



McAlester City Council

NOTICE OF MEETING

Regular Meeting Agenda

Tuesday, August 9, 2011 – 6:00 pm
McAlester City Hall – Council Chambers
28 E. Washington

- Kevin E. Priddle Mayor
- Weldon Smith Ward One
- Steve Harrison Ward Two
- John Browne..... Vice-Mayor, Ward Three
- Robert Karr Ward Four
- Buddy Garvin Ward Five
- Sam Mason..... 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 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.

CALL TO ORDER

Announce the presence of a Quorum.

INVOCATION & PLEDGE OF ALLEGIANCE

Pastor Brandon Parker, New Life 4 Today Ministries

ROLL CALL

AWARD PRESENTATION

Employee of the Month for July 2011 is LaDana DeTello, Payroll Officer-Finance Department.

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 June 12, 2011 Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- B. Approval of the Minutes from the June 21 2011 Special Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- C. Approval of Claims for July 20, 2011 through August 2, 2011. *(Gayla Duke, Chief Financial Officer)*
- D. Accept and place on file Pride-In-McAlester Financial Report January-June 30, 2011. *(Justin Few, President-Pride-In-McAlester)*

ITEMS REMOVED FROM CONSENT AGENDA

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. Presentation of Actuarial Report as of July 1, 2011, for the City of McAlester Non-Uniform Defined Benefit Retirement Plan and Trust. *(Bruce R. Nordstrom, ASA, EA, MAAA, Principal and Senior Consulting Actuary)*

Executive Summary

Update on the City of McAlester Non-Uniform Defined Benefit Retirement Plan and Trust.

- 2. Consider and accept presentation of the Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2010. *(Rheba Henderson with Hulme Rahhal Henderson, Inc.)*

Executive Summary

Motion to accept the annual audit for Fiscal Year ending June 30, 2010 for the City of McAlester.

3. Consider and act upon, approval of the attached City of McAlester, Oklahoma, Governmental Fund Balance Policy. *(Gayla Duke, CFO)*

Executive Summary

Due to implementation of Governmental Accounting Standards Board Statement No. 54, the City of McAlester must adopt a Fund Balance Policy.

4. Consider and act upon, authorizing the Mayor to execute a contract for Professional Services between Robison International, Inc. and McAlester Defense Support Association and the City of McAlester to retain consultant as an independent contractor to render certain described consulting services. *(Peter J. Stasiak, City Manager)*

Executive Summary

Motion to approve authorizing the Mayor to sign a contract for professional services between Robison International, Inc., and McAlester Defense Support Association, and the City of McAlester.

5. Consider and act upon authorizing the Mayor to sign a renewal Loan Agreement #119817 with First National Bank in the amount of \$333,909.56 for an additional 5 years at 4.25% interest with a monthly payment of \$2,510.00. *(Mel Priddy, Director of Community Services)*

Executive Summary

Motion to approve authorizing the Mayor to sign a renewal Loan Agreement #119817 with First National Bank.

6. Discussion and possible action, on a recommendation by Councilman Sam Mason to rescind Ordinance 2391 (restriction on sales of pseudoephedrine) based on the Oklahoma Attorney General's Opinion. *(Councilman Sam Mason)*

Executive Summary

A recommendation to rescind Ordinance 2391.

7. Consider, and act upon the City Council setting appropriate charges/fees for copies of proposed Ward Redistricting Maps and related information.

Executive Summary

Motion to approve the City Council setting appropriate charges/fees for copies of proposed Ward Redistricting Maps and related information.

8. **TABLED** - Consider, and act upon, a bid award to Total Radio Inc., for the purchase of thirty-eight (38) hand held radios and forty-three (43) mobile radios.

Executive Summary

Motion to approve a \$52,483.35 bid from Total Radio, Inc. for the purchase of new radios.

9. **TABLED** - Consider, and act upon, an Agreement for Engineering Services with Meshek & Associates, PLC for Phase II Stormwater Management Program Permit for the City of McAlester to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA's National Pollutant Discharge Elimination System (NPDES). *(John C. Modzelewski, PE, City Engineer and PW Director)*

Executive Summary

Motion to approve an Agreement for Engineering Services with Meshek & Associates, LLC for Phase II Stormwater Management Program activities during FY 2011-2012 for a fee not to exceed \$50,000.

10. **TABLED** - Consider, and act upon, an Agreement for Engineering Services with Meshek & Associates, PLC for the development of Storm Water Pollution Prevention Plan (SWPPP) for the East and West Wastewater Treatment Plants. This will allow the City of McAlester to continue to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA's National Pollutant Discharge Elimination System (NPDES).

Executive Summary

Motion to approve an Agreement for Engineering Services with Meshek & Associates, PLC for the development of Storm Water Pollution Prevention Plan (SWPPP) for the East and West Wastewater Treatment Plants Storm Water Management Program activities during FY 2011-2012 for a fee not to exceed \$50,000.

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)

- Report on activities for the past two weeks.

REMARKS AND INQUIRIES BY CITY COUNCIL**RECESS COUNCIL MEETING****CONVENE AS McALESTER AIRPORT AUTHORITY**

Majority of a Quorum required for approval

- Approval of the Minutes from the July 26, 2011 Regular Meeting of the McAlester Airport Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item C, regarding claims ending July 5, 2011. *(Gayla Duke, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, accept presentation of the Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2010. *(Rheba Henderson with Hulme Rahhal Henderson, Inc.)*
- Confirm action taken on City Council Agenda Item 3, approval of the attached City of McAlester, Oklahoma, Governmental Fund Balance Policy. *(Gayla Duke, CFO)*

- Confirm action taken on City Council Agenda Item 4, authorizing the Mayor to execute a contract for Professional Services between Robison International, Inc. and McAlester Defense Support Association and the City of McAlester to retain consultant as an independent contractor to render certain described consulting services. *(Peter J. Stasiak, City Manager)*
- Confirm action taken on City Council Agenda Item 5, authorizing the Mayor to sign a renewal Loan Agreement #119817 with First National Bank in the amount of \$333,909.56 for an additional 5 years at 4.25% interest with a monthly payment of \$2,510.00. *(Mel Priddy, Director of Community Services)*

ADJOURN MAA

CONVENE AS McALESTER PUBLIC WORKS AUTHORITY

Majority of a Quorum required for approval

- Approval of the Minutes from the July 26, 2011 Regular Meeting of the McAlester Public Works Authority *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item C, regarding claims ending July 5, 2011. *(Gayla Duke, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, accept presentation of the Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2010. *(Rheba Henderson with Hulme Rahhal Henderson, Inc.)*
- Confirm action taken on City Council Agenda Item 3, approval of the attached City of McAlester, Oklahoma, Governmental Fund Balance Policy. *(Gayla Duke, CFO)*
- Confirm action taken on City Council Agenda Item 4, authorizing the Mayor to execute a contract for Professional Services between Robison International, Inc. and McAlester Defense Support Association and the City of McAlester to retain consultant as an independent contractor to render certain described consulting services. *(Peter J. Stasiak, City Manager)*
- Confirm action taken on City Council Agenda Item 5, authorizing the Mayor to sign a renewal Loan Agreement #119817 with First National Bank in the amount of \$333,909.56 for an additional 5 years at 4.25% interest with a monthly payment of \$2,510.00. *(Mel Priddy, Director of Community Services)*
- Confirm action taken on City Council Agenda Item 9, an Agreement for Engineering Services with Meshek & Associates, PLC for Phase II Stormwater Management Program Permit for the City of McAlester to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA's National Pollutant Discharge Elimination System (NPDES). *(John C. Modzelewski, PE, City Engineer and PW Director)*

- Confirm action taken on City Council Agenda Item 10, an Agreement for Engineering Services with Meshek & Associates, PLC for the development of Storm Water Pollution Prevention Plan (SWPPP) for the East and West Wastewater Treatment Plants. This will allow the City of McAlester to continue to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA's National Pollutant Discharge Elimination System (NPDES).

ADJOURN MPWA

RECONVENE COUNCIL MEETING

ADJOURNMENT

CERTIFICATION

I certify that this Notice of Meeting was posted on this _____ day of _____ 2011 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.

Cora M. Middleton, City Clerk

Council Chambers
Municipal Building
July 12, 2011

The McAlester City Council met in Regular session on Tuesday, July 12, 2011, at 6:00 P.M. after proper notice and agenda was posted, July 8, 2011, at 4:38 P.M.

Call to Order

Mayor Priddle called the meeting to order.

Councilman Mason gave the invocation and led the Pledge of Allegiance.

Roll Call

Council Roll Call was as follows:

Present: Weldon Smith, Steve Harrison, John Browne, Robert Karr, Buddy Garvin, Sam Mason & Kevin Priddle

Absent: None

Presiding: Kevin E. Priddle, Mayor

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

Award Presentation

Mayor Priddle presented Karla Crittenden as June 2011 Employee of the Month. Ms. Crittenden received a plaque, Certificate of Appreciation and a savings bond.

Citizen's Comments on Non-agenda Items

Carol Ervin addressed the Council explaining that the Main Street Program presentation would not be on the agenda due to time constraints in scheduling meetings but it would be on the agenda for the July 26th Council meeting.

Consent Agenda

A. Approval of the Minutes from the June 14, 2011 Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*

B. Approval of the Minutes from the June 27, 2011 Special Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*

- C. Approval of the Minutes from the June 28, 2011 Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*

- D. Approval of Claims for June 29, 2011 through July 5, 2011. *(Gayla Duke, Chief Financial Officer)* For fiscal year 2010-2011 in the following amounts: General Fund - \$3,860.59; Nutrition - \$211.21; SE Expo Center - \$107.80; E-911 \$ 26.95 and Fleet Maintenance - \$207.66. For fiscal year 2011-2012 in the following amounts: General Fund - \$96,111.15; Nutrition - \$472.50; Landfill Res./Sub-Title D - \$26,469.18; Tourism Fund - \$12,255.00; SE Expo Center - \$4,577.02; E-911 - \$183.41; Economic Development - \$18,821.19; Gifts & Contributions - \$20,654.72; Fleet Maintenance - \$8,363.66 and CIP Fund - \$3,378.84.

- E. Consider and act upon, to authorize Mayor to sign the Oklahoma Department of Corrections (Prisoners Public Works) Contract for the 2011-2012 year. *(Peter J. Stasiak, CM)*

- F. Consider and act upon, authorizing the Mayor to sign an Equipment Maintenance Agreement between the City of McAlester and BizTel Business Telephone Systems for July 1, 2011 through June 30, 2012. *(Peter J. Stasiak, City Manager)*

- G. Consider and act upon, authorizing the Mayor to sign:
 - a. A Financial Advisor Services Agreement between the City of McAlester and Municipal Finance Services, Inc. *(Peter J. Stasiak, City Manager)*

 - b. An Agreement for Bond Counsel Services between the City of McAlester and The Public Finance Law Group PLLC (“PFLG”). *(Peter J. Stasiak, City Manager)*

- H. Accept and place on file MPower Fiscal Year 2010-2011 - Fourth Quarter Report. *(Shari Cooper, MPower Executive Director)*

- I. Authorize the Mayor to sign XTO Energy, Inc. Division Order for Property No. 109853, JERNIGEN 01-04H Pittsburg County, Oklahoma. The DO is confirmation that the well has reached producing status, provides a legal description of the property and confirms the City’s decimal interest in revenues. *(Cora Middleton, City Clerk)*

Mayor Priddle stated the City Manager had requested that item “G” be pulled for individual consideration. Councilman Harrison requested that items “A and C” be pulled for individual consideration.

Vice-Mayor Browne moved to approve the Consent Agenda items “B, D, E, F, H and I.” The motion was seconded by Councilman Harrison.

Before the vote, Councilman Harrison asked if the City Attorney had reviewed items E, F, G, and I. Attorney Ervin stated that he had reviewed those items and had a recommendation for item “G” and that was why it had been pulled.

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

AYE: Councilman Smith, Harrison, Browne, Karr, Garvin, Mason & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

Items Removed from Consent Agenda

- A. Approval of the Minutes from the June 14, 2011 Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*

Councilman Harrison moved for approval of the Minutes from the June 14, 2011 Regular Meeting of the McAlester City Council. The motion was seconded by Vice-Mayor Browne.

Before the vote, Councilman Harrison commented that on page three (3) item “E”, he had abstained during the vote and this needed to be corrected. He added that he thought the City Clerk had already made the correction. Ms. Middleton acknowledged that the correction had been made but had not been copied to distribute to the Council.

Mayor Priddle stated that the motion was to approve the Minutes from the June 14, 2011 Regular meeting subject to the change on page three (3) item “E” indicating Councilman Harrison had abstained. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Harrison, Browne, Karr, Garvin, Mason, Smith & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

- C. Approval of the Minutes from the June 28, 2011 Regular Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*

A motion was made by Councilman Karr and seconded by Councilman Harrison to approve the Minutes from the June 28, 2011 Regular Meeting of the McAlester City Council.

Before the vote, Councilman Harrison commented that he had two (2) suggested changes. The first change was on page four (4) item “G” which read “the signature on the copy of the contract in the agenda was incorrect”. This should have been “the time period on the copy of the contract in the agenda was incorrect and would need to be corrected.” He stated that the second change was on page nine (9) in his motion to amend “Exhibit A”. The correction should be “to amend Exhibit A, to strongly encourage membership.”

Mayor Priddle restated the motion to be “to approve the Minutes from the June 28, 2011 Regular Meeting of the McAlester City Council with the recommended changes.

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

AYE: Councilman Browne, Karr, Garvin, Mason, Smith, Harrison & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

G. Consider and act upon, authorizing the Mayor to sign:

- a. A Financial Advisor Services Agreement between the City of McAlester and Municipal Finance Services, Inc. (*Peter J. Stasiak, City Manager*)
- b. An Agreement for Bond Counsel Services between the City of McAlester and The Public Finance Law Group PLLC (“PFLG”). (*Peter J. Stasiak, City Manager*)

Vice-Mayor Browne moved to authorize the Mayor to sign a Financial Advisor Services Agreement between the City of McAlester and Municipal Finance Services, Inc. and to sign an agreement for bond Counsel Services between the City of McAlester and The Public Finance Law Group PLLC (“PFLG”). The motion was seconded by Councilman Harrison.

Before the vote, Manager Stasiak commented that on “a” page four (4) section (iii) “The City acknowledges receipt of the Financial Advisor’s “Form ADV, Part II”. He wanted to inform the Council that the City had received that form. Mr. Ervin commented that on page three (3) he recommended removing “and is subject to annual renewal for successive fiscal years thereafter unless terminated by the City as provided herein” from the Term of Employment clause.

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

AYE: Councilman Karr, Garvin, Mason, Smith, Harrison, Browne & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

1. Consider and act upon renewing action taken on June 14, 2011 for a change in zoning from R-1B (Single Family Residential) to C-5 (Highway Commercial). (*Peter J. Stasiak, City Manager*)

Executive Summary

Motion to approve and act upon renewing a previous action taken on June 14, 2011 to changing the existing zoning for approximately 267,000 Square foot of land located in Lot 5 and Lot 6 according to the subdivision of the E ½ SE ¼ of Section 13, T5N, R14 East, Pittsburg County, State of Oklahoma.

Vice-Mayor Browne moved to approve renewing the action taken on June 14, 2011 for a change in zoning from R-1B (Single Family Residential) to C-5 (Highway Commercial). The motion was seconded by Councilman Karr.

Before the vote, there was a brief discussion concerning the Council's ability to take this action and if it was necessary. There was no further discussion and the vote was taken as follows:

AYE: Councilman Garvin, Mason, Smith, Harrison, Browne, Karr & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried

Councilman Harrison moved to open the Public Hearing addressing three (3) ordinances. The motion was seconded by Vice-Mayor Browne.

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

AYE: Councilman Mason, Smith, Harrison, Browne, Karr, Garvin & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried and the Public Hearing was opened at 6:17 P.M.

Public Hearing

- AN ORDINANCE AMENDING THE GENERAL ZONING ORDINANCE AND ACCOMPANYING MAP THERETO KNOWN AS GENERAL ZONING ORDINANCE NO. 1843 (1989), BY CHANGING THE CLASSIFICATIONS OF THE ZONING DISTRICT FOR: A TRACT OF LAND LYING IN LOT 5 AND LOT 6 ACCORDING TO THE SUBDIVISION OF THE E1/2 SE1/4 OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 14 EAST OF THE INDIAN BASE AND MERIDIAN, PITTSBURG COUNTY, STATE OF OKLAHOMA FROM R-1B (SINGLE-FAMILY RESIDENTIAL DISTRICT) TO C-5 (HIGHWAY COMMERCIAL DISTRICT).
- AN ORDINANCE TO ANNUL, VACATE, CLOSE AND DISCONTINUE ILLINOIS STREET FROM FIFTH STREET TO NINTH STREET, IN THE CITY OF MCALESTER, OKLAHOMA, AND GRANTING OWNERSHIP OF SAID PROPERTY TO THE ABUTTING PROPERTY OWNERS AND DECLARING AN EMERGENCY.
- AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2392 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2011-2012; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

There were no comments on any of the ordinances from the Council or citizens. Councilman Karr moved to close the Public Hearing. The motion was seconded by Councilman Garvin and the vote was taken as follows:

AYE: Councilman Smith, Harrison, Browne, Karr, Garvin, Mason & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried and the Public Hearing was closed at 6:20 P.M.

Scheduled Business

2. Consider and act upon a change in zoning from R-1B (Single Family Residential) to C-5 (Highway Commercial). *(Peter J. Stasiak, City Manager)*

Executive Summary

Motion to approve and act upon changing the existing zoning for approximately 267,000 Square foot of land located in Lot 5 and Lot 6 according to the subdivision of the E ½ SE ¼ of Section 13, T5N, R14 East, Pittsburg County, State of Oklahoma and authorizing the Mayor to sign the attached Ordinance.

ORDINANCE NO. 2394

AN ORDINANCE AMENDING THE GENERAL ZONING ORDINANCE AND ACCOMPANYING MAP THERETO KNOWN AS GENERAL ZONING ORDINANCE NO. 1843 (1989), BY CHANGING THE CLASSIFICATIONS OF THE ZONING DISTRICT FOR: A TRACT OF LAND LYING IN LOT 5 AND LOT 6 ACCORDING TO THE SUBDIVISION OF THE E1/2 SE1/4 OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 14 EAST OF THE INDIAN BASE AND MERIDIAN, PITTSBURG COUNTY, STATE OF OKLAHOMA FROM R-1B (SINGLE-FAMILY RESIDENTIAL DISTRICT) TO C-5(HIGHWAY COMMERCIAL DISTRICT)

A motion was made by Vice-Mayor Browne and seconded by Councilman Karr to approve **ORDINANCE NO. 2394.**

Before the vote, Manager Stasiak explained that this item had been approved for recommendation by the Planning Commission at their June 17, 2011 meeting and this would re-zone 267,000 square feet of land located at 200 and 202 Swallow Drive.

Councilman Harrison commented that the additional information furnished to the Council had not been presented in the Planning Commissions meeting and he would like the Planning Commission to have this type of information for review before the Council sees the information. Manager Stasiak stated that this information was part of the items permanent file. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Karr, Garvin, Smith, Browne & Mayor Priddle

NAY: Councilman Mason & Harrison

Mayor Priddle declared the motion carried.

3. Consider, act upon and Ratify Ordinance No. 1366. *(Peter J. Stasiak, City Manager)*

Executive Summary

Motion to approve, act upon, and ratify Ordinance No. 1366.

Manager Stasiak requested this item be tabled until the Council's next meeting.

Councilman Harrison moved to table item 3 until the next Council meeting on July 26, 2011. The motion was seconded by Vice-Mayor Browne. There was no discussion and the vote was taken as follows:

AYE: Councilman Smith, Harrison, Browne, Karr, Garvin, Mason & Mayor Priddle
NAY: None

Mayor Priddle declared the motion carried.

4. Consider, and act upon, an Ordinance amending Ordinance No. 2392 which established the budget for fiscal year 2011-2012; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Gayla Duke, CFO)*

Executive Summary

A motion to approve the budget amendment ordinance and emergency clause.

ORDINANCE NO. 2395

AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2392 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2011-2012; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

Councilman Garvin moved to approve **ORDINANCE NO. 2395**, amending the Budget for fiscal year 2011-2012. The motion was seconded by Councilman Mason.

Before the vote, Ms. Duke explained that the 2011-2012 fiscal year Budget did not appropriated monies for the individual Capital Projects and this amendment would provide for the various approved Capital Projects. She then reviewed the exhibits for the amendment.

Vice-Mayor Browne commented that this appeared to increase the Highway 69 Utilities relocation. There was a brief discussion among the Council about separating the exhibit that contained the funding for the Highway 69 Utilities relocation. Vice-Mayor Browne requested that Exhibit A-1 be separated from the amendment so it could be addressed separately.

Vice-Mayor Browne moved to separate Exhibit A-1 from the amendment so it could be addressed separately. The motion was seconded by Councilman Garvin.

Mayor Priddle called for a vote to approve **ORDINANCE NO. 2395** with the exception of Exhibit A-1. There was no discussion and the vote was taken as follows:

AYE: Councilman Harrison, Browne, Karr, Garvin, Mason, Smith & Mayor Priddle
NAY: None

Mayor Priddle declared the motion carried.

Vice-Mayor Browne moved to open discussion of Exhibit A-1, seconded by Councilman Garvin.

Before the vote, there was discussion among the Council including David Medley regarding when the relocation work would start, how this project could affect parking around the various restaurants and businesses, safety in the area around the intersection and how long this project could take once the work had begun.

Councilman Harrison stated that he liked the idea that the State was supposed to commence work once the City's work had finished.

Mayor Priddle restated the motion as the approval of Exhibit A-1 containing the \$984,033.00 for the Highway 69 Utility Relocation.

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

AYE: Councilman Karr, Mason, Smith, Harrison & Mayor Priddle
NAY: Councilman Browne & Garvin

Mayor Priddle declared the motion carried.

Vice-Mayor Browne moved to approve the EMERGENCY CLAUSE, seconded by Councilman Harrison. There was no discussion, and the vote was taken as follows:

AYE: Councilman Karr, Garvin, Mason, Smith, Harrison, Browne & Mayor Priddle
NAY: None

Mayor Priddle declared the motion carried.

5. Consider, and act upon, authorizing the Mayor to sign a contract between the City of McAlester and Katcon, Inc, to repair a portion of the Sandy Creek canal wall. (*John C. Modzelewski, P.E., City Engineer and PW Director*)

Executive Summary

The recommendation is to enter into an agreement with Katcon, Inc., for a Total Bid equal to \$130,397.08, to repair a portion of the Sandy Creek canal wall. The funding source for this project is Account Number 41-5865403.

Councilman Karr moved to authorize the Mayor to sign a contract between the City of McAlester and Katcon, Inc. to repair a portion of the Sandy Creek canal wall. The motion was seconded by Councilman Harrison.

Before the vote, Mr. Modzelewski explained that this project had been advertised on May 29, 2011 and June 5, 2011 and that Project Specifications had been distributed to six (6) construction companies. The City had received four (4) bid documents which were opened on June 14, 2011.

There was discussion among the Council including Mr. Modzelewski and the City Attorney concerning why the lowest bidder had not been chosen to receive the award, the requirements in the City's Code regarding bid openings and the State bidding requirements.

Mr. Modzelewski explained that after verification of the calculations contained in the submitted bids the lowest bid had contained errors in the calculations. He stated that the company had been contacted and after discussion indicated that they could not do the work at the corrected amount.

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

AYE: Councilman Garvin, Mason, Smith, Harrison, Browne, Karr & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

6. Consider, and act upon, the purchase of one new Case SR200 Skid Steer Loader with attachments. (*John C. Modzelewski, P.E., City Engineer and PW Director*)

Executive Summary

Motion to approve the purchase of one new Case SR 200 Skid Steer Loader with one Tramac hydraulic hammer and one pallet fork with 48" HD tines for a total price of \$44,460.25. The source of funding for this purchase is Account Number 41-5865404.

A motion was made by Councilman Mason and seconded by Councilman Karr to authorize the purchase of one new Case SR200 Skid Steer Loader with one Tramac hydraulic hammer and one pallet fork with 48" HD tines for a total price of \$44,460.25.

Before the vote, Mr. Modzelewski explained that this piece of equipment had been identified as a critical need in the 2011-2012 Capital Improvement Program. He stated that this piece of equipment was available from the Oklahoma State Contract #SW190 and the total quote was for \$44,460.25. There was no other discussion, and the vote was taken as follows:

AYE: Councilman Mason, Smith, Harrison, Browne, Karr, Garvin & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

7. Consider, and act upon, a Memorandum of Agreement between the City of McAlester and the Oklahoma Department of Environmental Quality, and accept a Status Report on City of McAlester's review of future remediation requirements at the National Guard Armory. (*John C. Modzelewski, P.E., City Engineer and PW Director*)

Executive Summary

Motion to approve the Memorandum of Agreement between the City of McAlester and the Oklahoma Department of Environmental Quality, and accept the Status Report which includes the Opinion of Probable Construction Cost to complete the remediation requirements at the National Guard Armory.

Councilman Harrison moved to approve the Memorandum of Agreement (MOA) between the City of McAlester and the Oklahoma Department of Environmental Quality (ODEQ), and accept the Status Report which includes the Opinion of Probable Construction Cost to complete the remediation requirements at the National Guard Armory. The motion was seconded by Vice-Mayor Browne.

Before the vote, Mr. Modzelewski explained that the information for remediation of the National Guard Amory was based on a discussion between the Manager Stasiak and an Environmental Specialist with ODEQ. He added that the estimate for probable remediation would be approximately \$300,000.00.

Manager Stasiak stated that the MOA was needed to get on the ODEQ list for remediation during the July 1, 2011 through June 30, 2012 fiscal year. He commented that ODEQ had been funded for that time period and currently had one (1) or two (2) open slots for remediation.

Mr. Ervin commented that upon review of the MOA he recommended inserting an expiration date. He also informed the Council that they would be accepting ownership of this property with limited use.

There was discussion among the Council regarding the remediation, the length of time the remediation would take, the cost of the remediation, the use of the property, a structural analysis of the building and the expiration date that should be inserted in the MOA.

Councilman Karr moved to approve the Memorandum of Agreement (MOA) between the City of McAlester and the Oklahoma Department of Environmental Quality (ODEQ), and accept the Status Report which includes the Opinion of Probable Construction Cost to complete the remediation requirements at the National Guard Armory subject to the addition of “or until June 30, 2013 or whichever is first” on page three (3), section nine (9) following “occupancy by the DEQ. The motion was seconded by Councilman Harrison. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Smith, Harrison, Browne, Karr, Garvin, Mason & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

8. Consider and act upon a Pledge and Guarantee of document which authorizes the annual renewal of the Participation Agreement with the Association for Landfill Financial Assurance. (*John C. Modzelewski, P.E., City Engineer and PW Director*)

Executive Summary

Motion to approve the document and authorize the Mayor to sign after review and approval by City Attorney's Office.

Councilman Mason moved to authorize the Mayor to sign a Pledge and Guarantee of document authorizing the renewal of the Participation Agreement with the Association for Landfill financial Assurance. The motion was seconded by Councilman Harrison.

Before the vote, Mr. Modzelewski explained that this was the annual renewal that was required to remain a member of ALFA and the financial obligation to the Oklahoma Department of Environmental Quality as long as the City maintained a landfill.

Councilman Karr asked if this had anything to do with the monthly landfill fee. Mr. Modzelewski stated that this would prove to DEQ that the City would have the funds available to close the landfill and continue the post-closure monitoring.

Mr. Ervin commented that the Council could not guarantee beyond the current fiscal year so this is renewed every year.

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

AYE: Councilman Smith, Harrison, Browne, Karr, Garvin, Mason & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried.

New Business

Manager Stasiak informed the Council that an item had been brought to his attention yesterday. He then distributed a map of the Industrial Park. Manager Stasiak commented that he had been contacted by Jamie Wofford concerning tall grass or hay on the Industrial Park. He explained that the reason he had brought this before the Council was the concern of fire on that property. He added that Mr. Wofford had offered to hay the area of the Industrial Park using his equipment and help the City to possibly avoid fire breaking out due to the extreme dryness of the area. Manager Stasiak stated that he was asking the Council to consider, with the proper disclosures, allowing Mr. Wofford to hay the land, take the hay off of the land and help the City out with a possible fire concern.

There was discussion among the Council concerning the City's liability protection, bidding requirements, the City receiving some Public benefit from the action, which section of the Industrial Park, if this met the requirement for New Business and next year putting this out for bid.

Manager Stasiak stated that the area was B-11 and possibly some of C-7.

Mayor Priddle moved to allow the City Manager to determine the appropriate course of action for allowing the ground on Taylor Industrial Park in the indicated sections to be hayed immediately as a concern to safety and fire hazards and insure that all appropriate documents are obtained. The motion was seconded by Vice-Mayor Browne.

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

AYE: Councilman Smith, Harrison, Browne, Garvin, Mason & Mayor Priddle

NAY: Councilman Karr

Mayor Priddle declared the motion carried.

City Manager's Report

Manager Stasiak reported that the City had received the release of funds for the CDBG 2009 Small Cities Grant. He commented that this was a \$90,000.00 matching grant to replace 2140 linear feet of eight (8) inch sewer line and 700 linear feet of six (6) inch water line in Ward Three. He reported that the City's Traffic Control had been working on street signs and had replaced over 600 regulatory signs in the past six (6) months, replaced 1800 street names, over 100 school signs, 30 object markers and over 60 poles and bases have been replaced.

Remarks and Inquiries by City Council

Councilman Karr expressed his appreciation for the equipment that was purchased and stressed the need for the employees to be properly trained in the use of the various pieces of equipment. He mentioned that Allen's Market grocery store's name had been changed to Johnny's "A" Street Market. He also commented that his work number had been given out and he asked that his work number no longer be given out.

Councilman Garvin commented that he was happy with the new equipment that was being purchased for the employees.

Councilman Mason expressed his concern about the signalization at Strong and Wyandotte and he would like to see some type of priority on bidding that project as soon as possible.

Manager Stasiak commented that he had met with Mr. Modzelewski and asked him to look at a street project in the up coming year. He added that the intersection had become a priority and there could be some additional funding.

Councilman Smith stressed the need for regular maintenance of all of the City's equipment and he asked Manager Stasiak to comment on that subject.

Manager Stasiak stated that Mr. Modzelewski had addressed the maintenance issue and has revamped the maintenance department. He added that only certain employees were assigned to specific equipment and they were responsible for the daily inspections and maintenance.

Councilman Harrison did not have any comments for the evening.

Vice-Mayor Browne asked about a large hole on "A" Street and if there was a time line on when it would be repaired, and informed the Manager Stasiak that the sidewalk between 214 and 216 East Choctaw Avenue needed to be repaired. He added that he had requested the Ethics Board for an opinion regarding his voting or not voting on issues concerning the Fire and Police Unions, and, as a result of their opinion, he had resigned from the Executive Board of the AFL/CIO.

Mayor Priddle reminded everyone about the heat and urged them to check on their neighbors. He congratulated Samantha Collier for her Championship in the Novice Youth Barrel Racing.

Recess Council Meeting

Mayor Priddle asked for a motion to recess the Regular Meeting to convene the Authorities. Councilman Karr moved to recess the Regular Meeting and convene the Authorities. The motion was seconded by Councilman Garvin and the vote was taken as follows:

AYE: Councilman Karr, Garvin, Mason, Smith, Harrison, Browne & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried and the meeting was recessed at 7:40 P.M.

Reconvene Council Meeting

The Regular Meeting was reconvened at 7:44 P.M.

A motion was made by Councilman Harrison and seconded by Vice-Mayor Browne to recess the Regular Meeting for an Executive Session to discuss the employment, hiring, appointment, promotion, demotion, disciplining, or resignation of any individual salaried public officer or employee: City Manager, in accordance with Title 25, Section 307.B.1. There was no discussion and the vote was taken as follows:

AYE: Councilman Harrison, Browne, Karr, Garvin, Mason, Smith & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried, and the Regular meeting was recessed at 7:44 P.M.

Executive Session

- **Section 307 (B) (1)** – Discuss the employment, hiring, appointment, promotion, demotion, disciplining, or resignation of any individual salaried public officer or employee: City Manager.

Reconvene into Open Session

The Regular meeting was reconvened at 7:59 P.M. Mayor Priddle reported that the Council had recessed the Regular Meeting for an Executive Session to discuss the employment, hiring, appointment, promotion, demotion, disciplining, or resignation of any individual salaried public officer or employee: City Manager, in accordance with Title 25, Section 307.B.1. Only that matter had been discussed, no action was taken and the Council returned to open session at 7:59 P.M., and this constituted the Minutes of the Executive Session.

Adjournment

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

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

AYE: Councilman Browne, Karr, Garvin, Mason, Smith, Harrison & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried, and the meeting was adjourned at 7:51 P.M.

Kevin E. Priddle, Mayor

ATTEST:

Cora Middleton, City Clerk

Council Chambers
Municipal Building
July 21, 2011

The McAlester City Council met in Special session on Thursday, July 21, 2011 at 5:30 P.M. after proper notice and agenda was posted, July 19, 2011 at 1:34 P.M.

CALL TO ORDER

Mayor Priddle called the meeting to order.

ROLL CALL

Council Roll Call was as follows:

Present: Steve Harrison, John Browne, Robert Karr, Sam Mason & Mayor Priddle

Absent: Weldon Smith & Buddy Garvin

Presiding: Kevin E. Priddle, Mayor

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

Workshop

1. Discussion, and update of contract between the Public Works Authority (MPWA) and Allied Waste for sanitation services.

Councilman Harrison moved to open the floor for discussion and update of contract between the MPWA and Allied Waste for sanitation services. The motion was seconded by Vice-Mayor Browne.

Mr. Ervin explained to the Council that the contract before them was a draft. He commented that he had received comments from Allied and various Council members. He then reviewed in detail the proposed changes from both Allied Waste and The City of McAlester.

During the review, there was discussion among the Council concerning determination of house-side handicapped, additional bags of trash, correcting the exhibits, Allied furnishing an additional poly cart to specific residents, amending the Solid Waste ordinance to agree with the contract, the roll-off services, the willingness of Allied to work with the City to revise the contract, the hours of operation, how the addition of municipal facilities had been handled, how the increase in rates would be calculated, and when the contract could be finalized.

Mr. Ervin commented there were two (2) addenda to the contract, but it was his opinion that if the contract was being re-worked there should not be any addenda. There was a brief discussion concerning the two (2) addendums. He suggested the Council compare the original contract with the revised draft and inform him of any suggestions or other revisions they would like to see included in the contract.

Mr. Ervin suggested one (1) more meeting with Allied Waste and a committee or combined Council meeting. There was discussion among the Council regarding the timeline for finalization of the contract. Mayor Priddle stated he would like to have the final of the contract by the second week in August. Manager Stasiak asked if the Council would be okay with him, Mr. Modzelewski and Councilman Harrison working on the ordinance.

There was no vote taken on this discussion.

Adjournment

There being no further business before the Council, Vice-Mayor Browne moved for adjournment. The motion was seconded by Councilman Harrison.

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

AYE: Councilman Harrison, Browne, Karr, Mason & Mayor Priddle

NAY: None

Mayor Priddle declared the motion carried and the meeting was adjourned at 6:37 P.M.

Kevin E. Priddle, Mayor

ATTEST:

Cora Middleton, City Clerk

**CLAIMS FROM
JULY 20, 2011
THRU
AUGUST 2, 2011**

PACKET: 06961 CLAIMS FOR 8/9/2011
 VENDOR SET: 01
 FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-1	MISC VENDOR					
	ACCENT	I-201108012765	01 -4-0-408	AMBULANCES ACCENT: EMS REFUND	055984	139.87
01-A00026	AT & T LONG DISTANCE					
		I-201107202739	01 -5215315	TELEPHONE UTI PHONE EXP-LONG DIST. SVS	055949	217.26
01-A00028	"A" PLUS LAWN SERVICE					
		I-11-00367	01 -5542308	CONTRACTED SE MONTHLY MOWING CONTRACT	055985	1,250.00
01-A00033	AT&T					
		I-201107272752	01 -5215315	TELEPHONE UTI PHONE EXP-TRUNK LINE	055968	1,039.26
01-A00170	ADA PAPER CO.					
		I-328859-1	01 -5548203	REPAIRS & MAI JANITORIAL SUPPLIES	055987	137.60
01-A00267	AIRGAS					
		I-106295935	01 -5432202	OPERATING SUP OXYGEN SUPPLIES FOR EMS	055988	80.67
		I-106319333	01 -5432202	OPERATING SUP OXYGEN SUPPLIES FOR EMS	055988	117.55
01-A00362	ALLEGIANCE COMMUNICATIO					
		I-201107202741	01 -5431328	INTERNET SERV INTERNET SVS-FIRE STATION #2	055950	62.95
		I-201107272754	01 -5865328	INTERNET SERV INTERNET SVS-STREETS DEPT	055969	82.95
01-A00500	AMERICAN MUNICIPAL SERV					
		I-201107282759	01 -2105	COLLECTION AG COLLECTION AGENCY FEES-COURT	055991	4,708.93
01-A00664	APEX PARTNERS HOLDINGS,					
		I-15366	01 -5215302	CONSULTANTS CONSULTING SERVICES	055992	4,312.07
01-A00751	ATWOODS					
		I-602/9	01 -5431203	REPAIRS & MAI MISC PARTS AS NEEDED	055993	16.99
		I-610/9	01 -5544203	REPAIRS & MAI MISC REPAIR & MAINT. ITEM	055993	26.95
		I-614/9	01 -5544203	REPAIRS & MAI MISC REPAIR & MAINT. ITEM	055993	69.75
		I-615/9	01 -5544203	REPAIRS & MAI MISC REPAIR & MAINT. ITEM	055993	64.22
		I-632/9	01 -5544203	REPAIRS & MAI MISC REPAIR & MAINT. ITEM	055993	9.58
01-A00770	AUTO PARTS CO					
		I-887603	01 -5432203	REPAIR & MAIN MISC PARTS FOR REPAIRS	055994	113.95
		I-887619	01 -5432203	REPAIR & MAIN MISC PARTS FOR REPAIRS	055994	117.77
		I-887759	01 -5432203	REPAIR & MAIN MISC PARTS FOR REPAIRS	055994	80.99
01-A00775	AUTO ZONE					
		I-0519575194	01 -5431203	REPAIRS & MAI PARTS TO REPAIR EMS VEH.	055996	135.99
01-B00150	BEALES GOODYEAR TIRES					
		I-MC-185674	01 -5432316	REPAIRS & MAI REPAIRS TO MEDIC 3	055997	130.19
		I-MC-185707	01 -5432316	REPAIRS & MAI REPAIRS TO MEDIC 3	055997	349.05
		I-MC-186088	01 -5432316	REPAIRS & MAI OPEN PO FOR REPAIRS	055997	20.00

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-B00180	BEMAC SUPPLY	I-S1606307.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	055998	56.20
01-B00200	BEN MEADOWS CO.	I-1017620462	01 -5542203	REPAIRS & MAI SAFETY ITEMS FOR PARKS	055999	113.45
		I-1017624740	01 -5542203	REPAIRS & MAI SAFETY ITEMS FOR PARKS	055999	218.40
01-B00243	BIG V FEED	I-35186	01 -5322202	OPERATING SUP OPEN PO FOR DOG FOOD	056000	68.20
01-B00486	BRADELY RAY INMAN	I-201108022772	01 -5544308	CONTRACT LABO UMPIRE FEES-2 GAMES	056002	50.00
01-B00497	BRANDON BECK	I-201108022779	01 -5544308	CONTRACT LABO UMPIRE FEES-12 GAMES	056004	300.00
01-B00570	BUCK WILSON BODY SHOP I	I-5430	01 -5215323	DAMAGES REPAIRS TO UNIT 25	056005	666.31
01-C00251	CAVENDER'S	I-27435	01 -5431207	CLOTHING ALLO BOOTS FOR AUSTIN	056006	150.00
01-C00275	CECIL E. WADE	I-11-00370	01 -5542308	CONTRACTED SE MONTHLY MOWING CONTRACT	056007	555.00
01-C00664	CONSTRUCTION INDUSTRIES	I-00230-2011	01 -5652330	DUES & SUBSCR LICENSE RENEWAL-GILBERTSO	056010	35.00
01-C00840	CRAWFORD & ASSOCIATES	I-201107282760	01 -5215302	CONSULTANTS AUDIT FEES FOR 2009-10 YR	056011	158.75
		I-5933	01 -5215302	CONSULTANTS AUDIT PREP FOR 2010-11 YR	056011	332.50
01-E00266	ERVIN & ERVIN ATTORNEYS	I-AUG 2011	01 -5214302	CONSULTANTS CITY ATTORNEY - LEGAL FEE	056038	3,125.00
01-F00170	FIRST NATIONAL BANK	I-08012011-#133	01 -5321510	LEASE PAYMENT LEASE #133	056040	5,185.00
01-F00371	LLOYD FIELDS	I-458953	01 -5544203	REPAIRS & MAI PLBG REPAIRS	056042	86.23
		I-458969	01 -5543203	REPAIRS & MAI PLBG REPAIRS	056042	99.30
01-G00010	G & C RENTAL CENTER, IN	I-8917	01 -5865218	STREET REPAIR RENTAL FOR WALKBEHIND	056043	600.00
01-G00494	GT DISTRIBUTORS, INC	I-0360204	01 -5321331	EMPLOYEE TRAV POWER MAGAZINE FOR TASAR	056045	85.90
01-H00020	H L'S PAWN SHOP					

PACKET: 06961 CLAIMS FOR 8/9/2011
 VENDOR SET: 01
 FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-H00020	H L'S PAWN SHOP					
		I-0465-9	01 -5431207	CLOTHING ALLO SAFETY BOOTS-REED	056046	150.00
01-H00281	HULME RAHHAL HENDERSON,					
		I-0-7125	01 -5215301	AUDITING AUDIAUDITING FEES	056048	3,500.00
		I-0-7125	01 -5215301	AUDITING TRAVEL & EXP REIMB	056048	1,578.76
01-H00290	HUMPHREY PLUMBING, INC.					
		I-12364	01 -5548401	CAPITAL OUTLA NEW A/C FOR 2ND FLOOR	056049	6,847.00
01-I00061	IKON OFFICE SOLUTIONS,					
		I-5019479322	01 -5321308	CONTRACTED SE METR READ; BASE CHARGE	056051	109.81
01-I00110	IMPRESS OFFICE SUPPLY					
		I-032727	01 -5211202	OPERATING SUP OPEN PO FOR SUPPLIES	056052	75.04
		I-032738	01 -5321202	OPERATING SUP OPEN PO FOR MISC SUPPLIES	056052	12.53
		I-032766	01 -5211202	OPERATING SUP OPEN PO FOR SUPPLIES	056052	15.79
01-I00120	TYLER TECHNOLOGIES					
		I-201107282757	01 -5213336	FEES MONTHLY SUPPORT FEES-COURT	056053	200.00
		I-201107282757	01 -5225349	SOFTWARE MAIN MONTHLY SUPPORT FEES-NETWK	056053	200.00
01-I00140	INDIAN NATION WHOLESALE					
		I-5418620	01 -5544202	OPERATING SUP CONCESSION SUPPLIES-SBC	056054	609.64
		I-5424478	01 -5215202	OPERATING SUP OPEN PO FOR BREAKROOM	056054	440.10
		I-5430556	01 -5543202	OPERATING SUP CONCESSION SUPPLIES FOR	056054	556.84
		I-5430952	01 -5544202	OPERATING SUP CONCESSION SUPPLIES-SBC	056054	200.30
01-J00326	JIM MIZE					
		I-201108022778	01 -5544308	CONTRACT LABO UMPIRE FEES-5 GAMES	056055	125.00
01-K00101	KEITH A. BARNES					
		I-201108022777	01 -5544308	CONTRACT LABO UMPIRE FEES-9 GAMES	056056	225.00
01-K00205	KIAMICHI AUTOMOTIVE					
		I-117059	01 -5431203	REPAIRS & MAI MISC PARTS AS NEEDED	056058	26.63
		I-117064	01 -5431203	REPAIRS & MAI MISC PARTS AS NEEDED	056058	51.86
		I-117101	01 -5431203	REPAIRS & MAI MISC PARTS AS NEEDED	056058	21.54
		I-117116	01 -5431203	REPAIRS & MAI MISC PARTS AS NEEDED	056058	29.95
01-L00356	LIVING DIRECT, INC					
		I-P0173621	01 -5225401	COMPUTER TECH PORTABLE A/C FOR SERVER	056060	849.60
01-L00428	LOWE'S CREDIT SERVICES					
		I-01839	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056062	30.72
		I-08692	01 -5548203	REPAIRS & MAI MAINT SUPPLIES AS NEEDED	056062	52.25
		I-09212	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056062	39.42
		I-09616	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056062	98.34
		I-10364	01 -5548203	REPAIRS & MAI MAINT SUPPLIES AS NEEDED	056062	17.13

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-L00428	LOWE'S CREDIT SERVICES			continued		
		I-14491	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056062	204.15
		I-909059	01 -5542203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056062	25.30
		I-909778	01 -5211202	OPERATING SUP	056062	36.96
01-M00174	MATT HULL					
		I-201108022776	01 -5544308	CONTRACT LABO UMPIRE FEES-6 GAMES	056063	150.00
01-M00325	MICHAEL T DAWKINS					
		I-201108022774	01 -5544308	CONTRACT LABO UMPIRE FEES-5 GAMES	056065	125.00
01-MC0098	MCAFFEE & TAFT					
		I-349070	01 -5210302	CONSULTANTS/L LEGAL FEES-	056069	1,455.00
		I-349071	01 -5210302	CONSULTANTS/L LEGAL FEES-	056069	2,123.23
		I-349317	01 -5210302	CONSULTANTS/L LEGAL FEES-	056069	287.54
01-MC0226	MC DONALDS RESTURANT					
		I-01-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	1.00
		I-04-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	3.00
		I-07-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	1.00
		I-08-0111	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	1.00
		I-08-0111	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	1.00
		I-09-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	2.00
		I-09-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	5.21
		I-29-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	14.68
		I-43-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	4.89
		I-73-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	3.04
		I-74-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	4.89
		I-94-0811	01 -5321202	OPERATING SUP PRISONER MEALS AS NEEDED	056071	3.98
01-MC0252	MCALESTER NEW HOLLAND					
		I-1169S	01 -5431316	REPAIRS & MAI EMER REPAIR FOR E-3	056072	524.92
01-N00250	MCALESTER NEWS CAPITAL					
		I-05602273	01 -5212317	ADVERTISING & OPEN PO FOR COUNCIL	056073	26.97
		I-05602395	01 -5212317	ADVERTISING & OPEN PO FOR COUNCIL	056073	61.80
		I-05602396	01 -5212317	ADVERTISING & OPEN PO FOR COUNCIL	056073	12.45
		I-2011-12 SUB	01 -5431330	DUES & SUBSCR YEARLY SUBSCRIPTION FOR	056073	102.00
01-000075	O'REILLY AUTO PARTS					
		C-346788 CR	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056076	80.04-
		C-349771 CR	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056076	20.22-
		I-346246	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056077	29.98
		I-346466	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056077	3.99
		I-346484	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	80.04
		I-346791	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	4.49
		I-347662	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	4.49
		I-347840	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	4.98
		I-348301	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	8.99

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-000075	O'REILLY AUTO PARTS		continued			
		I-348334	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	28.48
		I-349040	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056078	56.69
		I-349248	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056079	33.77
		I-349698	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056079	19.99
		I-349705	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056079	17.59
		I-350214	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056079	0.46
		I-352538	01 -5432203	REPAIR & MAIN MISC AUTO PARTS AS NEEDED	056079	50.00
01-000245	OKLA CORRECTIONS INDUS.					
		I-33222	01 -5431202	OPERATING SUP TABLES FOR CONF ROOM	056081	7.76
01-000290	OKLA FIRE CHIEFS ASSOC.					
		I-2112	01 -5431330	DUES & SUBSCR OFCA MEMBERSHIP DUES	056084	52.00
01-000520	OIL-OK INDEPENDENT LIVI					
		I-08012011-2010/2011	01 -5101355	OIL-OK FOR IN CONTRACT WITH OIL	056085	1,840.00
01-000530	OML-OK MUNICIPAL LEAGUE					
		I-022208	01 -5101330	DUES & SUBSCR ANNUAL RENEWAL FEES	056086	20,296.16
01-P00041	M & D PACE ENTERPRISES,					
		I-53802	01 -5431316	REPAIRS & MAI REPAIRS TO A/C AT ERC	056087	79.00
01-P00052	PADGETT-THOMPSON					
		I-721940143	01 -5211331	EMPLOYEE TRAV PAYROLL LAW WORKSHOP	056088	299.00
		I-721940143	01 -5653331	EMPLOYEE TRAV PAYROLL LAW WORKSHOP	056088	299.00
01-P00350	PB COUNTY TAG AGENCY					
		I-11-00375	01 -5542202	OPERATING SUP TITLE TRANSFER FOR	056089	11.00
01-P00560	PUBLIC SERVICE/AEP					
		I-201107202740	01 -5215313	ELECTRIC UTIL ELECT UTIL-302 E FILMORE	055951	1,514.97
		I-201107272753	01 -5215313	ELECTRIC UTIL ELECT EXPENSE-KOMAR PARK BLDG	055970	38.42
		I-201107272753	01 -5215313	ELECTRIC UTIL ELECT EXPENSE-KOMAR PARK PAV	055970	193.44
		I-201107272753	01 -5215313	ELECTRIC UTIL ELECT EXPENSE-607 VILLAGE BLVD	055970	934.11
01-R00303	RICHARD MEDLOCK					
		I-201108022775	01 -5544308	CONTRACT LABO UMPIRE FEES-3 GAMES	056092	75.00
01-R00360	RICKY S HACKLER					
		I-201108022780	01 -5544308	CONTRACT LABO UMPIRE FEES-3 GAMES	056093	75.00
01-R00498	PAINTER'S PRIDE					
		I-11-00349	01 -5542316	REPAIRS & MAI LABOR TO PAINT	056094	300.00
01-S00150	SEARS COMMERCIAL ONE					
		I-3269	01 -5324202	OPERATING SUP REFRIGERATOR FOR DISPATCH	056097	90.00
		I-9914	01 -5548203	REPAIRS & MAI WINDOW A/C UNIT FOR DOG	056097	589.00

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L	ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-S00642	SPECIAL OPS UNIFORMS, I	I-724398	01	-5213202	OPERATING SUP UNIFORM FOR WARRANT	056099	93.98
01-S00710	STANDARD MACHINE LLC	I-220527	01	-5432316	REPAIRS & MAI REPAIRS TO MEDIC 2	056100	90.00
01-S00726	STAPLES ADVANTAGE	I-3157809407	01	-5212202	OPERATING SUP NEW FILE CABINET AND	056101	59.23
		I-66077	01	-5542202	OPERATING SUP MISC OFFICE SUPPLIES NEED	056101	19.98
		I-67859	01	-5542202	OPERATING SUP MISC OFFICE SUPPLIES NEED	056101	36.56
		I-84446	01	-5542202	OPERATING SUP MISC OFFICE SUPPLIES NEED	056101	162.44
		I-85100	01	-5542202	OPERATING SUP MISC OFFICE SUPPLIES NEED	056101	17.29
01-T00058	BIZTEL COMMUNICATIONS	I-4363	01	-5324202	OPERATING SUP NEW DISPATCH PHONE	056102	122.50
		I-4370	01	-5548203	REPAIRS & MAI REPAIRS AT FAC. MAINT BLD	056102	85.00
01-T00226	ALAN PRITCHARD, PLLC	I-201107192728	01	-5653202	OPERATING SUP LATE FEE FOR GARNISHMENT PMT	055914	15.99
01-T00439	TODD HOUSE	I-201108022773	01	-5544308	CONTRACT LABO UMPIRE FEES-4 GAMES	056104	100.00
01-T00630	TWIN CITIES READY MIX	I-57001	01	-5865218	STREET REPAIR CONCRETE FOR ROAD REP.	056106	925.00
01-U00025	U S FOOD SERVICE	I-3998001	01	-5543202	OPERATING SUP CONCESSION SUPPLIES FOR	056107	585.18
01-U00128	UNITED PACKAGING & SHIP	I-91915	01	-5431202	OPERATING SUP SHIPPING FEES	056109	14.73
		I-91986	01	-5321202	OPERATING SUP OPEN PO FOR MAILING FEES	056109	12.58
		I-92293	01	-5431202	OPERATING SUP SHIPPING FEES	056109	11.62
01-W00040	WALMART COMMUNITY BRC	I-00639	01	-5543202	OPERATING SUP MISC OPERATING SUPPLIES	056111	53.82
		I-00703	01	-5431202	OPERATING SUP SUPPLIES AS NEEDED	056111	184.24
		I-023807	01	-5543202	OPERATING SUP MISC OPERATING SUPPLIES	056111	78.69
		I-02835	01	-5543202	OPERATING SUP MISC OPERATING SUPPLIES	056111	16.14
		I-04679	01	-5431202	OPERATING SUP SUPPLIES AS NEEDED	056111	22.94
		I-06075	01	-5543202	OPERATING SUP MISC OPERATING SUPPLIES	056111	32.40
		I-06173	01	-5431202	OPERATING SUP SUPPLIES AS NEEDED	056111	55.88
		I-06997	01	-5431202	OPERATING SUP SUPPLIES AS NEEDED	056111	25.44
01-W00195	WELDON PARTS INC.	I-632984-00	01	-5431203	REPAIRS & MAI PARTS TO REPAIR E-3	056113	591.41
01-W00270	WHITE ELECTRICAL SUPPLY	I-S1374438.001	01	-5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056115	118.12

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 01 GENERAL FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-W00270	WHITE ELECTRICAL SUPPLY					
		I-S1376780.001	01 -5548203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056115	45.32
01-X00020	XEROX CORP-MAJOR ACCOUN					
		I-201107282758	01 -5215202	OPERATING SUP JUNE LEASE ON 2 COPY MACHINES	056116	1,895.92
			FUND 01 GENERAL FUND		TOTAL:	78,823.98

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 02 MPWA

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-A00103	ACCURATE LABS & MINING					
		I-1G12061	02 -5974304	LAB TESTING MONTHLY LAB TESTING	055986	90.00
		I-1G12062	02 -5974304	LAB TESTING MONTHLY LAB TESTING	055986	90.00
		I-1G12063	02 -5974304	LAB TESTING MONTHLY LAB TESTING	055986	115.00
01-A00267	AIRGAS					
		I-106312416A	02 -5864202	OPERATING SUP REFILL ON TANKS AT LANDFI	055988	70.61
01-A00430	ALTIVIA					
		I-203857	02 -5974206	CHEMICALS ALUM FOR WTP	055990	3,156.01
		I-204442	02 -5974206	CHEMICALS SODIUM PERMAGATE 40%	055990	5,487.60
		I-204443	02 -5974206	CHEMICALS CHLORINE FOR WTP	055990	3,798.00
01-A00664	APEX PARTNERS HOLDINGS,					
		I-15366	02 -5267302	CONSULTANTS CONSULTING SERVICES	055992	4,100.00
01-A00751	ATWOODS					
		I-618/9	02 -5974203	REPAIRS & MAI REPAIR ITEMS AS NEEDED	055993	36.44
		I-629/9	02 -5974203	REPAIRS & MAI REPAIR ITEMS AS NEEDED	055993	16.35
01-A00770	AUTO PARTS CO					
		I-888431	02 -5974203	REPAIRS & MAI MISC PARTS AS NEEDED	055995	109.98
		I-888432	02 -5974203	REPAIRS & MAI MISC PARTS AS NEEDED	055995	3.25
01-B00180	BEMAC SUPPLY					
		I-S1604975.001	02 -5974203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	055998	18.68
		I-S1605505.001	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT ITEMS	055998	76.25
01-B00491	BRENNTAG SOUTHWEST					
		I-BSW265485	02 -5974203	REPAIRS & MAI CHLORINE EJECTOR FOR WTP	056003	640.00
01-C00840	CRAWFORD & ASSOCIATES					
		I-201107282760	02 -5267302	CONSULTANTS AUDIT FEES FOR 2009-10 YR	056011	158.75
		I-5933	02 -5267302	CONSULTANTS AUDIT PREP FOR 2010-11 YR	056011	332.50
01-C00880	CULLIGAN WATER COND INC					
		I-AUG-2011	02 -5974304	LAB TESTING WATER FOR SAMPLING & TEST	056012	24.00
01-D00322	DEPT. OF ENVIR. QUALITY					
		I-11307	02 -5975329	DEQ FEES LICENSE RENEWAL - YEARLY	056014	138.00
		I-11393	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056015	92.00
		I-11859	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056016	92.00
		I-13580	02 -5975329	DEQ FEES LICENSE RENEWAL - YEARLY	056017	92.00
		I-25124	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056018	92.00
		I-27488	02 -5974329	DEQ FEES WATER LICENSE RENEWAL	056019	138.00
		I-38328	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056020	92.00
		I-6623	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056021	92.00
		I-90016	02 -5974329	DEQ FEES WATER LICENSE RENEWAL	056022	188.00
		I-91624	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056023	138.00

PACKET: 06961 CLAIMS FOR 8/9/2011
 VENDOR SET: 01
 FUND : 02 MPWA

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-D00322	DEPT. OF ENVIR. QUALITY		continued			
		I-94134	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056024	92.00
		I-94671	02 -5974329	DEQ FEES WATER LICENSE RENEWAL	056025	138.00
		I-95478	02 -5974329	DEQ FEES WATER LICENSE RENEWAL	056026	46.00
		I-95944	02 -5974329	DEQ FEES WATER LICENSE RENEWAL	056027	92.00
		I-97110	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056028	92.00
		I-97441	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056029	92.00
		I-97700	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056030	92.00
		I-97905	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056031	46.00
		I-98387	02 -5973329	DEQ FEES WATER LICENSE RENEWAL	056032	46.00
01-D00540	DOLESE BROTHERS					
		I-RM11036870	02 -5975218	STREET REPAIR CONCRETE FOR MISC REPAIRS	056033	860.00
		I-RM11037550	02 -5975218	STREET REPAIR CONCRETE FOR MISC REPAIRS	056033	154.33
		I-RM11038610	02 -5975218	STREET REPAIR CONCRETE FOR MISC REPAIRS	056033	1,806.00
		I-RM11038938	02 -5975218	STREET REPAIR CONCRETE FOR MISC REPAIRS	056033	559.00
01-E00204	EMBASSY SUITES					
		I-80207320	02 -5871331	EMPLOYEE TRAV TRAVEL EXP-FLOOD PLAIN	056034	154.00
01-E00265	ERMI ENVIRONMENTAL LABS					
		I-1103598	02 -5973304	LAB TESTING MONTHLY TESTING FEES	056037	135.00
		I-1103599	02 -5973304	LAB TESTING MONTHLY TESTING FEES	056037	189.47
01-F00037	FASTENAL					
		I-OKMCA98078	02 -5974203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056039	456.12
01-F00170	FIRST NATIONAL BANK					
		I-08012011-#134	02 -5864510	LEASE PAYMENT CATERPILLAR & COMPACTOR	056040	8,524.37
01-H00040	HACH CHEMICAL					
		I-7343914	02 -5974304	LAB TESTING SPECTRAPHETOMETER	056047	3,768.95
01-H00281	HULME RAHHAL HENDERSON,					
		I-0-7125	02 -5267301	AUDITING AUDITING FEES	056048	3,500.00
		I-0-7125	02 -5267301	AUDITING TRAVEL & EXP REIMB	056048	1,578.76
01-I00020	I B T, INC					
		I-5620084	02 -5974203	REPAIRS & MAI MISC MOTOR PARTS FOR	056050	565.90
		I-5621408	02 -5974203	REPAIRS & MAI TUBING & FITTINGS FOR	056050	251.94
01-I00110	IMPRESS OFFICE SUPPLY					
		I-032732	02 -5216202	OPERATING SUP OFFICE SUPPLIES NEEDED	056052	21.08
		I-032762	02 -5216202	OPERATING SUP OFFICE SUPPLIES NEEDED	056052	77.48
01-I00120	TYLER TECHNOLOGIES					
		I-201107282757	02 -5216336	FEES MONTHLY SUPPORT FEES-UB&C	056053	293.16
01-L00428	LOWE'S CREDIT SERVICES					

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 02 MPWA

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-L00428	LOWE'S CREDIT SERVICES		continued			
		I-06970	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT	056062	181.79
		I-11770	02 -5974203	REPAIRS & MAI MISC REPAIR ITEMS AS NEED	056062	22.93
		I-901381	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT	056062	166.69
01-000066	OFMA					
		I-9-19-21	02 -5871331	EMPLOYEE TRAV ANNUAL OFMA CONF. FEE	056075	200.00
01-000075	O'REILLY AUTO PARTS					
		I-0230-351993	02 -5973203	REPAIRS & MAI OPEN PO FOR MISC PARTS	056077	63.85
01-000275	OKLA DEPT OF COMMERCE					
		I-08012011-#8908	02 -5267521	CDBG LOAN #89 CDBG - EDIF #8908	056083	1,145.83
01-S00212	SERVICE & EQUIPMENT INT					
		I-2011-0614	02 -5973316	REPAIRS & MAI REPAIR FOR W PLANT	056098	873.26
01-S00726	STAPLES ADVANTAGE					
		I-69872	02 -5974317	ADVERTISING/P PAPER FOR NOV. MAILING	056101	189.76
01-T00223	THELCO					
		I-2011-2559	02 -5974203	REPAIRS & MAI BEARING & BRACKET FOR	056103	751.91
01-U00051	UTILITY SUPPLY CO.					
		I-054088	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT ITMES	056108	563.19
		I-054089	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT ITMES	056108	157.74
		I-054090	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT ITMES	056108	123.26
		I-054091	02 -5975230	SEWER MAIN RE MISC REPAIR & MAINT ITMES	056108	603.75
		I-054092	02 -5975211	WATER METERS NEW FIRE HYDRANT FOR	056108	1,500.00
01-U00128	UNITED PACKAGING & SHIP					
		I-98446	02 -5973316	REPAIRS & MAI OPEN PO FOR SHIPPING	056109	25.27
		I-99244	02 -5973316	REPAIRS & MAI OPEN PO FOR SHIPPING	056109	25.27
		I-99396	02 -5974316	REPAIRS & MAI OPEN PO FOR SHIPPING FEES	056109	78.78
01-V00082	VERONICA BOATRIGHT					
		I-009	02 -5216302	CONSULTANTS CONSULTING FEES-12 MONTHS	056110	450.00
01-W00270	WHITE ELECTRICAL SUPPLY					
		I-S1374276.001	02 -5973203	REPAIRS & MAI SUPPLIES AS NEEDED	056115	105.21
				FUND 02 MPWA	TOTAL:	50,337.47

PACKET: 06961 CLAIMS FOR 8/9/2011
VENDOR SET: 01
FUND : 03 AIRPORT AUTHORITY

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-F00170	FIRST NATIONAL BANK					
		I-08012011-#119817	03 -5876511	FNB LOAN #119 LOAN #119817 - AIRPORT AUTH	056040	1,049.76
01-W00269	WHITES TRACTORS					
		I-366396	03 -5876203	REPAIRS & MAI MISC REPAIR & MAINT ITEMS	056114	479.00
			FUND 03	AIRPORT AUTHORITY	TOTAL:	1,528.76

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 08 NUTRITION

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-A00276	A LEROY DICK					
		I-201108012766	08 -5549308	CONTRACT SERV REIMB MILEAGE FOR MEAL DEL	055989	82.14
01-D00213	DEBBIE COMPTON					
		I-201108012767	08 -5549308	CONTRACT SERV CONTRACT MEAL DEL	056013	150.00
		I-201108012768	08 -5549308	CONTRACT SERV REIMB MILEAGE FOR MEAL DEL	056013	152.63
01-E00207	EMMA E. BELLIS					
		I-201108012769	08 -5549308	CONTRACT SERV CONTRACT MEAL DEL	056035	150.00
		I-201108012770	08 -5549308	CONTRACT SERV REIMB FOR MEAL DEL	056035	111.00
01-S00580	AT & T					
		I-201107272755	08 -5549315	TELEPHONE UTI PHONE EXP-NUTRITION	055971	144.94
			FUND 08 NUTRITION		TOTAL:	790.71

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 09 LANDFILL RES./SUB-TITLE D

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-S00132	STEARNS, CONRAD & SCHMI	I-0173101	09 -5864327	SUB TITLE D E JUNE GROUNDWATER TESTING	056096	4,200.00
			FUND	09 LANDFILL RES./SUB-TITLE DTOTAL:		4,200.00

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 11 EMPLOYEE RETIREMENT

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-A00664	APEX PARTNERS HOLDINGS, I-01-15366		11 -5220302	CONSULTANTS YEARLY ACTURIAL SERVICE	055992	16,567.08
			FUND 11	EMPLOYEE RETIREMENT	TOTAL:	16,567.08

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 27 TOURISM FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-MC0134	MCALESTER MAIN STREET					
		I-08012011-2010/2011	27 -5655353	MAIN STREET P CONTRACT WITH MCALESTER MAIN S	056070	1,050.00
01-P00450	PRIDE IN MCALESTER					
		I-08012011-2010-2011	27 -5655352	MISC PRIDE IN CONTRACT WITH PRIDE IN McALEST	056090	2,300.00
				FUND 27 TOURISM FUND	TOTAL:	3,350.00

PACKET: 06961 CLAIMS FOR 8/9/2011
 VENDOR SET: 01
 FUND : 28 SE EXPO CENTER

VENDOR	NAME	ITEM #	G/L	ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-K00208	KIAMICHI COUNTRY						
		I-2011-12DUES	28	-5654330	DUES & SUBSCR MEMBERSHIP DUES 2011-12	056059	50.00
01-L00380	LOCKE SUPPLY CO.						
		I-15770921-00	28	-5654203	REPAIR & MAIN REPLACEMENT FILTERS	056061	189.54
		I-15862731-00	28	-5654203	REPAIR & MAIN REPLACEMENT FILTERS	056061	243.12
01-M00465	MILL CREEK CARPET & TIL						
		I-5 068960 CITY 9300	28	-5654401	CAPITAL OUTLA REPLACEMENT CARPET FOR	056066	22,948.00
01-S00009	SADLER PAPER CO						
		I-25489	28	-5654203	REPAIR & MAIN JANITORIAL SUPPLIES NEEDED	056095	873.88
01-W00040	WALMART COMMUNITY BRC						
		I-04020	28	-5654203	REPAIR & MAIN MISC MAINT. SUPPLIES	056111	85.78
					FUND 28 SE EXPO CENTER	TOTAL:	24,390.32

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 29 E-911

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-S00150	SEARS COMMERCIAL ONE					
		I-3269	29 -5324316	REPAIRS-MAINT REFRIGERATOR FOR DISPATCH	056097	300.00
01-T00058	BIZTEL COMMUNICATIONS					
		I-4363	29 -5324202	OPERATING SUP NEW DISPATCH PHONE	056102	122.50
01-T00589	TOTAL RADIO					
		I-201108012764	29 -5324401	CAPITAL OUTLA BASE RADIO FOR 911 CENTER	056105	5,241.00
			FUND 29 E-911	TOTAL:		5,663.50

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 30 ECONOMIC DEVELOPMENT

VENDOR	NAME	ITEM #	G/L	ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-M00270	MPOWER ECONOMIC DEVELOP						
		I-08012011-2010-2011	30	-5211360	ECONOMIC DEVE MPOWER ECONOMIC DEV	056064	15,389.41
01-MC0134	MCALESTER MAIN STREET						
		I-08012011-2010/2011	30	-5211353	MAIN STREET P CONTRACT WITH MCALESTER MAIN S	056070	1,050.00
01-000275	OKLA DEPT OF COMMERCE						
		I-08012011-#12248	30	-5211510	CDBG / EDIF D CDBG - EDIF CONT #12248	056082	282.50
01-P00450	PRIDE IN MCALESTER						
		I-08012011-2010-2011	30	-5211352	MISC PRIDE IN CONTRACT WITH PRIDE IN MCALEST	056090	2,300.00
					FUND 30 ECONOMIC DEVELOPMENT	TOTAL:	19,021.91

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 32 GIFTS & CONTRIBUTIONS

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-000245	OKLA CORRECTIONS INDUS.	I-33222	32 -5215207	FIRE DONATION TABLES FOR CONF ROOM	056081	500.00
01-R00498	PAINTER'S PRIDE	I-11-00349	32 -5215405	CAPITAL OUTLA LABOR TO PAINT	056094	300.00
			FUND	32 GIFTS & CONTRIBUTIONS	TOTAL:	800.00

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 33 CDBG GRANTS FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-N00347	MEHLBURGER BRAWLEY, INC					
		I-MC-10-03-03	33 -5871405	CAPITAL OUTLA OPEN PO FOR ENGINEERING	056074	1,710.00
			FUND	33 CDBG GRANTS FUND	TOTAL:	1,710.00

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 35 FLEET MAINTENANCE

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
=====						
01-A00770	AUTO PARTS CO					
		I-886104	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	57.12
		I-886602	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	71.28
		I-887394	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	95.49
		I-887447	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	36.70
		I-887472	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	15.46
		I-887473	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	18.37
		I-887518	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	40.46
		I-887556	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	25.86
		I-887610	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	44.20
		I-887703	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	26.59
		I-888022	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	055994	85.62
		I-888474	35 -5862203	REPAIRS & MAI 3 1/2 TON JACK FOR SHOP	055995	199.99
01-B00150	BEALES GOODYEAR TIRES					
		I-MC-185994	35 -5862203	REPAIRS & MAI OPEN PO FOR TIRES &	055997	160.95
		I-MC-185997	35 -5862203	REPAIRS & MAI 2 TIRES FOR MOWER-SB-3	055997	252.00
		I-MC-185998	35 -5862203	REPAIRS & MAI TIRES FOR SBC MOWER	055997	262.00
		I-MC-186127	35 -5862203	REPAIRS & MAI TIRES FOR CEM. MOWERS	055997	1,236.00
01-C00489	UNITED FUEL & ENERGY/CL					
		I-1257358-IN	35 -5862203	REPAIRS & MAI OPEN PO FOR RENTAL	056008	200.00
01-C00585	COFFEE WRECKER, INC					
		I-013719	35 -5862203	REPAIRS & MAI WRECKER CHG TO WRECKER	056009	100.00
01-E00230	ENLOW FORD TRACTOR, INC					
		I-377122	35 -5862203	REPAIRS & MAI PARTS FOR FLAIL MOWER	056036	396.67
01-F00310	FRONTIER INTNL. TRUCKS,					
		I-826339	35 -5862203	REPAIRS & MAI PARTS FOR S-29 REPAIR	056041	1,203.98
01-G00490	GRISSOM IMPLEMENT INC					
		I-222078	35 -5862203	REPAIRS & MAI OPEN PO FOR MISC PARTS	056044	17.00
		I-222080	35 -5862203	REPAIRS & MAI OPEN PO FOR MISC PARTS	056044	34.09
		I-225401	35 -5862203	REPAIRS & MAI PARTS FOR TRACTOR USED	056044	2,424.63
01-K00190	YELLOWHOUSE MACHINERY C					
		I-901553	35 -5862203	REPAIRS & MAI PARTS FOR TRACTOR PK-23	056057	247.81
01-L00380	LOCKE SUPPLY CO.					
		I-15676110-00	35 -5862203	REPAIRS & MAI REPAIR PART FOR S-30	056061	9.66
01-MC0045	MC CRAYS WELDING					
		I-5019	35 -5862203	REPAIRS & MAI PARTS FOR PARKS TRAILER	056068	44.00
01-000075	O'REILLY AUTO PARTS					
		C-0230-349944 CR	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	100.10-
		C-0230-352942 CR	35 -5862203	REPAIRS & MAI ALTERNATOR FOR PK-28	056076	80.00-

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 35 FLEET MAINTENANCE

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
=====						
01-000075	O'REILLY AUTO PARTS	continued				
		I-0230-345874	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	34.69
		I-0230-348690	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	137.50
		I-0230-349825	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	11.89
		I-0230-349826	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	31.84
		I-0230-350566	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	89.20
		I-0230-350767	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	18.98
		I-0230-350782	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	63.56
		I-0230-350919	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	21.60
		I-0230-351881	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	44.40
		I-0230-351927	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056076	72.03
		I-0230-352320	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	35.97
		I-0230-352353	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	49.22
		I-0230-352402	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	199.99
		I-0230-352435	35 -5862203	REPAIRS & MAI ALTERNATOR FOR PK-28	056077	420.00
		I-0230-352535	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	185.49
		I-0230-352551	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	20.87
		I-0230-352602	35 -5862203	REPAIRS & MAI ALTERNATOR FOR PD-80	056077	232.09
		I-0230-352819	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	41.83
		I-0230-353003	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	73.77
		I-345358	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056077	45.74
		I-347082	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056078	20.36
		I-348086	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056078	22.06
		I-348087	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056078	31.14
		I-348098	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056078	57.00
		I-348125	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056078	59.96
		I-348975	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056078	88.25
		I-349104	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056079	10.22
		I-349988	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056079	22.06
		I-350066	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056079	89.60
01-000122	OK TIRE					
		I-27554	35 -5862203	REPAIRS & MAI PARTS FOR REPAIRS TO TC-2	056080	1,057.18
01-Q00022	QUALITY TRANSMISSION WO					
		I-878	35 -5862203	REPAIRS & MAI TRANS REPAIR FOR G-3	056091	385.00
01-S00710	STANDARD MACHINE LLC					
		I-220358	35 -5862203	REPAIRS & MAI MISC ITEMS NEEDED FOR	056100	145.00
		I-220509	35 -5862203	REPAIRS & MAI REPAIRS TO SPRAY RIG	056100	360.00
01-W00072	WARREN CAT					
		I-10C965427	35 -5862203	REPAIRS & MAI OPEN PO FOR SMALL PARTS	056112	100.00
01-W00195	WELDON PARTS INC.					
		C-CR CUST #204390	35 -5862203	REPAIRS & MAI MISC PARTS & SUPPLIES AS	056113	99.69-
		I-642379-00	35 -5862203	REPAIRS & MAI MISC PARTS & SUPPLIES AS	056113	181.60
			FUND 35	FLEET MAINTENANCE	TOTAL:	11,486.23

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 36 WORKER'S COMPENSATION

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-M00629	MUTUAL ASSURANCE ADMIN	I-6703	36 -5215315	THIRD PARTY A YEARLY FEE FOR WC MGMT	056067	941.68
			FUND	36 WORKER'S COMPENSATION	TOTAL:	941.68

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 38 DEDICATED SALES TAX-MPWA

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-B00417	BLX GROUP, LLC					
		I-42182-1467/072511	38 -5215520	AGENT FEES PREP OF INTERIM ARBITRAGE	056001	1,500.00
			FUND	38 DEDICATED SALES TAX-MPWA TOTAL:		1,500.00

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

FUND : 41 CIP FUND

VENDOR	NAME	ITEM #	G/L ACCOUNT NAME	DESCRIPTION	CHECK#	AMOUNT
01-F00170	FIRST NATIONAL BANK	I-08012011-#137	41 -5865510	LEASE PAYMENT LEASE PAYMENT ON DURAPATCHER	056040	3,378.84
			FUND	41 CIP FUND	TOTAL:	3,378.84
					REPORT GRAND TOTAL:	224,490.48

** G/L ACCOUNT TOTALS **

YEAR	ACCOUNT	NAME	AMOUNT	=====LINE ITEM=====		=====GROUP BUDGET=====	
				ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG	ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG
2010-2011	01 -2105	COLLECTION AGENCY 25% (COU	4,708.93				
	01 -5210302	CONSULTANTS/LABOR RELATION	3,865.77	130,593	19,550.55		
	01 -5215202	OPERATING SUPPLIES	1,895.92	6,800	104.22-	Y	
	01 -5215301	AUDITING	5,078.76	23,000	3,921.24		
	01 -5215302	CONSULTANTS	4,470.82	29,000	4,071.70		
	01 -5215313	ELECTRIC UTILITY	1,514.97	331,000	195.91		
	02 -5267301	AUDITING	5,078.76	23,000	3,921.24		
	02 -5267302	CONSULTANTS	4,258.75	25,000	283.83		
	09 -5864327	SUB TITLE D EXPENSE	4,200.00	330,417	260,492.25		
	29 -5324401	CAPITAL OUTLAY	5,241.00	48,580	14,499.04		
	** 2010-2011 YEAR TOTALS **		40,313.68				
2011-2012	01 -4-0-408	AMBULANCES *NON-EXPENS	139.87	408,700-	408,414.87-		
	01 -5101330	DUES & SUBSCRIPTIONS	20,296.16	24,500	4,203.84		
	01 -5101355	OIL-OK FOR INDEPENDENT LIV	1,840.00	22,080	20,240.00		
	01 -5211202	OPERATING SUPPLIES	127.79	6,200	5,600.00		
	01 -5211331	EMPLOYEE TRAVEL & TRAININ	299.00	6,000	5,701.00		
	01 -5212202	OPERATING SUPPLIES	59.23	3,650	2,682.57		
	01 -5212317	ADVERTISING & PRINTING	101.22	2,000	1,500.00		
	01 -5213202	OPERATING SUPPLIES	93.98	6,600	6,506.02		
	01 -5213336	FEES	200.00	3,000	2,800.00		
	01 -5214302	CONSULTANTS	3,125.00	90,200	33,339.12		
	01 -5215202	OPERATING SUPPLIES	440.10	6,000	4,878.95		
	01 -5215302	CONSULTANTS	332.50	25,000	15,332.50		
	01 -5215313	ELECTRIC UTILITY	1,165.97	360,000	358,834.03		
	01 -5215315	TELEPHONE UTILITY	1,256.52	55,000	49,677.48		
	01 -5215323	DAMAGES	666.31	15,000	13,833.69		
	01 -5225349	SOFTWARE MAINTENANCE	200.00	32,090	5,456.90		
	01 -5225401	COMPUTER TECHNOLOGY	849.60	20,000	18,429.27		
	01 -5321202	OPERATING SUPPLIES	70.80	15,000	13,346.49		
	01 -5321308	CONTRACTED SERVICES	109.81	15,000	6,720.00		
	01 -5321331	EMPLOYEE TRAVEL & TRAININ	85.90	6,500	6,086.10		
	01 -5321510	LEASE PAYMENTS	5,185.00	62,220	51,850.00		
	01 -5322202	OPERATING SUPPLIES	68.20	3,000	1,819.00		
	01 -5324202	OPERATING SUPPLIES	212.50	2,000	1,787.50		
	01 -5431202	OPERATING SUPPLIES	322.61	15,000	14,111.06		
	01 -5431203	REPAIRS & MAINT SUPPLIES	874.37	13,000	10,692.62		
	01 -5431207	CLOTHING ALLOWANCE	300.00	18,500	16,525.00		
	01 -5431316	REPAIRS & MAINTENANCE	603.92	7,500	5,296.08		
	01 -5431328	INTERNET SERVICE	62.95	2,800	2,674.10		
	01 -5431330	DUES & SUBSCRIPTIONS	154.00	10,000	9,846.00		
	01 -5432202	OPERATING SUPPLIES	198.22	15,000	13,100.00		
	01 -5432203	REPAIR & MAINT SUPPLIES	556.39	7,500	6,600.00		
	01 -5432316	REPAIRS & MAINTENANCE	589.24	6,000	5,130.76		

** 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	-5542202	OPERATING SUPPLIES	247.27	5,000	2,752.73		
01	-5542203	REPAIRS & MAINT SUPPLIES	729.78	53,600	46,883.28		
01	-5542308	CONTRACTED SERVICES	1,805.00	14,000	11,805.57		
01	-5542316	REPAIRS & MAINTENANCE	300.00	18,000	17,700.00		
01	-5543202	OPERATING SUPPLIES	1,323.07	11,500	7,752.03		
01	-5543203	REPAIRS & MAINT SUPPLIES	99.30	13,000	11,474.31		
01	-5544202	OPERATING SUPPLIES	809.94	20,300	18,727.06		
01	-5544203	REPAIRS & MAINTENANCE SUPP	256.73	4,500	4,243.27		
01	-5544308	CONTRACT LABOR	1,225.00	29,600	27,125.00		
01	-5548203	REPAIRS & MAINTENANCE SUPP	1,100.62	50,000	44,738.70		
01	-5548401	CAPITAL OUTLAY	6,847.00	50,000	43,153.00		
01	-5652330	DUES & SUBSCRIPTIONS	35.00	1,500	1,465.00		
01	-5653202	OPERATING SUPPLIES	15.99	2,800	2,384.01		
01	-5653331	EMPLOYEE TRAVEL & TRAININ	299.00	2,000	1,701.00		
01	-5865218	STREET REPAIRS & MAINTENAN	1,525.00	240,000	201,164.42		
01	-5865328	INTERNET SERVICE	82.95	1,510	1,351.40		
02	-5216202	OPERATING SUPPLIES	98.56	18,300	17,547.00		
02	-5216302	CONSULTANTS	450.00	5,400	0.00		
02	-5216336	FEES	293.16	4,500	4,206.84		
02	-5267302	CONSULTANTS	332.50	25,000	15,000.00		
02	-5267521	CDBG LOAN #8908	1,145.83	13,750	11,458.34		
02	-5864202	OPERATING SUPPLIES	70.61	3,000	2,756.48		
02	-5864510	LEASE PAYMENTS	8,524.37	102,293	85,244.26		
02	-5871331	EMPLOYEE TRAVEL & TRAININ	354.00	3,500	2,592.00		
02	-5973203	REPAIRS & MAINT SUPPLIES	169.06	65,000	44,156.69		
02	-5973304	LAB TESTING	324.47	38,100	23,996.80		
02	-5973316	REPAIRS & MAINTENANCE	923.80	45,000	35,110.64		
02	-5973329	DEQ FEES	1,058.00	17,000	15,942.00		
02	-5974203	REPAIRS & MAINT SUPPLIES	2,873.50	63,000	41,308.09		
02	-5974206	CHEMICALS	12,441.61	381,200	290,102.00		
02	-5974304	LAB TESTING	4,087.95	35,000	20,731.05		
02	-5974316	REPAIRS & MAINTENANCE	78.78	60,000	43,936.01		
02	-5974317	ADVERTISING/PRINTING/POSTA	189.76	2,000	1,700.00		
02	-5974329	DEQ FEES	602.00	7,000	6,336.00		
02	-5975211	WATER METERS	1,500.00	35,000	33,500.00		
02	-5975218	STREET REPAIRS & MAINTENAN	3,379.33	115,000	89,250.00		
02	-5975230	SEWER MAIN REPAIR	1,872.67	36,750	23,289.56		
02	-5975329	DEQ FEES	230.00	2,000	1,384.00		
03	-5876203	REPAIRS & MAINT SUPPLIES	479.00	3,700	3,021.00		
03	-5876511	FNB LOAN #119817 PAYMENTS	1,049.76	30,300	26,740.24		
08	-5549308	CONTRACT SERVICES	645.77	17,000	15,677.35		
08	-5549315	TELEPHONE UTILITY	144.94	2,400	2,255.06		
11	-5220302	CONSULTANTS	16,567.08	38,020	7,020.00		
27	-5655352	MISC PRIDE IN MCALESTER	2,300.00	27,600	25,300.00		
27	-5655353	MAIN STREET PROGRAM	1,050.00	12,600	11,550.00		

** G/L ACCOUNT TOTALS **

YEAR	ACCOUNT	NAME	AMOUNT	=====LINE ITEM=====		=====GROUP BUDGET=====	
				ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG	ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG
28	-5654203	REPAIR & MAINT SUPPLIES	1,392.32	20,000	18,193.46		
28	-5654330	DUES & SUBSCRIPTIONS	50.00	750	700.00		
28	-5654401	CAPITAL OUTLAY	22,948.00	65,000	65,000.00		
29	-5324202	OPERATING SUPPLIES	122.50	5,000	4,877.50		
29	-5324316	REPAIRS-MAINTENANCE	300.00	8,000	6,700.00		
30	-5211352	MISC PRIDE IN MCALESTER	2,300.00	27,600	25,300.00		
30	-5211353	MAIN STREET PROGRAM	1,050.00	12,600	11,550.00		
30	-5211360	ECONOMIC DEVELOP. SERVICES	15,389.41	199,452	184,062.59		
30	-5211510	CDBG / EDIF DURALINE LOAN	282.50	3,390	2,825.00		
32	-5215207	FIRE DONATION EXPENSE	500.00	3,390	2,890.00		
32	-5215405	CAPITAL OUTLAY ADA COMPLIA	300.00	32,500	32,200.00		
33	-5871405	CAPITAL OUTLAY	1,710.00	32,500	32,500.00		
35	-5862203	REPAIRS & MAINTENANCE SUPP	11,486.23	378,972	307,299.16		
36	-5215315	THIRD PARTY ADM FEES	941.68	12,000	600.00		
38	-5215520	AGENT FEES	1,500.00	15,000	13,500.00		
41	-5865510	LEASE PAYMENTS	3,378.84	40,547	33,789.32		
**	2011-2012 YEAR TOTALS	**	184,176.80				

NO ERRORS

** END OF REPORT **

PACKET: 06961 CLAIMS FOR 8/9/2011

VENDOR SET: 01

BANK : FNB FIRST NATIONAL BANK

VENDOR	NAME / I.D.	DESC	CHECK TYPE	CHECK DATE	DISCOUNT	AMOUNT	CHECK NO#	CHECK AMOUNT
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** POSTING PERIOD RECAP **

FUND	PERIOD	AMOUNT
01	7/2011	4,099.35CR
01	8/2011	74,724.63CR
02	8/2011	50,337.47CR
03	8/2011	1,528.76CR
08	7/2011	144.94CR
08	8/2011	645.77CR
09	8/2011	4,200.00CR
11	8/2011	16,567.08CR
27	8/2011	3,350.00CR
28	8/2011	24,390.32CR
29	8/2011	5,663.50CR
30	8/2011	19,021.91CR
32	8/2011	800.00CR
33	8/2011	1,710.00CR
35	8/2011	11,486.23CR
36	8/2011	941.68CR
38	8/2011	1,500.00CR
41	8/2011	3,378.84CR
=====		
ALL		224,490.48CR

City of McAlester Payment Summary by Department

All Summary Types Reported
Reporting Level: 3 / Break after level(s): 1

August 01, 2011
Report Categories: AGIMODPR
Claim Status: Open and Closed

<u>Location/Department</u>	<u>Total Paid Prior Month</u> 7/1/2011 To 7/31/2011	<u>Total Paid Fiscal Year</u> 07/01/2010 To 7/31/2011
Planning/Community Developmen	63.00	\$31,777.81
Nutrition	0.00	\$157.50
Parks	424.15	\$5,624.50
Pools	0.00	\$20.70
EMS	86.02	\$397.86
Fire	481.61	\$83,336.13
Animal Control	0.00	\$5,846.72
Patrol	33,929.68	\$133,683.98
Facility Maint.	0.00	\$2,381.29
Fleet Maint	3,949.37	\$9,254.61
Landfill	0.00	\$28,376.33
Refuse Collection	666.00	\$44,795.61
Streets	0.00	\$2,867.38
Utility Maintenance	48.25	\$1,524.13
Wastewater Trmt.	0.00	\$324.33
Water Treatment	342.13	\$27,530.64
Totals for City of McAlester	\$39,990.21	\$377,899.52

3:22 PM
07/14/11
Accrual Basis

**Pride In McAlester
Balance Sheet
As of June 30, 2011**

	<u>Jun 30, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash	
Checking Account	10,845.56
Petty Cash	500.00
Special Projects	1,541.00
Total Cash	<u>12,886.56</u>
Total Checking/Savings	<u>12,886.56</u>
Total Current Assets	<u>12,886.56</u>
TOTAL ASSETS	<u><u>12,886.56</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	437.93
Total Accounts Payable	<u>437.93</u>
Other Current Liabilities	
Payroll Tax Liabilities	
Federal WH	643.58
Medicare	95.90
Social Security	277.83
State WH	203.00
Total Payroll Tax Liabilities	<u>1,220.31</u>
Sales Tax Payable	188.86
Total Other Current Liabilities	<u>1,409.17</u>
Total Current Liabilities	<u>1,847.10</u>
Total Liabilities	1,847.10
Equity	
Opening Balance Equity	4,736.28
Unrestricted Net Assets	7,853.56
Net Income	-1,550.38
Total Equity	<u>11,039.46</u>
TOTAL LIABILITIES & EQUITY	<u><u>12,886.56</u></u>

3:22 PM
07/14/11
Accrual Basis

**Pride In McAlester
Profit & Loss Prev Year Comparison
January through June 2011**

	Jan - Jun 11	Jan - Jun 10	\$ Change	% Change
Ordinary Income/Expense				
Income				
Consignment Goods Sold	1,300.00	0.00	1,300.00	100.0%
Direct Public Support				
Corporate Contributions	100.00	1,650.00	-1,550.00	-93.9%
Donations, Individual	442.30	85.00	357.30	420.4%
Total Direct Public Support	542.30	1,735.00	-1,192.70	-68.7%
Discounts Earned	14.83	0.00	14.83	100.0%
Other Types of Income				
Contracted services	25,200.00	24,857.16	342.84	1.4%
Grants	250.00	0.00	250.00	100.0%
Total Other Types of Income	25,450.00	24,857.16	592.84	2.4%
Program Income				
Fund Raisers				
Bin Pick Up	0.00	0.00	0.00	0.0%
Concessions	599.00	0.00	599.00	100.0%
Farmers Market	1,000.00	0.00	1,000.00	100.0%
Garage Sale	15,481.27	15,195.27	286.00	1.9%
Scrap Metal Sales	282.50	0.00	282.50	100.0%
Ticket Sales	830.00	0.00	830.00	100.0%
Fund Raisers - Other	0.00	448.50	-448.50	-100.0%
Total Fund Raisers	18,192.77	15,643.77	2,549.00	16.3%
Membership Dues	1,040.00	1,460.00	-420.00	-28.8%
Special Projects				
Beautification				
Bomb Signage	0.00	2,104.00	-2,104.00	-100.0%
Total Beautification	0.00	2,104.00	-2,104.00	-100.0%
Total Special Projects	0.00	2,104.00	-2,104.00	-100.0%
Program Income - Other	-650.00	0.00	-650.00	-100.0%
Total Program Income	18,582.77	19,207.77	-625.00	-3.3%
Total Income	45,889.90	45,799.93	89.97	0.2%
Expense				
Advertising	1,388.58	1,588.36	-199.78	-12.6%
Contract Services				
Accounting Fees	28.89	0.00	28.89	100.0%
Total Contract Services	28.89	0.00	28.89	100.0%
Dues - Membership	125.00	0.00	125.00	100.0%
Facilities and Equipment				
Insurance	500.00	500.00	0.00	0.0%
Lease Equipment	147.19	88.46	58.73	66.4%
Maintenance	680.00	702.97	-22.97	-3.3%
Rent - Office	1,800.00	1,400.00	400.00	28.6%
Total Facilities and Equipment	3,127.19	2,691.43	435.76	16.2%
Fees - Misc.	0.00	58.50	-58.50	-100.0%
Fund Raiser Expense	1,186.94	1,125.00	61.94	5.5%
Garage Sale Expense				
Maint. - Plaza	1,294.34	354.20	940.14	265.4%
Newspaper Ads	911.80	637.13	274.67	43.1%
Other misc. expenses	817.62	624.52	193.10	30.9%
Outside Contract Services	0.00	27.40	-27.40	-100.0%
Rent - Plaza	3,000.00	3,000.00	0.00	0.0%
Utilities - Pride Plaza	1,814.19	1,413.95	400.24	28.3%
Waste Disposal	956.52	757.90	198.62	26.2%
Total Garage Sale Expense	8,794.47	6,815.10	1,979.37	29.0%
Office Supplies	1,534.77	1,933.31	-398.54	-20.6%
Organizational Dues	0.00	250.00	-250.00	-100.0%

3:22 PM

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Accrual Basis

Pride In McAlester
Profit & Loss Prev Year Comparison
January through June 2011

	Jan - Jun 11	Jan - Jun 10	\$ Change	% Change
Payroll Expenses				
Payroll Tax	471.68	832.35	-360.67	-43.3%
Wages	12,042.00	10,237.51	1,804.49	17.6%
Total Payroll Expenses	12,513.68	11,069.86	1,443.82	13.0%
Postage, Mailing Service	0.00	44.00	-44.00	-100.0%
Project Expense				
Awards	215.84	599.42	-383.58	-64.0%
Meals for volunteers	0.00	449.43	-449.43	-100.0%
Recycling Fees - TV & CRT	2,065.00	0.00	2,065.00	100.0%
Shredding	0.00	790.00	-790.00	-100.0%
Waste/Bin Removal	14,332.49	18,603.73	-4,271.24	-23.0%
Project Expense - Other	1,270.19	0.00	1,270.19	100.0%
Total Project Expense	17,883.52	20,442.58	-2,559.06	-12.5%
Scholarships	-250.00	0.00	-250.00	-100.0%
Special Projects Expense				
Beautification				
Bomb Signage Exp	0.00	2,504.00	-2,504.00	-100.0%
OKLA	0.00	480.00	-480.00	-100.0%
Total Beautification	0.00	2,984.00	-2,984.00	-100.0%
Total Special Projects Expense	0.00	2,984.00	-2,984.00	-100.0%
Telephone, Telecommunications	707.24	1,035.42	-328.18	-31.7%
Travel and Meetings				
Conference, Convention, Meeting	100.00	172.24	-72.24	-41.9%
Travel	250.00	150.00	100.00	66.7%
Travel and Meetings - Other	50.00	0.00	50.00	100.0%
Total Travel and Meetings	400.00	322.24	77.76	24.1%
Total Expense	47,440.28	50,359.80	-2,919.52	-5.8%
Net Ordinary Income	-1,550.38	-4,559.87	3,009.49	66.0%
Net Income	-1,550.38	-4,559.87	3,009.49	66.0%



The 2011 Spring Cleanup Off to a Great Start

McAlester residents appeared to be in the midst of a spring cleaning frenzy as trucks and cars lined up at *Pride In McAlester's* (PIM) roll-off bin site last Saturday and Sunday. 319 E. Polk was a hub of activity as residents delivered load after load of old lawn furniture, lumber, metal, brush, furniture, and miscellaneous debris to the drop-off site. Approximately 135 loaded vehicles rolled through the gates as 213 individuals took advantage of this free dumpsite on the kick-off weekend of PIM's Biannual Spring Cleanup. The site will be open each Saturday from 9 a.m. to 3 p.m. and Sunday from 12 p.m. to 3 p.m. during the month of April, with the exception of Easter weekend.

Two small volunteer groups were seen throughout the city Saturday morning painting fire hydrants. The volunteers painted approximately 24 hydrants and are hoping additional volunteers will join them as they continue this project on April 16. Those interested in helping should go to the Fire Department on Washington Street at 9am Saturday, April 16 to obtain instructions, supplies and maps of the hydrants to be painted.

The Household Hazardous Waste, Recycling, Personal Document Shredding and Prescription Disposal event is scheduled for April 9 from 9:00 a.m. to 3:00 p.m. The event will be held at the Main Street and Choctaw Avenue parking lot.

Environmental Management Inc. of Guthrie, Oklahoma and E-Waste Collections of Irving, Texas will oversee proper disposal or recycling of items taken to the drop-off site. Members of the McAlester Police Department have stepped up to volunteer their time to man disposal of prescription drugs, supplements and vitamins, and PIM volunteers will oversee personal document shredding. Please remember that PIM *cannot* accept documents from businesses for shredding.

Waste items to be collected at the drop-off site include:

- ◊ Batteries: alkaline, mercury, Ni-Cad/NiMH, and automotive
- ◊ Electronics: all electronic items
- ◊ Appliances: washers, dryers, stoves, refrigerators, microwaves, etc.
- ◊ Tires: Bristow and rubber
- ◊ Mercury/mercury articles
- ◊ Paints: paints, paint thinners, and similar chemicals
- ◊ Fuels: flammable solids and liquids

- ◊ Miscellaneous: aerosols, fertilizers, corrosive liquids, organic peroxides, oxidizing solids and liquids, pesticide solids and liquids.

PIM hopes to cleanup on the competition in the Oklahoma Department of Transportation statewide Trash-off contest scheduled for April 16. City officials, individual residents, churches, civic clubs, schools, and organizations are invited to participate in this event. Those who wish to participate in the event will need to register with PIM. Awards will be given to category winners during the Downtown Awards Celebration set for April 30.

Individuals and groups will also take on a variety of special projects during the month of April. Volunteers are welcome at any time during the events, for any length of time they can work. Anyone interested in volunteering or participating in the scheduled events or a special project should contact PIM at 918-426-4444 for additional information and/or registration.

BIANNUAL SPRING CLEANUP SCHEDULE OF EVENTS:

Pre-school and Elementary School Poster Contest
entries must be submitted to the Pride In McAlester office no later than April 8th.

- April 9: Roll-off Bin Site at 319 E. Polk
Open 9am - 3pm
Household Hazardous Waste & Recycling
Choctaw and Main
Open 9am - 3pm
- April 10: Roll-off Bin Site at 319 E. Polk
Open 12 pm - 3pm
- April 16: Roll-off Bin Site at 319 E. Polk
Open 9am - 3pm
ODOT Trash-off Tournament
Choctaw and Main
Open 9am - 3pm
Fire Hydrant Painting
9am at Fire Station, Washington Street
- April 17: Roll-off Bin Site at 319 E. Polk
Open 12 pm - 3pm
- April 23: Easter Weekend - No Events Scheduled
- April 30: Roll-off Bin Site at 319 E. Polk
Open 9am - 3pm
Downtown Award Celebration
Choctaw Avenue
6pm - 9pm

April 2011

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2 Roll-off Bins at Polk Fire Hydrant Painting Special Projects
3	4	5	6	7 Board Meeting 3:30 pm	8	9 Roll-off Bins at Polk HHW, Recycling, Shredding & Prescription Disposal at Main and Choctaw
10 Roll-off Bins at Polk	11	12	13	14 Organization Meeting 6:00 pm	15	16 Roll-off Bins at Polk Fire Hydrant Painting Special Projects
17 Roll-off Bins at Polk	18	19	20	21	22	23
24 Roll-off Bins at Polk	25	26	27	28 Organization Meeting 6:00 pm	29	30 Roll-off Bins at Polk Downtown Awards Celebration on Choctaw

Pride In McAlester Volunteers Honored at Banquet

The 2nd Annual *Pride In McAlester* (PIM) Volunteer Banquet was held on March 10 at the Whistle Stop Bistro. 30 PIM members enjoyed an evening of good food and fellowship while awaiting the announcement of the "Volunteer of the Year" and "All Around Volunteer" awards Recipients.

Receiving the honors of *Volunteer of The Year* was June Boyd. June has actively participated as a volunteer at PIM's Trash-to-Treasure Bazaar since its inception and has volunteered at a variety of other PIM projects as well. PIM President



Justin Few thanked her for her personal dedication to serving as a PIM volunteer while presenting the award.

June has been a volunteer and member of the GFWC-OK McAlester Fortnightly Club in the Literary Department for the past 14 years and has donated countless hours of her time toward community improvement and service projects in McAlester.

Mel Priddy was recognized as the *All Around Volunteer*. Regardless of the need or event, PIM can always count on Mel to be there lending a helping hand. He's

become PIM's unofficial 'go to' person for repairs at the Trash-to-Treasure Bazaar and has offered to serve in whatever capacity needed at PIM events. He's been seen helping at the bazaar, painting fire hydrants, working at the HHW events, and helping out at the Recycling Center.



McAlester is a better community because of the hours June and Mel have given to projects designed to improve the quality of life for area residents. PIM thanks them both for their commitment to improving McAlester on a variety of levels and is honored to have them as members of the organization.

Downtown Awards Celebration 6pm-9pm April 30th ⇄ Downtown Choctaw

Awards for Poster Contest and Trash-off Tournament winners, free inflatables for the kids, concessions, live music, face painting, frisbee spin-art, and rock wall.

FUN FOR THE ENTIRE FAMILY!

Pride in McAlester, 113 N 1st, McAlester, OK 74501

Phone: (918)426-4444 Fax: (918)426-4484

Email: pim@prideinmcalester.com/Web: www.PrideinMcAlester.com



MY HOME • OUR COMMUNITY • THEIR FUTURE

VOLUME 2 EDITION 5 MAY 1, 2011

2011 Spring Cleanup and Downtown Celebration

Mother Nature responded positively to Pride In McAlester's (PIM) efforts to cleanup the environment by providing just enough of a break in the stormy weather for the Downtown Celebration on April 30 to take place as planned. The chance of additional storms did not deter McAlester residents from gathering in front of the bandstand at Choctaw and 1st for the presentation of the ODOT Trash-off Tournament awards.



Winners of the April 16 Trash Off Tournament were: 4th Ward in the City Ward Division with 11,750 lbs. of trash collected; Emerson Elementary in the Schools Division with 1,310 lbs. of trash collected; and The City of McAlester for the Small Group Division with 1,550 lbs. of trash collected. PIM applauds these groups and all the others who participated in this event.

The *Sunset Band* provided great music throughout the evening and First National Bank volunteers Vic Wheeler and Brian Lewis were on site with their grill providing free hamburgers and hotdogs to the crowd.



Youngsters were treated to free play on five large inflatables and the Rock Climbing Wall. Frisbee Spin-art was enjoyed by the kids, but by far the most popular children's attraction was the face painting. There was a line of eager little faces awaiting their turn from start to close of the event.

An affordable event for families, dollar tickets could be purchased and used toward popcorn, cotton candy, sno-cones, drinks, Frisbee spin-art and face painting.

The Downtown Celebration was just a small way to say thanks to the numerous residents and volunteers who spent the month of April cleaning up the McAlester community in conjunction with the Great American Cleanup, hosted by keep America Beautiful and Keep Oklahoma Beautiful; and the Trash Off Tournament with the Oklahoma Department Of Transportation.

Events held throughout the month included: painting city fire hydrants; a roll-off bin drop off site for disposal of trash and debris available to residents; cleanup of several properties identified by the City of McAlester as needing attention; the ODOT Trash-off Tournament; and the Household Hazardous Waste, Recycling, Shredding and Prescription Disposal event.

Total figures for all of the events are not yet available, but you can bet they will be impressive. Volunteers reported that the roll-off bin site had to be closed early on a number of occasions when all bins were filled to capacity and that over 37,000 lbs. was hauled from the Household Hazardous Waste event by Environmental Management alone. Totals for all events should be available in early June.



The cleanup was a team effort and PIM offers a big thanks to all who participated in the events and to the volunteers who helped with the events.




DID YOU FORGET?
 Pride In McAlester
 Membership Fees
 were due in January.

If you haven't yet renewed your membership for 2011, please call 918-426-4444 and take care of this today!

May 2011

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5 Board Meeting 3:30 pm	6	7 Armed Forces Day Parade 10:00 am
8	9	10	11	12 Organization Meeting 6:00 pm	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30 	31				

Trash-to-Treasure Masonic Lodge Mother's Day Match

McAlester's Masonic Lodge teamed with Pride In McAlester's Trash-to-Treasure Bazaar May 4-7 by pledging to match the funds raised by the Bazaar during that time period. The Bazaar raised just over \$850. This is the second match the Lodge has given to PIM, and they donated use of the Temple for a benefit concert last fall. This continued support is greatly appreciated by PIM and we look forward to working with the Lodge on future events.

Pictures from Pride In McAlester's 2011 Cleanup Campaign





2011 Spring Cleanup Totals Announced

Pride In McAlester (PIM) experienced an overwhelming response to their 2011 Spring Cleanup events held in April.

Volunteers were hard pressed to keep up with residents at the roll-off site with bins being filled to capacity every time the gates were opened. An amazing **678,928 pounds of trash** was collected at the East Polk location when 915 residents took advantage of the opportunity to dispose of trash during this free event. In addition, **12,000 pounds of tires** were collected for recycling at the site.

The one-day Household Hazardous Waste, Recycling, Shredding and Prescription Disposal event was a group effort. PIM volunteers worked with Environmental Management Inc. of Guthrie, OK to collect and properly dispose of **37,925 pounds of Household Hazardous Waste**. Paint, chemicals, batteries, and fertilizers were among the items collected. E-Waste Collections of Irving, TX was on site to assist volunteers in collecting **15,838 pounds of electronics for recycling**. Howard W. Peters, Agent in Charge with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control volunteered his time to accept prescription medications and supplements totaling **20 pounds**, reducing the potential for misuse of the drugs. PIM declared the event a success and a huge win for the local environment.

During the ODOT Trash-off Event, held April 16th, **trash and recyclables totaling 235,515 pounds** were collected. Registered participants in this event included the McAlester Public Schools, bringing in 3,290 pounds; City Wards collected 32,136 pounds; and the City of McAlester team collected 1,550 pounds.

Newfield Exploration and Barnett Construction teamed together **in cleaning up 10 locations/homes** identified by the City of McAlester as needing attention. They donated the use of heavy equipment and personnel
(continued on Page 2)



K. Patrick Ramsey Receives PIM Scholarship



Pride In McAlester awarded its 2011 Community Service Scholarship to Patrick Ramsey at the McAlester High School Awards Assembly held May 16, 2011. The \$500 scholarship was established to recognize outstanding community leadership in young people and help students reach their academic goals.

An active member of PIM, Patrick received the Keep Oklahoma Beautiful 2010 Environmental Excellence award in the individual youth category for his creation and implementation of the *Bufs are W.O.W.* (Wiping Out Waste) program at McAlester Public Schools.

Ramsey's community involvement includes: serving as a weekly volunteer at the Mercy Clinic; volunteering at a fundraiser for the S.E. Oklahoma Chapter of the American Red Cross; volunteering at a fundraiser for the Susan G. Komen Foundation; wrapping and distributing gifts for the Salvation Army Angel Tree; painting community playground equipment; and cleaning up city parks.

Ramsey has been accepted at the University of Central Oklahoma where he will begin classes this fall.

June 2011

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2 Board Meeting 3:30 pm	3	4
5	6	7	8	9 Organization Meeting 6:00 pm	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Spring Cleanup Totals *(continued from Page 1)*

volunteered the man hours to get the work done. Their contribution to the Spring Cleanup is greatly appreciated and they provided an invaluable service to enhance the community. McAlester neighborhoods are looking much better thanks to this team.



Two small teams gave the City of McAlester a helping hand as they spent a Saturday morning painting fire hydrants throughout the city. The teams painted a total of 31 hydrants in an effort to clean up - keep up the McAlester community.



The Downtown Awards Celebration on April 30th closed out PIM's month long cleanup events. The family oriented celebration was held to recognize residents

and volunteers for their efforts throughout the clean-up campaign.

The success of PIM's 2011 Spring Clean-up is the result of many groups and individuals joining together with the common goal of cleaning up McAlester.

OUR SPECIAL THANKS TO:

- First National Bank & Trust of McAlester
- The City of McAlester
- PepsiCo •
- Allied Waste Management
- Newfield Exploration
- ODOT
- McAlester Public Schools
- Main Street Association
- KOB
- Triad Transport, Inc.
- Barnett Construction
- The Sunset Band

All Individuals who Volunteered at the Events and the GAC National Sponsors





McAlester City Council

AGENDA REPORT

Meeting Date: August 9, 2011 Item Number: 1
Department: Finance
Prepared By: Gayla Duke Account Code: _____
Date Prepared: August 1, 2011 Budgeted Amount: _____
Exhibits: 1

Subject

Presentation of Actuarial Report as of July 1, 2011, for the City of McAlester Non-Uniform Defined Benefit Retirement Plan and Trust. *(Bruce R. Nordstrom, ASA, EA, MAAA, Principal and Senior Consulting Actuary)*

Recommendation

Discussion

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	GDD	08/01/11
City Manager	P. Stasiak <i>PJS</i>	08/01/11



McAlester City Council

AGENDA REPORT

Meeting Date:	<u>August 9, 2011</u>	Item Number:	<u>2</u>
Department:	<u>Finance</u>		
Prepared By:	<u>Gayla Duke</u>	Account Code:	<u></u>
Date Prepared:	<u>August 1, 2011</u>	Budgeted Amount:	<u></u>
		Exhibits:	<u>1</u>

Subject

Consider and accept presentation of the Audited Financial Statements and Independent Auditor's Report for Fiscal Year ending June 30, 2010.

Recommendation

Consider and act upon accepting the annual audit for Fiscal Year ending June 30, 2010 for the City of McAlester.

Discussion

Approved By

		<i>Initial</i>	<i>Date</i>
Department Head		GDD	08/01/11
City Manager	P. Stasiak	<i>PJS</i>	08/01/11

THE CITY OF MCALESTER, OKLAHOMA

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

CITY OF MCALESTER, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2010

City Council

Kevin Priddle, Mayor
Chris Fiedler, Member Ward 1
Steve Harrison, Member Ward 2
John Browne, Vice-Mayor Ward 3
Robert Karr, Member Ward 4
Buddy Garvin, Member Ward 5
Louis Smitherman, Member Ward 6

Administration

Peter J. Stasiak	City Manager
Cora Middleton	City Clerk
Gayla Duke	Chief Financial Officer

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

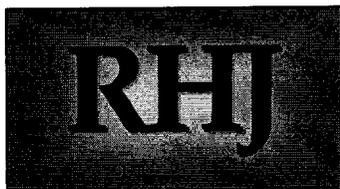
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**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

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RAHHAL HENDERSON JOHNSON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Honorable Mayor and City Council
City of McAlester, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the fiduciary-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McAlester, Oklahoma, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of McAlester, Oklahoma's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of McAlester Regional Health Center Authority which represents 99.9% of the net assets and 99.9% of the revenues 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 McAlester Regional Health Authority is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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 fiduciary-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McAlester, Oklahoma, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2011, on our consideration of the City of McAlester, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations,

100 E Street S.W., Suite 200 | Ardmore, OK 73401

Telephone (580) 223-6454 | FAX 1-800-858-9329

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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 7 through 15 and 66 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 of America, 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.

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

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
July 21, 2011

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, 2010. 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, 2010. Total net assets increased by \$1,178,391 and the City's total government-wide assets continued to exceed its total liabilities at June 30, 2010, by \$17,719,360 which represents its total government-wide net assets.
- The City's governmental activities experienced an increase in net assets of \$2,361,971, while business-type activities experienced a current year decrease in net assets of \$1,183,580. 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 assets amounting to \$17,719,360, there is a total of \$57,160,826 invested in capital assets, net of related debt and \$14,721,585 of net assets restricted for various purposes, thus leaving the City with a negative \$54,163,051 of unrestricted net assets, with \$57,691,240 of negative unrestricted net assets located in the City's business-type activities. The majority of this negative balance is the result of the McAlester Public Works Authority (MPWA) issuing revenue bonded indebtedness related to activities and capital improvements on behalf of the City's governmental activities including street and drainage improvements. A smaller portion is the result of the 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. The net result of these debt issues by the MPWA for capital items on behalf of others causes the debt to be shown by the MPWA in the business-type activity column. Capital assets for the City that were purchased by these debt issues are found in the governmental activities column, and in the case of the school system improvements and economic development, they are not shown at all 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 a large negative amount of unrestricted net assets.
 - At June 30, 2010, the City's governmental funds reported combined ending fund balances of \$15,928,297. That net amount is the result of \$14,848,434 in unreserved fund balances reported in special revenue funds, \$972,696 of unreserved fund balance in the General Fund, and reserved fund balance for encumbrances of \$107,167. This is an increase in fund balance in the General Fund of \$2,398,504 and is primarily the result of transfers made from the MPWA. The prior year interfund payable in the amount of \$2,881,826 was paid down to a balance of \$800,000 related to economic development. This interfund payable is resulting from a forensic audit on prior period use of restricted bond proceeds. In the current year, the City paid back \$2,081,826 of this liability.

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 Assets 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 Assets and the Statement of Activities (on pages 17 & 18, 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 and liabilities using the accrual basis of accounting. 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 assets and changes in net assets from the prior year. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net assets 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 Assets 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 two categories: governmental funds and proprietary 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 assets and a statement of changes in fiduciary net assets. 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, 2010, net assets for the governmental activities and business-type activities increased \$1,178,391. The results indicate the City, as a whole, improved its financial condition from the prior year.

The City of McAlester’s Change in Net Assets

	Governmental Activities	Business-type Activities	Total
Beginning net assets, restated	\$ 46,663,109	\$ (30,122,140)	\$ 16,540,969
Increase/(Decrease)	2,361,971	(1,183,580)	1,178,391
Ending net assets	\$ 49,025,080	\$ (31,305,720)	\$ 17,719,360

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

The City of McAlester’s Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	(Restated) 2009	2010	(Restated) 2009	2010	(Restated) 2009
Assets:						
Current and other assets	\$ 18,240,722	\$ 14,988,320	\$ 11,801,158	\$ 13,311,549	\$ 30,041,880	\$ 28,299,869
Capital assets	35,171,305	35,796,440	24,022,673	24,401,380	59,193,978	60,197,820
Total assets	53,412,027	50,784,760	35,823,831	37,712,929	89,235,858	88,497,689
Liabilities:						
Long-term liabilities	3,274,175	3,144,661	64,195,742	64,615,559	67,469,917	67,760,220
Other liabilities	1,112,772	976,990	2,933,809	3,219,510	4,046,581	4,196,500
Total liabilities	4,386,947	4,121,651	67,129,551	67,835,069	71,516,498	71,956,720
Net assets:						
Invested in capital assets	34,617,252	35,524,842	22,543,574	23,301,389	57,160,826	58,826,231
Restricted	10,879,639	10,901,873	3,841,946	3,962,096	14,721,585	14,863,969
Unrestricted	3,528,189	236,394	(57,691,240)	(57,385,625)	(54,163,051)	(57,149,231)
Total net assets	\$ 49,025,080	\$ 46,663,109	\$ (31,305,720)	\$ (30,122,140)	\$ 17,719,360	\$ 16,540,969

The largest portion of the City's net assets reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the investment in capital assets, net of related debt, amounted to \$57 million. Although the City's investment in its capital assets is reported 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.

A portion of the City's net assets, \$14.7 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is generally considered to be used to meet the government's ongoing obligations to citizens and creditors. However, for the current year, these unrestricted net assets amounted to a negative \$54.2 million. The majority of this negative balance is the result of the McAlester Public Works Authority (MPWA) issuing revenue bonded indebtedness related to activities and capital improvements on behalf of the City's governmental activities including street and drainage improvements. A smaller portion is the result of the 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 a large negative amount of unrestricted net assets.

In July 2007, the City began segregating excess sales taxes earned related to a one-cent dedicated sales tax into a separate special revenue fund, with the intent to use these either for debt service or for capital improvements. In 2009, administration and council reviewed questions pertinent to the dedicated one-cent sales tax and uses of those funds. As a result, a special election was held on August 11, 2009, which affirmed that these excess sales taxes could only be used for debt service.

The City of McAlester's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for Services	\$ 2,507,335	\$ 2,465,723	\$ 8,700,436	\$ 8,858,096	\$ 11,207,771	\$ 11,323,819
Grants & Contributions	999,621	1,022,913	22,493	105,170	1,022,114	1,128,083
Capital Grants & Contributions	136,262	11,895	-	389,438	136,262	401,333
General Revenues:						
Sales & Use Tax	13,701,860	15,629,476	-	-	13,701,860	15,629,476
Other Taxes	1,648,355	2,027,934	-	-	1,648,355	2,027,934
Other General Revenues	747,014	731,953	37,591	52,395	784,605	784,348
Total Revenues	19,740,447	21,889,894	8,760,520	9,405,099	28,500,967	31,294,993
Program Expenses:						
Legislature	126,666	32,311	-	-	126,666	32,311
Administration	2,523,930	3,077,346	-	-	2,523,930	3,077,346
Public safety	7,375,334	7,348,140	-	-	7,375,334	7,348,140
Community services	2,018,764	2,111,274	-	-	2,018,764	2,111,274
Administration services	881,082	910,172	-	-	881,082	910,172
Health and welfare	229,776	257,350	-	-	229,776	257,350
Public works	3,160,982	3,536,482	-	-	3,160,982	3,536,482
Economic development	287,955	214,845	-	-	287,955	214,845
Payment to health center authority	-	362,398	-	-	-	362,398
Interest on long-term debt	25,826	16,574	-	-	25,826	16,574
Water	-	-	2,693,090	2,702,777	2,693,090	2,702,777
Sewer	-	-	1,478,020	1,497,767	1,478,020	1,497,767
Sanitation	-	-	2,525,570	1,875,151	2,525,570	1,875,151
Airport	-	-	353,265	346,238	353,265	346,238
Governmental interest & amortization expense	-	-	3,642,316	3,587,968	3,642,316	3,587,968
Total Expenses	16,630,315	17,866,892	10,692,261	10,009,901	27,322,576	27,876,793
Excess/(Deficiency)	3,110,132	4,023,002	(1,931,741)	(604,802)	1,178,391	3,418,200
Net Transfers	(748,161)	(2,637,696)	748,161	2,637,696	-	-
Increase/(Decrease) Net Assets	\$ 2,361,971	\$ 1,385,306	\$ (1,183,580)	\$ 2,032,894	\$ 1,178,391	\$ 3,418,200

For the year ended June 30, 2010, on a government-wide basis, the City experienced an improvement in its financial condition resulting in an increase in total net assets of \$1,178,391. The increase in net assets can be attributable to tighter controls over expenditures, since sales tax dropped significantly in the current year.

The City's governmental activities increase in net assets of \$2,361,971 in 2010 represents a significant change from the increase in net assets experienced in the prior year. Again, the increase in net assets can be attributable to tighter controls over expenditures.

The business-type activities current year decrease in net assets of \$1,183,580 indicates that current year revenues and net transfers were not sufficient to cover current year expense. This is largely due to a decrease in net transfers from the prior year.

In reviewing the activity net (expense)/revenue, all business-type functions, with the exception of airport, (water, sewer, sanitation) charges for services more than covered all related expenses. Governmental interest and amortization expense on business-type reported debt of \$3.6 million is funded through dedicated sales tax transferred to the MPWA by the General Fund and other Dedicated Sales Tax funds.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2010 fiscal year, the governmental funds reported a combined fund balance of \$15,928,297. However, that net amount is the result of \$14,848,434 of unreserved fund balances reported in special revenue funds, \$972,696 of unreserved fund balance in the General Fund, and \$107,167 of fund balance reserved for encumbrances.

For the reasons discussed previously in regards to business-type activities, the enterprise funds reported combined net assets of a negative \$31.3 million.

The only reservations of fund balances of the governmental funds at year end related to encumbrances; in addition, proprietary fund net asset restrictions are listed below:

Net Asset Restrictions:	
Restricted for debt service	\$ 3,032,006
Restricted for street improvements	140,921
Restricted for economic development	669,019
Total Enterprise Fund Net Asset Restrictions	<u>\$ 3,841,946</u>

The General Fund's total fund balance increased by \$2,398,504, or 170.8% in large part due to an increase in transfers from the MPWA and a reduction of current year expenditures.

The McAlester Public Works Authority enterprise fund reported a decrease in net assets, after transfers and capital contributions of \$1,068,829 for the year.

General Fund Budgetary Highlights

For the year ended June 30, 2010, the General Fund reported actual budgetary basis revenues below final estimates by \$598,853 or a 3.7% negative variance. General Fund actual expenditures were under final appropriations by \$1,012,467 or a 6.6% positive variance.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the City had approximately \$59.2 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 \$1,003,842 from last year.

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF MCALESTER, OKLAHOMA
JUNE 30, 2010**

Below are details regarding the City's capital assets for the years ended June 30, 2010 and 2009.¹

The City of McAlester's Capital Assets

	Governmental Activities		Business-type Activities (Restated)		Totals (Restated)	
	2010	2009	2010	2009	2010	2009
Land	\$ 675,209	\$ 675,209	\$ 212,571	\$ 212,571	\$ 887,780	\$ 887,780
Buildings and Improvements	6,995,177	6,949,556	5,807,296	5,794,566	12,802,473	12,744,122
Machinery and Equipment	8,861,080	7,893,754	2,699,767	2,020,474	11,560,847	9,914,228
Infrastructure	62,000,263	61,924,842	-	-	62,000,263	61,924,842
Utility Property	-	-	39,505,096	39,455,517	39,505,096	39,455,517
Water rights contracts	-	-	719,075	719,075	719,075	719,075
Construction-in-progress	756,348	150,685	44,316	3,400	800,664	154,085
Totals	79,288,077	77,594,046	48,988,121	48,205,603	128,276,198	125,799,649
Less Depreciation	(44,116,772)	(41,797,606)	(24,965,448)	(23,804,223)	(69,082,220)	(65,601,829)
Totals, Net	\$ 35,171,305	\$ 35,796,440	\$ 24,022,673	\$ 24,401,380	\$ 59,193,978	\$ 60,197,820

This year's more significant capital asset additions include \$119,955 for base radio project for police department, \$285,000 for a 2006 Caterpillar for landfill department, \$170,000 for a 2000 Trash Compactor for the landfill department, \$98,796 for a 2008 Ford E450 Ambulance, and \$277,913 for 10 police cars.

Debt Administration

At year-end, the City had \$68.2 million in long-term debt outstanding, which represents a \$336,061 decrease from the prior year.²

The City of McAlester's Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Capital leases payable	\$ 554,053	\$ 271,598	\$ -	\$ -	\$ 554,053	\$ 271,598
Claims liability	77,832	185,357	226,281	151,678	304,113	337,035
Accrued compensation	2,280,882	2,315,475	306,240	356,457	2,587,122	2,671,932
Notes Payable	-	-	1,201,574	798,420	1,201,574	798,420
Revenue Bonds Payable	-	-	60,037,888	61,057,126	60,037,888	61,057,126
Landfill Closure and Post-Closure	-	-	2,289,171	2,035,056	2,289,171	2,035,056
Net pension benefit obligation	361,408	372,231	109,346	115,730	470,754	487,961
Settlement obligation	-	-	125,001	263,714	125,001	263,714
Water contract obligations	-	-	277,525	301,571	277,525	301,571
Deposits subject to refund	-	-	385,434	344,283	385,434	344,283
Totals	\$ 3,274,175	\$ 3,144,661	\$ 64,958,460	\$ 65,424,035	\$ 68,232,635	\$ 68,568,696

The 1999A Revenue Bonds contain \$5,928,932 (par value) of capital appreciation bonds. The accreted value of these bonds on the maturity date of February 1, 2030 will be \$25,623,620.

¹ For more detailed information on capital asset activity please refer to page 47-48, Note 5. Capital Assets and Depreciation

² For more detailed information on long-term debt activity please refer to page 49-56, Note 7. Long-Term Debt and Debt Service Requirements

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

The National economy continues to impact the City's growth. The City has seen stabilization in the oil and gas industry. The City's solid institutional base including the Ammunition Plant and Penal Institutions has lessened the fiscal impact on the local economy. The City continues to work on the diversification of the economy through the expansion of its industrial park and business development center.

The City's fiscal approach to dealing with the local economy continues to be: First, the City is currently monitoring its revenues and expenses with a guarded approach. Second, the City is reducing staffing through a job fit program with the consolidation of positions. And third, the City is better utilizing its manpower resources through sharing personnel amongst departments to provide services to the community.

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 1st and Washington, McAlester, Oklahoma or phone at (918) 423-9300.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Government-Wide Statement of Net Assets-- June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash and cash equivalents	\$11,786,685	\$6,859,790	\$18,646,475	\$8,574,791
Investments	1,886,121	-	1,886,121	2,478,653
Interest receivable	451	39	490	-
Accounts receivable, net of allowance	-	1,398,602	1,398,602	11,384,249
Franchise tax receivable	80,059	-	80,059	-
Ambulance receivable, net of allowance	71,087	-	71,087	-
Court fines receivable, net of allowance	1,124,915	-	1,124,915	-
Due from other governments	2,053,878	4,722	2,058,600	-
Prepaid expenses	-	-	-	1,367,647
Other receivables	73,521	-	73,521	585,000
Inventory	-	-	-	2,026,377
Investment in joint venture	-	1,603,798	1,603,798	3,692,944
Restitution receivable:				
Due within one year	5,541	-	5,541	-
Due in more than one year	97,964	-	97,964	-
Notes receivable:				
Due within one year	174,000	-	174,000	-
Due in more than one year	886,500	-	886,500	-
Capital assets:				
Land and other non-depreciable assets	1,431,557	975,962	2,407,519	2,969,934
Other capital assets, net of depreciation	33,739,748	23,046,711	56,786,459	26,567,538
Intangible asset, net of amortization	-	-	-	-
Unamortized bond issuance costs	-	1,934,207	1,934,207	-
Total assets	53,412,027	35,823,831	89,235,858	59,647,133
LIABILITIES:				
Accounts payable	546,693	464,696	1,011,389	1,726,117
Accrued payroll liabilities	450,218	121,781	571,999	3,396,229
Accrued interest payable	6,450	1,334,316	1,340,766	-
Due to other governments	17,169	-	17,169	-
Escrow deposit liabilities	52,908	908,473	961,381	-
Deferred revenue	39,334	104,543	143,877	-
Long-term liabilities:				
Due within one year	404,243	3,089,205	3,493,448	2,613,323
Due in more than one year	2,869,932	61,106,537	63,976,469	3,867,631
Total liabilities	4,386,947	67,129,551	71,516,498	11,603,300
NET ASSETS:				
Invested in capital assets, net of related debt	34,617,252	22,543,574	57,160,826	22,997,808
Restricted for:				
Debt service	2,822,044	3,032,006	5,854,050	-
Street improvements	-	140,921	140,921	-
Economic development	2,544,035	669,019	3,213,054	-
Education	792,739	-	792,739	-
Public safety	712,534	-	712,534	-
Cemetery improvements	385,965	-	385,965	-
Tourism	520,526	-	520,526	-
Donor specified projects	30,552	-	30,552	-
Capital acquisitions and debt service	3,071,244	-	3,071,244	433,786
Specific operating activities	-	-	-	25,000
Unrestricted	3,528,189	(57,691,240)	(54,163,051)	24,587,239
Total net assets	\$49,025,080	(\$31,305,720)	\$17,719,360	\$48,043,833

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Government-Wide Statement of Activities –Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities:								
Legislature	\$126,666	-	-	-	(\$126,666)	-	(\$126,666)	-
Administration	2,523,930	\$338,951	\$13,280	-	(2,171,699)	-	(2,171,699)	-
Public safety	7,375,334	1,771,953	\$713,854	\$38,508	(4,851,019)	-	(4,851,019)	-
Community services	2,018,764	105,014	-	53,754	(1,859,996)	-	(1,859,996)	-
Administration services	881,082	287,636	-	-	(593,446)	-	(593,446)	-
Health and welfare	229,776	-	47,399	44,000	(138,377)	-	(138,377)	-
Public works	3,160,982	3,781	215,459	-	(2,941,742)	-	(2,941,742)	-
Economic development	287,955	-	9,629	-	(278,326)	-	(278,326)	-
Interest on long-term debt	25,826	-	-	-	(25,826)	-	(25,826)	-
Total governmental activities	16,630,315	2,507,335	999,621	136,262	(12,987,097)	-	(12,987,097)	-
Business-type activities:								
Water	2,693,090	4,067,745	10,212	-	-	\$1,384,867	1,384,867	-
Sewer	1,478,020	1,475,284	4,454	-	-	1,718	1,718	-
Sanitation	2,525,570	3,046,992	7,827	-	-	529,249	529,249	-
Airport	353,265	110,415	-	-	-	(242,850)	(242,850)	-
Governmental interest & amort expense	3,642,316	-	-	-	-	(3,642,316)	(3,642,316)	-
Total business-type activities	10,692,261	8,700,436	22,493	-	-	(1,969,332)	(1,969,332)	-
Total primary government	\$27,322,576	\$11,207,771	\$1,022,114	\$136,262	(12,987,097)	(1,969,332)	(14,956,429)	-
Component Units:								
Parking	\$1,570	\$7,760	-	-	-	-	-	\$6,190
Health and welfare	81,260,734	73,023,589	-	-	-	-	-	(8,237,145)
Total Component Units	\$81,262,304	\$73,031,349	-	-	-	-	-	(8,230,955)
General revenues:								
Taxes:								
Sales and use taxes					13,701,860	-	13,701,860	-
Franchise and public service taxes					567,852	-	567,852	-
Hotel/motel taxes					426,662	-	426,662	-
E-911 taxes					653,841	-	653,841	-
Intergovernmental revenue not restricted to specific programs					302,480	-	302,480	-
Investment income					186,899	2,185	189,084	262,020
Miscellaneous					257,635	35,406	293,041	-
Transfers - Internal activity					(748,161)	748,161	-	-
Total general revenues and transfers					15,349,068	785,752	16,134,820	262,020
Change in net assets					2,361,971	(1,183,580)	1,178,391	(7,968,935)
Net assets - beginning, (restated)					46,663,109	(30,122,140)	16,540,969	56,012,768
Net assets - ending					\$49,025,080	(\$31,305,720)	\$17,719,360	\$48,043,833

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

BASIC FINANCIAL STATEMENTS – GOVERNMENTAL FUNDS

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Governmental Funds Balance Sheet - June 30, 2010

	<u>General Fund</u>	<u>Capital Improvement Plan Fund</u>	<u>Dedicated Sales Tax - MPWA</u>	<u>Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:						
Cash and cash equivalents	\$1,163,767	\$2,409,541	\$2,298,945	\$2,687,204	\$3,227,228	\$11,786,685
Investments	-	315,304	-	847,272	723,545	1,886,121
Receivables:						
Accrued interest receivable	-	-	-	-	451	451
Due from other funds	38,715	800,000	-	-	1,598	840,313
Due from other governments	1,185,515	-	524,599	-	343,764	2,053,878
Franchise tax receivable	80,059	-	-	-	-	80,059
Court fines receivable, net of allowance	1,124,915	-	-	-	-	1,124,915
Ambulance receivable, net of allowance	71,087	-	-	-	-	71,087
Notes receivable	-	-	-	-	1,060,500	1,060,500
Other receivables	10,448	-	-	-	63,073	73,521
Total assets	<u>\$3,674,506</u>	<u>\$3,524,845</u>	<u>\$2,823,544</u>	<u>\$3,534,476</u>	<u>\$5,420,159</u>	<u>\$18,977,530</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$269,319	\$34,920	\$1,500	-	\$240,954	\$546,693
Accrued payroll liabilities	421,329	-	-	-	28,889	450,218
Due to other funds	801,598	-	-	-	38,715	840,313
Due to other governments	17,169	-	-	-	-	17,169
Amounts held in escrow	52,908	-	-	-	-	52,908
Deferred revenue	1,117,687	-	-	-	24,245	1,141,932
Total liabilities	<u>2,680,010</u>	<u>34,920</u>	<u>1,500</u>	<u>-</u>	<u>332,803</u>	<u>3,049,233</u>
Fund Balances:						
Reserved for encumbrances	21,800	85,367	-	-	-	107,167
Unreserved, reported in:						
General Fund	972,696	-	-	-	-	972,696
Special revenue funds	-	3,404,558	2,822,044	\$3,534,476	5,087,356	14,848,434
Total fund balances	<u>994,496</u>	<u>3,489,925</u>	<u>2,822,044</u>	<u>3,534,476</u>	<u>5,087,356</u>	<u>15,928,297</u>
Total liabilities and fund balances	<u>\$3,674,506</u>	<u>\$3,524,845</u>	<u>\$2,823,544</u>	<u>\$3,534,476</u>	<u>\$5,420,159</u>	<u>\$18,977,530</u>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2010

	General Fund	Capital Improvement Plan Fund	Dedicated Sales Tax - MPWA	Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$8,689,540	-	\$3,720,112	-	\$2,940,563	\$15,350,215
Intergovernmental	1,224,121	-	-	-	92,152	1,316,273
Charges for services	1,219,952	-	-	-	178,684	1,398,636
Fines and forfeitures	845,289	-	-	-	-	845,289
Licenses and permits	101,359	-	-	-	-	101,359
Investment income	66,166	\$5,033	31,041	\$48,271	36,388	186,899
Miscellaneous	264,525	-	-	3,694	73,047	341,266
Total Revenues	<u>12,410,952</u>	<u>5,033</u>	<u>3,751,153</u>	<u>51,965</u>	<u>3,320,834</u>	<u>19,539,937</u>
Expenditures:						
Current:						
Legislature	125,066	-	-	-	-	125,066
Administration	2,581,643	-	4,500	-	13,280	2,599,423
Public safety	6,560,559	-	-	-	463,937	7,024,496
Community services	1,586,171	-	-	-	183,654	1,769,825
Administration services	414,793	-	-	-	464,605	879,398
Health and welfare	-	-	-	-	227,694	227,694
Public works	1,545,718	-	-	-	-	1,545,718
Economic development	-	-	-	-	287,955	287,955
Capital outlay	631,568	118,190	-	-	939,967	1,689,725
Debt service:						
Principal retirement	79,360	-	-	-	82,926	162,286
Interest and fiscal charges	15,845	-	-	-	10,893	26,738
Total Expenditures	<u>13,540,723</u>	<u>118,190</u>	<u>4,500</u>	<u>-</u>	<u>2,674,911</u>	<u>16,338,324</u>
Excess (deficiency) of revenues over expenditures	(1,129,771)	(113,157)	3,746,653	51,965	645,923	3,201,613
Other Financing Sources (Uses):						
Transfers in	3,887,946	418,681	-	25,073	791,222	5,122,922
Transfers out	(804,412)	(90,630)	(3,322,630)	-	(1,592,406)	(5,810,078)
Loan proceeds	444,741	-	-	-	-	444,741
Total Other Financing Sources (Uses)	<u>3,528,275</u>	<u>328,051</u>	<u>(3,322,630)</u>	<u>25,073</u>	<u>(801,184)</u>	<u>(242,415)</u>
Net change in fund balances	2,398,504	214,894	424,023	77,038	(155,261)	2,959,198
Fund balances - beginning	(1,404,008)	3,275,031	2,398,021	3,457,438	5,242,617	12,969,099
Fund balances - ending	<u>\$994,496</u>	<u>\$3,489,925</u>	<u>\$2,822,044</u>	<u>\$3,534,476</u>	<u>\$5,087,356</u>	<u>\$15,928,297</u>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets:

Total fund balances - governmental funds \$15,928,297

Amounts reported for governmental activities in the Statement of Net Assets 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 \$44,116,772 35,171,305

Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:

Court fines receivable, net of allowance for doubtful accounts of \$1,374,895	1,087,390
Ambulance receivable, net of allowance for doubtful accounts of \$219,399	15,208
	<u>1,102,598</u>

Certain long-term assets are not available to pay for current fund liabilities and, therefore, are not reported in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets:

Restitution receivable	<u>103,505</u>
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Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:

Accrued interest payable	(6,450)
Capital lease obligations payable	(554,053)
Accrued compensated absences	(2,280,882)
Claims liability	(77,832)
Net pension benefit obligation	(361,408)
	<u>(3,280,625)</u>

Net assets of governmental activities \$49,025,080

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

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 \$2,959,198

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	1,650,031
Capital assets contributed	44,000
Depreciation expense	(2,319,166)
	(625,135)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Restitution revenue	(5,541)
Deferred revenue	162,051
	156,510

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 Assets:	
Capital lease proceeds	(444,741)
Capital lease obligation principal payments	162,286
	(282,455)

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	912
Accrued compensated absences expenses	34,593
Accrued claims liability	107,525
Accrued net pension benefit obligation	10,823
	153,853

Change in net assets of governmental activities **\$2,361,971**

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

BASIC FINANCIAL STATEMENTS – PROPRIETARY FUNDS

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Proprietary Funds Statement of Net Assets - June 30, 2010

	Enterprise Funds		Total
	McAlester Public Works Authority	McAlester Airport Authority	
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$301,465	\$88,869	\$390,334
Restricted cash and cash equivalents	4,909,721	-	4,909,721
Restricted interest receivable	39	-	39
Accounts receivable, net of allowance	1,390,194	8,408	1,398,602
Due from other governments	4,722	-	4,722
Total current assets	<u>6,606,141</u>	<u>97,277</u>	<u>6,703,418</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	1,559,735	-	1,559,735
Investment in joint venture	1,603,798	-	1,603,798
Capital assets:			
Land and other non-depreciable assets	933,598	42,364	975,962
Other capital assets, net of depreciation	19,909,367	3,137,344	23,046,711
Unamortized bond issuance costs	1,934,207	-	1,934,207
Total noncurrent assets	<u>25,940,705</u>	<u>3,179,708</u>	<u>29,120,413</u>
Total Assets	<u>32,546,846</u>	<u>3,276,985</u>	<u>35,823,831</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	463,468	1,228	464,696
Accrued payroll liabilities	116,896	4,885	121,781
Escrow deposit liability	908,473	-	908,473
Interest payable	1,333,642	674	1,334,316
Deferred revenue	104,543	-	104,543
Landfill closure and postclosure liability	254,115	-	254,115
Due to depositors	77,087	-	77,087
Settlement obligation	125,001	-	125,001
Notes payable	167,224	15,514	182,738
Water rights contract obligation	24,640	-	24,640
Revenue bonds payable	2,395,000	-	2,395,000
Accrued compensated absences	28,230	2,394	30,624
Total current liabilities	<u>5,998,319</u>	<u>24,695</u>	<u>6,023,014</u>
Noncurrent Liabilities:			
Claims liability	226,281	-	226,281
Landfill closure and post-closure liability	2,035,056	-	2,035,056
Due to depositors	308,347	-	308,347
Net pension benefit obligation	105,663	3,683	109,346
Notes payable	683,710	335,126	1,018,836
Water rights contract obligation	252,885	-	252,885
Revenue bonds payable, net	56,880,170	-	56,880,170
Accrued compensated absences	254,074	21,542	275,616
Total noncurrent liabilities	<u>60,746,186</u>	<u>360,351</u>	<u>61,106,537</u>
Total liabilities	<u>66,744,505</u>	<u>385,046</u>	<u>67,129,551</u>
NET ASSETS:			
Invested in capital assets, net of related debt	19,714,506	2,829,068	22,543,574
Restricted for debt service	3,032,006	-	3,032,006
Restricted for street improvements	140,921	-	140,921
Restricted for economic development	669,019	-	669,019
Unrestricted	(57,754,111)	62,871	(57,691,240)
Total net assets	<u>(\$34,197,659)</u>	<u>\$2,891,939</u>	<u>(\$31,305,720)</u>

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Assets - Year Ended June 30, 2010

	Enterprise Funds		
	McAlester Public Works Authority	McAlester Airport Authority	Total
Operating Revenues:			
Charges for services:			
Water	\$3,210,167	-	\$3,210,167
Sewer	1,399,380	-	1,399,380
Sanitation	2,456,775	-	2,456,775
Water taps	20,275	-	20,275
Sewer taps	12,531	-	12,531
Water districts	667,030	-	667,030
Service charges	121,586	-	121,586
Landfill	159,172	-	159,172
Penalties	177,102	-	177,102
Use fee	21,380	-	21,380
Raw water sales	24,962	-	24,962
Subtitle "D" fees	319,661	-	319,661
Airport rents and fees	-	\$110,415	110,415
Total operating revenues	8,590,021	110,415	8,700,436
Operating Expenses:			
Utility office	356,816	-	356,816
Interdepartmental	958,977	-	958,977
Sanitation	599,481	-	599,481
Engineering	341,602	-	341,602
Sewer	660,093	-	660,093
Water	806,799	-	806,799
Utility maintenance	549,976	-	549,976
Fleet maintenance	637,007	-	637,007
Landfill	737,622	-	737,622
Utilities Administration	139,968	-	139,968
Airport	-	187,647	187,647
Depreciation expense	1,011,575	149,650	1,161,225
Amortization expense	109,041	-	109,041
Total operating expenses	6,908,957	337,297	7,246,254
Operating income (loss)	1,681,064	(226,882)	1,454,182
Non-Operating Revenues (Expenses):			
Investment income	2,185	-	2,185
Interest expense and fiscal charges	(3,563,943)	(15,968)	(3,579,911)
Grant revenue - operating	22,493	-	22,493
Miscellaneous revenue	32,761	2,645	35,406
Gain on joint venture	133,904	-	133,904
Total non-operating revenues (expenses)	(3,372,600)	(13,323)	(3,385,923)
Net income (loss) before contributions and transfers	(1,691,536)	(240,205)	(1,931,741)
Capital contributions	61,005	-	61,005
Transfers in	4,428,420	125,454	4,553,874
Transfer out	(3,866,718)	-	(3,866,718)
Change in net assets	(1,068,829)	(114,751)	(1,183,580)
Total net assets - beginning, restated	(33,128,830)	3,006,690	(30,122,140)
Total net assets - ending	(\$34,197,659)	\$2,891,939	(\$31,305,720)

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2010

	Enterprise Funds		
	McAlester Public Works Authority	McAlester Airport Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$8,426,245	105,057	\$8,531,302
Payments to suppliers	(2,416,672)	(58,893)	(2,475,565)
Payments to employees	(3,299,917)	(127,496)	(3,427,413)
Receipts of customer meter deposits	129,595	-	129,595
Refund of customer meter deposits	(88,444)	-	(88,444)
Other receipts (payments)	184,436	2,645	187,081
Net Cash Provided by (Used in) Operating Activities	<u>2,935,243</u>	<u>(78,687)</u>	<u>2,856,556</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	4,428,420	125,454	4,553,874
Transfers to other funds	(3,866,718)	-	(3,866,718)
Net Cash Provided by Noncapital Financing Activities	<u>561,702</u>	<u>125,454</u>	<u>687,156</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(706,718)	(14,795)	(721,513)
Proceeds from capital debt	539,100	-	539,100
Principal payment of capital debt	(2,493,880)	(14,825)	(2,508,705)
Interest and fiscal charges paid on capital debt	(2,593,210)	(15,294)	(2,608,504)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(5,254,708)</u>	<u>(44,914)</u>	<u>(5,299,622)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	2,549	-	2,549
Net Cash Provided by Investing Activities	<u>2,549</u>	<u>-</u>	<u>2,549</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,755,214)	1,853	(1,753,361)
Balances - beginning of the year	<u>8,526,135</u>	<u>87,016</u>	<u>8,613,151</u>
Balances - end of the year	<u><u>\$6,770,921</u></u>	<u><u>\$88,869</u></u>	<u><u>\$6,859,790</u></u>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2010, (Continued)

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$1,681,064	(\$226,882)	\$1,454,182
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	1,011,575	149,650	1,161,225
Amortization expense	109,041	-	109,041
Operating grant	22,493	-	22,493
Other non-operating revenues (expenses)	166,665	2,645	169,310
Change in assets and liabilities:			
Receivables, net	25,186	(5,358)	19,828
Due from other governments	(4,722)	-	(4,722)
Investment in joint venture	(367,481)	-	(367,481)
Accounts payable	153,715	(338)	153,377
Accrued payroll liabilities	15,075	(78)	14,997
Escrow deposit liability	(196,387)	-	(196,387)
Claims liability	74,603	-	74,603
Deferred revenue	7,425	-	7,425
Due to depositors	41,151	-	41,151
Landfill closure liability	254,115	-	254,115
Pension benefit obligation	(6,138)	(246)	(6,384)
Accrued compensated absences	(52,137)	1,920	(50,217)
Net Cash Provided by (Used in) Operating Activities	<u>\$2,935,243</u>	<u>(\$78,687)</u>	<u>\$2,856,556</u>
Noncash capital and related financing activities:			
Capital assets contributed from governmental funds	<u>\$61,005</u>	<u>-</u>	<u>\$61,005</u>
Accretion of capital appreciation bonds	<u>(\$1,190,762)</u>	<u>-</u>	<u>(\$1,190,762)</u>

See accompanying notes to the basic financial statements.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

FIDUCIARY FUND

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Statement of Fiduciary Net Assets – Pension Trust Fund - June 30, 2010

	Defined Benefit Retirement Plan and Trust Fund
ASSETS:	
Cash and cash equivalents	\$723,854
Investments:	
International bonds	62,573
Corporate bonds	1,318,942
Mortgage and asset backed securities	200,833
Government bonds	960,873
Mutual funds	324,579
Preferred stocks	41,660
Common stocks	4,678,513
Interest receivable	26,038
 Total assets	 8,337,865
LIABILITIES:	
Accounts payable	488
NET ASSETS:	
Held in trust for employee pension benefits	\$8,337,377

Statement of Changes in Fiduciary Net Assets – Pension Trust Fund - Year Ended June 30, 2010

	Defined Benefit Retirement Plan and Trust Fund
ADDITIONS:	
Contribution from employer	\$559,653
Investment income	29
Realized and unrealized gain on investments	637,162
 Total additions	 1,196,844
DEDUCTIONS:	
Benefits paid to participants or beneficiaries	525,790
Administrative expenses	26,476
 Total deductions	 552,266
 Change in net assets held in trust for employees' pension benefits	 644,578
Net assets - beginning	7,692,799
Net assets - ending	\$8,337,377

See accompanying notes to the basic financial statements.

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DISCRETELY PRESENTED COMPONENT UNITS

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Discretely Presented Component Units Combining Statement of Net Assets - June 30, 2010

	<u>Component Units</u>		
	<u>Public Trusts</u>		
	<u>McAlester Regional Health Center Authority</u>	<u>McAlester Parking Authority</u>	<u>Total Component Units</u>
ASSETS:			
Cash and cash equivalents	\$8,548,859	\$25,932	\$8,574,791
Investments	2,478,653	-	2,478,653
Accounts receivable, net	11,383,529	720	11,384,249
Other receivables	585,000	-	585,000
Inventory	2,026,377	-	2,026,377
Investment in joint venture	3,692,944	-	3,692,944
Prepaid expenses	1,367,647	-	1,367,647
Capital assets:			
Land and construction in progress	2,969,934	-	2,969,934
Other capital assets, net of depreciation	26,567,538	-	26,567,538
Total assets	<u>59,620,481</u>	<u>26,652</u>	<u>59,647,133</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	1,726,000	117	1,726,117
Accrued payroll payable	3,396,229	-	3,396,229
Long-term liabilities:			
Due within one year	2,613,323	-	2,613,323
Due in more than one year	3,867,631	-	3,867,631
Total liabilities	<u>11,603,183</u>	<u>117</u>	<u>11,603,300</u>
NET ASSETS:			
Invested in capital assets, net of related debt	22,997,808	-	22,997,808
Restricted for capital acquisitions and debt service	433,786	-	433,786
Restricted for specific operating activities	25,000	-	25,000
Unrestricted	24,560,704	26,535	24,587,239
Total net assets	<u>\$48,017,298</u>	<u>\$26,535</u>	<u>\$48,043,833</u>

See accompanying notes to the basic financial statements.

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Discretely Presented Component Units Combining Statement of Revenues, Expenses, and Changes in Net Assets - Year Ended June 30, 2010

	Component Units		
	Public Trusts		
	McAlester Regional Health Center Authority	McAlester Parking Authority	Total Component Units
Operating Revenues:			
Charges for services	-	\$7,760	\$7,760
Net patient service revenue	\$68,431,063	-	68,431,063
Miscellaneous	3,604,984	-	3,604,984
Total Operating Revenues	72,036,047	7,760	72,043,807
Operating Expenses:			
Parking	-	1,570	1,570
Health and welfare	80,886,357	-	80,886,357
Total Operating Expenses	80,886,357	1,570	80,887,927
Net Operating Income (Loss)	(8,850,310)	6,190	(8,844,120)
Non-Operating Revenues (Expenses):			
Investment income	262,020	-	262,020
Income from joint ventures	987,542	-	987,542
Interest expense and fiscal agent fees	(374,377)	-	(374,377)
Net Non-Operating Revenues (Expenses)	875,185	-	875,185
Changes in net assets	(7,975,125)	6,190	(7,968,935)
Total net assets - beginning	55,992,423	20,345	56,012,768
Total net assets - ending	\$48,017,298	\$26,535	\$48,043,833

See accompanying notes to the basic financial statements.

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FOOTNOTES 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, "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 18,383 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, and certain utility services including water, wastewater, and sanitation.

Component Units:

Because the City is financially accountable and the City's governing body serves as the trustees for these public trusts, 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.

The McAlester Regional Health Center Authority and the McAlester Parking Authority 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 has 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.

Organization Previously Included as a Component Unit:

The MPower Economic Development Corporation (MPower, formerly known as MEDS) – a non-profit corporation that operates to promote economic development for the City and the surrounding area for which the City is financially accountable. Separate audited component unit financial statements are issued by MPower and may be obtained from their administrative offices. MPower has previously been reported as a discretely presented component unit, but because of recent bylaw changes (Articles of Incorporation were changed June 18, 2010), it has now been removed from the City's reporting entity.

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 assets 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.

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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
- 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.
- Capital Improvement Plan Fund – accounts for monies set aside by City Council for repayment of unsupported bond activity.
- Dedicated Sales Tax MPWA – special revenue 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.
- Reserve Fund – special revenue fund that accounts for excess revenues mainly from oil and gas royalties designated by City Council for emergencies.

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

Special Revenue Funds:

- Nutrition Fund – accounts for revenues and expenditures of various nutrition grants per grant agreement requirements.
- Fire Improvement Grant Fund – accounts for revenues and expenditures related to various fire improvement grants.
- Juvenile Fine Fund – accounts for revenues from fines restricted by state for juvenile programs.
- Police Equipment Fund – accounts for revenues and expenditures related to Local Law Enforcement Block Grants.

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- Police Revolving Evidence Fund – accounts for revenues received from state drug forfeitures restricted for equipment purchases.
- Hotel/Motel Tax Fund – accounts for revenues of a hotel/motel tax levy to be expended for promotion of tourism.
- E-911 Fund – accounts for E-911 revenues legally restricted for E-911 services.
- Cemetery Perpetual Care – accounts for 12.5% of all cemetery revenues which are legally restricted for cemetery use.
- CDBG Grants Fund – accounts for revenues and expenditures related to CDBG grants.
- 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.
- 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.
- Federal Forfeiture Fund – Accounts for revenues received from federal drug forfeitures restricted for equipment purchases.
- Gifts & Contributions Fund – accounts for revenues and expenditures of donor restricted monies.

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:

The City's proprietary 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.
- McAlester Airport Authority Fund - that currently accounts for airport fees and grants used in providing airport services.

The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For business-type activities, Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

For purposes of the statement of revenues, expenses and changes in fund net assets, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues

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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. 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 assets, 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.

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. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2005.

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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, discounts, and amounts deferred from refundings.

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.

H. Fund Balances and Net Assets

Fund Balances:

Fund balances generally reported in the governmental funds financial statements are displayed in two components:

- a. *Reserved* – Consists of fund balances that are either legally restricted as to use (such as voter-restricted sales taxes), or fund balances that are not available for expenditure in the subsequent year (such as long-term receivables, inventory, etc.).
- b. *Unreserved* – All other fund balances not classified as “reserved”.

At June 30, 2010, the governmental fund balance reserves were all related to encumbrances.

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Net Assets:

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

- a. *Invested in capital assets, net of related debt* - Consists of capital assets including restricted 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 assets* - Consists of net assets 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 assets* - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the current year presentation, certain revenue bonds of the business-type activities were used to fund governmental capital assets (streets). The “invested in capital assets, net of related debt” for business-type activities therefore does not include the amounts related to these debt issues. The capital assets are reported in the governmental activities and are also reported in “invested in capital assets, net of related debt”. This explains the large negative balance of unrestricted net assets in the business-type activities.

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

I. Interfund Activities and Balances

The City’s policy is to eliminate interfund transfers and balances in the statement of activities and net assets 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.

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2. Deposits and Investments

Primary Government Deposits and Investments:

At June 30, 2010, the primary government held the following deposits and investments:

Type of Deposits and Investments - Primary Government	Carrying Value	Maturities in Years				
		On Demand	Less Than One	1 - 5	6 - 10	More Than 10
Deposits:						
Petty Cash	\$ 4,610	\$ 4,610	\$ -	\$ -	\$ -	\$ -
Demand deposits	13,466,316	13,466,316	-	-	-	-
Demand deposits - pension trust funds	53,435	53,435	-	-	-	-
Time deposits	1,886,121	-	1,692,121	194,000	-	-
	<u>15,410,482</u>	<u>13,524,361</u>	<u>1,692,121</u>	<u>194,000</u>	<u>-</u>	<u>-</u>
	Credit Rating					
Investments:						
Bond Trustee Accounts:						
Federated Treasury Obligations Fund IS #68	Aaa	\$ 3,394,199	\$ 3,394,199	\$ -	\$ -	\$ -
Nestle Commercial Paper	A-1+	1,156,000	1,156,000	-	-	-
Morgan Stanley Cap Serv Inc - D.S. Fund Agree	AAA	1	1	-	-	-
Goldman Fst Treasury Obligations Instl #468	Aaa	625,349	625,349	-	-	-
Pension Trust Funds:						
Western Asset Institutional MM Fund Class A	AAAm	368,001	368,001	-	-	-
Dreyfus Liquid Assets Inc Class 2	Aaa	259,800	259,800	-	-	-
Citibank NA South Dakota Bank Deposit Program	A+	42,618	42,618	-	-	-
Fixed Income Shares FD Series C	A-1	159,665	159,665	-	-	-
Fixed Income Shares FD Series M	A-1	164,914	164,914	-	-	-
International Bonds	A-	48,237	-	31,450	16,787	-
International Bonds	BBB+	14,336	-	-	14,336	-
Corporate Bonds	AA-	47,425	-	15,082	16,172	16,171
Corporate Bonds	A+	47,823	-	-	31,053	16,770
Corporate Bonds	AA	47,914	-	15,444	-	32,470
Corporate Bonds	AA+	29,474	-	20,895	8,579	-
Corporate Bonds	A	95,629	-	48,535	47,094	-
Corporate Bonds	A-	33,900	-	-	33,900	-
Corporate Bonds	BBB+	64,656	-	-	15,061	49,595
Corporate Bonds	BBB	167,558	-	142,011	25,547	-
Corporate Bonds	BBB-	244,708	-	103,132	77,409	64,167
Corporate Bonds	BB	60,600	-	60,600	-	-
Corporate Bonds	BB+	200,250	-	100,000	100,250	-
Corporate Bonds	BB-	162,909	-	162,909	-	-
Corporate Bonds	B+	77,096	-	77,096	-	-
Corporate Bonds	CCC+	39,000	-	-	-	39,000
Governmental Bonds	N/A	960,873	-	127,578	483,655	244,617
Mortgage and asset backed securities	N/A	200,833	-	-	-	200,833
Preferred Stocks	BBB	17,950	17,950	-	-	-
Preferred Stocks	BBB+	23,710	23,710	-	-	-
Common Stocks	N/A	4,678,513	4,678,513	-	-	-
		<u>13,433,941</u>	<u>10,890,720</u>	<u>127,578</u>	<u>1,260,809</u>	<u>630,805</u>
Total Deposits and Investments		<u>\$ 28,844,423</u>	<u>\$ 24,415,081</u>	<u>\$ 1,819,699</u>	<u>\$ 1,454,809</u>	<u>\$ 630,805</u>
Reconciliation to Statement of Net Assets:						
Cash and cash equivalents		\$ 18,646,475				
Investments		1,886,121				
Add: Fiduciary Fund cash and cash equivalents		723,854				
Add: Fiduciary Fund investments		7,587,973				
		<u>\$ 28,844,423</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.

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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, 2010, the City was not exposed to custodial credit risk as defined above, except for cemetery certificates of deposits that were unable to be determined whether they were held in the City's name or on behalf of the City of McAlester.

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

- 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 provides for investment in a diversified portfolio, consisting primarily of common stocks, mutual funds, bonds, cash equivalents, and other investments. Asset allocation guidelines for the Plan are as follows:

Class	Maximum Percent	Minimum Percent	Target Percent
Large Cap Equities	30.00	10.00	20.00
Small Cap Equities	25.00	5.00	15.00
International Equities	25.00	5.00	15.00
Real Estate	20.00	5.00	10.00
Fixed Income	50.00	30.00	40.00

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Large and small cap equities should be allocated between growth and value styles. Investment grade fixed income should be allocated between investment grade bonds, inflation-indexed bonds (“TIPS”), high yield bonds and international bonds.

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.

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 assets are comprised of the following:

	Current Cash and cash Equivalents	Non-current Cash and cash Equivalents	Current Interest Receivable
Utility Deposits	\$ 385,434	-	-
Lowe's Escrow Account	908,473	-	-
Trustee Accounts (MPWA):			
1999A Sinking Fund	758,537	-	-
1999B Sinking Fund	227,041	-	-
2002 Sinking Fund	403,244	-	-
2002 Construction Fund	140,921	-	-
2003A Bond Fund	678,603	-	-
2003A Bond Reserve Fund	-	\$ 649,097	-
2003B Bond Fund	494,545	-	-
2003B Bond Reserve Fund	-	640,638	-
2003B Project Fund	557,574	-	-
2004 Sinking Fund	243,904	-	-
2004 Reserve Fund	-	270,000	-
2004 Construction Fund	111,445	-	-
Interest Receivable	-	-	\$ 39
Total Restricted Assets	<u>\$ 4,909,721</u>	<u>\$ 1,559,735</u>	<u>\$ 39</u>

Component Units Deposits and Investments:

McAlester Regional Health Center Authority

Deposits

At June 30, 2010, approximately \$1,982,000 of the Authority’s bank balances were uninsured with collateral held by pledging financial institution.

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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, 2010, the "Investment in joint venture" balance changed as follows:

Beginning Investment in Joint Venture	\$ 1,236,317
Current Year Contributions	233,577
Gain from Joint Venture	133,904
Ending Investment in Joint Venture	<u><u>\$ 1,603,798</u></u>

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

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, 2010, is as follows:

	General Fund		MPWA	Airport	Total
	Ambulance	Court			
Accounts receivable	\$290,486	\$2,499,810	\$2,856,004	\$8,708	\$5,655,008
Allowance for doubtful accounts	(219,399)	(1,374,895)	(1,465,810)	(300)	(\$3,060,404)
Accounts receivable, net	<u>\$71,087</u>	<u>\$1,124,915</u>	<u>\$1,390,194</u>	<u>\$8,408</u>	<u>\$2,594,604</u>

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Component Units:

McAlester Regional Health Center Authority

Patient receivable balances at June 30, 2010 were as follows:

	<u>MRHCA</u>
Medicare	\$3,464,394
Medicaid	1,361,080
Other third-party payers	10,935,393
Patients	7,678,662
Allowance for doubtful accounts	<u>(12,056,000)</u>
Accounts receivable, net	<u><u>\$11,383,529</u></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 following schedule shows the current year activity related to this note receivable:

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Note Receivable				
McAlester Foundation	<u>\$1,238,643</u>	<u>\$ -</u>	<u>\$178,143</u>	<u>\$1,060,500</u>

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5. Capital Assets and Depreciation

For the year ended June 30, 2010, capital assets balances changed as follows:

	(Restated) Balance at June 30, 2009	Additions	Disposals	Balance at June 30, 2010
Governmental activities:				
Non-depreciable:				
Land	\$ 675,209	\$ -	\$ -	\$ 675,209
Construction-in-progress	150,685	688,255	(82,592)	756,348
Total non-depreciable assets at historical cost	<u>825,894</u>	<u>688,255</u>	<u>(82,592)</u>	<u>1,431,557</u>
Depreciable:				
Buildings	5,350,398	-	-	5,350,398
Other improvements	1,599,158	45,621	-	1,644,779
Machinery and equipment	7,893,754	967,326	-	8,861,080
Infrastructure	61,924,842	75,421	-	62,000,263
Total depreciable assets at historical cost	<u>76,768,152</u>	<u>1,088,368</u>	<u>-</u>	<u>77,856,520</u>
Less accumulated depreciation				
Buildings	(2,488,420)	(156,653)	-	(2,645,073)
Other improvements	(859,133)	(54,037)	-	(913,170)
Machinery and equipment	(6,012,692)	(587,437)	-	(6,600,129)
Infrastructure	(32,437,361)	(1,521,039)	-	(33,958,400)
Total accumulated depreciation	<u>(41,797,606)</u>	<u>(2,319,166)</u>	<u>-</u>	<u>(44,116,772)</u>
Net depreciable assets	<u>34,970,546</u>	<u>(1,230,798)</u>	<u>-</u>	<u>33,739,748</u>
Governmental activities capital assets, net	<u>\$ 35,796,440</u>	<u>\$ (542,543)</u>	<u>\$ (82,592)</u>	<u>\$ 35,171,305</u>
Business-type activities				
Non-depreciable:				
Land	\$ 212,571	\$ -	\$ -	\$ 212,571
Water rights contracts	719,075	-	-	719,075
Construction-in-progress	3,400	40,916	-	44,316
Total non-depreciable assets at historical cost	<u>935,046</u>	<u>40,916</u>	<u>-</u>	<u>975,962</u>
Depreciable:				
Buildings	2,756,061	-	-	2,756,061
Other improvements	3,038,505	12,730	-	3,051,235
Machinery and equipment	2,020,474	679,293	-	2,699,767
Utility property	39,455,517	49,579	-	39,505,096
Total depreciable assets at historical cost	<u>47,270,557</u>	<u>741,602</u>	<u>-</u>	<u>48,012,159</u>
Less accumulated depreciation				
Buildings	(1,173,679)	(69,618)	-	(1,243,297)
Other improvements	(1,254,483)	(125,566)	-	(1,380,049)
Machinery and equipment	(1,216,020)	(202,626)	-	(1,418,646)
Utility property	(20,160,041)	(763,415)	-	(20,923,456)
Total accumulated depreciation	<u>(23,804,223)</u>	<u>(1,161,225)</u>	<u>-</u>	<u>(24,965,448)</u>
Net depreciable assets	<u>23,466,334</u>	<u>(419,623)</u>	<u>-</u>	<u>23,046,711</u>
Business-type capital assets, net	<u>\$ 24,401,380</u>	<u>\$ (378,707)</u>	<u>\$ -</u>	<u>\$ 24,022,673</u>

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	(Restated) Balance at June 30, 2009	Additions	Reclassified Amounts	Disposals	Balance at June 30, 2010
Component Units:					
Non-depreciable:					
Land	\$ 907,824	\$ 127,483	\$ -	\$ -	\$ 1,035,307
Construction-in-progress	573,097	1,703,362	-	(341,832)	1,934,627
Total non-depreciable assets at historical cost	<u>1,480,921</u>	<u>1,830,845</u>	<u>-</u>	<u>(341,832)</u>	<u>2,969,934</u>
Depreciable:					
Land improvements	564,750	-	-	-	564,750
Buildings and improvements	32,741,514	1,094,526	-	-	33,836,040
Machinery and equipment	33,022,990	3,065,052	-	(2,186,894)	33,901,148
Total depreciable assets at historical cost	<u>66,329,254</u>	<u>4,159,578</u>	<u>-</u>	<u>(2,186,894)</u>	<u>68,301,938</u>
Less accumulated depreciation					
Land improvements	(564,750)	-	-	-	(564,750)
Buildings and improvements	(18,379,652)	(1,129,191)	-	-	(19,508,843)
Machinery and equipment	(20,254,523)	(3,381,195)	-	1,974,911	(21,660,807)
Total accumulated depreciation	<u>(39,198,925)</u>	<u>(4,510,386)</u>	<u>-</u>	<u>1,974,911</u>	<u>(41,734,400)</u>
Net depreciable assets	<u>27,130,329</u>	<u>(350,808)</u>	<u>-</u>	<u>(211,983)</u>	<u>26,567,538</u>
Component Unit capital assets, net	<u>\$ 28,611,250</u>	<u>\$ 1,480,037</u>	<u>\$ -</u>	<u>\$ (553,815)</u>	<u>\$ 29,537,472</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:

Legislature	\$ 1,410
Administration	52,880
Public safety	395,350
Community services	255,940
Public works	1,613,586
Total governmental activities depreciation expense	<u>\$ 2,319,166</u>

Depreciation expense charged to business-type activities:

Water	\$ 597,069
Sewer	258,925
Sanitation	155,581
Airport	149,650
Total business-type activities depreciation expense	<u>\$ 1,161,225</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 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 during fiscal year 08-09. However, \$200,000 was paid to Lowe's in March 2010 related to the 08-09 fiscal year liability. The City has recorded on the financial statements of McAlester Public Works Authority an escrow deposit liability in the amount of \$908,473, 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, 2010, the reporting entity's long-term debt changed as follows:

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010	Amounts Due Within One Year
Governmental Activities:					
Capital Lease Obligations	\$ 271,598	\$ 444,741	\$ 162,286	\$ 554,053	\$ 176,155
Accrued Compensated Absences	2,315,475	-	34,593	2,280,882	228,088
Claims Liability	185,357	118,884	226,409	77,832	-
Net Pension Benefit Obligation	372,231	-	10,823	361,408	-
Total Governmental Long-Term Debt	\$ 3,144,661	\$ 563,625	\$ 434,111	\$ 3,274,175	\$ 404,243
Business-type Activities:					
Claims Liability	\$ 151,678	\$ 252,865	\$ 178,262	\$ 226,281	\$ -
Landfill Closure and Post-closure Liability	2,035,056	254,115	-	2,289,171	254,115
Due to Depositors	344,283	129,595	88,444	385,434	77,087
Net Pension Benefit Obligation	115,730	-	6,384	109,346	-
Settlement Obligation	263,714	-	138,713	125,001	125,001
Notes Payable	798,420	539,100	135,946	1,201,574	182,738
Water Contract Obligations	301,571	-	24,046	277,525	24,640
Revenue Bonds Payable	61,057,126	1,190,762	2,210,000	60,037,888	2,395,000
Accrued Compensated Absences	356,457	-	50,217	306,240	30,624
Total Business-type Long-Term Debt	\$ 65,424,035	\$ 2,366,437	\$ 2,832,012	\$ 64,958,460	\$ 3,089,205
				Less: Unamortized Loss on Refunding	(1,171,854)
				Less: Unamortized Discount	(265,184)
				Add: Unamortized Premium	674,320
					\$ 64,195,742

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:

\$834,750 capital lease with First National Bank for expo seating, payable in annual installments of \$94,009, final payment due September 16, 2011, with interest at 4.2%, paid from the Hotel/Motel Tax Fund \$176,446

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\$98,796 capital lease with First National Bank for an ambulance, payable in annual installments of \$22,664, final payment due June 5, 2014, with interest at 4.75%, paid from the General Fund	80,825
\$277,913 capital lease with First National Bank for 10 police vehicles, payable in monthly installments of \$5,185, final payment due July 25, 2014, with interest at 4.55%, paid from the General Fund	231,389
\$25,662 capital lease with First National Bank for pickup truck, payable in monthly installments of \$479, final payment due February 25, 2015, with interest at 4.55%, paid from the General Fund	24,121
\$42,370 capital lease with First National Bank for brush rig, payable in monthly installments of \$1,262, final payment due May 13, 2013, with interest at 4.55%, paid from the General Fund	<u>41,272</u>
Total Capital Lease Obligation	<u>\$554,053</u>
Capital Lease Obligations:	
Current portion	\$ 176,155
Noncurrent portion	<u>377,898</u>
Total Capital Lease Obligations	<u>\$554,053</u>
Accrued Compensated Absences:	
Current portion	\$ 228,088
Noncurrent portion	<u>2,052,794</u>
Total Accrued Compensated Absences	<u>\$2,280,882</u>
Claims Liability:	
Current portion	\$ -
Non-current portion	<u>77,832</u>
Total Claims Liability	<u>\$ 77,832</u>
Net Pension Obligation:	
Current portion	\$ -
Non-current portion	<u>361,408</u>
Total Pension Obligation	<u>\$ 361,408</u>

Business-type activities long-term debt:

Notes Payable:

1999 CDBG-EDIF Promissory Note with McAlester Economic Development Service 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.	\$156,979
2006 CDBG-ED Promissory Note with City of McAlester 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.	56,500
PWA Note Payable for 2 trash trucks with First National Bank dated March 2, 2009, original amount of \$257,565 with an annual interest rate of 4.3%, due in annual installments of \$56,139, final installment April 1, 2013.	154,897

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MAA Note Payable with First National Bank, renewed on July 11, 2006, original line of credit amount of \$405,325, with an annual interest rate of 4.25%, due in monthly installments of \$2,510, final installment July 15, 2011.	350,640
PWA Note Payable for a backhoe with Welch State Bank dated April 15, 2009, original amount of \$84,100 with an annual interest rate of 3.949%, due in annual installments of \$18,865, final installment March 31, 2014.	68,438
PWA Note Payable for caterpillar & trash compactor 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>414,120</u>
Total Notes Payable	<u>\$1,201,574</u>
Current portion	\$182,738
Non-current portion	<u>1,018,836</u>
Total Notes Payable	<u>\$1,201,574</u>
 Water Rights Contract:	
1987 contract with U.S. Army Corps of Engineers 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>\$277,525</u>
Current portion	\$ 24,640
Non-current portion	<u>252,885</u>
Total Water Rights Contract	<u>\$277,525</u>
 Revenue Bonds Payable:	
1999A Series Utility System Revenue Bonds:	
Serial bonds in the amount of \$3,990,000, after defeasance, originally dated May 1, 1999, issued by McAlester Public Works Authority, secured by utility revenue and pledged sales tax, principal maturing annually ranging from \$305,000 to \$805,000, interest rates from 4.25% to 4.75%, final maturity February 1, 2010.	
Term bonds in the amount of \$16,825,000, after defeasance, originally dated May 1, 1999, issued by McAlester Public Works Authority, secured by utility revenue and pledged sales tax, principal maturing annually ranging from \$840,000 to \$2,295,000, interest rate at 5.75%, final maturity February 1, 2020.	\$16,825,000
Capital appreciation bonds in the face amount of \$5,928,832, after defeasance, originally dated May 1, 1999, issued by McAlester Public Works Authority, secured by utility revenue and pledged sales tax, principal maturing at the accreted value of \$25,623,620, interest rate at 5.70%, final maturity February 1, 2030. Interest is accreted (or added to the principal balance) until maturity, at which time, the entire principal balance of \$25,623,620 will be due and payable.	25,623,620
Less: Unaccreted portion	<u>(14,183,869)</u>
Principal outstanding at year end	<u>11,439,751</u>
 1999B Series Utility System Revenue Bonds:	
Term bonds in the amount of \$1,675,000 dated May 1, 1999, issued by McAlester Public Works Authority, secured by utility revenue and pledged sales tax, total principal due at maturity, interest rate at 6.75%, final maturity February 1, 2011.	510,000

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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, secured by utility revenue and pledged sales tax, total principal due at maturity, interest Rate at 4.30%, final maturity February 1, 2034. 14,360,000

Capital appreciation bonds in the face amount of \$3,037,176 dated July 1, 2003, issued by McAlester Public Works Authority, 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 (12,846,863)
 Principal outstanding at year end 4,713,137

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, 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. 4,955,000

2003B Series Sales Tax Revenue Bonds:

Term Bonds in the amount of \$6,220,000 dated July 1, 2003, issued by McAlester Public Works Authority, secured by pledged sales tax, total principal due at maturity, initial interest rate of 4.00% increasing to 7.10%, final maturity September 1, 2018. 4,535,000

2004 Series Sales Tax Revenue Bonds:

Term Bonds in the amount of \$2,700,000 dated October 1, 2004, issued by McAlester Public Works Authority, secured by pledged sales tax, total principal due at maturity, interest rate at 7.25%, final maturity September 1, 2014 2,700,000

Total Revenue Bonds Payable \$60,037,888

Current portion \$ 2,395,000

Noncurrent portion 57,642,888

Total Revenue Bonds Payable \$60,037,888

Unamortized loss on refunding (1,171,854)

Unamortized bond premium/discount 409,136

Total Revenue Bonds Payable, net \$59,275,170

Settlement Obligations:

Water Settlement Obligation with Pittsburg County Rural Water District No. 7, in the original amount of \$713,500 dated October 25, 2005, whereby the Authority will provide 355,000,000 gallons of water free of charge (valued at \$2.01 per thousand gallons) and any water used above that will be purchased by the District at the wholesale contract water rate; contract ends in fiscal year 2026.

Current portion 125,001

Noncurrent portion -

Total Settlement Obligations \$ 125,001

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Landfill Closure and Post-Closure Liability:

A \$2,289,171 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 69.56% of the estimated capacity of the landfill. It is estimated that an additional \$1,001,960 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 City expects to close the landfill in the year 2015. The estimated remaining landfill life is 68 months.

Current portion	\$ 254,115
Noncurrent portion	<u>2,035,056</u>
Total Landfill Closure and Postclosure Liability	<u>\$2,289,171</u>

Accrued Compensated Absences:

Current portion	\$ 30,624
Noncurrent portion	<u>275,616</u>
Total Accrued Compensated Absences	<u>\$ 306,240</u>

Deposits Subject to Refund:

Current portion	\$ 77,087
Noncurrent portion	<u>308,347</u>
Total Deposits Subject to Refund	<u>\$ 385,434</u>

Claims Liability:

Current portion	\$ -
Non-current portion	<u>226,281</u>
Total Claims Liability	<u>\$ 226,281</u>

Net Pension Obligation:

Current portion	\$ -
Non-current portion	<u>109,346</u>
Total Net Pension Obligation	<u>\$ 109,346</u>

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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>Principal</u>	<u>Interest</u>		
2011	\$176,155	\$23,432		
2012	184,237	15,574		
2013	97,216	7,292		
2014	87,559	3,072		
2015	<u>8,886</u>	<u>130</u>		
Total	<u>\$554,053</u>	<u>\$49,500</u>		
Year Ended June 30,	<u>Business-Type Activity Debt</u>			
	<u>Settlement Obligation</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$125,001	-	\$182,738	\$41,818
2012	-	-	509,190	21,476
2013	-	-	181,586	13,320
2014	-	-	132,691	5,606
2015	-	-	67,590	696
2016-2020	-	-	85,700	-
2021-2025	-	-	36,429	-
2026-2029	<u>-</u>	<u>-</u>	<u>5,650</u>	<u>-</u>
Total	<u>\$125,001</u>	<u>-</u>	<u>\$1,201,574</u>	<u>\$82,916</u>
Year Ended June 30,	<u>Water Rights Contract Obligation</u>		<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2011	\$24,640	\$7,279	\$2,395,000
2012	25,286	6,633	2,625,000	2,298,981
2013	25,949	5,970	2,895,000	2,156,444
2014	26,629	5,289	3,090,000	1,993,766
2015	27,328	4,591	5,075,000	1,818,051
2016-2020	147,693	11,900	18,480,000	5,438,569
2021-2025	-	-	7,292,355	11,180,398
2026-2030	-	-	7,961,477	11,349,339
2031-2034	<u>-</u>	<u>-</u>	<u>3,037,176</u>	<u>14,522,824</u>
Total	<u>\$277,525</u>	<u>\$41,662</u>	\$52,851,008	\$53,190,648
Accreted Portion of Debt			<u>7,186,880</u>	<u>(7,186,880)</u>
			<u>\$60,037,888</u>	<u>\$46,003,768</u>

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Component Units have the following long-term debt at June 30, 2010:

	(Restated) Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010	Amounts Due Within One Year
Component Unit Activities:					
Capital Lease Obligations	\$ 4,749,138	\$ 903,769	\$ 1,615,026	\$ 4,037,881	\$ 1,691,718
Notes Payable	2,635,893	654,187	847,007	2,443,073	921,605
Total Component Unit Debt	\$ 7,385,031	\$ 1,557,956	\$ 2,462,033	\$ 6,480,954	\$ 2,613,323

McAlester Regional Health Center Authority Component Unit

Notes Payable:

The notes payable to banks are due between August 2011 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, 2010, are as follows:

Year Ended June 30,	<u>Discretely Presented Component Unit Debt</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$921,605	\$91,638
2012	385,267	61,184
2013	236,495	49,119
2014	182,993	38,876
2015	483,581	21,837
2016-2020	152,223	41,424
2021-2023	80,909	5,431
Total	\$2,443,073	\$309,509

Capital Lease Obligations:

The 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 3.89% to 9.45% together with the present value of the future minimum lease payments as of June 30, 2010:

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Year Ended June 30,	<u>Capital Lease Obligations Payable</u>
2011	\$1,904,300
2012	1,605,243
2013	695,698
2014	<u>183,704</u>
Total minimum lease payments	4,388,945
Less amount representing interest	<u>351,064</u>
Present value of future minimum lease payments	<u><u>\$4,037,881</u></u>

8. Net Assets and Fund Balances

Net assets restricted for debt service in the MPWA as of June 30, 2010, consisted of the following:

Enterprise Funds:	
1999A Revenue Bond Trust Accounts	\$758,537
1999B Revenue Bond Trust Accounts	227,041
2002 Revenue Bond Trust Accounts	403,244
2003A Revenue Bond Trust Accounts	1,327,700
2003B Revenue Bond Trust Accounts	1,135,183
2004 Revenue Bond Trust Accounts	<u>513,904</u>
Restricted per bond indenture	\$4,365,609
Add: Accrued interest receivable	39
Less: Accrued interest payable	<u>(1,333,642)</u>
Total Restricted for Debt Service	<u><u>\$3,032,006</u></u>

Reclassification of Assets

Beginning net assets of enterprise funds, governmental activities and business-type activities were restated as of June 30, 2010, as follows:

	Fund Level	Government-Wide	
	MPWA	Governmental Activities	Business-Type Activities
Beginning fund balance/net assets, as previously reported	(\$32,929,289)	\$46,554,063	(\$29,922,599)
Overstatement of capital assets	(199,541)	-	(199,541)
Understatement of restitution receivable	-	109,046	-
Beginning fund balance/net assets, restated	<u><u>(\$33,128,830)</u></u>	<u><u>\$46,663,109</u></u>	<u><u>(\$30,122,140)</u></u>

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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 \$60,037,888 of Series 1999, 2002, 2003, and 2004 Sales Tax and Utility System Bonds. Proceeds from the bonds provided financing for capital assets, economic development, and school related capital contributions. The 2003A, 2003B and 2004 bonds are payable solely from pledged sales tax revenues. The 1999 and 2002 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 2011 through 2034. The total principal and interest payable for the remainder of the life of these bonds is \$106,041,656, which includes \$43,183,620 of accreted bonds. Pledged sales taxes transferred in the current year were \$4,425,030 and the net utility revenues were \$2,801,680. Debt service payments of \$4,786,975, excluding accreted interest, for the current fiscal year were 108.2% of the pledged and transferred sales taxes and 66.2% of both pledged and transferred sales taxes and utility revenues.

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10. Internal and Interfund Balances and Transfers

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2010, were as follows:

Transfer From	Transfer To	Amount	Nature of Transfer
General Fund	Police Equipment Fund	\$390	Matching grant monies
General Fund	Nutrition Fund	191,050	Operating transfer
General Fund	Fire Improvement Grant Fund	172	Operating transfer
General Fund	McAlester Airport Authority	125,454	Operating transfer
General Fund	Cemetery Perpetual Care Fund	4,994	12.5% required transfer
General Fund	Gifts & Contributions Fund	38,598	Balance of donations segregated
General Fund	Capital Improvement Plan Fund	418,681	Transfer for capital improvements
General Fund	Reserve Fund	25,073	Council designated oil & gas royalty revenue
Dedicated Sales Tax Fund	MPWA - Bond Trustee Acct	2,907,840	Debt payments to trustee bank
Dedicated Sales Tax Fund	Economic Development Fund	414,790	Reimburse for construction project
Juvenile Fine Fund	Gifts & Contributions Fund	50,000	Skate park improvements
Sales Tax - Schools Fund	MPWA - Bond Trustee Acct	644,187	Debt payments to trustee bank
Economic Development Fund	MPWA - Bond Trustee Acct	873,003	Debt payments to trustee bank
Economic Development Fund	MPWA	3,390	Trustee bank fiscal agent fees
Economic Development Fund	General Fund	21,826	Reimburse for Industrial Park cleanup
Capital Improvement Plan Fund	CDBG Grants Fund	90,630	Matching grant monies
MPWA	General Fund	3,866,120	Operating transfer
MPWA	Gifts & Contributions Fund	598	Balance of donations segregated
		<u>\$9,676,796</u>	
	Transfers In	Transfers Out	Net Transfers/ Internal Activity
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$5,122,922	(\$5,810,078)	(\$687,156)
Enterprise Funds	4,553,874	(3,866,718)	687,156
Total Transfers	<u>\$9,676,796</u>	<u>(\$9,676,796)</u>	<u>-</u>
Reconciliation to statement of activities:		Governmental	Business-Type
Net transfers		(\$687,156)	\$687,156
Reclassification of capital asset purchases between activities		(\$61,005)	\$61,005
Total Transfers - Internal Activity		<u>(\$748,161)</u>	<u>\$748,161</u>

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Balances:

Interfund receivables and payables at June 30, 2010, were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
General Fund	Cemetery Perpetual Care Fund	\$1,598	12.5% required transfer
General Fund	Capital Improvement Plan Fund	800,000	Bond related issues
Police Equipment Fund	General Fund	38,715	Negative share of pooled cash
		<u>\$840,313</u>	
		<u>\$840,313</u>	

	<u>Due From Other Fund</u>	<u>Due To Other Funds</u>	<u>Net Activity/ Internal Balances</u>
Reconciliation to Fund			
Financial Statements:			
Governmental Funds	\$840,313	(\$840,313)	-
Enterprise Funds	-	-	-
Total Interfund Balances	<u>\$840,313</u>	<u>(\$840,313)</u>	<u>-</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.

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.

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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, 2007 to June 30, 2010 are as follows:

	<u>General Fund</u>	<u>MPWA</u>
Claims liability, July 1, 2007	\$294,908	\$51,684
Claims incurred	206,153	116,949
Claims paid	<u>(309,846)</u>	<u>(104,280)</u>
Claims liability, July 1, 2008	191,215	64,353
Claims incurred	343,873	373,509
Claims paid	<u>(349,731)</u>	<u>(286,184)</u>
Claims liability, June 30, 2009	185,357	151,678
Claims incurred	118,884	252,865
Claims paid	<u>(226,409)</u>	<u>(178,262)</u>
Claims liability, June 30, 2010	<u>\$77,832</u>	<u>\$226,281</u>

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 2010, the City's involvement in federal and state award programs was not 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.

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Sales Tax Related Issues (One-cent dedicated sales tax):

In July 2007, the City began segregating excess sales taxes earned related to a one-cent dedicated sales tax into a separate special revenue fund, with the intent to use these either for debt service or for capital improvements. A special election was held on August 11, 2009. As a result, the citizenry decided that the excess sales tax was restricted for debt service only. Segregation of these excess monies into a separate fund continue and are restricted solely for debt service.

DEQ Consent Order:

The City of McAlester is currently under three Consent Orders from the Oklahoma Department of Environmental Quality, Case 02-101A, Case No. 07-233, and Case 09-241 related to the water treatment plant. Case 02-101A relates to turbidity. Construction to upgrade the water plant filters and associated work for this Consent Order should be completed within the next 12 months. Case 07-233 relates to disinfection by-products (dbp's). This work has been completed and the plant is approaching compliance with dbp's. Case 09-241 relates to permit exceedances of the discharge permit from the plant's backwash lagoons. Engineering design and construction is expected in FY 2011-2012 and is estimated at \$876,000.

13. Pension Plan Participation

The City of McAlester participates in three 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

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 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.

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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	15.6% of Payroll (\$674,662 annual required contribution)
Plan members	None required
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Eligibility for distribution	Age 65, or age 60 with ten years credited service. Annual rate of retirement starts at 5% at age 60.
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

Annual Required Contributions

Actuarial assumptions:

Valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Dollar
Amortization period	30 years remaining
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	Varies from 3.10% to 10.30%

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.

Method Used to Value Investments - Values of System assets are reported at fair value which approximates market. As of June 30, 2010, the System held no related party investments or individual investments (other than U.S. government and U.S. government guaranteed securities) whose market value exceeds five percent or more of the net assets available for benefits.

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, 2010 was as follows:

	<u>2010</u>
Annual pension cost	\$657,455
Contributions made	<u>(674,663)</u>
Increase (decrease) in net pension obligation	(17,208)
Net pension obligation beginning of year	<u>487,961</u>
Net pension obligation end of year	<u>\$470,753</u>

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D. Trend Information

McAlester Employees' Retirement System			
Fiscal Year	Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
2008	\$ 533,593	99.5%	\$ 572,508
2009	518,694	116.3%	487,961
2010	657,455	102.6%	470,753

Funded Status and Funding Progress

As of July 1, 2010, the funded status of the McAlester Employees' Retirement System defined benefit plan is as follows:

Actuarial accrued liability (AAL)	\$14,807,371
Actuarial value of plan assets	<u>9,990,470</u>
Overfunded (Unfunded) actuarial accrued liability (UAAL)	<u>\$ (4,816,901)</u>
Funded ratio (actuarial value of plan assets/AAL)	67.5%
Annual covered payroll (active plan members)	\$4,274,311
UAAL as a percentage of covered payroll	112.7%

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.

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 \$476,549 (or 21.8% 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 8% of their annual salary to the plan. The City is required by state law to contribute 13% 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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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 \$198,963 (or 8.8% 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. 63rd Street, Oklahoma City, OK, 73116-7335.

Funding Policy. OPPRS plan members are required to contribute 8% of their annual salary to the plan. The City is required by state law to contribute 13% of the members' annual salary. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

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
2008	\$ 268,784	100%	2008	\$ 298,714	100%
2009	312,728	100%	2009	299,518	100%
2010	281,276	100%	2010	296,068	100%

Other Post-Employment Benefits

For the year ended June 30, 2010, the City provided post-employment benefits (other than pension) to retired employees. The City accounts for these costs on a pay-as-you-go basis. These benefits are in the form of health insurance for retired employees. The retirees pay 100% of the City's established blended premium for active and retired employees. The City performed an actuarial evaluation as of July 1, 2010 to determine these amounts. The net OPEB obligation as of July 1, 2010 is \$0.

14. Noncompliance with Finance-Related Legal or Contractual Requirements

Fund Equity Restrictions:

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund (excluding public trusts). The City had the following funds with negative fund balances:

Nutrition Fund	(\$3,474)
Police Equipment Fund	(24,245)

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2010

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Beginning Budgetary Fund Balance, Restated:	\$244,062	\$244,062	\$802,152	\$558,090
Resources (Inflows):				
TAXES:				
Sales tax	\$8,773,000	\$8,773,000	7,354,187	(1,418,813)
Use tax	560,000	560,000	681,427	121,427
Franchise tax	640,000	640,000	576,099	(63,901)
Total Taxes	<u>9,973,000</u>	<u>9,973,000</u>	<u>8,611,713</u>	<u>(1,361,287)</u>
INTERGOVERNMENTAL:				
Alcoholic beverage tax	110,000	110,000	111,698	1,698
Tobacco/cigarette tax	206,000	206,000	178,539	(27,461)
Gas excise tax	40,000	40,000	34,833	(5,167)
Vehicle tax	126,000	126,000	126,900	900
Grant revenue	24,000	30,000	84,371	54,371
Payment in lieu of tax	-	-	8,175	8,175
Total Intergovernmental	<u>506,000</u>	<u>512,000</u>	<u>544,516</u>	<u>32,516</u>
CHARGES FOR SERVICES:				
Court costs	178,000	178,000	386,594	208,594
Cemetery opening/closing	39,600	39,600	36,541	(3,059)
Cemetery fees	-	-	4,900	4,900
Dog pound fees	200	200	35	(165)
Swimming pool revenue	32,000	32,000	28,035	(3,965)
Ambulance revenue	382,000	382,000	309,517	(72,483)
False alarms	-	-	3,135	3,135
Street cuts	300	300	3,781	3,481
Recreation fees	5,000	5,000	6,033	1,033
Administrative reimbursement	-	-	17,100	17,100
Oil and gas leases	200,000	200,000	303,951	103,951
Abatements	32,000	32,000	28,474	(3,526)
Rental property	12,000	12,000	11,200	(800)
Rental rooms	5,000	5,000	6,700	1,700
Burgular alarms	2,415	2,415	10,730	8,315
Complex concessions	13,817	13,817	12,246	(1,571)
Complex rental	14,000	14,000	14,950	950
Total Charges for Services	<u>916,332</u>	<u>916,332</u>	<u>1,183,922</u>	<u>267,590</u>
FINES AND FORFEITURES	<u>856,500</u>	<u>856,500</u>	<u>807,364</u>	<u>(49,136)</u>
LICENSES AND PERMITS	<u>108,290</u>	<u>112,790</u>	<u>101,359</u>	<u>(11,431)</u>
INVESTMENT INCOME	<u>42,000</u>	<u>42,000</u>	<u>66,166</u>	<u>24,166</u>
MISCELLANEOUS:				
Auctions	5,000	5,000	1,335	(3,665)
Hay sales	1,500	1,500	-	(1,500)
Vendors	500	500	983	483
Cemetery lots	22,500	22,500	19,575	(2,925)
Demolitions	10,000	10,000	3,404	(6,596)
Donations	20,000	24,850	9,893	(14,957)
Court admin fee	-	-	5,363	5,363
Miscellaneous	60,000	60,000	45,414	(14,586)
Credit card payment fees	-	-	3,857	3,857
Restitution reimbursements	-	-	1,847	1,847
Reimbursements	81,000	192,920	166,238	(26,682)
Total Miscellaneous	<u>200,500</u>	<u>317,270</u>	<u>257,909</u>	<u>(59,361)</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	1,721,766	3,887,946	3,887,946	-
Total Other Financing Sources	<u>1,721,766</u>	<u>3,887,946</u>	<u>3,887,946</u>	<u>-</u>
Amounts available for appropriation	<u>14,568,450</u>	<u>16,861,900</u>	<u>16,263,047</u>	<u>(598,853)</u>

(Continued)

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(Continued)

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Original		
Charges to Appropriations (Outflows):				
LEGISLATURE:				
Mayor and Council:				
Personal services	4,845	4,845	4,845	-
Materials and supplies	750	750	393	357
Other services and charges	139,000	128,109	119,896	8,213
Capital outlay	-	2,500	190	2,310
TOTAL LEGISLATURE	144,595	136,204	125,324	10,880
ADMINISTRATION:				
City Manager:				
Personal services	190,040	126,041	125,438	603
Materials and supplies	5,000	5,000	4,832	168
Other services and charges	28,700	52,700	42,580	10,120
Capital outlay	-	1,515	-	1,515
Total City Manager	223,740	185,256	172,850	12,406
Finance:				
Personal services	214,336	211,478	191,691	19,787
Materials and supplies	5,200	5,300	5,266	34
Other services and charges	10,300	23,195	19,234	3,961
Capital outlay	1,500	18,526	2,328	16,198
Total Finance	231,336	258,499	218,519	39,980
City Clerk:				
Personal services	62,828	65,603	65,599	4
Materials and supplies	3,000	1,700	1,583	117
Other services and charges	7,850	6,372	4,829	1,543
Total City Clerk	73,678	73,675	72,011	1,664
City Attorney:				
Personal services	34,590	34,593	34,590	3
Materials and supplies	200	200	-	200
Other services and charges	111,200	107,397	64,726	42,671
Total City Attorney	145,990	142,190	99,316	42,874
Court:				
Personal services	125,856	132,561	131,200	1,361
Materials and supplies	11,000	6,770	6,768	2
Other services and charges	150,350	34,381	33,963	418
Total Court	287,206	173,712	171,931	1,781
Interdepartmental:				
Personal services	325,000	325,000	226,409	98,591
Materials and supplies	3,300	3,300	2,776	524
Other services and charges	877,564	863,837	780,738	83,099
Capital outlay	32,500	-	-	-
Debt service	82,438	76,153	60,212	15,941
Total Interdepartmental	1,320,802	1,268,290	1,070,135	198,155
Information Services:				
Personal services	62,173	64,285	63,851	434
Materials and supplies	3,000	1,000	735	265
Other services and charges	36,700	36,210	36,188	22
Capital outlay	45,000	24,790	24,497	293
Total Information Services	146,873	126,285	125,271	1,014

(Continued)

**CITY OF MCALESTER, OKLAHOMA
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As of and for the Year Ended June 30, 2010**

(Continued)

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Original		
ADMINISTRATION, (Continued):				
CID:				
Personal services	846,916	817,363	746,962	70,401
Materials and supplies	12,700	12,700	8,528	4,172
Other services and charges	5,200	4,800	1,879	2,921
Total CID	<u>864,816</u>	<u>834,863</u>	<u>757,369</u>	<u>77,494</u>
TOTAL ADMINISTRATION	<u>3,294,441</u>	<u>3,062,770</u>	<u>2,687,402</u>	<u>375,368</u>
PUBLIC SAFETY:				
Patrol:				
Personal services	2,556,989	2,546,255	2,499,362	46,893
Materials and supplies	42,700	42,700	32,340	10,360
Other services and charges	70,900	55,032	35,947	19,085
Capital outlay	9,000	16,978	16,974	4
Total Patrol	<u>2,679,589</u>	<u>2,660,965</u>	<u>2,584,623</u>	<u>76,342</u>
Animal Control:				
Personal services	88,946	92,964	92,888	76
Materials and supplies	4,000	2,140	1,440	700
Other services and charges	4,800	2,300	1,025	1,275
Total Animal Control	<u>97,746</u>	<u>97,404</u>	<u>95,353</u>	<u>2,051</u>
Communications:				
Personal services	171,145	175,583	159,365	16,218
Materials and supplies	2,000	1,910	1,189	721
Other services and charges	500	500	140	360
Total Communications	<u>173,645</u>	<u>177,993</u>	<u>160,694</u>	<u>17,299</u>
Fire:				
Personal services	3,150,805	3,004,431	2,963,636	40,795
Materials and supplies	75,400	52,793	48,307	4,486
Other services and charges	54,420	43,020	38,976	4,044
Capital outlay	25,000	34,483	34,466	17
Debt service	22,500	22,665	22,664	1
Total Fire	<u>3,328,125</u>	<u>3,157,392</u>	<u>3,108,049</u>	<u>49,343</u>
EMS:				
Materials and supplies	-	14,890	14,875	15
Other services and charges	-	31,090	30,168	922
Total EMS	<u>-</u>	<u>45,980</u>	<u>45,043</u>	<u>937</u>
TOTAL PUBLIC SAFETY	<u>6,279,105</u>	<u>6,139,734</u>	<u>5,993,762</u>	<u>145,972</u>
COMMUNITY SERVICES:				
Parks:				
Personal services	707,169	713,595	640,880	72,715
Materials and supplies	120,850	95,550	80,333	15,217
Other services and charges	54,600	47,618	43,119	4,499
Capital outlay	32,400	39,692	39,677	15
Total Parks	<u>915,019</u>	<u>896,455</u>	<u>804,009</u>	<u>92,446</u>
Swimming Pools:				
Personal services	88,811	89,549	72,232	17,317
Materials and supplies	43,000	29,403	23,822	5,581
Other services and charges	12,000	6,987	6,588	399
Total Swimming Pools	<u>143,811</u>	<u>125,939</u>	<u>102,642</u>	<u>23,297</u>
Recreation:				
Personal services	200,191	203,492	164,599	38,893
Materials and supplies	11,500	15,900	14,405	1,495
Other services and charges	17,550	15,150	14,935	215
Capital outlay	2,800	2,800	2,800	-
Total Recreation	<u>232,041</u>	<u>237,342</u>	<u>196,739</u>	<u>40,603</u>

(Continued)

**CITY OF MCALESTER, OKLAHOMA
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(Continued)

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Original		
COMMUNITY SERVICES, (Continued):				
Cemetery:				
Personal services	295,014	303,783	275,907	27,876
Materials and supplies	17,250	16,698	12,570	4,128
Other services and charges	5,600	652	627	25
Total Cemetery	317,864	321,133	289,104	32,029
Facility Maintenance:				
Personal services	170,324	177,607	173,909	3,698
Materials and supplies	56,000	54,730	46,281	8,449
Other services and charges	19,000	29,970	25,067	4,903
Capital outlay	-	36,851	27,420	9,431
Total Facility Maintenance	245,324	299,158	272,677	26,481
TOTAL COMMUNITY SERVICES	1,854,059	1,880,027	1,665,171	214,856
ADMINISTRATIVE SERVICES:				
Planning & Community Development:				
Personal services	258,387	275,422	261,425	13,997
Materials and supplies	6,148	3,231	3,191	40
Other services and charges	91,596	74,896	18,991	55,905
Capital outlay	1,200	1,500	1,500	-
Total Planning & Community Development	357,331	355,049	285,107	69,942
Human Resources/Risk Management:				
Personal services	108,103	111,537	109,987	1,550
Materials and supplies	16,250	17,700	16,841	859
Other services and charges	14,500	13,050	9,607	3,443
Total Human Resources/Risk Management	138,853	142,287	136,435	5,852
TOTAL ADMINISTRATIVE SERVICES	496,184	497,336	421,542	75,794
PUBLIC WORKS:				
Fleet Maintenance:				
Personal services	193,720	199,639	169,747	29,892
Materials and supplies	492,250	474,050	416,103	57,947
Other services and charges	750	750	52	698
Total Fleet Maintenance	686,720	674,439	585,902	88,537
Traffic Control:				
Personal services	172,972	193,607	191,932	1,675
Materials and supplies	43,750	37,256	22,036	15,220
Other services and charges	500	500	-	500
Total Traffic Control	217,222	231,363	213,968	17,395
Streets:				
Personal services	624,548	599,504	553,291	46,213
Materials and supplies	208,750	228,723	205,080	23,643
Other services and charges	1,500	850	449	401
Capital outlay	-	62,772	58,775	3,997
Debt service	12,367	12,367	12,329	38
Total Streets	847,165	904,216	829,924	74,292
TOTAL PUBLIC WORKS	1,751,107	1,810,018	1,629,794	180,224
OTHER FINANCING USES:				
Transfers to other funds	552,062	2,895,611	2,886,238	9,373
Total Charges to Appropriations	14,371,553	16,421,700	15,409,233	1,012,467
Ending Budgetary Fund Balance	\$196,897	\$440,200	\$853,814	413,614

**CITY OF MCALESTER, OKLAHOMA
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SPECIAL REVENUE - CAPITAL IMPROVEMENT PLAN FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance, restated	\$284,321	\$384,321	\$393,205	\$8,884
Resources (Inflows):				
Investment income	5,000	5,000	5,033	33
Transfer in	-	975,545	2,500,507	1,524,962
Amounts available for appropriation	<u>289,321</u>	<u>1,364,866</u>	<u>2,898,745</u>	<u>1,533,879</u>
Charges to appropriations (outflows):				
Capital outlay	-	1,279,879	203,557	1,076,322
Transfer out	-	90,630	90,630	-
Total Charges to Appropriations	<u>-</u>	<u>1,370,509</u>	<u>294,187</u>	<u>1,076,322</u>
Ending Budgetary Fund Balance	<u>\$289,321</u>	<u>(\$5,643)</u>	<u>\$2,604,558</u>	<u>\$2,610,201</u>

SPECIAL REVENUE - DEDICATED SALES TAX - MPWA (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$1,760,531	\$1,727,289	\$1,916,441	\$189,152
Resources (Inflows):				
Taxes	4,386,500	4,386,500	3,677,093	(709,407)
Investment income	13,000	13,000	31,041	18,041
Amounts available for appropriation	<u>6,160,031</u>	<u>6,126,789</u>	<u>5,624,575</u>	<u>(502,214)</u>
Charges to appropriations (outflows):				
Administration	2,223,000	4,500	4,500	-
Transfers out	3,226,250	3,322,640	3,322,630	10
Total Charges to Appropriations	<u>5,449,250</u>	<u>3,327,140</u>	<u>3,327,130</u>	<u>10</u>
Ending Budgetary Fund Balance	<u>\$710,781</u>	<u>\$2,799,649</u>	<u>\$2,297,445</u>	<u>(\$502,204)</u>

SPECIAL REVENUE - RESERVE FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$3,375,281	\$3,375,281	\$3,457,438	\$82,157
Resources (Inflows):				
Investment income	20,000	20,000	48,271	28,271
Miscellaneous	5,541	5,541	3,694	(1,847)
Transfers in	200,000	200,000	25,073	(174,927)
Amounts available for appropriation	<u>3,600,822</u>	<u>3,600,822</u>	<u>3,534,476</u>	<u>(66,346)</u>
Charges to appropriations (outflows):				
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>\$3,600,822</u>	<u>\$3,600,822</u>	<u>\$3,534,476</u>	<u>(\$66,346)</u>

See accompanying notes to budgetary comparison schedules

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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 those that are billed by the City (i.e., misc receivables and utility receivables). The modified accrual basis of accounting is used for budgeting of expenditures with the exception of 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, other than those outstanding items related to capital, 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:

	<u>General Fund</u>
Sources/Inflows of resources	
Actual amounts (budgetary basis) "available appropriation" from the budgetary comparison schedule	\$16,263,047
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.	(802,152)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(3,887,946)
The City reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	675,512
The City budgets for revenues on the modified cash basis of accounting, rather than on the modified accrual basis.	<u>162,491</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$12,410,952</u>

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Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$15,409,233
Differences – budget to GAAP:	
The City budgets for encumbrances outstanding at year end related to capital items.	(21,800)
The City budgets for payroll and miscellaneous accrued liabilities on the modified cash basis, rather than on the modified accrual basis.	(80,725)
The City reports on-behalf payments made by state in the General Fund in the fund financials statements, but are not budgeted.	675,512
The City reports capital outlay purchased directly by financial lending Institutions in the fund financial statements, but are not budgeted	444,741
Transfers to other funds and component units are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(2,886,238)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$13,540,723</u>

**Capital
Improvement
Plan Fund**

Sources/Inflows of resources

Actual amounts (budgetary basis) "available appropriation" from the budgetary comparison schedule	\$2,898,745
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.	(393,205)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(2,500,507)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$ 5,033</u>

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Uses/Outflows of resources

Actual amounts (budgetary basis) “total charges to appropriations” from the budgetary comparison schedule	\$294,187
Differences – budget to GAAP:	
The City budgets for encumbrances outstanding at year end related to capital items.	(85,367)
Transfers to other funds and component units are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(90,630)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$118,190</u>

**Dedicated
Sales Tax
Fund**

Sources/Inflows of resources

Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$5,624,575
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.	(1,916,441)
The City budgets for revenues on the modified cash basis of accounting, rather than on the modified accrual basis.	<u>43,019</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$3,751,153</u>

Uses/Outflows of resources

Actual amounts (budgetary basis) “total charges to appropriations” from the budgetary comparison schedule	\$3,327,130
Differences – budget to GAAP:	
Transfers to other funds and component units are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(3,322,630)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$ 4,500</u>

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	<u>Reserve Fund</u>
Sources/Inflows of resources	
Actual amounts (budgetary basis) "available appropriation" from the budgetary comparison schedule	\$3,534,476
Differences – budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(25,073)
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>(3,457,438)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$51,965</u>

4. For the year ended June 30, 2010, 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 (AUUL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2002	\$ 6,841,538	\$ 8,291,427	\$1,449,889	82.5%	\$ 4,717,418	30.7%
7/1/2003	7,212,203	8,673,171	1,460,968	83.2%	4,556,448	32.1%
7/1/2004	7,756,230	9,041,242	1,285,012	85.8%	4,684,360	27.4%
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%

Trend Schedule of Employer Contributions

McAlester Employees' Retirement System			
Fiscal Year	Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
2002	\$343,956	98.8%	(\$91,803)
2003	468,209	72.6%	36,406
2004	448,502	98.6%	41,837
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

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SUPPLEMENTARY INFORMATION

**CITY OF MCALESTER, OKLAHOMA
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Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2010

	SPECIAL REVENUE FUNDS				
	NUTRITION FUND	FIRE IMPROVEMENT GRANT FUND	JUVENILE FINE FUND	POLICE EQUIPMENT FUND	POLICE REVOLVING EVIDENCE FUND
<u>ASSETS</u>					
Cash and cash equivalents	\$5,443	-	\$13,821	-	\$38,800
Investments	-	-	-	-	-
Receivables:					
Accrued interest receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	\$39,654	-
Notes receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Total Assets	<u>\$5,443</u>	<u>-</u>	<u>\$13,821</u>	<u>\$39,654</u>	<u>\$38,800</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$521	-	-	\$939	-
Accrued payroll liabilities	8,396	-	\$389	-	-
Due to other funds	-	-	-	38,715	-
Deferred revenue	-	-	-	24,245	-
Total Liabilities	<u>8,917</u>	<u>-</u>	<u>389</u>	<u>63,899</u>	<u>-</u>
<u>FUND BALANCES</u>					
Unreserved, reported in:					
Special revenue funds	(3,474)	-	13,432	(24,245)	\$38,800
Total fund balances	<u>(3,474)</u>	<u>-</u>	<u>13,432</u>	<u>(24,245)</u>	<u>38,800</u>
Total Liabilities and Fund Balances	<u>\$5,443</u>	<u>-</u>	<u>\$13,821</u>	<u>\$39,654</u>	<u>\$38,800</u>

(Continued)

**CITY OF MCALESTER, OKLAHOMA
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Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2010, Continued

	SPECIAL REVENUE FUNDS				
	HOTEL/MOTEL TAX FUND	E-911 FUND	CEMETERY PERPETUAL CARE FUND	CDBG GRANTS FUND	SALES TAX - SCHOOLS FUND
<u>ASSETS</u>					
Cash and cash equivalents	\$516,901	\$740,601	\$189,916	\$96,386	\$762,263
Investments	-	-	194,000	-	-
Receivables:					
Accrued interest receivable	-	-	451	-	-
Due from other funds	-	-	1,598	-	-
Due from other governments	41,808	-	-	-	131,151
Notes receivable	-	-	-	-	-
Other receivable	-	63,073	-	-	-
Total Assets	<u>\$558,709</u>	<u>\$803,674</u>	<u>\$385,965</u>	<u>\$96,386</u>	<u>\$893,414</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$28,058	\$109,148	-	-	\$100,675
Accrued payroll liabilities	10,125	9,979	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	<u>38,183</u>	<u>119,127</u>	<u>-</u>	<u>-</u>	<u>100,675</u>
<u>FUND BALANCES</u>					
Unreserved, reported in:					
Special revenue funds	<u>520,526</u>	<u>684,547</u>	<u>\$385,965</u>	<u>\$96,386</u>	<u>792,739</u>
Total fund balances	<u>520,526</u>	<u>684,547</u>	<u>385,965</u>	<u>96,386</u>	<u>792,739</u>
Total Liabilities and Fund Balances	<u>\$558,709</u>	<u>\$803,674</u>	<u>\$385,965</u>	<u>\$96,386</u>	<u>\$893,414</u>

(Continued)

CITY OF MCALESTER, OKLAHOMA
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Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2010, Continued

	<u>SPECIAL REVENUE FUNDS</u>			<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>ECONOMIC DEVELOPMENT FUND</u>	<u>FEDERAL FORFEITURE FUND</u>	<u>GIFTS & CONTRIBUTIONS FUND</u>	
<u>ASSETS</u>				
Cash and cash equivalents	\$824,208	\$8,093	\$30,796	\$3,227,228
Investments	529,545	-	-	723,545
Receivables:				
Accrued interest receivable	-	-	-	451
Due from other funds	-	-	-	1,598
Due from other governments	131,151	-	-	343,764
Notes receivable	1,060,500	-	-	1,060,500
Other receivable	-	-	-	63,073
Total Assets	<u>\$2,545,404</u>	<u>\$8,093</u>	<u>\$30,796</u>	<u>\$5,420,159</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$1,369	-	\$244	\$240,954
Accrued payroll liabilities	-	-	-	28,889
Due to other funds	-	-	-	38,715
Deferred revenue	-	-	-	24,245
Total Liabilities	<u>1,369</u>	<u>-</u>	<u>244</u>	<u>332,803</u>
<u>FUND BALANCES</u>				
Unreserved, reported in:				
Special revenue funds	<u>2,544,035</u>	<u>\$8,093</u>	<u>30,552</u>	<u>5,087,356</u>
Total fund balances	<u>2,544,035</u>	<u>8,093</u>	<u>30,552</u>	<u>5,087,356</u>
Total Liabilities and Fund Balances	<u>\$2,545,404</u>	<u>\$8,093</u>	<u>\$30,796</u>	<u>\$5,420,159</u>

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As of and for the Year Ended June 30, 2010**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor
Governmental Funds – Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS				
	NUTRITION FUND	FIRE IMPROVEMENT GRANT FUND	JUVENILE FINE FUND	POLICE EQUIPMENT FUND	POLICE REVOLVING EVIDENCE FUND
Revenues:					
Taxes	-	-	-	-	-
Intergovernmental	\$47,297	\$22,000	-	\$15,408	-
Charges for services	-	-	\$20,010	-	-
Investment income	-	-	-	-	\$553
Miscellaneous	102	-	-	-	-
Total Revenues	47,399	22,000	20,010	15,408	553
Expenditures:					
Current:					
Administration	-	-	-	-	-
Public safety	-	-	4,326	-	3,571
Community services	-	-	-	-	-
Health and welfare	227,694	-	-	-	-
Administrative services	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	14,229	22,172	-	40,043	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	241,923	22,172	4,326	40,043	3,571
Excess (deficiency) of revenues over expenditures	(194,524)	(172)	15,684	(24,635)	(3,018)
Other Financing Sources (Uses):					
Transfers in	191,050	172	-	390	-
Transfers out	-	-	(50,000)	-	-
Total Other Financing Sources (Uses)	191,050	172	(50,000)	390	-
Net change in fund balances	(3,474)	-	(34,316)	(24,245)	(3,018)
Fund balances (deficits) - beginning	-	-	47,748	-	41,818
Fund balances - ending	(\$3,474)	-	\$13,432	(\$24,245)	\$38,800

(Continued)

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2010 (Continued)

	SPECIAL REVENUE FUNDS				
	HOTEL/MOTEL TAX FUND	E-911 FUND	CEMETERY PERPETUAL CARE FUND	CDBG GRANTS FUND	SALES TAX - SCHOOLS FUND
Revenues:					
Taxes	\$426,662	\$653,841	-	-	\$930,030
Intergovernmental	-	-	-	-	-
Charges for services	156,365	-	\$2,309	-	-
Investment income	-	-	9,022	-	8,597
Miscellaneous	-	225	-	-	-
Total Revenues	583,027	654,066	11,331	-	938,627
Expenditures:					
Current:					
Administration	-	-	-	-	-
Public safety	-	448,529	-	-	-
Community services	-	-	4,159	-	179,495
Health and welfare	-	-	-	-	-
Administrative services	464,605	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	39,845	321,962	-	-	-
Debt service:					
Principal retirement	82,926	-	-	-	-
Interest and fiscal charges	10,893	-	-	-	-
Total Expenditures	598,269	770,491	4,159	-	179,495
Excess (deficiency) of revenues over expenditures	(15,242)	(116,425)	7,172	-	759,132
Other Financing Sources (Uses):					
Transfers in	-	-	4,994	\$90,630	-
Transfers out	-	-	-	-	(644,187)
Total Other Financing Sources (Uses)	-	-	4,994	90,630	(644,187)
Net change in fund balances	(15,242)	(116,425)	12,166	90,630	114,945
Fund balances (deficits) - beginning	535,768	800,972	373,799	5,756	677,794
Fund balances - ending	\$520,526	\$684,547	\$385,965	\$96,386	\$792,739

(Continued)

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor
Governmental Funds – Year Ended June 30, 2010 (Continued)**

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ECONOMIC DEVELOPMENT FUND	FEDERAL FORFEITURE FUND	GIFTS & CONTRIBUTIONS FUND	
Revenues:				
Taxes	\$930,030	-	-	\$2,940,563
Intergovernmental	-	\$7,447	-	92,152
Charges for services	-	-	-	178,684
Investment income	18,099	117	-	36,388
Miscellaneous	9,629	-	\$63,091	73,047
Total Revenues	957,758	7,564	63,091	3,320,834
Expenditures:				
Current:				
Administration	-	-	13,280	13,280
Public safety	-	7,511	-	463,937
Community services	-	-	-	183,654
Health and welfare	-	-	-	227,694
Administrative services	-	-	-	464,605
Economic development	287,955	-	-	287,955
Capital outlay	393,261	-	108,455	939,967
Debt service:				
Principal retirement	-	-	-	82,926
Interest and fiscal charges	-	-	-	10,893
Total Expenditures	681,216	7,511	121,735	2,674,911
Excess (deficiency) of revenues over expenditures	276,542	53	(58,644)	645,923
Other Financing Sources (Uses):				
Transfers in	414,790	-	89,196	791,222
Transfers out	(898,219)	-	-	(1,592,406)
Total Other Financing Sources (Uses)	(483,429)	-	89,196	(801,184)
Net change in fund balances	(206,887)	53	30,552	(155,261)
Fund balances (deficits) - beginning	2,750,922	8,040	-	5,242,617
Fund balances - ending	\$2,544,035	\$8,093	\$30,552	\$5,087,356

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Combining Schedule of Net Assets, MPWA Accounts – June 30, 2010

	Enterprise Fund - MPWA			Total
	McAlester Public Works Authority	Landfill Reserve Account	Bond Trustee Account	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$103,131	\$198,334	-	\$301,465
Restricted cash and cash equivalents	1,293,907	-	\$3,615,814	4,909,721
Restricted interest receivable	-	-	39	39
Accounts receivable, net of allowance	1,339,223	50,971	-	1,390,194
Due from other governments	4,722	-	-	4,722
Total current assets	2,740,983	249,305	3,615,853	6,606,141
Noncurrent Assets:				
Restricted Assets:				
Cash and cash equivalents	-	-	1,559,735	1,559,735
Investment in joint venture	1,603,798	-	-	1,603,798
Capital assets:				
Land and other non-depreciable assets	933,598	-	-	933,598
Other capital assets, net of depreciation	19,909,367	-	-	19,909,367
Unamortized bond issuance costs	1,934,207	-	-	1,934,207
Total noncurrent assets	24,380,970	-	1,559,735	25,940,705
Total Assets	27,121,953	249,305	5,175,588	32,546,846
LIABILITIES:				
Current Liabilities:				
Accounts payable	192,795	270,673	-	463,468
Accrued payroll liabilities	116,896	-	-	116,896
Escrow deposit liability	908,473	-	-	908,473
Interest payable	1,333,642	-	-	1,333,642
Deferred revenue	104,543	-	-	104,543
Landfill closure and postclosure liability	254,115	-	-	254,115
Due to depositors	77,087	-	-	77,087
Settlement obligation	125,001	-	-	125,001
Notes payable	167,224	-	-	167,224
Water rights contract obligation	24,640	-	-	24,640
Revenue bonds payable, net	2,395,000	-	-	2,395,000
Accrued compensated absences	28,230	-	-	28,230
Total current liabilities	5,727,646	270,673	-	5,998,319
Noncurrent Liabilities:				
Claims liability	226,281	-	-	226,281
Landfill closure and post-closure liability	2,035,056	-	-	2,035,056
Due to depositors	308,347	-	-	308,347
Net pension benefit obligation	105,663	-	-	105,663
Notes payable	683,710	-	-	683,710
Water rights contract obligation	252,885	-	-	252,885
Revenue bonds payable, net	56,880,170	-	-	56,880,170
Accrued compensated absences	254,074	-	-	254,074
Total noncurrent liabilities	60,746,186	-	-	60,746,186
Total liabilities	66,473,832	270,673	-	66,744,505
NET ASSETS:				
Invested in capital assets, net of related debt	19,714,506	-	-	19,714,506
Restricted for debt service	(1,333,642)	-	4,365,648	3,032,006
Restricted for street improvements	-	-	140,921	140,921
Restricted for economic development	-	-	669,019	669,019
Unrestricted	(57,732,743)	(21,368)	-	(57,754,111)
Total net assets	(\$39,351,879)	(\$21,368)	\$5,175,588	(\$34,197,659)

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Combining Schedule of Revenues, Expenses, and Changes in Net Assets, MPWA Accounts – Year Ended June 30, 2010

	Enterprise Fund - MPWA			Total
	McAlester Public Works Authority	Landfill Reserve Account	Bond Trustee Account	
Operating Revenues:				
Charges for services:				
Water	\$3,210,167	-	-	\$3,210,167
Sewer	1,399,380	-	-	1,399,380
Sanitation	2,456,775	-	-	2,456,775
Water taps	20,275	-	-	20,275
Sewer taps	12,531	-	-	12,531
Water districts	667,030	-	-	667,030
Service charges	121,586	-	-	121,586
Landfill	159,172	-	-	159,172
Penalties	171,026	\$6,076	-	177,102
Use fee	21,380	-	-	21,380
Raw water sales	24,962	-	-	24,962
Subtitle "D" fees	-	319,661	-	319,661
Total operating revenues	8,264,284	325,737	-	8,590,021
Operating Expenses:				
Utility office	356,816	-	-	356,816
Interdepartmental	958,977	-	-	958,977
Sanitation	599,481	-	-	599,481
Engineering	341,602	-	-	341,602
Sewer	660,093	-	-	660,093
Water	806,799	-	-	806,799
Utility maintenance	549,976	-	-	549,976
Fleet maintenance	637,007	-	-	637,007
Landfill	563,914	173,708	-	737,622
Utilities Administration	139,968	-	-	139,968
Depreciation expense	1,011,575	-	-	1,011,575
Amortization expense	109,041	-	-	109,041
Total operating expenses	6,735,249	173,708	-	6,908,957
Operating income (loss)	1,529,035	152,029	-	1,681,064
Non-Operating Revenues (Expenses):				
Investment income	1,000	-	\$1,185	2,185
Interest expense and fiscal charges	(3,563,943)	-	-	(3,563,943)
Grant revenue - operating	22,493	-	-	22,493
Miscellaneous revenue	32,761	-	-	32,761
Gain on joint venture	133,904	-	-	133,904
Total non-operating revenues (expenses)	(3,373,785)	-	1,185	(3,372,600)
Net income (loss) before contributions and transfers	(1,844,750)	152,029	1,185	(1,691,536)
Contributed capital revenue	61,005	-	-	61,005
Interaccount transfers	5,045,729	(233,577)	(4,812,152)	-
Transfers in	3,390	-	4,425,030	4,428,420
Transfer out	(3,866,718)	-	-	(3,866,718)
Change in net assets	(601,344)	(81,548)	(385,937)	(1,068,829)
Total net assets - beginning, restated	(38,750,535)	60,180	5,561,525	(33,128,830)
Total net assets - ending	(\$39,351,879)	(\$21,368)	\$5,175,588	(\$34,197,659)

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010

Combining Schedule of Net Assets, MAA Accounts – June 30, 2010

	McAlester Airport Authority			Total
	McAlester Airport Authority	Airport Grant Account	Airport Hangar Account	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$50,146	\$1,963	\$36,760	\$88,869
Accounts receivable, net of allowance	8,408	-	-	8,408
Total current assets	<u>58,554</u>	<u>1,963</u>	<u>36,760</u>	<u>97,277</u>
Noncurrent Assets:				
Capital assets:				
Land and other non-depreciable assets	42,364	-	-	42,364
Other capital assets, net of depreciation	3,137,344	-	-	3,137,344
Total noncurrent assets	<u>3,179,708</u>	<u>-</u>	<u>-</u>	<u>3,179,708</u>
Total Assets	<u>3,238,262</u>	<u>1,963</u>	<u>36,760</u>	<u>3,276,985</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	1,228	-	-	1,228
Accrued payroll liabilities	4,885	-	-	4,885
Interest payable	674	-	-	674
Notes payable	15,514	-	-	15,514
Accrued compensated absences	2,394	-	-	2,394
Total current liabilities	<u>24,695</u>	<u>-</u>	<u>-</u>	<u>24,695</u>
Noncurrent Liabilities:				
Net pension benefit obligation	3,683	-	-	3,683
Notes payable	335,126	-	-	335,126
Accrued compensated absences	21,542	-	-	21,542
Total noncurrent liabilities	<u>360,351</u>	<u>-</u>	<u>-</u>	<u>360,351</u>
Total liabilities	<u>385,046</u>	<u>-</u>	<u>-</u>	<u>385,046</u>
NET ASSETS:				
Invested in capital assets, net of related debt	2,829,068	-	-	2,829,068
Unrestricted	24,148	1,963	36,760	62,871
Total net assets	<u>\$2,853,216</u>	<u>\$1,963</u>	<u>\$36,760</u>	<u>\$2,891,939</u>

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Combining Schedule of Revenues, Expenses, and Changes in Net Assets, MAA Accounts – Year Ended June 30, 2010

	McAlester Airport Authority			Total
	McAlester Airport Authority	Airport Grant Account	Airport Hangar Account	
Operating Revenues:				
Rents and fees	\$110,415	-	-	\$110,415
Total operating revenues	<u>110,415</u>	<u>-</u>	<u>-</u>	<u>110,415</u>
Operating Expenses:				
Airport	187,647	-	-	187,647
Depreciation expense	149,650	-	-	149,650
Total operating expenses	<u>337,297</u>	<u>-</u>	<u>-</u>	<u>337,297</u>
Net income (loss) before contributions and transfers	(226,882)	-	-	(226,882)
Interest expense	(15,968)	-	-	(15,968)
Miscellaneous	2,645	-	-	2,645
Transfers in	125,454	-	-	125,454
Change in net assets	(114,751)	-	-	(114,751)
Total net assets - beginning	2,967,967	\$1,963	\$36,760	3,006,690
Total net assets - ending	<u>\$2,853,216</u>	<u>\$1,963</u>	<u>\$36,760</u>	<u>\$2,891,939</u>

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Schedule of Expenditures of Federal Awards – Year Ended June 30, 2010

Federal/State Grantor/Pass through agency Grantor/Program Title	Federal CFDA Number	Grant #	Award Amount	Federal Expenditures
FEDERAL AWARDS:				
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Bulletproof Vest Partnership Program Office of Justice Programs:	16.607	N/A	\$13,250	\$390
2009 Recovery Act Justice Assistance Grant (ARRA)	16.804	2009-SB-B9-2947	40,595	39,263
Total U.S. Department of Justice			<u>53,845</u>	<u>39,653</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
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	47,297	47,297
Total U.S. Department of Health and Human Services			<u>47,297</u>	<u>47,297</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed through Oklahoma Highway Safety Office: State and Community Highway Safety	20.600	PT-09-03-36-01	30,000	8,430
State and Community Highway Safety	20.600	PT-10-03-23-02	30,000	22,239
Total U.S. Department of Transportation			<u>60,000</u>	<u>30,669</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Passed through Oklahoma Office of Homeland Security: Disaster Grant - Public Assistance (Flooding)	97.036	FEMA-1678-DR-OK	29,990	22,493
Total U.S. Department of Homeland Security			<u>29,990</u>	<u>22,493</u>
TOTAL FEDERAL AWARDS			<u>\$191,132</u>	<u>\$140,112</u>

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.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

Schedule of Revenue Bond Coverage – Year Ended June 30, 2010

	<u>Series 1999, 2002 Bonds & 1999 Loan</u>
Gross Revenue Available for Debt Service:	
Charges for services	\$8,590,021
Sales tax pledged and transferred	<u>2,907,840</u>
Total Gross Revenues Available	<u>11,497,861</u>
Operating Expenses:	
Water, Sewer and Sanitation	<u>5,788,341</u>
Total Operating Expenses	<u>5,788,341</u>
Net Revenues Available for Debt Service	<u>\$5,709,520</u>
Debt Service Requirements:	
Average annual principal and interest requirements on bonds and subordinate debt:	
Series 1999 Utility System Revenue Bonds	\$3,014,371
Series 2002 Utility System Revenue Bonds	940,443
1999 CDBG Loan	<u>13,750</u>
Total average annual debt service	<u>\$3,968,564</u>
Computed Coverage	<u>144%</u>
Coverage Requirement	<u>125%</u>

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.

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

INTERNAL CONTROL AND COMPLIANCE INFORMATION

**CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2010**

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RAHHAL HENDERSON JOHNSON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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, Oklahoma

We have audited the financial statements of governmental activities, the business-type activities, the fiduciary-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of McAlester, Oklahoma, as of and for the year ended June 30, 2010, which collectively comprise City of McAlester, Oklahoma's basic financial statements and have issued our report thereon dated August 9, 2011. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of McAlester Regional Health Center Authority, as described in our report on City of McAlester, Oklahoma's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of McAlester, Oklahoma's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of McAlester, Oklahoma's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of McAlester, Oklahoma's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal

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control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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. We consider the deficiencies in 2010-1 and 2010-2 described in the accompanying schedule of findings and responses to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of McAlester, Oklahoma's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as item 2010-1 through 2010-2.

The City of McAlester, Oklahoma's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of McAlester, Oklahoma's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit and finance committee, management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
July 21, 2011

City of McAlester, Oklahoma
Schedule of Findings and Responses
June 30, 2010

2010-1 Expenditures

Condition – Three of twenty-five expenditures tested for compliance found the invoice dates preceded the purchase order date.

Criteria – Oklahoma Statutes Title 62, Section 310-1 through 310.9 and the city purchasing ordinance requires approval of purchases prior to obtaining goods or services.

Effect – Noncompliance with procedures and Oklahoma law.

Cause - Procedures not followed when obtaining goods or services.

Recommendation – We recommend purchase orders be obtained prior to obtaining goods or services.

Views of responsible officials – The City has notified all staff involved in purchasing that there has been an issue with discrepancy on the dates of the invoices being prior to the date of the purchase order. Some have been notified that purchase orders must be obtained prior to the actual purchase. Occasionally emergency expenditures must be made prior to the issuance of a purchase order, and staff is including information regarding said emergencies with the subsequent requisitions. Along with this same issue, the City Management is in the process of amending their “Administrative Policy No. 1 & No. 2” and will bring these requested changes to the City Council for their approval.

2010-2 Deficit Fund Balances

Condition – Two non-major funds had deficit fund balances at year end.

Criteria –Oklahoma statutes Title 11, Section 17-211 prohibits deficit fund balances.

Effect – Noncompliance with Oklahoma law.

Cause – Year end accruals changed fund balance resulting in deficit.

Recommendation – We recommend funds be monitored and allowances for accruals made to prevent deficits from occurring.

Views of responsible officials - The City has adjusted year end practices to insure that the negative fund balances will no longer take place. The two funds included are the Nutrition Fund, and due to accruals of expenditures in the current year audited, this caused a deficit fund balance of \$3,474. Grant revenue for the Nutrition fund was also less than expected. Now the Nutrition Fund has a small working fund balance.

With the implementation of the new Governmental Auditing Standard named GASB 54 which takes effect with the City’s 2010-2011 fiscal year, the Nutrition Fund will be combined with the General Fund for the major reporting segments. GASB 54 contains changes to fund balance

City of McAlester, Oklahoma
Schedule of Findings and Responses
June 30, 2010

classifications for governmental funds as well as definitions for each of the governmental fund types.

The Police Equipment Fund also had a deficit fund balance due to the City not receiving the required Grant revenue within the qualified time frame. Staff had been reporting grant revenue on two different federal web-sites and did not realize that an additional agency needed to be utilized to request the draw-down. All funds have since been received.



McAlester City Council

AGENDA REPORT

Meeting Date: August 9, 2011 Item Number: 3
Department: Finance
Prepared By: Gayla Duke Account Code: _____
Date Prepared: August 1, 2011 Budgeted Amount: _____
Exhibits: none

Subject

Consider and act upon, approval of the attached City of McAlester, Oklahoma, Governmental Fund Balance Policy.

Recommendation

Due to implementation of Governmental Accounting Standards Board Statement No. 54, the City of McAlester must adopt a Fund Balance Policy.

Discussion

See attached Governmental Fund Balance Policy, to be included with other City of McAlester Administrative Policies.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	GDD	08-01-2011
City Manager	<i>R/S</i>	

City of McAlester, Oklahoma

Governmental Fund Balance Policy

Background:

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City Council to make certain decisions regarding the use of resources and classifications of ending fund balance in order for the annual financial reports (audits) to be compliance with generally accepted account principles (GAAP).

The intent of GASB 54 is to improve the usefulness of the amounts reported in ending fund balances on the year-end financial reports by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

For purposes of GASB 54, only governmental funds will be required to be classified under the new fund balance classifications. The classification of proprietary funds and fiduciary funds will not be affected by the implementation of GASB 54.

Purpose:

The purpose of City of McAlester, Oklahoma, Governmental Fund Balance Policy (“Policy”) is to set for the policy direction for the implementation of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions which establishes a hierarchy of fund balance classifications which are based primarily on the extent to which the City is bound by constraints placed on resources. Fiscal year 2010-2011 is the first year the City must implement this new statement.

Policy:

Fund Balance is defined as the excess of total assets as compared to total liabilities in a governmental fund.

As defined by GASB 54, the financial statement reporting for governmental funds will classify fund balances into five categories as follows, based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which those funds can be spent.

- 1) **Nonspendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory, prepaid expenses, long-term receivables (unless the proceeds are restricted, committed, or assigned), or corpus of a permanent fund.

- 2) **Restricted fund Balance** – includes amounts that can be spent only for the specific purposes stipulated by external providers either constitutionally or through enabling legislation as defined in GASB Statement No. 46. Examples include grants, donations from external parties, State constitutionally mandated gas excise tax, or enabling legislation whereby the government restricts itself, (i.e. of enabling is creating something new, such as a new revenue source,) and must have the weight of law (ordinance not a resolution).
- 3) **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority which is the Council, and the highest form of legislation which is an ordinance. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. Action to constrain resources should occur within the fiscal reporting period while though the exact amount committed may be subsequently determined. This is where you would classify appropriation of existing fund balance when a budget is approved by ordinance.
- 4) **Assigned fund balance** – Amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. This is where you would classify appropriation of existing fund balance when a budget is approved by resolution.
- 5) **Unassigned fund balance** – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. This is to be reported only in the general fund, except in cases of negative fund balance, these negative balances in other governmental funds are reported as unassigned.

Governmental fund type definitions:

GASB 54 provides further clarification on the use of various governmental fund types. For the City of McAlester, GASB 54 impacts the City’s: General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.

General Fund: Account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds: Account for and report the proceeds of specific revenue sources that are:

1. Restricted or committed to expenditure for specified purposes other than debt service or capital projects.

2. Proceeds of specific revenue sources establish that one or more specific restricted or committed revenues should be the foundation for a Special Revenue Fund. The specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund.
3. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund.
4. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the Special Revenue Fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

Capital Projects Funds: Account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds: Account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should be reported in Debt Service Funds.

Order of Expenditure of Funds:

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 after *restricted* funds are used first, then *committed* amounts be reduced, followed by *assigned* amounts and then *unassigned* amounts when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used.



McAlester City Council

AGENDA REPORT

Meeting Date:	<u>August 9, 2011</u>	Item Number:	<u>4</u>
Department:	<u>City Manager</u>		
Prepared By:	<u>Peter J. Stasiak, CM</u>	Account Code:	<u>01-5652302</u>
Date Prepared:	<u>July 29, 2011</u>	Budgeted Amount:	<u>\$24,000</u>
		Exhibits:	<u>1</u>

Subject

Consider and act upon, authorizing the Mayor to execute a contract for Professional Services between Robison International, Inc. and McAlester Defense Support Association and the City of McAlester to retain consultant as an independent contractor to render certain described consulting services.

Recommendation

Motion to approve authorizing the Mayor to sign a contract for professional services between Robison International, Inc., and McAlester Defense Support Association, and the City of McAlester.

Discussion

Robison International, Inc. will provide:

- 1) Information feedback and perspectives to assist in formulating and implementing short and long term strategies for expansion of the City's participation in DOD and other programs.
- 2) Assist the City's Washington DC legislative liaison activity as needed.
- 3) Assist the City's Washington DC lobbying activity to include providing information and assessments on key programs of interest to the City being considered by Congress.
- 4) Assist MDSA and the City in development plans for continuation of current programs/missions, as well as future opportunities at the McAlester Army Ammunition Plan (McAAP) as well as other defense work in the area.
- 5) Provide position papers and relevant data on issues requested.
- 6) In performing these services, Robison International will work in close cooperation with MDSA and the City, and other designated points of contact.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head		
City Manager	P. Stasiak <u><i>PJS</i></u>	<u>08/01/11</u>

Contract for Professional Services Between
ROBISON INTERNATIONAL, INC.
and
MCALESTER DEFENSE SUPPORT ASSOCIATION AND THE CITY OF MCALESTER

This Agreement is made 1 July 2011, by and between Robison International, Inc., a consulting firm doing business in Washington, DC, herein referred to as "Consultant", the McAlester Defense Support Association, herein referred to as "MDSA" and the City of McAlester herein referred to as "The City"

In consideration of the mutual promises set forth herein, it is agreed by and between Consultant, MDSA and The City:

ARTICLE I – CHARACTER AND EXTENT OF SERVICES

A. Consultant agrees to provide consulting services on behalf of MDSA and The City in accordance with the statement of Work, incorporated herein and made part of this Agreement.

B. In furtherance of its business MDSA and The City wish to retain consultant as an independent contractor to render certain described consulting services. This Agreement provides for the retention of Consultant as independent contractor, and neither Consultant, nor his own employees or agents, shall be considered employees of MDSA or The City for any purpose.

C. MDSA and The City agree to cooperate in full with Consultant should such cooperation be necessary to the furtherance of the services described in the Statement of Work.

D. The Account Executive for the Consultant for the purposes of this agreement is John Bonsell, Vice President.

ARTICLE II – BILLING AND PAYMENTS

A. The City agrees to pay Consultant a retainer for the services listed in the statement of work as items 1, 2 and 3 in the amount of \$2,000, per month beginning July 1, 2011. at the rate of Two Thousand dollars (\$2,000) per month beginning 1 July, 2011. Such services shall be considered lobbying or unallowable expenses in the sense of CFAR 31.205.33 unless otherwise noted. Payment to Consultant is due within thirty (30) days after receipt of invoice.

B. MDSA agrees to pay Consultant a retainer for the services listed in the statement of work as items 4, 5, and 6 in the amount of Two Thousand dollars (\$2,000), per month beginning July 1, 2011. Such services will not be considered as lobbying. In addition, it is agreed that Consultant will be reimbursed in full for all out-of-pocket travel expenses incurred. Reimbursement of expenses hereunder will be made on the basis of itemized statements submitted by Consultant, which statements are to include actual bills, receipts, invoices or other evidence of expenditures. Payment to Consultant is due within thirty (30) days after receipt of invoice

C. Invoicing and backup documentation will not be prepared in accordance with CFAR 31.205.33 unless required by the Statement of Work.

ARTICLE III – CHANGES

MDSA and The City without invalidating this Agreement may order changes in service within the general scope of the Agreement and Statement of Work, consisting of additions, deletions or other revisions. All such changes shall be authorized in writing and executed by Consultant, MDSA and The City.

ARTICLE IV – PLACE AND PERIOD OF PERFORMANCE

This contract is effective 1 July 2011 through 30 June 2012 (initial term). However, the Agreement may be terminated by either party upon sixty (60) days written notice, via registered mail, at any time after thirty days from the date this Agreement. In the event of such a termination, the Consultant shall be paid the value of services rendered and cost incurred to the date of termination.

After the initial term of the contract, unless notified in writing by either party otherwise, the agreement will continue in effect on a year to year basis until terminated by either party as described above.

ARTICLE V – NOT A WARRANTY

Consultant agrees to use his best effort in the furtherance of the work described. It is mutually agreed, however, that Consultant does not guarantee or warrant to MDSA and/or The City any particular result of his efforts.

ARTICLE VI – ENFORCEMENT

A. It is mutually understood and agreed that this Agreement shall be governed by and construed in accordance to the laws of the District of Columbia. Any action at law or in equity or judicial proceedings for the enforcement of this Agreement, or any provision thereof, shall be resolved by a court of Law having jurisdiction.

B. In the event legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable amount for attorney's fees and court costs.

ARTICLE VII – REGISTRATION

Unless directed otherwise, Consultant shall register as lobbyist on behalf of The City in accordance with the Lobby Disclosure Act of 1995 (2 U.S.C.1601 et seq.).

ARTICLE VIII – ENTIRE AGREEMENT

This document, and attachments incorporate by reference herein, embodies the entire Agreement between MDSA, The City and Consultant. There are no promises, terms, conditions or obligations of either party other than those contained herein. This Agreement shall supersede all previous correspondence, representations or agreements, either written or oral between the parties.

IN WITNESS WHEREOF, Consultant, MDSA and The City do hereby place their hands.

CONSULTANT

BY: _____ Date: _____
Randall L West
President
Robison International, Inc.

McAlester Defense Support Association (MDSA)

BY: Mark Jordan Date: 7/20/2011
Mark Jordan
Chairman

The City of McAlester (The City)

BY: _____ Date: _____
Kevin Priddle
Mayor

ATTEST:

Cora Middleton
City Clerk

STATEMENT OF WORK

Robison International Inc. will provide to MDSA and The City the following services and deliverables:

For the City:

1. Information, feedback and perspectives to assist in formulating and implementing short and long term strategies for expansion of The City's participation in DOD and other programs.
2. Assist The City's Washington DC legislative liaison activity as needed.
3. Assist The City's Washington DC lobbying activity to include providing information and assessments on key programs of interest to The City being considered by Congress.

For the MDSA:

4. Assist MDSA and the City in development plans for continuation of current programs/missions, as well as future opportunities at the McAlester Army Ammunition Plant (McAAP) as well as other defense work in the area.
5. Provide position papers and relevant data on issues requested.
6. In performing these services, Robison International will work in close cooperation with MDSA and the City, and other designated points of contact.

Note: Items 1, 2, and 3 are considering Lobbying



McAlester City Council

AGENDA REPORT

Meeting Date: August 9, 2011 Item Number: 5
Department: Airport/Mel Priddy
Prepared By: Sheila Norman Account Code: _____
Date Prepared: July 27, 2011 Budgeted Amount: _____
Exhibits: 1

Subject

Consider and act upon authorizing the Mayor to sign a renewal Loan Agreement #119817 with First National Bank in the amount of \$333,909.56 for an additional 5 years at 4.25% interest with a monthly payment of \$2,510.00.

Recommendation

Motion to approve authorizing the Mayor to sign a renewal Loan Agreement #119817 with First National Bank.

Discussion

The original loan in the amount of \$405,325.00 was entered into on July 11, 2006. It was set up on payments of \$2,510.00 per month with a balloon payment due on July 15, 2011 in the amount of \$333,909.56, with the understanding the City could renew the loan for an additional 5 years at maturity. The accrued interest from the July 15th thru August 10th, 2011 is \$1,049.76. The new loan payments will begin on September 15th in the amount of \$2,510.00. The payments on this loan are included in the 2011-2012 Airport Budget.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	MWP	7/27/11
City Manager	P. Stasiak <i>PJS</i>	8/01/11

Refinance of First National Bank Note #119817
For Corporate Hanger at McAlester Regional Airport

Original Loan Amount \$405,325.00

Principal to Refinance \$333,909.56
(5 year renewal)

Monthly Payments \$ 2,510.00
(Beginning Sept, 2011)

Accrued Interest \$ 1,049.76
(7/15/11 to 8/10/11)

PROMISSORY NOTE - Fixed or Variable Rate - Commercial

DATE OF NOTE 07/11/2006

DEBTOR'S NAME(S) McAlester Airport Authority; LENDER'S NAME AND ADDRESS First National Bank & Trust Co. Of McAlester; DEBTOR'S ADDRESS P.O. Box 578 McAlester, OK 74502; NOTE NUMBER 119817; MATURITY DATE 07/15/2011; PRINCIPAL AMOUNT \$405,325.00; CUSTOMER NUMBER 3634418; SOCIAL SECURITY/TIN NUMBER 73-6006314; FIXED INTEREST RATE PER ANNUM 4.250; PURPOSE OF LOAN Refi; orig. for construction of airport hangars

PROMISE TO PAY. For value received, the undersigned Debtor, whether one or more, and jointly and severally if more than one, agrees to the terms of this Note and promises to pay to the order of the Lender named above at its place of business as indicated in this Note or at such other places as may be designated in writing by Lender, the Principal Amount of this Note together with interest on the unpaid Principal Amount until maturity at the per annum interest rate or rates stated above and according to the Payment Terms stated in this Note.

PREPAYMENT. Debtor shall have the right to prepay all or any part of the principal due under this Note at any time, subject to the following conditions: (a) all interest must be paid through the date of any prepayment; (b) if this Note provides for monthly or other periodic payments, there will be no changes in the due dates or amounts following any partial prepayments unless Lender agrees to such changes in writing; and (c) upon prepayment, in whole or in part, Lender may charge and Debtor agrees to pay a fee of premium calculated as follows (this fee/premium provision will not apply if prohibited by applicable law): Prepayment fee of \$25.00.

COLLATERAL. This Note and all other obligations of Debtor to Lender, including renewals and extensions, are secured by all collateral securing this Note and by all other security interests and mortgages previously or later granted to Lender and by all money, deposits and other property owned by any Debtor and in Lender's possession or control. ACCELERATION. At option of Lender, the unpaid balance of this Note and all other obligations of Debtor to Lender, whether direct or indirect, absolute or contingent, now existing or later arising, shall become immediately due and payable without notice or demand, upon or after the occurrence or existence of any of the following events or conditions: (a) Any payment required by this Note or by any other note or obligation of Debtor to Lender or to others is not made when due, or any event or condition occurs or exists which results in acceleration of the maturity of any Debtor's obligation to Lender or to others under any promissory note, agreement or undertaking; (b) Debtor defaults in performing any covenant, obligation, warranty or provision contained in any loan agreement or in any instrument or document securing or relating to this Note or any other note or obligation of Debtor to Lender or to others; (c) any warranty, representation, financial information or statement made or furnished to Lender by or on behalf of Debtor proves to have been false in any material respect when made or furnished; (d) any levy, seizure, garnishment or attachment is made against any asset of any Debtor; (e) Lender determines, at any time and in Lender's sole discretion, that the prospect of payment of this Note is impaired; (f) whenever, in Lender's sole judgment, the collateral for the debt evidenced by this Note becomes unsatisfactory or insufficient either in character or value and, upon request, Debtor fails to provide additional collateral as required by Lender; (g) all or any part of the collateral for the debt evidenced by this Note is lost, stolen, substantially damaged or destroyed; (h) death, incompetency, insolvency, dissolution, change in ownership or senior management, or termination of existence of any Debtor; or (i) a receiver is appointed over all or part of any Debtor's property, or any Debtor makes an assignment for the benefit of creditors, files for relief under any bankruptcy or insolvency laws, or becomes subject to an involuntary proceeding under such laws, upon the occurrence of any event described above, Lender may, at its option and with or without accelerating the Note, increase the Interest Rate on this Note to the Default Rate provided herein.

RIGHT OF OFFSET. Except as otherwise restricted by law, any indebtedness due from Debtor to Lender, including, without limitation, any deposits or credit balances due from Debtor, is pledged to secure payment of this Note and any other obligation to Lender of Debtor, and may at any time while the whole or any part of such obligation(s) remain(s) unpaid, either before or after maturity of this Note, be set off, appropriated, held or applied toward the payment of this Note or any other obligation to Lender by any Debtor.

ADDITIONAL PROVISIONS. (1) Debtor agrees, if requested, to furnish to Lender copies of income tax returns as well as balance sheets and income statements for each fiscal year following Date of Note and at more frequent intervals as Lender may require. (2) No waiver by Lender of any payment or other right under this Note or any related agreement or documentation shall operate as a waiver of any other payment or right. All Debtors waive presentment, notice of acceleration, notice of dishonor and protest and consent to substitutions, releases and failure to perfect as to collateral and to additional or releases of any Debtor. (3) This Note and the obligations evidenced by it are to be construed and governed by the laws of the state indicated in Lender's address shown in this Note. (4) All Debtors agree to pay costs of collection, including, as allowed by law, an attorney's fee equal to a minimum of 15% of all sums due upon default or such other maximum fee as allowed by law. (5) All parties signing below acknowledge receiving a completed copy of this Note and related documents, which contain the complete and entire agreement between Lender and any party liable for payment under this Note. No variation, condition, modification, change, amendment, extension or renewal (collectively referred to as a "Revision") of this Note or related documents shall be binding unless in writing and signed by Lender and Debtor. If there is more than one Debtor, any Debtor may agree to a Revision of this Note and/or related documents, and all Debtors agree to be bound by such Revision. No legal relationship is created by the execution of this Note and related documents except that of debtor and creditor or as stated in writing.

DEBTOR'S SIGNATURE(S) [Signature] By: Don R. Lewis, Chairman Of Trustees of McAlester Airport Authority

Linda Daniels

From: Frank Mason [mason1932@allegiance.tv]
Sent: Friday, July 29, 2011 7:37 PM
To: Peter Stasiak
Cc: Linda Daniels
Subject: Ordinance 2391 enacted June 14, 2011

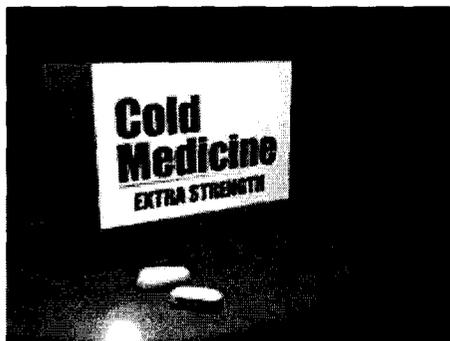
Pete,

Following the announcement by the Oklahoma Attorney General as outlined below, I am requesting an agenda item rescinding the subject ordinance be placed on the council agenda for meeting August 9, 2011.

City "Meth Ordinances" Are Voided By Oklahoma AG's Opinion

Posted: Jul 29, 2011 4:10 PM CDT
Updated: Jul 29, 2011 4:10 PM CDT
Friday, July 29, 2011 5:10 PM EST

posted by: Kevin King - email



Oklahoma City -

An opinion released by the Oklahoma Attorney General's Office makes ordinances passed by cities banning purchase of pseudoephedrine without a prescription null and void.

Oklahoma Attorney General Scott Pruitt released the opinion Friday, saying "A municipality that undertakes to enact an ordinance prohibiting the dispensing, sale or distribution of pseudoephedrine except upon the order of a lawful prescription removes an option carefully preserved by the legislature for persons desiring to lawfully obtain pseudoephedrine without the necessity or burden of obtaining a prescription."

Pseudoephedrine is a key component in the making of methamphetamine.

A handful of cities, including Okmulgee, McAlester, Holdenville and Chouteau, passed ordinances earlier this year seeking to cut down on meth production.



McAlester City Council

AGENDA REPORT

Meeting Date: August 9, 2011 **Item Number:** 7
Department: Ward Redistricting Committee
Prepared By: Cora Middleton, City Clerk **Account Code:** _____
Date Prepared: August 1, 2011 **Budgeted Amount:** _____
Exhibits: 1

Subject

Consider, and act upon the City Council setting appropriate charges/fees for copies of proposed Ward Redistricting Maps and related information.

Recommendation

Motion to approve the City Council setting appropriate charges/fees for copies of proposed Ward Redistricting Maps and related information.

Discussion

The Ward Redistricting Committee at its last Special Meeting held on July 28, 2011 discussed the requirements set forth in the City Charter relating to the Ward Redistricting Plan and are requesting the City Council of the City of McAlester to set a price for said Plan which is to be made available to the public per the City Charter of the City of McAlester, Section 6.04, c, 2.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	CM	08/01/11
City Manager	<i>P/S</i>	

because of a tie, the nominee or nominees shall be determined from among those tying, fairly by lot, by the county election board in a public meeting. If one of the two candidates for an office nominated in a primary election dies or withdraws before the general election, the remaining candidate shall be elected ipso facto; and his name need not appear on the ballot for the general election.

Sec. 6.04. Council Wards; Adjustment of Ward Boundaries.

(a) Number of Wards. There shall be six City Council wards.

(b) Ward Commission; Composition; Appointment; Terms; Vacancies; Compensation.

- (1) There shall be a Ward Commission consisting of seven (7) members. Each City Council person shall appoint one (1) member to the Commission. These six (6) members shall, with the affirmative vote of at least four (4), choose the seventh (7th) member who shall be chairman.
- (2) No member of the Commission shall be an elected official or be employed by the City.
- (3) The City Council shall appoint the Commission no later than one year and five months before the first (1st) general election of the City Council after each federal decennial census. The Commission's term shall end upon adoption of a ward plan, as set forth in § 6.04(c).
- (4) In the event of a vacancy on the Commission by death, resignation or otherwise, the City Council shall appoint a new member to serve the balance of the term remaining.
- (5) No member of the Ward Commission shall be removed from office by the City Council except for cause and upon notice and hearing.
- (6) The members of the Commission shall serve without compensation.
- (7) The Commission may require agencies of City government to provide technical assistance. The Commission shall have a budget as provided by the City Council.

(c) Powers and Duties of the Commission; Hearings, Submissions, and Approval of Plan.

- (1) Following each decennial census, the Commission shall consult the City Council and shall prepare a plan for dividing the City into wards for the election of Council members. In preparing the plan, the Commission shall be guided by the criteria set forth in § 6.04 (d). The report on the plan shall include a map and description of the wards recommended.
- (2) The Commission shall hold one or more public hearings not less than one month before it submits the plan to the City Council. The Commission shall make its plan available to the public for inspection and comment not less than one month before its public hearing. At that time the plan shall be available for purchase by the public at a reasonable price set by the Council. The plan shall also be posted on a website or available to the public by other electronic means.
- (3) The Commission shall submit its plan to the City Council not less than one year before the first general election of the City Council after each decennial census.
- (4) The plan shall be deemed adopted by the City Council unless disapproved within three (3) weeks by the vote of the majority of all members of the City Council. If the City Council fails to adopt the plan, it shall return the plan to the Commission with its objections and with the objections of individual members of the Council.
- (5) Upon rejection of its plan, the Commission shall prepare a revised plan and shall submit such revised plan to the City Council no later than nine months before the first general election of the City Council after the decennial census. Such revised plan shall be deemed adopted by the City Council unless disapproved within two weeks by the vote of two-thirds of all of the members of the City Council and unless, by a vote of two-thirds of all of its members, the City Council votes to file a petition in the District Court, Pittsburg



McAlester City Council

AGENDA REPORT

Meeting Date:	<u>August 9, 2011</u>	Item Number:	<u>8</u>
Department:	<u>Police</u>		
Prepared By:	<u>Darrell Miller</u>	Account Code:	<u>42-5321401</u> <u>29-5324202</u>
Date Prepared:	<u>July 18, 2011</u>	Budgeted Amount:	<u>\$40,617.93</u> <u>\$1,865.42</u>
		Exhibits:	<u>1</u>

Subject

TABLED - Consider, and act upon, a bid award to Total Radio Inc., for the purchase of thirty-eight (38) hand held radios and forty-three (43) mobile radios.

Recommendation

Motion to approve a \$52,483.35 bid from Total Radio, Inc. for the purchase of new radios.

Discussion

The Police Department needs thirty-eight hand held radios and forty-three mobile radios to outfit the entire department with new radios. Several radios need replaced to meet narrow band requirements and to be compatible for digital mode.

The police department currently has enough funds in Federal Forfeiture and 911 to purchase thirty-eight hand held radios and nineteen mobile radios. This will outfit all police officers, animal control officers, and 911 with new hand held radios and will outfit all but twenty-four cars with mobile radios. The other twenty-four radios have been applied for on a District Attorney's Council Grant. If approved, this \$10,000 grant will purchase the remaining mobile radios for the cars.

Each hand held radio cost \$515.18

Each mobile radio cost \$417.53

Approved By

		<i>Initial</i>	<i>Date</i>
Department Head		JL	07-18-2011
City Manager	P. Stasiak		08-01-2011



McAlester City Council

AGENDA REPORT

Meeting Date:	<u>August 9, 2011</u>	Item Number:	<u>9</u>
Department:	<u>Public Works-Engineering</u>		
Prepared By:	<u>John C. Modzelewski, PE</u>	Account Code:	<u>02-5871302</u>
Date Prepared:	<u>July 19, 2011</u>	Budgeted Amount:	<u>\$50,000</u>
		Exhibits:	<u>1</u>

Subject

TABLED - Consider, and act upon, an Agreement for Engineering Services with Meshek & Associates, PLC for Phase II Stormwater Management Program Permit for the City of McAlester to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA's National Pollutant Discharge Elimination System (NPDES).

Recommendation

Motion to approve an Agreement for Engineering Services with Meshek & Associates, LLC for Phase II Stormwater Management Program activities during FY 2011-2012 for a fee not to exceed \$50,000.

Discussion

In July 2008, the City of McAlester City Council approved the selection of Meshek & Associates PLC as the City's engineering consultant for the Phase II Stormwater Management Program. The requirements of the first permit have been completed. The ODEQ continues to prepare the requirements for the next permit cycle of the NPDES Phase II Stormwater Management Program. This agreement will allow Meshek & Associates PLC to continue working with the City to be in compliance with NPDES Permit Phase II requirements.

Approved By

		<i>Initial</i>	<i>Date</i>
Department Head		JCM	07/19/11
City Manager	P. Stasiak		08/01/11

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE**

THIS AGREEMENT, made and entered into this ____ day of _____, 2011 between the City of McAlester, Oklahoma, a Municipal Corporation of Oklahoma, hereinafter referred to as CITY, and Meshek & Associates, PLC hereinafter referred to as ENGINEER;

WITNESSETH:

WHEREAS, CITY intends to comply with the previous requirements of the approved Phase II Stormwater Management Plan for the City, hereinafter referred to as the PROJECT; and,

WHEREAS, CITY requires certain professional services in connection with the PROJECT, including the development of a new Permit Application, hereinafter referred to as the SERVICES; and,

WHEREAS, ENGINEER, is prepared to provide such SERVICES;

WHEREAS, funding is available for the PROJECT through _____.

NOW THEREFORE, in consideration of the promises contained herein, the parties hereto agree as follows:

1. PROJECT DESCRIPTION. The scope of the PROJECT is described in Attachment A, PROJECT DESCRIPTION, which is attached hereto and incorporated by reference as part of this AGREEMENT.
2. SERVICES TO BE PERFORMED BY ENGINEER. ENGINEER shall perform the SERVICES described in Attachment B, SCOPE OF SERVICES, which is attached hereto and incorporated by reference as part of this AGREEMENT.
3. CITY'S RESPONSIBILITIES. CITY shall be responsible for all matters described in Attachment C, RESPONSIBILITIES OF THE CITY, which is attached hereto and incorporated by reference as part of this AGREEMENT.
4. COMPENSATION. CITY shall pay ENGINEER in accordance with Attachment D, COMPENSATION, and further described in Attachment E, BILLING RATE SHEET, which are attached hereto and incorporated by reference as part of this AGREEMENT.
5. SCHEDULE. ENGINEER shall perform the SERVICES described in Attachment B, SCOPE OF SERVICES, in accordance with the schedule set forth in Attachment F, SCHEDULE, attached hereto and incorporated by reference as part of this AGREEMENT.
6. STANDARD OF PERFORMANCE. ENGINEER shall perform the SERVICES undertaken in a manner consistent with the prevailing accepted standard for similar services with respect to projects of comparable function and complexity and with the applicable laws and regulations published and in effect at the time of performance of the SERVICES. The PROJECT shall be designed and engineered in a good and workmanlike manner and in strict accordance with this AGREEMENT. All

engineering work shall be performed by or under the supervision of Professional Engineers licensed in the State of Oklahoma, and properly qualified to perform such engineering services, which qualification shall be subject to review by CITY. Other than the obligation of the ENGINEER to perform in accordance with the foregoing standards, no warranty, either express or implied, shall apply to the SERVICES to be performed by the ENGINEER pursuant to this AGREEMENT or the suitability of ENGINEER's work product.

7. LIMITATION OF RESPONSIBILITY.

- 7.1. ENGINEER shall not be responsible for construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with the PROJECT.
- 7.2. The presence of ENGINEER's personnel at a construction site is for the purpose of providing to the CITY a greater degree of confidence that the completed construction work will conform generally to the construction documents and that the integrity of the design concept as reflected in the construction documents has been implemented and preserved by the construction contractor(s).
- 7.3. In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect total PROJECT cost and/or execution. These conditions and cost/execution effects are not the responsibility of ENGINEER.
- 7.4. Record drawings will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the PROJECT was finally constructed. ENGINEER is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.
- 7.5. ENGINEER's deliverables, including record drawings, are limited to the sealed and signed hard copies. Computer-generated drawing files furnished by ENGINEER are for CITY or others' convenience. Any conclusions or information derived or obtained from these files will be at user's sole risk.

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- 8.1. Since ENGINEER has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors', subcontractors', or vendors' methods of determining prices, or over competitive bidding or market conditions, ENGINEER's cost estimates shall be made on the basis of qualifications and experience as a Professional Engineer.
- 8.2. Since ENGINEER has no control over the resources provided by others to meet construction contract schedules, ENGINEER's forecast schedules shall

be made on the basis of qualifications and experience as a Professional Engineer.

9. LIABILITY AND INDEMNIFICATION.

9.1. ENGINEER shall defend and indemnify CITY from and against legal liability for damages arising out of the performance of the SERVICES for CITY, including but not limited to any claims, costs, attorney fees, or other expenses of whatever nature where such liability is caused by the negligent act, error, or omission of ENGINEER, or any person or organization for whom ENGINEER is legally liable. Nothing in this paragraph shall make the ENGINEER liable for any damages caused by the CITY or any other contractor or consultant of the CITY.

9.2. ENGINEER shall not be liable to CITY for any special, indirect or consequential damages, such as, but not limited to, loss of revenue, or loss of anticipated profits.

10. CONTRACTOR INDEMNIFICATION AND CLAIMS.

10.1. CITY agrees to include in all construction contracts the provisions of Articles 7.1, and 7.2, and provisions providing contractor indemnification of CITY and ENGINEER for contractor's negligence.

10.2. CITY shall require construction contractor(s) to name CITY and ENGINEER as additional insureds on the contractor's general liability insurance policy.

11. COMPLIANCE WITH LAWS. In performance of the SERVICES, ENGINEER shall comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. ENGINEER shall procure the permits, certificates, and licenses necessary to allow ENGINEER to perform the SERVICES. ENGINEER shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to ENGINEER in Attachment B, SCOPE OF SERVICES.

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12.1. During the performance of the SERVICES under this AGREEMENT, ENGINEER shall maintain the following insurance:

12.1.1. General Liability Insurance with bodily injury limits of not less than \$1,000,000 for each occurrence and not less than \$1,000,000 in the aggregate, and with property damage limits of not less than \$100,000 for each occurrence and not less than \$100,000 in the aggregate.

12.1.2. Automobile Liability Insurance with bodily injury limits of not less than \$1,000,000 for each person and not less than \$1,000,000 for each accident and with property damage limits of not less than \$100,000 for each accident.

12.1.3. Worker's Compensation Insurance in accordance with statutory requirements and Employers' Liability Insurance with limits of not less than \$100,000 for each occurrence.

16. UNCONTROLLABLE FORCES. Neither CITY nor ENGINEER shall be considered to be in default of this AGREEMENT if delays in or failure of performance shall be due to forces which are beyond the control of the parties; including, but not limited to: fire, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage; inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either CITY or ENGINEER under this AGREEMENT; strikes, work slowdowns or other labor disturbances, and judicial restraint.
17. SEVERABILITY. If any portion of this AGREEMENT shall be construed by a court of competent jurisdiction as unenforceable, such portion shall be severed herefrom, and the balance of this AGREEMENT shall remain in full force and effect.
18. INTEGRATION AND MODIFICATION. This AGREEMENT includes Attachments A, B, C, D, E and F, and represents the entire and integrated AGREEMENT between the parties; and supersedes all prior negotiations, representations, or agreements pertaining to the SCOPE OF SERVICES herein, either written or oral. CITY may make or approve changes within the general SCOPE OF SERVICES in this AGREEMENT. If such changes affect ENGINEER's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this AGREEMENT. This AGREEMENT may be amended only by written instrument signed by each of the Parties.
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20. ASSIGNMENT. ENGINEER shall not assign its obligations undertaken pursuant to this AGREEMENT, provided that nothing contained in this paragraph shall prevent ENGINEER from employing such independent consultants, associates, and subcontractors as ENGINEER may deem appropriate to assist ENGINEER in the performance of the SERVICES hereunder.
21. APPROVAL. It is understood and agreed that all work performed under this AGREEMENT shall be subject to inspection and approval by the Public Works Department of the City of McAlester, and any plans or specifications not meeting the terms set forth in this AGREEMENT will be replaced or corrected at the sole expense of the ENGINEER. The ENGINEER will meet with the City staff initially and monthly thereafter and will be available for public meetings and/or City of McAlester presentations.
22. KEY PERSONNEL. In performance of the SERVICES hereunder, ENGINEER has designated Brandon Claborn as Project Manager for the PROJECT. ENGINEER agrees that no change will be made in the assignment of this position without prior approval of CITY.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT in multiple copies on the respective dates herein below reflected to be effective on the date executed by the Mayor of the City of McAlester.

Meshek & Associates, PLC



Janet K. Meshek, PE, CFM

Date: 7/20/2011

APPROVED:

CITY OF McALESTER, OKLAHOMA

City Clerk

Mayor

Date _____

APPROVED AS TO FORM:

City Attorney

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Project Description
Attachment A**

SCOPE OF PROJECT. The PROJECT shall consist of assistance to the City of McAlester in meeting the requirements of the Phase II Stormwater Management Program set forth by the Oklahoma Department of Environment Quality and the US Environmental Protection Agency for the 2011-2012 fiscal year.

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
SCOPE OF SERVICES
ATTACHMENT B**

The services to be performed by the ENGINEER, Meshek & Associates, PLC, under this AGREEMENT will consist of assistance to the City of McAlester in meeting the requirements of the Phase II Stormwater Management Program for the 2011-2012 fiscal year. Further, it is understood and agreed that the date of beginning, rate of progress, and the time of completion of the work to be done hereunder are essential provisions of this AGREEMENT; and it is further understood and agreed that the work embraced in this AGREEMENT shall commence upon execution of this AGREEMENT and receipt of Notice to Proceed. All work must be complete by June 30, 2012.

B.1. Basic Services of ENGINEER. The basic services of the ENGINEER shall include, but are not limited to the following tasks:

B.1.1. Task 1 – Provide Assistance for Program Management, Implementation Strategies, Costs, and Recommendations for 2011-2012 Activities for Each Minimum Control Measure (MCM)

- a. **MCM-1: Public Education and Outreach on Storm Water Impacts**
- b. **MCM-2: Public Involvement**
- c. **MCM-3: Illicit Discharge Detection and Elimination**
- d. **MCM-4: Construction Site Storm Water Runoff Control**
- e. **MCM-5: Post Construction Storm Water Control**
- f. **MCM-6: Pollution Prevention/Good Housekeeping for Municipal Operations**

B.1.2. Task 2 – Annual Report

- a. **Prepare Report**
- b. **Submit to ODEQ**

B.1.3. Task 3 – Prepare Permit Application for 2010-2015 Stormwater Program

- a. **Coordinate with ODEQ as needed**
- b. **Identify New Requirements**
- c. **Develop MCM Activities for New Permit Requirements**
- d. **Submit Permit to ODEQ**
- e.

B.1.4. Task 4 – Assist CITY with ODEQ Audit

- a. **Provide assistance during audit**
- b. **Prepare response to findings**

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Responsibilities of the City
Attachment C**

RESPONSIBILITIES OF THE CITY. The CITY agrees:

C.1 **Reports, Records, etc.** To furnish, as required by the work, and not at expense to the ENGINEER:

C.1.1 Records, reports, studies, plans, drawings, and other data available in the files of the CITY that may be useful in the work involved under this AGREEMENT.

C.1.2 ENGINEER will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by CITY.

C.2 **Access.** To provide access to public and private property when required in performance of ENGINEER's services.

C.3 **Staff Assistance.** Designate in writing a person to act as its representative in respect to the work to be performed under this AGREEMENT, and such person shall have complete authority to transmit instructions, receive information, interpret and define CITY's policies and decisions with respect to materials, equipment, elements and systems pertinent to the services covered by this AGREEMENT.

C.3.1 Furnish staff assistance in locating, both horizontally and vertically, existing CITY owned utilities and in expediting their relocation as described in Attachment B. Further, CITY will furnish assistance as required in obtaining locations of other utilities, including "potholing".

C.3.2 Provide access to CITY property and staff as needed to develop the Stormwater Management Plan.

C.4 **Review.** Examine all studies, reports, sketches, estimates, specifications, drawings, proposals and other documents presented by ENGINEER and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Compensation
Attachment D**

COMPENSATION. The CITY agrees to pay, as compensation for services set forth in Attachment B, the following fees, payable monthly as each Phase of the work progresses; and within 30 calendar days of receipt of invoice. ENGINEER shall submit monthly invoices based upon actual hours or work, invoiced according the Rate Schedule provided in Attachment E, completed at the time of billing. Invoices shall be accompanied by such documentation as the CITY may require in substantiation of the amount billed.

D.1 Total Compensation.

D.1.1 For the work under this project, Attachment B, the total maximum billing including direct costs and subconsultant services is Fifty Thousand Dollars and No Cents (\$50,000.00), which total amount shall not be exceeded without further written authorization by the CITY. The hourly rate schedule is included in Attachment E of this Agreement. Compensation will be paid for actual hours worked.

D.2 Subconsultants and Other Professional Associates. Services of subcontractors and other professionals shall be compensated for at actual cost if required.

D.3 Other Direct Costs.

D.3.1 Travel and subsistence shall be compensated for at actual cost. Local travel by personal or firm automobile shall be compensated for at \$0.51 per mile or current governmental rate.

D.3.2 Printing expenses shall be reimbursed as shown in Attachment E.

D.3.3 Any other direct costs shall be compensated for at actual cost.

D.4 Additional Services. Unless otherwise provided for in any accepted and authorized proposal for additional services, such services shall be compensated for on the same basis as provided for in D.2 and D3.

- D.5 Terminated Services. If this AGREEMENT is terminated, ENGINEER shall be paid for services performed to the effective date of termination as follows:
- D.5.1 For hourly services as presented in D.2.
- D.6 Conditions of Payment.
- D.6.1 Progress payments shall be made in proportion to services rendered and expenses incurred as indicated within this AGREEMENT and shall be due and owing within thirty days of ENGINEER's submittal of his progress payment invoices.
- D.6.2 If CITY fails to make payments due ENGINEER within sixty days of the submittal of any progress payment invoice, ENGINEER may, after giving fifteen days written notice to CITY, suspend services under this AGREEMENT.
- D.6.3 If the PROJECT is delayed, or if ENGINEER's services for the PROJECT are delayed or suspended for more than ninety days for reasons beyond ENGINEER's control, ENGINEER may, after giving fifteen days written notice to CITY, request renegotiation of compensation.

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Billing Rate Sheet
Attachment E**

Hourly Rates For: Meshek & Associates, PLC:

E.1 Allowance for Office Work:

Labor billing will be computed as the actual hourly salary rate times a multiplier of 2.85. The multiplier consists of:

Salary	1.00
Overhead	<u>1.59</u>
Subtotal	2.59
10% Profit	<u>0.26</u>
Total Multiplier	2.85

In general, the billing rates will be:

Stormwater Specialist	\$ 150/hour
Project Principal	\$ 150/hour
Project Manager	\$ 140/hour
Senior Project Engineer	\$ 130/hour
Junior Project Engineer	\$ 115/hour
Engineer Intern	\$ 90/hour
Engineering Technician	\$ 75/hour
Engineering Designer	\$ 85/hour
CAD Technician	\$ 75/hour
Construction Manager	\$ 80/hour
Construction Inspector	\$ 60/hour
Planning and ROW Specialist	100/hour
Survey Crew Chief	\$ 90/hour
Survey Crew	\$ 45/hour
GIS Project Manager	\$ 115/hour
GIS Specialist III	\$ 110/hour
GIS Specialist II	\$ 90/hour
GIS Specialist I	\$ 85/hour
GIS Analyst	\$55/hour
Clerical	\$50/hour

E.2 Travel Expense:

Total mileage traveled for field and office visits x \$0.51/mile or current government rate.

E.3 Reproduction costs:

E.3.1 In-house reproduction:

8-1/2"x11" black/white	\$ 0.08/each
8-1/2"x11" color	\$ 0.15/each
11"x17" black/white	\$ 0.20/each
11"x17" color	\$ 0.35/each
22" x 34" black/white	\$ 3.00/each
22" x 34" color	\$ 10.00/each
Black and White Plots	\$ 18.00/each
Color Plot	\$ 28.00/each

E.3.2 Outside reproduction - At Cost

E.4 Miscellaneous expenses and fees: At Cost

PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Attachment F - Schedule

		Start	End
B.1.1.	Task 1 - Provide Assistance for Program Management, Implementation Strategies, Costs, and Recommendations for 2010-2011 Activities for Each Minimum Control Measure (MCM) a. MCM-1: Public Education and Outreach on Storm Water Impacts b. MCM-2: Public Involvement c. MCM-3: Illicit Discharge Detection and Elimination d. MCM-4: Construction Site Storm Water Runoff Control e. MCM-5: Post Construction Storm Water Control f. MCM-6: Pollution Prevention/Good Housekeeping for Municipal Operations	August-11	June-12
B.1.2.	Task 2 - Annual Report a. Prepare Report b. Submit to ODEQ	January-12	March-12
B.1.3.	Task 3 - Prepare Permit Application for 2010-2015 Stormwater Program a. Coordinate with ODEQ as needed b. Identify New Requirements c. Develop MCM Activities for New Permit Requirements d. Submit Permit to ODEQ	October-11	January-12 (or when issued by ODEQ)
B.1.4.	Task 4 - Assist CITY with ODEQ Audit a. Provide assistance during audit b. Prepare response to findings	August-11	June-12



McAlester City Council

AGENDA REPORT

Meeting Date:	<u>August 9, 2011</u>	Item Number:	<u>10</u>
Department:	<u>Public Works-Engineering</u>		
Prepared By:	<u>John C. Modzelewski, PE</u>	Account Code:	<u>02-5973302</u>
Date Prepared:	<u>July 19, 2011</u>	Budgeted Amount:	<u>\$50,000</u>
		Exhibits:	<u>1</u>

Subject

TABLED - Consider, and act upon, an Agreement for Engineering Services with Meshek & Associates, PLC for the development of Storm Water Pollution Prevention Plan (SWPPP) for the East and West Wastewater Treatment Plants. This will allow the City of McAlester to continue to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA's National Pollutant Discharge Elimination System (NPDES).

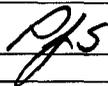
Recommendation

Motion to approve an Agreement for Engineering Services with Meshek & Associates, PLC for the development of Storm Water Pollution Prevention Plan (SWPPP) for the East and West Wastewater Treatment Plants Storm Water Management Program activities during FY 2011-2012 for a fee not to exceed \$50,000.

Discussion

In July 2008, the City of McAlester City Council approved the selection of Meshek & Associates PLC as the City's engineering consultant for the Phase II Storm Water Management Program. The requirements of the first permit have been completed. The ODEQ continues to prepare the requirements for the next permit cycle of the NPDES Phase II Stormwater Management Program. One of these requirements is to have a SWPPP for the wastewater treatment plants. This agreement will allow Meshek & Associates PLC to continue working with the City to be in compliance with NPDES Permit Phase II requirements.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	JCM	07/19/11
City Manager	P. Stasiak 	08/01/11

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE**

THIS AGREEMENT, made and entered into this ____ day of _____, 2011 between the City of McAlester, Oklahoma, a Municipal Corporation of Oklahoma, hereinafter referred to as CITY, and Meshek & Associates, PLC hereinafter referred to as ENGINEER;

WITNESSETH:

WHEREAS, CITY intends to comply with the previous requirements of the approved Phase II Stormwater Management Plan for the City, hereinafter referred to as the PROJECT; and,

WHEREAS, CITY requires certain professional services in connection with the PROJECT, including the development of a new Permit Application, hereinafter referred to as the SERVICES; and,

WHEREAS, ENGINEER, is prepared to provide such SERVICES;

WHEREAS, funding is available for the PROJECT through _____.

NOW THEREFORE, in consideration of the promises contained herein, the parties hereto agree as follows:

1. PROJECT DESCRIPTION. The scope of the PROJECT is described in Attachment A, PROJECT DESCRIPTION, which is attached hereto and incorporated by reference as part of this AGREEMENT.
2. SERVICES TO BE PERFORMED BY ENGINEER. ENGINEER shall perform the SERVICES described in Attachment B, SCOPE OF SERVICES, which is attached hereto and incorporated by reference as part of this AGREEMENT.
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Meshek & Associates, PLC



Janet K. Meshek, PE, CFM

Date: 7/20/2011

APPROVED:

CITY OF McALESTER, OKLAHOMA

City Clerk

Mayor

Date _____

APPROVED AS TO FORM:

City Attorney

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Project Description
Attachment A**

SCOPE OF PROJECT. The PROJECT shall consist of the development of Stormwater Pollution Prevention Plan (SWPPP) for the east and west Wastewater Treatment Plants.

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
SCOPE OF SERVICES
ATTACHMENT B**

The services to be performed by the ENGINEER, Meshek & Associates, PLC, under this AGREEMENT will consist of assistance to the City of McAlester in meeting the requirements of the Phase II Stormwater Management Program for the 2011-2012 fiscal year. Further, it is understood and agreed that the date of beginning, rate of progress, and the time of completion of the work to be done hereunder are essential provisions of this AGREEMENT; and it is further understood and agreed that the work embraced in this AGREEMENT shall commence upon execution of this AGREEMENT and receipt of Notice to Proceed. All work must be complete by June 30, 2012.

B.1. Basic Services of ENGINEER. The basic services of the ENGINEER shall include, but are not limited to the following tasks:

- B.1.1. Task 1 – Develop SWPPP for the Waste Water Treatment Plants*
 - a. Conduct Site Inspection*
 - b. Coordinate with State Agencies as Needed*
 - c. Update Procedures as Needed*

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Responsibilities of the City
Attachment C**

RESPONSIBILITIES OF THE CITY. The CITY agrees:

- C.1** **Reports, Records, etc.** To furnish, as required by the work, and not at expense to the ENGINEER:
- C.1.1 Records, reports, studies, plans, drawings, and other data available in the files of the CITY that may be useful in the work involved under this AGREEMENT.
 - C.1.2 ENGINEER will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by CITY.
- C.2** **Access.** To provide access to public and private property when required in performance of ENGINEER's services.
- C.3** **Staff Assistance.** Designate in writing a person to act as its representative in respect to the work to be performed under this AGREEMENT, and such person shall have complete authority to transmit instructions, receive information, interpret and define CITY's policies and decisions with respect to materials, equipment, elements and systems pertinent to the services covered by this AGREEMENT.
- C.3.1 Furnish staff assistance in locating, both horizontally and vertically, existing CITY owned utilities and in expediting their relocation as described in Attachment B. Further, CITY will furnish assistance as required in obtaining locations of other utilities, including "potholing".
 - C.3.2 Provide access to CITY property and staff as needed to develop the Stormwater Pollution Prevention Plan.
- C.4** **Review.** Examine all studies, reports, sketches, estimates, specifications, drawings, proposals and other documents presented by ENGINEER and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Compensation
Attachment D**

COMPENSATION. The CITY agrees to pay, as compensation for services set forth in Attachment B, the following fees, payable monthly as each Phase of the work progresses; and within 30 calendar days of receipt of invoice. ENGINEER shall submit monthly invoices based upon actual hours or work, invoiced according the Rate Schedule provided in Attachment E, completed at the time of billing. Invoices shall be accompanied by such documentation as the CITY may require in substantiation of the amount billed.

- D.1 Total Compensation.
- D.1.1 For the work under this project, Attachment B, the total maximum billing including direct costs and subconsultant services is Fifty Thousand Dollars and No Cents (\$50,000.00), which total amount shall not be exceeded without further written authorization by the CITY. The hourly rate schedule is included in Attachment E of this Agreement. Compensation will be paid for actual hours worked.
- D.2 Subconsultants and Other Professional Associates. Services of subcontractors and other professionals shall be compensated for at actual cost if required.
- D.3 Other Direct Costs.
- D.3.1 Travel and subsistence shall be compensated for at actual cost. Local travel by personal or firm automobile shall be compensated for at \$0.51 per mile or current governmental rate.
- D.3.2 Printing expenses shall be reimbursed as shown in Attachment E.
- D.3.3 Any other direct costs shall be compensated for at actual cost.
- D.4 Additional Services. Unless otherwise provided for in any accepted and authorized proposal for additional services, such services shall be compensated for on the same basis as provided for in D.2 and D3.

- D.5 Terminated Services. If this AGREEMENT is terminated, ENGINEER shall be paid for services performed to the effective date of termination as follows:
- D.5.1 For hourly services as presented in D.2.
- D.6 Conditions of Payment.
- D.6.1 Progress payments shall be made in proportion to services rendered and expenses incurred as indicated within this AGREEMENT and shall be due and owing within thirty days of ENGINEER's submittal of his progress payment invoices.
- D.6.2 If CITY fails to make payments due ENGINEER within sixty days of the submittal of any progress payment invoice, ENGINEER may, after giving fifteen days written notice to CITY, suspend services under this AGREEMENT.
- D.6.3 If the PROJECT is delayed, or if ENGINEER's services for the PROJECT are delayed or suspended for more than ninety days for reasons beyond ENGINEER's control, ENGINEER may, after giving fifteen days written notice to CITY, request renegotiation of compensation.

**AGREEMENT
FOR
ENGINEERING SERVICES
PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Billing Rate Sheet
Attachment E**

Hourly Rates For: Meshek & Associates, PLC:

E.1 Allowance for Office Work:

Labor billing will be computed as the actual hourly salary rate times a multiplier of 2.85. The multiplier consists of:

Salary	1.00
Overhead	<u>1.59</u>
Subtotal	2.59
10%Profit	<u>0.26</u>
Total Multiplier	2.85

In general, the billing rates will be:

Stormwater Specialist	\$ 150/hour
Project Principal	\$ 150/hour
Project Manager	\$ 140/hour
Senior Project Engineer	\$ 130/hour
Junior Project Engineer	\$ 115/hour
Engineer Intern	\$ 90/hour
Engineering Technician	\$ 75/hour
Engineering Designer	\$ 85/hour
CAD Technician	\$ 75/hour
Construction Manager	\$ 80/hour
Construction Inspector	\$ 60/hour
Planning and ROW Specialist\$	100/hour
Survey Crew Chief	\$ 90/hour
Survey Crew	\$ 45/hour
GIS Project Manager	\$ 115/hour
GIS Specialist III	\$ 110/hour
GIS Specialist II	\$ 90/hour
GIS Specialist I	\$ 85/hour
GIS Analyst	\$55/hour
Clerical	\$50/hour

E.2 Travel Expense:

Total mileage traveled for field and office visits x \$0.51/mile or current government rate.

E.3 Reproduction costs:

E.3.1 In-house reproduction:

8-1/2"x11" black/white	\$ 0.08/each
8-1/2"x11" color	\$ 0.15/each
11"x17" black/white	\$ 0.20/each
11"x17" color	\$ 0.35/each
22" x 34" black/white	\$ 3.00/each
22" x 34" color	\$ 10.00/each
Black and White Plots	\$ 18.00/each
Color Plot	\$ 28.00/each

E.3.2 Outside reproduction - At Cost

E.4 Miscellaneous expenses and fees: At Cost

PHASE II STORMWATER MANAGEMENT PROGRAM ASSISTANCE
Attachment F - Schedule

	Start	End
B.1.1. Task 4 - Develop SWPPP for the Waste Water Treatment Plants a. Conduct Site Inspection b. Coordinate with State Agencies as Needed c. Update Procedures as Needed	August-11	June-12

Council Chambers
Municipal Building
July 26, 2011

The McAlester Airport Authority met in a Regular session on Tuesday, July 26, 2011, at 6:00 P.M. after proper notice and agenda was posted July 22, 2011.

Present: Steve Harrison, John Browne, Buddy Garvin, Sam Mason & Kevin E. Priddle
Absent: Robert Karr & Weldon Smith
Presiding: Kevin E. Priddle, Chairman

A motion was made by Mr. Mason and seconded by Mr. Browne to approve the following:

- Approval of the Minutes from the July 12, 2011 Regular Meeting of the McAlester Airport Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item A, regarding claims ending July 19, 2011. *(Gayla Duke, Chief Financial Officer)* in the amount of \$2,362.91.
- Confirm action taken on City Council Agenda Item 5, a Renewal of Excess Worker's Comp Insurance through Jordan-Carris Agency with Midwest Employees Casualty Company. *(Cora Middleton, City Clerk)*

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

AYE: Trustees Garvin, Mason, Harrison, Browne, & Chairman Priddle
NAY: None

Chairman Priddle declared the motion carried.

There being no further business to come before the Authority, Mr. Mason moved for the meeting to be adjourned, seconded by Mr. Browne. There was no discussion and the vote was taken as follows:

AYE: Trustees Garvin, Mason, Harrison, Browne & Chairman Priddle
NAY: None

Chairman Priddle declared the motion carried.

ATTEST:

Kevin Priddle, Chairman

Cora Middleton, Secretary

Council Chambers
Municipal Building
July 26, 2011

The McAlester Public Works Authority met in a Regular session on Tuesday, July 26, 2011, at 6:00 P.M. after proper notice and agenda was posted July 22, 2011.

Present: Steve Harrison, John Browne, Buddy Garvin, Sam Mason & Kevin E. Priddle
Absent: Robert Karr & Weldon Smith
Presiding: Kevin E. Priddle, Chairman

A motion was made by Mr. Browne and seconded by Mr. Harrison to approve the following:

- Approval of the Minutes from the July 12, 2011 Regular Meeting of the McAlester Public Works Authority *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item A, regarding claims ending July 19, 2011. *(Gayla Duke, Chief Financial Officer)* in the amount of \$248,160.08.
- Confirm action taken on City Council Agenda Item 2, authorizing the Mayor to sign a contract between the City of McAlester and Main Street Association *(Peter J. Stasiak, City Manager/Carol Ervin, Executive Director, McAlester Main Street)*
- Confirm action taken on City Council Agenda Item 3, approval of the attached Transfer of Appropriations for FY 2010-2011. *(Gayla Duke, CFO)*
- Confirm action taken on City Council Agenda Item 5, a Renewal of Excess Worker's Comp Insurance through Jordan-Carris Agency with Midwest Employees Casualty Company. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item 6:
 - A. A request by H.O.G. (Harley Owners Group), to pay the rental fee in the amount of \$3,750.00 out of the Tourism Budget, for the use of the Southeast Expo Center on October 5 – 8, 2011 for the 2011 Oklahoma State H.O.G. Rally. *(Jerry Lynn Wilson, Expo Center Manager)*
 - B. A request by G.W.R.R.A. (Goldwing Road Riders Association), to pay the rental fee in the amount of \$2,875.00 out of the Tourism Budget, for the use of the Southeast Expo Center on October 27-29, 2011 for the 2011 State Convention. *(Jerry Lynn Wilson, Expo Center Manager)*

- C. A request by Dr. Douglas Auld, for the use of the Southeast Expo Center on February 2-5, 2012, for the Oklahoma Mission of Mercy, by partnering with them for the rental fee in the amount of \$3,750.00 from the 2011/12 approved Expo partnership funds. *(Jerry Lynn Wilson, Expo Center Manager)*
- D. A request by the Pittsburg County Local Services Coalition (LSE), for the use of the Southeast Expo Center on August 25, 2011, for the “Dare to be Different Youth Summit”, by partnering with them for the rental fee in the amount of \$375.00, from the 2011/12 approved Expo partnership funds. *(Jerry Lynn Wilson, Expo Center Manager)*
- Confirm action taken on City Council Agenda Item 8, an Agreement for Engineering Services with Meshek & Associates, PLC for the development of Storm Water Pollution Prevention Plan (SWPPP) for the East and West Wastewater Treatment Plants. This will allow the City of McAlester to continue to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA’s National Pollutant Discharge Elimination System (NPDES). *(John C. Modzelewski, PE, Director of Engineering and Public Works)*
 - Confirm action taken on City Council Agenda Item 9, an Agreement for Engineering Services with Meshek & Associates, PLC for Phase II Stormwater Management Program Permit for the City of McAlester to meet Oklahoma Department of Environmental Quality (ODEQ) requirements and EPA’s National Pollutant Discharge Elimination System (NPDES). *(John C. Modzelewski, PE, Director of Engineering and Public Works)*
 - Confirm action taken on City Council Agenda Item 10, to amend and ratify Ordinance No. 1366. *(Peter J. Stasiak, City Manager)*

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

AYE: Trustees Harrison, Browne, Garvin, Mason, & Chairman Priddle

NAY: None

Chairman Priddle declared the motion carried.

There being no further business to come before the Authority, Mr. Browne moved for the meeting to be adjourned, seconded by Mr. Harrison.

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

AYE: Trustees Harrison, Browne, Garvin, Marson & Chairman Priddle

NAY: None

Chairman Priddle declared the motion carried.

Kevin Priddle, Chairman

ATTEST:

Cora Middleton, Secretary