt Service Requirements



### The City of McAlester's Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 680,937	\$ 675,209	\$ 212,571	\$ 212,571	\$ 893,508	\$ 887,780
Buildings and Improvements	7,321,732	7,243,526	6,058,074	5,923,049	13,379,806	13,166,575
Machinery and Equipment	10,623,812	10,049,451	3,519,990	3,402,339	14,143,802	13,451,790
Infrastructure	63,526,061	62,885,125	-	-	63,526,061	62,885,125
Utility Property	-	-	45,430,877	43,431,999	45,430,877	43,431,999
Water rights contracts	-	-	719,075	719,075	719,075	719,075
Construction-in-progress	601,185	108,115	686,231	1,769,285	1,287,416	1,877,400
Totals	82,753,727	80,961,426	56,626,818	55,458,318	139,380,545	136,419,744
Less Depreciation	(52,551,753)	(50,115,663)	(29,778,658)	(28,390,436)	(82,330,411)	(78,506,099)
<b>Totals, Net</b>	<b>\$ 30,201,974</b>	<b>\$ 30,845,763</b>	<b>\$ 26,848,160</b>	<b>\$ 27,067,882</b>	<b>\$ 57,050,134</b>	<b>\$ 57,913,645</b>

This year's more significant capital asset additions include \$158,061 for Mallard & Flamingo Street Project, \$969,113 for Residual Handling Improvements, \$145,249 for 2013 CDBG Water Improvements, \$267,656 for a 12" Water Main-Taylor Bus. Park, \$433,884 for Sewer Extension Project at 14<sup>th</sup> St & Hwy 69, \$170,165 for 8" Water Main Project, \$524,844 for 17<sup>th</sup> Street Project, \$417,615 for Street Projects, and \$131,615 for C130 Aircraft Parking Project.

### Debt Administration

At year-end, the City had \$72.9 million in long-term debt outstanding, which represents a \$1,566,227 increase from the prior year.<sup>2</sup>

### The City of McAlester's Long-term Debt

	Governmental Activities (Restated)		Business-type Activities (Restated)		Totals (Restated)	
	2014	2013	2014	2013	2014	2013
Capital leases payable	\$ 42,779	\$ 80,443	\$ -	\$ -	\$ 42,779	\$ 80,443
Claims liability	503,641	555,221	-	-	503,641	555,221
Accrued compensation	2,096,308	2,079,675	239,902	275,577	2,336,210	2,355,252
Notes Payable	-	-	450,905	613,683	450,905	613,683
Revenue Bonds Payable	64,122,887	62,046,923	-	-	64,122,887	62,046,923
Landfill Closure and Post-Closure	-	-	3,663,494	3,622,531	3,663,494	3,622,531
Net pension benefit obligation	317,585	380,934	95,441	117,660	413,026	498,594
Contract obligation	-	-	754,165	942,707	754,165	942,707
Water contract obligations	-	-	174,951	201,587	174,951	201,587
Deposits subject to refund	-	-	470,603	449,493	470,603	449,493
<b>Totals</b>	<b>\$ 67,083,200</b>	<b>\$ 65,143,196</b>	<b>\$ 5,849,461</b>	<b>\$ 6,223,238</b>	<b>\$ 72,932,661</b>	<b>\$ 71,366,434</b>

The MPWA issued \$4,910,000 of 2014 Utility System & Sales Tax Revenue Bonds to provide funds to pay the cost and expenses of certain street improvements benefiting the City.

The 2002 Revenue Bonds contain \$746,818, \$704,610, \$664,799, and \$920,949 (par value) of capital appreciation bonds. The accreted value of the first three bonds is \$3,930,000 each, and will require three

separate \$3,930,000 payments maturing February 1, 2031, February 1, 2032 and February 1, 2033. The fourth bond will mature on February 1, 2034 and require a payment of \$5,770,000. No payments are required to be made on these bonds until maturity.

### ***ECONOMIC OUTLOOK***

In fiscal year 2013-2014, the City of McAlester revenues met our budget projections with sales tax revenues showing signs of stabilization. McAlester has a strong foundation of employers that contribute to the City's stable economy. They include the McAlester Army Ammunition Plant, Spirit Aerosystems, Berry Plastics, Choctaw Defense, the McAlester Regional Health Center, National Oilwell Varco, the Oklahoma State Penitentiary, and Tucker Energy. Our economic outlook remains positive.

The City of McAlester continues to prioritize services for our community. First, major street improvement projects are underway funded by the 2013 and 2014 bond issuance. Second, by prioritizing capital improvements and infrastructure repairs, the City is able to fund much-needed projects and equipment. Third, with the support of our council, management, staff, and the community, the City of McAlester put together numerous quality of life projects in 2013-2014. Great new handicap accessible playground equipment was installed at Chadick Park where we also held our Movies in the Park series. This was a big hit and a very popular family fun activity for our community. With grants and contributions from our community, the City completed the Union Pacific Trails project in North Town, a Disc Golf course, a community garden, a Firewise safety program, and a dog park called Central Bark.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 1<sup>st</sup> and Washington, McAlester, Oklahoma or phone at (918) 423-9300.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MCALESTER, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended June 30, 2014

**Government-Wide Statement of Net Position- June 30, 2014**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 32,137,335	\$ 3,349,011	\$ 35,480,346	\$ 21,377,807
Investments	1,734,206	-	1,734,206	3,579,031
Accounts receivable, net of allowance	-	1,038,736	1,038,736	12,128,125
Estimated amounts due from third-party payers	-	-	-	104,035
Franchise tax receivable	56,667	-	56,667	-
Ambulance receivable, net of allowance	115,347	-	115,347	-
Court fines receivable, net of allowance	1,326,109	-	1,326,109	-
Due from other governments	1,941,292	-	1,941,292	-
Prepaid expenses	5,987	-	5,987	1,558,672
Other receivables	57,331	-	57,331	-
Internal balances	100,745	(100,745)	-	-
Inventory	-	-	-	2,139,929
Investment in joint venture	-	1,723,913	1,723,913	4,498,671
Restitution receivable:				
Due within one year	5,541	-	5,541	-
Due in more than one year	74,327	-	74,327	-
Notes receivable:				
Due within one year	-	-	-	30,400
Due in more than one year	-	-	-	220,823
Capital assets:				
Land and other non-depreciable assets	1,282,122	1,617,877	2,899,999	1,253,445
Other capital assets, net of depreciation	28,919,852	25,230,283	54,150,135	22,393,489
<b>Total assets</b>	<b>67,756,861</b>	<b>32,853,075</b>	<b>100,609,936</b>	<b>69,284,427</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflow on refunding	1,004,449	-	1,004,449	-
<b>LIABILITIES:</b>				
Accounts payable	639,935	365,082	1,005,017	3,972,326
Accrued payroll liabilities	345,903	41,854	387,757	5,921,766
Accrued interest payable	842,079	3,049	845,128	-
Escrow deposit liabilities	-	511,199	511,199	-
Unearned revenue	2,150	57,776	59,926	-
Long-term liabilities:				
Due within one year	3,929,044	818,273	4,747,317	894,012
Due in more than one year	63,014,032	5,031,188	68,045,220	695,975
<b>Total liabilities</b>	<b>68,773,143</b>	<b>6,828,421</b>	<b>75,601,564</b>	<b>11,484,079</b>
<b>NET POSITION:</b>				
Net investment in capital assets	(9,351,998)	25,468,139	16,116,141	22,056,947
Restricted	9,671,931	-	9,671,931	547,885
Unrestricted (deficit)	(331,766)	556,515	224,749	35,193,516
<b>Total net position</b>	<b>\$ (11,833)</b>	<b>\$ 26,024,654</b>	<b>\$ 26,012,821</b>	<b>\$ 57,800,348</b>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2014**

**Government-Wide Statement of Activities – Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental activities:								
Legislature	\$ 92,698	\$ -	\$ -	\$ -	\$ (92,698)	\$ -	\$ (92,698)	\$ -
Administration	2,633,457	1,379,607	9,023	5,891	(1,238,936)	-	(1,238,936)	-
Public safety	8,269,035	1,753,602	952,484	35,143	(5,527,806)	-	(5,527,806)	-
Community services	2,176,495	108,181	22,081	19,553	(2,032,760)	-	(2,032,760)	-
Administration services	1,011,076	284,712	-	-	(726,364)	-	(726,364)	-
Health and welfare	256,902	-	61,870	-	(195,032)	-	(195,032)	-
Public works	2,764,212	11,977	173,861	-	(2,578,374)	-	(2,578,374)	-
Economic development	243,467	-	-	260,000	16,533	-	16,533	-
Interest on long-term debt	2,603,604	-	-	-	(2,603,604)	-	(2,603,604)	-
<b>Total governmental activities</b>	<b>20,050,946</b>	<b>3,538,079</b>	<b>1,219,239</b>	<b>314,587</b>	<b>(14,979,041)</b>	<b>-</b>	<b>(14,979,041)</b>	<b>-</b>
Business-type activities:								
Water	2,504,280	4,102,106	-	72,772	-	1,670,598	1,670,598	-
Sewer	1,534,532	1,633,623	-	-	-	99,091	99,091	-
Sanitation	3,291,636	2,918,401	-	-	-	(373,235)	(373,235)	-
Airport	330,132	92,304	-	-	-	(237,828)	(237,828)	-
<b>Total business-type activities</b>	<b>7,660,580</b>	<b>8,746,434</b>	<b>-</b>	<b>72,772</b>	<b>-</b>	<b>1,158,626</b>	<b>1,158,626</b>	<b>-</b>
<b>Total primary government</b>	<b>\$27,711,526</b>	<b>\$12,284,513</b>	<b>\$1,219,239</b>	<b>\$387,359</b>	<b>(14,979,041)</b>	<b>1,158,626</b>	<b>(13,820,415)</b>	<b>-</b>
<b>Component Units:</b>								
Parking	\$ 1,943	\$ 7,241	\$ -	\$ -				5,298
Hospital	81,178,885	84,784,235	-	12,091				3,617,441
<b>Total Component Units</b>	<b>\$ 81,180,828</b>	<b>\$ 84,791,476</b>	<b>\$ -</b>	<b>\$ 12,091</b>				<b>3,622,739</b>
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					13,950,434	-	13,950,434	-
Franchise and public service taxes					607,578	-	607,578	-
Hotel/motel taxes					447,768	-	447,768	-
E-911 taxes					630,849	-	630,849	-
Intergovernmental revenue not restricted to specific programs					291,828	-	291,828	-
Investment income					69,007	13,945	82,952	381,120
Miscellaneous					1,436,459	45,673	1,482,132	-
Transfers - Internal activity					1,030,282	(1,030,202)	-	-
<b>Total general revenues and transfers</b>					<b>18,464,125</b>	<b>(970,584)</b>	<b>17,493,541</b>	<b>381,120</b>
<b>Change in net position</b>					<b>3,485,084</b>	<b>188,042</b>	<b>3,673,126</b>	<b>4,003,859</b>
<b>Net position (deficit) - beginning, restated</b>					<b>(3,496,917)</b>	<b>25,836,612</b>	<b>22,339,695</b>	<b>53,796,489</b>
<b>Net position (deficit) - ending</b>					<b>\$ (11,833)</b>	<b>\$ 26,024,654</b>	<b>\$ 26,012,821</b>	<b>\$ 57,800,348</b>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
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**Governmental Funds Balance Sheet - June 30, 2014**

	General Fund	Special Revenue Reserve Fund	Capital Project Capital Improvement Plan Fund	Debt Service Dedicated Sales Tax - MPWA	Bond Trustee Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 3,089,847	\$ 2,776,565	\$ 585,931	\$ 657,295	\$ 18,870,850	\$ 6,114,820	\$ 32,095,308
Investments	-	869,373	321,475	-	-	543,358	1,734,206
Receivables:							
Due from other funds	-	-	800,000	-	-	25,000	825,000
Due from other governments	1,131,283	-	5,553	499,200	-	305,256	1,941,292
Franchise tax receivable	56,667	-	-	-	-	-	56,667
Court fines receivable, net of allowance	1,326,109	-	-	-	-	-	1,326,109
Ambulance receivable, net of allowance	115,347	-	-	-	-	-	115,347
Prepaid expenses	5,987	-	-	-	-	-	5,987
Other receivables	1,955	-	-	-	-	55,376	57,331
Total assets	\$ 5,727,195	\$ 3,645,938	\$ 1,712,959	\$ 1,156,495	\$ 18,870,850	\$ 7,043,810	\$ 38,157,247
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>							
Liabilities							
Accounts payable	\$ 250,664	\$ -	\$ 245,398	\$ -	\$ -	\$ 120,036	\$ 616,098
Accrued payroll liabilities	325,802	-	-	-	-	14,920	340,722
Due to other funds	1,215,350	-	-	-	-	25,000	1,240,350
Unearned revenue	2,150	-	-	-	-	-	2,150
Total liabilities	1,793,966	-	245,398	-	-	159,956	2,199,320
Deferred Inflows of Resources:							
Deferred revenue	1,266,367	-	5,553	-	-	14,877	1,286,797
Fund Balances:							
Nonspendable	5,987	-	-	-	-	-	5,987
Restricted	-	3,472,802	800,000	1,156,495	18,870,850	4,242,634	28,542,781
Assigned	48,842	173,136	662,008	-	-	2,626,343	3,510,329
Unassigned	2,612,033	-	-	-	-	-	2,612,033
Total fund balances	2,666,862	3,645,938	1,462,008	1,156,495	18,870,850	6,868,977	34,671,130
Total liabilities, deferred inflows and fund balances	\$ 5,727,195	\$ 3,645,938	\$ 1,712,959	\$ 1,156,495	\$ 18,870,850	\$ 7,043,810	\$ 38,157,247

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
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**As of and for the Year Ended June 30, 2014**

**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position:**

<b>Total fund balances - governmental funds</b>	\$ 34,671,130
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$52,551,753	30,201,974
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Grants receivable	20,430
Court fines receivable, net of allowance for doubtful accounts of \$1,326,108	1,250,907
Ambulance receivable, net of allowance for doubtful accounts of \$1,592,561	15,460
	<u>1,286,797</u>
Certain long-term assets are not a current financial resource and, therefore, are not reported in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:	
Restitution receivable	79,868
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Accrued interest payable	(842,079)
Capital lease obligations payable	(42,779)
Revenue bonds payable, net of discount of \$140,124	(63,982,763)
Deferred outflow on refunding	1,004,449
Accrued compensated absences	(2,070,845)
Net pension benefit obligation	(317,585)
	<u>(66,251,602)</u>
<b>Net position of governmental activities</b>	<b>\$ (11,833)</b>

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**Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2014**

	General Fund	Special Revenue Reserve Fund	Capital Project Capital Improvement Plan Fund	Debt Service Dedicated Sales Tax - MFWA	Bond Trustee Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 8,846,991	\$ -	\$ -	\$ 3,807,349	\$ -	\$ 2,982,289	\$ 15,636,629
Intergovernmental	1,464,771	-	-	-	-	369,038	1,833,809
Charges for services	2,130,662	-	233,180	-	-	331,634	2,695,476
Fines and forfeitures	787,160	-	-	-	-	-	787,160
Licenses and permits	141,489	-	-	-	-	-	141,489
Investment income	23,284	17,211	763	5,384	1,121	21,244	69,007
Miscellaneous	80,142	-	6,605	-	-	47,124	133,871
<b>Total Revenues</b>	<b>13,474,499</b>	<b>17,211</b>	<b>240,548</b>	<b>3,812,733</b>	<b>1,121</b>	<b>3,751,329</b>	<b>21,297,441</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Legislature	92,698	-	-	-	-	-	92,698
Administration	2,455,164	-	-	1,500	-	18,826	2,475,490
Public safety	7,333,554	-	-	-	-	528,210	7,861,764
Community services	1,859,274	-	-	-	-	2,883	1,862,157
Administration services	446,697	-	-	-	-	564,017	1,010,714
Health and welfare	254,596	-	-	-	-	-	254,596
Public works	1,169,200	-	-	-	-	-	1,169,200
Economic development	-	-	-	-	-	217,067	217,067
Capital outlay	553,273	-	938,186	-	524,844	491,811	2,508,114
Debt service:							
Principal retirement	-	-	37,664	-	3,170,000	-	3,207,664
Interest and fiscal charges	-	-	2,882	-	2,145,334	-	2,148,216
Bond issue costs	-	-	-	-	83,603	-	83,603
<b>Total Expenditures</b>	<b>14,164,456</b>	<b>-</b>	<b>978,732</b>	<b>1,500</b>	<b>5,923,781</b>	<b>1,822,814</b>	<b>22,891,283</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(689,957)</b>	<b>17,211</b>	<b>(738,184)</b>	<b>3,811,233</b>	<b>(5,922,660)</b>	<b>1,928,515</b>	<b>(1,593,842)</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in	1,760,943	-	665,547	-	5,622,417	72,799	8,121,706
Transfers out	(758,538)	-	(324,751)	(4,082,736)	-	(1,543,071)	(6,709,096)
Proceeds from sale of capital assets	-	-	-	-	-	1,350,000	1,350,000
Bond proceeds	-	-	-	-	4,910,000	-	4,910,000
<b>Total Other Financing Sources (Uses)</b>	<b>1,002,405</b>	<b>-</b>	<b>340,796</b>	<b>(4,082,736)</b>	<b>10,532,417</b>	<b>(120,272)</b>	<b>7,672,610</b>
<b>Net change in fund balances</b>	<b>312,448</b>	<b>17,211</b>	<b>(397,388)</b>	<b>(271,503)</b>	<b>4,609,757</b>	<b>1,808,243</b>	<b>6,078,768</b>
<b>Fund balances - beginning, restated</b>	<b>2,354,414</b>	<b>3,628,727</b>	<b>1,859,396</b>	<b>1,427,998</b>	<b>14,261,093</b>	<b>5,060,734</b>	<b>28,592,362</b>
<b>Fund balances - ending</b>	<b>\$ 2,666,862</b>	<b>\$ 3,645,938</b>	<b>\$ 1,462,008</b>	<b>\$ 1,156,495</b>	<b>\$ 18,870,850</b>	<b>\$ 6,868,977</b>	<b>\$ 34,671,130</b>

See accompanying notes to the basic financial statements.



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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

**Reconciliation of the Statement of Changes in Fund Balances of Governmental Funds to the Statement of Activities:**

**Net change in fund balances - total governmental funds** **\$ 6,078,768**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays and issue costs as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	2,474,617
Capital asset purchases for business-type activities	(688,360)
Capital assets contributed	5,891
Book value on capital assets disposed	153
Depreciation expense	(2,436,090)
	(643,789)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in restitution revenue	(5,541)
Change in deferred revenue	163,836
	158,295

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Revenue bond proceeds	(4,910,000)
Revenue bond principal payments	3,170,000
Accretion of capital appreciation revenue bonds	(335,964)
Capital lease obligation principal payments	37,664
	(2,038,300)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued interest expense	7,027
Amortization of deferred outflow on refunding	(126,451)
Accrued compensated absences expenses	(13,815)
Accrued net pension benefit obligation	63,349
	(69,890)

**Change in net position of governmental activities** **\$ 3,485,084**

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
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**Proprietary Funds Statement of Net Position - June 30, 2014**

	Enterprise Funds			Internal Service Funds
	McAlester Public Works Authority	McAlester Airport Authority	Total	
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 2,194,904	\$ 166,305	\$ 2,361,209	\$ 42,027
Restricted cash and cash equivalents	981,802	-	981,802	-
Due from other funds	-	-	-	516,095
Accounts receivable, net of allowance	1,029,579	9,157	1,038,736	-
<b>Total current assets</b>	<b>4,206,285</b>	<b>175,462</b>	<b>4,381,747</b>	<b>558,122</b>
<b>Noncurrent Assets:</b>				
Investment in joint venture	1,723,913	-	1,723,913	-
<b>Capital assets:</b>				
Land and other non-depreciable assets	1,273,417	344,460	1,617,877	-
Other capital assets, net of depreciation	22,509,993	2,720,290	25,230,283	-
<b>Total noncurrent assets</b>	<b>25,507,323</b>	<b>3,064,750</b>	<b>28,572,073</b>	<b>-</b>
<b>Total Assets</b>	<b>29,713,608</b>	<b>3,240,212</b>	<b>32,953,820</b>	<b>558,122</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable	362,992	2,090	365,082	23,837
Accrued payroll liabilities	39,384	2,470	41,854	5,181
Due to other funds	100,745	-	100,745	-
Escrow deposit liability	511,199	-	511,199	-
Interest payable	2,596	453	3,049	-
Unearned revenue	57,776	-	57,776	-
Landfill closure and postclosure liability	366,349	-	366,349	-
Due to depositors	94,121	-	94,121	-
Notes payable	67,590	50,353	117,943	-
Contract obligation	188,542	-	188,542	-
Water rights contract obligation	27,328	-	27,328	-
Accrued compensated absences	21,707	2,283	23,990	2,546
<b>Total current liabilities</b>	<b>1,840,329</b>	<b>57,649</b>	<b>1,897,978</b>	<b>31,564</b>
<b>Noncurrent Liabilities:</b>				
Claims liability	-	-	-	503,641
Landfill closure and post-closure liability	3,297,145	-	3,297,145	-
Due to depositors	376,482	-	376,482	-
Net pension benefit obligation	92,549	2,892	95,441	-
Notes payable	127,779	205,183	332,962	-
Contract obligation	565,623	-	565,623	-
Water rights contract obligation	147,623	-	147,623	-
Accrued compensated absences	195,367	20,545	215,912	22,917
<b>Total noncurrent liabilities</b>	<b>4,802,568</b>	<b>228,620</b>	<b>5,031,188</b>	<b>526,558</b>
<b>Total liabilities</b>	<b>6,642,897</b>	<b>286,269</b>	<b>6,929,166</b>	<b>558,122</b>
<b>NET POSITION:</b>				
Net investment in capital assets	22,658,925	2,809,214	25,468,139	-
Unrestricted	411,786	144,729	556,515	-
<b>Total net position</b>	<b>\$ 23,070,711</b>	<b>\$ 2,953,943</b>	<b>\$ 26,024,654</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
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**As of and for the Year Ended June 30, 2014**

**Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2014**

	Enterprise Funds			Internal Service Funds
	McAlester Public Works Authority	McAlester Airport Authority	Total	
<b>Operating Revenues:</b>				
Charges for services:				
Water	\$ 2,883,430	\$ -	\$ 2,883,430	\$ -
Sewer	1,560,293	-	1,560,293	-
Sanitation	2,484,200	-	2,484,200	-
Water taps	30,172	-	30,172	-
Sewer taps	11,700	-	11,700	-
Water districts	1,074,603	-	1,074,603	-
Landfill	2,742	-	2,742	-
Penalties	8,576	-	8,576	-
Recycle fees	31,913	-	31,913	-
Subtitle "D" fees	333,321	-	333,321	-
Airport rents and fees	-	92,304	92,304	-
Self insurance charges	-	-	-	1,236,847
Miscellaneous	-	-	-	28,679
<b>Total operating revenues</b>	<b>8,420,950</b>	<b>92,304</b>	<b>8,513,254</b>	<b>1,265,526</b>
<b>Operating Expenses:</b>				
Utility office	488,862	-	488,862	-
Interdepartmental	685,331	-	685,331	-
Sanitation	1,908,041	-	1,908,041	-
Engineering	339,680	-	339,680	-
Sewer	718,007	-	718,007	-
Water	877,794	-	877,794	-
Utility maintenance	873,453	-	873,453	-
Landfill	226,655	-	226,655	-
Airport	-	167,979	167,979	-
Fleet maintenance	-	-	-	614,263
Claims expense	-	-	-	651,263
Depreciation expense	1,238,031	150,191	1,388,222	-
<b>Total operating expenses</b>	<b>7,355,854</b>	<b>318,170</b>	<b>7,674,024</b>	<b>1,265,526</b>
<b>Operating income (loss)</b>	<b>1,065,096</b>	<b>(225,866)</b>	<b>839,230</b>	<b>-</b>
<b>Non-Operating Revenues (Expenses):</b>				
Investment income	13,945	-	13,945	-
Interest expense and fiscal charges	(9,516)	(11,962)	(21,478)	-
Miscellaneous revenue	34,196	11,477	45,673	-
Gain on joint venture	34,922	-	34,922	-
<b>Total non-operating revenues (expenses)</b>	<b>73,547</b>	<b>(485)</b>	<b>73,062</b>	<b>-</b>
<b>Net income (loss) before contributions and transfers</b>	<b>1,138,643</b>	<b>(226,351)</b>	<b>912,292</b>	<b>-</b>
Capital contributions	556,745	131,615	688,360	-
Transfers in	328,141	147,991	476,132	-
Transfer out	(1,888,742)	-	(1,888,742)	-
<b>Change in net position</b>	<b>134,787</b>	<b>53,255</b>	<b>188,042</b>	<b>-</b>
<b>Total net position - beginning, restated</b>	<b>22,935,924</b>	<b>2,900,688</b>	<b>25,836,612</b>	<b>-</b>
<b>Total net position - ending</b>	<b>\$ 23,070,711</b>	<b>\$2,953,943</b>	<b>\$ 26,024,654</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
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**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2014**

	Enterprise Funds			Internal Service Funds
	McAlester Public Works Authority	McAlester Airport Authority	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 8,932,117	\$ 96,111	\$ 9,028,228	\$ -
Payments to suppliers	(4,071,709)	(40,909)	(4,112,618)	(1,021,616)
Payments to employees	(2,235,728)	(126,567)	(2,362,295)	(288,159)
Receipts of customer meter deposits	128,735	-	128,735	-
Refund of customer meter deposits	(107,625)	-	(107,625)	-
Other receipts (payments)	69,418	11,477	80,895	1,333,835
Net Cash Provided by (Used in) Operating Activities	<u>2,715,208</u>	<u>(59,888)</u>	<u>2,655,320</u>	<u>24,060</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	328,141	147,991	476,132	-
Transfers to other funds	(1,888,742)	-	(1,888,742)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,560,601)</u>	<u>147,991</u>	<u>(1,412,610)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(480,140)	-	(480,140)	-
Principal payment of capital debt	(329,738)	(48,218)	(377,956)	-
Interest and fiscal charges paid on capital debt	(10,095)	(12,022)	(22,117)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(819,973)</u>	<u>(60,240)</u>	<u>(880,213)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	13,945	-	13,945	-
Net Cash Provided by Investing Activities	<u>13,945</u>	<u>-</u>	<u>13,945</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>348,579</u>	<u>27,863</u>	<u>376,442</u>	<u>24,060</u>
<b>Balances - beginning of the year, restated</b>	<u>2,828,127</u>	<u>138,442</u>	<u>2,966,569</u>	<u>17,967</u>
<b>Balances - end of the year</b>	<u>\$ 3,176,706</u>	<u>\$ 166,305</u>	<u>\$ 3,343,011</u>	<u>\$ 42,027</u>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
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**As of and for the Year Ended June 30, 2014**

**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2014, (Continued)**

	<b>Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>McAlester Public Works Authority</b>	<b>McAlester Airport Authority</b>	<b>Total</b>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,065,096	\$ (225,866)	\$ 839,230	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,238,031	150,191	1,388,222	-
Other non-operating revenues (expenses)	69,118	11,477	80,595	-
Change in assets and liabilities:				
Receivables, net	506,812	3,807	510,619	-
Due from other funds	-	-	-	68,309
Investment in joint venture	(55,114)	-	(55,114)	-
Accounts payable	(100,784)	384	(100,400)	5,870
Accrued payroll liabilities	(15,767)	(899)	(16,666)	(1,357)
Due to other funds	300	-	300	-
Escrow deposit liability	308	-	308	-
Claims liability	-	-	-	(51,580)
Unearned revenue	4,047	-	4,047	-
Due to depositors	21,110	-	21,110	-
Landfill closure liability	40,963	-	40,963	-
Pension benefit obligation	(20,908)	(1,311)	(22,219)	-
Accrued compensated absences	(38,004)	2,329	(35,675)	2,818
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,715,208</u>	<u>\$ (59,868)</u>	<u>\$ 2,655,320</u>	<u>\$ 24,060</u>
Noncash capital and related financing activities:				
Capital assets contributed from governmental funds	<u>\$ 556,745</u>	<u>\$ 131,615</u>	<u>\$ 688,360</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
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**Statement of Fiduciary Net Position – Pension Trust Fund - June 30, 2014**

	<b>Defined Benefit Retirement Plan and Trust Fund</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 268,900
Investments:	
Corporate bonds	541,414
Fixed rate capital securities	26,000
Mortgage and asset backed securities	261,334
Government treasury securities	1,482,483
Mutual funds	873,539
Preferred stocks	152,503
Common stocks	10,189,522
Interest receivable	13,594
Other receivable	271
	<hr/>
Total assets	13,809,560
	<hr/>
<b>NET POSITION:</b>	
Held in trust for employee pension benefits	\$ 13,809,560
	<hr/>

**Statement of Changes in Fiduciary Net Position – Pension Trust Fund - Year Ended June 30, 2014**

	<b>Defined Benefit Retirement Plan and Trust Fund</b>
<b>ADDITIONS:</b>	
Contribution from employer	\$ 580,226
Investment income	266,940
Reimbursements	71,351
Realized and unrealized gain on investments	2,177,524
	<hr/>
Total additions	3,096,041
	<hr/>
<b>DEDUCTIONS:</b>	
Benefits paid to participants or beneficiaries	992,995
Administrative expenses	148,960
	<hr/>
Total deductions	1,141,955
	<hr/>
Change in net position held in trust for employees' pension benefits	1,954,086
Net position - beginning	11,855,474
	<hr/>
Net position - ending	\$ 13,809,560
	<hr/>

See accompanying notes to the basic financial statements.

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**Discretely Presented Component Units Combining Statement of Net Position - June 30, 2014**

	<b>Component Units</b>		
	<b>Public Trusts</b>		
	<b>McAlester Regional Health Center Authority</b>	<b>McAlester Parking Authority</b>	<b>Total Component Units</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 21,322,856	\$ 54,951	\$ 21,377,807
Investments	3,579,031	-	3,579,031
Accounts receivable, net	12,128,105	20	12,128,125
Estimated amounts due from third-party payers	104,035	-	104,035
Inventory	2,139,929	-	2,139,929
Investment in joint venture	4,498,671	-	4,498,671
Prepaid expenses	1,558,672	-	1,558,672
Notes receivable:			
Due within one year	30,400	-	30,400
Due in more than one year	220,823	-	220,823
Capital assets:			
Land and construction in progress	1,253,445	-	1,253,445
Other capital assets, net of depreciation	22,393,489	-	22,393,489
Total assets	<u>69,229,456</u>	<u>54,971</u>	<u>69,284,427</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	3,972,142	184	3,972,326
Accrued payroll payable	5,921,766	-	5,921,766
Long-term liabilities:			
Due within one year	894,012	-	894,012
Due in more than one year	695,975	-	695,975
Total liabilities	<u>11,483,895</u>	<u>184</u>	<u>11,484,079</u>
<b>NET POSITION:</b>			
Net investment in capital assets	22,056,947	-	22,056,947
Restricted for capital acquisitions and debt service	119,474	-	119,474
Restricted for workers' compensation claims	403,411	-	403,411
Restricted for specific operating activities	25,000	-	25,000
Unrestricted	35,140,729	54,787	35,195,516
Total net position	<u>\$ 57,745,561</u>	<u>\$ 54,787</u>	<u>\$ 57,800,348</u>

See accompanying notes to the basic financial statements.

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**Discretely Presented Component Units Combining Statement of Activities - Year Ended June 30, 2014**

	<b>Component Units</b>		
	<b>Public Trusts</b>		
	<b>McAlester Regional Health Center Authority</b>	<b>McAlester Parking Authority</b>	<b>Total Component Units</b>
Operating Revenues:			
Charges for services	\$ -	\$ 7,241	\$ 7,241
Net patient service revenue	79,400,230	-	79,400,230
Miscellaneous	4,595,634	-	4,595,634
<b>Total Operating Revenues</b>	<b>83,995,864</b>	<b>7,241</b>	<b>84,003,105</b>
Operating Expenses:			
Parking	-	1,943	1,943
Health and welfare	81,127,386	-	81,127,386
<b>Total Operating Expenses</b>	<b>81,127,386</b>	<b>1,943</b>	<b>81,129,329</b>
<b>Net Operating Income</b>	<b>2,868,478</b>	<b>5,298</b>	<b>2,873,776</b>
Non-Operating Revenues (Expenses):			
Investment income	381,120	-	381,120
Income from joint ventures	788,371	-	788,371
Interest expense and fiscal agent fees	(51,499)	-	(51,499)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>1,117,992</b>	<b>-</b>	<b>1,117,992</b>
<b>Net Income Before Transfers and Contributions</b>	<b>3,986,470</b>	<b>5,298</b>	<b>3,991,768</b>
Gifts to Purchase Capital Assets and Other Capital Gifts	12,091	-	12,091
<b>Changes in net position</b>	<b>3,998,561</b>	<b>5,298</b>	<b>4,003,859</b>
<b>Total net position - beginning</b>	<b>53,747,000</b>	<b>49,489</b>	<b>53,796,489</b>
<b>Total net position - ending</b>	<b>\$ 57,745,561</b>	<b>\$ 54,787</b>	<b>\$ 57,800,348</b>

See accompanying notes to the basic financial statements.



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**Footnotes to the Basic Financial Statements:**

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City's financial reporting entity includes the primary government (City of McAlester), three blended component units, and two discretely presented component units as noted below.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statement No. 61, "The Financial Reporting Entity" and includes all component units for which the City is financially accountable.

**The City of McAlester** – that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of McAlester is an incorporated municipality with a population of approximately 18,400 located in southeast Oklahoma. The City operates under the Council-Manager form of government and operates under a charter that provides for three branches of government:

- Legislative – the City Council is a seven-member governing body. Mayor is elected by the citizens at large and other six members are elected by ward.
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Manager, confirmed by the City Council.

The City provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, economic development, and certain utility services including water, wastewater, and sanitation.

**Component Units:**

Because the component units are financially accountable to the City, the City's governing body serves as the trustees for these public trusts, and they are all managed by the same management team of the City, when active, the following component units are blended into the City's primary government presentation as funds of the primary government for reporting purposes:

**The McAlester Public Works Authority** – that operates the water, wastewater, and sanitation/landfill activities of the City, with the McAlester City Council serving as trustees of the Authority.

**The McAlester Airport Authority** – that develops and operates the airport with the McAlester City Council serving as trustees of the Authority.

**The McAlester Municipal Improvement Authority** – an inactive trust that promotes the development of industry and culture and industrial, manufacturing, cultural and education activities. There is no activity reported in the City's basic financial statements since the trust is inactive.

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Component units that are discretely presented in the City's report in a separate column are presented below:

**The McAlester Regional Health Center Authority** – that operates to finance and develop the health center facilities of the City. Separate audited component unit financial statements are issued by the Regional Health Center Authority and may be obtained at their administrative offices.

**The McAlester Parking Authority (MPA)** – that operates to furnish and supply public off-street parking services and facilities. The MPA does not issue separate audited component unit financial statements.

All 5 of the above component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. In accordance with state law, all debt obligations incurred by public trusts require 2/3 approval by the City Council. In addition, the City may have also leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

**Joint Venture:**

**Association for Landfill Financial Assurance (ALFA)** – A non-profit Oklahoma corporation organized for the exclusive benefit of cities, towns, counties, solid waste districts and public trusts within the State of Oklahoma that own and/or operate municipal solid waste landfills within the jurisdiction of the State of Oklahoma, including the making and management of investments on behalf of such public entities in order to provide the financial assurances as required by Subtitle D of the Resource Conservation and Recovery Act of 1976.

**B. Basis of Presentation and Accounting**

*Government-Wide Financial Statements:*

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used. In accordance with the economic resources measurement focus, all assets and liabilities, both current and noncurrent are reported, along with any related deferred outflows and deferred inflows.

Program revenues within the statement of activities that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Administration – oil and gas leases, rent, and hotel/motel charges for services
- Public safety – Fire and Police – fines and forfeitures, fire run charges, ambulance revenue, and capital and operating grants
- Community services – cemetery openings and closings, swimming pool revenues, complex concessions and rentals

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- Administration services – abatements and licenses and permits
- Health and welfare – nutrition operating grant
- Airport – rental fees and fuel sales
- Public works – gas excise and vehicle tax shared by the State and street cuts
- Economic development – operating contribution

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

*Governmental Funds:*

The City's governmental funds are comprised of the following:

**Major Funds:**

- General Fund – accounts for general operations of the City including: public safety, parks, public facilities, and street maintenance.
- Reserve Fund – special revenue fund that accounts for excess revenues mainly from oil and gas royalties restricted by City Charter for emergencies.
- Capital Improvement Plan Fund – capital project fund that accounts for monies initially set aside by City Council for repayment of previously determined unsupportable bond activity.
- Dedicated Sales Tax MPWA – debt service fund that accounts for revenue received from sales tax (one-cent) approved by the voters to be used for financing debt related to capital improvements.
- Bond Trustee Fund – debt service fund that accounts for transfers received from other funds to be used for financing non business-type activity revenue bond debt.

**Aggregated Non-Major Funds (reported as Other Governmental Funds):**

**Special Revenue Funds:**

- Juvenile Fine Fund – accounts for revenues from fines restricted by state for juvenile programs.
- Tourism / SE Expo Fund – accounts for revenues of a hotel/motel tax levy and rentals/concessions to be expended for promotion of tourism.
- E-911 Fund – accounts for E-911 revenues legally restricted for E-911 services.
- Economic Development Fund – special revenue fund that accounts for revenue received from sales tax (1/4 of one-cent) approved by the voters to be used for financing debt related to economic development and for future economic development projects.
- Gifts & Contributions Fund – accounts for revenues and expenditures of donor restricted monies.

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**Capital Project Funds:**

- Police Equipment Fund – accounts for revenues and capital expenditures related to Local Law Enforcement Block Grants.
- State Forfeiture Fund – accounts for revenues received from state drug forfeitures restricted for equipment purchases.
- Cemetery Perpetual Care – accounts for 12.5% of all cemetery revenues which are legally restricted for cemetery capital outlay.
- CDBG Grants Fund – accounts for revenues and capital expenditures related to CDBG grants.
- Federal Forfeiture Fund – Accounts for revenues received from federal drug forfeitures restricted for equipment purchases.
- Fire Improvement Grant Fund – accounts for revenues and capital expenditures related to fire grants.
- Technology Fund – accounts for revenues received from a technology fee restricted for technology capital purchases and upgrades.

**Debt Service Fund:**

- Sales Tax Schools Fund – accounts for revenue received from sales tax (1/4 of one-cent) approved by the voters to be used for acquisition and financing of educational facilities and equipment.

The governmental funds are reported on the modified accrual basis of accounting and current financial resources measurement focus. On the modified accrual basis of accounting revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and normally payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the economic resources measurement focus and accrual basis of accounting at the government-wide level.

*Proprietary Funds:*

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-type activities provided within the government. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

The City's enterprise funds include the following major funds:

- McAlester Public Works Authority Fund - that accounts for the activities of the McAlester Public Works Authority public trust in providing water, sewer, and sanitation services to the public.

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- McAlester Airport Authority Fund - that currently accounts for airport fees and grants used in providing airport services.

The City's internal service funds include the following:

- Worker's Compensation Fund – that accounts for the activities of providing worker's compensation to the employees of the City.
- FLEET Maintenance Fund – that accounts for the activities of providing FLEET maintenance to the City.

The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus.

For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

*Fiduciary Fund:*

The City has one fiduciary fund - the City of McAlester Defined Benefit Retirement Plan and Trust Fund. The pension trust fund accounts for retirement contributions and investment income for the direct benefit of employees other than those employees covered by the statewide fire and police cost-sharing pension plans, or those covered by the City's defined benefit agent multi-employer OMRP pension plan. The pension trust fund is reported on the accrual basis of accounting and economic resources measurement focus.

**C. Cash, Cash Equivalents, and Investments**

For the purposes of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit, and short-term investments with an original maturity of three-months or less, and money market investments. Investments consist of long-term time deposits, and U.S. agency bonds and notes. Certificates of deposit are reported at cost while investments in the U.S. agency bonds and notes and other marketable investments are reported at fair value.

**D. Inventories**

Inventories of goods and supplies on hand at year end are not material for the primary government. Therefore purchases of inventory type items are recorded as expenditures or expenses at the time purchased, and no balances for such inventories on hand are reported.

For the Regional Health Center Authority component unit reported inventories are reported on the lower of cost (first-in, first-out) or market.

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**E. Capital Assets and Depreciation**

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. In the government-wide and proprietary fund financial statements, property, plant and equipment are accounted for as capital assets, net of accumulated depreciation where applicable. In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and not reported as capital assets.

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. A capitalization threshold of \$2,500 is used for additions, other than land, to report capital assets. Capital assets are reported at actual or estimated historical cost. Prior to July 1, 2001, governmental activities' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost. Donated assets are recorded at their fair value at the date of donation.

Depreciable capital assets are depreciated on a straight-line basis over useful lives. The range of estimated useful lives by type of asset is as follows:

• Buildings	20 -- 100 years
• Improvements other than buildings	20 - 100 years
• Equipment and vehicles	3 - 25 years
• Infrastructure	15 - 50 years

**F. Long-Term Debt**

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, capital leases payable, and revenue bonds payable. This long-term debt is reported net of unamortized premiums and discounts.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

**G. Compensated Absences**

Under terms of union contracts and City personnel policies, City employees are granted comp time, vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and comp time. The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary, fiduciary and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

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**H. Fund Balances and Net Position**

*Net Position:*

Net position reported in the government-wide, proprietary fund and fiduciary fund financial statements are displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

*Fund Statements:*

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. *Nonspendable* – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. *Restricted* – consists of fund balance with constraints place on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Committed* – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance. The City currently reports no committed fund balance.
- d. *Assigned* – includes amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Currently, the city council has delegated that authority to the city manager. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. *Unassigned* – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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It is the City's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The only exception to this policy is for assigned interest income in governmental funds other than the General Fund. In those funds, interest income is used first before other revenues. Proprietary fund and fiduciary fund equity is classified the same as in the government-wide statements.

**I. Interfund Activities and Balances**

The City's policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements

**J. Use of Estimates**

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

**2. Deposits and Investments**

**Primary Government Deposits and Investments:**

At June 30, 2014, the primary government held the following deposits and investments:



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Type of Deposits and Investments - Primary Government	Carrying Value	Maturities in Years				
		On Demand	Less Than One	1 - 5	6 - 10	More Than 10
<b>Deposits:</b>						
Petty Cash	\$ 4,860	\$ 4,860	\$ -	\$ -	\$ -	\$ -
Demand deposits	16,604,636	16,604,636	-	-	-	-
Demand deposits - pension trust funds	268,900	268,900	-	-	-	-
Time deposits	1,734,206	-	1,734,206	-	-	-
	<u>18,612,602</u>	<u>16,878,396</u>	<u>1,734,206</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Investments:</b>	<b>Credit Rating</b>					
<b>Bond Trustee Accounts:</b>						
Federated Treasury Obligations Fund IS #68	AAAm	1,099,451	1,099,451	-	-	-
Federated Treasury Obligations Ser Class #398	AAAm	8,846,851	8,846,851	-	-	-
Federated Government Obligations Tax Managed Fund #637	AAAm	4,891,874	4,891,874	-	-	-
Goldman Sachs Financial Square Federal Fund Admin Shares #521	AAAm	3,562,674	3,562,674	-	-	-
Autobahn Funding Commercial Paper	N/A	470,000	470,000	-	-	-
<b>Pension Trust Funds:</b>						
Allianz Fx Inc Shrs; Series M (FXIMX) - Money Market	N/A	288,943	288,943	-	-	-
Allianz Fx Inc Shrs; Series C (FXICX) - Money Market	N/A	288,982	288,982	-	-	-
Invesco Premier Pfd Intl (IPXX) - Money Market	N/A	186,719	186,719	-	-	-
Legg Mason WA Inst Liquid Res A - Money Market	N/A	108,895	108,895	-	-	-
Corporate Bonds	AA	15,264	15,264	-	-	-
Corporate Bonds	AA+	15,054	-	-	15,054	-
Corporate Bonds	A	31,216	-	-	14,715	16,501
Corporate Bonds	A-	102,627	-	59,459	-	43,168
Corporate Bonds	BBB+	65,157	-	15,336	33,461	16,360
Corporate Bonds	BBB	80,204	-	15,153	15,715	49,336
Corporate Bonds	BBB-	131,517	-	-	99,519	31,998
Corporate Bonds	BB	100,375	-	-	-	100,375
Corporate Bonds	BBB	26,000	-	-	-	26,000
Fixed Rate Capital Securities	AAA	1,482,483	-	915,391	392,654	174,438
United States Treasury Notes	N/A	261,334	-	-	-	261,334
Mortgage and asset backed securities	N/A	31,273	-	-	-	-
Preferred Stocks	BB+	121,230	-	-	-	-
Common Stocks	N/A	10,189,522	10,189,522	-	-	-
		<u>32,397,645</u>	<u>30,086,414</u>	<u>1,005,339</u>	<u>571,118</u>	<u>719,510</u>
<b>Total Deposits and Investments</b>		<u>\$ 51,010,247</u>	<u>\$ 46,964,810</u>	<u>\$ 1,749,470</u>	<u>\$ 1,005,339</u>	<u>\$ 571,118</u>
<b>Reconciliation to Statement of Net Position:</b>						
Cash and cash equivalents		\$ 35,480,346				
Investments		1,734,206				
Add: Fiduciary Fund cash and cash equivalents		268,900				
Add: Fiduciary Fund Investments		13,526,795				
		<u>\$ 51,010,247</u>				

## Deposit and Investment Risks

**Custodial Credit Risk** – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The City does not have a formal investment policy as it relates to custodial credit risk. Acceptable collateral is limited to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2014, the City was not exposed to custodial credit risk as defined above.

**Investment Credit Risk** – State law limits the investments available to the City and is described below.

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- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c. and d.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end in the schedule above. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

**Retirement Plan Investments:**

The Plan's investment policies provide for investment in a diversified portfolio, consisting primarily of common stocks, mutual funds, bonds, cash equivalents, and other investments. General asset allocation guidelines for the Plan are as follows:

Class	Maximum Percent	Minimum Percent	Target Percent
Domestic Equities	44.00	30.00	42.00
International Equities	16.00	0.00	8.00
Fixed Income	70.00	40.00	N/A
Cash	30.00	0.00	N/A

However, Morgan Stanley, the portfolio manager, has discretion in the actual allocation of assets within the retirement plan portfolio.

*Investment Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy to manage exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments in the schedule above.

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*Concentration of Investment Credit Risk* - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City's investment policy requires diversification of investments and indicates that, with the exception of U.S. Treasury securities and authorized pools, there was no single issuer investment with more than 5% of total investments.

*Restricted Cash and Investments* - The amounts reported as restricted assets on the statement of net position are comprised of the following:

	Current Cash and cash Equivalents
Utility Deposits	\$ 470,603
Lowe's Escrow Account	511,199
Total Restricted Assets	<u>\$ 981,802</u>

**Component Units Deposits and Investments:**

McAlester Regional Health Center Authority

*Deposits*

At June 30, 2014, approximately \$19,163,000 of the Authority's bank balances were uninsured with collateral held by the pledging financial institution and \$1,912,000 of the Authority's bank balances were uninsured and uncollateralized.

**3. Investment in Joint Venture**

As discussed in Note 1A, the City participates (with equity interest) in the Association for Landfill Financial Assurance (ALFA). ALFA has been approved by the ODEQ as an allowable financial assurance mechanism under existing federal and state laws and regulations. As a member of ALFA, the City is required to deposit certain amounts on an annual basis into an escrow fund to be pooled with other ALFA members. The annual amount due from each member is based on the members' total estimated current cost of closure and post-closure care of the landfill, including adjustments due to inflation or resulting from any changes in the closure or the required 30 year post-closure care plan, plus any additional amount for contingencies as determined by ALFA. For the year ended June 30, 2014, the "Investment in joint venture" balance changed as follows:

Beginning Investment in Joint Venture	\$ 1,668,799
Current Year Contributions	-
Gain from Joint Venture	55,114
Ending Investment in Joint Venture	<u>\$ 1,723,913</u>

Separate annual financial statements are issued by ALFA and may be obtained from their administrative offices at 3414 East 85<sup>th</sup> Place, Tulsa, Oklahoma, 74137.

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**4. Receivables**

*Primary Government Accounts Receivables:*

Accounts receivable of the business-type activities consists of customers utilities, airport rental accounts receivable, and airport grant receivable. Accounts receivable of the governmental activities consists of franchise tax, police fines and ambulance receivables. Receivables detail at June 30, 2014, is as follows:

	General Fund				
	<u>Ambulance</u>	<u>Court</u>	<u>MPWA</u>	<u>Airport</u>	<u>Total</u>
Accounts receivable	\$ 1,707,908	\$ 2,652,217	\$ 3,023,057	\$ 9,157	\$ 7,392,339
Allowance for doubtful accounts	<u>(1,592,561)</u>	<u>(1,326,108)</u>	<u>(1,993,478)</u>	<u>-</u>	<u>(\$4,912,147)</u>
Accounts receivable, net	<u>\$ 115,347</u>	<u>\$ 1,326,109</u>	<u>\$ 1,029,579</u>	<u>\$ 9,157</u>	<u>\$ 2,480,192</u>

*Component Units:*

McAlester Regional Health Center Authority

Patient receivable balances at June 30, 2014 were as follows:

	<u>MRHCA</u>
Medicare	\$ 3,225,348
Medicaid	2,021,647
Other third-party payers	11,695,047
Patients	11,550,643
Allowance for doubtful accounts	<u>(16,364,580)</u>
Accounts receivable, net	<u>\$ 12,128,105</u>

**Outstanding Notes Receivable – Economic Development**

The City of McAlester entered into a loan agreement dated April 28, 2005, with the McAlester Foundation for the development of an industrial tract to be used by Pliant Corporation. The original loan amount totaled \$1,800,000. Monthly lease payments made by Pliant to the McAlester Foundation in the amount of \$14,500 shall be paid over to the City of McAlester by the Foundation and deposited in the Economic Development Fund. The McAlester Foundation paid off this note in the current fiscal year.

The following schedule shows the current year activity related to this note receivable:

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<b>Note Receivable</b>				
McAlester Foundation	<u>\$ 553,044</u>	<u>\$ -</u>	<u>\$ 553,044</u>	<u>\$ -</u>

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**5. Capital Assets and Depreciation**

For the year ended June 30, 2014, capital assets balances changed as follows:

	(Restated) Balance at June 30, 2013	Additions	Disposals	Balance at June 30, 2014
Governmental activities:				
Non-depreciable:				
Land	\$ 675,209	\$ 5,891	\$ (163)	\$ 680,937
Construction-in-progress	108,115	956,998	(463,928)	601,185
Total non-depreciable assets at historical cost	<u>783,324</u>	<u>962,889</u>	<u>(464,091)</u>	<u>1,282,122</u>
Depreciable:				
Buildings	5,350,398	-	-	5,350,398
Other improvements	1,893,128	78,206	-	1,971,334
Machinery and equipment	9,916,824	706,988	-	10,623,812
Infrastructure	63,017,752	508,309	-	63,526,061
Total depreciable assets at historical cost	<u>80,178,102</u>	<u>1,293,503</u>	<u>-</u>	<u>81,471,605</u>
Less accumulated depreciation				
Buildings	(3,102,633)	(151,748)	-	(3,254,381)
Other improvements	(1,109,017)	(78,577)	-	(1,187,594)
Machinery and equipment	(7,361,965)	(647,254)	-	(8,009,219)
Infrastructure	(38,542,048)	(1,558,511)	-	(40,100,559)
Total accumulated depreciation	<u>(50,115,663)</u>	<u>(2,436,090)</u>	<u>-</u>	<u>(52,551,753)</u>
Net depreciable assets	<u>30,062,439</u>	<u>(1,142,587)</u>	<u>-</u>	<u>28,919,852</u>
Governmental activities capital assets, net	<u>\$ 30,845,763</u>	<u>\$ (179,698)</u>	<u>\$ (464,091)</u>	<u>\$ 30,201,974</u>
Business-type activities:				
Non-depreciable:				
Land	\$ 212,571	\$ -	\$ -	\$ 212,571
Water rights contracts	719,075	-	-	719,075
Construction-in-progress	1,769,285	761,163	(1,844,217)	686,231
Total non-depreciable assets at historical cost	<u>2,700,931</u>	<u>761,163</u>	<u>(1,844,217)</u>	<u>1,617,877</u>
Depreciable:				
Buildings	2,773,061	-	-	2,773,061
Other improvements	3,149,988	135,025	-	3,285,013
Machinery and equipment	3,402,339	117,651	-	3,519,990
Utility property	43,431,999	1,998,878	-	45,430,877
Total depreciable assets at historical cost	<u>52,757,387</u>	<u>2,251,554</u>	<u>-</u>	<u>55,008,941</u>
Less accumulated depreciation				
Buildings	(1,449,130)	(69,045)	-	(1,518,175)
Other improvements	(1,708,775)	(112,622)	-	(1,821,397)
Machinery and equipment	(1,921,990)	(294,712)	-	(2,216,702)
Utility property	(23,310,541)	(911,843)	-	(24,222,384)
Total accumulated depreciation	<u>(28,390,436)</u>	<u>(1,388,222)</u>	<u>-</u>	<u>(29,778,658)</u>
Net depreciable assets	<u>24,366,951</u>	<u>863,332</u>	<u>-</u>	<u>25,230,283</u>
Business-type capital assets, net	<u>\$ 27,067,882</u>	<u>\$ 1,624,495</u>	<u>\$ (1,844,217)</u>	<u>\$ 26,848,160</u>

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	Balance at June 30, 2013	Additions	Transfers	Disposals	Balance at June 30, 2014
<b>Component Units (MRHCA):</b>					
Non-depreciable:					
Land	\$ 909,448	\$ -	\$ -	\$ -	\$ 909,448
Construction-in-progress	537,037	504,441	(697,481)	-	343,997
Total non-depreciable assets at historical cost	<u>1,446,485</u>	<u>504,441</u>	<u>(697,481)</u>	<u>-</u>	<u>1,253,445</u>
Depreciable:					
Land improvements	1,351,361	-	107,575	-	1,458,936
Buildings and improvements	36,669,454	195,731	589,906	-	37,455,091
Machinery and equipment	29,240,953	1,709,512	-	(7,281)	30,943,184
Total depreciable assets at historical cost	<u>67,261,768</u>	<u>1,905,243</u>	<u>697,481</u>	<u>(7,281)</u>	<u>69,857,211</u>
Less accumulated depreciation					
Land improvements	(1,018,790)	(50,364)	-	-	(1,069,154)
Buildings and improvements	(22,919,281)	(1,282,773)	-	-	(24,202,054)
Machinery and equipment	(19,929,242)	(2,270,553)	-	7,281	(22,192,514)
Total accumulated depreciation	<u>(43,867,313)</u>	<u>(3,603,690)</u>	<u>-</u>	<u>7,281</u>	<u>(47,463,722)</u>
Net depreciable assets	<u>23,394,455</u>	<u>(1,698,447)</u>	<u>697,481</u>	<u>-</u>	<u>22,393,489</u>
Component Unit capital assets, net	<u>\$ 24,840,940</u>	<u>\$ (1,194,006)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,646,934</u>

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Depreciation expense charged to governmental activities:

Administration	\$ 203,403
Public safety	407,439
Community services	308,681
Public works	1,516,567
Total governmental activities depreciation expense	<u>\$ 2,436,090</u>

Depreciation expense charged to business-type activities:

Water	\$ 628,037
Sewer	278,899
Sanitation	331,095
Airport	150,191
Total business-type activities depreciation expense	<u>\$ 1,388,222</u>

## 6. Economic Development Liabilities

### *Economic Development Agreement – Lowe's*

On October 12, 2004, the City entered into an economic development agreement with Lowe's Home Centers, Inc. to provide economic development incentives to insure the construction of a Lowe's Home Improvement Warehouse in the City. The agreement requires the City to deliver incentives in the amount of \$2,000,000 to Lowe's Home Centers, Inc. with \$1,000,000 to be deposited into an escrow account and approximately \$1,000,000 to be paid to Lowe's Home Centers, Inc. on opening day for reimbursement of infrastructure expenses of up to \$800,000 and \$200,000 for the initial annual economic incentive payment. The City will then pay Lowe's Home Centers, Inc. \$200,000 each year on the anniversary of the opening date from the escrow account until all economic development incentives paid to Lowe's Home Centers, Inc. equals \$2,000,000. The annual economic incentive payment will be subject to a minimum gross sales increase of \$1,000,000 each year and the maintenance of at least 100 employees for the agreement term of 10 years.

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The agreement states that the City will reimburse Lowe's Home Centers, Inc. for the public infrastructure improvements (estimated at an amount up to \$800,000) and the initial economic development incentive payment of \$200,000 on the opening date. The City made a payment to Lowe's Home Centers, Inc. during fiscal year 07-08, related to the opening day agreement, in the amount of \$597,651 (due to Lowe's not meeting certain requirements for the full estimate).

No payments were made to Lowe's out of the escrow account during fiscal year 08-09. \$200,000 was paid to Lowe's in March 2010. In addition, \$400,000 was paid to Lowe's in FY 10-11. No payments were made to Lowe's out of the escrow account during fiscal year 11-12, fiscal year 12-13 or fiscal year 13-14. The City has recorded on the financial statements of McAlester Public Works Authority an escrow deposit liability in the amount of \$511,199, which includes interest earned on the deposit. This amount is considered a current liability of the MPWA.

## 7. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2014, the reporting entity's long-term debt changed as follows:

	(Restated) Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Capital Lease Obligations	\$ 80,443	\$ -	\$ 37,664	\$ 42,779	\$ 39,413
Revenue Bonds Payable	62,046,923	5,245,964	3,170,000	64,122,887	3,680,000
Accrued Compensated Absences	2,079,675	117,164	100,531	2,096,308	209,631
Claims Liability	555,221	651,263	702,843	503,641	-
Pension Benefit Obligation	380,934	-	63,349	317,585	-
<b>Total Governmental Long-Term Debt</b>	<b>\$ 65,143,196</b>	<b>\$ 6,014,391</b>	<b>\$ 4,074,387</b>	<b>\$ 67,083,200</b>	<b>\$ 3,929,044</b>
			Less: Unamortized Discount	(140,124)	
				<b>\$ 66,943,076</b>	
<b>Business-type Activities:</b>					
Landfill Closure and Post-closure Liability	\$ 3,622,531	\$ 40,963	\$ -	\$ 3,663,494	\$ 366,349
Due to Depositors	449,493	128,735	107,625	470,603	94,121
Pension Benefit Obligation	117,660	-	22,219	95,441	-
Notes Payable	613,683	-	162,778	450,905	117,943
Contract Obligations	942,707	-	188,542	754,165	188,542
Water Contract Obligations	201,587	-	26,636	174,951	27,328
Accrued Compensated Absences	275,577	49,038	84,713	239,902	23,990
<b>Total Business-type Long-Term Debt</b>	<b>\$ 6,223,238</b>	<b>\$ 218,736</b>	<b>\$ 592,513</b>	<b>\$ 5,849,461</b>	<b>\$ 818,273</b>

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***Governmental activities long-term debt:***

Unless otherwise indicated, the governmental activities long-term debt obligations are generally paid from the General Fund.

**Capital Lease Obligations:**

\$180,987 capital lease with First National Bank for street dept freightliner, payable in monthly installments of \$3,379, final payment due July 28, 2015, with interest at 4.55%, paid from the Capital Improvement Plan Fund \$ 42,779

**Capital Lease Obligations:**

Current portion	\$ 39,413
Noncurrent portion	<u>3,366</u>
Total Capital Lease Obligations	<u>\$ 42,779</u>

**Revenue Bonds Payable:**

**2002 Series Utility System Revenue Bonds:**

Term bonds in the amount of \$15,365,000 dated July 1, 2002, issued by McAlester Public Works Authority and used for streets, secured by utility revenue and pledged sales tax, total principal due at maturity, interest rate at 4.30%, final maturity February 1, 2034, paid from Bond Trustee Fund. 12,770,000

Capital appreciation bonds in the face amount of \$3,037,176 dated July 1, 2003, issued by McAlester Public Works Authority and used for streets, secured by utility revenue and pledged sales tax, principal maturing at the accreted value of \$17,560,000, interest rate at 4.30%, final maturity February 1, 2034. Interest is accreted (or added to the principal balance) until maturity, at which time, the entire principal balance of \$17,560,000 will be due and payable.

	17,560,000
Less: Unaccreted portion	<u>(11,612,113)</u>
Principal outstanding at year end	<u>5,947,887</u>

**2003A Series Sales Tax Revenue Bonds:**

Term Bonds in the amount of \$7,000,000 dated July 1, 2003, issued by McAlester Public Works Authority and used for education, secured by pledged sales tax, total principal due at maturity, initial interest rate at 2.10% increasing to 5.50%, final maturity September 1, 2018, paid from Bond Trustee Fund. 3,265,000

**2011 Taxable Series Sales Tax Revenue Refunding Bonds:**

Serial Bonds in the amount of \$5,490,000 dated December 1, 2011, issued by McAlester Public Works Authority and used for economic development, secured by pledged sales tax, principal maturing annually ranging from \$180,000 to \$445,000, interest rate at 2.695%, final maturity September 1, 2018, paid from Bond Trustee Fund 3,780,000

**2012 Taxable Series Utility System & Sales Tax Revenue Refunding Notes:**

Serial Bonds in the amount of \$26,120,000 dated December 28, 2012, issued by McAlester Public Works Authority and used for streets, secured by utility revenues and pledged sales tax, principal maturing semi-annually ranging from \$85,000 to \$1,275,000, interest rate at 3.8%, final maturity February 1, 2027, paid from Bond Trustee Fund 24,740,000



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2013 Series Utility System & Sales Tax Revenue Notes:

Serial Bonds in the amount of \$8,890,000 dated June 1, 2013, issued by McAlester Public Works Authority and used for streets, secured by utility revenues and pledged sales tax, principal maturing semi-annually ranging from \$125,000 to \$1,205,000, interest rate at 3.53%, final maturity February 1, 2028, paid from Bond Trustee Fund 8,710,000

2014 Series Utility System & Sales Tax Revenue Notes:

Serial Bonds in the amount of \$4,910,000 dated May 20, 2014, issued by McAlester Public Works Authority and used for streets, secured by utility revenues and pledged sales tax, principal maturing semi-annually ranging from \$95,000 to \$435,000, interest rate at 3.40%, final maturity February 1, 2029, paid from Bond Trustee Fund 4,910,000

Total Revenue Bonds Payable \$ 64,122,887

Current portion \$ 3,680,000

Noncurrent portion 60,442,887

Total Revenue Bonds Payable \$ 64,122,887

Unamortized bond discount (140,124)

Total Revenue Bonds Payable, net \$ 63,982,763

Accrued Compensated Absences:

Current portion \$ 209,631

Noncurrent portion 1,886,677

Total Accrued Compensated Absences \$ 2,096,308

Claims Liability:

Current portion \$ -

Non-current portion 503,641

Total Claims Liability \$ 503,641

Pension Benefit Obligation:

Current portion \$ -

Non-current portion 317,585

Total Pension Benefit Obligation \$ 317,585

***Business-type activities long-term debt:***

Notes Payable:

1999 CDBG-EDIF Promissory Note with Oklahoma Department of Commerce dated September 19, 2000, original amount of \$275,000 with an annual interest rate of 0.00%, due in monthly installments of \$1,146, final installment November 1, 2021. \$ 101,979

2006 CDBG-ED Promissory Note with Oklahoma Department of Commerce dated October 1, 2006, original amount of \$125,000, reduced to \$67,800, with an annual interest rate of 0.00%, due in monthly installments of \$282.50, final installment October 1, 2026. 42,940

MAA Note Payable with First National Bank and used for airport, renewed on August 15, 2013, original line of credit amount of \$405,325, with an annual interest rate of 4.25%, due in monthly installments of \$5,020, final balloon installment August 15, 2016. 255,536

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PWA Note Payable for caterpillar & trash compactor for landfill with First National Bank dated December 14, 2009, original amount of \$455,000 with an annual interest rate of 4.7%, due in monthly installments of \$8,524, final installment December 14, 2014.		<u>50,450</u>
Total Notes Payable		<u>\$ 450,905</u>
Current portion		\$ 117,943
Non-current portion		<u>332,962</u>
Total Notes Payable		<u>\$ 450,905</u>
Water Rights Contract:		
1987 contract with U.S. Army Corps of Engineers for water rights dated December 11, 1987, original amount of \$719,075 with an annual interest rate of 2.59% due in annual installments of \$31,859, final installment December 12, 2019.		<u>\$ 174,951</u>
Current portion		\$ 27,328
Non-current portion		<u>147,623</u>
Total Water Rights Contract		<u>\$ 174,951</u>
Contract Obligation:		
2011 contract with Utility Service Co., Inc. for renovation of water storage tanks dated January 17, 2011, original amount of \$1,456,000 with an annual interest rate of 0%, due in annual installments of \$188,542, final installment January 17, 2018.		<u>\$ 754,165</u>
Current portion		\$ 188,542
Non-current portion		<u>565,623</u>
Total Water Rights Contract		<u>\$ 754,165</u>
Landfill Closure and Post-Closure Liability:		
A \$3,663,494 accrued liability has been recognized in the McAlester Public Works Authority to represent the total estimated amount owed by the Authority for closure and postclosure requirements dictated by the U.S. Environmental Protection Agency and the Oklahoma Department of Environmental Quality regulations and represented the cumulative amount of such costs reported to date based on the use of approximately 75.46% of the estimated capacity of the landfill. It is estimated that an additional \$1,191,219 will be recognized as closure and postclosure expense between the current balance sheet date and the date the landfill is expected to be filled to capacity. However, the actual cost of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulation. The restricted use of the landfill has extended its life. The estimated remaining landfill life is now 38 years.		
Current portion		\$ 366,349
Noncurrent portion		<u>3,297,145</u>
Total Landfill Closure and Postclosure Liability		<u>\$ 3,663,494</u>
Accrued Compensated Absences:		
Current portion		\$ 23,990
Noncurrent portion		<u>215,912</u>
Total Accrued Compensated Absences		<u>\$ 239,902</u>

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Deposits Subject to Refund:	
Current portion	\$ 94,121
Noncurrent portion	<u>376,482</u>
Total Deposits Subject to Refund	<u>\$ 470,603</u>

Net Pension Obligation:	
Current portion	\$ -
Non-current portion	<u>95,441</u>
Total Net Pension Obligation	<u>\$ 95,441</u>

Debt Service Requirements to Maturity

Long-term debt service requirements to maturity of the primary government are as follows:

Year Ended June 30,	<u>Governmental Activity Debt</u>			
	<u>Capital Lease Obligations Payable</u>		<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 39,413	\$ 1,133	\$ 3,680,000	\$ 2,242,341
2016	3,366	13	3,840,000	2,152,800
2017	-	-	4,015,000	2,005,139
2018	-	-	4,190,000	1,849,211
2019	-	-	4,495,000	1,667,890
2020-2024	-	-	16,130,000	6,340,232
2025-2029	-	-	20,630,000	2,514,538
2030-2034	-	-	<u>4,232,176</u>	<u>14,583,769</u>
Total	<u>\$ 42,779</u>	<u>\$ 1,146</u>	61,212,176	33,355,920
Accreted Portion of Debt			<u>2,910,711</u>	<u>(2,910,711)</u>
			<u>\$ 64,122,887</u>	<u>\$ 30,445,209</u>

Year Ended June 30,	<u>Business-Type Activity Debt</u>			
	<u>Notes Payable</u>		<u>Contract Obligation Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 117,943	\$ 10,583	\$ 188,542	\$ -
2016	69,675	7,705	188,541	-
2017	169,788	1,065	188,541	-
2018	17,140	-	188,541	-
2019	17,140	-	-	-
2020-2024	50,179	-	-	-
2025-2027	<u>9,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 450,905</u>	<u>\$ 19,353</u>	<u>\$ 754,165</u>	<u>\$ -</u>

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Year Ended June 30,	<u>Water Rights Contract Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 27,328	\$ 4,591
2015	28,044	3,874
2016	28,780	3,139
2017	29,534	2,385
2018	30,308	1,610
2019	30,957	934
Total	<u>\$ 174,951</u>	<u>\$ 16,533</u>

**Component Units** have the following long-term debt at June 30, 2014:

	Balance June 30, 2013	Additions	Deductions	Transfers	Balance June 30, 2014	Amounts Due Within One Year
<b>Component Unit Activities (MRICA):</b>						
Capital Lease Obligations	\$ 850,137	\$ -	\$ 469,715	\$ -	\$ 380,422	\$ 287,557
Notes Payable to Vendors	72,031	-	72,031	-	-	-
Notes Payable to Banks	902,900	499,000	192,335	-	1,209,565	606,455
Total Component Unit Debt	<u>\$ 1,825,068</u>	<u>\$ 499,000</u>	<u>\$ 734,081</u>	<u>\$ -</u>	<u>\$ 1,589,987</u>	<u>\$ 894,012</u>

**Notes Payable to Banks (MRHCA):**

The notes payable to banks are due between December 2014 and December 2022, payable monthly, including interest at rates of 3.25% to 5.50%. The notes are secured by real estate and certain capital assets. The debt service requirements as of June 30, 2014, are as follows:

Year Ended June 30,	<u>Discretely Presented Component Unit Debt</u>	
	<u>Notes Payable to Banks</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 606,455	\$ 34,240
2016	155,571	21,254
2017	154,918	15,779
2018	148,793	10,124
2019	30,682	6,639
2020-2023	113,146	9,954
Total	<u>\$ 1,209,565</u>	<u>\$ 97,990</u>

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**Capital Lease Obligations (MRHCA):**

The McAlester Regional Health Center Authority is obligated under leases for equipment that are accounted for as capital leases. The following is a schedule by year of future minimum lease payments under the capital leases, including interest at rates of 0.5% to 8.3% together with the present value of the future minimum lease payments as of June 30, 2014:

Year Ended June 30,	<u>Capital Lease</u> <u>Obligations Payable</u>
2015	\$ 295,553
2016	93,733
Total minimum lease payments	389,286
Less amount representing interest	8,864
Present value of future minimum lease payments	<u>\$ 380,422</u>

**8. Fund Balances**

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	Reserve Fund	Capital Improvement Plan Fund	Dedicated Sales Tax - MPWA	Bond Trustee Fund	Other Governmental Funds	Total
<b>Fund Balance:</b>							
Nonspendable:							
Prepaid items	\$ 5,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,987
<b>Restricted For:</b>							
Grant purposes	-	-	-	-	-	581	581
Juvenile programs	-	-	-	-	-	6,598	6,598
Tourism	-	-	-	-	-	25,000	25,000
911	-	-	-	-	-	1,280,349	1,280,349
Economic development	-	-	-	-	-	1,008,547	1,008,547
Other	-	-	-	-	-	25,974	25,974
Police capital outlay	-	-	-	-	-	58,311	58,311
Cemetery	-	-	-	-	-	326,827	326,827
Technology improvements	-	-	-	-	-	187,284	187,284
Emergencies	-	3,472,802	-	-	-	-	3,472,802
Capital improvements:							
Economic development-bond repayment	-	-	800,000	-	-	-	800,000
Economic development - trustee accounts	-	-	-	-	40,992	-	40,992
Streets - trustee accounts	-	-	-	-	11,677,718	-	11,677,718
Debt Service	-	-	-	1,156,495	7,152,140	1,323,163	9,631,798
Sub-total Restricted	-	3,472,802	800,000	1,156,495	18,870,850	4,346,634	28,542,781
<b>Assigned to:</b>							
Tourism	-	-	-	-	-	598,813	598,813
Economic development	-	-	-	-	-	1,994,461	1,994,461
Other	-	-	-	-	-	32,744	32,744
Police capital outlay	-	-	-	-	-	325	325
Capital improvements	-	-	662,008	-	-	-	662,008
Emergencies	-	173,136	-	-	-	-	173,136
Nutrition services	48,842	-	-	-	-	-	48,842
Sub-total Assigned	48,842	173,136	662,008	-	-	2,626,343	3,510,329
<b>Unassigned</b>	2,612,033	-	-	-	-	-	2,612,033
<b>Total Fund Balance</b>	<u>\$ 2,660,862</u>	<u>\$ 3,645,938</u>	<u>\$ 1,462,008</u>	<u>\$ 1,156,495</u>	<u>\$ 18,870,850</u>	<u>\$ 6,868,977</u>	<u>\$ 34,671,130</u>

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**Restricted Net Position – Governmental Activities**

The following table shows the net position restricted for other purposes as shown on the Statement of Net Position:

<b>Fund</b>	<b>Restricted By</b>	<b>Amount</b>
Juvenile Fine Fund	State statutes and/or debt indentures	\$ 6,598
State Forfeiture Fund	State statutes and/or debt indentures	3,301
Cemetery Perpetual Care Fund	State statutes and/or debt indentures	326,827
Federal Forfeiture Fund	State statutes and/or debt indentures	45,371
Capital Improvement Plan Fund	State statutes and/or debt indentures	800,000
		<u>\$ 1,182,097</u>
Dedicated Sales Tax - MPWA	External parties (voters)	\$ 1,156,495
E911 Fund	External parties (voters)	1,280,349
Reserve Fund	External parties (voters)	3,472,802
Tourism / SE Expo Fund	External parties (voters)	25,000
Economic Development Fund	External parties (voters)	1,008,547
Gifts & Contributions Fund	External parties (donors)	25,974
Sales Tax - Schools Fund	External parties (voters)	1,323,163
Fire Improvement Grant Fund	External parties (grantors)	260
Police Equipment Fund	External parties (grantors)	9,639
CDBG Fund	External parties (grantors)	321
Technology Fund	External parties (voters)	187,284
		<u>\$ 8,489,834</u>

**Prior Period Adjustments**

Beginning fund balance and net position were restated as of June 30, 2014 as follows:

	<u>Fund Level</u> <u>Bond Trustee</u> <u>Fund</u>	<u>Fund Level</u> <u>MPWA</u>	<u>Government-Wide</u>	
			<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Beginning net position, as previously reported	\$ -	\$ (24,427,988)	\$ 43,866,995	\$ (21,527,300)
Reclassification of Bond Trustee Accounts from an enterprise fund to a governmental fund	14,261,093	(14,261,093)	14,261,093	(14,261,093)
Reclassification of revenue bond activity/balances from an enterprise fund & business-type activities to governmental activities	-	61,625,005	(61,625,005)	61,625,005
Beginning net position, restated	<u>\$ 14,261,093</u>	<u>\$ 22,935,924</u>	<u>\$ (3,496,917)</u>	<u>\$ 25,836,612</u>

All activity of the revenue bonds issued by the McAlester Public Works Authority were previously reported in an enterprise fund and as business-type activities; however, these revenue bonds were related to activities and capital improvements of the City's governmental activities including street and drainage improvements, along with activities for the benefit of entities not included within the City's primary government, primarily school system improvements and economic development activities. Therefore, these activities are now being reported in the governmental funds and governmental activities.

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**9. Dedicated Tax Revenues and Pledges of Future Revenues**

Sales and Use Tax

Sales and use tax revenue represents a 3.50 cents tax on each dollar of taxable sales which is recorded as revenue within the respective funds. Upon receipt, the sales tax is recorded as follows:

- 2 cents is recorded in the General Fund.
- 1 cent recorded in the Dedicated Sales Tax Fund MPWA and then transferred to the McAlester Public Works Authority Fund for the payment of debt service restricted by voter approval.
- ¼ cent recorded in the Sales Tax Schools Fund for the acquisition, construction, equipment and financing of education facilities and the payment of debt service for such purpose restricted by voter approval (effective April 1, 2003).
- ¼ cent recorded in the Economic Development Fund for economic development and the payment of debt service for such purpose restricted by voter approval (effective April 1, 2003).

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged one and one-half cents (or 42.86%) of future sales tax revenues to repay \$64,122,887 of Series 2002, 2003, 2011, 2012, 2013 and 2014 Sales Tax and Utility System Bonds. Proceeds from the bonds provided financing for capital assets, economic development, and school related capital contributions. The 2003A and 2011 bonds are payable solely from pledged sales tax revenues. The 2002, 2012, 2013 and 2014 bonds and the 1999 loan are payable from pledged sales tax revenues and further secured by net water, wastewater, and sanitation revenues. The bonds are payable anywhere from 2018 through 2034. The total principal and interest payable for the remainder of the life of these bonds is \$94,568,096, which includes \$17,560,000 of accreted bonds. Pledged sales taxes transferred in the current year were \$5,622,417 and the net utility revenues were \$2,303,127. Debt service payments of \$5,315,334, excluding accreted interest, for the current fiscal year were 94.5% of the pledged and transferred sales taxes and 67.1% of both pledged and transferred sales taxes and utility revenues.

**10. Internal and Interfund Balances and Transfers**

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2014, were as follows:

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Transfer From	Transfer To	Amount	Nature of Transfer
General Fund	McAlester Airport Authority	\$ 147,991	Operating transfer
General Fund	Capital Improvement Plan Fund	610,547	Transfer for capital improvements
Capital Improvement Plan Fund	MPWA	324,751	Debt service payments
Dedicated Sales Tax Fund	Bond Trustee Fund	4,082,736	Debt payments to trustee bank
Sales Tax - Schools Fund	Bond Trustee Fund	645,801	Debt payments to trustee bank
Economic Development Fund	Bond Trustee Fund	893,880	Debt payments to trustee bank
Economic Development Fund	MPWA	3,390	Trustee bank fiscal agent fees
MPWA	General Fund	1,760,943	Operating transfer
MPWA	CDBG Grants Fund	72,799	Matching grant monies
MPWA	Capital Improvement Plan Fund	55,000	Transfer for capital improvements
		<u>\$ 8,597,838</u>	
	Transfers In	Transfers Out	Net Transfers/ Internal Activity
Reconciliation to Fund			
Financial Statements:			
Governmental Funds	\$ 8,121,706	\$ (6,709,096)	\$ 1,412,610
Enterprise Funds	476,132	(1,888,742)	(1,412,610)
Total Transfers	<u>\$ 8,597,838</u>	<u>\$ (8,597,838)</u>	<u>\$ -</u>
Reconciliation to statement of activities:		Governmental	Business-Type
Net transfers		\$ 1,412,610	\$ (1,412,610)
Reclassification of grant revenue between activities		72,772	(72,772)
Reclassification of charges for services revenue between activities		233,180	(233,180)
Reclassification of capital asset purchases between activities		(688,360)	688,360
Total Transfers - Internal Activity		<u>\$ 1,030,202</u>	<u>\$ (1,030,202)</u>

**Balances:**

Interfund receivables and payables at June 30, 2014, were as follows:

Due From	Due To	Amount	Nature of Interfund Balance
General Fund	Capital Improvement Plan Fund	\$ 800,000	Bond related issues
General Fund	Fleet Maintenance Fund	22,806	GF share of payroll liability
General Fund	Workers Compensation Fund	392,544	GF share of claims liability
Juvenile Fine Fund	Gifts & Contributions Fund	25,000	Park donation
MPWA	Fleet Maintenance Fund	7,817	GF share of payroll liability
MPWA	Workers Compensation Fund	92,928	GF share of claims liability
		<u>\$ 1,341,095</u>	
Due From Other Fund	Due To Other Funds	Internal Service Funds Reconciliation	Net Activity/ Internal Balances
Reconciliation to Fund			
Financial Statements:			
Governmental Funds	\$ 825,000	\$ (1,240,350)	\$ 516,095
Enterprise Funds	-	(100,745)	(100,745)
Total Interfund Balances	<u>\$ 825,000</u>	<u>\$ (1,341,095)</u>	<u>\$ 516,095</u>

The City continues to report an interfund receivable/payable in the original amount of \$3,291,826 between the General Fund and the Capital Improvement Plan Fund (MPWA). This interfund receivable/payable is the result of questions raised in a forensic audit dealing with questioned transfers made in prior years from the MPWA to the General Fund. At the current time, the City has developed a schedule of annual reimbursements to be made by the General Fund to the Capital Improvement Plan Fund(MPWA) until the interfund payable is deemed to be satisfied. The current balance of this interfund receivable/payable is \$800,000.



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**11. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability and Physical Property – Purchased commercial insurance with no risk of loss retained.
- Workers' Compensation – Self- insured up to \$250,000 per occurrence. Additional coverage is maintained with a reinsurance policy up to a \$5,000,000 limit. The reinsurance policy also covers aggregate losses exceeding \$800,000 with a limit of \$1,000,000 during the two year policy period.
- Dental Insurance – Self- insured.
- Employee's Group Medical – Covered through purchased commercial insurance with no risk of loss retained.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. There were no significant changes in coverage in the current year and settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standard No. 5, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For workers' compensation, changes in the claims liability for the City from July 1, 2011 to June 30, 2014 are as follows:

	<u>Total Claims Liability</u>
Claims liability, July 1, 2011	\$ 319,759
Claims incurred	475,561
Claims paid	<u>(385,821)</u>
Claims liability, July 1, 2012	409,499
Claims incurred	362,992
Claims paid	<u>(217,270)</u>
Claims liability, June 30, 2013	555,221
Claims incurred	651,263
Claims paid	<u>(702,843)</u>
Claims liability, June 30, 2014	<u>\$ 503,641</u>

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## **12. Contingencies**

### *Litigation:*

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

### *Federal and State Award Programs:*

The City of McAlester participates in various federal or state grant/loan programs from year to year. In 2013, the City's involvement in federal and state award programs was significant. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

### *ODEQ Consent Orders:*

The City of McAlester is currently under two Consent Orders from the Oklahoma Department of Environmental Quality (ODEQ) related to the water treatment plant: Case No. 07-233 and Case 09-241.

Case 07-233 relates to disinfection by-products (DBP's). The City continues to work on this Consent Order and the Water Treatment Plant (WTP) is approaching compliance. Compliance was required by July 1, 2013 but ODEQ extended the deadline for the engineering report to be submitted by January 1, 2014. The report was reviewed by ODEQ resulting in comments that were addressed in an Engineering Report submitted to ODEQ on July 31, 2014. The City is currently working with Tetra Tech and Severn Trent Services to develop a Corrective Action Plan (CAP) to be submitted to ODEQ for review and approval, as the next step to achieving compliance with Case No. 07-233.

Case 09-241 relates to the discharge from the plant's backwash lagoons. The project included construction of the WTP's Residual Handling facilities, substantially completed in November 2013. This is identified as Task D of Case No. 09-241. ODEQ has been notified and will need to be included in the final review and acceptance. The City will be working with STS to be in compliance with ODEQ's Permit for discharge requirements.

## **13. Pension Plan Participation**

The City of McAlester participates in four pension or retirement plans:

1. Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
2. Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
3. City of McAlester Employee's Retirement System – a single-employer defined benefit plan
4. City of McAlester Employee's Retirement System – a single-employer defined contribution plan

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*City of McAlester Employee's Retirement System Defined Benefit Plan:*

The City contributes to the City of McAlester Employees' Retirement System (the "System"), which is a single employer defined benefit pension plan administered by the City of McAlester City Council. All non-union full-time City employees that were employed prior to July 1, 2013 participate in the System. The City's retirement ordinance requires that actuarial valuations be performed annually to determine if the City's fixed contribution rate is adequate to fund the actuarially determined contribution requirement. The System does not issue separate annual financial statements. On June 30, 2013 the Defined Benefit Pension Plan was frozen for all non-uniform active participants.

The following is a summary of funding policies, contribution methods, and benefit provisions:

Year established and governing authority	1995 by City Council Ordinance
Determination of Contribution requirements	Actuarially determined
Employer	13.6% of Payroll (\$507,902 annual required contribution)
Plan members	None required
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Eligibility for distribution	Age 55 with ten years credited service. Annual rate of retirement starts at 5% at age 56.
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

*A. Annual Required Contributions*

Actuarial assumptions:

Valuation date	July 1, 2014
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Dollar
Amortization period	Liability pre-2009, 12 years remaining, closed; liability post-2009, 30 years remaining, open
Actuarial asset valuation method	5-year weighted average market value, recognizing gains and losses at the rate of 20% per year.
Investment rate of return	7.2%
Projected salary increases	Frozen at this time

*B. Summary of Significant Accounting Policies and Plan Asset Matters*

Basis of Accounting - Disclosures of the System's financial condition are prepared using the accrual basis of accounting. Employer contributions are recognized as System revenues in the period in which employee services are performed.

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Asset Valuation Method - The actuarial value of assets is a 5-year weighted average market value, recognizing gains and losses at the rate of 20% per year, beginning with the market value of assets as of July 1, 1999. For the last two years, due to market conditions, the plan's market value asset performance was much greater than the assumed investment return assumption of 7.2%. The estimated annual rate of return on the market value of assets for the year ending June 30, 2014 was a gain of 19.3%, as compared to a gain of 14.5% for the year ended June 30, 2013. The estimated annual rate of return on the actuarial value of assets for the year ending June 30, 2014 was a gain of 11.4%, as compared to a gain of 5.3% for the year ended June 30, 2013.

*C. Annual Pension Cost and Net Pension Obligation*

The annual pension cost and net pension obligation to the Plan for the fiscal year ended June 30, 2014 was as follows:

	<u>2014</u>
Annual pension cost	\$ 494,660
Contributions made	<u>(580,226)</u>
Increase (decrease) in pension benefit obligation	(85,566)
Pension benefit obligation beginning of year	<u>498,570</u>
Pension benefit obligation end of year	<u>\$ 413,004</u>

*D. Trend Information*

McAlester Employees' Retirement System			
Fiscal Year	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation (Asset)
2012	875,888	101.1%	453,219
2013	922,567	95.1%	498,570
* 2014	494,660	117.3%	413,004

\* Considered closed and frozen at this point

**Funded Status and Funding Progress**

As of July 1, 2014, the funded status of the McAlester Employees' Retirement System defined benefit plan is as follows:

Actuarial accrued liability (AAL)	<u>\$16,609,575</u>
Actuarial value of plan assets	<u>12,169,761</u>
Overfunded (Unfunded) actuarial accrued liability (UAAL)	<u>\$ (4,439,814)</u>
Funded ratio (actuarial value of plan assets/AAL)	73.3%
Annual covered payroll (active plan members)	\$4,097,667
UAAL as a percentage of covered payroll	108.3%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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**GASB 67 Pension Disclosures**

Since the System does not issue separate financial statements, note disclosures required to be presented in accordance with GASB 67 are being reported in the City's notes to the financial statements. Additional disclosures required by GASB 67 follow.

**Additional Accounting Policies, Actuarial Assumptions and Methods (GASB 67)**

For GASB Statement 67 purposes, the method used to value investments is the market value (fair value).

GASB Statement 67 also requires the use of the Entry Age Normal actuarial cost method. Since this plan has been frozen, the method used for funding shown on page 57 (Projected Unit Credit) generates the same pension liability as the Entry Age Normal method.

The plan's policy in regard to the allocation of invested assets is established by the City Council. The current asset allocation policy is 70% equity investments, 25% fixed income investments, and 5% cash. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimate of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	4.9%
International equity	1.2%
Fixed income	1.0%
Cash	0.1%
Total	7.2%

The discount rate used to measure the total pension liability was 7.20%. The City has, on average, made contributions that exceed the ARC over the past five years. If the City continues to contribute in this fashion, the plan will always be sufficiently funded to pay benefits due. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The annual money-weighted rate of return, net of expenses paid from the trust, was 19.3%.

The following presents the net pension liability calculated using the discount rate of 7.20 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.20 percent) or 1% point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate	1% Increase (8.20%)
City's Total Pension Liability			
Total Pension Liability	\$ 18,480,207	\$ 16,609,575	\$ 15,038,314
Plan Fiduciary Net Pension	\$ 13,809,560	\$ 13,809,560	\$ 13,809,560
City's Net Pension Liability	\$ 4,670,647	\$ 2,800,015	\$ 1,228,754

Fiduciary Plan Net Position as a % of total pension liability is 83.1%

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*Firefighter Pension System:*

*Plan Summary Information.* The City of McAlester, as the employer, participates in a statewide cost-sharing multiple employer defined benefit pension plan through the Oklahoma Firefighter's Pension and Retirement System (OFPRS). The OFPRS defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Pursuant to the requirements of Title 11, section 22-102, the City must participate in the plan if they employ fulltime or volunteer firefighters.

The State made on-behalf payments to the Oklahoma Firefighter's Pension and Retirement System of \$636,769 (or 30.0% of covered payroll).

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OFPRS, 4545 N. Lincoln Blvd., Suite 265, Oklahoma City, OK 73105-3414.

*Funding Policy.* OFPRS plan members are required to contribute 9% of their annual salary to the plan. The City is required by state law to contribute 14% of the members' annual salary. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

*Police Pension System:*

*Plan Summary Information.* Pursuant to the requirements of Title 11, section 22-102, the City of McAlester participates in the statewide cost-sharing multi-employer defined benefit plan administered by the Oklahoma Police Pension and Retirement System (OPPRS).

The State made on-behalf payments to the Oklahoma Police Pension and Retirement System of \$254,525 (or 11.5% of covered payroll).

The OPPRS issues a publicly available report that includes financial statements, which can be obtained from the Oklahoma Police Pension and Retirement System, 1001 N.W. 63<sup>rd</sup> Street, Oklahoma City, OK, 73116-7335.

*Funding Policy.* OPPRS plan members are required to contribute 9% of their annual salary to the plan. The City is required by state law to contribute 14% of the members' annual salary. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

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*Summary of Contributions:*

Oklahoma Firefighter's Pension and Retirement System			Oklahoma Police Pension and Retirement System		
Fiscal Year	Required Contribution	Percentage Contributed	Fiscal Year	Required Contribution	Percentage Contributed
2012	263,781	100%	2012	282,222	100%
2013	271,937	100%	2013	290,215	100%
2014	289,425	100%	2014	288,315	100%

*OMRF Defined Contribution Plan:*

Effective July 1, 2013, the City has also provided a defined contribution plan and trust known as the City of McAlester Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JPMorgan Chase Bank. The defined contribution plan is available to all full-time employees except those participating in state fire or police programs. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment. By City ordinance, the City, as employer, shall contribute to the Fund an amount equal to 50% of the Participant's contributions under the City's Deferred Compensation Plan 457. The Employer match shall be limited to 6.00% of these Participant's earnings effective July 1, 2013. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 100% after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting shall reduce the Employer contribution. The authority to establish and amend the provisions of the plan rests with the City Council.

For the year ended June 30, 2014, the City contributed \$246,167 to the plan.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 100 N. Broadway, Oklahoma City, Oklahoma, 73102.

**REQUIRED SUPPLEMENTARY INFORMATION**



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**Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2014**

	GENERAL FUND (BUDGETARY BASIS)			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ 1,055,690	\$ 2,698,546	\$ 1,642,856
Resources (Inflows):				
TAXES:				
Sales tax	7,513,716	7,513,716	7,571,363	57,647
Use tax	699,445	699,445	629,114	(70,331)
Franchise tax	462,720	462,720	640,490	177,770
Total Taxes	8,675,881	8,675,881	8,840,967	165,086
INTERGOVERNMENTAL:				
Alcoholic beverage tax	111,455	111,455	134,345	22,890
Tobacco/cigarette tax	149,280	149,280	157,472	8,192
Gas excise tax	34,588	34,588	33,167	(1,421)
Vehicle tax	126,607	126,607	140,646	14,039
Grant revenue	15,000	175,000	27,658	(147,342)
Asset forfeiture - advance reimbursement	-	-	15,000	15,000
Total Intergovernmental	436,930	596,930	508,288	(88,642)
CHARGES FOR SERVICES:				
Court costs	319,136	319,136	307,618	(11,518)
Cemetery opening/closing	24,890	24,890	28,022	3,132
Incarceration fee	-	-	2,155	2,155
Cemetery fees	12,000	12,000	18,075	6,075
Swimming pool revenue	14,090	14,090	17,586	3,496
Ambulance revenue	443,016	443,016	434,885	(8,131)
False alarms	-	-	25	25
Street cuts	5,000	5,000	11,977	6,977
Recreation fees	6,000	6,000	11,075	5,075
Oil and gas leases	985,022	985,022	1,199,474	214,452
Abatements	19,979	19,979	15,302	(4,677)
Rental property	600	600	-	(600)
Rental rooms	5,180	5,180	4,990	(190)
Burgular alarms	6,920	6,920	8,615	1,695
Complex concessions	14,000	14,000	8,913	(5,087)
Complex rental	19,500	19,500	18,610	(890)
Total Charges for Services	1,875,333	1,875,333	2,087,322	211,989
FINES AND FORFEITURES	757,186	757,186	759,814	2,628
LICENSES AND PERMITS	107,855	107,855	141,189	33,334
INVESTMENT INCOME	27,400	27,400	23,284	(4,116)
MISCELLANEOUS:				
Auctions	19,900	19,900	1,027	(18,873)
Hay sales	1,000	1,000	-	(1,000)
Vendors	500	500	762	262
Cemetery lots	16,500	16,500	13,278	(3,222)
Demolitions	4,400	4,400	90	(4,310)
Court admin fee	3,522	3,522	3,993	471
Miscellaneous	6,500	6,500	3,162	(3,338)
Credit card payment fees	6,800	6,800	9,510	2,710
Restitution reimbursements	5,500	5,500	5,541	41
Reimbursements	35,500	35,500	42,779	7,279
Total Miscellaneous	100,122	100,122	80,142	(19,980)
OTHER FINANCING SOURCES:				
Transfers from other funds	1,522,943	1,760,943	1,760,943	-
Total Other Financing Sources	1,522,943	1,760,943	1,760,943	-
Amounts available for appropriation	13,503,650	14,957,340	16,900,495	1,943,155

(Continued)

**CITY OF MCALESTER, OKLAHOMA**  
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(Continued)			
GENERAL FUND (BUDGETARY BASIS)			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
<b>Charges to Appropriations (Outflows):</b>			
<b>LEGISLATURE:</b>			
Mayor and Council:			
Personal services	4,889	4,889	4,791 98
Materials and supplies	7,000	4,621	1,906 2,713
Other services and charges	92,350	92,350	86,075 6,275
<b>TOTAL LEGISLATURE</b>	<b>104,239</b>	<b>101,860</b>	<b>92,774 9,086</b>
<b>ADMINISTRATION:</b>			
City Manager:			
Personal services	272,574	277,351	272,664 4,687
Materials and supplies	2,900	2,668	1,693 975
Other services and charges	50,750	65,782	64,998 784
Capital outlay	25,000	2,705	2,705 -
<b>Total City Manager</b>	<b>351,224</b>	<b>348,506</b>	<b>342,060 6,446</b>
Finance:			
Personal services	225,528	235,890	234,911 979
Materials and supplies	3,500	3,263	2,815 448
Other services and charges	4,400	6,150	5,595 555
<b>Total Finance</b>	<b>233,428</b>	<b>245,303</b>	<b>243,321 1,982</b>
City Clerk:			
Personal services	88,227	88,929	85,954 2,975
Materials and supplies	600	600	481 119
Other services and charges	19,270	19,270	5,999 13,271
<b>Total City Clerk</b>	<b>108,097</b>	<b>108,799</b>	<b>92,434 16,365</b>
City Attorney:			
Personal services	22,843	22,846	22,842 4
Materials and supplies	200	198	- 198
Other services and charges	76,000	162,064	161,063 1,001
<b>Total City Attorney</b>	<b>99,043</b>	<b>185,108</b>	<b>183,905 1,203</b>
Court:			
Personal services	154,020	145,410	142,926 2,484
Materials and supplies	1,200	1,200	443 757
Other services and charges	15,200	50,516	49,722 794
<b>Total Court</b>	<b>170,420</b>	<b>197,126</b>	<b>193,091 4,035</b>
Interdepartmental:			
Personal services	348,090	33,382	- 33,382
Materials and supplies	53,500	50,795	46,332 4,463
Other services and charges	848,860	790,859	662,660 128,199
<b>Total Interdepartmental</b>	<b>1,250,450</b>	<b>875,036</b>	<b>708,992 166,044</b>
Information Services:			
Personal services	69,560	71,566	70,649 917
Materials and supplies	4,063	4,063	3,791 272
Other services and charges	76,350	70,587	61,818 8,769
Capital outlay	11,000	11,000	10,985 15
<b>Total Information Services</b>	<b>160,973</b>	<b>157,216</b>	<b>147,243 9,973</b>

(Continued)

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	GENERAL FUND (BUDGETARY BASIS)			(Continued)
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
ADMINISTRATION, (Continued):				
CID:				
Personal services	612,450	581,160	554,650	28,510
Materials and supplies	8,600	8,600	5,905	2,695
Other services and charges	5,500	5,500	3,135	2,365
Total CID	<u>626,550</u>	<u>595,260</u>	<u>563,690</u>	<u>31,570</u>
TOTAL ADMINISTRATION	<u>3,000,185</u>	<u>2,712,354</u>	<u>2,474,736</u>	<u>237,618</u>
PUBLIC SAFETY:				
Patrol:				
Personal services	2,544,092	2,602,809	2,595,310	7,499
Materials and supplies	160,927	188,812	182,273	6,539
Other services and charges	153,779	124,456	121,087	3,369
Total Patrol	<u>2,858,798</u>	<u>2,916,077</u>	<u>2,898,670</u>	<u>17,407</u>
Animal Control:				
Personal services	38,961	41,088	40,271	817
Materials and supplies	6,750	6,342	5,474	868
Other services and charges	5,350	4,524	3,940	584
Capital outlay	-	7,940	7,599	341
Total Animal Control	<u>51,061</u>	<u>59,894</u>	<u>57,284</u>	<u>2,610</u>
Communications:				
Personal services	168,911	206,913	204,902	2,011
Materials and supplies	2,000	2,000	1,294	706
Other services and charges	2,000	2,000	1,791	209
Total Communications	<u>172,911</u>	<u>210,913</u>	<u>207,987</u>	<u>2,926</u>
Fire:				
Personal services	2,827,767	3,022,335	3,005,592	16,743
Materials and supplies	68,988	68,080	62,620	5,460
Other services and charges	104,150	187,053	180,823	6,230
Total Fire	<u>2,998,885</u>	<u>3,277,468</u>	<u>3,249,035</u>	<u>28,433</u>
EMS:				
Materials and supplies	46,804	48,515	43,699	4,816
Other services and charges	111,186	45,750	42,066	3,684
Total EMS	<u>157,990</u>	<u>94,265</u>	<u>85,765</u>	<u>8,500</u>
TOTAL PUBLIC SAFETY	<u>6,239,845</u>	<u>6,558,617</u>	<u>6,498,741</u>	<u>59,876</u>
COMMUNITY SERVICES:				
Parks:				
Personal services	578,520	735,318	712,757	22,561
Materials and supplies	117,636	107,906	107,103	803
Other services and charges	88,304	112,083	110,352	1,711
Total Parks	<u>764,460</u>	<u>955,287</u>	<u>930,212</u>	<u>25,075</u>
Swimming Pools:				
Personal services	85,469	82,170	68,407	13,763
Materials and supplies	40,000	40,000	38,890	1,310
Other services and charges	5,000	8,515	8,515	-
Total Swimming Pools	<u>130,469</u>	<u>130,685</u>	<u>115,612</u>	<u>15,073</u>

(Continued)

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	GENERAL FUND (BUDGETARY BASIS)			(Continued)
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
COMMUNITY SERVICES, (Continued):				
Recreation:				
Personal services	183,812	184,762	178,136	6,626
Materials and supplies	23,088	24,653	24,152	501
Other services and charges	28,105	25,398	24,308	1,090
Total Recreation	<u>235,005</u>	<u>234,813</u>	<u>226,596</u>	<u>8,217</u>
Cemetery:				
Personal services	295,198	308,766	306,858	1,908
Materials and supplies	23,125	24,712	20,594	4,118
Other services and charges	15,875	18,709	18,569	140
Total Cemetery	<u>334,198</u>	<u>352,187</u>	<u>346,021</u>	<u>6,166</u>
Facility Maintenance:				
Personal services	184,892	157,821	156,136	1,685
Materials and supplies	52,574	65,460	60,333	5,127
Other services and charges	27,400	68,257	65,576	2,681
Total Facility Maintenance	<u>264,866</u>	<u>291,538</u>	<u>282,045</u>	<u>9,493</u>
TOTAL COMMUNITY SERVICES	<u>1,728,998</u>	<u>1,864,510</u>	<u>1,900,486</u>	<u>64,024</u>
ADMINISTRATIVE SERVICES:				
Planning & Community Development:				
Personal services	177,388	222,023	209,996	12,027
Materials and supplies	7,528	9,528	6,721	2,807
Other services and charges	98,793	102,808	49,314	53,494
Capital outlay	-	230,581	-	230,581
Total Planning & Community Development	<u>283,709</u>	<u>564,940</u>	<u>266,031</u>	<u>298,909</u>
Human Resources/Risk Management:				
Personal services	133,956	140,692	124,509	16,183
Materials and supplies	31,658	34,608	27,549	7,059
Other services and charges	23,387	31,800	27,451	4,349
Total Human Resources/Risk Management	<u>189,001</u>	<u>207,100</u>	<u>179,509</u>	<u>27,591</u>
TOTAL ADMINISTRATIVE SERVICES	<u>472,710</u>	<u>772,040</u>	<u>445,540</u>	<u>326,500</u>
PUBLIC WORKS:				
Streets:				
Personal services	604,501	796,056	790,975	5,081
Materials and supplies	406,903	365,632	330,224	36,408
Other services and charges	102,500	149,904	149,347	557
Capital outlay	-	541,398	426,615	114,783
Total Streets	<u>1,113,904</u>	<u>1,853,990</u>	<u>1,697,161</u>	<u>156,829</u>
TOTAL PUBLIC WORKS	<u>1,113,904</u>	<u>1,853,990</u>	<u>1,697,161</u>	<u>156,829</u>
OTHER FINANCING USES:				
Transfers to other funds	843,969	993,969	993,963	6
Total Charges to Appropriations	<u>13,503,650</u>	<u>14,957,340</u>	<u>14,103,401</u>	<u>853,939</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,797,094</u>	<u>\$ 2,797,094</u>

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<b>SPECIAL REVENUE - RESERVE FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 3,628,727	\$ 3,628,727
Resources (Inflows):				
Investment income	38,000	38,000	17,211	(20,789)
Amounts available for appropriation	<u>38,000</u>	<u>38,000</u>	<u>3,645,938</u>	<u>3,607,938</u>
Charges to appropriations (outflows):				
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 3,645,938</u>	<u>\$ 3,607,938</u>

**Footnotes to Budgetary Comparison Schedules:**

1. The City prepares its budgets for all funds on the cash basis of accounting for all revenues except for on-behalf payments made, and those that are billed by the City (i.e., misc receivables). The modified accrual basis of accounting is used for budgeting of expenditures with the exception of on-behalf payments made, the net effect of certain year-end payroll accruals, and outstanding encumbrances related to capital items. The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding and their related appropriations are lapsed at year end and are re-appropriated and re-encumbered in the subsequent fiscal year.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Manager, subject to a dollar limitation of \$25,000. All transfers of appropriation above this limitation and all supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	<b><u>General Fund</u></b>
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) "available appropriation" from the budgetary comparison schedule	\$16,900,495
<b>Differences – budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,698,546)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(1,760,942)
The City reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	891,295
The City reports the Nutrition Account as part of the General Fund in the fund financial statements, but are not included in the budget to actual.	61,870
The City reports grant revenue for assets contributed by grantors in the General Fund in the fund financial statements, but are not budgeted.	

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The City budgets for revenues on the modified cash basis of accounting, rather than on the modified accrual basis.	<u>80,327</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$13,474,499</u>
<b>Uses/Outflows of resources</b>	
Actual amounts (budgetary basis) “total charges to appropriations” from the budgetary comparison schedule	\$14,103,401
Differences – budget to GAAP:	
The City budgets for payroll and miscellaneous accrued liabilities on the modified cash basis, rather than on the modified accrual basis.	(90,873)
The City reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	891,295
The City reports the Nutrition Account as part of the General Fund in the fund financial statements, but are not included in the budget to actual.	254,596
The City reports capital outlay for assets contributed by grantors in the General Fund in the fund financial statements, but are not budgeted.	
Transfers to other funds and component units are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(993,963)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$14,164,456</u>
	<b><u>Reserve Fund</u></b>
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$3,645,938
Differences – budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(3,628,727)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$17,211</u>

4. For the year ended June 30, 2014, the City complied, in all material respects, with the applicable budget laws.

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**Trend Schedule of Pension Plan Funding Progress – McAlester Employees' Retirement System**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (AUJL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAI, as a Percentage of Covered Payroll ((b-a)/c)
7/1/2005	7,832,545	9,483,292	1,650,747	82.6%	4,555,872	36.2%
7/1/2006	8,201,138	10,499,055	2,297,917	78.1%	4,071,060	56.4%
7/1/2007	8,777,906	11,058,765	2,280,859	79.4%	4,523,484	50.4%
7/1/2008	9,233,904	11,532,207	2,298,303	80.1%	4,082,914	56.3%
7/1/2009	9,779,352	13,164,083	3,384,731	74.3%	4,326,276	78.2%
7/1/2010	9,990,470	14,807,371	4,816,901	67.5%	4,274,311	112.7%
7/1/2011	10,503,533	15,986,289	5,482,756	65.7%	4,037,185	135.8%
7/1/2012	10,763,608	16,807,499	6,043,891	64.0%	4,108,795	147.1%
7/1/2013	11,320,333	16,127,470	4,807,137	70.2%	4,264,310	112.7%
* 7/1/2014	12,169,761	16,609,575	4,439,814	73.3%	4,097,667	108.3%

**Trend Schedule of Employer Contributions**

McAlester Employees' Retirement System			
Fiscal Year	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation (Asset)
2005	441,700	0.6%	480,720
2006	473,699	101%	470,216
2007	516,115	81%	569,651
2008	533,593	99.5%	572,508
2009	518,694	116.3%	487,961
2010	657,455	102.6%	470,753
2011	806,226	101.0%	462,795
2012	875,888	101.1%	453,219
2013	922,567	95.1%	498,570
* 2014	494,660	117.3%	413,004

\* Considered closed and frozen at this point

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**Schedule of Changes in Net Pension Liability and Related Ratios**

**Last Fiscal Year**

	2014
<b>Total pension liability</b>	
Service cost	\$ -
Interest	1,125,249
Changes of benefit terms	-
Differences between expected and actual experience	354,880
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(992,995)
Net change in total pension liability	487,134
 Total pension liability - beginning	 16,127,470
Total pension liability - ending (a)	\$ 16,614,604
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 580,226
Contributions - member	-
Net investment income	2,444,464
Benefit payments, including refunds of member contributions	(992,995)
Administrative expense	(148,960)
Other	71,351
Net change in plan fiduciary net position	1,954,086
 Plan fiduciary net position - beginning	 11,855,474
Plan fiduciary net position - ending (b)	\$ 13,809,560
 Net pension liability - ending (a) - (b)	 \$ 2,805,044
 Plan fiduciary net position as a percentage of the total pension liability	 83.1%
 Covered employee payroll at beginning of year	 \$ 4,264,310
 Net pension liability as a percentage of covered- employee payroll	 65.8%

**Notes to Schedule:**

Only the current fiscal year is presented because 10-year data is not yet available.  
In addition, the plan was frozen on July 1, 2013.



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Schedule of Employer Contributions	Last Fiscal Year
	2014
Actuarially determined contribution	\$ 507,902
Contributions in relation to the actuarially determined contribution	580,226
Contribution deficiency (excess)	\$ (72,324)
Covered employee payroll at beginning of year	\$ 4,264,310
Contributions as a percentage of covered-employee payroll	13.6%

**Notes to Schedule:**

1. Only the current fiscal year is presented because 10-year data is not yet available; plan frozen on July 1, 2013.
2. Valuation Date: July 1, 2014
3. Actuarially determined contribution rate is calculated as of July 1 prior to the end of the fiscal year in which contributions are reported
4. Methods and assumptions used to determine contribution rates:
  - Actuarial cost method - Projected Unit Credit
  - Amortization method - Level dollar, post 2009 liabilities open, pre 2009 liabilities closed
  - Remaining amortization period - Closed part = 12 years
  - Asset valuation method - Actuarial:
    - Smoothing period - 5 years
    - Salary increases - Frozen at this time
    - Investment rate of return - 7.20%, net of pension plan investment expense

Schedule of Investment Returns	Last Fiscal Year
	2014
Annual money-weighted rate of return, net of investment expense	19.30%

**Note to Schedule:**

Only the current fiscal year is presented because 10-year data is not yet available.

## **OTHER SUPPLEMENTARY INFORMATION**

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**Combining Balance Sheet, General Fund Accounts – June 30, 2014**

	<u>General Fund</u>	<u>Nutrition Account</u>	<u>Total General Fund</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,040,335	\$ 49,512	\$ 3,089,847
Receivables:			
Due from other governments	1,126,438	4,845	1,131,283
Franchise tax receivable	56,667	-	56,667
Court fines receivable, net of allowance	1,326,109	-	1,326,109
Ambulance receivable, net of allowance	115,347	-	115,347
Prepaid expenses	5,987	-	5,987
Other receivables, net of allowance	1,955	-	1,955
Total assets	<u>\$ 5,672,838</u>	<u>\$ 54,357</u>	<u>\$ 5,727,195</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>			
Liabilities:			
Accounts payable	\$ 249,033	\$ 1,631	\$ 250,664
Accrued payroll liabilities	321,918	3,884	325,802
Due to other funds	1,215,350	-	1,215,350
Unearned revenue	2,150	-	2,150
Total liabilities	<u>1,788,451</u>	<u>5,515</u>	<u>1,793,966</u>
Deferred inflows of resources:			
Deferred revenue	<u>1,266,367</u>	<u>-</u>	<u>1,266,367</u>
Fund Balances:			
Nonspendable	5,987	-	5,987
Assigned	-	48,842	48,842
Unassigned	<u>2,612,033</u>	<u>-</u>	<u>2,612,033</u>
Total fund balances	<u>2,618,020</u>	<u>48,842</u>	<u>2,666,862</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,672,838</u>	<u>\$ 54,357</u>	<u>\$ 5,727,195</u>

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**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances, General Fund**  
**Accounts – Year Ended June 30, 2014**

	General Fund	Nutrition Account	Total General Fund
<b>Revenues:</b>			
Taxes	\$ 8,846,991	\$ -	\$ 8,846,991
Intergovernmental	1,402,901	61,870	1,464,771
Charges for services	2,130,662	-	2,130,662
Fines and forfeitures	787,160	-	787,160
Licenses and permits	141,489	-	141,489
Investment income	23,284	-	23,284
Miscellaneous	80,142	-	80,142
Total Revenues	<u>13,412,629</u>	<u>61,870</u>	<u>13,474,499</u>
<b>Expenditures:</b>			
Current:			
Legislature	92,698	-	92,698
Administration	2,455,164	-	2,455,164
Public safety	7,333,554	-	7,333,554
Community services	1,859,274	-	1,859,274
Administration services	446,697	-	446,697
Health and welfare	-	254,596	254,596
Public works	1,169,200	-	1,169,200
Capital outlay	553,273	-	553,273
Total Expenditures	<u>13,909,860</u>	<u>254,596</u>	<u>14,164,456</u>
Excess (deficiency) of revenues over expenditures	(497,231)	(192,726)	(689,957)
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,760,943	-	1,760,943
Transfers out	(758,538)	-	(758,538)
Interaccount transfers	(235,425)	235,425	-
Total Other Financing Sources (Uses)	<u>766,980</u>	<u>235,425</u>	<u>1,002,405</u>
Net change in fund balances	269,749	42,699	312,448
Fund balances - beginning	2,348,271	6,143	2,354,414
Fund balances - ending	<u>\$ 2,618,020</u>	<u>\$ 48,842</u>	<u>\$ 2,666,862</u>

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**Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2014**

	SPECIAL REVENUE FUNDS				
	JUVENILE FINE FUND	TOURISM/ SE EXPO FUND	E-911 FUND	ECONOMIC DEVELOPMENT FUND	GIFTS & CONTRIBUTIONS FUND
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 31,598	\$ 635,527	\$ 1,236,422	\$ 2,356,148	\$ 41,394
Investments	-	-	-	543,358	-
Receivables:					
Due from other funds	-	-	-	-	25,000
Due from other governments	-	40,779	-	124,800	14,877
Other receivable	-	-	55,376	-	-
Total Assets	<u>\$ 31,598</u>	<u>\$ 676,306</u>	<u>\$ 1,291,798</u>	<u>\$ 3,024,306</u>	<u>\$ 81,271</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</u></b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 47,861	\$ 2,386	\$ 20,073	\$ 7,676
Accrued payroll liabilities	-	4,632	9,063	1,225	-
Due to other funds	25,000	-	-	-	-
Total Liabilities	<u>25,000</u>	<u>52,493</u>	<u>11,449</u>	<u>21,298</u>	<u>7,676</u>
Deferred Inflows of Resources:					
Deferred revenue	-	-	-	-	14,877
Fund Balances:					
Restricted	6,598	25,000	1,280,349	1,008,547	25,974
Assigned	-	598,813	-	1,994,461	32,744
Total fund balances	<u>6,598</u>	<u>623,813</u>	<u>1,280,349</u>	<u>3,003,008</u>	<u>58,718</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 31,598</u>	<u>\$ 676,306</u>	<u>\$ 1,291,798</u>	<u>\$ 3,024,306</u>	<u>\$ 81,271</u>

(Continued)

**CITY OF MCALESTER, OKLAHOMA**  
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**Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2014, Continued**

	CAPITAL PROJECT FUNDS				
	POLICE EQUIPMENT FUND	STATE FORFEITURE FUND	CEMETERY PERPETUAL CARE FUND	CDBG GRANTS FUND	FEDERAL FORFEITURE FUND
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 9,639	\$ 3,626	\$ 361,517	\$ 7,671	\$ 45,371
Investments	-	-	-	-	-
Receivables:					
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other receivable	-	-	-	-	-
Total Assets	<u>\$ 9,639</u>	<u>\$ 3,626</u>	<u>\$ 361,517</u>	<u>\$ 7,671</u>	<u>\$ 45,371</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</u></b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 34,690	\$ 7,350	\$ -
Accrued payroll liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>34,690</u>	<u>7,350</u>	<u>-</u>
Deferred Inflows of Resources:					
Deferred revenue	-	-	-	-	-
Fund Balances:					
Restricted	9,639	3,301	326,827	321	45,371
Assigned	-	325	-	-	-
Total fund balances	<u>9,639</u>	<u>3,626</u>	<u>326,827</u>	<u>321</u>	<u>45,371</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,639</u>	<u>\$ 3,626</u>	<u>\$ 361,517</u>	<u>\$ 7,671</u>	<u>\$ 45,371</u>

(Continued)

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**Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2014, Continued**

	<b>CAPITAL PROJECT FUNDS</b>		<b>DEBT SERVICE FUND</b>	<b>TOTAL</b>
	<b>FIRE</b>	<b>TECHNOLOGY</b>	<b>SALES TAX -</b>	<b>NONMAJOR</b>
	<b>IMPROVEMENT</b>	<b>FUND</b>	<b>SCHOOLS</b>	<b>GOVERNMENTAL</b>
	<b>GRANT FUND</b>		<b>FUND</b>	<b>FUNDS</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 260	\$ 187,284	\$ 1,198,363	\$ 6,114,820
Investments	-	-	-	543,358
Receivables:				
Due from other funds	-	-	-	25,000
Due from other governments	-	-	124,800	305,256
Other receivable	-	-	-	55,376
Total Assets	<u>\$ 260</u>	<u>\$ 187,284</u>	<u>\$ 1,323,163</u>	<u>\$ 7,043,810</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 120,036
Accrued payroll liabilities	-	-	-	14,920
Due to other funds	-	-	-	25,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,956</u>
Deferred Inflows of Resources:				
Deferred revenue	-	-	-	14,877
Fund Balances:				
Restricted	260	187,284	1,323,163	4,242,634
Assigned	-	-	-	2,626,343
Total fund balances	<u>260</u>	<u>187,284</u>	<u>1,323,163</u>	<u>6,868,977</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 260</u>	<u>\$ 187,284</u>	<u>\$ 1,323,163</u>	<u>\$ 7,043,810</u>

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2014**

	SPECIAL REVENUE FUNDS				
	JUVENILE FINE FUND	TOURISM/ SE EXPO FUND	E-911 FUND	ECONOMIC DEVELOPMENT FUND	GIFTS & CONTRIBUTIONS FUND
Revenues:					
Taxes	\$ -	\$ 447,768	\$ 630,849	\$ 951,836	\$ -
Intergovernmental	-	-	-	260,000	21,000
Charges for services	22,670	127,921	-	-	-
Investment income	-	-	6,332	8,486	2
Miscellaneous	-	100	-	5,000	42,024
Total Revenues	22,670	575,789	637,181	1,225,322	63,026
Expenditures:					
Current:					
Administration	-	-	-	-	18,826
Public safety	25,339	-	502,871	-	-
Community services	-	-	-	-	-
Administrative services	-	564,017	-	217,067	-
Economic development	-	-	-	-	-
Capital outlay	-	-	28,840	158,015	73,484
Total Expenditures	25,339	564,017	531,711	375,082	92,310
Excess (deficiency) of revenues over expenditures	(2,669)	11,772	105,470	850,240	(29,284)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(897,270)	-
Proceeds from sale of capital assets	-	-	-	1,350,000	-
Total Other Financing Sources (Uses)	-	-	-	452,730	-
Net change in fund balances	(2,669)	11,772	105,470	1,302,970	(29,284)
Fund balances - beginning	9,267	612,041	1,174,879	1,700,038	88,002
Fund balances - ending	\$ 6,598	\$ 623,813	\$ 1,280,349	\$ 3,003,008	\$ 58,718

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2014 (Continued)**

	CAPITAL PROJECT FUNDS				
	POLICE EQUIPMENT FUND	STATE FORFEITURE FUND	CEMETERY PERPETUAL CARE FUND	CDBG GRANTS FUND	FEDERAL FORFEITURE FUND
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	192	-	72,772	15,074
Charges for services	-	-	5,900	-	-
Investment income	-	107	198	-	255
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>299</u>	<u>6,098</u>	<u>72,772</u>	<u>15,329</u>
Expenditures:					
Current:					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	2,883	-	-
Administrative services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	16,816	-	45,283	145,250	20,923
Total Expenditures	<u>16,816</u>	<u>-</u>	<u>48,166</u>	<u>145,250</u>	<u>20,923</u>
Excess (deficiency) of revenues over expenditures	(16,816)	299	(42,068)	(72,478)	(5,594)
Other Financing Sources (Uses):					
Transfers in	-	-	-	72,799	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,799</u>	<u>-</u>
Net change in fund balances	(16,816)	299	(42,068)	321	(5,594)
Fund balances - beginning	26,455	3,327	368,895	-	50,965
Fund balances - ending	<u>\$ 9,639</u>	<u>\$ 3,626</u>	<u>\$ 326,827</u>	<u>\$ 321</u>	<u>\$ 45,371</u>

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2014 (Continued)**

	CAPITAL PROJECT FUNDS		DEBT SERVICE FUND	TOTAL
	FIRE IMPROVEMENT GRANT FUND	TECHNOLOGY FUND	SALES TAX - SCHOOLS FUND	NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes	\$ -	\$ -	\$ 951,836	\$ 2,982,289
Intergovernmental	-	-	-	369,038
Charges for services	-	175,143	-	331,634
Investment income	-	-	5,864	21,244
Miscellaneous	-	-	-	47,124
Total Revenues	-	175,143	957,700	3,751,329
Expenditures:				
Current:				
Administration	-	-	-	18,826
Public safety	-	-	-	528,210
Community services	-	-	-	2,883
Administrative services	-	-	-	564,017
Economic development	-	-	-	217,067
Capital outlay	-	3,200	-	491,811
Total Expenditures	-	3,200	-	1,822,814
Excess (deficiency) of revenues over expenditures	-	171,943	957,700	1,928,515
Other Financing Sources (Uses):				
Transfers in	-	-	-	72,799
Transfers out	-	-	(645,801)	(1,543,071)
Proceeds from sale of capital assets	-	-	-	1,350,000
Total Other Financing Sources (Uses)	-	-	(645,801)	(120,272)
Net change in fund balances	-	171,943	311,899	1,808,243
Fund balances - beginning	260	15,341	1,011,264	5,060,734
Fund balances - ending	\$ 260	\$ 187,284	\$ 1,323,163	\$ 6,868,977

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**Combining Schedule of Net Position, MPWA Accounts -- June 30, 2014**

	Enterprise Fund - MPWA		
	McAlester Public Works Authority Operating Account	Landfill Reserve Account	Total
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 1,025,524	\$ 1,169,380	\$ 2,194,904
Restricted cash and cash equivalents	981,802	-	981,802
Accounts receivable, net of allowance	1,004,885	24,694	1,029,579
<b>Total current assets</b>	<b>3,012,211</b>	<b>1,194,074</b>	<b>4,206,285</b>
<b>Noncurrent Assets:</b>			
Investment in joint venture	1,723,913	-	1,723,913
Capital assets:			
Land and other non-depreciable assets	1,273,417	-	1,273,417
Other capital assets, net of depreciation	22,509,993	-	22,509,993
<b>Total noncurrent assets</b>	<b>25,507,323</b>	<b>-</b>	<b>25,507,323</b>
<b>Total Assets</b>	<b>28,519,534</b>	<b>1,194,074</b>	<b>29,713,608</b>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts payable	338,662	24,330	362,992
Accrued payroll liabilities	39,384	-	39,384
Due to other funds	100,745	-	100,745
Escrow deposit liability	511,199	-	511,199
Interest payable	2,596	-	2,596
Unearned revenue	57,776	-	57,776
Landfill closure and postclosure liability	366,349	-	366,349
Due to depositors	94,121	-	94,121
Notes payable	67,590	-	67,590
Contract obligation	188,542	-	188,542
Water rights contract obligation	27,328	-	27,328
Accrued compensated absences	21,707	-	21,707
<b>Total current liabilities</b>	<b>1,815,999</b>	<b>24,330</b>	<b>1,840,329</b>
<b>Noncurrent Liabilities:</b>			
Landfill closure and post-closure liability	3,297,145	-	3,297,145
Due to depositors	376,482	-	376,482
Pension benefit obligation	92,549	-	92,549
Notes payable	127,779	-	127,779
Contract obligation	565,623	-	565,623
Water rights contract obligation	147,623	-	147,623
Accrued compensated absences	195,367	-	195,367
<b>Total noncurrent liabilities</b>	<b>4,802,568</b>	<b>-</b>	<b>4,802,568</b>
<b>Total liabilities</b>	<b>6,618,567</b>	<b>24,330</b>	<b>6,642,897</b>
<b>NET POSITION:</b>			
Net investment in capital assets	22,658,925	-	22,658,925
Unrestricted (deficit)	(757,958)	1,169,744	411,786
<b>Total net position</b>	<b>\$ 21,900,967</b>	<b>\$ 1,169,744</b>	<b>\$ 23,070,711</b>

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**Combining Schedule of Revenues, Expenses, and Changes in Net Position, MPWA Accounts – Year Ended June 30, 2014**

	Enterprise Fund - MPWA		
	McAlester Public Works Authority Operating Account	Landfill Reserve Account	Total
<b>Operating Revenues:</b>			
Charges for services:			
Water	\$ 2,883,430	\$ -	\$ 2,883,430
Sewer	1,560,293	-	1,560,293
Sanitation	2,484,200	-	2,484,200
Water taps	30,172	-	30,172
Sewer taps	11,700	-	11,700
Water districts	1,074,603	-	1,074,603
Landfill	2,742	-	2,742
Penalties	-	8,576	8,576
Recycle fees	31,913	-	31,913
Subtitle "D" fees	-	333,321	333,321
<b>Total operating revenues</b>	<b>8,079,053</b>	<b>341,897</b>	<b>8,420,950</b>
<b>Operating Expenses:</b>			
Utility office	488,862	-	488,862
Interdepartmental	685,331	-	685,331
Sanitation	1,908,041	-	1,908,041
Engineering	339,680	-	339,680
Sewer	718,007	-	718,007
Water	877,794	-	877,794
Utility maintenance	873,453	-	873,453
Landfill	168,662	57,993	226,655
Depreciation expense	1,238,031	-	1,238,031
<b>Total operating expenses</b>	<b>7,297,861</b>	<b>57,993</b>	<b>7,355,854</b>
<b>Operating income</b>	<b>781,192</b>	<b>283,904</b>	<b>1,065,096</b>
<b>Non-Operating Revenues (Expenses):</b>			
Investment income	8,388	5,557	13,945
Interest expense and fiscal charges	(9,516)	-	(9,516)
Miscellaneous revenue	34,196	-	34,196
Gain on joint venture	34,922	-	34,922
<b>Total non-operating revenues (expenses)</b>	<b>67,990</b>	<b>5,557</b>	<b>73,547</b>
<b>Net income before contributions and transfers</b>	<b>849,182</b>	<b>289,461</b>	<b>1,138,643</b>
Contributed capital revenue	556,745	-	556,745
Interaccount transfers	4,006	(4,006)	-
Transfers in	328,141	-	328,141
Transfer out	(1,888,742)	-	(1,888,742)
<b>Change in net position</b>	<b>(150,668)</b>	<b>285,455</b>	<b>134,787</b>
<b>Total net position - beginning, restated</b>	<b>22,051,635</b>	<b>884,289</b>	<b>22,935,924</b>
<b>Total net position - ending</b>	<b>\$ 21,900,967</b>	<b>\$ 1,169,744</b>	<b>\$ 23,070,711</b>

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**Combining Schedule of Net Position, MAA Accounts – June 30, 2014**

	McAlester Airport Authority			
	McAlester Airport Authority Operating Account	Airport Grant Account	Airport Hangar Account	Total
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 90,997	\$ 38,548	\$ 36,760	\$ 166,305
Accounts receivable, net of allowance	9,157	-	-	9,157
<b>Total current assets</b>	<u>100,154</u>	<u>38,548</u>	<u>36,760</u>	<u>175,462</u>
<b>Noncurrent Assets:</b>				
Capital assets:				
Land and other non-depreciable assets	344,460	-	-	344,460
Other capital assets, net of depreciation	2,720,290	-	-	2,720,290
<b>Total noncurrent assets</b>	<u>3,064,750</u>	<u>-</u>	<u>-</u>	<u>3,064,750</u>
<b>Total Assets</b>	<u>3,164,904</u>	<u>38,548</u>	<u>36,760</u>	<u>3,240,212</u>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable	2,090	-	-	2,090
Accrued payroll liabilities	2,470	-	-	2,470
Interest payable	453	-	-	453
Notes payable	50,353	-	-	50,353
Accrued compensated absences	2,283	-	-	2,283
<b>Total current liabilities</b>	<u>57,649</u>	<u>-</u>	<u>-</u>	<u>57,649</u>
<b>Noncurrent Liabilities:</b>				
Pension benefit obligation	2,892	-	-	2,892
Notes payable	205,183	-	-	205,183
Accrued compensated absences	20,545	-	-	20,545
<b>Total noncurrent liabilities</b>	<u>228,620</u>	<u>-</u>	<u>-</u>	<u>228,620</u>
<b>Total liabilities</b>	<u>286,269</u>	<u>-</u>	<u>-</u>	<u>286,269</u>
<b>NET POSITION:</b>				
Net investment in capital assets	2,809,214	-	-	2,809,214
Unrestricted	69,421	38,548	36,760	144,729
<b>Total net position</b>	<u>\$ 2,878,635</u>	<u>\$ 38,548</u>	<u>\$ 36,760</u>	<u>\$ 2,953,943</u>

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**Combining Schedule of Revenues, Expenses, and Changes in Net Position, MAA Accounts – Year Ended June 30, 2014**

	McAlester Airport Authority			
	McAlester Airport Authority Operating Account	Airport Grant Account	Airport Hangar Account	Total
<b>Operating Revenues:</b>				
Rents and fees	\$ 92,304	\$ -	\$ -	\$ 92,304
<b>Total operating revenues</b>	<u>92,304</u>	<u>-</u>	<u>-</u>	<u>92,304</u>
<b>Operating Expenses:</b>				
Airport	167,669	310	-	167,979
Depreciation expense	150,191	-	-	150,191
<b>Total operating expenses</b>	<u>317,860</u>	<u>310</u>	<u>-</u>	<u>318,170</u>
<b>Net income (loss) before contributions and transfers</b>	(225,556)	(310)	-	(225,866)
Interest expense	(11,962)	-	-	(11,962)
Miscellaneous	11,477	-	-	11,477
Contributed capital revenue	131,615	-	-	131,615
Transfers in	<u>147,991</u>	<u>-</u>	<u>-</u>	<u>147,991</u>
<b>Change in net position</b>	53,565	(310)	-	53,255
<b>Total net position - beginning</b>	2,825,070	38,858	36,760	2,900,688
<b>Total net position - ending</b>	<u>\$ 2,878,635</u>	<u>\$ 38,548</u>	<u>\$ 36,760</u>	<u>\$ 2,953,943</u>

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**Combining Statement of Net Position, Internal Service Funds – June 30, 2014**

	Internal Service Funds		
	Worker's Compensation Fund	FLEET Maintenance Fund	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ 18,169	\$ 23,858	\$ 42,027
Due from other funds	485,472	30,623	516,095
<b>Total assets</b>	<b>503,641</b>	<b>54,481</b>	<b>558,122</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	-	23,837	23,837
Accrued payroll liabilities	-	5,181	5,181
Estimated liability for claims	503,641	-	503,641
Accrued compensated absences - current	-	2,546	2,546
Accrued compensated absences - noncurrent	-	22,917	22,917
<b>Total liabilities</b>	<b>503,641</b>	<b>54,481</b>	<b>558,122</b>
<b>NET POSITION:</b>			
Unrestricted	-	-	-
<b>Total net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Combining Statement of Revenues, Expenses, and Changes in Net Position, Internal Service Funds**  
**– Year Ended June 30, 2014**

	Internal Service Funds		
	Worker's Compensation Fund	FLEET Maintenance Fund	Total
<b>Operating Revenues:</b>			
Charges for services:			
Self insurance charges	\$ 626,848	\$ 609,999	\$ 1,236,847
Miscellaneous	24,415	4,264	28,679
<b>Total operating revenues</b>	<b>651,263</b>	<b>614,263</b>	<b>1,265,526</b>
<b>Operating Expenses:</b>			
Claims expense	651,263	-	651,263
FLEET maintenance expenses	-	614,263	614,263
<b>Total operating expenses</b>	<b>651,263</b>	<b>614,263</b>	<b>1,265,526</b>
<b>Operating income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net position - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**Combining Statement of Cash Flows, Internal Service Funds – Year Ended June 30, 2014**

	Internal Service Funds		
	Worker's	FLEET	Total
	Compensation Fund	Maintenance Fund	
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers	\$ (703,785)	\$ (317,831)	\$ (1,021,616)
Payments to employees	-	(288,159)	(288,159)
Other receipts	721,012	612,823	1,333,835
Net Cash Provided by Operating Activities	17,227	6,833	24,060
 Net Increase in Cash and Cash Equivalents	17,227	6,833	24,060
 Balances - beginning of the year	942	17,025	17,967
 Balances - end of the year	\$ 18,169	\$ 23,858	\$ 42,027
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ -	\$ -	\$ -
Change in assets and liabilities			
Due from other funds	69,749	(1,440)	68,309
Accounts payable	(942)	6,812	5,870
Accrued payroll liabilities	-	(1,357)	(1,357)
Claims liability	(51,580)	-	(51,580)
Accrued compensated absences	-	2,818	2,818
 Net Cash Provided by Operating Activities	\$ 17,227	\$ 6,833	\$ 24,060



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**Budgetary Comparison Schedules – Major Capital Project & Debt Service Governmental Funds –**  
**Year Ended June 30, 2014**

**CAPITAL PROJECT - CAPITAL IMPROVEMENT PLAN FUND (Budgetary Basis)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ 1,159,854	\$ 1,859,396	\$ 699,542
Resources (Inflows):				
Charges for services	219,321	219,321	233,180	13,859
Investment income	-	-	763	763
Miscellaneous	-	-	6,605	6,605
Transfers in	460,547	665,547	665,547	-
Amounts available for appropriation	<u>679,868</u>	<u>2,044,722</u>	<u>2,765,491</u>	<u>720,769</u>
Charges to appropriations (outflows):				
City manager	75,000	75,000	68,796	6,204
Patrol	-	390,000	247,394	132,606
Fire	-	157,000	-	157,000
Parks	-	169,167	169,167	-
Recreation	-	8,500	8,350	150
Planning & Comm Dev	-	6,942	6,941	1
Streets	40,547	229,438	228,058	1,380
Water Treatment	-	414,297	205,643	208,654
Utility maintenance	345,000	385,057	369,134	15,923
Total Charges to Appropriations	<u>460,547</u>	<u>1,825,401</u>	<u>1,303,483</u>	<u>521,918</u>
Ending Budgetary Fund Balance	<u>\$ 219,321</u>	<u>\$ 219,321</u>	<u>\$ 1,462,008</u>	<u>\$ 1,242,687</u>

**DEBT SERVICE - DEDICATED SALES TAX-MPWA (Budgetary Basis)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ 669,095	\$ 950,465	\$ 281,370
Resources (Inflows):				
Taxes	3,756,858	3,756,858	3,785,682	28,824
Investment income	20,000	20,000	5,384	(14,616)
Amounts available for appropriation	<u>3,776,858</u>	<u>4,445,953</u>	<u>4,741,531</u>	<u>295,578</u>
Charges to appropriations (outflows):				
Administration	15,000	15,000	6,500	8,500
Transfers out	3,408,641	4,077,736	4,077,736	-
Total Charges to Appropriations	<u>3,423,641</u>	<u>4,092,736</u>	<u>4,084,236</u>	<u>8,500</u>
Ending Budgetary Fund Balance	<u>\$ 353,217</u>	<u>\$ 353,217</u>	<u>\$ 657,295</u>	<u>\$ 304,078</u>

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**Budgetary Comparison Schedules – Major Capital Project & Debt Service Governmental Funds – Year Ended June 30, 2014 (Continued)**

<b>DEBT SERVICE - BOND TRUSTEE FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 14,261,093	\$ 14,261,093
Resources (Inflows):				
Investment income	-	-	1,121	1,121
Bond proceeds	-	341,574	4,910,000	4,568,426
Transfers in	4,955,942	5,614,057	5,622,417	8,360
Amounts available for appropriation	<u>4,955,942</u>	<u>5,955,631</u>	<u>24,794,631</u>	<u>18,839,000</u>
Charges to appropriations (outflows):				
Finance	<u>4,924,094</u>	<u>5,923,783</u>	<u>5,923,781</u>	<u>2</u>
Total Charges to Appropriations	<u>4,924,094</u>	<u>5,923,783</u>	<u>5,923,781</u>	<u>2</u>
Ending Budgetary Fund Balance	<u>\$ 31,848</u>	<u>\$ 31,848</u>	<u>\$ 18,870,850</u>	<u>\$ 18,839,002</u>

**Budgetary Comparison Schedules – Nonmajor Governmental Funds – Year Ended June 30, 2014**

<b>SPECIAL REVENUE - JUVENILE FINE FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 9,267	\$ 9,267
Resources (Inflows):				
Charges for services	26,000	26,000	22,670	(3,330)
Miscellaneous	25,000	25,000	-	(25,000)
Amounts available for appropriation	<u>51,000</u>	<u>51,000</u>	<u>31,937</u>	<u>(19,063)</u>
Charges to appropriations (outflows):				
Public safety	<u>30,006</u>	<u>30,006</u>	<u>25,339</u>	<u>4,667</u>
Total Charges to Appropriations	<u>30,006</u>	<u>30,006</u>	<u>25,339</u>	<u>4,667</u>
Ending Budgetary Fund Balance	<u>\$ 20,994</u>	<u>\$ 20,994</u>	<u>\$ 6,598</u>	<u>\$ (14,396)</u>

<b>SPECIAL REVENUE - TOURISM/SE EXPO FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ 28,000	\$ 575,868	\$ 547,868
Resources (Inflows):				
Taxes	478,724	478,724	448,448	(30,276)
Charges for services	145,650	145,650	127,921	(17,729)
Miscellaneous	-	-	100	100
Amounts available for appropriation	<u>624,374</u>	<u>624,374</u>	<u>1,152,337</u>	<u>499,963</u>
Charges to appropriations (outflows):				
Administrative services	<u>580,699</u>	<u>608,699</u>	<u>564,671</u>	<u>44,028</u>
Total Charges to Appropriations	<u>580,699</u>	<u>608,699</u>	<u>564,671</u>	<u>44,028</u>
Ending Budgetary Fund Balance	<u>\$ 43,675</u>	<u>\$ 43,675</u>	<u>\$ 587,666</u>	<u>\$ 543,991</u>

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**Budgetary Comparison Schedules – Nonmajor Governmental Funds – Year Ended June 30, 2014**  
**(Continued)**

<b>SPECIAL REVENUE - E-911 FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 50,941	\$ 50,941	\$ 1,127,657	\$ 1,076,716
Resources (Inflows):				
Taxes	575,211	575,211	631,411	56,200
Investment income	7,000	7,000	6,332	(668)
Amounts available for appropriation	<u>633,152</u>	<u>633,152</u>	<u>1,765,400</u>	<u>1,132,248</u>
Charges to appropriations (outflows):				
Public safety	<u>633,152</u>	<u>633,152</u>	<u>531,364</u>	<u>101,788</u>
Total Charges to Appropriations	<u>633,152</u>	<u>633,152</u>	<u>531,364</u>	<u>101,788</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,234,036</u>	<u>\$ 1,234,036</u>

<b>SPECIAL REVENUE - ECONOMIC DEVELOPMENT FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 123,975	\$ 370,366	\$ 1,027,610	\$ 657,244
Resources (Inflows):				
Taxes	939,215	939,215	946,420	7,205
Intergovernmental	-	260,000	260,000	-
Investment income	-	-	8,486	8,486
Miscellaneous	187,000	187,000	558,044	371,044
Proceeds from sale of capital assets	-	-	1,350,000	1,350,000
Amounts available for appropriation	<u>1,250,190</u>	<u>1,756,581</u>	<u>4,150,560</u>	<u>2,393,979</u>
Charges to appropriations (outflows):				
Finance	66,990	254,950	220,883	34,067
Planning and community development	285,000	603,431	156,364	447,067
Transfers out	<u>898,200</u>	<u>898,200</u>	<u>893,880</u>	<u>4,320</u>
Total Charges to Appropriations	<u>1,250,190</u>	<u>1,756,581</u>	<u>1,271,127</u>	<u>485,454</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,879,433</u>	<u>\$ 2,879,433</u>

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**Budgetary Comparison Schedules – Nonmajor Governmental Funds – Year Ended June 30, 2014**  
**(Continued)**

<b>SPECIAL REVENUE - GIFTS &amp; CONTRIBUTIONS FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 88,002	\$ 88,002
Resources (Inflows):				
Intergovernmental	-	-	21,000	21,000
Investment income	-	-	2	2
Miscellaneous	-	121,559	42,024	(79,535)
Amounts available for appropriation	-	121,559	151,028	29,469
Charges to appropriations (outflows):				
Administration	-	121,559	92,310	29,249
Total Charges to Appropriations	-	121,559	92,310	29,249
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 58,718	\$ 58,718

<b>CAPITAL PROJECT - POLICE EQUIPMENT FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ 20,000	\$ 26,455	\$ 6,455
Resources (Inflows):				
Intergovernmental	-	-	-	-
Amounts available for appropriation	-	20,000	26,455	6,455
Charges to appropriations (outflows):				
Public safety	-	20,000	16,816	3,184
Total Charges to Appropriations	-	20,000	16,816	3,184
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 9,639	\$ 9,639

<b>CAPITAL PROJECT - STATE FORFEITURE FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 3,327	\$ 3,327
Resources (Inflows):				
Intergovernmental	-	-	192	192
Investment income	-	-	107	107
Amounts available for appropriation	-	-	3,626	3,626
Charges to appropriations (outflows):				
Transfers out	-	-	-	-
Total Charges to Appropriations	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 3,626	\$ 3,626

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**Budgetary Comparison Schedules – Nonmajor Governmental Funds – Year Ended June 30, 2014**  
**(Continued)**

<b>CAPITAL PROJECT - CEMETERY PERPETUAL CARE FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 27,032	\$ 42,332	\$ 368,895	\$ 326,563
Resources (Inflows):				
Charges for services	6,000	6,000	5,900	(100)
Investment income	1,000	1,000	198	(802)
Amounts available for appropriation	<u>34,032</u>	<u>49,332</u>	<u>374,993</u>	<u>325,661</u>
Charges to appropriations (outflows):				
Community services	<u>34,032</u>	<u>49,332</u>	<u>48,166</u>	<u>1,166</u>
Total Charges to Appropriations	<u>34,032</u>	<u>49,332</u>	<u>48,166</u>	<u>1,166</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,827</u>	<u>\$ 326,827</u>

<b>CAPITAL PROJECT - CDBG GRANTS FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	72,799	72,799	72,772	(27)
Transfers in	72,799	72,799	72,799	-
Amounts available for appropriation	<u>145,598</u>	<u>145,598</u>	<u>145,571</u>	<u>(27)</u>
Charges to appropriations (outflows):				
Engineering	<u>145,598</u>	<u>145,598</u>	<u>145,250</u>	<u>348</u>
Total Charges to Appropriations	<u>145,598</u>	<u>145,598</u>	<u>145,250</u>	<u>348</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ 321</u>

<b>CAPITAL PROJECT - FEDERAL FORFEITURE FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 50,965	\$ 50,965
Resources (Inflows):				
Intergovernmental	33,000	33,000	15,074	(17,926)
Investment income	-	-	255	255
Amounts available for appropriation	<u>33,000</u>	<u>33,000</u>	<u>66,294</u>	<u>33,294</u>
Charges to appropriations (outflows):				
Public safety	<u>33,000</u>	<u>33,000</u>	<u>20,923</u>	<u>12,077</u>
Total Charges to Appropriations	<u>33,000</u>	<u>33,000</u>	<u>20,923</u>	<u>12,077</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,371</u>	<u>\$ 45,371</u>

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**Budgetary Comparison Schedules – Nonmajor Governmental Funds – Year Ended June 30, 2014**  
**(Continued)**

**CAPITAL PROJECT - FIRE IMPROVEMENT GRANT FUND (Budgetary Basis)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 260	\$ 260
Resources (Inflows):				
Intergovernmental	-	-	-	-
Amounts available for appropriation	-	-	260	260
Charges to appropriations (outflows):				
Public safety	-	-	-	-
Total Charges to Appropriations	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 260	\$ 260

**CAPITAL PROJECT - TECHNOLOGY FUND (Budgetary Basis)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 15,341	\$ 15,341
Resources (Inflows):				
Charges for services	70,000	70,000	175,143	105,143
Amounts available for appropriation	70,000	70,000	190,484	120,484
Charges to appropriations (outflows):				
Administration	70,000	70,000	3,200	66,800
Total Charges to Appropriations	70,000	70,000	3,200	66,800
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 187,284	\$ 187,284

**DEBT SERVICE - SALES TAX - SCHOOLS FUND (Budgetary Basis)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 891,880	\$ 891,880
Resources (Inflows):				
Taxes	939,215	939,215	946,420	7,205
Investment income	6,000	6,000	5,864	(136)
Amounts available for appropriation	945,215	945,215	1,844,164	898,949
Charges to appropriations (outflows):				
Community services	1,500	1,500	-	1,500
Transfers out	649,100	649,100	645,801	3,299
Total Charges to Appropriations	650,600	650,600	645,801	4,799
Ending Budgetary Fund Balance	\$ 294,615	\$ 294,615	\$ 1,198,363	\$ 903,748

**CITY OF MCALESTER, OKLAHOMA**  
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**Schedule of Revenue Bond Coverage – Year Ended June 30, 2014**

	Series 2014, 2013, 2012, 2002 Bonds & 1999 Loan
Gross Revenue Available for Debt Service:	
Charges for services	\$ 8,420,950
Sales tax pledged and transferred	4,082,736
Total Gross Revenues Available	12,503,686
Operating Expenses:	
Water, Sewer and Sanitation	6,117,823
Total Operating Expenses	6,117,823
Net Revenues Available for Debt Service	\$ 6,385,863
Debt Service Requirements:	
Average annual principal and interest requirements on bonds and subordinate debt:	
Series 2014 Utility System Revenue Bonds	\$ 437,483
Series 2013 Utility System Revenue Bonds	814,290
Series 2012 Utility System Revenue Bonds	2,331,476
Series 2002 Utility System Revenue Bonds	940,443
1999 CDBG Loan	13,750
Total average annual debt service	\$ 4,537,442
Computed Coverage	141%
Coverage Requirement	125%

NOTE: The above gross revenue and operating expenses only include the activities of the Authority related to water, sewer and sanitation services, excluding depreciation and amortization expense.

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**Schedule of Expenditures of Federal Awards – Year Ended June 30, 2014**

Federal/State Grantor/Pass through agency Grantor/Program Title	Federal CFDA Number	Grant #	Award Amount	Federal Expenditures
<b>FEDERAL AWARDS:</b>				
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
Bulletproof Vest Partnership Program	16.607	2009BUBX09049658	\$ 3,500	\$ 3,500
Total U.S. Department of Justice			3,500	3,500
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>				
Passed Through to Oklahoma Department of Human Services and the Kiamichi Area Nutrition Project: Special Program for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	61,870	61,870
Total U.S. Department of Health and Human Services			61,870	61,870
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>				
Passed through Oklahoma Department of Commerce: Community Development Block Grant	14.228	15654 CDBG 13	72,771	72,771
Total U.S. Department of Housing and Urban Development			72,771	72,771
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
Federal Aviation Administration: Airport Improvement Grant	20.106	AIP 3-40-0057-011-2011	1,420,815	-
Airport Improvement Grant	20.106	AIP 3-40-0057-012-2011	407,351	-
Total Federal Aviation Administration			1,828,166	-
Passed through Oklahoma Tourism and Recreation Department: Recreational Trails Program Grant	20.219	NRT-2013 (100)	160,000	5,553
Passed through Oklahoma Department of Public Safety: E911 Services Grant	20.610	NHTSA-2008-0142	126,877	-
Passed through Oklahoma Highway Safety Office: State and Community Highway Safety	20.600	PT-13-03-12-05	28,000	7,206
State and Community Highway Safety	20.600	PT-14-03-09-06	27,994	19,983
Total Oklahoma Highway Safety Office			55,994	27,189
Total U.S. Department of Transportation			2,171,037	32,742
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>				
Passed through Oklahoma Dept of Agriculture, Food and Forestry: Firewise Community Hazard Mitigation Grant	10.664	CHM-07-14	14,925	14,877
Passed through Oklahoma Forestry Services: Community Wildfire Protection Plan Grant	10.664	CWPP-12-65	8,000	8,000
Total U.S. Department of Agriculture			22,925	22,877
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 2,332,103</b>	<b>\$ 193,760</b>

**Notes to Schedule of Expenditures of Federal Awards**

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the basis of accounting consistent with the definition of federal awards expended in paragraph 205 of OMB Circular A-133.



Statistical Section

CITY OF MCALESTER, OKLAHOMA  
NET ASSETS BY COMPONENT  
Last Ten Fiscal Years  
TABLE 1

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	(A) 2014
Governmental activities										
Net investment in capital assets	\$ 27,844,164	\$ 39,861,425	\$ 38,654,990	\$ 36,913,324	\$ 35,524,842	\$ 34,617,252	\$ 33,224,076	\$ 32,432,860	\$ 30,765,320	\$ (9,351,998)
Restricted	457,538	2,798,396	4,294,900	8,315,262	10,901,673	10,679,639	15,583,329	12,528,800	9,774,023	9,671,931
Unrestricted	(2,778,652)	(4,192,315)	(2,581,600)	(1,351,655)	127,348	3,528,189	713,468	3,619,246	3,327,652	(331,766)
Total governmental activities net assets	\$ 25,523,050	\$ 38,267,506	\$ 40,368,290	\$ 41,876,931	\$ 46,554,063	\$ 49,025,080	\$ 49,520,871	\$ 48,580,906	\$ 43,866,995	\$ (11,833)
Business-type activities										
Net investment in capital assets	\$ 7,285,124	\$ 26,070,852	\$ 25,671,073	\$ 22,794,848	\$ 23,500,930	\$ 22,543,574	\$ 22,155,024	\$ 24,511,925	\$ 25,309,905	\$ 25,468,139
Restricted	57	7,201,745	7,858,811	8,222,759	3,962,096	3,841,946	669,133	185,667	7,907,391	-
Unrestricted	(9,354,492)	(63,815,111)	(64,100,578)	(59,681,074)	(57,385,625)	(57,691,240)	(52,715,442)	(51,414,376)	(54,744,596)	556,515
Total business-type activities net assets	\$ (2,069,311)	\$ (30,542,514)	\$ (30,570,694)	\$ (28,663,667)	\$ (29,922,599)	\$ (31,305,720)	\$ (29,891,285)	\$ (26,716,584)	\$ (21,527,300)	\$ 26,024,654
Primary government										
Net investment in capital assets	\$ 35,128,288	\$ 65,732,277	\$ 64,326,063	\$ 59,707,972	\$ 59,025,772	\$ 57,160,826	\$ 55,379,100	\$ 56,944,785	\$ 56,075,225	\$ 16,116,141
Restricted	457,595	10,000,141	12,153,711	14,538,021	14,863,969	14,721,595	18,252,462	12,714,667	17,681,414	9,671,931
Unrestricted	(12,133,144)	(66,007,426)	(66,682,178)	(61,032,729)	(57,256,277)	(54,163,051)	(52,001,976)	(47,795,130)	(51,416,944)	224,749
Total primary government net assets	\$ 23,453,739	\$ 7,724,992	\$ 9,797,596	\$ 13,213,264	\$ 15,631,464	\$ 17,719,360	\$ 19,629,586	\$ 21,864,322	\$ 22,339,695	\$ 26,012,821

(A) - City began reporting revenue bond debt activity previously reported as business-type activities in the governmental activities.

CITY OF MCALISTER, OKLAHOMA  
CHANGES IN NET ASSETS  
Last Ten Fiscal Years  
TABLE 2

	FISCAL YEAR										(A)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Expenses</b>											
Governmental activities:											
Legislature	\$ 23,288	\$ 48,166	\$ 14,693	\$ 72,611	\$ 32,311	\$ 126,066	\$ 97,162	\$ 119,262	\$ 119,631	\$ 92,598	
Administration	2,424,606	3,282,152	2,702,333	2,262,740	3,077,346	2,523,930	2,652,254	2,605,293	2,593,075	2,633,457	
Public safety	6,045,013	6,232,010	7,769,476	8,376,694	7,348,140	7,375,324	8,001,693	8,346,194	8,396,927	8,269,035	
Community service	1,493,714	1,911,339	1,894,270	2,126,035	2,111,274	2,016,764	2,190,693	2,965,005	2,692,851	2,176,495	
Administration services	926,342	763,265	795,739	907,937	980,172	881,082	1,073,608	1,057,394	1,073,174	1,011,076	
Health and welfare	154,735	167,634	176,400	124,894	257,350	229,776	265,502	290,065	277,730	256,902	
Public works	2,880,480	3,069,577	3,462,056	3,500,144	3,536,482	3,160,982	2,616,066	2,635,362	2,641,505	2,764,212	
Economic development		66,075	145,000	166,667	214,845	287,955	250,974	257,449	334,831	243,467	
Payment to Health Center Authority	738,818	821,517	918,636	1,017,566	362,395						
Interest on long-term debt	88,648	70,195	45,573	32,664	16,574	25,826	23,099	16,019	10,781	2,603,604	
Total governmental activities expenses	14,775,845	16,452,030	17,924,178	18,568,064	17,936,892	16,630,315	17,191,051	18,292,043	18,142,905	20,050,946	
Business-type activities:											
Water operations		3,075,397	2,353,292	2,512,766	2,702,777	2,693,090	2,506,210	2,826,263	2,699,541	2,504,280	
Sewer operations		1,243,371	1,267,846	1,463,532	1,497,767	1,476,020	1,501,178	1,574,716	1,633,520	1,534,532	
Sanitation operations		1,741,250	2,363,201	2,225,325	1,875,151	2,525,570	3,727,028	4,132,882	3,836,266	3,291,636	
Airport	398,944	3,730,800	264,030	155,347	348,238	353,265	395,902	336,310	322,386	330,132	
Governmental interest & amortization		219,869	3,670,685	3,728,698	3,567,968	3,642,316	3,550,236	3,153,918	2,354,536		
Utilities	11,966,409										
Total business-type activities expenses	12,365,353	10,010,707	9,539,054	10,075,868	10,009,901	10,692,261	11,700,556	12,024,099	10,845,248	7,560,580	
Total primary government expenses	\$ 27,141,198	\$ 26,462,737	\$ 27,463,232	\$ 28,643,932	\$ 27,946,793	\$ 27,322,576	\$ 28,891,607	\$ 30,316,142	\$ 28,988,754	\$ 27,711,526	
<b>Program Revenues</b>											
Governmental activities:											
Legislature	\$	\$	\$	\$		\$	\$	\$	\$	\$	
Administration	68,818	232,472	487,861	1,936,556	268,950	338,951	650,656	1,130,512	1,088,491	1,394,521	
Public safety	660,765	1,082,699	895,571	1,093,278	1,814,780	1,771,963	1,578,883	1,305,145	1,429,987	2,741,229	
Community service	198,340	105,468	95,778	108,311	96,857	105,014	127,156	121,072	113,606	143,735	
Administration services	41,283	135,509	286,098	291,165	282,857	287,636	336,545	285,993	268,606	284,712	
Health and welfare										61,870	
Public works	6,656	1,457	201	283	299	3,761	3,789	3,794	3,797	185,836	
Economic development										260,000	
Payment to Health Center Authority											
Interest on long-term debt											
Total governmental activities program revenues	875,662	1,557,825	1,865,509	3,429,675	2,465,743	2,507,335	2,696,929	2,845,516	2,905,487	5,071,905	

(A) - City began reporting revenue bond debt activity previously reported as business-type activities in the governmental activities.

(Continued)

TABLE 2  
(Continued)

	FISCAL YEAR										(A)
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:											
Water operations	-	4,393,172	4,090,771	3,849,884	4,137,356	4,067,745	4,497,227	5,171,920	4,592,465	4,174,878	
Sewer operations	-	1,589,777	1,448,440	1,396,625	1,456,628	1,475,284	1,740,561	1,748,119	1,802,899	1,633,623	
Sanitation operations	-	2,673,695	2,496,883	2,984,600	3,135,196	3,046,992	3,330,969	3,285,025	3,229,695	2,918,401	
Airport	87,414	149,583	178,856	201,113	120,937	110,415	123,674	111,502	94,250	92,304	
Utilities	6,983,857	-	-	-	-	-	-	-	-	-	
Total business-type activities program revenues	7,071,271	8,806,227	8,214,950	8,432,222	8,868,087	8,700,436	9,692,631	10,318,966	9,719,309	8,819,206	
Total primary government program revenues	\$ 8,047,133	\$ 10,364,052	\$ 10,080,459	\$ 11,061,897	\$ 11,323,830	\$ 11,207,771	\$ 12,389,560	\$ 13,163,462	\$ 12,624,796	\$ 13,891,111	
Net (Expense)/Revenue											
Governmental activities:	\$ (13,799,983)	\$ (14,894,205)	\$ (16,058,869)	\$ (15,158,409)	\$ (15,471,149)	\$ (14,122,980)	\$ (14,494,122)	\$ (15,445,527)	\$ (15,237,018)	\$ (14,979,041)	
Business-type activities:	(5,294,082)	(1,204,480)	(1,724,104)	(1,643,646)	(1,151,814)	(1,991,825)	(2,007,925)	(1,707,133)	(1,126,940)	1,158,526	
Total primary government net expense	\$ (19,094,065)	\$ (16,098,685)	\$ (17,782,973)	\$ (16,802,055)	\$ (16,622,963)	\$ (16,114,805)	\$ (16,502,047)	\$ (17,152,660)	\$ (16,363,958)	\$ (13,820,415)	
General Revenues and Other Changes in Net Assets											
Governmental activities:											
Taxes:											
Sales and use taxes	\$ 11,493,325	\$ 12,768,266	\$ 14,282,289	\$ 15,824,676	\$ 15,629,478	\$ 13,701,869	\$ 14,342,476	\$ 15,256,164	\$ 14,056,846	\$ 13,950,434	
Franchise and public service taxes	608,384	658,418	607,212	643,484	729,844	567,852	687,905	584,264	552,713	607,578	
Hotel/motel taxes	239,140	291,566	489,872	665,372	583,258	426,662	507,415	549,088	471,081	447,768	
E-911 taxes	111,456	114,308	133,287	782,034	714,832	653,841	677,966	650,409	688,209	630,849	
Intergovernmental revenue not restricted to specific programs	92,200	277,311	294,200	318,855	321,874	302,480	317,934	332,365	305,734	291,828	
Investment income	19,167	29,856	61,193	130,804	193,521	186,899	178,856	139,075	90,143	69,007	
Miscellaneous	101,000	1,194,665	369,061	308,902	216,558	257,635	178,678	198,423	116,679	1,436,459	
Transfers-internal activity	168,678	(1,766,244)	(1,379,933)	(3,314,213)	(2,637,896)	(748,161)	(3,356,890)	(4,477,786)	(7,180,863)	1,030,202	
Transfers from component unit	-	-	813,946	-	-	-	-	-	-	-	
Excise taxes	59,300	-	-	-	-	-	-	-	-	-	
Contributed Assets	770,498	-	-	-	-	-	-	-	-	-	
General fixed assets funded by business-type special revenue funds	(785,436)	-	-	-	-	-	-	-	-	-	
Total governmental activities	12,898,712	13,578,146	15,671,127	15,360,874	15,751,667	15,349,068	13,534,140	13,232,002	9,080,442	18,464,125	
Business-type activities:											
Excise taxes	19,611	-	-	-	-	-	-	-	-	-	
Investment income	341,654	258,720	256,907	173,077	32,956	2,185	17,248	11,717	16,700	13,945	
Miscellaneous	32,383	-	41,579	6,464	19,439	36,406	20,387	25,795	116,389	45,673	
Transfers - Internal activity	(168,678)	1,766,244	1,379,933	3,314,213	2,637,586	748,161	3,356,890	4,477,786	7,180,863	(1,030,202)	
Bond proceeds, net	800,000	-	-	-	-	-	-	-	-	-	
Total business-type activities	1,024,970	2,024,964	1,678,419	3,493,754	2,690,091	785,762	3,394,505	4,515,298	7,313,952	(970,564)	
Total primary government	\$ 13,923,682	\$ 15,603,110	\$ 17,349,546	\$ 18,854,628	\$ 18,441,758	\$ 16,134,830	\$ 16,928,645	\$ 17,747,300	\$ 16,394,394	\$ 17,493,541	
Change in Net Assets											
Governmental activities:	\$ (301,271)	\$ (1,316,059)	\$ (387,542)	\$ 202,565	\$ 280,518	\$ 1,226,086	\$ (959,962)	\$ (2,213,525)	\$ (6,156,576)	\$ 3,485,084	
Business-type activities:	(4,269,112)	820,484	(45,685)	1,850,108	1,536,277	(1,206,073)	1,386,580	2,808,165	6,187,012	188,042	
Total primary government	\$ (5,170,383)	\$ (495,575)	\$ (433,227)	\$ 2,052,673	\$ 1,816,795	\$ 20,015	\$ 426,598	\$ 594,640	\$ 30,436	\$ 3,673,126	

(A) - City began reporting revenue bond debt activity previously reported as business-type activities in the governmental activities.

CITY OF MCALESTER, OKLAHOMA  
FUND BALANCES - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
TABLE 3

	Fiscal Year									(A)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved for:										
Encumbrances	\$ 56,732	\$ 27,772	\$ -	\$ -	\$ -	\$ 21,800	\$ -	\$ -	\$ -	\$ -
Compensated absences obligation	-	1,447,005	-	-	-	-	-	-	-	-
Unreserved	1,077,430	(3,974,447)	(2,007,545)	(2,412,174)	(1,404,008)	972,696	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	5,987
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	59,263	61,353	6,143	48,842
Unassigned	-	-	-	-	-	-	1,153,793	1,872,419	2,348,271	2,612,033
Total General Fund	\$ 1,134,162	\$ (2,499,670)	\$ (2,007,545)	\$ (2,412,174)	\$ (1,404,008)	\$ 994,496	\$ 1,213,056	\$ 1,933,768	\$ 2,354,414	\$ 2,666,862
All Other Governmental Funds										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,367	\$ -	\$ -	\$ -	\$ -
Compensated absences obligation	-	37,731	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	803,112	2,803,817	5,810,149	9,758,315	14,373,107	14,848,434	-	-	-	-
Restricted	-	-	-	-	-	-	15,583,329	12,528,800	9,774,023	28,542,781
Assigned	-	-	-	-	-	-	473,187	2,965,222	2,202,832	3,451,487
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 803,112	\$ 2,841,548	\$ 5,810,149	\$ 9,758,315	\$ 14,373,107	\$ 14,933,801	\$ 16,056,516	\$ 15,494,022	\$ 11,976,855	\$ 32,004,268
GRAND TOTAL	\$ 1,937,274	\$ 341,876	\$ 3,802,604	\$ 7,346,141	\$ 12,969,099	\$ 15,928,297	\$ 17,269,572	\$ 17,427,790	\$ 14,331,269	\$ 34,671,130

NOTE GASB 54 was implemented in fiscal year 2011. Years prior to implementation of GASB 54 have not been restated.  
(A) - City began reporting revenue bond debt activity previously reported in the proprietary funds in the governmental funds.

CITY OF MCALESTER, OKLAHOMA  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
TABLE 4

	Fiscal Year										(A)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Revenues</b>											
Sales and use taxes	\$ 11,493,325	\$ 12,768,266	\$ 14,282,289	\$ 15,824,676	\$ 15,629,476	\$ 13,701,860	\$ 14,342,476	\$ 15,256,164	\$ 14,056,846	\$ 13,950,434	
Franchise and public service taxes	609,384	668,418	607,212	643,484	729,844	567,852	687,905	584,264	552,713	607,578	
E-911 taxes	111,456	114,308	133,287	782,094	714,832	653,841	677,966	650,409	668,209	630,849	
Hotel/motel taxes	239,140	291,566	489,872	666,372	583,258	426,562	507,415	548,088	471,081	447,768	
Intergovernmental	686,625	802,508	2,221,441	1,567,064	1,440,136	1,316,273	1,707,380	1,676,580	2,300,455	1,833,609	
Charges for services	162,358	781,628	1,229,522	2,517,390	1,105,891	1,398,636	1,784,835	2,150,778	2,131,082	2,695,476	
Fines and forfeitures	426,277	578,557	494,537	764,178	856,251	845,289	757,186	634,183	610,803	787,160	
Licenses and permits	68,818	106,705	135,792	105,543	112,865	101,359	159,227	92,307	111,896	141,489	
Investment income	19,167	29,856	51,193	130,804	193,521	186,899	178,556	139,075	90,143	69,007	
Miscellaneous	425,771	1,295,352	564,620	360,916	229,540	341,266	260,565	272,927	228,241	133,871	
<b>Total Revenues</b>	<b>14,244,321</b>	<b>17,239,164</b>	<b>20,219,765</b>	<b>23,382,521</b>	<b>21,595,614</b>	<b>19,539,937</b>	<b>21,063,611</b>	<b>22,005,775</b>	<b>21,221,469</b>	<b>21,297,441</b>	
<b>Expenditures:</b>											
Legislature	23,288	28,810	8,045	71,201	30,901	125,068	95,728	118,071	117,769	92,898	
Administration	2,438,056	2,894,390	2,732,232	2,272,374	2,990,279	2,599,423	2,403,037	2,378,667	2,355,933	2,475,490	
Public safety	5,634,577	5,838,253	7,202,270	7,540,579	7,157,681	7,024,486	7,994,007	7,588,168	7,789,438	7,861,764	
Community services	1,401,821	1,706,062	1,751,841	1,861,844	1,918,841	1,769,825	1,931,979	2,687,703	2,374,036	1,862,157	
Administration services	802,271	780,736	853,406	680,722	920,474	679,398	1,092,842	1,041,293	1,097,904	1,010,714	
Health and welfare	148,903	167,475	175,530	116,992	249,118	227,894	288,913	293,905	282,311	254,598	
Public works	1,464,092	1,424,314	1,803,459	1,682,994	1,876,844	1,545,718	1,234,246	1,136,893	1,064,904	1,169,200	
Economic Development	-	66,075	145,000	137,650	214,845	287,955	250,974	257,449	313,870	217,067	
Payment to McAlester Regional Health Center Authority	738,818	-	-	-	-	-	-	-	-	-	
Capital outlay	1,719,368	797,525	461,585	459,726	501,346	1,689,725	1,301,384	4,489,791	1,929,581	2,508,114	
Debt service:											
Principal retirement	681,058	304,010	416,214	348,262	335,186	162,286	343,619	109,304	201,674	3,207,664	
Interest and fiscal charges	88,648	74,959	55,373	37,583	23,736	26,738	29,198	16,126	11,025	2,148,216	
<b>Total Expenditures</b>	<b>16,141,100</b>	<b>14,082,599</b>	<b>15,605,755</b>	<b>15,519,927</b>	<b>16,319,251</b>	<b>16,338,324</b>	<b>16,865,927</b>	<b>20,127,377</b>	<b>17,538,445</b>	<b>22,807,580</b>	
Excess of revenues over/under expenditures	(896,779)	3,156,565	4,614,010	7,862,594	5,276,363	3,201,613	4,097,684	1,878,398	3,683,024	(1,510,239)	
<b>Other financing sources(uses) and special item:</b>											
Transfers in	4,641,972	4,352,005	4,880,600	3,319,441	2,911,291	5,122,922	2,107,823	5,125,620	2,288,687	8,121,706	
Transfers in- McAlester Economic Development Service	-	-	813,946	-	-	-	-	-	-	-	
Debt Proceeds	142,236	-	-	-	-	-	180,987	-	-	4,910,000	
Bond issue costs	-	-	-	-	-	-	-	-	-	(83,803)	
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	-	1,350,000	
Contributed Assets	770,498	-	-	-	-	-	-	-	-	-	
Transfers out	(4,590,282)	(5,923,094)	(5,260,533)	(6,620,930)	(5,494,124)	(5,810,078)	(5,045,219)	(6,846,000)	(9,068,232)	(6,709,096)	
Transfer-out- McAlester Regional Health Center Authority	-	(821,517)	(918,638)	(1,017,568)	(362,398)	444,741	-	-	-	-	
<b>Total other financing sources(uses) and special item</b>	<b>964,424</b>	<b>(2,392,606)</b>	<b>(1,484,625)</b>	<b>(4,319,057)</b>	<b>(2,945,231)</b>	<b>(242,415)</b>	<b>(2,756,409)</b>	<b>(1,720,180)</b>	<b>(6,779,545)</b>	<b>7,589,007</b>	
<b>Net change in fund balances</b>	<b>\$ 67,645</b>	<b>\$ 763,959</b>	<b>\$ 3,129,385</b>	<b>\$ 3,543,537</b>	<b>\$ 2,331,132</b>	<b>\$ 2,959,198</b>	<b>\$ 1,341,275</b>	<b>\$ 158,218</b>	<b>\$ (3,096,521)</b>	<b>\$ 6,078,768</b>	
<b>Debt service as a percentage of noncapital expenditures</b>	5.7%	2.9%	3.1%	2.6%	2.3%	1.3%	2.4%	0.8%	1.4%	26.4%	

(A) - City began reporting revenue bond debt activity previously reported in the proprietary funds in the governmental funds.

CITY OF MCALESTER, OKLAHOMA  
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
Last Ten Fiscal Years  
TABLE 5

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Fiscal Year	Sales Tax	Use Tax	Franchise Tax	Hotel/ Motel Tax	E-911 Tax	Totals
2005	\$ 11,132,543	\$ 360,782	\$ 609,384	\$ 239,140	\$ 111,456	\$ 12,453,305
2006	12,305,224	463,042	668,418	291,566	114,308	13,842,558
2007	13,803,068	479,221	607,212	489,872	133,287	15,512,660
2008	15,259,877	564,799	643,484	666,372	782,094	17,916,626
2009	15,049,535	579,941	729,844	583,258	714,832	17,657,410
2010	13,020,433	681,427	567,852	426,662	653,841	15,350,215
2011	13,787,766	554,710	687,905	507,415	677,966	16,215,762
2012	14,663,740	592,424	584,264	549,088	650,409	17,039,925
2013	13,357,829	699,017	552,713	471,081	668,209	15,748,849
2014	13,325,717	624,717	607,578	447,768	630,849	15,636,629

**CITY OF MCALESTER, OKLAHOMA**  
**SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**  
**TABLE 6**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City of McAlester	3.75%	3.75%	3.75%	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Pittsburg County	0.00%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total	8.25%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%

City-Nov 2008 changed to 3.5% dropped .25% for Hospital  
County - Jan 2006 .75% for remodel  
County-Jan 2009 added .25% FireFighters



CITY OF MCALESTER, OKLAHOMA  
TAXABLE SALES BY CATEGORY  
Last Ten Fiscal Years  
TABLE 7

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Agriculture, forestry, and fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191	\$ -
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-	-	-	-	11,948	703
Utilities	-	-	-	-	-	-	-	-	476,905	785,842
Construction	-	-	-	-	-	-	-	-	15,998	34,043
Manufacturing	-	-	-	-	-	-	-	-	177,865	262,981
Transportation and Warehousing	-	-	-	-	-	-	-	-	7,011	12,982
Information	-	-	-	-	-	-	-	-	267,476	401,979
Wholesale Trade	-	-	-	-	-	-	-	-	638,228	856,848
Retail trade	-	-	-	-	-	-	-	-	5,605,712	8,236,655
Finance, insurance,	-	-	-	-	-	-	-	-	11,473	27,597
Real Estate and Rental and Leasing	-	-	-	-	-	-	-	-	107,370	286,863
Professional, Scientific, and Technical Services	-	-	-	-	-	-	-	-	44,289	52,484
Administrative and Support and Waste Management and Remediation Services	-	-	-	-	-	-	-	-	4,785	3,996
Educational Services	-	-	-	-	-	-	-	-	1,559	1,365
Health Care and Social Assistance	-	-	-	-	-	-	-	-	176	1,227
Arts, Entertainment, and Recreation	-	-	-	-	-	-	-	-	31,980	46,204
Accommodation and Food Services	-	-	-	-	-	-	-	-	1,380,169	2,069,055
Other services (except Public Administration)	-	-	-	-	-	-	-	-	160,057	245,998
Public Administration	-	-	-	-	-	-	-	-	(194)	27
Nonclassifiable establishments	-	-	-	-	-	-	-	-	(17,661)	105,270
<b>Agriculture</b>	2,027	1,590	1,409	905	909	2,076	3,398	4,275	1,466	-
<b>Mining</b>	3,027	3,185	11,937	1,465	6,930	5,591	1,274	(239)	91	-
<b>Construction</b>	19,208	23,930	31,371	17,511	22,931	23,677	15,167	20,018	6,468	-
<b>Manufacturing</b>	172,241	207,139	317,257	580,848	521,840	267,462	630,929	895,821	196,585	-
<b>Transportation</b>	1,643	2,621	5,325	3,699	5,882	4,800	5,750	6,573	3,983	-
<b>Communications and utilities:</b>										
Communications	389,289	403,900	485,634	439,785	436,570	427,119	458,645	580,649	193,928	-
Electric, gas, and sanitary services	613,717	754,193	823,742	822,175	834,988	637,879	710,258	811,074	233,346	-
<b>Wholesale trade:</b>	600,996	752,972	874,569	1,076,478	1,052,140	1,070,343	1,228,276	1,295,467	340,798	-
<b>Retail trade:</b>										
Building materials, hardware, garden supply and mobile home dealer	517,170	1,218,290	1,216,956	1,315,453	1,380,133	1,128,403	1,154,230	1,086,353	324,535	-
General merchandise stores	4,296,805	4,542,245	4,682,067	4,826,444	4,769,157	4,047,802	3,968,778	4,174,660	1,259,759	-
Food stores	644,833	502,922	614,118	618,067	673,347	616,485	665,075	650,225	221,670	-
Automotive dealers and gasoline service stations	581,693	565,684	562,565	631,001	615,026	551,224	571,892	629,373	219,764	-
Apparel and accessory stores	338,889	365,570	358,799	389,014	325,459	270,969	311,810	320,656	109,347	-
Furniture, home furnishings and equipment stores	495,997	478,672	600,555	689,073	727,104	588,948	546,530	447,391	142,865	-
Eating and drinking places	1,064,142	1,152,017	1,284,409	1,541,012	1,531,678	1,444,859	1,547,300	1,661,899	553,320	-
Miscellaneous retail	661,140	583,846	884,302	1,007,022	996,220	910,622	960,451	1,010,940	299,524	-
<b>Finance, insurance, and real estate</b>	974	1,260	1,159	2,353	1,244	1,624	2,278	1,986	2,028	-
<b>Services:</b>										
Hotels and motels	234,961	271,548	483,810	651,891	550,515	324,879	387,153	489,648	155,914	-
Personal services	68,180	68,712	74,426	79,420	82,852	69,019	72,171	75,481	23,034	-
Business services	148,417	179,157	206,526	212,416	233,328	214,812	158,993	249,457	61,222	-
Automotive repair services and garages	73,905	79,620	84,231	94,509	128,352	127,101	142,361	150,875	61,066	-
Miscellaneous repair services	11,482	24,165	35,105	39,911	30,413	20,149	15,658	25,368	8,775	-
Motion pictures	90,968	93,249	95,002	94,389	87,033	89,170	86,782	83,227	27,111	-
Other services	45,325	67,352	63,878	68,639	91,402	84,084	76,184	100,108	20,819	-
<b>Nonclassifiable establishments</b>	23,601	48,206	37,418	101,435	208,106	167,215	193,282	40,595	8,764	-
<b>TOTAL</b>	<b>\$11,100,631</b>	<b>\$12,392,065</b>	<b>\$13,835,589</b>	<b>\$15,306,114</b>	<b>\$15,313,560</b>	<b>\$13,096,315</b>	<b>\$13,911,625</b>	<b>\$14,823,880</b>	<b>\$13,400,517</b>	<b>\$13,433,218</b>

Note: In November 2012 the classifications were change from SIC code to NAICS

**CITY OF MCALESTER, OKLAHOMA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
TABLE 8**

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) Applicable to City of McAlester</u>	<u>Amount Applicable to City of McAlester</u>
Direct - City of McAlester	\$ 42,779	100.00%	\$42,779
Overlapping: McAlester School District	\$ -	100.00% (3)	-
Pittsburg County	\$ 15,520,000	46.00%	7,139,200
Total	<u>\$15,562,779</u>		<u>\$7,181,979</u>

Outstanding bond debt : 06-30-14

- (1) Gross general bonded debt outstanding less debt service reserves.
- (2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of McAlester.
- (3) Only 77% of City residents would be responsible for the debt.

CITY OF MCALESTER, OKLAHOMA  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years  
TABLE 9

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 4,965,970	\$ 4,687,024	\$ 5,692,619	\$ 6,069,063	\$ 6,554,315	\$ 6,841,533	\$ 7,109,639	\$ 7,331,792	\$ 7,555,257	\$ 7,755,946
Total net debt applicable to limit	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Legal debt margin	\$ 4,965,970	\$ 4,687,024	\$ 5,692,619	\$ 6,069,063	\$ 6,554,315	\$ 6,841,533	\$ 7,109,639	\$ 7,331,792	\$ 7,555,257	\$ 7,755,946
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2014

Net assessed valuation	\$ 77,559,463
Debt limit (10% of total assessed value)	7,755,946
Debt applicable to limit:	
General obligation bonds	-
Less: Street or utility bonds outstanding	<u>          </u>
Total net debt applicable to limit	<u>          </u>
Legal debt margin	\$ 7,755,946

Note: Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation.  
Article 10, Section 27 of the Constitution of the State of Oklahoma limits municipal debt to non-utility or non-street purposes.

CITY OF MCALESTER, OKLAHOMA  
UTILITY SYSTEMS DIVISION  
PLEDGED REVENUE COVERAGE  
Last Ten Fiscal Years  
TABLE 10

		Eligible Revenues	Eligible Expenses (1)	Net Revenue Available for Debt Service	Average Annual/ Annual Debt Service	Revenue Bond Coverage
2005	Series 1999 and 2002 Utility System Revenue Bonds, Series 2003A,2003B,2004 Sales Tax Revenue Bonds, 1999 CDBG Loan	11,416,765	4,517,086	6,899,679	5,528,300	1.25
2006	Series 1999 and 2002 Utility System Revenue Bonds, Series 2003A,2003B,2004 Sales Tax Revenue Bonds, 1999 CDBG Loan	11,809,125	4,491,648	7,317,477	5,528,300	1.32
2007	Series 1999 and 2002 Utility System Revenue Bonds, Series 2003A,2003B,2004 Sales Tax Revenue Bonds, 1999 CDBG Loan	13,294,128	5,189,715	8,104,413	5,528,300	1.47
2008	Series 1999 and 2002 Utility System Revenue Bonds, Series 2003A,2003B,2004 Sales Tax Revenue Bonds, 1999 CDBG Loan	12,847,465	5,249,150	7,598,315	5,528,300	1.37
2009	Series 1999 and 2002 Utility System Revenue Bonds, Series 2003A,2003B,2004 Sales Tax Revenue Bonds, 1999 CDBG Loan	13,420,246	5,234,856	8,185,390	5,528,300	1.48
2010	Series 1999 and 2002 Utility System Revenue Bonds, 1999 CDBG Loan	11,497,861	5,788,341	5,709,520	3,968,564	1.44
2011	Series 1999 and 2002 Utility System Revenue Bonds, 1999 CDBG Loan	12,910,132	6,753,690	6,156,442	3,968,564	1.55
2012	Series 1999 and 2002 Utility System Revenue Bonds, 1999 CDBG Loan	13,573,172	7,533,575	6,039,597	3,968,564	1.52
2013	Series 2013,2012,2012 Utility System Revenue Bonds, 1999 CDBG Loan	13,065,325	6,879,431	6,185,894	4,099,959	1.51
2014	Series 2014, 2013,2012,2012 Utility System Revenue Bonds, 1999 CDBG Loan	12,503,666	6,117,823	6,385,863	4,537,442	1.41

(1) Excludes depreciation and amortization expense.

**CITY OF MCALESTER, OKLAHOMA  
PRINCIPAL EMPLOYERS  
Current and Six Years Ago  
TABLE 11**

Employer	Product/Business	2008		2014	
		Employees	% of Total City Employment	Employees	% of Total City Employment
McAlester Army Ammunition Plant	Ammunition	1,821	8.2%	1,517	7.1%
McAlester Regional Health Center	Health Care	919	4.1%	757	3.5%
McAlester Public Schools	Education	390	1.8%	411	1.9%
Wal Mart	Retail Sales	450	2.0%	450	2.1%
Oklahoma State Penitentiary	Corrections	389	1.8%	300	1.4%
Spirit Aerospace, Inc.	Manufacturing/Assembling	283	1.3%	320	1.5%
City of McAlester (full time only)	Municipality	234	1.1%	206	1.0%
Eastern Oklahoma State College (full time o	Education	198	0.9%	200	0.9%
Choctaw Casino	Gaming	98	0.4%	143	0.7%
Berry Plastics	Manufacturing	175	0.8%	198	0.9%
Totals		<u>4,957</u>	<u>22.34%</u>	<u>4,502</u>	<u>20.96%</u>

\*McAlester Employers, McAlester Chamber of Commerce, and Bureau of Labor and Statistics.

**CITY OF MCALESTER, OKLAHOMA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**  
**TABLE 12**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age of Population (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2005	17,783 (A)	\$ 1,152,998	\$ 25,961	38.0	2,769	5.0%
2006	17,783 (A)	1,252,876	27,947	38.0	3,555	4.2%
2007	18,369	1,363,969	30,269	38.0	3,242	3.9%
2008	18,369	1,505,043	33,114	38.0	2,819	3.2%
2009	18,383	1,459,634	31,809	38.0	3,825	6.4%
2010	18,384	1,522,158	33,222	37.1	3,737	6.6%
2011	18,522	1,588,795	34,808	39.0	3,547	5.8%
2012	18,303	1,632,347	36,236	39.0	3,484	5.4%
2013	18,303	1,632,347	36,236	39.0	3,148	5.7%
2014	18,303	1,632,347	36,480	39.0	3,111	4.7%

(A) - Population obtained from the 2000 census.

Sources:

- (1) [www.factfinder2.census.gov](http://www.factfinder2.census.gov)
- (2) [www.bea.gov](http://www.bea.gov)
- (3) [www.economicexpert.com](http://www.economicexpert.com)
- (4) McAlester School District, District Offices
- (5) [www.bls.gov](http://www.bls.gov)

CITY OF MCALESTER, OKLAHOMA  
FULL-TIME EQUIVALENT BUDGETED CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
Last Seven Fiscal Years

TABLE 13

<u>Function/Program</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2014</u>
<b>General Government</b>							
City Manager	2	2	2	2	2	2	3
Finance	3	3	3	4	4	4	3
City Clerk	1	1	1	1	1	1	1
Legal	2	2	2	2	2	2	2
Planning	6	6	6	4	4	5	5
Economic Development	0	0	0	0	0	0	1
Tourism	0	0	0	0	0	0	1
Human Resources	2	2	2	3	3	3	2
Information Services	1	1	1	1	1	1	1
<b>Total General Government</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>19</b>
<b>Public Safety &amp; Judiciary</b>							
Police	60	37	37	37	38	37	36
CID (Detectives)	0	12	12	7	8	8	8
Animal Control	0	2	2	2	2	2	1
Communications	0	4	4	4	4	4	4
Communications E911	0	5	5	7	10	10	10
Fire	44	44	44	43	43	43	43
<b>Total Public Safety &amp; Judiciary</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>100</b>	<b>105</b>	<b>104</b>	<b>102</b>
<b>Transportation</b>							
Central Garage	8	8	8	7	6	6	5
Streets	18	14	14	14	14	14	13
Traffic Control	0	3	3	0	0	0	0
Airport	3	3	3	3	3	3	3
<b>Total Transportation</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>21</b>
<b>Cultural, Parks, &amp; Recreation</b>							
Parks & Recreation	15	13	13	15	15	15	13
Expo	6	6	6	5	5	5	3
Nutrition	3	5	5	5	5	5	5
Library	1	1	0	0	0	0	0
Cemetery	5	5	5	5	5	5	5
Building Maintenance	3	3	4	4	4	4	3
<b>Total Cultural, Parks, &amp; Recreation</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>29</b>
<b>Utilities</b>							
Utilities	0	2	2	2	2	2	0
Utility Office	6	6	6	7	7	8	7
Solid Waste	17	16	16	1	1	1	0
Landfill	5	4	4	4	4	2	2
Engineering	6	4	4	4	4	4	4
Waste Water	13	13	13	12	12	12	12
Water Treatment	8	8	8	8	8	8	7
Utility Maintenance	11	11	11	10	14	13	8
<b>Total Utilities</b>	<b>66</b>	<b>64</b>	<b>64</b>	<b>48</b>	<b>52</b>	<b>50</b>	<b>40</b>
<b>Total Full-Time Budgeted Employees by Function/Program</b>	<b>249</b>	<b>246</b>	<b>246</b>	<b>223</b>	<b>231</b>	<b>229</b>	<b>211</b>

CITY OF MCALESTER, OKLAHOMA  
Capital Asset Statistics by Function/Program  
Last Seven Fiscal Year  
TABLE 14

<u>Function/Program</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2014</u>
General Government							
Buildings	10	10	10	11	12	12	12
Police							
Stations	1	1	1	1	1	1	2
Patrol units	57	57	57	52	54	53	53
Fire							
Stations	4	4	4	4	4	4	4
Trucks	5	5	5	5	5	5	6
Vehicles	16	16	16	16	16	17	16
Streets							
Street miles	298	298	298	298	298	298	298
Traffic signals	22	22	22	22	23	23	23
Parks and recreation							
Acreage	103	103	103	103	103	103	103
Playgrounds	10	10	10	10	10	10	10
Baseball/softball diamonds	10	9	9	9	9	9	9
Soccer/football fields	1	2	2	2	2	2	2
Tennis Courts	6	6	6	6	6	6	6
Community Center	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3
Wading Pools	5	5	5	5	5	5	5
Arboretum (Mike Deak) 1981	1	1	1	1	1	1	1
Skate Park 2010	0	0	1	1	1	1	1
Splash Pad 2008	1	1	1	1	1	1	1
Dog Park 2014	0	0	0	0	0	0	1
Frisbee Disk Golf Course 2014	0	0	0	0	0	0	1
Community Garden 2013	0	0	0	0	0	1	1
Amphitheater (Stipe Center)	1	1	1	1	1	1	1
Library							
Buildings	1	1	1	1	1	1	1
Cemetery							
Plots -Oakhill	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Total Plots (Maintained)	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Vehicles & Machinery	12	12	12	10	11	11	11
Water							
Water mains (miles)	170	170	170	170	170	170	170
Fire hydrants	902	912	932	954	969	970	970
Storage capacity (thousands of gallons)	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Wastewater							
Sanitary sewers (miles)	143	143	143	143	143	143	143
Daily Treatment Capacity	8,000	8,000	8,000	8,000	8,000	8,000	8,000



**CITY OF MCALESTER, OKLAHOMA**  
**Operating Indicators by Function/Program**  
**Last Seven Fiscal Years**  
**TABLE 15**

Function/Program	2008	2009	2010	2011	2012	2013	2014
<b>Fire</b>							
Emergency Responses	1,571	2,074	2,008	2,156	2,376	2,246	2,658
Fires Extinguished	144	166	149	142	197	158	140
<b>Police</b>							
<i>Physical Arrests</i>							
Juvenile	12	38	14	1	29	40	68
Adult	1,381	1,380	1,426	969	870	875	947
Parking Violations	465	356	228	715	283	156	429
Traffic Violations	8,440	7,794	9,718	14,618	5,441	6,892	10,383
<b>Utilities</b>							
<i>New Accounts</i>							
Residential	1,195	1,228	1,238	1,165	1,297	1,240	1,285
Commercial	109	67	107	97	106	119	87
Bulk				10	5	5	12
<b>Parks &amp; Recreation</b>							
Athletic Field-Softball/Baseball I	10	9	9	9	9	9	9
Soccer (# of fields used)	1	2	2	2	2	2	2
Tennis (# of courts used)	6	6	6	6	6	6	6
Community Center – Special Event Participants	988	784	2,414	1,411	1,662	1,124	2,368
Senior Center-Program Participants	55,930	50,864	46,393	52,041	51,619	33,227	57,923
Sr. Center Lunch Program	43,290	38,253	32,612	38,410	37,979	31,527	50,257

\* Fire and Police Statistics are calendar year.

Source: Various City Departments

## Internal Control and Compliance



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council  
City of McAlester  
McAlester, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McAlester, Oklahoma (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 6, 2015. Our report includes a reference to other auditors who audited the financial statements of McAlester Regional Health Center Authority (the "Authority"), a discretely presented component unit of the City as described in our report on the City's financial statements. This report does not include the results of the Authority's auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. In addition, our report includes an explanatory paragraph that notes the City adopted GASB Statement No. 67 during the year. Our report also notes that the beginning net positions of the governmental activities, business-type activities, and enterprise funds, along with certain fund balances of governmental funds, were restated.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(Continued)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, CONTINUED**

**Internal Control Over Financial Reporting, Continued**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Finley + Cook, PLLC*

Shawnee, Oklahoma  
January 6, 2015



# McAlester City Council

## AGENDA REPORT

Meeting Date:	January 13, 2014	Item Number:	2
Department:	Finance	Account Code:	
Prepared By:	Toni Ervin	Budgeted Amount:	
Date Prepared:	December 29, 2014	Exhibits:	2

### Subject

Consider and act upon, authorizing the Mayor to sign the application for the Arvest Purchasing card.

### Recommendation

Staff recommends authorizing the application for the Arvest Purchasing card.

### Discussion

The implementation of a Purchasing Card Program would be beneficial for many reasons. With the available reports there will be a better accounting of employee travel expenditures for the council claims list. The Purchasing Cards will allow us to track and limit the expenditures of employee travel better. In addition, this will allow traveling employees the safety of not having to carry large amounts of cash and/or using their own credit card and waiting for reimbursement. Purchase cards offer more control, better reporting, and less risk than issuing petty cash.

Each employee will be required to be trained on the usage of the purchasing cards procedures. See attachment Purchasing card procedures handbook. They will sign off on their responsibility on these purchasing card procedures before being issued the purchasing card. See attachment Appendix B.

### Approved By

		Initial	Date
Department Head			
City Manager	P. Stasiak		



# **PURCHASING CARD PROCEDURES HANDBOOK**

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  - c. Appendix C – Lost, Compromised, or Stolen Card Notification Form

## 1. INTRODUCTION

**The City of McAlester** has entered into an agreement with Security BankCard Center to provide qualified employees with a Visa Purchasing Card.

- A Purchasing Card is credit card that enables employees to purchase authorized goods and services on behalf of the Company. The Purchasing Card works like any other credit card. However, the differences are as follows:
  1. Cardholders may have online access to real-time transaction information.
  2. The Coordinator of the Program can make real-time changes such as, increase limits, close cards, as well as, review authorizations and declines.
- Additional information about the transaction may be available. For example, what was actually purchased at Lowe's?
- Purchasing cards can be used anywhere VISA is accepted, except for unauthorized vendors that have been specifically blocked from use by the Company. Any vendor from whom you currently purchase goods should be considered a potential vendor of the Purchasing Card.
- The Department Head with the appropriate approving authority may request cards for employees responsible for providing goods and services by completing a Purchasing Card Request Form (Appendix A). Dollar limits for purchases will be set on this form. Cardholder's will be required to sign the Cardholder Agreement (Appendix B)
- Automatic restrictions may be setup on individual cards.
  1. For instance: Sam Smith is only allowed to purchase Office Supplies. Therefore, if Sam tries to use his card at a gas pump, it will be declined by Visa and the company will be able to view the decline online.
- The purchasing cards are NOT for personal use or unauthorized purchases.
- All purchasing cards are issued through the Purchasing Dept.
- Card usage will be audited and may be rescinded at any time. The authorized cardholder is the only person who may use the Purchasing Card. After completion of a training session with the Purchasing Card Coordinator, you will receive your card.
- Recordkeeping is essential to ensure success of this program. Standard payment policies require retention of receipts, and other documentation. As with any credit card, you must retain original, itemized sales slips, cash register receipts, invoices or any other pertinent documentation.
- The Purchasing Card is to be used in accordance with the guidelines established within this Handbook. You are to treat this program with the same sense of responsibility and security you would use with your personal credit cards.

## 2. CARD PROCEDURES

### How to Obtain a Card

- The Department Head must indicate approval by completing and signing the Purchasing Card Request Form (Appendix A) and submitting the form to the Purchasing Card Coordinator in the Purchasing Dept.
- The Purchasing Card Coordinator will order the card, arrange for cardholder training, and will notify you when it is available to be picked up. Prior to receipt of the card you must read the Purchasing Card Procedures Handbook and sign the Purchasing Card-Cardholder Agreement Form (Appendix B).
- When you receive the card, you must sign the back of the card immediately and always keep it in a secure place. Although the card is issued in your name, it is the property of **The City of McAlester** and is only to be used for **The City of McAlester** purchases as defined in this Handbook.

### How to Cancel a Card

- Contact your Department Head or the Program Administrator for instructions.

### Card Renewal

- A renewal card will automatically be mailed to the Purchasing Card Coordinator. You will be notified when the card is available.

### Reporting a Lost or Stolen Card

- The cardholder must notify his or her Department Head and Purchasing Card Coordinator of the lost or stolen card within one (1) business day after discovering the card missing.
- Complete Lost, Compromised, or Stolen Card Form (Appendix C) and submit to Purchasing Card Coordinator.
- Should a lost or stolen card be subsequently discovered by the cardholder, the card shall be cut in half and sent to the Purchasing Card Coordinator immediately.

### Cardholder Separation from Service

- Prior to separation from **The City of McAlester**, the cardholder shall surrender and cease use of the purchasing card and provide the proper receipts and expense report documenting each transaction.
- The Purchasing Card Coordinator shall cut the card in half immediately.

### Purchasing Card Security

- Always keep the card in a safe place. The Purchasing Card will have the employee name embossed on the card and shall only be used by the authorized cardholder. **NO OTHER PERSON IS AUTHORIZED TO USE THE CARD.**
- The cardholder is responsible for all transactions procured with their card. Cards and card numbers must be safeguarded against use by unauthorized individuals in the same manner that a cardholder safeguards his or her personal banking information. Although the card is issued in the individual's name, it is the property of **The City of McAlester**.

### Card Cancellation

- **The City of McAlester** reserves the right to cancel any card at any time. Cardholders who misuse the Purchasing Card may be subject to disciplinary action, legal action, and/or termination.

*Misuse of the purchasing card includes:*

1. Purchase of unauthorized item(s).
2. Use of the purchasing card by someone other than the cardholder.
3. Fraudulent or inaccurate recordkeeping.
4. Failure to obtain original, itemized receipts.
5. Failure to maintain the Purchasing Transaction Log.
6. Failure to reconcile the monthly statement by the 1<sup>st</sup> Council Meeting of each month.
7. Purchasing items for personal use.

## **3. ACCEPTABLE VISA CARD PURCHASES**

- The following information provides examples of purchases that are appropriate for the purchasing card:
  1. Travel, conference expenses
  2. Approved supplies for your building, department or program
  3. Conference and seminar registrations
  4. Federal Express, United Parcel Service, United States Postal Services expenses
  5. Other miscellaneous items that apply to your budget



This list is not intended to be all inclusive. If you have specific questions, please call the Purchasing Card Coordinator for assistance.

#### **4. UNACCEPTABLE VISA CARD PURCHASES**

- The following items define where the purchasing card is NOT appropriately used:
  1. Alcoholic beverages
  2. Tobacco
  3. Lottery Tickets
  4. Cash Advances
  5. ATM withdrawals
  6. Gift certificates or gift cards
  7. Any personal purpose

This list is not intended to be all inclusive. If you have specific questions, please call the Purchasing Card Coordinator for assistance.

#### **5. PROGRAM RESTRICTIONS**

- Each VISA Purchasing Card has been assigned a transaction and/or monthly credit limit determined by the supervisor of the cardholder. All limit changes must be submitted to the Purchasing Card Coordinator using the form Appendix A.
- The Purchasing Card will be accepted for purchases of generally approved goods and services.
- Levels of credit authorization are in place to clearly define the individual purchasing limit controls. Each cardholder will have a transaction limit and/or monthly limit. Transaction limit options are listed on the Request for a Visa Purchasing Card form.
- Certain company-wide cards may have unlimited transaction amounts. Transactions falling outside the assigned level will be declined at the point of sale.
- If your card is declined by a merchant and you feel the decline should not have occurred, contact the Purchasing Card Coordinator. Do NOT ask the cashier to "try it again". This is a fraud red-flag and could (after 3 times) lock your account from any other charges. If this occurs Security BankCard Center must unlock the account.

#### **6. RECOURSE FOR IMPROPER USE**

- In the event that improper usage of the Purchasing Card is discovered, written notification will be sent from the Purchasing Card Coordinator with a copy given to the supervisor of the cardholder.
- Corrective action may occur up to and including termination.

#### **7. CARDHOLDER RESPONSIBILITIES**

- As the person whose name appears on the Purchasing Card, you are responsible for keeping track of how the card is used, and for keeping it safe. And just like any credit card, you should protect against fraudulent use of the card.
- You must keep the original receipts for ALL purchases made with your Purchasing Card. Specifically, be sure to keep original, itemized cash register tapes, invoices showing detail of items purchased, or other relevant documentation. Your receipts help you reconcile account activity to your monthly Cardholder Statement.
- Training will be provided prior to a Purchasing Card being issued to the cardholder. During the training session, cardholders must read and sign the Acknowledgement of Receipt of the VISA Purchasing Card and Terms of Revocation Form prior to cards being issued. When the card is received, the cardholder must immediately sign the back of the card.
- When utilizing the card to purchase supplies and materials, the cardholder will check as many sources of supply as reasonable to assure best price and delivery.
- If an item is not satisfactory, received in error, damaged, defective, duplicate order, etc., the following steps should be followed:

1. The cardholder contacts the vendor to obtain authorization to return the item(s). Every vendor is different for return policies; make sure the return meets the vendor's criteria without incurring a restocking fee or shipping and handling fees. If available, the item(s) to be returned should be re-packed in original manufacturer's packaging.
2. If a vendor has not replaced or corrected the item by the statement cutoff date, then the purchase of that item will be considered in dispute. Attach the completed Dispute form and send as instructed or go to [www.securitybankcard.com](http://www.securitybankcard.com). Click on COMMERCIAL CARDS and select the Disputes link. Complete the form and submit as requested. A copy of the dispute form should be sent to Program Coordinator and Department Head.
3. Standard auditing procedures require retention of receipts and other documentation. As with any transaction you must retain the original itemized sales slips, cash register receipts, invoices, order forms and receiving documents.
4. Statement cut-off is prior to the **last day of each month**. Every cardholder must review their statement for all transactions made on the VISA Purchasing Card.
5. Reconciled, approved statements and appropriate documentation are due to the Business Office by the **5th of each month**.
6. If a transaction receipt is misplaced or not received, the cardholder shall be responsible for contacting the vendor and obtaining a duplicate copy of the receipt.
7. Disputed billing can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicated charges, credits not processed, etc.
8. The cardholder is responsible for contacting and following up with the vendor on any erroneous charges or disputed charges as soon as possible. Most issues can be resolved this way. Attach the completed Dispute form and send as instructed or go to [www.securitybankcard.com](http://www.securitybankcard.com). Click on COMMERCIAL CARDS and select the Disputes link. Complete the form and submit as requested. A copy of the dispute form should be sent to Program Coordinator and Department Head.

#### 8. PURCHASING CARD CONTACT INFORMATION

Contact	Name	Email Address	Phone Number
Program Administrator	Toni Ervin	<a href="mailto:toni.ervin@cityofmcalester.com">toni.ervin@cityofmcalester.com</a>	918-423-9300 ext. 4936
Security Bankcard Center	Customer Service	<a href="mailto:companycards@securitybankcard.com">companycards@securitybankcard.com</a>	800-356-8085

## APPENDIX A



### REQUEST FOR A VISA PURCHASING CARD (or) REQUEST CHANGES MADE TO AN EXISTING CARD.

Use this form to request a VISA Purchasing Card or to make changes to an existing card. The form should be completed by Department Head and sent to the Program Coordinator.

Check one:

☐ New card request?

☐ Changes to an existing card? If so, indicate below what changes you are requesting:

---

---

Employee Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Office phone: \_\_\_\_\_ Cell phone: \_\_\_\_\_

Building or Work Location: \_\_\_\_\_

Department: \_\_\_\_\_

Expense Report Interim Approver(s) \_\_\_\_\_

Expense Report Final Approver(s) \_\_\_\_\_

OPTIONAL - INCLUDE ANY ACCOUNTING CODES, ETC... BELOW


Limits for the purchasing card are established by the cardholder's supervisor and should be based upon the business needs of that individual. I acknowledge and approve the Visa Purchasing Card request for the employee named above. I would like to request limits for this card as follows:

Monthly Credit Limit Required	Single Purchase Limit (Optional)	Daily Purchase Limit (Optional)	Transaction Purchase Limit - (Optional)

Administrator/Supervisor signature: \_\_\_\_\_ Date: \_\_\_\_\_

## APPENDIX B



### ACKNOWLEDGEMENT OF RECEIPT OF THE VISA PURCHASING CARD AND TERMS OF REVOCATION FORM

I agree to accept responsibility for the protection and proper use of the Purchasing Card in accordance with the terms and conditions below and in accordance with the Purchasing Card Procedures Handbook.

1. I understand that I will be making financial commitments on behalf of The City of McAlester and will seek to maximize the purchasing value.
2. I understand that personal purchases are not allowed on the Purchasing Card, and I agree to use the Purchasing Card for the purchase of items for use in official business only. All purchases must comply with the purchasing procedures. I understand that examples of items not to be purchased with the Purchasing Card are included in the Purchasing Card Handbook; however, I also understand this list is not all inclusive and that if I have a question about a purchase I will go to my supervisor for approval.
3. I understand that I shall be personally liable for the inadvertent/improper use of the Purchasing Card, and I agree to pay the cost of such use, (other than improper use as the result of a lost or stolen card which was immediately reported as required in the Purchasing Card Procedures Handbook), including fees and interest assessed against the improper purchase.
4. I understand that improper use of the Purchasing Card may be cause for disciplinary action, including termination, and that improper use of the Purchasing Card may subject me to criminal prosecution.
5. I also understand that if there are amounts, which are attributable to my improper use of the Purchasing Card, I agree to reimburse The City of McAlester.
6. I agree to abide by the guidelines contained in The City of McAlester Purchasing Card Handbook.
7. I understand that failing to follow the Purchasing Card program guidelines may be deemed an improper use of the card and could result in revocation of the Purchasing Card and appropriate disciplinary action, which may include termination.
8. I agree to provide original, itemized receipts from the supplier for each transaction made on the Purchasing Card as required in The City of McAlester Purchasing Card Handbook. Failure to report or document any purchase may be deemed an improper use of the Purchasing Card.
9. I understand that should my employment with The City of McAlester terminate for any reason, the Purchasing Card must be returned to the Purchasing Card Coordinator.
10. I also understand that The City of McAlester may withdraw authorization to use the Purchasing Card and require the return of the Purchasing Card at any time for any reason. If the Purchasing Card is lost or stolen, I agree to notify the Purchasing Card Coordinator immediately.
11. I have been given a copy of The City of McAlester Purchasing Card Handbook and I have read the handbook, have received training on the Purchasing Card Program and understand the requirements for Purchasing Card use.

By signing below you are acknowledging you have read the Manual and will abide by the Procedures discussed herein.

Cardholder Signature \_\_\_\_\_

Date \_\_\_\_\_

Purchase Card Coordinator Signature \_\_\_\_\_

Date \_\_\_\_\_

## APPENDIX C



### LOST, COMPROMISED, OR STOLEN VISA PURCHASING CARD NOTIFICATION

#### PROCEDURE:

1. Immediately upon knowing your card is lost, compromised, or stolen, you shall notify **SECURITY BANKCARD CENTER** at 800-356-8085 & The City of McAlester's Purchase Card Coordinator at 918.423.9300 ext. 4932

CARDHOLDER NAME: \_\_\_\_\_

DEPARMERNT: \_\_\_\_\_

CARDHOLDER PHONE: \_\_\_\_\_

DATE OF THIS REPORT: \_\_\_\_\_ CARD NUMBER (last 6 digits) \_\_\_\_\_ - \_\_\_\_\_

☐ Card is believed lost.

☐ Card is believed compromised.

☐ Card is believed stolen.

Security Bankcard Center was notified on:

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Briefly describe circumstances of loss, compromised, or theft card:

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date Signed

2. Complete and distribute this form promptly to the Purchase Card Coordinator.

**SECURITY BANKCARD CENTER INC.**  
**Attn: Janice P.O. Box 6139 Norman, OK. 73070**

Account Number: \_\_\_\_\_

Fax # (405) 217-7546 Attn: Janice

All disputes must be received **in writing**, within **60 days** of the error posting to your account.

**Your signature is required.** Return this form along with all documentation required. **Only check one reason for the dispute.** Only one disputed transaction per page. If more space is needed for explanation, please attach a second sheet.

Transaction Date of Charge: \_\_\_\_\_ Amount of Charge: \_\_\_\_\_

Merchant Name: \_\_\_\_\_ Merchant Location: \_\_\_\_\_

☐ **UNKNOWN CHARGE:** Do not recognize this charge. I need more information to verify charge is valid.  
Merchant has 30 days to supply a copy of the transaction.  
Date you contacted the merchant: \_\_\_\_\_

☐ **RECURRING CHARGE: Membership Cancelled.** If the charge is a recurring charge, i.e. Internet service accounts, monthly insurance, **you must cancel with the merchant prior to disputing charges. You must first attempt to resolve the dispute with the merchant.**  
Date you contact the merchant: \_\_\_\_\_  
Charge cancellation date: \_\_\_\_\_  
Cancellation confirmation number: \_\_\_\_\_  
You may send us a copy of the merchant's cancellation confirmation letter.  
**Only charges that post after your cancellation date may be disputed. Without proof of cancellation we are unable to remove this charge.**

☐ **HOTEL/MOTEL CHARGE:** Hotel/Motel NO SHOW charges may be disputed **only** if you have the cancellation number that the merchant provided at the time you cancelled your reservation.  
Cancellation Number & Date: \_\_\_\_\_  
**Without the cancellation numbers we are unable to remove this charge.**

☐ **MERCHANDISE NOT RECEIVED:**  
**You must first attempt to resolve the dispute with the merchant.**  
Please describe what was ordered.  
\_\_\_\_\_  
\_\_\_\_\_

State the date you contacted the merchant: \_\_\_\_\_

Please list the date the merchandise was scheduled for delivery: \_\_\_\_\_

Please state the Merchants response: -  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

☐ **CREDIT NOT POSTED FOR CANCELLED ORDER:** **You must first attempt to resolve the dispute with the merchant. Merchants have 30 days to post a credit to your account.** Credit will not post to your account if the merchandise is in your possession.  
Please state what was ordered: \_\_\_\_\_

Was the order canceled? No ☐ Yes ☐

Please supply a copy of the credit receipt, or list the date the merchant stated the credit would be processed.

☐ **CREDIT NOT POSTED FOR RETURNED MERCHANDISE:** You must first attempt to resolve the dispute with the merchant. Merchants have 30 days from the day they receive the merchandise back to post a credit to your account. Return date: \_\_\_\_\_.

Credit will not include shipping and handling cost.

We must have proof of return, **without proof of return we are unable to remove this charge.**

What address was the merchandise returned to: \_\_\_\_\_

Who signed for the return: \_\_\_\_\_

*Describe what was expected, what was received and reason for the return.*

☐ **PAID FOR BY OTHER MEANS:** You must first attempt to resolve the dispute with the merchant. To dispute a charge on your credit card that you paid for by other means you must **supply us with a copy of your receipt**, if you paid cash; **or copy of front & back cancelled check**, if paid by check; or **copy of credit card statement**, if paid by different card.

**Without proof of other means of payment, we are unable to remove this charge.**

☐ **AMOUNT DIFFERENT:** To dispute a charge for amount different, **you must supply a copy of your receipt with the correct amount of the charge.** Without your copy of the receipt, we are unable to remove this charge.

The correct amount of charge is \_\_\_\_\_.

The amount charged to your account is \_\_\_\_\_.

☐ **NOT AS DESCRIBED OR DEFECTIVE MERCHANDISE:**

What was purchased:

How is it not as described:

How is it defective:

Please state how you have attempted to resolve the dispute with the merchant:

**FRAUDULENT CHARGE:** Please contact our fraud department at 1-800-356-8085.

Cardholder's Signature \_\_\_\_\_

Date \_\_\_\_\_

Home Telephone # \_\_\_\_\_

Work Telephone \_\_\_\_\_



# McAlester City Council

## AGENDA REPORT

Meeting Date: January 13, 2015 Item Number: 3  
Department: Police  
Prepared By: Gary Wansick Account Code: \_\_\_\_\_  
Date Prepared: January 5, 2015 Budgeted Amount: \_\_\_\_\_  
Exhibits: \_\_\_\_\_

### Subject

Consider and act upon, to declare certain Police Department issued handguns as surplus, and to provide for their safe and orderly disposal by first offering them for sale at the appraised trade-in value to the employee that carried the weapon in service, or in the alternative as a trade-in against new handguns purchased, for the appraised trade-in value.

### Recommendation

Declare pistols surplus.

### Discussion

Consider and act to declare certain Police Department issued handguns as surplus, and to provide for their safe and orderly disposal by first offering them for sale at the appraised trade-in value to the employee that carried the weapon in service, or in the alternative as a trade-in against new handguns purchased, for the appraised trade-in value.

### Approved By

Department Head  
City Manager

P. Stasiak

GLW

Initial

*PJS*

Date

1/5/2015





# McAlester City Council

## AGENDA REPORT

Meeting Date:	January 13, 2015	Item Number:	4
Department:	Police	Account Code:	
Prepared By:	Gary Wansick	Budgeted Amount:	
Date Prepared:	January 5, 2015	Exhibits:	5

### Subject

Consider and act upon, approval to Purchase of 43 new Glock pistols.

### Recommendation


Motion to approve the purchase of new Glock pistols to replace existing pistols carried by officers.

### Discussion

The police department currently has pistols that are approximately 13 years old and in need of replacement. The department studied and obtained cost estimates for repair and refurbishment of existing pistols versus replacement with new pistols. It was determined that replacement was the best option.

### Approved By

		Initial	Date
Department Head	GLW		1/5/2015
City Manager	P. Stasiak		

To: Chief Gary Wansick  
From: Deputy Chief Darrell Miller   
Ref: Glock Prices  
Date: August 25, 2014

We have received a price from GT Distributors to replace our departments Glock handguns. It is recommended we buy the Glocks with HD night sights for officer and citizen safety.

GT Distributors will give us \$275.00 for each duty weapon traded in from our department.

Officers can buy their duty weapon back from GT Distributors for \$315.00 each.

Below is the price for the department.

Quantity	Caliber	Price Each	Total Price
33	40	\$473.85	\$15,637.00
10	45	\$544.05	\$ 5,441.00
Price before trade			<b>\$21,078.00</b>
Trade In			<b><u>\$10,725.00</u></b>
Total cost for the department			<b><u>\$10,353.00</u></b>

Make	Model	Caliber	Serial Number
Glock	22	40	EBR578US
Glock	22	40	EBR586US
Glock	22	40	KDL063
Glock	22	40	EBR576US
Glock	22	40	EBR600US
Glock	22	40	DTZ227US
Glock	22	40	DTZ228
Glock	22	40	FKL277
Glock	22	40	FNG439
Glock	22	40	GSR386
Glock	22	40	HZV870
Glock	22	40	NEP873
Glock	22	40	DTZ229
Glock	22	40	EBR584
Glock	22	40	NEP874
Glock	22	40	EBR590
Glock	22	40	DTZ230
Glock	22	40	FNG440
Glock	22	40	EBR602
Glock	22	40	EBR579
Glock	22	40	EBR580
Glock	22	40	EBR599
Glock	22	40	EBR577
Glock	22	40	EBR601
Glock	22	40	GSR385
Glock	22	40	EBR594
Glock	22	40	KDL064
Glock	22	40	EBR589US
Glock	22	40	EBR583US
Glock	22	40	EBR585US
Glock	22	40	ECM902US
Glock	23	40	EAV400
Glock	23	40	EAV402US
Glock	21	45	EBN961
Glock	21	45	KEX647
Glock	21	45	EBN958US
Glock	21	45	EBN960US
Glock	21	45	EBN964US
Glock	21	45	EBN959

All Glocks are Generation 3 with Glock Night Sights and three magazines.

**Darrell Miller**

**From:** Robert Arbuckle [robert@gtldist.com]  
**Sent:** Tuesday, August 19, 2014 11:28 AM  
**To:** Darrell Miller  
**Subject:** Glock Trade-In  
**Attachments:** GlockRebuildvsNewGunCostPlusGen4advantagesM.DOCX;  
 GlockAgencyPricingOrderProcedures2011jRHA.pdf

Howdy sir. We can offer a Trade-In Value of **\$275** any of your existing **Glock Duty Pistol** ( regardless of whether they are Glock Model G22, G23, or G21s ) and the **Officer BuyBack** price would be **\$315** which we also cover the cost of Shipping ( we can send UPS to pick-up the Trade-Ins and BuyBacks once you have received the new Glock Pistols ) both ways so long as you are doing Officer BuyBacks on Department Letterhead and having all shipped back to your Department's address. The attached Document is a letter straight from Glock that details the cost of rebuilding existing/old Duty Glock pistols versus the cost of buying a new Glock from an authorized Law Enforcement Distributor ( which we are for your area ).

We give Departments an extra \$5 off the already discounted Law Enforcement Price that is also Attached Glock:

- **\$357.00 = GT's price for New Glock L.E. price w/ 3 mag.s and 4 Back Straps ( add Med., Large, & Med. Beaver-tail, & Large Beaver-tail ) w/ standard Fixed Sights ( Glock Models 17, 19, 22, 23, 26, 27, 31, 32, 33 )**
- **\$409.00 = GT's price for New Glock L.E. price w/ 3 mag.s and 4 Back Straps ( add Med., Large, & Med. Beaver-tail, & Large Beaver-tail ) w/ Glock Night Sights ( Glock Models 17, 19, 22, 23, 26, 27, 31, 32, 33 )**
- **\$473.85 = GT's price for New Glock L.E. price w/ 3 mag.s and 4 Back Straps ( add Med., Large, & Med. Beaver-tail, & Large Beaver-tail ) w/ H.D. Night Sights ( Glock Models 17, 19, 22, 23, 26, 27, 31, 32, 33 )**
- **\$417.20 = GT's price for New Glock L.E. price w/ 3 mag.s and 4 Back Straps ( add Med., Large, & Med. Beaver-tail, & Large Beaver-tail ) w/ standard Fixed Sights ( Glock Models 20, 20SF, 21, 21SF, 29, 29SF, 30, 30S, 30SF, 36 )**
- **\$469.00 = GT's price for New Glock L.E. price w/ 3 mag.s and 4 Back Straps ( add Med., Large, & Med. Beaver-tail, & Large Beaver-tail ) w/ Glock Night Sights ( Glock Models 20, 20SF, 21, 21SF, 29, 29SF, 30, 30S, 30SF, 36 )**
- **\$544.05 = GT's price for New Glock L.E. price w/ 3 mag.s and 4 Back Straps ( add Med., Large, & Med. Beaver-tail, & Large Beaver-tail ) w/ Glock Night Sights ( Glock Models 20, 20SF, 21, 21SF, 29, 29SF, 30, 30S, 30SF, 36 )**

Robert Arbuckle  
 Outside Sales - Okl./La./Ark./N.E. Tx  
 G T Distributors  
 PO Box 16080  
 Austin, TX, 78761  
 Ph:512-451-8298  
 Fax:512-453-6149  
[robert@gtldist.com](mailto:robert@gtldist.com)  
[www.gtldist.com](http://www.gtldist.com)

08/19/2014

# ALL PAWN & SURPLUS

404 E. Chickasaw McAlester, OK. 74501  
(918) 423-5959

DATE 12-11-14 TAX NO. \_\_\_\_\_ PO. NO. \_\_\_\_\_  
SOLD TO McAlester PD  
ADDRESS \_\_\_\_\_ TOWN \_\_\_\_\_  
SHIP TO \_\_\_\_\_ DATE \_\_\_\_\_

CASH		CHARGE		CREDIT		O.D.D.		TERMS:	
QTY.	DESCRIPTION	B.O.	PRICE	AMOUNT					
4	Glock 22 G4 40cal		625 00	2500 00					
	w/Trigicon HD Yellow								
	Night Sights								
( Bid Only )									
								SUB-TOTAL	2500 00
								TAX	—
								FREIGHT	
								TOTAL	2500 00
SHIPPED BY ( )									
RECEIVED BY									

All Claims and Adjustments MUST BE Accompanied By This Slip.

NO CASH REFUNDS

PHONE NO. : 9184265959

ALL PAWN AND SURPLUS

Dec. 11 2014 08:55AM P1



HL'S Sports Shop  
600 East Choctaw  
M<sup>c</sup>Alester, OK, 74501

Glock 22 Gen 4  
Trijicon Night Sights  
Three Magazines Each

\$650.

Total x4 = \$2,600



# McAlester City Council

## AGENDA REPORT

TABLED TO NEXT MEETING JANUARY 13, 2015

<b>Meeting Date:</b>	<u>December 23, 2014</u>	<b>Item Number:</b>	<u>5</u>
<b>Department:</b>	<u>City Manager</u>		
<b>Prepared By:</b>	<u>Peter Stasiak</u>	<b>Account Code:</b>	<u>N/A</u>
<b>Date Prepared:</b>	<u>December 17, 2014</u>	<b>Budgeted Amount:</b>	<u>N/A</u>
<b>TABLED FROM PREVIOUS MEETING</b>		<b>Exhibits:</b>	<u>3</u>

### Subject

Consider and act upon, authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151 between the City of McAlester and the U. S. Department of Transportation Federal Aviation Administration.

### Recommendation

Motion to approve authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151.

### Discussion

The above described lease was last discussed at the City Council meeting on December 23, 2014 and prior to that on August 26, 2014. At that time, it was discussed the previous year about giving the FAA time to move the equipment. This equipment is essential in running the AWAS system at the airport. This system give pilots around the nation updated weather information in McAlester by the minute. If and when the City of McAlester finds another use for the building the equipment would remain. If the tenants required the equipment to be moved then the City would look at constructing a small building to house the equipment. City Attorney Ervin discussed the "Hold Over" clause in the lease which allows the FAA to occupy the area indefinitely. The FAA has asked that the City of McAlester reevaluate the lease and requests the signing of the five (5) year lease. The current contract expired on September 30, 2014 and contains no hold-over clause. City Attorney Ervin has sent proposed language changes to FAA – see attached. Indications are FAA will not accept these changes due to the limitations of the equipment relocation expense and the time period of the 'hold over' clause.

### Approved By

	<i>Initial</i>	<i>Date</i>
<b>Department Head</b>		
<b>City Manager</b>	P. Stasiak <u></u>	

**Peter Stasiak**

---

**From:** Joe Ervin [ervinjoe@sbcglobal.net]  
**Sent:** Monday, December 29, 2014 2:50 PM  
**To:** Josie.A.Falcon@faa.gov; Patsy.McComis@faa.gov  
**Cc:** Peter Stasiak; John Modzelewski  
**Subject:** Proposed language for the McAlester/FAA Telco Lease

Ms. McComis,

I tried to reach you by phone today. On December 23, 2014, the McAlester City Council met to consider the proposed FAA lease agreement. The City would like to add the following language to the end of Article 11(b):

"Lessor is actively marketing the subject premises for public sale. The parties agree that in the event a valid "contract for sale" is executed between Lessor and an independent third party, Lessor shall have an absolute right, but not the obligation, to relocate Lessee's Telco facilities and equipment to a compatible alternate location at the McAlester Municipal Airport. This relocation of facilities shall be at Lessor's expense, in an amount not to exceed \$50,000.00. The relocation of the facilities described herein shall be conducted under the direction, supervision, and control of Lessee, by contractors or persons of Lessee's choosing. The parties further understand and agree that if Lessor exercises its right to relocate Lessee's Telco facilities and equipment under this Article, the holdover clause contained in Article 12 shall be limited to a total period not to exceed six (6) months."

Please let us know if the proposed language or some other functionally similar language is acceptable to FAA. If you need additional information or if I can be of assistance please contact me.

William J. Ervin, Jr.  
Ervin & Ervin, Attorneys at Law, L.L.P.  
P.O. Box 1449  
McAlester, Oklahoma 74502  
(918) 423-4242 (phone)  
(918) 423-4243 (fax)  
[ervinjoe@sbcglobal.net](mailto:ervinjoe@sbcglobal.net)



McAlester Regional Airport Advisory Board

Greetings

To the Honorable Mayor Steve Harrison and members of the McAlester City Council

The members of the airport advisory board recently met to address the existing contract with the FAA for the Automated Surface Observation System.

The system is one of approximately 24 in the State of Oklahoma that provides real time weather observations through a system of remote sensors. The room it occupies is in a corner of the 10,000 square foot former FAA Flight Service Station. The total square footage used by the system is 248 feet.

The system affects the safety of flight for the general public and the two commercial operators, EagleMed and Martinaire/UPS that use the airport on a daily basis.

The members voted unanimously to keep the existing contract in its present form. Those members attending the meeting were:

David Verner, Dr. Mike Boyer, Cecil Craig, Steve Otis, Mike Hogan, Carlton Bass and Brandon John. Also the Airport Manager, Butch Mellor was in attendance.

Thank you for your consideration of this request.

Sincerely;

By



Michael W. Hogan

Aviation encompasses a wide range of aircraft and operations. There are commercial operations, such as Eagle Med, Charter flights, and any other passenger paying service, along with the general aviation public. All of these operations fit into 2 categories. The two categories are VFR (Visual Flight Rules) and IFR (Instrument Flight Rules). ASOS is very important to both of these areas of flight. As weather deteriorates, IFR flight is required at times in order to complete a flight when it can't be completed by visual reference such as VFR. IFR flight relies heavily on weather reporting services such as ASOS. When weather has deteriorated, there is nothing more valuable to a pilot than an ASOS that is at the destination airport for real time weather, which the ASOS provides at McAlester Regional.

The ASOS (Automated Surface Observation System) is a critical part of the operation of the McAlester Regional airport. It serves each arriving aircraft with the critical weather information for the McAlester area. It provides a higher level of safety to each aircraft by giving individual arriving and departing aircraft "real time" weather. Without this ASOS system the pilots will be receiving weather from a completely different location which might have different weather conditions than what is at the McAlester airport. Airports with an on-site ASOS provided the highest level of safety for operating to and from the airport in regards to providing accurate weather.

Changes that will take place if the ASOS is moved from the McAlester airport are as listed:

1. All approach minimums will be raised 80-100 Ft from the minimums that are published currently. Reference FAR AIM 5-4-5.4 Reference Example 1 on page 3 and 4.
2. All Instrument approach procedures will need to be recertified by the FAA to the new minima to meet the requirement for not having a weather reporting facility at the airport.
3. Operators that conduct flights under FAA Part 135 (i.e. Eagle Med, based at McAlester Regional Airport) will not be able to conduct IFR operations at the McAlester airport unless "The Administrator issues operations specifications allowing the use of weather observations taken at a location not at the airport where the IFR operations are conducted. The Administrator issues such operations specifications when, after investigation by the U.S. National Weather service and the certificated-holding district office, it is found that the standards of safety for that operation would allow the deviation from the paragraph for the particular operation for which an air carrier operating certificate or operating certificate has been issued." This would be completely up to Eagle Med if they wanted to pursue this route or seek a re-location. Reference FAR 135.213. on page 5
4. Will not offer departing aircraft or arriving aircraft with the most current and reliable weather for the McAlester Airport.

5. McAlester Regional will not be able to be used as an alternate airport when flying IFR due to the no weather reporting facility that meets the weather reporting requirements. Reference "Instrument Flying Handbook Figure 1-13." On page 6.

## Example 1

### 5-4-5. Instrument Approach Procedure Charts

4. Approach minimums are based on the local altimeter setting for that airport, unless annotated otherwise; e.g., Oklahoma City/Will Rogers World approaches are based on having a Will Rogers World altimeter setting. When a different altimeter source is required, or more than one source is authorized, it will be annotated on the approach chart; e.g., use Sidney altimeter setting, if not received, use Scottsbluff altimeter setting. Approach minimums may be raised when a nonlocal altimeter source is authorized. When more than one altimeter source is authorized, and the minima are different, they will be shown by separate lines in the approach minima box or a note; e.g., use Manhattan altimeter setting; when not available use Salina altimeter setting and increase all MDAs 40 feet. When the altimeter must be obtained from a source other than air traffic a note will indicate the source; e.g., obtain local altimeter setting on CTAF. *When the altimeter setting(s) on which the approach is based is not available, the approach is not authorized.* Baro-VNAV must be flown using the local altimeter setting only. Where no local altimeter is available, the LNAV/VNAV line will still be published for use by WAAS receivers with a note that Baro-VNAV is not authorized. When a local and at least one other altimeter setting source is authorized and the local altimeter is not available Baro-VNAV is not authorized; however, the LNAV/VNAV minima can still be used by WAAS receivers using the alternate altimeter setting source.

Tap to view 1 NOTAM

MUSKOGEE, OKLAHOMA

AL-623 (FAA)

12320

APP CRS  
039°

Rwy Idg 4488  
TDZE 612  
Apl Elev 612

**RNAV (GPS) RWY 4**  
MUSKOGEE/DAVIS FIELD (MKO)

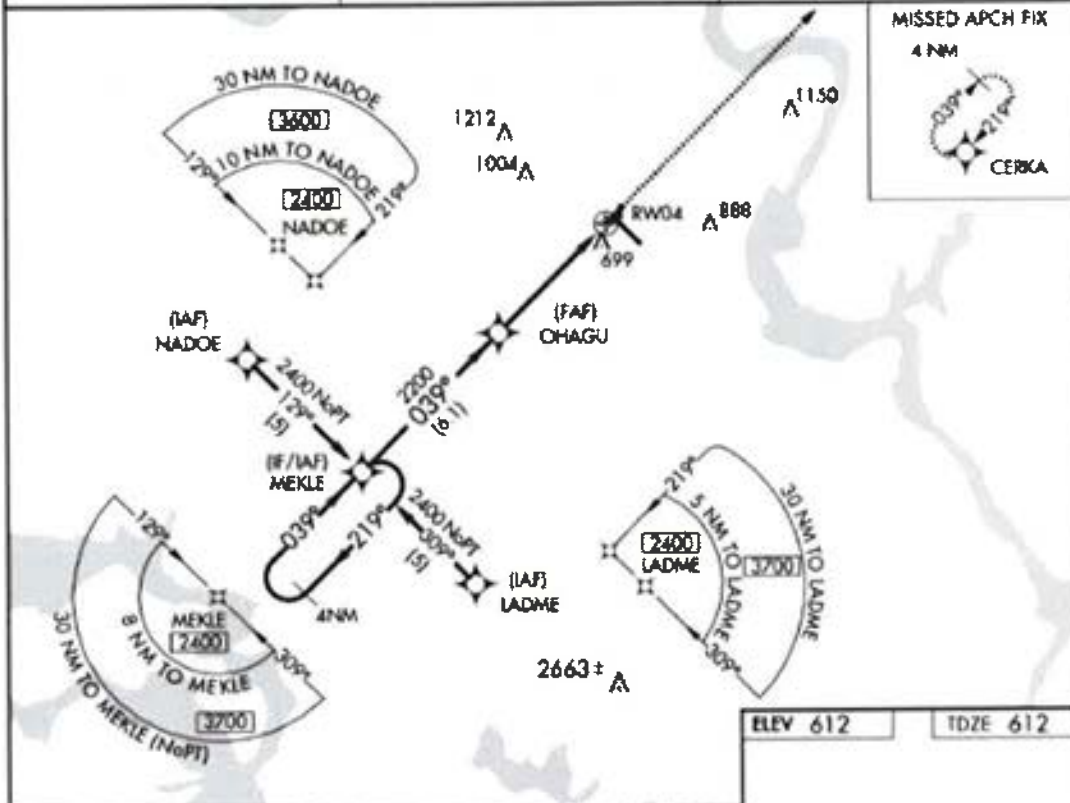
▼ Straight-in minimums NA at night. For uncompensated Baro-VNAV systems, UNAV/VNAV NA below -16°C (4°F) or above 47°C (116°F). DME/DME RNP-0.3 NA. Baro-VNAV and VDP NA when using Tohalequah altimeter setting. When local altimeter setting not received, use Tohalequah altimeter setting and increase DA 92 feet and all visibilities 1/4 mile, all MDA 100 feet, Cat C and D visibilities 1/2 mile.

MISSED APPROACH: Climb to 2600 direct CERKA and hold

ASOS  
135.025

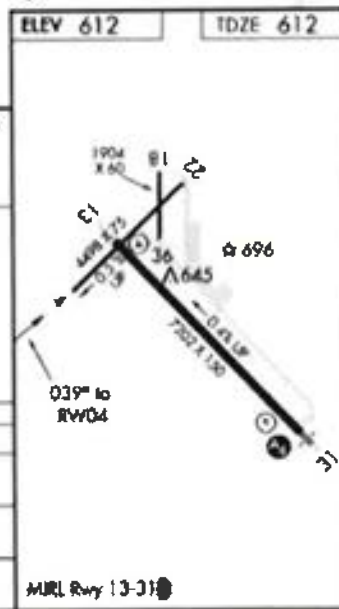
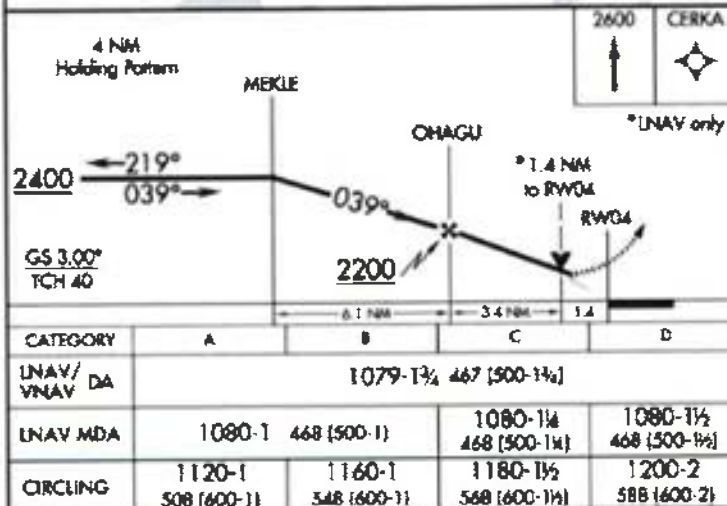
FORT WORTH CENTER  
132.2 338.35

UNICOM  
122.8 (CTAF) ☺



SC-1, 11 DEC 2014 to 08 JAN 2015

SC-1, 11 DEC 2014 to 08 JAN 2015



MUSKOGEE, OKLAHOMA  
Arrdt 1A 15NOV12

35°39'N 95°22'W

MUSKOGEE/DAVIS FIELD (MKO)  
**RNAV (GPS) RWY 4**

(b) For the purposes of paragraph (a) of this section, weather observations made and furnished to pilots to conduct IFR operations at an airport must be taken at the airport where those IFR operations are conducted, unless the Administrator issues operations specifications allowing the use of weather observations taken at a location not at the airport where the IFR operations are conducted. The Administrator issues such operations specifications when, after investigation by the U.S. National Weather Service and the certificate-holding district office, it is found that the standards of safety for that operation would allow the deviation from this paragraph for a particular operation for which an air carrier operating certificate or operating certificate has been issued.

[Doc. No. 16097, 43 FR 46783, Oct. 10, 1978, as amended by Amdt. 135-60, 61 FR 2616, Jan. 26, 1996]

# INSTRUMENT APPROACH PROCEDURE CHARTS

## A IFR ALTERNATE AIRPORT MINIMUMS

Other-than-standard IFR alternate minimums are published.

CORTEZ, COLORADO

Alt (ASL)  
2900'  
Msl (ASL)  
5013'  
Msl (ASL)  
5018'

ONE/DME RNP-3 RNA

When VLOS app. procedure NA when

Alt (112 TAA)

RNAV (GPS) Y RWY 21  
CORTEZ MUNI (CRZ)

Visual Approach: Ceiling 1500-5-400  
NA when local weather not available.

ASOS  
135.425

DENVER CENTER  
148.675 348.7

Local On  
122.8 (CTAF) #



ALAMOSA, CO

SAN LUIS VALLEY RGNL  
BERGMAN FIELD

RNAV (GPS) Rwy 2

RNAV (GPS) Rwy 20

NA when local weather not available.

ALBUQUERQUE, NM

ALBUQUERQUE INTL

SUNPORT

VOR or TACAN Rwy 8

Categories A, B, 800-2; Category C, 900-2 1/2;

Category D, 900-2 1/2; Category E, 800-2

City and state location

CLAYTON, NM

CLA

Airport name and applicable approach

NDB Rwy 20 1/2

RNAV (GPS) Rwy 2

Other-than-standard IFR alternate minimums

NA when local weather not available.

Categories A, B, 900-2; Category C, 900-2 1/2;

Category D, 800-2 1/2.

Category D, 800-2 1/2.

CORTEZ, CO

CORTEZ MUNI

RNAV (GPS) Y Rwy 21 1/2

RNAV (GPS) Z Rwy 21 1/2

VOR Rwy 21 1/2

Category D, 900-3.

Categories A, B, 1300-2; Categories C, D,

1300-3.

CRAIG, CO

CRAIG-MOFFAT

VOR/DME Rwy 7 1/2

NA when local weather not available.

TACAN, LDA  
Airports within  
minimums with  
monitored facility  
minimums. Coring  
terminal Airport

MINIMUMS

DC Rwy 17L 1/2

DC Rwy 38L 1/2

DC Rwy 36R 1/2

Y Rwy 17L 1/2

Y Rwy 17R 1/2

Z Rwy 17R 1/2

Categories A, B, 900-2 1/2; Category C, 900-2 1/2;

Category D, 900-2 1/2.

PILS, Category D, 700-2.

NA when local weather not available.

Categories A, B, 1100-2; Categories C, D,

1100-3.

Categories A, B, C, D, 800-2 1/2.

23 SEP 2010 to 21 OCT 2010

23 SEP 2010 to 21 OCT 2010

Figure 1-13. Examples of IFR alternate minimums.

with an approach approved Wide Area Augmentation System (WAAS) receiver. Because GPS is not authorized as a substitute means of navigation guidance when conducting a conventional approach at an alternate airport, if the approach procedure requires either distance measuring equipment (DME) or automatic direction finder (ADF), the aircraft must be equipped with the appropriate DME or ADF avionics in order to use the approach as an alternate.

For airplane 14 CFR Part 91 requirements, an alternate airport must be listed on IFR flight plans if the forecast weather at the destination airport, for at least 1 hour before and for 1 hour after the estimated time of arrival (ETA), the ceiling is less than 2,000 feet above the airport elevation, and the visibility is less than 3 SM. A simple way to remember the rules for determining the necessity of filing an alternate for airplanes is the "1, 2, 3 Rule." For helicopter 14 CFR Part 91, similar alternate filing requirements apply.

An alternate must be listed on an IFR flight plan if at the ETA and for 1 hour after the ETA, the ceiling is at least 1,000 feet above the airport elevation, or at least 400 feet above the lowest applicable approach minima, whichever is higher, and the visibility is at least 2 SM.

Not all airports can be used as alternate airports. An airport may not be qualified for alternate use if the airport NAVAID is unmonitored, or if it does not have weather reporting capabilities. For an airport to be used as an alternate, the forecast weather at that airport must meet certain qualifications at the ETA. Standard airplane alternate minimums for a precision approach are a 600-foot ceiling and a 2 SM visibility. For a non-precision approach, the minimums are an 800-foot ceiling and a 2 SM visibility. Standard alternate minimums apply unless higher alternate minimums are listed for an airport. For helicopters, alternate weather minimums are a ceiling of 200 feet above the minimum for the approach to be flown, and visibility at



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

**Southwest Region  
Logistics Service Area**

**2601 Meacham Blvd.  
Fort Worth, Texas 76137**

**JUL 02 2014**

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

City of McAlester  
Attn: Mr. John Modzelewski  
City Manager  
1<sup>st</sup> and Washington  
McAlester, Ok 74502

Dear Mr. Modzelewski:

Subject: Supplemental Agreement #1  
Lease No. DTFACN-13-L-00151  
FAA Equipment Space  
McAlester, Oklahoma

The Federal Aviation Administration's (FAA) Lease No. DTFACN-13-L-00151 providing space for FAA equipment in a building located at 102 Airport Rd., McAlester, OK 74501, expires by its terms on September 30, 2014. The FAA has an ongoing need to occupy the premises and this equipment directly supports airport operations.

Enclosed are two copies of Supplemental Agreement No. 1 to Lease No. DTFACN-13-L-00151 for an additional 5-year term period. As stated in the lease, the rental consideration will remain the same.

Please have both copies signed and dated, have the Municipal Certificate completed and return all copies in the enclosed postage paid envelope. When received, a fully executed copy will be returned to you for your records. If you require additional information, please contact me at 817-222-4362 or via email at [josie.a.falcon@faa.gov](mailto:josie.a.falcon@faa.gov).

Sincerely,

Josephine A. Falcon  
Real Estate Contracting Officer

Enclosure (2)



**U.S. Department of Transportation  
Federal Aviation Administration**

**SUPPLEMENTAL  
AGREEMENT NO. 1**

**DATE**

**SUPPLEMENTAL LEASE  
AGREEMENT**

**TO LEASE NO.**

**DTFACN-13-L-00151**

**ADDRESS OF PREMISES:** Approximately 280 square feet of rentable space for installed Government-owned equipment in a building located at 102 Airport Road, Room 113, McAlester, OK 74501, McAlester Municipal Airport, McAlester, Oklahoma

THIS AGREEMENT, made and entered into this date by and between CITY OF MCALESTER, OKLAHOMA whose interest in the property hereinafter described is that of owner, hereby referred to as LESSOR, and the UNITED STATES OF AMERICA, hereinafter referred to as the GOVERNMENT OR FAA:

WHEREAS, on September 30, 2013, the City of McAlester and the Government entered into Lease No. DTFACN-13,-L-00151 for the consideration and purpose more particularly stated in said lease; and

WHEREAS, said lease will expire September 30, 2014 and the Government has a continuing need for the leased premises; and

WHEREAS, the parties hereto desire to extend the above Lease for an additional 5-year term at same rental rate; and

WHEREAS, the Government is required to amend the above lease to add the Holdover clause and update the clauses by reference due to current policy and mandatory clauses.

NOW THEREFORE, effective October 1, 2014 these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, as follows:

a. Delete Articles 3 and 11.g. in their entirety and substitute with the following:

**3. TERM (1/01)** – To have and to hold, for the term commencing on October 1, 2013 and continuing through September 30, 2019 inclusive, PROVIDED that adequate appropriations are available from year to year for the payment of rentals.

11.g. The following clauses are incorporated by reference: The full text of these clauses can be found in Standard Space Lease Form via the Internet at <http://fast.faa.gov>

ANTI-KICKBACK (10/96)

ASSIGNMENT OF CLAIMS (10/96)

CERTIFICATION OF REGISTRATION IN SAM – REAL PROPERTY (1/13)

COMPLIANCE WITH APPLICABLE LAWS (10/96)

CONTRACTOR IDENTIFICATION NUMBER "DATA UNIVERSAL NUMBERING SYSTEM" (DUNS) NUMBER

COVENANT AGAINST CONTINGENT FEES (8/02)

DEFAULT BY LESSOR  
EXAMINATION OF RECORDS (10/96)  
INSPECTIONS (10/96)  
LESSOR'S SUCCESSORS (10/96)  
NO WAIVER (10/96)  
OFFICIALS NOT TO BENEFIT (10/96)  
PAYMENT BY ELECTRONIC FUND TRANSFER (1-13)  
SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (1/14)  
SYSTEM FOR AWARD MANAGEMENT (SAM) (1/13)

b. Add Article 12 as follows:

**12. HOLDOVER** - If after the expiration of the lease, the Government shall retain possession of the premises, the lease shall continue in force and effect on a month-to-month basis. Rent shall be paid in accordance with the terms of the lease, in arrears on a prorated basis, at the rate paid during the lease term. This period shall continue until the Government shall have signed a new lease with the Lessor, acquired the property in fee, or vacated the leased premises.

All other terms and conditions of the lease shall remain in force and effect.

Important: Lessor ☒ is, ☐ is not required to sign this document and return 2 copies to the issuing office. Return receipt requested.

Supplemental Agreement No. 1  
DTFACN-13-L-00151  
FAA Equipment Space  
McAlester, Oklahoma

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

**CITY OF MCALESTER**

BY: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Title)

**UNITED STATES OF AMERICA**

Date: \_\_\_\_\_

\_\_\_\_\_  
Josephine A. Falcon  
Real Estate Contracting Officer

**MUNICIPAL CERTIFICATE**

If agreement is made with a State, County, Municipality or other public authority, the following certificate shall be executed by an authorized official:

I, \_\_\_\_\_, (name) certify that I am the \_\_\_\_\_  
(title) of the \_\_\_\_\_ named in the foregoing agreement, that  
\_\_\_\_\_, who signed said agreement on behalf of  
said Public authority and was then \_\_\_\_\_ of that Public Authority and said  
agreement was duly signed for and in behalf of said \_\_\_\_\_  
by authority of its governing body, and is within the scope of its powers.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2014.

\_\_\_\_\_  
(Signature)

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
ANTENNA AND RACK SPACE LEASE  
FOR REAL PROPERTY

DTFACN-13-L-00151

Telco Room, Rm 113

MLC - McAlester, Oklahoma

1. THIS LEASE is entered into by and between CITY OF MCALESTER, OKLAHOMA whose interest in the property hereinafter described is that of owner, hereby referred to as LESSOR, and the United States of America, hereinafter referred to as the GOVERNMENT or FAA:

WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

2. DESCRIPTION (10/96) - The LESSOR hereby leases to the GOVERNMENT the following described premises: Approximately 280 square feet of rentable space for installed Government-owned equipment in Room 113/Telco Room, as shown on Drawing MLC-AFSS-A-1, hereinafter referred to as Exhibit "A", in the building located at 102 Airport Rd. McAlester, OK 74501, at McAlester Municipal Airport, McAlester, Oklahoma.

LESSOR also grants to the GOVERNMENT a cable easement extending from Room 113 under the raised floor to a connection bulkhead under the floor in the Room 114/Automation Room, and continuing under the floor to antennas located on Tower No. 2, as identified on Drawing MLC-D-AFSSBL-350, hereinafter referred to as Exhibit "B".

LESSOR also grants to the GOVERNMENT the right to access Room 122/Mechanical Room at all times to ensure the proper operation of the equipment in the Telco Room.

The Government's use of the leased premises and the easements granted herein shall be related to the FAA's activities in support of Air Traffic operations.

3. TERM (1/01) - To have and to hold, for the term commencing on October 1, 2013, and continuing through September 30, 2014, inclusive, PROVIDED that adequate appropriations are available from year to year for the payment of rentals.

4. CANCELLATION (8/02) - The GOVERNMENT may terminate this lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the Government, by giving at least ninety (90) days' notice in writing to the LESSOR. No rental will accrue after the effective date of termination. Said notice will be computed commencing with the day after the date of mailing.

5. RENTAL (10/96) - Rent in the amount of \$3,800.00 per annum will be payable at the rate of \$950.00 per Government fiscal quarter to the LESSOR in arrears and will be due on the first workday, without the submission of invoices or vouchers, subject to available appropriations. Said total rental amount represents base rent of \$3200.00 and reimbursement of \$600.00 (\$50.00 per month) for electric service incurred for FAA equipment operation at the leased premises. Rent will be considered paid on the date a check is dated or an

#### 2.6.2 Antenna and Rack Space Template

Revised April 2010

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electronic funds transfer is made. Rent for a period of less than a quarter will be prorated. Checks will be made payable to: City of McAlester.

6. SERVICES AND UTILITIES – The following services and utilities will be provided by LESSOR as part of rent. Services supplied to technical equipment will be supplied 24 hours a day, and seven days a week. The GOVERNMENT will have access to the leased premises at all times, including the use of electrical services, without additional payment.

- ELECTRICITY
- HVAC (68 – 74 DEG. F)
- SNOW REMOVAL
- GROUND MAINTENANCE

7. FUNDING RESPONSIBILITY FOR GOVERNMENT FACILITIES (10/96) - The LESSOR agrees that any relocation, replacement, or modification of any existing or future Government facilities covered by this Lease during its term or any renewal thereof made necessary by airport improvements or changes which in the Government's opinion interfere with the technical and/or operational characteristics of the Government facilities will be at the expense of the LESSOR, except when such improvements or changes are made at the written request of the Government. In the event such relocation's, replacements, or modifications are necessitated due to causes not attributable to either the LESSOR or the Government, funding responsibility shall be determined by the Government.

8. PARKING – At no additional cost to the government, the LESSOR shall provide two (2) off-street parking spaces at the leased premises for the vehicles of GOVERNMENT personnel performing maintenance of the installed equipment.

9. CABLES - Any cables associated with this facility from Tower No. 2 to the Telco Room will remain the property of the FAA.

10. TOWER ACCESS – The Lessor shall furnish and maintain a 40-foot free-standing tower, identified as Tower No. 2, separate and adjacent to the leased premises. The Government shall have the right to install and maintain coaxial cable and radio antennas on Lessor's tower to meet technical requirements.

#### 11. GENERAL CLAUSES:

a. DAMAGE BY FIRE OR OTHER CASUALTY (10/96) - If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the GOVERNMENT, the GOVERNMENT may terminate the lease, in whole or in part, immediately by giving written notice to the LESSOR and no further rental will be due.

b. MAINTENANCE OF THE PREMISES (10/96) - The LESSOR will maintain the demised premises, including the grounds, all equipment, and fixtures, appurtenances furnished by the LESSOR under this lease, in good repair.

#### 2.6.2 Antenna and Rack Space Template

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c. **FAILURE IN PERFORMANCE (10/96)** - In the event the LESSOR fails to perform any service, provide any item, or meet any requirement of this lease, the GOVERNMENT may perform the service, provide the item, or meet the requirement, either directly or through a contract. The GOVERNMENT may deduct any costs incurred for the service or item, including administrative costs, from the rental payments. No deduction of rent pursuant to this clause will constitute default by the GOVERNMENT on this lease.

d. **CONTRACT DISPUTES (11/03)** - All contract disputes arising under or related to this lease contract will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. § 46110 and will apply only to final agency decisions. The LESSOR may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All Contract Disputes will be in writing and will be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70  
Federal Aviation Administration  
800 Independence Ave., SW  
Room 323  
Washington, DC 20591  
Telephone: (202) 267-3290  
Facsimile: (202) 267-3720

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

e. **INTERFERENCE (10/08)** - Should interference with the LESSOR's facility occur due to the FAA operations, FAA shall correct the problem immediately. If the LESSOR's facility interferes with FAA's equipment then the LESSOR will correct the problem immediately.

f. **NOTICES (10/96)** - All notices/correspondence shall be in writing, reference the Agreement number, and be addressed as follows:

Lessor:	Government:
City of McAlester	Department of Transportation
P.O. Box 578	Federal Aviation Administration
McAlester, OK	Real Estate & Utilities Group, ASW-53
	2601 Meacham Blvd.
	Fort Worth, TX 76137

## 2.6.2 Antenna and Rack Space Template

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g. The following clauses are incorporated by reference: The full text of these clauses can be found in the Real Estate Template "Standard Space Lease Form" via the Internet at <http://fast.faa.gov>

- DEFAULT BY LESSOR (10/96)
- COMPLIANCE WITH APPLICABLE LAWS (10/96)
- OFFICIALS NOT TO BENEFIT (10/96)
- COVENANT AGAINST CONTINGENT FEES (8/02)
- ANTI-KICKBACK (10/96)
- EXAMINATION OF RECORDS (10/96)
- SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (10/96)
- LESSOR'S SUCCESSOR (10/96)
- CENTRAL CONTRACTOR REGISTRATION-REAL PROPERTY (10/06)
- PAYMENT BY ELECTRONIC FUND TRANSFER (10/06)
- NO WAIVER
- ASSIGNMENT OF CLAIMS

IN WITNESS WHEREOF, the parties hereto have signed their names: (10/96)

8a. NAME AND TITLE OF LESSOR/OWNER (Type or Print)	8b. SIGNATURE OF OWNER CITY OF MCALESTER, OKLAHOMA	8c. DATE
Steve Harrison, Mayor	<i>Steve Harrison</i>	09/10/13
THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.		
9a. NAME OF REAL ESTATE CONTRACTING OFFICER	9b. SIGNATURE OF REAL ESTATE CONTRACTING OFFICER	9c. DATE
Joan C. Harris	<i>Joan C. Harris</i>	9/30/2013

### MUNICIPAL CERTIFICATE

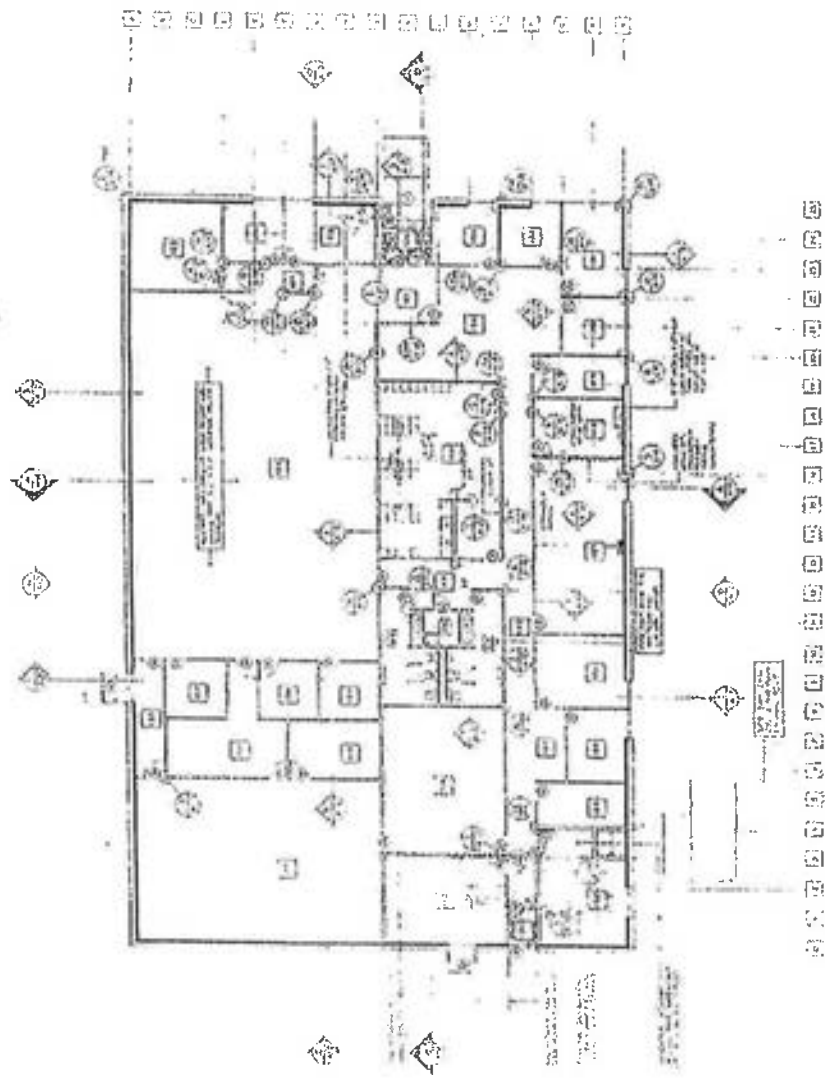
I, Cora Mickleton (Name), certify that I am the City Clerk (Title) of the City of McAlester named in the foregoing agreement; that Steve Harrison who signed said agreement on behalf of said Public authority and was then Mayor of that Public Authority and said agreement was duly signed for and in behalf of said City of McAlester by authority of its governing body, and is within the scope of its powers.

*Cora Mickleton*  
(Signature)



SECTION 10000 - GENERAL NOTES

- 1. THE ARCHITECT'S DESIGN IS BASED ON THE ASSUMPTION THAT THE BUILDING WILL BE OCCUPIED BY THE CITY OF OKLAHOMA.
- 2. THE ARCHITECT'S DESIGN IS BASED ON THE ASSUMPTION THAT THE BUILDING WILL BE OCCUPIED BY THE CITY OF OKLAHOMA.
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SECTION 10000 - GENERAL NOTES

FLOOR PLAN

CONTRACT NO. 13-L-00151

PUE & ASSOCIATES	
DUELEY & ASSOCIATES	
CITY OF OKLAHOMA, OKLAHOMA	
SUBJECT: FLOOR PLAN, 100,000 SQ. FT.	
FLOOR PLAN	
DATE: 10/1/51	
BY: PUE & ASSOCIATES	
CHECKED: DUELEY & ASSOCIATES	
APPROVED: [Signature]	

EXHIBIT A







## City Manager Report to the Council

January 13, 2015

### Business:

- The City has received preliminary sales tax numbers for the period November 16, 2014 through December 15, 2014. The preliminary sales tax number to be received from the Oklahoma Tax Commission is \$1.247M. The budgeted number for this period is \$1.183M or \$64K over budget. This sales tax figure represents an increase of \$103K over the same period last year.
- **CIP #1:** The 17<sup>th</sup>. Street reconstruction project continues to move forward. City crews have been working on pouring curb and gutter. The crew continues to show steady progress with the forming of curb and gutter to the north of South Street. Progress is somewhat being hampered with the colder temperatures and occasional rainy days.
- **CIP #2:** This project constitutes two separate locations. The first location is "A" Street over the hill and the second location is 6<sup>th</sup>. Street down the hill towards Monroe. The construction crew is in town and anticipates removing concrete later this week on "A" Street.
- **CIP #3:** This is the 2<sup>nd</sup>. Street project from the canal to Modoc. The construction crew has been focusing on the water line and drainage structure to the canal. Upon completion of this area, the contractor will begin removing the street to replace the utility infrastructure. This project is on schedule and has not experienced any serious setbacks.
- **CIP #4:** This project is in front of the schools on South Street. The project is at the 60% completion design and is being reviewed by Engineering.
- The 911 Oversight & Advisory Board has discussed the overall advantages of purchasing an ISO Compliant generator for the 911 center. The Advisory Board has made the recommendation to purchase the generator to the Board of County Commissioners. Attached to this report (Exhibit "A") is the letter requesting this action. The estimated cost including installation is \$25K - \$30K. Staff will be appropriating the funds and moving forward on bidding this project.

- Request for Proposals (RFP) for the McAlester Defense have been received and reviewed by the team. The review team consists of personnel from the Army Ammunition Depot, MDSA, Choctaw Defense and the City of McAlester. Six (6) proposals were received and scored individually by the team members. The following companies responded to the RFP:
  - Baker Donelson
  - LSI – Logistic Support
  - Roosevelt Group
  - Spectrum Group
  - Thomas Cole and Associates
  - Whitney, Bradley and Brown

**Meetings Attended:**

- Prison Rodeo Meeting, Governor's Deputy Counsel, Oklahoma City
- McAlester Public Health Authority Meeting

Council Chambers  
Municipal Building  
December 23, 2014

The McAlester Airport Authority met in Regular session on Tuesday December 23, 2014, at 6:00 P.M. after proper notice and agenda was posted December 22, 2014.

Present: John Titsworth, Weldon Smith, Robert Karr, Travis Read, Jason Barnett & Steve Harrison  
Absent: Buddy Garvin  
Presiding: Steve Harrison, Chairman

A motion was made by Mr. Smith and seconded by Mr. Read to approve the following:

- Approval of the Minutes from the December 9, 2014, Regular Meeting of the McAlester Airport Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item B, regarding claims ending December 16, 2014. *(Toni Ervin, Chief Financial Officer)* in the amount of \$1,201.33.
- Confirm action taken on City Council Agenda Item 1, an Ordinance amending Ordinance No. 2501 which established the budget for fiscal year 2014-2015; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, authorizing the Mayor to sign the McAlester Regional Airport (MLC) Five Year Capital Improvement Plan. *(John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item 3, Amendment No. 9 to the Agreement for Professional Airport Consulting Services with LBR, Inc., to provide consulting services, including plans and specifications for Project 3-40-0057-013-2015 "Replace Existing Drainage Pipe, Damaged Inlets, Lights, Signs, and Connecting Taxiway Pavement". *(John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item 4, authorizing the Mayor to sign Supplemental Agreement No. 1 to Lease Agreement No. DTFACN-13-L-00151 between the City of McAlester and the U. S. Department of Transportation Federal Aviation Administration. *(Peter Stasiak, City Manager)*
- Confirm action taken on City Council Agenda Item 6, declaring certain vehicles and equipment surplus property in accordance with the Code of Ordinances Sec 2-286 and authorize the City Manager to sell them in accordance with the Code of Ordinances Sec 2-287. *(Toni Ervin, Chief Financial Officer)*

There was no discussion, and the vote was taken as follows:

AYE: Trustees Smith, Titsworth, Karr, Read, Barnett, & Chairman Harrison

NAY: None

Chairman Steve Harrison declared the motion carried.

There being no further business to come before the Authority, Mr. Smith moved for the meeting to be adjourned, seconded by Mr. Read.

There was no discussion and the vote was taken as follows:

AYE: Trustees Smith, Titsworth, Karr, Read, Barnett & Chairman Harrison

NAY: None

Chairman Harrison declared the motion carried.

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Steve Harrison, Chairman

ATTEST:

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Cora Middleton, Secretary

Council Chambers  
Municipal Building  
December 23, 2014

The McAlester Public Works Authority met in Regular session on Tuesday December 23, 2014 at 6:00 P.M. after proper notice and agenda was posted December 22, 2014.

Present: Weldon Smith, Robert Karr, John Titsworth, Travis Read, Jason Barnett & Steve Harrison  
Absent: Buddy Garvin  
Presiding: Steve Harrison, Chairman

A motion was made by Mr. Read and seconded by Mr. Smith to approve the following:

- Approval of the Minutes from the December 9, 2014, Regular Meeting of the McAlester Public Works Authority. (*Cora Middleton, City Clerk*)
- Confirm action taken on City Council Agenda Item B, regarding claims ending December 16, 2014. (*Toni Ervin, Chief Financial Officer*) in the amount of \$ 297,298.08.
- Confirm action taken on City Council Agenda Item C, authorization for the Mayor to sign lease purchase agreement with Arvest Bank for the purchase of 13 vehicles. This was previously authorized by this council on October 28<sup>th</sup> with a non-taxable rate of 2.15%. Upon bond council's legal advice, the non- taxable rate presented on October 28<sup>th</sup> will be changed to a taxable rate of 3.11%. (*Toni Ervin, Chief Financial Officer*)
- Confirm action taken on City Council Agenda Item D, to accept the donation of Lots 6, 7, 8, 9, 10, 11, 12, 13 & 14 of Block 4, The Paddocks Subdivision along with an easement along the western boundary of Lots 8, 9, & 14 of the Howe Addition for the Belmont Trail Project. (*Leroy Alsup, Community and Economic Development Director*)
- Confirm action taken on City Council Agenda Item E, authorization of payment to Poe & Associates, Inc., Invoice # 0-102096-9565, in the amount of \$57,075.38, for engineering services related to CIP#4 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. (*John C. Modzelewski, P.E.,CFM, City Engineer and Public Works Director*)
- Confirm action taken on City Council Agenda Item F, receipt of Oklahoma Department of Environmental Quality (ODEQ) Permit No. SL000061140908 for the construction of 1,768 linear feet of eight (8) inch PVC sanitary sewer line and all appurtenances to serve the Choctaw Nation of Oklahoma McAlester Campus. (*John C. Modzelewski, P.E.,CFM, City Engineer and Public Works Director*)
- Confirm action taken on City Council Agenda Item G, authorization of payment to Lot Maintenance of Oklahoma, Inc., Invoice # 033347, in the amount of \$8,625.00, for video

of sewer mains in Sixth Street and South Avenue, related to CIP#4 and funded through the McAlester Public Works Authority Construction Fund Series 2013 Project Account. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*

- Confirm action taken on City Council Agenda Item 1, an Ordinance amending Ordinance No. 2501 which established the budget for fiscal year 2014-2015; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 5, authorizing the Mayor to sign a contract between the City of McAlester and K-Bar Company, LLC for the construction of a new Salt Shed to be installed at the Public Works Complex for a Total Bid equal to \$90,754.00. *(John C. Modzelewski, P.E., CFM, City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item 6, declaring certain vehicles and equipment surplus property in accordance with the Code of Ordinances Sec 2-286 and authorize the City Manager to sell them in accordance with the Code of Ordinances Sec 2-287. *(Toni Ervin, Chief Financial Officer)*

There was no discussion, and the vote was taken as follows:

AYE: Trustees Titsworth, Karr, Smith, Read, Barnett, & Chairman Harrison

NAY: None

Chairman Steve Harrison declared the motion carried.

There being no further business to come before the Authority. Mr. Read moved for the meeting to be adjourned, seconded by Mr. Smith. There was no discussion and the vote was taken as follows:

AYE: Trustees Smith, Titsworth, Karr, Read, Barnett & Chairman Harrison

NAY: None

Chairman Harrison declared the motion carried.

ATTEST:

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Steve Harrison, Chairman

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Cora Middleton, Secretary