



McAlester City Council

NOTICE OF MEETING

Regular Meeting Agenda

Tuesday, January 28, 2014 – 6:00 pm
McAlester City Hall – Council Chambers
28 E. Washington

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

This agenda has been posted at the McAlester City Hall, distributed to the appropriate news media, and posted on the City website: www.cityofmcalester.com 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

Glenn Meyer of Trinity Lutheran Church

ROLL CALL

AWARD PRESENTATION

Employee of the Month for December 2013 is Sheila Maldonado of the Human Resources 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 January 7, 2014, Special Meeting of the McAlester City Council. *(Cora Middleton, City Clerk)*
- B. Approval of Claims for January 8, 2014 through January 21, 2014. *(Toni Ervin, Chief Financial Officer)*
- C. Accept and place on file the Pride in McAlester Second Quarter Report for FY 2013-2014. *(Stephanie Giacomo, Executive Director)*
- D. Accept and place on file the McAlester Main Street Second Quarter Report for FY 2013-2014. *(Ginny Webb, Executive Director)*
- E. Ratify and approve for a one year term a Mutual Aid Interlocal Agreement between the City of Krebs and The City of McAlester. *(Cora Middleton, City Clerk)*

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.

AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2467 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2013-14; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

SCHEDULED BUSINESS

- 1. Presentation of the McAlester Regional Health Center Authority Audit for Fiscal Year 2012-2013. *(Darryl Linnington, CFO)*

Executive Summary

Presentation of the McAlester Regional Health Center Authority Audit for Fiscal Year 2012-2013.

- 2. Consider, act upon, and adopt a Resolution of the City Council, City of McAlester, Oklahoma, adopting the City of McAlester amended and restated Defined Benefit Retirement Plan and Trust; providing for severability and an effective date as therein stated. *(Peter J. Stasiak, City Manager)*

Executive Summary

Motion to approve, adopt and authorize the Mayor to sign the Resolution.

- 3. Consider, and act upon, an Ordinance amending Ordinance No. 2467 which established the budget for fiscal year 2013-2014; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Toni Ervin, Chief Financial Officer)*

Executive Summary

Motion to approve the budget amendment ordinance.

- 4. Discussion and Presentation of the Mid-Year Review of Fiscal Year 2013/2014 Budget. *(Toni Ervin, Chief Financial Officer)*

Executive Summary

Mid-Year Review of Fiscal Year 2013/2014 Budget.

- 5. Consider, and act upon, approval of bid to Freedom Ford of McAlester for the purchase of three (3) new and unused 2014 Ford Police SUV'S. *(Gary Wansick, Chief of Police)*

Executive Summary

Motion to approve the only bid of \$107,243.01 to Freedom Ford of McAlester for the purchase of three (3) new and unused 2014 Ford Police SUV AWD patrol vehicles.

- 6. Discussion and possible action on a WATER SYSTEM OPERATION AND MAINTENANCE AGREEMENT between The McAlester Public Works Authority (MPWA) and Severn Trent Environmental Services, Inc. for the Operation and Maintenance of the Water Treatment Plant. *(Peter J. Stasiak, City Manager)*

Executive Summary

Discussion, and possible action, on an agreement with Severn Trent Environmental Services, Inc. for the Operation and Maintenance of the Water Treatment Plant.

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

MAYORS COMMENTS AND COMMITTEE APPOINTMENTS

RECESS COUNCIL MEETING

CONVENE AS McALESTER AIRPORT AUTHORITY

Majority of a Quorum required for approval

- Approval of the Minutes from the January 14, 2014, Regular Meeting of the McAlester Public Works Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item B, regarding claims ending January 21, 2014. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, a Resolution of the City Council, City of McAlester, Oklahoma, adopting the City of McAlester amended and restated Defined Benefit Retirement Plan and Trust; providing for severability and an effective date as therein stated. *(Peter J. Stasiak, City Manager)*
- Confirm action taken on City Council Agenda Item 3, an Ordinance amending Ordinance No. 2467 which established the budget for fiscal year 2013-2014; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Toni Ervin, Chief Financial Officer)*

ADJOURN MAA**CONVENE AS McALESTER PUBLIC WORKS AUTHORITY**

Majority of a Quorum required for approval

- Approval of the Minutes from the January 14, 2014, Regular Meeting of the McAlester Public Works Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item B, regarding claims ending January 21, 2014. *(Toni Ervin, Chief Financial Officer)*
- Confirm action taken on City Council Agenda Item 2, a Resolution of the City Council, City of McAlester, Oklahoma, adopting the City of McAlester amended and restated Defined Benefit Retirement Plan and Trust; providing for severability and an effective date as therein stated. *(Peter J. Stasiak, City Manager)*
- Confirm action taken on City Council Agenda Item 3, an Ordinance amending Ordinance No. 2467 which established the budget for fiscal year 2013-2014; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency. *(Toni Ervin, Chief Financial Officer)*

- Confirm action taken on City Council Agenda Item 6, on a WATER SYSTEM OPERATION AND MAINTENANCE AGREEMENT between The McAlester Public Works Authority (MPWA) and Severn Trent Environmental Services, Inc. for the Operation and Maintenance of the Water Treatment Plant. *(Peter J. Stasiak, City Manager)*

ADJOURN MPWA

CONVENE AS MCALESTER RETIREMENT TRUST AUTHORITY

Majority of a Quorum required for approval

- Approval of the Minutes from the December 19, 2013, Regular Meeting of the McAlester Retirement Trust Authority. *(Cora Middleton, City Clerk)*
- Approval of Retirement Benefit Payments for the Period of January 2014. *(Toni Ervin, Interim Chief Financial Officer)*

ADJOURN MRTA

RECONVENE COUNCIL MEETING

ADJOURNMENT

CERTIFICATION

I certify that this Notice of Meeting was posted on this _____ day of _____ 2014 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

The McAlester City Council met in Special session on Tuesday, January 7 P.M. after proper notice and agenda was posted, January 3, at 3:34 P.M.

Call to Order

Mayor Harrison called the meeting to order.

Roll Call

Council Roll Call was as follows:

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

Absent: None

Presiding: Steve Harrison, Mayor

Staff Present: Peter J. Stasiak, City Manager; William J. Ervin, City Attorney and Cora Middleton, City Clerk

Mayor Harrison stated that the first item on the agenda was an Executive Session, in accordance with Section 307.B.1, to discuss the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any salaried public officer or employee: Interview Candidates for Ward 6 Councilperson and he asked for a motion and second.

Vice-Mayor Read commented that he would prefer the proceedings for the selection of the Ward 6 Councilman be done in open session.

There was discussion among the Council including the City Attorney concerning the Executive Session, the appointment of the Councilman, what the Open Meeting Act existed for, protecting the privacy of the individual applicants, what the Council preferred to do in this situation and encouraging all of the applicants to run for the office.

I. Section 307 (B) (1) - Discuss the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any salaried public officer or employee: Interview Candidates for Ward 6 Councilperson.

There was no further discussion, and the Mayor asked for a motion to go into Executive Session. A motion was made by Councilman Smith and seconded by Councilman Karr for an Executive Session to discuss the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any salaried public officer or employee: Interview Candidates for Ward 6 Councilperson, in accordance with Title 25, Sec. 307.B.1. There was no discussion and the vote was taken as follows:

AYE: Councilman Smith & Karr

NAY: Councilman Titsworth, Read, Garvin & Mayor Harrison

Mayor Harrison declared the motion failed and the interviews would be conducted in open session.

Mayor Harrison explained that he had asked the City Clerk to prepare a list of the applicant's names in random order to be interviewed. He suggested that as each candidate was called they introduced themselves and make an opening statement. The applicants were called in the following order; Mark Pool, Cletis Lowe, Jr., Marsha Coyle, Jason Barnett, Louis Smitherman and Jane Rayburn. Mr. Pool and Ms. Rayburn were not in attendance at the meeting.

Each of the candidates introduced themselves giving background information, and explaining why they were interested in serving as Ward 6 Councilperson. The candidates answered various questions, from the Council, which included ideas to improve the City of McAlester, if they planned on running for the Ward 6 seat in the coming election, if they foresaw any schedule conflicts with the Council meeting schedules and Special meetings, their opinion of giving economic incentives to prospective businesses, ideas to address the City's street and infrastructure problems and if they felt they were eligible to run for the Council seat.

Mayor Harrison expressed his appreciation toward each of the candidates for coming forward. He then explained that he would rather have candidates nominated and then have each Councilman vote for the individual they preferred.

- **Consider, and act upon, appointment of Ward 6 Councilperson.** *(Steve Harrison, Mayor)*

After a brief discussion, concerning including the individuals that had not attended the Special Mayor Harrison asked for nominations for Ward 6 Council seat.

Councilman Titsworth moved to nominate Jason Barnett for Ward 6 Councilman. The nomination was seconded by Councilman Smith. There were no other nominations and the vote was taken as follows:

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

NAY: None

Mayor Harrison declared the motion carried.

Adjournment

There being no further business to come before the Council, Councilman Read moved to adjourn the meeting. The motion was seconded by Councilman Smith and the vote was taken as follows:

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

NAY: None

Mayor Harrison declared the motion carried and the meeting was adjourned at 6:50 P.M.

ATTEST:

Steve Harrison, Mayor

Cora Middleton, City Clerk

CLAIMS FROM

**January 8, 2014
Thru
January 21, 2014**

NO.	NAME	ADDRESS	CITY	STATE	ZIP	PHONE	TELETYPE
1	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
2	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
3	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
4	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
5	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
6	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
7	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
8	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
9	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
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12	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
13	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
14	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
15	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
16	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
17	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
18	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
19	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567
20	MR. J. W. BROWN	1234567890	NEW YORK	NEW YORK	10001	212-123-4567	NY 123-4567

LINE	DESCRIPTION	DATE	AMOUNT	DEBIT	CREDIT	DEBIT	CREDIT
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	1-14-2025	1000.00					
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	1-15-2025	1000.00					
4.0	RECEIVE FROM TRUCKING						
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DATE: 11/11/2014

TIME: 11:11 AM

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3	11/11/2014			TRAVEL EXPENSE	100.00	100.00
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5	11/11/2014			TRAVEL EXPENSE	100.00	100.00
6	11/11/2014			TRAVEL EXPENSE	100.00	100.00
7	11/11/2014			TRAVEL EXPENSE	100.00	100.00
8	11/11/2014			TRAVEL EXPENSE	100.00	100.00
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44	11/11/2014			TRAVEL EXPENSE	100.00	100.00
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47	11/11/2014			TRAVEL EXPENSE	100.00	100.00
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01/11/2014 09:00:00 AM BERTHAR ISLANDS AND JARVIS ISLANDS

01/11/2014

01/11/2014 BERTHAR ISLANDS AND JARVIS ISLANDS

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TIME: 08:00
BY: [Name]

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11/10/11 11:01 AM
TO: BILLY L. ...
FROM: ...

REGULAR DEPARTMENT PAYROLL

11/10/11

DATE	AMOUNT	DESCRIPTION	DEPARTMENT	ACCOUNT	AMOUNT	DATE
11/10/11	1000.00	REGULAR DEPARTMENT PAYROLL	...	...	1000.00	11/10/11
11/10/11	...	...	...	...	...	11/10/11
11/10/11	...	...	...	...	...	11/10/11

1. 1 13 114 1 100
EXPLANATION OF DEPARTMENTAL AGREEMENT REVISIONS
DATE: 11/14/14
BY: [Name]
TITLE: [Title]

PAGE 1

NO.	NAME	PHONE #	ADDRESS	CITY	STATE	ZIP
1	MEMBER REPRESENTATIVE					
2	MEMBER REPRESENTATIVE					
3	MEMBER REPRESENTATIVE					

PACKET: 10916 CLAIMS FOR 01/26/2014

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	1/2014	123,500.51CR
02	1/2014	76,080.05CR
03	1/2014	355.63CR
05	1/2014	176.58CR
08	1/2014	1,590.58CR
27	1/2014	523.06CR
28	1/2014	7,923.16CR
29	1/2014	4,072.29CR
30	1/2014	960.80CR
35	1/2014	4,767.23CR
36	1/2014	941.68CR
41	1/2014	83,513.60CR
44	1/2014	2,512.50CR
ALL		311,456.91CR

Pride In McAlester
Second Quarter Report
FY 2013-2014



Board of Directors:

Justin Few, President

Mel Priddy, Vice President

Carol Bishop, Treasurer

Cara Dorrell, Secretary

Margaret Fields

David Beall

Gwen Titsworth

Staff:

Stephanie Giacomo, Executive Director

Krystal Baker, Project Assistant

Membership:

23 Individual Members

15 Family Memberships

10 Lifetime Memberships

4 Non-Profit Members

11 Business Members

PIM Board Meetings

Pride In McAlester Board of Director Meetings are held on the first Thursday of every month at 12:00 pm at the PIM Office located at 1 E. Choctaw, Suite 525 in McAlester. Regular meetings were held on October 3rd and November 7th. Due to inclement weather, the December meeting was moved to December 16th .

PIM Membership Meetings

Pride In McAlester Membership Meetings are held on the second Thursday of every month at 6:00 pm in Room 110 of the McAlester Campus of Eastern Oklahoma State College. Meetings were held on October 10th and November 14th. The December meeting served as a holiday meet and greet and took place at The Meeting Place. An average of twelve people attended PIM Meetings during the second quarter of 2013-2014.

Volunteerism

PIM held sixteen volunteer events during the second quarter of 2013-2014:
107 volunteers spent 335 hours working in the community from October to December 2013.

PIM Flea Market

From October 1, 2013 to December 31, 2013, fourteen non-duplicated PIM Volunteers contributed 1,901 hours to the Flea Market. The Flea Market was closed for two weeks in December for cleaning and organizing. Volunteer management of the Flea Market ended in November and brought under the direction of the Executive Director.

Pride In McAlester 2013-2014 Budget	Second Quarter	Year to Date	Yearly Budget
Revenue			
Donations & Miscellaneous Fundraisers	\$ 2,428.30	\$ 2,915.80	\$ 10,200.00
Fundraiser	\$ 8,948.84	\$ 20,050.69	\$ 44,700.00
Grants & Sponsorships	\$ 100.00	\$ 175.00	\$ 2,700.00
McAlester City Contract	\$ 13,500.00	\$ 27,500.00	\$ 54,000.00
Membership	\$ 20.00	\$ 220.00	\$ 2,400.00
Total Revenue	\$ 24,997.14	\$ 50,861.49	\$ 114,000.00
Operating Expenses			
Advertising	\$ 475.84	\$ 475.84	\$ 1,000.00
Fundraiser Expenses	\$ 6064.91	\$ 11,254.23	\$ 21,000.00
Facilities, Equipment, & Misc.	\$ 1,800.27	\$ 4,276.23	\$ 10,000.00
Office Supplies	\$ 1,660.64	\$ 2,442.01	\$ 3,500.00
Payroll and Expenses	\$ 13,820.38	\$ 26,739.96	\$ 50,000.00
Travel Expenses	\$ 834.20	\$ 1,024.20	\$ 2,500.00
Project Expenses	\$ 4,315.67	\$ 6,831.93	\$ 30,000.00
Total Expenses	\$ 28,971.91	\$ 53,044.40	\$ 118,000.00
Net Income	\$ (3,974.77)	\$ (2,182.91)	\$ (4,000.00)

Social Media

Pride In McAlester continued to manage the Pride In McAlester, OKLA Theater, and McAlester Recycling Center Facebook pages for social media outreach and began a page for Central Bark in the second quarter. Number of "Likes" as of December 31, 2013:

Pride In McAlester: 665

McAlester's OKLA Theater: 2,436

McAlester Recycling Center: 229

Central Bark: 156



Print Media

Regular advertising, articles, and press releases were sent to local newspapers, including the *McAlester News-Capital* and the *Oklahoma Bargain Journal* and other print media as appropriate.

McAlester Radio

Executive Director Stephanie Giacomo continued radio shows as the guest of Megan Waters on KNED AM 1150 on October 2nd, November 13th, and December 11th.



Websites

Online web pages were maintained and updated for Pride In McAlester and the OKLA Theater.

www.prideinmcalester.com www.oklatheater.com

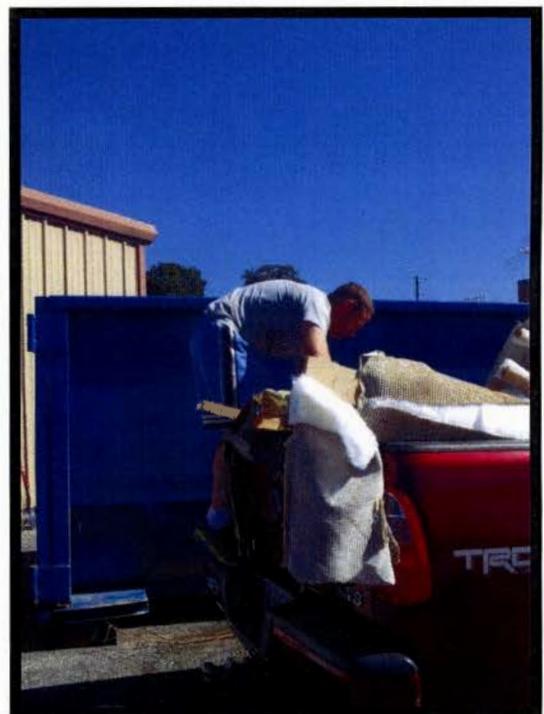
Monthly PIM Newsletters

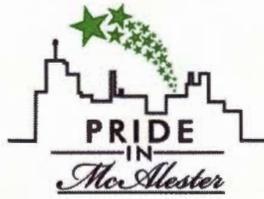
Pride In McAlester publishes a monthly e-mail newsletter to keep members and supporters up-to-date on activities within the organization. Newsletters were sent on October 30th, November 27th, and December 26th. The Newsletter mailing list as of December 31st consisted of 260 email addresses.

Fall Cleanup

The 2013 Pride In McAlester Fall Cleanup started on October 12th and ran every Saturday and Sunday through October 20th. Fifty-three onsite volunteers and in-kind employees contributed 198 hours to the cleanup, assisting more than 409 vehicles disposing of bulk trash, metal, tires, electronics, brush, and prescription drugs. 650 citizens spent more than 1,000 hours cleaning and delivering items to the cleanup.

Material	Weight Collected
Prescription Drugs	7 pounds
Electronics	14,125 pounds
Brush	24,760 pounds
Metal	8,800 pounds
Tires	125 tires (2,500 pounds)
Bulk Waste	109,700 pounds
Total	159,892 pounds





Fall Cleanup

October 12th, 13th, 19th, 20th

Prescription drug disposal on Saturday, October 19th



Recycling tires helps fight mosquitoes!



Sundays 12 pm - 3 pm

Saturdays 9 am - 3 pm



Anything powered by electricity or batteries can be recycled!

Accepting Bulk Trash, Metal, Electronics, and Tires

(Please remove tires from rim.)



Bulk trash is anything that is too big to be picked up with curbside trash—Couches, fridges, water heaters, ovens, barbecue grills are some of the many items that residents can bring to the Cleanup.

Please take brush directly to municipal landfill.

All events are FREE to McAlester residents and will be held at the Former National Guard Armory Parking Lot located at 3rd and Taylor.

No commercial business please.

For information about joining our efforts, please call 918-426-4444 or visit our website at www.prideinmcalester.com.



CITY OF McALESTER

Proclamation

WHEREAS, The beautification and appearance of our City is critical to the long term dignity and respect of our City; and

WHEREAS, A beautiful and clean City will be a benefit to our citizens, our City, our businesses and prospective citizens and businesses; and

WHEREAS, A beautiful McAlester is a source of pride and is the responsibility of all citizens; and

WHEREAS, The "Pride In McAlester" organization has been designated as the leadership group for cleaning up our City; and

WHEREAS, Pride In McAlester will be conducting their fall cleanup and all citizens are encouraged to participate;

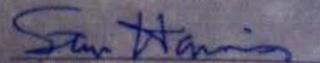
NOW, THEREFORE, I, Steve Harrison, Mayor of the City of McAlester, The Great State of Oklahoma, do hereby proclaim the month of October 2013 as:

"Make McAlester Beautiful Month"

And further encourage all citizens, civic organizations, churches, Chamber of Commerce members, schools and City employees to do their part in supporting this effort.

SIGNED this 1st day of October, 2013.




Steve Harrison, Mayor


Cora Middleton, City Clerk

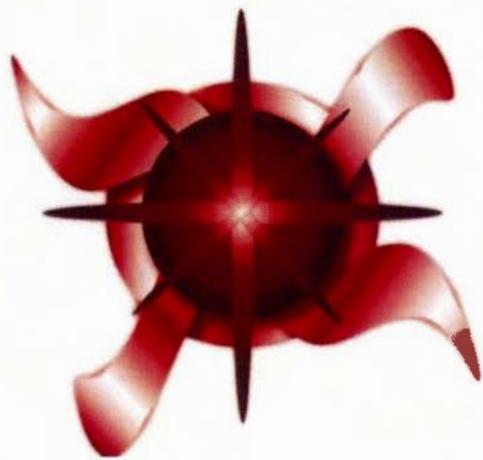


MAKE A DIFFERENCE DAY

NATIONAL DAY OF DOING GOOD

More than 40 volunteers showed up to help on Saturday, October 26 to help with "Make A Difference Day." This is the largest day of community service in the country and the local effort encourages people in the community to help others with minor home repairs. Event organizer Maureen Harrison expressed her deep appreciation for all of the volunteers and partner organizations.





8th Grade Career & College EXPO

Pride In McAlester manned a booth at this year's College & Career Expo. PIM teamed up with Choctaw Nation Going Green, providing various games, such as a ring toss made with plastic soda bottles, a beanbag toss made with old jean pockets and recycling themed bowling. PIM displayed a matching game to help students understand what can be recycled and what items can be made from recycled materials.

EOSC, McAlester Chamber of Commerce, Kiamichi Techology Center, GEAR UP, and Pride In McAlester all work together to bring this event to more than 1,000 eighth graders.



Community Garden Project Kicks Off

Pride In McAlester partnered with members of the public, OSU Cooperative Extension Office, McAlester Public Schools, the City of McAlester and others to begin talks towards a community garden. The meetings were open to the public and were held on October 3rd, October 15th, and November 5th.

Family Video hosted a fundraiser with Santa Clause in December, raising \$450 for the community garden project.



Help grow some plants while growing your involvement in the community!



Community Garden Meeting

Thursday, Oct. 3
J.I. Stipe Center
6:00 pm




This is an open meeting to discuss plans for a community garden.
Everyone interested is welcome to attend!

Community gardens are beneficial!

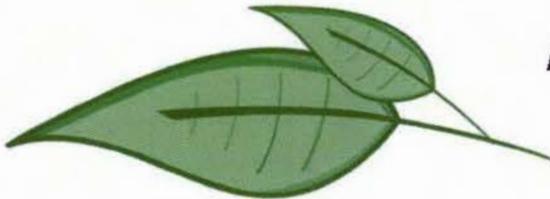
- Provides a catalyst for neighborhood and community development
- Improves the quality of life for people in the garden
- Stimulates Social Interaction
- Encourages Self-Reliance
- Creates opportunity for recreation, exercise, therapy, and education
- Conserves Resources
- Provides opportunities for intergenerational and cross-cultural connectors
- Reduces Crime
- Preserves Green Space
- Reduces city fees from streets and parking lots
- Beautifies Neighborhoods
- Provides Nutritious Food
- Reduces Family Food Budgets




(List from the American Community Gardening Association website)

growing community

MCALESTER COMMUNITY GARDEN PROJECT



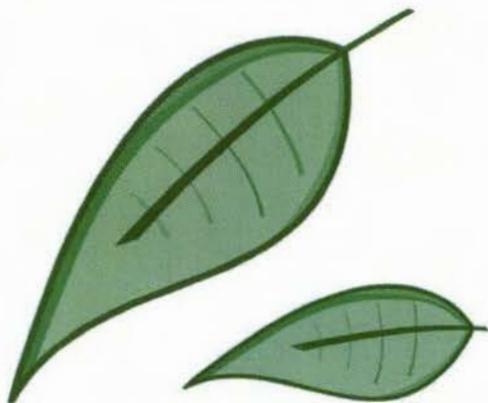
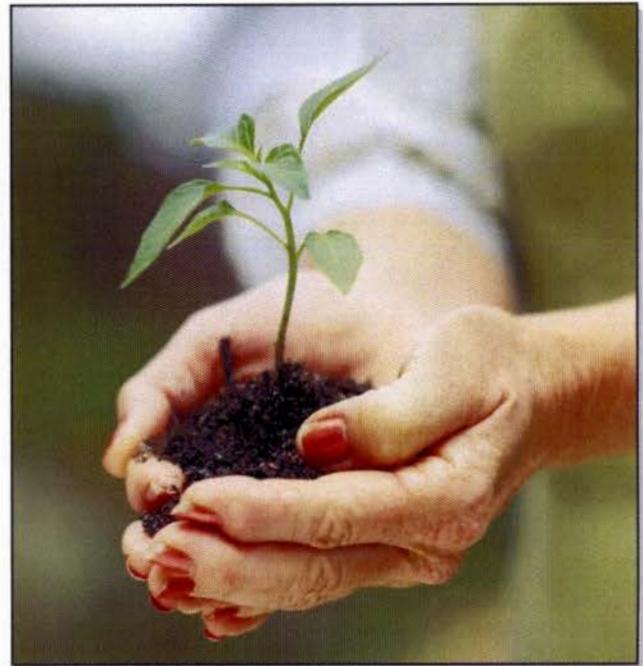
Meetings on first Tuesday of every month!

6 pm at the J.I. Stipe Center

Community gardens are beneficial!

- Provides a catalyst for neighborhood and community development
- Improves the quality of life for people in the garden
- Stimulates Social Interaction
- Encourages Self-Reliance
- Creates opportunity for recreation, exercise, therapy, and education
- Conserves Resources
- Provides opportunities for intergenerational and cross-cultural connections
- Reduces Crime
- Preserves Green Space
- Reduces city heat from streets and parking lots
- Beautifies Neighborhoods
- Produces Nutritious Food
- Reduces Family Food Budgets

(list from the American Community Gardening Association website)



For more information about the project, please contact:

Richard Askew, (918) 470-5001

Autumn Brundige, (918) 329-1926

Pride In McAlester, (918) 426-4444



PIM volunteers raised money for *Central Bark*, the new community dog park through a hot dog fundraiser called "Dogs For Dogs" during the City's "Movies In The Park" program on October 12th, October 19th, and November 2nd. Sixteen volunteers spent forty-two hours in support of the project.

Pet Costume Contest



McAlester Main Street's Trick or Treat Party In The Street event on November 2 included a cake walk, games, and costume contests for children, adults, and even pets. PIM hosted the pet costume contest and parade to raise funding for *Central Bark*, McAlester's community dog park. Although the event had to be postponed for a week due to the stormy weather, the contest still received great participation. Through this fundraiser, over \$100 was contributed to the McAlester's new dog park.

Direct Mail

Pride In McAlester also mailed out more than 200 letters requesting donations for the park on November 13th.

PET PARADE AND COSTUME CONTEST

REGISTRATION FORM



Saturday, October 26

During McAlester Main Street's Trick or Treat Party in the Street
Choctaw Avenue — Downtown McAlester

\$10 entry fee

Entry fee benefits Central Bark, McAlester's upcoming dog park.



Lineup for Parade is from 3:30 pm to 4:00 pm in the Bank of Oklahoma Parking Lot at Main Street and Carl Albert Parkway. Parade begins at 4:30 pm.

Rules:

- ⇒ All pets must be on a leash at all times. Owners are responsible for the actions of their pets. Pets must be under control at all times.
- ⇒ Pets must have current vaccinations and be in good health.
- ⇒ No aggressive animals— if participants display negative behavior, they will be asked to leave the event.
- ⇒ Pets should be sociable with other animals, adults, and children and should not be aggressive about food, toys, or owner.
- ⇒ Pets must be comfortable in a loud and festive environment. Please be aware of the stress level of your pet at all times.
- ⇒ Pets must be at least 4 months old, as younger animals have weak or no immune systems.
- ⇒ Courtesy is appreciated! Be prepared to clean up after your pet.



Pet costume categories:

Funniest costume

Scariest costume

Most creative costume

Best owner/pet costume combo

Best overall (Chosen by popular vote—the public will use tickets to vote for their favorite.)



Name of Animal: _____

Animal Type / Breed: _____

Name of Owner / Handler: _____

Email: _____

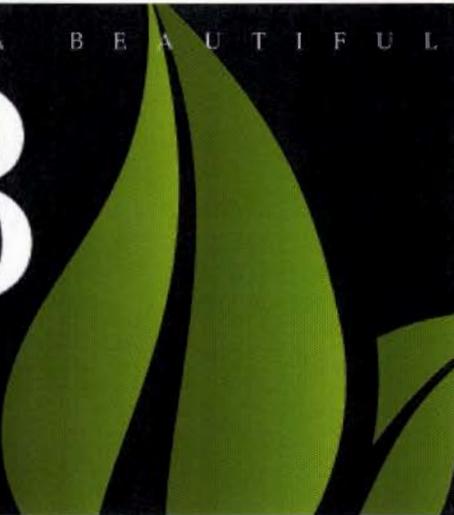
Phone: _____



KEEP OKLAHOMA BEAUTIFUL

2013

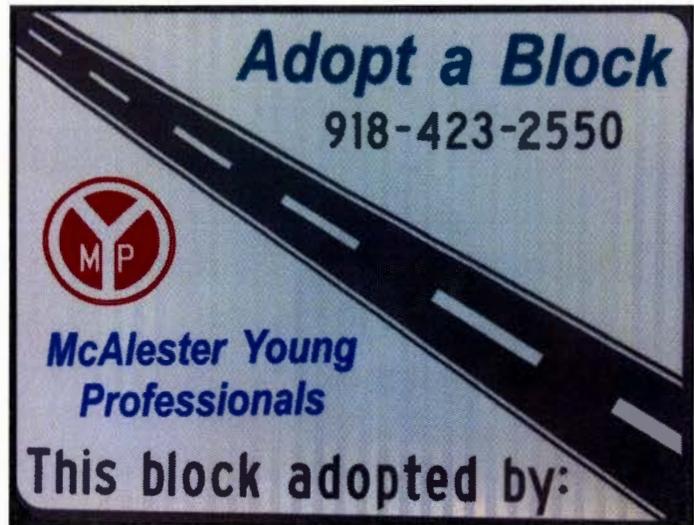
environmental excellence
banquet
November 19



The Keep Oklahoma Beautiful Environmental Excellence Awards Banquet was on November 19 at the National Cowboy and Western Heritage Museum in Oklahoma City. Pride In McAlester received the Affiliate of the Year award, while PIM President Justin Few was honored as a Keep Oklahoma Beautiful Affiliate Champion.

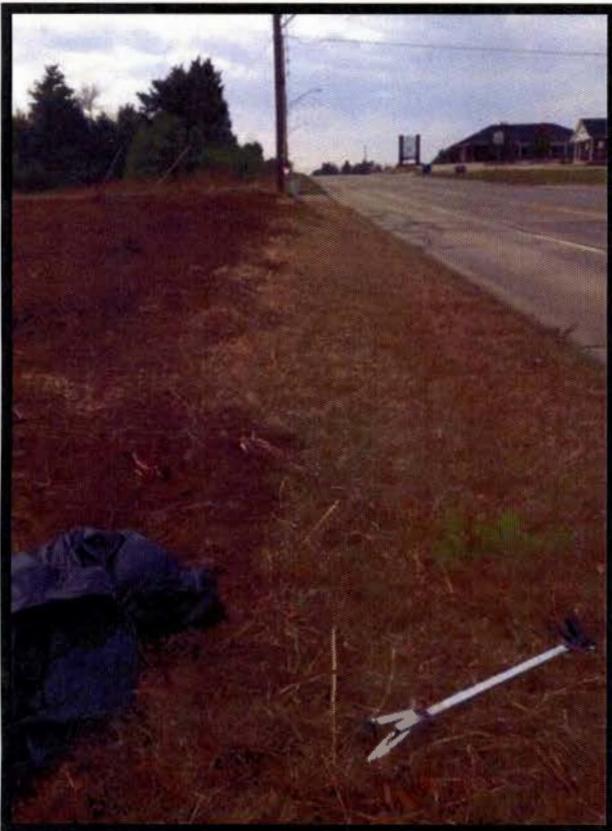
Many Pride In McAlester members and community leaders attended the banquet to show their support for PIM.





Six volunteers showed up to pick up litter on the misty Saturday morning of November 16. Twelve bags of litter were gathered from Pride In McAlester's Adopt A Block area on North Strong Avenue.

Among the litter picked up were glass bottles and large pieces of cardboard-- a perfect example of items that can be recycled, but often end up as litter on the side of a road.



Prescription Drug Disposal Begins at City Hall



PROPER DISPOSAL OF UNUSED MEDICATIONS

To properly dispose of unused medication, return medication to drop boxes, or prescription drug take-back events where available.

Drop-off Sites:

Pittsburg County Sheriff's Office
1210 N. West Street
McAlester, OK 74501

McAlester Police Dept.
28 E. Washington
McAlester, OK 74501

AVAILABLE FOR DROP OFF 24 HOURS A DAY
No syringes, liquids, chemicals, or inhalers.

Medicines play an important role in treating many conditions and diseases, but when they are no longer needed it's important to dispose of them properly to avoid harm to others.



Important Message:

Don't flush unwanted household medications or pour them down the drain! Flushing medication can contaminate drinking water sources and be harmful to the environment.

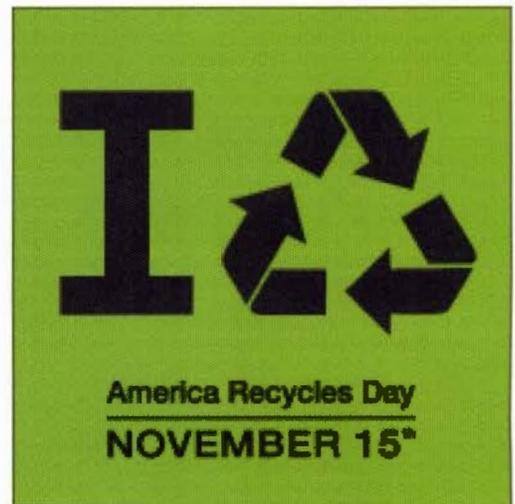
FDA recommendation of safe disposal of medication: www.fda.gov/Drugs/

(Funded by OK SPF-SIG, SAMHSA, CSAP, & ODMHSAS)





For America Recycles Day, exhibits were placed at the J.I. Stipe Center, McAlester Public Library, McAlester Regional Wellness Center, Puterbaugh Middle School, Boys and Girls Club, City Hall, McAlester High School, and Eastern Oklahoma State College. These displays helped share information on recycling and encouraged citizens to "Take the Pledge" to recycle.



The Southeast Expo Center recently hosted a Professional Bull Riders event on November 16. PIM placed recycling bins beside trash cans to collect aluminum bottles from PBR attendees. Five PIM volunteers spent seventeen hours working the PBR event in support of recycling.



PIM Wins 3rd during Christmas Parade

This year's McAlester Main Street Christmas Parade theme was "*Christmas in the Movies*." PIM's float theme was '*A Charlie Brown Christmas*' and was made with recyclable items such as plastic bottles, cardboard, and paper. Volunteers and staff worked to build the dog house and characters out of cardboard and paper, and decorate the truck with lights accented with plastic bottles.

Eleven PIM Volunteers spent twenty-three hours building the Christmas parade float.



**CELEBRATE THE HOLIDAYS,
RECYCLE THE LEFTOVERS!**

'TIS THE SEASON TO RECYCLE!

Every year between Thanksgiving and New Years Day, Americans generate 25 million extra tons of garbage (about 25% more than during the rest of the year!)

CELEBRATING THE HOLIDAYS DOESN'T HAVE TO BE WASTEFUL—

**MANY OF THE ITEMS DISCARDED IN THE LANDFILL
AFTER THE HOLIDAY SEASON CAN BE RECYCLED:**

Gift boxes, (non-metallic) wrapping paper, cards, junk mail, magazines, catalogs, plastic, glass and aluminum beverage containers can all be recycled!

Used cooking oil can be recycled, too.
(Cooking oil recycling located at the PIM Flea Market)
Wyandotte Ave. & 3rd St.

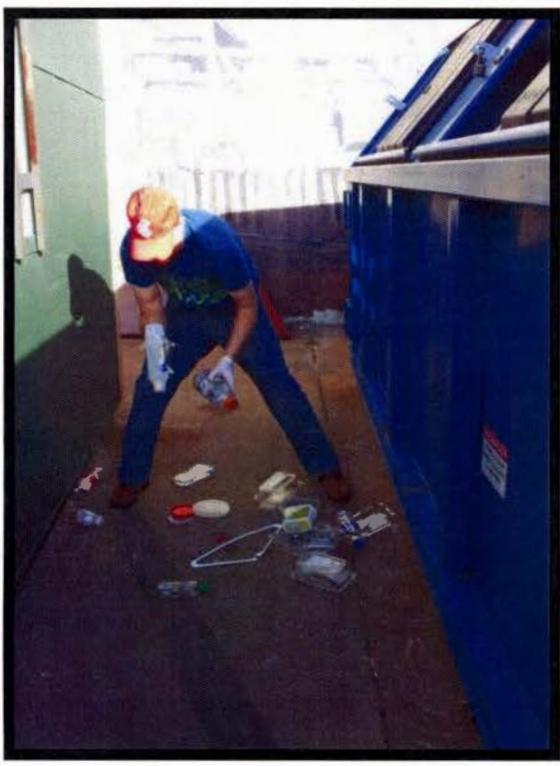
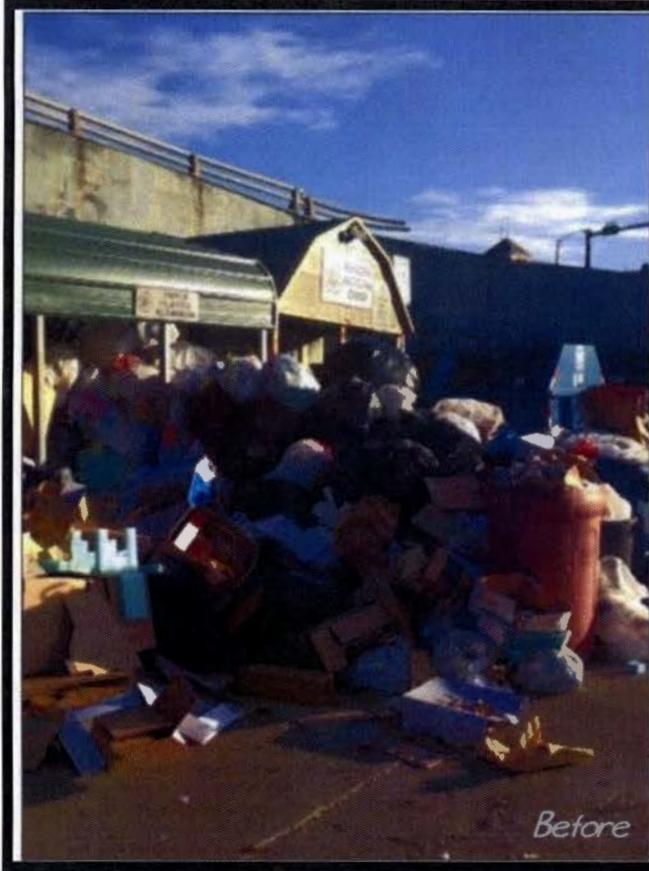
MCALESTER RECYCLING CENTER

CHOCTAW AVE. & MAIN ST.

MCALESTER, OKLAHOMA

Open 24 hours a day, 7 days a week





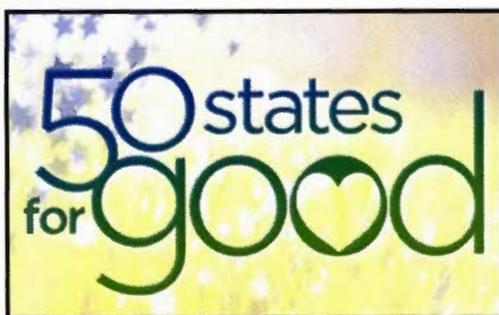
Pride In McAlester volunteers met at 9:00 am on December 28th at the McAlester Recycling Center to help sort the overflow of materials following the holiday season. Six individuals spent twelve hours working on the center.





Two Pride In McAlester Volunteers assisted during McAlester's Annual Wild West Festival on October 5th. The volunteers set out recycling bins at the beginning of the event and collected materials and bins at the end of the day. Additionally, these volunteers assisted McAlester Main Street in marking the route for the Color Stampede after rain had washed away marks placed the night before.

These two volunteers spent five hours working towards the success of the event.



Pride In McAlester Represents Oklahoma as One of 51 Finalists, Fails to Win \$10,000 in Funding

PIM was selected as the only finalist from Oklahoma in the fifth annual Tom's of Maine "50 States for Good" community giving program for a chance to win \$10,000. Despite the tireless efforts of many, PIM did not gain enough social media votes to qualify in the top 15 to receive the \$10,000.00. The "50 States for Good" program seeks to uncover local nonprofit groups that address community needs and engage volunteers to get the work done.



MHS Recycles

During the Months of November and December, McAlester High School recycled plastic bottles in the lunch room under the direction of the McAlester High School Auxiliary.

Community Recycling

Pride In McAlester offers community recycling during both private and public events in McAlester. During the second quarter of 2013-2014, PIM provided recycling bins, materials collection, and delivery of recyclables to McAlester Recycling Center during the Wild West Festival, three Movie in the Park events, the 8th Grade Career and College Expo, McAlester Main Street's Trick or Treat Party in the Street, and the Professional Bull Riding Event.



Complementary Cardboard Recycling



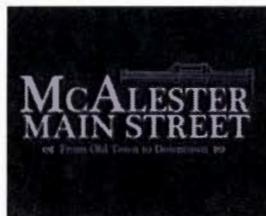
For new residents of McAlester, or citizens who have recently moved, Pride In McAlester offers a cardboard pickup at no cost. The cardboard collected is recycled through the McAlester Recycling Center.

Cooking Oil Recycling



Pride In McAlester continued to offer free cooking oil recycling at the PIM Flea Market.

Community Events and Part-



During the first quarter of 2013-2014, PIM staff and members continued to attend and participate in Chamber of Commerce and McAlester Young Professionals events and programs.

PIM representatives also attended planning meetings for Make A Difference Day, the 8th Grade Career and College Expo, the McAlester Main Street Trick or Treat Party in the Street, and the Wild West Festival, Christmas On the Hill, the Dog Park, and Community Garden.



Professional Development and Conferences

The Executive Director attended the following professional development conference calls and webinars:

Oklahoma Recycling Association Seminar, Oklahoma State University, October 17th
"Sharing Space" Conference Call, Oklahoma Center for Nonprofits, November 14th



The OKLA Steering Committee held the kickoff meeting with consultants from Enercon on October 9th.

From October 1, 2013 to December 31, 2013 nine messages were displayed on the OKLA Marquee.



**McAlester Main Street
Quarterly Report**
Fiscal Year 2013-2014, Quarter Two

- The Wild West Festival included more entertainment and activities than ever before and was enjoyed by attendees despite the rainy weather. McAlester Main Street co-hosted the second annual Wild Color Stampede (Oct. 5) during the Wild West Festival with Old Town Association. The event raised \$1,537.26 for each organization.

- In October, McAlester Main Street conducted Catwalk on the Crosswalk as a Facebook promotion. Volunteer models participated in a Downtown photo shoot sporting merchandise from member retailers. Photos with captions explaining where items could be purchased were uploaded each Tuesday morning for 6 weeks.

The promotion was very successful, prompting the most interaction with content that we had seen on Facebook up to that time. All of the posts combined had a reach of 17,461 and generated 1,870 clicks, 377 likes, 44 comments, and 42 shares. Participating retailers received positive feedback from customers by word of mouth as well, and we are planning a spring version of this promotion.

Our Facebook growth continued through the end of the year. As of December 31st, the McAlester Main Street Facebook page had 1,071 likes, and increase of more than 700 during 2013.

- Carl Gullick, Ann Parrott, and Charlie Titus were elected as new members of the McAlester Main Street Board of Directors. The current board also still includes Lee Anderson, Gary Bryant, Debra Chase, Kathy Crowl, Chris Good, Kristen Lloyd, Nicole Stufflebean, and President Chris Taylor.
- Many families turned out to have fun at Trick or Treat Party in the Street (Nov. 2) despite it being postponed one week due to rain. This year's ticket sales exceeded last year's ticket sales by 25 percent. The event raised \$2,199.06 for McAlester Main Street.
- Downtown Holiday Open House (Nov. 30) was on Small Business Saturday. Six stores ran Beat the Clock sales. Results of the promotion varied widely from store to store. Also, Downtown was busier than anticipated on Black Friday.
- The Christmas Parade (Dec. 12) was also postponed one week due to weather, but 45 entries were still able to participate. Entries and spectators reported enjoying the parade very much. The event raised \$1,025.00 for McAlester Main Street.
- The Urban Overlook opened in Downtown McAlester during the second quarter.
- McAlester Main Street thanks its volunteers for 459 volunteer hours in the second quarter.

**McAlester Main Street
Budget to Actual
Quarter Ending 6-30-12**
Numbers of Months included:

6

	Annual Budget		YTD Budget	YTD Actual		Difference
Revenue						
City of McAlester	\$25,200.00	41.51%	\$12,600.00	\$12,833.33	45.87%	\$233.33
Membership	\$13,000.00	21.42%	\$6,500.00	\$1,191.68	4.26%	(\$5,308.32)
Fund Raising	\$8,000.00	13.18%	\$4,000.00	\$6,690.95	23.91%	\$2,690.95
Like Kind (rent & accounting)	\$14,504.00	23.89%	\$7,252.00	\$7,251.96	25.92%	
Total Revenue	\$60,704.00		\$30,352.00	\$27,979.28		(\$2,372.72)
Salary and Wages						
Base Salary	\$22,000.00		\$11,000.00	\$12,003.66		(\$1,003.66)
Taxes	\$3,003.00		\$1,501.50	\$1,999.31		(\$497.81)
Insurance	\$0.00		\$0.00	\$0.00		\$0.00
Total	\$25,003.00		\$12,501.50	\$14,002.97		
Office Expenses						
Rent (like kind)	\$8,000.00		\$4,000.00	\$3,999.96		
Utilities (included in rent)	\$0.00		\$0.00	\$0.00		
Equipment	\$250.00		\$125.00	\$185.00		(\$60.00)
Office Supplies	\$600.00		\$300.00	\$160.44		\$139.56
Telephone / Internet/ web host / cell	\$1,965.00		\$982.50	\$963.00		\$19.50
Car Allowance	\$1,800.00		\$900.00	\$600.00		\$300.00
Contingency	\$400.00		\$200.00	\$0.00		\$200.00
Accounting Services (like kind)	\$6,504.00		\$3,252.00	\$3,252.00		
Total	\$19,519.00		\$9,759.50	\$9,160.40		
Professional Development						
Conference / Travel	\$4,000.00		\$2,000.00	\$1,104.02		\$895.98
Training Materials	\$100.00		\$50.00	\$0.00		\$50.00
Total	\$4,100.00		\$2,050.00	\$1,104.02		
Other Expenses						
Printing & Publications	\$2,000.00		\$1,000.00	\$36.93		\$963.07
Promotion & Advertising	\$200.00		\$100.00	\$1,183.52		(\$1,083.52)
Postage	\$600.00		\$300.00	\$84.92		\$215.08
Choctaw Parking Lot (Farmers' Market)	\$500.00		\$250.00	\$0.00		\$250.00
Other Expenses	\$400.00		\$200.00	\$597.60		(\$397.60)
Total	\$3,700.00		\$1,850.00	\$1,902.97		
Committee Expenses						
Executive Committee	\$200.00		\$100.00	\$0.00		\$100.00
Fundraising/Membership	\$1,500.00		\$750.00	\$189.72		\$560.28
Promotion	\$2,000.00		\$1,000.00	\$1,436.11		(\$436.11)
Design	\$1,500.00		\$750.00	\$1,015.37		(\$265.37)
Economic Restructuring	\$3,182.00		\$1,591.00	\$15.00		\$1,576.00
Total	\$8,382.00		\$4,191.00	\$2,656.20		
Total Expenses	\$60,704.00		\$30,352.00	\$28,826.56		\$1,525.44

*Our annual membership fees are due in January.

MUTUAL AID INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 13th day of February, 2008, by and between THE CITY OF McALESTER, first party, and THE CITY OF KREBS, second party.

WHEREAS, both first and second parties recognize the need for a mutual Inter-Agency Agreement in that both parties through their respective law enforcement agencies being geographically located together, and their efforts being one in the same to, promote and preserve the safety and welfare of the public and to maintain social order. Both parties further recognize that the first party provides dispatch service to the second party through contracted service and both parties are working in unison on a daily basis as is.

WHEREAS, both parties desire to combine and coordinate their resources for responses to calls for services when one or the other parties are responding to calls that require assistance of its neighboring jurisdiction for both officer safety and that of the public both parties serve.

NOW, THEREFORE, it is agreed upon by both parties the following:

1. That both parties will respond to one another's jurisdictions in time of need as dictated by dispatch or upper supervisory personnel from the parties' jurisdiction requesting such assistance. Such assistance includes, but is not limited to, hack up personnel and equipment available.
2. It is understood by both parties that in the event of an injury to personnel or damage to property or equipment that the cost of such shall be born to the entity providing such personnel and equipment.
3. GOOD FAITH. Each of the parties hereto agrees to attempt to furnish to the requesting party such assistance as the requesting party may deem reasonable and necessary. Provided, however, that the party to whom the request is made shall have sole discretion to refuse such request if sending such assistance may lend to an unreasonable reduction in the level of protection within its jurisdiction.
4. DISPATCHING. It is agreed by the parties hereto that mutual aid assistance, when to be sent, shall be dispatched promptly and that first response by the jurisdiction requesting assistance shall not be a prerequisite to a request for assistance under this agreement.

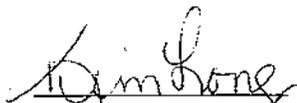
5. SUPERVISION. When personnel and equipment are furnished under this agreement, the party having jurisdiction shall have overall supervision of personnel and equipment during the period such response is still in progress. Provided, however, when officers from the requesting jurisdiction have not arrived at the scene of the incident, the senior officer of the jurisdiction arriving first shall have command until relieved. Further, "supervision" as used in this section refers to conduct of the call for service. Each officer participating on the call for service remains an employee of that officers employing agency and is subject to the personnel policies solely of that employing agency.

WAIVERS:

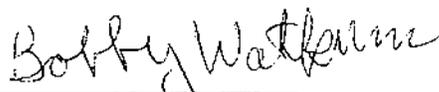
1. General Waivers. Each party to this agreement waives all claims against the other for compensation for any loss, damage, personal injury, or death occurring to personnel and/or equipment as a consequence of the performance of this agreement.
2. Hold Harmless. A requesting party shall, to the extent permitted by any applicable constitutional or tort claims act limitation, save and hold harmless any responding party against any and all claims or actions brought against the responding party, arising out of the responding party's efforts, except to the extent that such claims or actions arise out of any willful misconduct or grossly negligent action on the part of the responding party.
3. Workers Compensation. Each party agrees to provide workers compensation insurance coverage to each of its employes, and responding under this agreement recognizes that although overall supervision will usually be provided by the jurisdiction in which the call for service occurs; supervision of individual officers will be provided by their regular supervisors.
4. Refusals to Perform. This is an Internal-Local/Mutual Agreement and it is assumed that all available assistance will generally be provided. Nothing, however, in this agreement shall be construed to prevent a party to whom a request for assistance is made from refusing to respond when that is appropriate in its sole determination. In addition, any responding party may refuse to perform any specific task when, in the sole determination of the responding party's supervisor, response would create an unreasonable risk of danger or liability to the responding party, it's employee's, equipment or any third party.
5. Compensation. The parties agree that the personnel and equipment available under this agreement are roughly equivalent and agree that the availability and provision of such constitute consideration under this agreement.
6. Termination. Either party may terminate this agreement at anytime by giving thirty (30) days notice of the intention to do so. Such notice shall be sent to the governing body of the other party and a copy thereof to the chief of police.

Dated this 13th day of February, 2008.

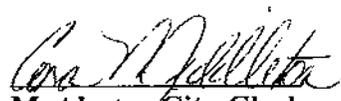
Attest:


Krebs City Clerk

City Of Krebs,
A Municipal Corporation

By 
Bobby Watkins, Mayor

Attest:


McAlester City Clerk

City of McAlester,
A Municipal Corporation

By 
Don R. Lewis, Mayor



McAlester City Council

AGENDA REPORT

Meeting Date: January 28, 2014 Item Number: 1
Department: City Manager
Prepared By: Peter J. Stasiak, CM Account Code: _____
Date Prepared: January 21, 2014 Budgeted Amount: _____
Exhibits: 1-Handout

Subject

Presentation of the McAlester Regional Health Center Authority Audit for Fiscal Year 2012-2013. (Darryl Linnington, CFO)

Recommendation

Discussion

Approved By

	Initial	Date
Department Head		
City Manager	P. Stasiak <u><i>PJS</i></u>	<u>01/21/14</u>



McAlester City Council

AGENDA REPORT

Meeting Date: January 28, 2014 Item Number: 2
Department: Council/CM
Prepared By: Peter J. Stasiak Account Code: _____
Date Prepared: January 17, 2014 Budgeted Amount: _____
Exhibits: 3

Subject

Consider, act upon, and adopt a Resolution of the City Council, City of McAlester, Oklahoma, adopting the City of McAlester amended and restated Defined Benefit Retirement Plan and Trust; providing for severability and an effective date as therein stated.

Recommendation

Motion to approve, adopt and authorize the Mayor to sign the Resolution.

Discussion

Amend and restated the Defined Benefit Retirement Plan to incorporate previous amendments required by the Pension Protection Act of 2006, the Heroes Assistance and Relief Tax Act of 2008, and other applicable laws, regulations and administrative authority.

Approved By

		<i>Initial</i>	<i>Date</i>
Department Head			
City Manager	P. Stasiak	<u>PS</u>	<u>01-21-2014</u>

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL, CITY OF MCALESTER, OKLAHOMA, ADOPTING THE CITY OF MCALESTER AMENDED AND RESTATED DEFINED BENEFIT RETIREMENT PLAN AND TRUST; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE AS THEREIN STATED

WHEREAS, the City has in existence that certain defined benefit retirement plan entitled the "City of McAlester Defined Benefit Retirement Plan and Trust" (the "Plan"); and

WHEREAS, the Board deems it desirable to amend and restate the Plan to incorporate previous amendments required by the Pension Protection Act of 2006, the Heroes Assistance and Relief Tax Act of 2008, and other applicable laws, regulations and administrative authority; and

WHEREAS, a copy of the amended and restated Plan has been presented to the City Council for their review and adoption.

NOW, THEREFORE, BE IT RESOLVED, that the amended and restated Plan is hereby approved and adopted to be effective as of the dates therein stated.

FURTHER RESOLVED, that the Mayor be, and he is hereby, appointed and authorized to do all acts necessary and proper to implement the amended and restated Plan and the foregoing resolutions.

PASSED and APPROVED the 28th day of January 2014

**CITY OF MCALESTER, OKLAHOMA
A Municipal Corporation**

ATTEST:

By: _____
Steve Harrison, Mayor

Cora Middleton, City Clerk

**THE CITY OF MCALESTER
DEFINED BENEFIT RETIREMENT PLAN AND TRUST**

(Amended and Restated Effective July 1, 2013)

(Execution Date: _____, 2013)

THE CITY OF MCALESTER DEFINED BENEFIT RETIREMENT PLAN AND TRUST

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**THE CITY OF MCALESTER
DEFINED BENEFIT RETIREMENT PLAN AND TRUST**

As Amended and Restated
Effective as of July 1, 2013

PREAMBLE

This document establishes THE CITY OF MCALESTER DEFINED BENEFIT RETIREMENT PLAN AND TRUST (“Plan”). This instrument is an amendment, restatement, and continuation of the predecessor plan, which was originally effective as of July 1, 1995. The effective date of this amendment and restatement of the Plan is July 1, 2013, except as otherwise stated in the Plan.

This Plan document is intended to establish the Plan as a retirement plan qualified under Internal Revenue Code (“Code”) Section 401(a) and to establish the Trust as tax-exempt under Code Section 501(a) as part of the Plan.

The provisions of this Plan as amended and restated shall apply only to Employees employed as of or after the effective date of this amendment and restatement, and the benefit of any Employee whose employment terminated prior to such date shall be governed by the Plan as in effect while such Employee was employed, except that any provisions hereof that are specifically made retroactive to a date preceding such effective date shall apply to any Employee who was employed as of such retroactive date.

Notwithstanding anything to the contrary herein, effective July 1, 2013 (the “Cessation Date”) all Participants shall cease accrual of any further benefits under the Plan. In conjunction with the cessation of such benefit accruals under the Plan, effective as of the Cessation Date, no further benefits shall accrue on behalf of any Participant on and after the Cessation Date. Service shall be permitted to continue for purposes of vesting and determination of eligibility for retirement.

The City intends this Plan to meet all of the applicable requirements of the Code, and this Plan shall be interpreted to comply with the Code and all binding regulations and rulings there under. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Code.

**ARTICLE 1
REFERENCES, CONSTRUCTION AND DEFINITIONS**

Unless otherwise indicated, all references made in this Plan shall be to articles, sections and subsections of this Plan. This Plan shall be construed in accordance with the laws of the State of Oklahoma to the extent that such laws are not preempted by Federal laws. Except for Article 1, the headings and subheadings in this Plan have been inserted for convenience of reference only and are to be ignored in construction of the provisions of this Plan. In the construction of this Plan, the masculine shall include the feminine, the singular the plural, and vice versa wherever appropriate. The following terms shall have the meanings set forth opposite such terms for purposes of this Plan:

1.1 Accrued Benefit.

- (a) As of any date, for each Participant, as applicable, a benefit amount payable monthly in the form of a Single Life Annuity, commencing on his Normal Retirement Date, or, if later, the Annuity Commencement Date specified in Section 4.3, equal to the sum of (1), (2) and (3) below.
- (1) One and seven hundred and fifteen thousandths percent (1.715%) of Final Average Monthly Compensation times Benefit Service up to and including ten (10) years; plus
 - (2) Two and two hundred and eighty-five thousandths percent (2.285%) of Final Average Monthly Compensation times Benefit Service of more than ten (10) years but not more than twenty (20) years, plus
 - (3) Two percent (2%) of Final Average Monthly Compensation times Benefit Service of more than twenty (20) years but not more than twenty-five (25) years.
- (b) In no event will a Participant's Accrued Benefit from this Plan as of any date of determination be less than the Actuarial Equivalent monthly life annuity benefit provided by the Profit Sharing Account Balance and payable in the normal form of payment as specified in Section 6.2 of the Plan.
- (c) The Accrued Benefit under Section 1.1(a) of any Participant who has received one or more distributions from the Plan shall be offset by the Actuarial Equivalent of such distributions.

1.2 Actuarial Equivalent.

Equal value of the aggregate amounts received or expected to be received under different forms of payment or at different times, or both, based upon interest at eight percent (8%) per annum compounded annually and the UP 1984 Mortality Table. These actuarial assumptions shall be used to convert the Profit Sharing Balance to a monthly annuity payment.

Provided, however, that in no event shall a Participant receive payments under Article 6 of the Plan in an amount less than determined based on his Accrued Benefit as of the earlier of his retirement date or June 30, 2003 using the interest rate published by the Pension Benefit Guaranty Corporation as of July of the Plan Year in which payment is made and the Unisex Pension Mortality Table for 1984.

This paragraph shall apply to distributions with annuity starting dates on or after December 31, 2002. Notwithstanding any other Plan provisions to the contrary, any reference in the Plan to the mortality table prescribed in Rev. Rul. 95-6 shall be construed as a reference to the mortality table prescribed in Rev. Rul. 2001-62 for all purposes under the Plan. For any distribution with an annuity starting date on or after the effective date of this paragraph and before the adoption date of this paragraph, if application of the amendment as of the annuity starting date would have caused a reduction in the amount

of any distribution, such reduction is not reflected in any payment made before the adoption date of this paragraph. However, the amount of any such reduction that is required under 415(h)(2)(B) must be reflected actuarially over any remaining payments to the participant.

1.3 Annuity Commencement Date.

The first day of the first month with respect to which an amount is received as a benefit.

1.4 Benefit Service.

(a) General Rule. Except as provided in Section 1.4(b), a Participant shall be credited with the aggregate of all years and completed months beginning on his Employment Commencement Date or Reemployment Commencement Date and ending on his next following Employment Termination Date. A Participant shall also be credited with any period of less than twelve (12) months between an Employment Termination Date and the next date he first performs an Hour of Service.

(b) Service Disregarded. The following years of Benefit Service shall be disregarded:

- (1) Years of Service for the City in a uniformed job category;
- (2) Years of Benefit Service accrued prior to an Employment Termination Date by a Participant who is zero percent (0%) vested in his Accrued Benefit at the time of an Employment Termination Date and who subsequently incurs five (5) or more consecutive one-year Breaks in Service, and
- (3) Effective as of January 1, 2004, Years of Service prior to the date that a Participant first commences participation in the Plan on or after such date; provided, however, that this subparagraph (3) shall not apply to any Employee who satisfies the eligibility requirements of Section 2.1(a) during his initial Eligibility Computation Period.

1.5 Break in Service.

A continuous period of time, lasting at least twelve (12) consecutive months, beginning on an Employee's Employment Termination Date during which the Employee is not credited with an Hour of Service for the performance of duties. In the case of an Employee who is absent from work due to a Maternity/Paternity Absence, the first twelve (12) consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Break in Service. For purposes of Section 2.1(d)(1), a Break in Service shall occur as of the end of first Plan Year during which an Employee does not complete at least 501 Hours of Service, and each subsequent Plan Year during which the Employee does not complete at least 501 Hours of Service.

1.6 City.

The City of McAlester, Oklahoma.

1.7 Code.

The Internal Revenue Code of 1986, as amended.

1.8 Compensation.

- (a) Total wages, as defined in Code Section 3401(a) for purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of employment or services performed. Compensation shall not include elective contributions that are made by the City on behalf of Participants that are not includible in income under Code Sections 125, 132(f)(4), 402(e)(3), 402(h), or 457, and shall exclude any special payments such as reimbursement or other expense allowances, fringe benefits (cash and noncash), all buy-backs of accrued vacation and sick leave, moving expenses, car allowance, deferred compensation and welfare benefits. Compensation shall be determined based on compensation actually paid to an Employee by the City during the calendar year.
- (b) The annual Compensation of each Participant taken into account in determining benefit accruals under this Plan for any Plan Year beginning after December 31, 2011 shall not exceed \$200,000 (as adjusted under Code Sections 401(a)(17)(B) and 415(d)). If Compensation for any prior determination period is taken into account in determining an employee's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the applicable annual compensation limit in effect for that prior determination period.
- (c) Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). If Compensation is ever determined on a basis of fewer than twelve (12) calendar months, then the annual Compensation limit shall be prorated based on the number of months in the short year.
- (d) Differential wage payments. For Plan Years beginning after December 31, 2008,
 - (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as an Employee of the Employer making the payment,
 - (ii) the differential wage payment shall be treated as Compensation,
 - and (iii) the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

1.9 Deferred Retirement Date.

The first day of the month coincident with or following a Participant's Employment Termination Date after his Normal Retirement Date, whether continuing employment through his Normal Retirement Date or being reemployed after such date.

1.10 Defined Benefit Plan.

Any plan maintained in accordance with Code Section 401(a) that is not a Defined Contribution Plan.

1.11 Defined Contribution Plan.

Any plan maintained in accordance with Code Section 401(a) that provides for an individual account for each participant and for benefits based solely on the amount in such account.

1.12 Disability Retirement Date.

The date on which a Participant ceases to perform services for the City because of his Total and Permanent Disability.

1.13 Effective Date.

The effective date of this amendment and restatement, unless otherwise noted, is July 1, 2013. The original effective date of the Plan was July 1, 1995.

1.14 Eligibility Computation Period.

The initial Eligibility Computation Period of any Employee shall be the period commencing on the date of such Employee's commencement of employment and ending on the first anniversary thereof. There after, the Eligibility Computation Period shall be the calendar year commencing within such Employee's initial Eligibility Computation Period, and each subsequent calendar year.

1.15 Employee.

As of any date any person who is classified as a common law employee of the City, and any individual who is a "leased employee" of the City within the meaning of Code Sections 414(n) or (o), but excluding independent contractors. An individual not classified as an Employee by the City shall not become an Employee unless reclassified as such by the City, notwithstanding any reclassification of such individual by any governmental agency or court.

1.16 Employment Commencement Date.

The date on which an Employee first performs an Hour of Service for the City.

1.17 Employment Termination Date.

The date the Participant's employment with the City is terminated.

1.18 Excluded Employees.

For purposes of Section 2.1(c), any Employee of the City who is:

- (a) a "leased employee" of the City within the meaning of Code Sections 414(n);
- (b) a person in a uniformed job category, such as a policeman or fireman;
- (c) a "self-employed individual" with regard to the City within the meaning of Code Section 401(c)(1) and (3);
- (d) a nonresident alien (within the meaning of Code Section 410(b)(3)(C));

- (e) a person for whom retirement benefits have been the subject of good faith collective bargaining resulting in their exclusion from this Plan; provided, however, employees who are members of a union may participate if that union and the City mutually agree to such participation as a result of collective bargaining; or
- (f) an Employee classified as part-time (regularly scheduled to work less than 30 hours per week), temporary, or contract employee.

1.19 Final Average Monthly Compensation.

For each Participant, one-twelfth (1/12) of the average Compensation for the three (3) consecutive complete calendar years in which the Participant was employed by the City out of the ten (10) calendar years immediately preceding his termination of employment with the City for which such average is the greatest; provided, however, Compensation in the last calendar year of employment shall be considered a complete year and shall be included to determine Final Average Monthly Compensation if such inclusion will produce a higher Final Average Monthly Compensation; provided further that if a Participant shall make an irrevocable election to participate in the Bonus Program described in Section 4.8, or if a Participant shall make an irrevocable election to participate in the DROP Program described in Section 4.9 and the Participant does not die or become Totally and Permanently Disabled before receiving payment of the DROP benefit, the Final Average Monthly Compensation of such a Participant shall be determined by considering only Compensation paid prior to the effective date of such election to participate in the Bonus Program or in the DROP. For purposes of determining a Participant's Final Average Monthly Compensation, periods with respect to which such Participant is not credited with Benefit Service, and Compensation earned during such periods, shall be disregarded.

1.20 Forfeiture.

The Accrued Benefit of a Participant that is forfeited in accordance with Section 4.5(c).

1.21 Hour of Service.

- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the City as an Employee during any period of employment (and credited for the period in which such duties are performed).
- (b) Except as otherwise provided in this Section 1.21(b), each hour for which an Employee is paid, or entitled to payment, by the City for a period of time during which no duties are performed (regardless of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or Leave of Absence (credited for the period in which such hour occurred); provided, however,
 - (1) no more than five hundred one (501) Hours of Service will be credited under this Section 1.21(b) to an Employee on account of any single continuous period during which he performs no duties (whether or not such period occurs in a single calendar year);

- (2) Hours of Service shall not be credited on account of a period during which an Employee is paid or entitled to payment and with respect to which no duties are performed, if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation or disability service laws, or if the payment merely reimburses the Employee for a medical or medically related expense incurred by him; and
 - (3) for purposes of this Section 1.21(b), a payment shall be deemed to be made by or due from the City regardless of whether such payment is made directly or indirectly through a trust fund, insurance company or other organization or person to which the City pays premiums or makes contributions and regardless of whether such premiums or contributions were made for the benefit of a particular Employee or on behalf of Employees generally.
- (c) Subject to the limitations set forth in Section 1.21(b)(1) through (3), each hour of a period (credited for such period) for which back pay, regardless of mitigation of damages, is either awarded or agreed to by the City.
 - (d) In determining whether an Employee has incurred a Break in Service for purposes of determining Years of Service, an Employee taking a Maternity/Paternity Absence or on leave under the Family and Medical Leave Act shall be credited with completing the number of Hours of Service he would have completed if not for such absence (or, if such credit cannot be determined, eight (8) hours for each day of such absence). For Maternity/Paternity Absences, such Hours of Service, not to exceed a total of five hundred one (501) hours for any one such absence, shall be credited either for the calendar year in which such absence began if necessary to prevent a Break in Service in such year, or, in any other case, for the immediately following calendar year. No such credit for Hours of Service shall be given under this Section 1.21(d) unless such Employee provides documentation satisfying the reasonable requirements of the Plan Administrator that such absence was a Maternity/Paternity Absence or an approved absence under the Family and Medical Leave Act, and establishing the number of days of such absence.
 - (e) Credit for the same Hours of Service shall not be awarded under more than one paragraph under this Section 1.21. Hours of Service credit shall be awarded subject to all the rules set forth in Paragraphs (b) and (c) of the United States Department of Labor Regulations Section 2530.200b-2, which are incorporated in this Plan by this reference. In lieu of actually recording each Hour of Service which is completed by an Employee whose hours are not required to be counted and reported under any federal law, such as the Federal Fair Labor Standards Act, if such person completes at least one (1) Hour of Service in a week, he shall be credited with at least forty-five (45) Hours of Service for such as an Employee.

1.22 Joint and Survivor Annuity.

An annuity which is the Actuarial Equivalent of a Single Life Annuity and which is payable monthly for the life of the Participant with a survivor annuity for the life of his Spouse which is fifty percent (50%), seventy-five percent (75), or one hundred percent (100%) of the amount of the annuity payable during the joint lives of the Participant and his Spouse.

1.23 Leave of Absence.

An approved leave of absence granted to an Employee by the City in accordance with applicable Federal or state law, including the Family and Medical Leave Act, or the City's uniform and nondiscriminatory personnel policy.

1.24 Maternity/Paternity Absence.

Any Employee's absence from work for the City for any period of time due to:

- (a) such Employee's pregnancy,
- (b) the birth of such Employee's child,
- (c) the placement of a child with such Employee in connection with the adoption of such child by such Employee, or
- (d) such Employee caring for such child for a period immediately following such birth or placement for adoption of such child.

1.25 Named Fiduciary.

The Plan Administrator which, in accordance with the provisions of Article 9, shall have only such duties and responsibilities in the management and administration of this Plan and the Trust as are expressly assigned to it in this Plan.

1.26 Normal Retirement Age.

The later of (i) age fifty-five (55) or (ii) the Participant's age on the date he completes ten (10) years of Vesting Service.

1.27 Normal Retirement Date.

The first day of the month coincident with or next following the date a Participant attains his Normal Retirement Age.

1.28 Participant.

As of any date, an Employee who has satisfied the eligibility requirements and entered the Plan as set forth in Section 2.1, a former Employee with an undistributed nonforfeitable Accrued Benefit under the Plan, or a Spouse of a deceased Participant who has an undistributed nonforfeitable Accrued Benefit.

1.29 Plan.

The City of McAlester Defined Benefit Retirement Plan and Trust, as amended from time to time.

1.30 Plan Administrator.

The Members of the City Council of The City of McAlester, Oklahoma, as currently existing or as from time to time duly elected or appointed.

1.31 Plan Year.

The twelve (12) consecutive month period beginning each July 1 and ending the next following June 30.

1.32 Predecessor Plan.

The words "Predecessor Plan" shall mean the defined benefit plan maintained by the City prior to the Effective Date hereof which was known as the "City of McAlester Defined Benefit Retirement Plan and Trust."

1.33 Profit Sharing Account Balance.

As of any determination date, the total amount in the separate account maintained within the Plan and Trust for each Participant who received a transfer into the Plan effective on July 1, 1995 of his own individual account balance from the City of McAlester Retirement Trust. The Profit Sharing Account Balance shall be increased at the end of each Plan Year using an interest rate of four percent (4%) per annum. An interest rate of four percent (4%) per annum shall be used to project the Profit Sharing Account Balance from any determination date to a retirement date that is subsequent to such determination date.

1.34 Qualified Election.

A Participant's written waiver of a Joint and Survivor Annuity under Section 6.3(a) and election of the Single Life Annuity benefit payment form, consented to by the Participant's Spouse. If the Participant establishes to the satisfaction of the Plan Administrator that such written consent may not be obtained because there is no Spouse or the Spouse cannot be located, a Participant's waiver or election will be deemed a Qualified Election. The Spouse's consent to such election must be witnessed by a representative or agent of the Plan Administrator or notary public, must be obtained within ninety (90) days of any distribution made pursuant to such election, and will be valid only with respect to the Spouse who signs the consent or, in the event of a deemed Qualified Election, the designated Spouse. The ninety (90) day period may be waived by the Participant and Spouse, provided the distribution of a Participant's Accrued Benefit shall not commence earlier than the seventh (7th) day following the date of the waiver or election. A Participant may revoke a Qualified Election without the consent of his Spouse at any time before the commencement of benefits. The number of elections or revocations shall not be limited.

1.35 Reemployment Commencement Date.

The date on which an Employee is first credited with an Hour of Service after incurring a one-year Break in Service.

1.36 Required Annuity Commencement Date.

The Required Annuity Commencement Date is the April 1 following the calendar year in which the Participant attains age seventy and one-half (70-1/2) or, if later, the calendar- year in which the Participant retires.

1.37 Single Life Annuity.

An income payable monthly, beginning as of the first day of the month for which the Participant's Plan benefits are scheduled to commence under this Plan and ending as of the first day of the month in which the Participant dies.

1.38 Spouse.

The individual to whom a Participant is legally married as of the earlier of such Participant's date of death or his Annuity Commencement Date, or any former Spouse of the Participant treated as his Spouse or surviving Spouse pursuant to a Qualified Domestic Relations Order under Code Section 414(p)(5).

1.39 Total and Permanent Disability.

A physical or mental condition incurred while an active Employee which totally and permanently prevents the Employee from engaging in any substantial gainful employment, which is expected to prevent the Employee from returning to work and which qualifies the Employee to receive long term disability benefits under the long term disability program sponsored by the City. The determination of the Total and Permanent Disability of an Employee shall be made at the sole discretion of the Plan Administrator with the advice of a licensed physician. The Plan Administrator may request an Employee's examination by a licensed physician at the Plan's expense. If an Employee refuses to be so examined, he shall be deemed not to have suffered a Total and Permanent Disability. However, an Employee will not be considered Totally and Permanently Disabled if the disability is caused by an intentionally self-inflicted injury or intentionally self-inflicted sickness; military service where the Employee is eligible to receive a government-sponsored disability pension; hostile or warlike action; insurrection; rebellion; revolution or felony.

1.40 Trust.

The trust established under this Plan to hold and invest contributions made to this Plan and from which Plan benefits will be distributed.

1.41 Trustees.

The City Council of The City of McAlester, Oklahoma, as currently existing or as from time to time duly elected or appointed, shall serve as Trustees of the Trust established by this Plan and Trust.

1.42 Vesting Service.

(a) General Rule. Except as provided in Section 1.41(b), a Participant shall be credited with Vesting Service for the aggregate of all years and completed months beginning on his Employment Commencement Date or Reemployment Commencement Date and ending on his next following Employment Termination Date. A Participant shall also be credited with any period of less than twelve (12) months between an Employment Termination Date and the date on which he next first performs an Hour of Service.

(b) Service Disregarded. The following years of Vesting Service shall be disregarded:

- (1) Years of Vesting Service accrued prior to an Employment Termination Date by a Participant who is zero percent (0%) vested in his Accrued Benefit at the time of an Employment Termination Date and who subsequently incurs five (5) or more consecutive one-year Breaks in Service;
- (2) Years of Vesting Service before an Employee attained age eighteen (18);
- (3) Any years for which severance pay is received; and
- (4) Effective as of January 1, 2004, Years of Vesting Service prior to the first day of the Eligibility Computation Period during which the Participant first satisfies the requirements to become eligible for participation in the Plan.

ARTICLE 2 PARTICIPATION

2.1 Participation.

- (a) Prior Participants. Every Employee who was a participant in the Predecessor Plan immediately prior to the Effective Date hereof shall continue to be a Participant in the Plan.
- (b) Excluded Employees. No Excluded Employee shall be eligible to participate in the Plan.
- (c) No New Participants. No Employee shall become eligible to participate in this Plan on or after the Effective Date hereof.
- (d) Interruption of Employment or Becoming An Excluded Employee.
 - (1) Before Becoming A Participant. If an otherwise eligible Employee becomes an Excluded Employee or his employment with the City is interrupted by an event (other than leave under the Family and Medical Leave Act or the Uniformed Services Employment and Reemployment Rights Act) before he becomes a Participant and the date he ceases to be an Excluded Employee or his Reemployment Commencement Date occurs after he incurs one (1) or more Breaks in Service, he must meet the requirements of this Section as though he were a new Employee as of the date he ceased to be an Excluded Employee or his Reemployment Commencement Date. Otherwise, if the date he ceases to be an Excluded Employee or his Reemployment Commencement Date occurs before he incurs one (1) or more Breaks in Service, he shall become a Participant as of the later of such date or the Entry Date he would have become a Participant had his eligibility or employment not been interrupted. An Employee on leave under the Family and Medical Leave Act who returns to employment before the expiration of such leave available under that Act shall become a Participant on the Entry Date he would otherwise

become a Participant had he not been on leave under the Family and Medical Leave Act, but subject to the requirements of Section 2.1(a).

- (2) **As A Participant With No Vested Benefit.** If a nonvested Participant (i) incurs Breaks in Service equal to or greater than five (5) and (ii) his Breaks in Service exceed the aggregate number of years of Vesting Service before such Breaks, he shall be treated as a new Employee under Section 2.1(a). In all other situations, a nonvested Participant shall be reinstated as a Participant as of his Reemployment Commencement Date.
- (3) **Vested Participant.** Any terminated Participant whose vested Accrued Benefit is greater than zero (0) and who has incurred one (1) or more Breaks in Service shall become a Participant on his Reemployment Commencement Date (regardless of the number of Breaks in Service).

2.2 Change In Employment Status.

- (a) In the event that an Employee who was a participant in a uniformed employee or a collectively bargained pension plan of the City becomes a Participant in this Plan, his Accrued Benefit under this Plan shall be determined solely on his Benefit Service in a non-uniformed or non-union job category with the City (as applicable). However, he shall be treated as though he were a non-excluded Employee eligible to participate in this Plan based on his total period of employment with the City for purposes of determining eligibility for Participation and calculation of Vesting Service.
- (b) In the event that a Participant by virtue of a change in employment status becomes a participant in a uniformed employee or collectively bargained pension plan of the City, he shall retain in this Plan all benefits accrued to the date of such change in employment status, based on Benefit Service and Final Average Monthly Compensation as of the date of such change. For purposes of determining the Participant's vested interest under this Plan, any such change in employment shall not be treated as a termination of employment and Vesting Service shall continue to accrue while he is an Employee of the City.

2.3 Participant Information.

Each person who becomes a Participant shall file with the Plan Administrator such personal information, data and elections as the Plan Administrator deems necessary to provide for the orderly administration of this Plan and the payment of benefits under this Plan.

ARTICLE 3 CONTRIBUTIONS

3.1 **City Contributions.**

The City intends but does not guarantee to make contributions to the Trust. All such contributions made to the Trust shall be used to fund benefits under the Plan or to pay expenses of the Plan and shall be irrevocable, except as otherwise provided in Section 3.4.

3.2 **Employee Contributions.**

Employees and Participants are not required or permitted to make contributions to the Plan.

3.3 **Forfeitures.**

All forfeitures arising under the Plan will be applied to reduce the contributions of the City and shall not be used to increase the Plan benefits of any Participant at any time.

3.4 **Reversion of Contributions.**

- (a) **Mistake of Fact.** If a contribution is made by the City by reason of a mistake of fact, such contribution shall be returned to the City upon discovery of such mistake, if discovered and returned within one (1) year after the payment of such contribution.
- (b) **Deduction.** If the Internal Revenue Service determines that any contribution is non-deductible under Code Section 404, then such contribution, to the extent that they are determined to be non-deductible, shall be refunded to the City within one (1) year of the date of disallowance of such deduction, all such contributions being conditioned upon their deductibility.
- (c) **Qualification.** If the Internal Revenue Service determines that for its initial qualification this Plan fails to satisfy the requirements under Code Section 401(a), and the City fails to make the changes to the Plan necessary to satisfy such requirements, the Plan shall be considered terminated and all contributions made to the Plan shall be distributed in accordance with Section 10.2.

**ARTICLE 4
PLAN BENEFITS**

4.1 General.

Subject to the limitations in Article 5, this Article 4 describes the benefit available under the Plan when an employee retires (either on his Normal, Deferred or Disability Retirement Date), terminates employment for a reason other than retiring or dies. The time when benefits are paid, and the form in which such benefits are paid are addressed in Article 6.

In the case of a death or disability occurring on or after January 1, 2007, if a participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

4.2 Normal Retirement.

(a) A Participant whose employment terminates, for any reason other than death, on or after his Normal Retirement Date shall be entitled to receive a retirement benefit equal to his Accrued Benefit.

(b) The Annuity Commencement Date of any Participant who is to receive his benefit pursuant to Section 4.2(a) shall be his Normal Retirement Date.

4.3 Deferred Retirement.

(a) Employees Who Work At Least 40 Hours Per Month After Normal Retirement Date.

(1) General Rule. Subject to Sections 4.3(a)(2), a Participant who performs at least forty (40) Hours of Service during a calendar month with the City after his Normal Retirement Date ("Section 203 Service"), and whose employment terminates for any reason (other than death) on or after his Normal Retirement Date shall have his distributions suspended until his Deferred Retirement Date. On his Deferred Retirement Date, he shall be entitled to receive a retirement benefit equal to his Accrued Benefit determined as of his Deferred Retirement Date (with no actuarial adjustment for delayed payment).

(2) Adjustments.

(A) Where an Employee was receiving benefit payments in a form other than a Single Life Annuity or a Joint and One-Hundred Percent (100%) Survivor Annuity, then only the lesser of the Employee's actual amount paid (or scheduled to be paid) or an amount equal to a Single Life Annuity shall be suspended.

- (B) Where benefit payments erroneously continue to be made to an Employee from the Trust during a period when such payments should have been suspended, such erroneous payment shall be deducted from future payments, provided such deduction does not exceed in any one month twenty-five percent (25%) of that month's total benefit payment (before the offset).
- (b) Employees Who Work Less Than 40 Hours Per Month After Retirement. An Employee who continues to work less than 40 hours per month after his Normal Retirement Date will begin to receive distributions as though he was not working.
- (c) Annuity Commencement Date. Except as provided in Section 6.4, the Annuity Commencement Date of any Participant who is to receive a benefit pursuant to Section 4.3 shall be the first day of the month next following his Deferred Retirement Date.

4.4 Disability Retirement.

- (a) A Participant whose employment terminates due to his Total and Permanent Disability before his Normal Retirement Date shall be entitled to receive a benefit equal to his Accrued Benefit determined as of his Disability Retirement Date.
- (b) The Annuity Commencement Date of any Participant who is to receive a benefit pursuant to Section 4.4(a) shall be the first day of the next month following his Disability Retirement Date.
- (c) A Participant's benefits under this Section 4.4 shall cease as of the earlier of his recovery from his Total and Permanent Disability, his date of death or his Annuity Commencement Date under Section 4.2(b). Subsequent benefits under this Plan for such Participant shall be determined in accordance with this Article with applicable Benefit Service as provided in Section 1.4 and applicable Vesting Service as provided in Section 1.41.

4.5 Termination Benefit.

- (a) General Rule. A Participant who incurs a Break in Service and who, as of the date of the termination of his employment which gives rise to such Break in Service, is ineligible for any other benefit payment under this Plan, shall be eligible for a termination benefit equal to his Accrued Benefit as of the date of such termination multiplied by his vested percentage in Section 4.5(b).
- (b) Vested Percentage. A Participant shall be one hundred percent (100%) vested upon attaining Normal Retirement Age while an active Employee. In all other situations, the Plan Administrator shall determine a Participant's vested percentage in accordance with the schedule set forth below.

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 10 years	0%
10 years or more	100%

Provided, however, for any Participant who has an Employment Termination Date before completing ten (10) years of Vesting Service, the benefit payable from this Plan shall not be less than the Actuarial Equivalent monthly annuity benefit provided by the Profit Sharing Account Balance and payable in the normal form of payment as provided by Section 6.2 of the Plan.

- (c) Forfeitures. The nonvested portion of a terminated Participant's Accrued Benefit shall become a Forfeiture as of the last day of the Plan Year in which he incurs a Break in Service.
- (d) Annuity Commencement Date. The Annuity Commencement Date of any Participant who is to receive his benefit pursuant to Section 4.5(a) shall be his Normal Retirement Date.

4.6 Death Before Annuity Commencement Date.

- (a) Participants With Spouses. This Section 4.6(a) shall apply only to a Participant with a vested Accrued Benefit who was legally married on his date of death, except as otherwise provided in Code Section 414(p)(5).

(1) Before Normal Retirement Date.

- (A) If a Participant or former Participant dies before his Normal Retirement Age, his Spouse shall receive a benefit payable monthly for her life.
- (B) The benefit payable to such Spouse shall be equal to the 50% survivor portion of a Joint and 50% Survivor Annuity that the Participant would have been entitled to receive based on his vested Accrued Benefit, assuming that such benefit would have commenced on the day before the Participant's death.
- (C) The Annuity Commencement Date of any Spouse who is to receive a benefit pursuant to Section 4.6(a)(1)(A) shall be the first day of the month coinciding with or next following the date of the Participant would have attained his Normal Retirement Age.

(2) On or After Normal Retirement Date.

- (A) If a Participant or former Participant dies before his Annuity Commencement Date and on or after his Normal Retirement Date, his Spouse shall receive a benefit payable monthly for her life.
- (B) The benefit payable to such Spouse shall be equal to fifty percent (50%) of the benefit the Participant would have been entitled to

receive as of his Normal Retirement Date or Deferred Retirement Date, and assuming that such benefit would have commenced on the Annuity Commencement Date and that he had elected a Joint and 50% Survivor Annuity.

- (C) The Annuity Commencement Date of any Spouse who is to receive a benefit pursuant to Section 4.6(a)(2)(A) shall be the first day of the month coinciding with or next following the date of death of the Participant.

(b) Participants Without Spouses.

- (1) If a Participant or former Participant did not have a Spouse on his date of death, the death benefit that would otherwise be provided under Section 4.6(a) shall be payable in equal shares to the Participant's "Eligible Children" as the term is defined in 4.6(b)(2). For purposes of calculating the benefit payable under 4.6(a), the Participant will be deemed to have been married to a spouse of the same age as the Participant. Each such child's share of benefit shall be discontinued as of the first day of the month following his or her eighteenth (18th) birthday. However, any child enrolled full-time and regularly attending a public or private school or any institution of higher education shall have payment of benefits extended until his or her twenty-second (22nd) birthday. No further payments related to that child's share shall be payable thereafter under this Plan.
- (2) "Eligible Children" shall be defined as a child or children under the age of eighteen (18) years legitimately born of the union of Participant and Spouse, or legally adopted by them or legitimately born of the union of the Participant and an earlier Spouse.
- (3) If a Participant or former Participant did not have a Spouse or any "Eligible Children" on his date of death, then the benefit that could have been provided by such Participant's Profit Sharing Account Balance (if any) shall be paid in a single lump sum to the Participant's Beneficiary, or if no beneficiary is designated by such Participant, to his estate.
- (4) Minimum benefit. In no event will the death benefit payable under this Section 4.6 have a value less than the Actuarial Equivalent of the Participant's Profit Sharing Account Balance.
- (5) Subsidized. No benefit provided under this Section 4.6 shall be reduced by the insurance cost of providing such benefit.

4.7 Death After Annuity Commencement Date.

Notwithstanding Section 6.4(b), if any former Participant dies after his Annuity Commencement Date, the death benefit, if any, which may be payable on his behalf under this Plan shall be determined according to his form of benefit payment in effect under Sections 6.2 and 6.3.

4.8 Bonus Program.

- (a) Overview. Except as provided in paragraph (f), an Eligible Participant (as defined in paragraph (b)) who has made the election described in paragraph (c) shall participate in the Bonus Program and receive the Bonus described in paragraph (d) in the manner described in paragraph (e).
- (b) Eligible Participant. A Participant who has attained age fifty-five (55) and completed twenty-five (25) years of Benefit Service and not elected to participate in the DROP Program under Section 4.9 shall be an Eligible Participant.
- (c) Election. An Eligible Participant may make an irrevocable election to participate in the Bonus Program by completing an election form and returning the completed form to the Plan Administrator within the time prescribed by the Plan Administrator, but no later than three months before the effective date of such election.
- (d) Benefits. During the period after the effective date of the election to participate in the Bonus Program and prior to the Annuity Commencement Date of the Eligible Participant, the Eligible Participant shall receive a Bonus equal to fifteen percent (15%) of the Compensation of such Eligible Participant for the prior calendar year, or any portion of such calendar year after the effective date of the election to participate in the Bonus Program or prior to the Annuity Commencement Date.
- (e) Distribution. The annual Bonus shall be paid in a single lump sum payment from the general assets of the City within three (3) months after the last day of each calendar year, or in the event of the death of an Eligible Participant, as soon as administratively feasible after the date of death.
- (f) Exceptions and Limitations. In the event that an Eligible Participant who has elected to participate in the Bonus Program becomes Totally and Permanently Disabled as defined in Section 1.38 or dies prior to the Annuity Commencement Date of his Deferred Retirement Benefit, the payment of the Bonus shall cease. The last payment of the Bonus shall be based on Compensation paid during the year of disability or death from January 1 through the date of disability or death. Disability Retirement benefits or death benefits shall be paid to the estate otherwise payable under Section 4.4 or 4.6 (as applicable). However, as stated in Section 1.19, Final Average Monthly Compensation shall be determined based only on Compensation paid prior to the effective date of the irrevocable election to participate in the Bonus Program.
- (g) Freeze of Bonus Program. Notwithstanding anything to the contrary herein, effective as of the Cessation Date as defined in the Preamble of the Plan, all Participants shall cease accrual of any further benefits under the Plan on and after the Cessation Date, including those accrued under the Bonus Program pursuant to this Section 4.8 of the Plan. In conjunction with the cessation of such benefit accruals under the Plan, effective as of the Cessation Date no further benefits shall

accrue on behalf of any Participant after the Cessation Date. Further, all payments under the Bonus Program pursuant to this Section 4.8 shall cease to be made on and after the Cessation Date.

4.9 DROP (Deferred Retirement Option Plan) Program.

- (a) Overview. Except as provided in paragraph (f), an Eligible Participant (as defined in paragraph (b)) who has made the election described in paragraph (c) will participate in the DROP Program and shall receive the benefits described in paragraph (d) in the manner described in paragraph (e).
- (b) Eligible Participant. A Participant who has attained age fifty-five (55) and completed twenty-five (25) years of Benefit Service and not elected to participate in the Bonus Program described in Section 4.8 shall be an Eligible Participant.
- (c) Election. An Eligible Participant may make an irrevocable election to participate in the DROP by completing an election form and returning the completed form to the Plan Administrator within the time prescribed by the Plan Administrator, but no later than three months before the effective date of such election. The effective date of the election can be the first day of any month during the twenty-four (24) months before the elected Deferred Retirement Date. The election form shall include the month and year of the Deferred Retirement Date. The Deferred Retirement Date may not be more than twenty-four (24) months after the effective date of the election. Except as indicated in Section 4.9(f), an Eligible Participant's election to be in the DROP is irrevocable. However, the Eligible Participant may elect to retire before the Deferred Retirement Date chosen in the initial election form by completing a revised election form.
- (d) Benefits. During the period after the effective date of the election to participate in the DROP and prior to the Deferred Retirement Date of the Eligible Participant, a "DROP Account" shall be established for such Eligible Participant. The DROP Account shall be a recordkeeping account held for the benefit of the Eligible Participant that, beginning on the effective date of the election, shall be credited with the payment of the monthly Accrued Benefit equal to the Accrued Benefit that the Eligible Participant would have received had he retired and begun receiving pension payments on the effective date of the election. Interest shall be credited to the DROP Account using four percent (4%) simple interest, credited monthly. The last payment to the DROP Account shall be the monthly payment for the month immediately preceding the Deferred Retirement Date.
- (e) Distribution. As soon as administratively feasible after the Deferred Retirement Date elected by the Eligible Participant, the payment of the Accrued Benefit to the Participant shall begin and the Participant shall receive a single lump sum payment of the amount in the DROP account as of the last day of the month immediately preceding the Deferred Retirement Date. The payment of the DROP account is a distribution from a qualified pension plan and is eligible for rollover to an IRA (Individual Retirement Account) or to another qualified pension plan. If the Eligible Participant completes a revised election form with a revised

Deferred Retirement Date, the payment of the Accrued Benefit and the lump sum payment of the DROP Account shall be made as soon as administratively feasible after the revised Deferred Retirement Date, with the DROP Account to include only monthly payments made to the DROP Account for the months immediately preceding the revised Deferred Retirement Date.

- (f) Exceptions and Limitations. In the event that an Eligible Participant who has elected to participate in the DROP becomes Totally and Permanently Disabled as defined in Section 1.38 or dies prior to the Annuity Commencement Date of his Deferred Retirement Benefit, the payment of the DROP benefit shall not be made and the election shall become invalid. Disability Retirement benefits or death benefits shall be paid as to the extent otherwise payable under Section 4.4 or 4.6 (as applicable). Final Average Monthly Compensation shall be determined based on Compensation paid prior to the date of Total and Permanent Disability or death.

- (g) Freeze of Drop Program. Notwithstanding anything to the contrary herein, effective as of the Cessation Date as defined in the Preamble of the Plan, all Participants shall cease accrual of any further benefits under the Plan on and after the Cessation Date, including those accrued under the DROP Program pursuant to this Section 4.9 of the Plan. In conjunction with the cessation of such benefit accruals under the Plan, effective as of the Cessation Date no further benefits shall accrue on behalf of any Participant after the Cessation Date. Further, all payments under the DROP Program pursuant to this Section 4.8 shall cease to be made on and after the Cessation Date.

ARTICLE 5
LIMITATIONS ON BENEFITS

5.1 Limitations on Benefits Relating to Section 415 of Internal Revenue Code of 1986.

- (a) Notwithstanding any other provision contained herein to the contrary, the benefits payable to a Participant from the Plan provided by employer contributions (including contributions picked up by the employer under Code Section 414(h)) shall be subject to the limitations of Code Section 415 in accordance with the provisions of this Article. The limitations of this Article shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided below.
- (b) Except as provided below, effective for limitation years ending after December 31, 2007, any accrued retirement benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.
- (c) If the Participant is, or has ever been, a Participant in another qualified defined benefit plan (without regard to whether the Plan has been terminated) maintained by the Employer or a predecessor employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. Where the Participant's Employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Maximum Permissible Benefit applicable at that age, the Employer will apply the benefit accrual limit first to the plan that is not a broad-based participation plan.
- (d) The application of the provisions of this Article shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Treas. Reg. Section 1.415(a)-1(g)(4).
- (e) The limitations of this Article shall be determined and applied taking into account the rules in Section 5.7.

5.2 Definitions.

For purposes of calculating the limitations which are otherwise applicable to a Participant pursuant to Section 415 of the Code and this Plan, the following definitions shall apply.

- (a) Annual Benefit: A benefit that is payable annually in the form of a straight life annuity. Except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month before applying the limitations of this Article. For a Participant who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Article as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to Treas. Reg. Section 1.401(a)-20, Q&A 10(d), and with regard to Treas. Reg. Section 1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or (c) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Article, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Article applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the Annual Benefit shall take into account Social Security supplements described in Code Section 411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to Treas. Reg. Section 1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to employee contributions or rollover contributions.

Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with Section 5.2(a)(1) or Section 5.2(a)(2).

- (1) Benefit Forms Not Subject to § 417(c)(3): The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this Section 10.3(a)(1) if the form of the Participant's benefit is either (1) a nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the Participant (or, in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or (2) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social

Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).

- (i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan for adjusting benefits in the same form; and (II) a 5 percent interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan for that annuity starting date.
 - (ii) Limitation Years beginning on or after July 1, 2007. For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of (1) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date as the Participant's form of benefit; and (2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan for that annuity starting date.
- (2) Benefit Forms Subject to Code Section 417(c)(3): The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this paragraph if the form of the Participant's benefit is other than a benefit form described in Section 5.2(a)(1). In this case, the actuarially equivalent straight life annuity shall be determined as follows:
- (i) Annuity Starting Date in Plan Years Beginning After 2005. Except as provided in Section 5.2(a)(2)(iv), if the annuity starting date of the Participant's form of benefit is in a Plan Year beginning after December 31, 2005, the actuarially equivalent straight life annuity is equal to the greatest of:
 - a) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;
 - (b) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the applicable mortality table for the distribution under Regulations Section 1.417(c)-1(d)(2)

(determined in accordance with Section 5.2(a)(2)(v) for Plan Years after the effective date specified below); and

(c) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the applicable interest rate for the distribution under Regulations Section 1.417(e)-1(d)(3) (determined in accordance with Section 5.2(a)(2)(v) for Plan Years on or after January 1, 2008 and the applicable mortality table for the distribution under Regulations Section 1.417(e)-1(d)(2) (determined in accordance with Section 5.2(a)(2)(v) for Plan Years after the effective date specified below), divided by 1.05.

The effective date of the applicable mortality table above is for years beginning after December 31, 2008.

- (ii) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. If the annuity starting date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan for adjusting benefits in the same form; and (II) a 5.5 percent interest rate assumption and the applicable mortality table for the distribution under Treas. Reg. Section 1.417(e)-1(d)(2).

However, this Section does not supersede any prior election to apply the transition rule of section 101(d)(3) of PFEA as described in Notice 2004-78.

- (iii) Annuity Starting Date in small plans for Plan Years Beginning in 2009 and later. If the annuity starting date of the Participant's form of benefit is in a Plan Year beginning in or after 2009, and if the Plan is maintained by an eligible employer as defined Code Section 408(p)(2)(C)(i), the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

(a) The interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

(b) A 5.5 percent interest rate assumption and the applicable mortality table described in Section 5.2(a)(2)(v).

- (iv) Definition of “Applicable Mortality Table.” Effective for annuity starting dates in a Plan Year beginning on or after January 1, 2008, for purposes of this Article, the “applicable mortality table” means the applicable mortality table within the meaning of Code Section 417(e)(3)(B) as described in Revenue Ruling 2007-67.
- (v) Applicable interest rate. For purposes of the Plan’s provisions relating to the calculation of the present value of a benefit payment that is subject to Code Section 417(e), as well as any other Plan provision referring directly or indirectly to the “applicable interest rate” or “applicable mortality table” used for purposes of Code Section 417(e), any provision prescribing the use of the annual rate of interest on 30-year U.S. Treasury securities shall be implemented by instead using the rate of interest determined by applicable interest rate described by Code Section 417(e) after its amendment by PPA. Specifically, the applicable interest rate shall be the adjusted first, second, and third segment rates applied under the rules similar to the rules of Code Section 430(h)(2)(C) for the calendar month (lookback month) before the first day of the Plan Year in which the annuity starting date occurs (stability period). For this purpose, the first, second, and third segment rates are the first, second, and third segment rates which would be determined under Code Section 430(h)(2)(C) if:
 - (a) Code Section 430(h)(2)(D) were applied by substituting the average yields for the month described in the preceding paragraph for the average yields for the 24-month period described in such section, and
 - (b) Code Section 430(h)(2)(G)(i)(II) were applied by substituting “Section 417(e)(3)(A)(ii)(II)” for “Section 412(b)(5)(B)(ii)(II),” and
 - (c) The applicable percentage under Code Section 430(h)(2)(G) is treated as being 20% in 2008, 40% in 2009, 60% in 2010, and 80% in 2011.
- (b) Compensation: Compensation is defined as wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Treas. Reg. Section § 1.62-2(c), and excluding the following:
 - (i) Employer contributions (other than elective contributions described in Code Sections 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described

in Code Section 408(p), and whether or not qualified) to the extent such contributions are not includible in the employee's gross income for the taxable year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);

- (ii) Amounts realized from the exercise of a nonstatutory stock option (that is, an option other than a statutory stock option as defined in Treas. Reg. Section 1.421-1(b)), or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
- (iv) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in Code Section 125);
- (v) Other items of remuneration that are similar to any of the items listed in (i) through (iv).

For Limitation Years beginning more than 90 days after the close of the first regular legislative session of the legislative body with authority to amend the Plan that begins on or after July 1, 2007, compensation for a Limitation Year shall also include compensation paid by the later of 2½ months after an employee's severance from employment with the employer maintaining the Plan or the end of the Limitation Year that includes the date of the employee's severance from employment with the employer maintaining the Plan, if the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer.

Any payments not described above shall not be considered compensation if paid after severance from employment, even if they are paid by the later of 2½ months after the date of severance from employment or the end of the Limitation Year that includes the date of severance from employment, except, payments to an individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

Back pay, within the meaning of Treas. Reg. Section 1.415(c)-2(g)(8), shall be treated as compensation for the Limitation Year to which the back pay relates to the extent the back

pay represents wages and compensation that would otherwise be included under this definition.

For Limitation Years beginning after December 31, 1997, or Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

For Limitation Years beginning after December 31, 2000, Compensation shall also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).

For Limitation Years beginning after December 31, 2001, Compensation shall also include deemed Code Section 125 Compensation. Deemed Code Section 125 compensation is an amount that is excludable under Code Section 106 that is not available to a Participant in cash in lieu of group health coverage under a Code Section 125 arrangement solely because the Participant is unable to certify that he or she has other health coverage. Amounts are deemed Code Section 125 compensation only if the employer does not request or otherwise collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

- (c) Defined Benefit Dollar Limitation: Effective for Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation is \$160,000, automatically adjusted under Code Section 415(d) for increases in the cost-of-living, effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year.
- (d) Employer: For purposes of this Article, employer shall mean the employer that adopts this plan, and all members of a controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h)), all commonly controlled trades or businesses (as defined in Code Section 414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code Section 415(h)), or affiliated service groups (as defined in Code Section 414(m)) of which the adopting employer is a part, and any other entity required to be aggregated with the employer pursuant to Code Section 414(o).
- (e) Formerly Affiliated Plan of the Employer: A plan that, immediately prior to the cessation of affiliation, was actually maintained by the employer and, immediately after the cessation of affiliation, is not actually maintained by the employer. For this purpose, cessation of affiliation means the event that causes an entity to no longer be considered the employer, such as the sale of a member controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h), to an unrelated corporation, or that causes a plan to not

actually be maintained by the employer, such as transfer of plan sponsorship outside a controlled group.

- (f) Limitation Year: The Plan Year. All qualified plans maintained by the employer must use the same Limitation Year. If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.
- (g) Maximum Permissible Benefit: The Defined Benefit Dollar Limitation (adjusted where required, as provided below).

(1) Adjustment for Less Than 10 Years of Participation or Service: If the Participant has less than 10 years of participation with the Employer, the Defined Benefit Dollar Limitation shall be multiplied by a fraction -- (i) the numerator of which is the number of Years (or part thereof, but not less than one year) of Participation in the Plan, and (ii) the denominator of which is 10.

(2) Adjustment of Defined-Benefit-Dollar Limitation for Benefit Commencement Before Age 62 or after Age 65: Effective for benefits commencing in Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation shall be adjusted if the annuity starting date of the Participant's benefit is before age 62 or after age 65. If the annuity starting date is before age 62, the Defined Benefit Dollar Limitation shall be adjusted under Subsection (g)(2)(i), as modified by (g)(2)(iii). If the annuity starting date is after age 65, the Defined Benefit Dollar Limitation shall be adjusted under Subsection (g)(2)(ii), as modified by, Subsection (g)(2)(iii),

(i) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62.

I. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Subsection (g)(1) above for years of participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan; or (2) a 5-percent interest rate assumption and the applicable mortality table as defined in Section 1.2 of the Plan.

II. Limitation Years Beginning on or After July 1, 2007.

A. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of

benefit commencement, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 5.2(g)(1) for years of participation less than 10, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 1.2 of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

B. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the lesser of the limitation determined under Section 5.2(g)(2)(i)(II)(A), and the Defined Benefit Dollar Limitation (adjusted under Section 5.2(g)(1) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Article.

(ii) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement After Age 65:

I. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under subsection (g)(1) above for years of participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan; or (2) a 5-percent interest rate assumption and the applicable mortality table as defined in Section 1.2 of the Plan.

II. Limitation Years Beginning On or After July 1, 2007.

A. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial

equivalent of the Defined Benefit Dollar Limitation (adjusted under Subsection (g)(1) for years of participation less than 10, if required), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for that annuity starting date as defined in Section 1.2 of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

B. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's annuity starting date is the lesser of the limitation determined under Subsection (g)(2)(ii)I.A., and the Defined Benefit Dollar Limitation (adjusted under Subsection (g)(1) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Article. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Participant's annuity starting date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after sixty-five (65) years of age but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at sixty-five (65) years of age is the annual amount of such annuity that would be payable under the Plan to a hypothetical member who is sixty-five (65) years of age and has the same accrued benefit as the Participant.

(iii) Notwithstanding the other requirements of this Subsection (g)(2), in adjusting the Defined Benefit Dollar Limitation for the Participant's annuity starting date under Subsections (g)(2)(i)I. and (g)(2)(i)II.A., (g)(2)(ii)I., (g)(2)(ii)II.A., no adjustment shall be made to the Defined Benefit Dollar Limitation to reflect the probability of a Participant's death between the annuity starting date and age 62, or between age 65 and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Participant's death.

(iv) Notwithstanding any other provision to the contrary, for limitation years beginning on or after January 1, 1997, if payment begins before the Participant reaches sixty-two (62) years of age, the reductions in the limitations in this subsection shall not apply to a Participant who is a "qualified participant" as defined in Section 415(b)(2)(H) of the Code.

(3) Minimum benefit permitted: Notwithstanding anything else in this section to the contrary, the benefit otherwise accrued or payable to a Participant under this plan shall be deemed not to exceed the Maximum Permissible Benefit if:

(i) the retirement benefits payable for a Limitation Year under any form of benefit with respect to such Participant under this plan and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the employer do not exceed \$10,000 multiplied by a fraction — (I) the numerator of which is the Participant's number of Years (or part thereof, but not less than one year) of Service (not to exceed 10) with the employer, and (II) the denominator of which is 10; and

(ii) the employer (or a predecessor employer) has not at any time maintained a defined contribution plan in which the Participant participated (for this purpose, mandatory employee contributions under a defined benefit plan, individual medical accounts under Code Section 401(h), and accounts for postretirement medical benefits established under Code Section 419A(d)(1) are not considered a separate defined contribution plan).

(4) For limitation years beginning on or after January 1, 1995, subsection (g)(1) of this Section, subsection (g)(1)(i) of this Section, and the proration provided under subsection (g)(3)(i) of this Section, shall not apply to a benefit paid under the Plan as a result of the Participant becoming disabled by reason of personal injuries or sickness or amounts received by the beneficiaries, survivors or estate of the Participant as a result of the death of the Participant.

(5) For distributions made in limitation years beginning on or after January 1, 2000, the combined limit of repealed Code Section 415(e) shall not apply.

5.3 Predecessor Employer:

If the employer maintains a plan that provides a benefit which the Participant accrued while performing services for a former employer, the former employer is a predecessor employer with respect to the Participant in the Plan. A former entity that antedates the employer is also a predecessor employer with respect to a Participant if, under the facts and circumstances, the employer constitutes a continuation of all or a portion of the trade or business of the former entity.

5.4 Severance from Employment.

An employee has a severance from employment when the employee ceases to be an employee of the employer maintaining the Plan. An employee does not have a severance from employment if, in connection with a change of employment, the employee's new employer maintains the Plan with respect to the employee.

5.5 Year of Participation.

The Participant shall be credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (1) the Participant is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a year of participation credited to the

Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of Code Section 415(c)(3)(C)(i) for an accrual computation period shall receive a Year of Participation with respect to that period. In addition, for a Participant to receive a Year of Participation (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event shall more than one Year of Participation be credited for any 12-month period.

5.6 Year of Service.

For purposes of Section 5.2(g), the Participant shall be credited with a Year of Service (computed to fractional parts of a year) for each accrual computation period for which the Participant is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, taking into account only service with the employer or a predecessor employer.

5.7 Other Rules.

- (a) Benefits Under Terminated Plans. If a defined benefit plan maintained by the employer has terminated with sufficient assets for the payment of benefit liabilities of all plan Participants and a Participant in the Plan has not yet commenced benefits under the Plan, the benefits provided pursuant to the annuities purchased to provide the Participant's benefits under the terminated plan at each possible annuity starting date shall be taken into account in applying the limitations of this Article. If there are not sufficient assets for the payment of all Participants' benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the Participant under the terminated plan.
- (b) Benefits Transferred From the Plan. If a Participant's benefits under a defined benefit plan maintained by the employer are transferred to another defined benefit plan maintained by the employer and the transfer is not a transfer of distributable benefits pursuant to Treas. Reg. Section 1.411(d)-4, Q&A-3(c), the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a Participant's benefits under a defined benefit plan maintained by the employer are transferred to another defined benefit plan that is not maintained by the employer and the transfer is not a transfer of distributable benefits pursuant to Treas. Reg. Section 1.411(d)-4, Q&A-3(c), the transferred benefits are treated by the employer's plan as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the employer that terminated immediately prior to the transfer with sufficient assets to pay all Participants' benefit liabilities under the Plan. If a Participant's benefits under a defined benefit plan maintained by the employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to Treas. Reg. Section 1.411(d)-4, Q&A-3(c), the amount transferred is treated as a benefit paid from the transferor plan.

- (c) Formerly Affiliated Plans of the Employer. A formerly affiliated plan of an employer shall be treated as a plan maintained by the employer, but the formerly affiliated plan shall be treated as if it had terminated immediately prior to the cessation of affiliation with sufficient assets to pay Participants' benefit liabilities under the Plan and had purchased annuities to provide benefits.
- (d) Plans of a Predecessor Employer. If the employer maintains a defined benefit plan that provides benefits accrued by a Participant while performing services for a predecessor employer, the Participant's benefits under a plan maintained by the predecessor employer shall be treated as provided under a plan maintained by the employer. However, for this purpose, the Plan of the predecessor employer shall be treated as if it had terminated immediately prior to the event giving rise to the predecessor employer relationship with sufficient assets to pay Participants' benefit liabilities under the Plan, and had purchased annuities to provide benefits; the employer and the predecessor employer shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provide under the Plan of the predecessor employer.
- (e) Special Rules. The limitations of this Article shall be determined and applied taking into account the rules in Treas. Reg. Section 1.415(f)-1(d), (e) and (h).
- (f) Aggregation with Multiemployer Plans. If the employer maintains a multiemployer plan, as defined in Code Section 414(f), and the multiemployer plan so provides, only the benefits under the multiemployer plan that are provided by the employer shall be treated as benefits provided under a plan maintained by the employer for purposes of this Article.

ARTICLE 6 DISTRIBUTION OF BENEFITS

6.1 Time of Payment.

Payment of any benefit to which a Participant is entitled pursuant to the Plan shall commence on his Annuity Commencement Date; provided, however, subject to Section 6.4, and unless the Participant elects otherwise, payment of any benefit shall commence not later than sixty (60) days after the close of the latest Plan Year during which:

- (a) he attains (or would have attained) age sixty-five (65);
- (b) he terminates his employment with the City; or
- (c) he completes his tenth (10th) year of participation in this Plan.

6.2 Normal Payment Forms.

Unless a Participant with a vested Acerued Benefit elects otherwise in accordance with Section 6.3, a benefit described in Sections 4.2 through 4.5 shall be paid in the following form:

- (a) A Single Life Annuity to a Participant who does not have a Spouse on his Annuity Commencement Date, or
- (b) A reduced, Actuarial Equivalent Joint and Fifty Percent (50%) Survivor Annuity to a Participant who has a Spouse on his Annuity Commencement Date.

6.3 Optional Payment Forms.

- (a) Election. If a married Participant does not want his benefit paid in accordance with Section 6.2, he may make a written election (in the form of a Qualified Election if the Single Life Annuity is elected) delivered to the Plan Administrator at any time before his Annuity Commencement Date to have his benefit paid in one of the following forms; provided, however, that more than fifty percent (50%) of the present value of such benefit is expected to be paid to the Participant under the payment form selected and the form selected is the Actuarial Equivalent of such benefit paid in the form of a Single Life Annuity:
 - (1) a Single Life Annuity; or
 - (2) a reduced annuity which is payable monthly for the life of the Participant and upon his death is payable monthly for the life of his surviving Spouse as a survivor annuity, the amount of which is one hundred percent (100%) of the amount of the annuity payable during the joint lives of the Participant and his Spouse.
 - (3) a reduced annuity which is payable monthly for the life of the Participant and upon his death is payable monthly for the life of his surviving spouse as a survivor annuity, the amount of which is seventy-five percent (75) of the amount of the annuity payable during the joint lives of the Participant and his spouse.
- (b) Election Information. Before his Annuity Commencement Date, such Participant shall receive in writing from the Plan Administrator general information pertinent to this Section 6.3 election. Such information shall be written in nontechnical language and shall include:
 - (1) a general explanation of the Joint and Survivor Annuity;
 - (2) a description of the circumstances under which the Joint and Survivor Annuity will be paid unless such Participant elects otherwise;
 - (3) a description of the election procedure and the time period during which the election must be made or revoked;
 - (4) a description of the relative financial effect that making or revoking such an election would have on such Participant's benefit under the Plan; and
 - (5) a description of the rights of the Participant's Spouse to consent to any such election to waive the Joint and Survivor Annuity.

For any distribution notice issued in Plan Years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in applying the notice requirements of Code §§402(f) (the rollover notice), or 411(a)(11) (Participant's consent to distribution) will become 180 days.

- (c) Final Election Date. No Participant may make an election under Section 6.3(a) or revoke such an election on or after his Annuity Commencement Date.

6.4 Minimum Distribution Requirements.

(a) General Rules.

- (i) Effective Date. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

- (ii) Precedence. The requirements of this Section will take precedence over any inconsistent provisions of the Plan.

- (iii) Requirements of Regulations Incorporated. All distributions required under this Section will be determined in accordance with Section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirement of Section 401(a)(9)(G), and the Income Tax Regulations thereunder.

- (iv) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Section, other than Subsection (iii), distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(b) Time and Manner of Distribution.

- (i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

- (ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

- (1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then, except as provided in the adoption agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Subsection (b)(ii), other than Subsection (b)(ii)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Subsection (ii) and Subsection (e), distributions are considered to begin on the Participant's required beginning date (or, if Subsection (b)(ii)(4) applies, the date distributions are required to begin to the surviving spouse under Subsection (b)(ii)(1)). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Subsection (b)(ii)(1), the date distributions are considered to begin is the date distributions actually commence.

(iii) Form of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Subsections (c), (d) and (e) of this Section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(c) Determination of Amount to be Distributed Each Year.

(i) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(1) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section (d) or (e);

(3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(4) payments will either be nonincreasing or increase only as follows:

a by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

b to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section (d) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);

c to provide cash refunds of employee contributions upon the Participant's death; or

d to pay increased benefits that result from a plan amendment.

(ii) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Subsection (b)(ii)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

(iii) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements For Annuity Distributions That Commence During Participant's Lifetime.

(i) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be

made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(ii) Period Certain Annuities. Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section (d)(ii), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(e) Requirements For Minimum Distributions After the Participant's Death.

(i) Death After Distributions Begin. If the Participant dies after distribution of his or her interest begins in the form of an annuity meeting the requirements of this Article, the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

(ii) Death Before Distributions Begin.

a. Participant Survived by Designated Beneficiary. If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Subsection (b)(ii)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:

(1) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's

birthday in the calendar year immediately following the calendar year of the Participant's death; or

(2) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

b. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

c. Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section (c) will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Subsection (b)(ii)(1).

(f) Definitions.

(i) Designated Beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-4 of the Treasury regulations.

(ii) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Subsection (b)(ii).

(iii) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(iv) Required Beginning Date. The April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½, or if later, retires.

6.5 Employment After Normal Retirement Age or Commencement of Benefit Payments.

(a) Benefit Suspension Before Normal Retirement Date. If a Participant entitled to receive benefits under Sections 4.2 through 4.5 is reemployed after his Annuity Commencement Date but before his Normal Retirement Date, benefit payments shall cease during such Participant's period of reemployment. Subsequent benefits and an appropriate Annuity Commencement Date for that Participant

shall be determined in accordance with Article 4 (as applicable) and reflect the offsets under Section 1.1(c).

- (b) Benefit Payments Upon Rehire After Normal Retirement Date and After the Annuity Commencement Date. If a Participant entitled to receive benefits under Sections 4.2 through 4.5 is reemployed after his Annuity Commencement Date and after his Normal Retirement Date, he shall continue to receive his monthly benefit payment without adjustment.

6.6 Direct Rollover.

- (a) General Rules. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributor's election under this Section, a Distributec may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributec in a Direct Rollover.

- (b) Definitions. For purposes of this Section 6.6, the following definitions shall apply:

- (i) "Eligible Rollover Distribution": An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributec, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributec or the joint lives (or joint life expectancies) of the Distributec and the Distributec's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includable in gross income. With respect to distributions made after December 31, 2001, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

- (ii) "Eligible Retirement Plan": An "Eligible Retirement Plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, a qualified trust described in Section 401(a) of the Code, an annuity contract described in Section 403(b) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, or, effective January 1, 2008, a Roth IRA described in Code Section 408A(b), that accepts the Distributec's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution

to the surviving spouse or a Participant's surviving Beneficiary, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code. If any portion of an Eligible Rollover Distribution is attributable to payments or distributions from a designated Roth account, an Eligible Retirement Plan with respect to such portion shall include only another designated Roth account of the individual from whose account the payments or distributions were made, or a Roth IRA of such individual. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Code Section 408(a) or 408(b) ("IRA") that is established on behalf of the designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(ii). Further, the determination of any required minimum distribution under Code Section 401(a)(9) that is ineligible for rollover shall be made in accordance with IRS Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(iii) "Distributee": A "Distributee" includes a Participant or former Participant. In addition, the Participant's spouse or former Participant's surviving spouse or surviving Beneficiary (effective January 1, 2007) and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(iv) "Direct Rollover": A "Direct Rollover" is a payment by the Plan directly to the Eligible Retirement Plan specified by the Distributee.

6.7 Misstatement in Claim for Benefit.

If a Participant in any benefit claim or response to the Plan Administrator makes any statement which is erroneous or omits any material facts or fails, before receiving his first payment, to correct any information that he previously furnished to the Plan Administrator for its records, the amount of his benefit shall be adjusted on the basis of the true facts, and the amount of any overpayment previously made to such Participant shall be deducted from his next succeeding payments as the Plan Administrator shall direct.

6.8 Claims for Benefit.

Notwithstanding any other Plan provision, no benefit shall be required to be paid until a properly completed claim form is filed with the Plan Administrator for such benefit. Any payment to a Participant or his Spouse, or to the legal representative or heirs-at-law of any of them, made in accordance with the provisions of this Plan shall be to the extent of such payment in full satisfaction of all claims under this Plan against the Trustee, the Plan Administrator, or the City, any of whom may require such person, his legal representative or his heirs-at-law, as a condition precedent to such payment, to execute a receipt and release for such payment in such form as shall be determined by the Trustee, the Plan Administrator, or the City, as the case may be.

6.9 Claims Procedure.

Except for distributions amounts paid after death, no amount shall be distributed unless and until a claim for payment is submitted to the Plan Administrator on a form provided for that purpose.

6.10 Benefit Supported Only by Trust.

Any person who claims any benefit under this Plan shall look solely to the assets of the Trust for satisfaction. In no event will the Trustee, the Plan Administrator, the City or any employee of the City be liable in their individual capacities to any person for the payment of benefits under this Plan.

6.11 Legally Incompetent.

The Plan Administrator may direct, in its sole discretion, and the Trustee shall make payment on such direction, that payments of benefits under this Plan be made directly either (a) to a person who is incompetent or disabled (whether because of minority or mental or physical disability), (b) to the guardian of such person or (c) to the person having legal custody of such person, without further liability either on the part of the City, the Plan Administrator or the Trustee for the amount of such payment to the person on whose behalf such payment is made.

6.12 Missing Participant.

If a Participant cannot be contacted at his last known address or otherwise located through the reasonable efforts of the Plan Administrator by the end of the two (2) year period beginning on the date his benefits first become payable, his Accrued Benefit, upon Plan Administrator direction, may be treated as a Forfeiture as of the last day of the Plan Year which includes the end of such two (2) year period. However, if such Participant or, if he is deceased, his surviving Spouse, should subsequently be located, the Plan Administrator shall reestablish the Accrued Benefit of the Participant, and such Accrued Benefit shall be paid to the Participant or surviving Spouse in accordance with this Article 6. If such Participant had a zero (0) vested percentage under Section 4.5(b), the forfeiture of his Accrued Benefit shall be final and his Accrued Benefit shall not be reestablished after he incurs Breaks in Service equal to or greater than (i) five (5) or (ii) the aggregate number of years of Vesting Service for the Participant before such Breaks in Service. If a missing Participant has not been located by the date this Plan is terminated, then such Participant's Account shall forever be forfeited and he shall have no right to reinstatement.

ARTICLE 7
PLAN ADMINISTRATION

7.1 Plan Administrator.

The City Council of the City of McAlester shall be the Plan Administrator for purposes of satisfying any requirement imposed now or in the future through Federal or state legislation to report and disclose to any Federal or state department or agency, or to any Participant or Spouse, any information respecting the establishment or maintenance of this Plan.

7.2 Appointment.

All references to Plan Administrator in this Plan also include "Administrator." Any individual, including but not limited to Employees and Participants, may be appointed to the City Council of the City of McAlester.

7.3 Term and Compensation.

Each Member of The City Council of the City of McAlester, Oklahoma, as appointed shall serve until his resignation or dismissal by the City. Vacancies shall be filled in the same manner as the original appointments. The Plan Administrator shall serve as such without compensation.

7.4 Plan Administrator Actions.

Except as otherwise specifically provided in the Plan, every decision and action of the Plan Administrator shall be by a majority vote of The City Council or without a final meeting by the written consent of a majority of the Members of The City Council of The City of McAlester, Oklahoma. The City Council shall select a secretary and any other officers deemed necessary who shall be authorized to bind the Plan Administrator by their signatures, and shall adopt rules governing its procedures consistent with the terms of this Plan. The City Council shall keep a permanent record of its meetings and actions.

7.5 Investment Manager.

All contributions so received together with the income therefore shall be managed, invested and reinvested by the Trustee, subject, however, to the right of the City to appoint and employ an investment manager or managers, to manage and/or invest and reinvest the Trust, or any part thereof, in which event the investment manager shall be certified as such to the Trustee by the City and the Trustee shall not be liable for the acts or omissions of such investment manager or managers or be under any obligation to manage or invest the assets of the Trust which are subject to management by such investment manager or managers. An authorized officer of any such investment manager shall certify in writing to the Trustee the names of all persons who shall act on behalf of the investment manager with respect to the Trust, and the Trustee may rely thereon in its dealings with such investment manager. Each such adviser shall at all times be a person or organization qualified to act as an "investment adviser," under the Investment Advisers Act of 1940 and its regulations and shall acknowledge acceptance of its fiduciary status under this Plan in writing. The City may remove any investment manager at any time upon written notice and, upon such removal or upon the resignation of the investment manager, the City may designate and appoint a successor investment

manager and shall direct the former investment manager to transfer the Trust assets in his possession to the Trustee or successor investment manager. Where appropriate, references in this Plan to Trustee may be interpreted to include any investment manager appointed under this Section.

7.6 Benefit Payment Directions.

The Plan Administrator shall direct and cause in writing that the benefit payments from the Trust shall be made to Participants and Spouses who qualify for such payments under the Plan. Such written orders shall specify the name of each such recipient, his address, his Social Security number and the amount and frequency of such payments.

7.7 Nondiscrimination.

The Plan Administrator shall act and shall direct the Trustee to act or cause such action with respect to any Plan benefits or any other matter under the powers of the Plan Administrator under this Plan in a uniform and nondiscriminatory manner toward all Participants and Employees under substantially similar sets of facts.

7.8 Agents.

The Plan Administrator may employ such counsel (who may be counsel for the City), consultants, accountants and other agents as it shall deem advisable. All costs and expenses of the Plan Administrator and the fees of legal counsel, consultants, accountants and other agents shall be paid by the City, or the City shall cause such costs and expenses to be paid out of the Trust as provided in Section 11.5.

7.9 Records and Reports.

The Plan Administrator shall keep all records relating to Participants (including former Participants) and obtain annual reports from any investment manager and collect from any such investment manager and other sources any such records as are necessary for proper operation of the Plan. The Plan Administrator shall make an annual report of the assets and liabilities of the Plan and a brief description of the Plan's operation for the immediately preceding Plan Year to the City and shall make such report and any other such records available to the City, or any Participant or Spouse for examination during business hours except that a Participant or Spouse shall examine only such records as pertain exclusively to the examining Participant or Spouse and the Plan and Trust Agreement as currently in effect or hereafter amended.

7.10 Indemnification.

To the extent permitted by applicable law, the City shall indemnify and hold harmless the Plan Administrator, any member thereof and any Employee who may act on behalf of an City in the administration of this Plan from and against any liability, loss, cost or expense (including reasonable attorneys' fees) incurred at any time as a result of or in connection with any claims, demands, actions or causes of action of any Participants, any person claiming through or under any of them, or any other person, party or authority claiming to have an interest in this Plan or Trust or standing to act for any persons or groups having an interest in this Plan or Trust, for or on account of, any of the acts or omissions (or alleged acts or omissions) of the Plan Administrator, any member thereof

or any such employee, except to the extent resulting from such person's willful misconduct.

7.11 Liquidity and Investments.

The Plan Administrator shall be responsible for establishing a policy to carry out the objectives of the Plan and a method to determine the liquidity and investments needed under that policy. At least annually, the Plan Administrator shall communicate information concerning the short and long-term liquidity and investment needs of the Plan to the Trustee and any investment manager, so that the investment policy of the Trust can be appropriately coordinated with Plan needs. In investing and reinvesting the Trust, the Trustee and any investment manager shall have due regard for the funding policy and method of the Plan as communicated to it by the Plan Administrator, but the Trustee and every investment manager each shall be fully responsible for the selection and retention or disposition of the investment or reinvestment of the assets of the Trust in its possession to fulfill such funding policy and method.

7.12 Power and Duties of the Plan Administrator.

The Plan Administrator shall have absolute discretionary authority to interpret this Plan and make factual and other determinations as to eligibility to participate or for benefits, or construe any other terms of the Plan. The Plan Administrator shall supervise the administration and enforcement of the Plan according to the terms and provisions of this Plan and shall have all powers necessary to accomplish these purposes, including, without limitation and in addition to any other powers described in this Article 7, the right, power, authority and duty:

- (a) to make rules, regulations and bylaws for the administration of the Plan that are not inconsistent with the terms and provisions of this Plan, provided such rules, regulations and bylaws are evidenced in writing and copies thereof are delivered to the Trustee and to the City;
- (b) to construe all terms, provisions, conditions and limitations of the Plan (in all cases, the construction necessary for the Plan to qualify under the applicable provisions of the Code shall control);
- (c) to correct any defect or supply any omission or reconcile any inconsistency that may appear in the Plan, in such manner and to such extent as it shall deem expedient to carry the Plan into effect for the greatest benefit of all interested parties;
- (d) to determine all questions relating to eligibility;
- (e) to determine the amount, manner and time of payment of any Plan benefits and to prescribe procedures to be followed by a distributee in obtaining benefits;
- (f) to prepare, file and distribute, in such manner as the Plan Administrator determines to be appropriate, such information and material as may be required for reporting and disclosure to Plan participants;

- (g) to make a determination as to the right of any person to a benefit under the Plan;
- (h) to receive and review reports from the Trustee and any investment manager as to the financial condition of the Trust including its receipts and disbursements; and
- (i) to delegate, in its sole discretion, any of its powers or duties to subcommittees, task forces or study groups at such times in such manner as it shall deem expedient to administer and enforce the Plan in a uniform and non-discriminatory manner for the benefit of all interested parties.

7.13 City to Supply Information.

The City shall supply full and timely information to the Plan Administrator relating to the compensation of all Participants, their ages, their retirement, death or other cause for termination of employment and such other pertinent facts as the Plan Administrator may require. The City also shall supply such information to the Trustee and every investment manager as necessary for the Trustee and each such investment manager to carry out its duties. When making a determination in connection with the Plan, the Plan Administrator shall be entitled to rely upon information furnished by the City; provided, the Plan Administrator shall resolve any factual dispute under this Plan by giving weight to all information, available to him.

7.14 Self-interest.

Neither the Plan Administrator nor any member of the Committee, if any, shall have any right to vote or decide upon any matter related directly or indirectly to him or any right of his to claim any benefit under the Plan. In any case in which a Committee member is so disqualified to act, and the remaining members cannot agree, the City shall appoint a temporary substitute member to exercise all the powers of the disqualified member concerning the matter in which he is disqualified.

**ARTICLE 8
TRUST AND TRUSTEE**

8.1 Trust.

The Trust shall be held, administered, controlled and invested by the Trustee. The Trustee shall have no responsibility whatsoever either for the control, management, administration or amendment of this Plan or for the amount or payment of City contributions to the Trust, except to receive, hold, invest, reinvest and distribute the same, together with earnings thereon, in accordance with the provisions of this Plan and Trust Agreement.

8.2 Management of Trust.

(a) Powers. The Trustee shall have the sole and exclusive power to do all things and execute such instruments as it may deem necessary or proper, including the following powers:

- (1) To sell, exchange, or otherwise dispose of any property at any time held or acquired by the Trust, at public or private sale, for cash or on terms, without advertisement, including the right to lease for any term notwithstanding the period of this Trust Agreement, and to grant options to purchase any asset of the Trust;
- (2) To vote in person or by proxy any corporate stock or other security and to agree to or take any other action in regard to any reorganization, merger, consolidation, liquidation, bankruptcy or other procedure or proceeding affecting any stock, bond, note or other property;
- (3) To compromise, settle or adjust any claim or demand by or against the Trust and to agree to any rescission or modification of any contract or agreement affecting the Trust;
- (4) To borrow money, and to secure the same by mortgaging, pledging, or conveying any property of the Trust;
- (5) To register any stock, bond or other security in the name of any of its nominees, without the addition of words indicating that such security is held in a fiduciary capacity, but accurate records shall be maintained showing that such security is an asset of the Trust and the Trustee shall be responsible for the acts of such nominee;
- (6) To hold cash in such amounts as in its opinion may be reasonable for the proper operation of the Trust;
- (7) To invest all monies in such stocks, bonds, securities, investment company or trust shares, mortgages, notes, chooses in action, real estate, improvements thereon, and other property as it may select;
- (8) To invest in any common trust fund;

- (9) To invest with any other trust or retirement plan qualified under Code Section 401(a) and tax-exempt under Code Section 501(a) on the condition that the income losses, expenses and capital shall be divided proportionately between the Trust and such other trusts or plans;
 - (10) To guarantee loans to corporations or limited partnerships in which the Trust has been invested and to enter into agreements to advance funds to such corporations or limited partnerships, which agreements are incidental or related to such guarantee agreements; and
 - (11) To make such investment as it in its discretion shall deem best without regard to any law now or hereafter in force limiting investments of trustees or other fiduciaries.
- (b) Reports, Orders and Bonds. The Trustee shall not be required to make any inventory or appraisal or report to any court, or to secure any order of court for the exercise of any power herein contained, and shall not be required to give bond.
- (c) Advice or Direction. The Trustee may from time to time request the advice of counsel, which may be counsel to the Plan Administrator, on any legal matter including the interpretation of this Plan and the Trustee may from time to time request the advice of the Plan Administrator on any matter involving the administration, operation or interpretation of this Plan, and shall be indemnified and held harmless by the City from any costs, expenses, losses, liabilities or assessments incurred in any action or proceeding which arises from acting in accordance with advice from such persons.

8.3 Disbursement.

No disbursement from the Trust shall be made by the Trustee for purposes of the payment of any Plan benefit except on written direction of the Plan Administrator, and the Trustee shall have no duty or obligation whatsoever to inquire as to the accuracy of such direction or its propriety in light of the provisions of this Plan or the Code. In accordance with income tax withholding requirements and upon written direction (which may be a continuing direction) from the Plan Administrator as to the name of any person to whom money is to be paid from the Trust and the amount thereof, the Trustee shall draw checks in the name of the person designated by the Plan Administrator and deliver such checks in such manner and in such amounts and at such time as the Plan Administrator shall timely direct. If the Trustee shall deem it necessary to withhold any distribution pending compliance with any legal requirements, including the probate of a will, the appointment of a personal representative, the payment of, or provision for, income, estate or inheritance taxes, or for death duties or otherwise, the Trustee shall notify the Plan Administrator and shall thereafter take no action pending the delivery of (a) the Plan Administrator's instructions to distribute notwithstanding such requirements, and (b) the Company's agreement in a form satisfactory to the Trustee which protects the Trustee from any liability arising out of noncompliance with such requirements.

8.4 Accounting by Trustee.

Within sixty (60) days after the end of each Plan Year, the Trustee shall file with the Company and the Plan Administrator a written report setting forth all investment, receipts and disbursements and other transactions during such Plan Year. Upon the expiration of ninety (90) days from the filing of any of the Trustee's reports, including a final report in the event of a discharge under Section 8.5, the Trustee shall be forever relieved and discharged from any liability or accountability to anyone with respect to the propriety of its actions noted in such report, except for those transactions to which the Plan Administrator shall have filed, within such ninety (90) day period, its written disapproval with the Trustee, and the City shall not have the right to demand or be entitled to any further or different accounting by the Trustee.

8.5 Resignation or Removal of Trustee.

The Trustee may resign at any time by a written resignation delivered to the City. Within sixty (60) days after receipt of such resignation the City shall appoint a successor trustee or trustees by a written appointment delivered to the Trustee and to such successor. The City may remove the Trustee at any time and appoint a successor trustee or trustees by a written appointment delivered to the Trustee and to such successor. In either event, on the appointment of such successor and delivery of the successor's written acceptance of the appointment to the City and to the Trustee, the Trustee shall promptly turn over to such successor all Trust assets held by the Trustee and shall make a final accounting to the City and to the Plan Administrator; provided, any assets which are invested in accordance with an investment contract or agreement which by its terms precludes the realization upon and distribution of such assets for a stated period of time shall continue to be held by the Trustee under the terms and conditions of this Plan until the expiration of such period. The successor trustee shall have no responsibility except to receive such money and property from the Trustee and to hold and administer the same thereafter in accordance with this Plan and shall not be responsible for any act or omission of the Trustee, and shall not be required to make any claim or demand against the Trustee unless the Plan Administrator shall in writing request the successor trustee to make a claim of damage against such Trustee within the time limit prescribed after the filing of the Trustee's final report under this Section. Any such successor trustee shall have and may exercise all the rights, powers and duties of the Trustee as fully and to the same extent as if it had originally been named Trustee.

8.6 Notification to Trustee.

Any action by the City pursuant to any of the provisions of this Plan shall be in writing and shall be signed by an officer of the City. Any notice, direction, order, request, certification or instruction of the Plan Administrator to the Trustee shall be in writing and shall be signed by the Plan Administrator. The Trustee and every other person shall be entitled to rely conclusively upon any and all such notices, directions, orders, requests, certifications and instructions received from the City or the Plan Administrator and reasonably believed to be properly executed, and shall act and be indemnified and held harmless by the City regarding any cost, expense or assessment incurred or made as a result of acting in accordance therewith. The City shall notify the Trustee from time to time in writing of the appointment and termination of the Plan Administrator and of any successor to him together with a specimen of his authorized signature, and the Trustee

shall be entitled to rely conclusively upon such notice and signature as evidence of the identity of the Plan Administrator and shall not be charged with notice of any change with respect thereto until the City shall have furnished the Trustee with notice of such change.

**ARTICLE 9
FIDUCIARY DUTY AND LIABILITY**

9.1 Overview.

To the extent allowed by the laws of the State of Oklahoma, this Article 9 describes the duties, responsibilities and liabilities of the fiduciaries of the Plan.

9.2 Named Fiduciary.

The Plan Administrator is the Named Fiduciary and shall be responsible for the control, management and administration of this Plan and the assets of the Trust. The Named Fiduciary shall have no responsibility to inquire into the acts and omissions of any other fiduciary in the exercise of powers or the discharge of responsibilities assigned to such other fiduciary under this Plan.

9.3 Fiduciary Duty.

The Named Fiduciary, and any other fiduciary under the Plan, shall discharge his duties and responsibilities with respect to the Plan:

- (a) solely in the interest of the Participants, for the exclusive purpose of providing benefits to Participants, and their Spouses and Beneficiaries, and defraying reasonable expenses of administering the Plan;
- (b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
- (c) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is prudent not to do so.

Neither the Named Fiduciary nor any other fiduciary shall cause the Plan or Trust to enter into a "prohibited transaction" as defined in Code Section 4975, unless a statutory exemption exists or waiver has been obtained from the Department of Labor.

9.4 Fiduciary Liability.

Neither the Named Fiduciary nor any other fiduciary shall be liable in any way for the acts or omissions constituting a breach of fiduciary responsibility that occur prior to the date he becomes a fiduciary or after the date he ceases to be a fiduciary.

9.5 Co-Fiduciary Liability.

Neither the Named Fiduciary nor any other fiduciary shall be liable for any breach of fiduciary responsibility by any other fiduciary unless:

- (a) the participates in, or undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach;

- (b) by his failure to comply with fiduciary standards in the administration of his specific responsibilities which give rise to his status as a fiduciary, he has enabled such other fiduciary to commit a breach; and
- (c) having knowledge of a breach by such other fiduciary, he fails to make reasonable efforts under the circumstances to remedy the breach.

9.6 Allocation and Delegation of Responsibilities.

The Named Fiduciary, by written instrument filed by the Plan Administrator with the records of this Plan, may designate a person who is not a Named Fiduciary to carry out any of its responsibilities under this Plan; provided, however, that no such designation shall be effective as to such designated person and to any other fiduciary until such designated person and such other fiduciary have received written notice of such designation. Finally, no duty or responsibility assigned to a Named Fiduciary under the terms of this Plan may be assigned, allocated or delegated to another fiduciary or to any other person absent the express written consent of such fiduciary or such other person.

9.7 Advisors.

The Named Fiduciary, or a person designated by the Named Fiduciary to perform any responsibility of the Named Fiduciary pursuant to the procedure described in Section 9.6, may employ one or more persons to render advice with respect to any responsibility such Named Fiduciary has under this Plan or such other person has by virtue of such designation.

9.8 Dual Capacities.

Any person may serve in more than one fiduciary capacity under this Plan.

**ARTICLE 10
AMENDMENT, TERMINATION AND MERGER**

10.1 Amendment.

The City reserves the right at any time and from time to time, to amend this Plan in any respect without the consent of any Participant, Spouse, or any other person or persons claiming through them, through a written amendment approved by a majority of a quorum of the City Council, including the right to make any such amendment effective retroactively.

10.2 Termination.

The City expects this Plan to be continued indefinitely but, of necessity, reserves the right at any time through action of the City Council or similar governing body, to terminate or to partially terminate this Plan and thus to stop all contributions under this Plan, or to continue this Plan but to discontinue all contributions under this Plan. If this Plan is terminated or partially terminated, then each Participant's Accrued Benefit at the time of such termination (to the extent then funded) shall become completely nonforfeitable from the date of such termination or partial termination. The Plan Administrator upon any termination or partial termination of this Plan shall direct the Trustee in accordance with Sections 10.3 and 10.4 as to when, how and in what amounts the Trustee shall distribute to Participants and, where appropriate, Spouses, and the Trustee shall carry out such directions as soon as practicable.

10.3 Distribution Upon Termination.

Upon termination or partial termination of the Plan, the assets of the Trust affected by such termination and remaining after providing for the expenses of administration of the Plan and Trust shall be liquidated and distributed. Any surplus assets which, for any reason, remain after all liabilities under this Plan to Participants and Spouses have been satisfied upon a complete termination of this Plan shall be returned to the City for division and distribution as determined by the Plan Administrator and in accordance with any applicable rules or regulations under the Code.

10.4 Valuation.

Upon termination of this Plan, the Plan Administrator shall direct the Trustee to compute the value of the Trust held for the benefit of all Participants and Spouses eligible to receive Plan benefits. The Plan Administrator shall apportion the total amount so valued to all such Participants and Spouses based on the Actuarial Equivalent Value of the Accrued Benefits of each eligible Participant and Spouse.

10.5 Claims for Expenses.

If the City, upon termination of this Plan, fails to pay or reimburse legal counsel, consultants, accountants and other agents for then outstanding charges or expenses incurred by them for services rendered on behalf of the Plan or Trust other than in connection with the establishment or termination of the Plan or Trust, the Trustee is empowered to satisfy such claims by lien upon the Trust, prior to making any allocation.

**ARTICLE 11
MISCELLANEOUS**

11.1 Forfeiture of Benefits.

A Participant's retirement benefits shall be subject to forfeiture upon the conviction of or plea of guilty or nolo contendere to certain crimes as set forth hereinafter.

- (a) Any Participant upon final conviction of, or pleading guilty or nolo contendere in a state or federal court of competent jurisdiction to, a felony for bribery, corruption, forgery or perjury or any other crime related to the duties of his or her employment shall forfeit their retirement benefits. The forfeiture of benefits shall not occur if any such Participant received a deferred sentence, but retirement benefits shall not commence prior to completion of the deferred sentence. The forfeiture of retirement benefits required by this Section shall not include the Participant's contributions to the retirement system or retirement benefits that are vested as of August 26, 2011.
- (b) The forfeiture of retirement benefits as provided for in this Section shall also apply to any such Participant who, after leaving employment, is convicted of, or pleads guilty or nolo contendere in a state or federal court of competent jurisdiction to, a felony committed while in such employment, where the felony is for bribery, corruption, forgery or perjury or any other crime related to the duties of his or her employment.
- (c) The forfeiture shall continue until such time as the conviction or guilty plea is reversed by the highest appellate court to which the officer or employee may appeal.
- (d) The attorney responsible for prosecuting the Participant shall notify the Plan if the Participant is convicted of or upon entering a plea of guilty or nolo contendere to any of the crimes set forth in Section 11.1(a). Upon receiving notice of a conviction, plea of guilty or plea of nolo contendere, the Plan shall immediately suspend all benefits of the Participant, and shall notify the Participant of his or her right to a hearing before the Committee to review whether the conviction or plea qualifies for forfeiture of benefits under this Section. If the notice of a conviction, plea of guilty or plea of nolo contendere is not forthcoming but there is reason to suspect a conviction and/or plea may have occurred, the Plan may, in the discretion of the Committee, investigate and gather court documents and contact prosecutors to determine whether the conviction or plea qualifies under this Section. Upon obtaining sufficient documentation of the conviction or plea, the Plan shall immediately suspend all benefits of the Participant and notify the Participant of his or her right to a hearing to review whether the conviction or plea qualifies for forfeiture of benefits under this Section. A Participant shall have thirty (30) days from the date of notification to request a hearing before the Committee. Requests for such a hearing shall be made in writing to the city clerk.

11.2 Additional Procedures.

Any rules, regulations or procedures that may be necessary for the proper administration or functioning of this Plan that are not covered in this Plan shall be promulgated and adopted by the Plan Administrator.

11.3 Payments under a Qualified Domestic Relations Order.

(1) Non-alienation of Benefits: Except with respect to federal income tax withholding and except as otherwise provided herein, no benefit which shall be payable under the Plan, or any sums of money due or to become due to any employee or retiree employee shall be subject and or liable in any manner to anticipation, alienation, sale, transfer, assignment, pledge, attachment garnishment, levy, seizure, encumbrance or charge on in any manner under any legal or equitable process whether such sums remain in the hands of the Trustee of the Plan or any official or agent of the Plan, or are in the course of transmission to the employee or retired employee entitled thereto, but shall inure wholly to the benefit of such employee or retired employee.

(a) The provisions of Section 11.3 shall not apply to a Qualified Domestic Order as provided in this subsection.

(i) The term "Qualified Domestic Order" means an order issued by a District Court of this State, pursuant to the Domestic Relations Laws of the State of Oklahoma, which relate to the provision of marital property rights to a spouse or former spouse of a member of any retirement fund created pursuant to subsection (a) of this Section, or to the provision of support for a minor child or children, and which creates or recognizes the existence of the right of an alternate payee, or assigns to an alternate payee the right, to receive a portion of the benefits payable with respect to a member and amounts payable to a plan participant of any retirement plan created pursuant to subsection (a) of this Section.

(ii) For purposes of the payment of marital property, to qualify as an alternate payee, a spouse or former spouse must have been married to the related member for a period of not less than thirty (30) continuous months immediately preceding the commencement of the proceedings from which the Qualified Domestic Order issues.

(iii) A Qualified Domestic Order is valid and binding on the municipality and the related member only if it meets the requirements of this subsection.

(iv) A Qualified Domestic Order shall clearly specify:

(aa) The name and last-known mailing address, if any, of the member and the name and mailing address of the alternate payee covered by the Order;

(bb) The amount or percentage of the member's benefits to be paid by the retirement system to the alternate payee;

(cc) The number of payments or period to which such Order applies;

- (dd) The characterization of the benefit as to marital property rights or child support, and
- (ee) Each plan to which such Order applies.
- (v) A Qualified Domestic Order meets the requirements of this subsection only if such Order:
 - (aa) Does not require the retirement system to provide any type or form of benefit, or any option not otherwise provided under State law as relates to the retirement system;
 - (bb) Does not require payment to the alternate payee prior to the actual retirement date or withdrawal of the Participant;
 - (cc) Does not require the retirement system to provide increased benefits, and
 - (dd) Does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another Order previously determined to be a Qualified Domestic Order or an Order recognized by the retirement plan as a valid order prior to the effective date of this Section.
- (vi) This Plan specifically permits distribution to an alternate payee under a Qualified Domestic Relations Order at any time, irrespective of whether the Participant has attained his earliest retirement age (as defined under Code §414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if the order permits an agreement between the Plan and the alternate payee to authorize an earlier distribution.
- (vii) This subsection shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A., Section 1001 *et seq.*, as amended from time to time, or rules promulgated thereunder and court cases interpreting said Act.
- (viii) The municipality may adopt such provisions as are necessary to implement the provisions of this subsection.
- (ix) An alternate payee who has acquired beneficiary rights pursuant to a valid Qualified Domestic Order shall fully comply with all provisions of the requirements imposed by the municipality pursuant to this Section in order to continue receiving benefits.

11.4 Agent for Service of Process.

The agent for service of process for this Plan shall be the person currently serving in the State of Oklahoma as the registered agent for service of process for the City.

11.5 Expenses.

The City shall pay all costs and expenses incurred in connection with the maintenance, operation and administration of the Plan or Trust except to the extent that the Plan Administrator directs that such costs and expenses that are costs and expenses of the Plan

or Trust and not of the City, including, without limitation, real and personal property taxes, income taxes, excise taxes and transfer taxes with respect to income or assets of the Trust, shall be paid from the Trust by the Trustee. Costs and expenses of the City relating to the Plan or Trust may not be paid from the Trust. As provided in Section 10.5, any such costs and expenses of the Plan or Trust that relate to the administration of the Plan or Trust, until they are paid, shall constitute a charge against the Trust to be satisfied before any distribution upon Plan termination.

11.6 Agreement Not An Employment Contract.

This Plan shall not be deemed to constitute a contract between the City and any Participant or to be a consideration or an inducement for the employment of any Participant. Nothing contained in this Plan shall be deemed to give any Participant or other Employee the right to be retained in the service of the City or to interfere with the right of the City to discharge any Participant or other Employee at any time regardless of the effect which such discharge shall have upon such person as a Participant in this Plan. This Plan shall not be deemed to give the City the right to require any Participant or other Employee to remain in the employ of the City or to restrict any such person's right to terminate his employment at any time.

11.7 Severability.

If any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Plan and this Plan shall be construed and enforced as if such illegal and invalid provisions had never been included.

IN WITNESS WHEREOF, the City of McAlester, Oklahoma has caused this Plan to be executed by the Mayor and the City Clerk this ____ day of _____, 2014, to be effective as of July 1, 2013 except as otherwise herein specified.

CITY OF MCALESTER, OKLAHOMA

By: _____

Name: _____

Mayor

By: _____

Name: _____

City Clerk



McAlester City Council

AGENDA REPORT

Meeting Date:	<u>January 28, 2014</u>	Item Number:	<u>3</u>
Department:	<u>Finance</u>	Account Code:	<u></u>
Prepared By:	<u>Toni Ervin</u>	Budgeted Amount:	<u></u>
Date Prepared:	<u>January 21, 2014</u>	Exhibits:	<u>7</u>

Subject

Consider, and act upon, an Ordinance amending Ordinance No. 2467 which established the budget for fiscal year 2013-2014; repealing all conflicting ordinances; providing for a severability clause; and declaring an emergency.

Recommendation

Motion to approve the budget amendment ordinance.

Discussion

The budget amendment ordinance is necessary to cover proposed revenue and/or expenditures not included in the budget for this fiscal year.

See attached.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	T. Ervin	1/21/2014
City Manager	P. Stasiak 	1/21/2014

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF McALESTER, OKLAHOMA, AMENDING ORDINANCE NO. 2467 WHICH ESTABLISHED THE BUDGET FOR FISCAL YEAR 2013-14; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council heretofore adopted Ordinance No. 2467 setting forth the Budget for Fiscal Year 2013-2014 beginning July 1, 2013 and ending June 30, 2014; and

WHEREAS, the City Departments and Divisions routinely review their budget appropriations to determine if any changes are necessary; and

WHEREAS, based upon said review the City staff now recommends that certain amendments to the Budget be considered by the City Council; and

WHEREAS, the City Council has the authority to make amendments to the City Budget under Article 5, Section 5.07 (b) of the new City Charter as well as State law; and

WHEREAS, the City Council has determined that the proposed amendment to the FY 2013-2014 Budget, with the revenues and expenditures therein contained, is in the best interest of the City; and therefore, desires to adopt the same by formal action.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF McALESTER, OKLAHOMA:

SECTION 1: The proposed amendment to the FY 2013-2014 Budget of the City of McAlester, Oklahoma, as heretofore adopted by Ordinance, as summarized in Exhibit A-1 through A-7, which is attached hereto and fully incorporated herein by reference, be, and the same hereby are, completely adopted and approved as an amendment to the said FY 2013-2014 Budget.

SECTION 2: All portions of the existing FY 2013-2014 Budget, Ordinance No. 2467 except as specifically herein amended, shall remain in full force and effect, and not be otherwise affected by the adoption of the amendatory ordinance.

SECTION 3: That all other ordinances in conflict herewith are hereby repealed to the extent of any such conflict or inconsistency and all other ordinances not in conflict herewith shall remain in full force and effect.

SECTION 4: Should any paragraph, sentence, subdivision, clause, phrase, or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole or any part or provision thereof, other than the part or parts as declared to be invalid, illegal, or unconstitutional.

SECTION 5: That an emergency is hereby declared to exist, and for the provision of the public peace, health and safety, by reason whereof it is necessary that all acts take effect immediately and be in full force and effect from, and after the passage and approval.

PASSED and the EMERGENCY CLAUSE ruled on separately this _____ day of _____, 2014.

**CITY OF MCALESTER, OKLAHOMA
A Municipal Corporation**

By _____
Steve Harrison, Mayor

ATTEST:

Cora Middleton, City Clerk

Approved as to form and legality this _____ day of _____, 2014.

William J. Ervin, City Attorney

FY 13-14 Budget Amendments listed by fund

					<u>Revenue</u>	<u>Expense</u>
005	8/27/13	01	General Fund	Budget Supplement to lapse and reappropriate Capital	-	549,238
010	11/12/13	01	General Fund	Appropriate funds for Planning & Comm Director & exp	-	50,256
017	1/28/14	01	General Fund	Appropriate Funds for MidYear Review	238,000	258,000
003	8/27/13	02	MPWA	Budget Supplement to lapse and reappropriate Capital	-	416,752
011	11/12/13	02	MPWA	Appropriate funds for Engineering for 20 inch Water line	-	70,000
018	1/28/14	02	MPWA	Appropriate Funds for MidYear Review	-	20,000
013	11/26/13	14	Police Grant Fund	Appropriate funds for DOJ Drug enforcement Grant	-	20,000
016	11/26/13	24	Airport Grant	Appropriate funds for Carryover of Airport Grant	1,823,620	1,823,620
023	1/28/14	28	Southeast Expo	Appropriate Funds for MidYear Review	-	28,000
004	8/27/13	30	Economic Development	Budget Supplement to lapse and reappropriate Capital	-	165,682
007	9/10/13	30	Economic Development	Appropriate funds for Econ Dev Website and Industrial Park clearing	-	34,600
009	11/12/13	30	Economic Development	Appropriate funds for Planning & Comm Director & exp	-	19,709
016	11/26/13	32	Grants & Contributions	Appropriate funds for Gifts, Grants, and Contributions	74,529	74,529
022	1/28/14	32	Grants & Contributions	Appropriate Funds for MidYear Review	1,931	1,931
021	1/28/14	35	Fleet Maintenance	Appropriate Funds for MidYear Review	51,105	51,105
020	1/28/14	36	Worker's Comp	Appropriate Funds for MidYear Review	239,643	239,643
006	8/27/13	38	Dedicated Sales Tax	Appropriate funds for Sales Tax Revenue Note Series 2013	-	545,265
001	7/23/13	41	Capital Fund	Appropriate funds for 4 Police vehicles	-	140,000
002	8/27/13	41	Capital Fund	Budget Supplement to lapse and reappropriate Capital	-	217,954
008	9/24/13	41	Capital Fund	Appropriate funds for Chadick Park Playground Equipment	-	125,000
012	11/12/13	41	Capital Fund	Appropriate funds for 3 Police Vehicles	-	105,000
014	11/26/13	41	Capital Fund	Appropriate funds for Truck, blade & salt spreader	-	40,000
019	1/28/14	41	Capital Fund	Appropriate Funds for MidYear Review	-	246,400
					2,428,828	5,242,684

**City of McAlester
Budget Amendment - FY 2013-2014
Grants & Contributions
January 28, 2014**

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
32	40614		Donations- Dog Park	19,298	1,931	21,229
Total					1,931	

Appropriations

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
32	5215214		Expenses - Dog Park	19,298	1,931	21,229
					1,931	

FUND INFORMATION	
Original Budget - Revenues ***	\$ -
Amendments	76,460
Current Budget - Revenues	\$ 76,460
Original Budget - Expenditures	\$ -
Amendments	76,460
Current Budget - Expenditures	\$ 76,460

*** Does not include appropriated fund balance.

Approved by the City Council this
January 28, 2014

Explanation of Budget Amendment:
Appropriate Funds for additional donations for the dog park.

Approved:

_____ Mayor

Attest:

_____ Posted By _____ Date _____ BA# _____ Pkt.# _____
City Clerk

**City of McAlester
Budget Amendment - FY 2013-2014
Fleet Maintenance
January 28, 2014**

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
35	40400		Charges for Services	372,000	51,105	423,105
Total					51,105	

Appropriations

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
35	5862203	Fleet Maintenance	Repairs & Maintenance Supplies	245,700	40,000	285,700
35	5862106	Fleet Maintenance	Worker's Compensation	-	11,105	11,105
					51,105	

FUND INFORMATION	
Original Budget - Revenues ***	\$ 535,410
Amendments	51,105
Current Budget - Revenues	\$ 586,515
Original Budget - Expenditures	\$ 535,410
Amendments	51,105
Current Budget - Expenditures	\$ 586,515

*** Does not include appropriated fund balance.

Approved by the City Council this
January 28, 2014

Explanation of Budget Amendment:

Appropriate Funds for Midyear Review: Fleet Maintenance Fund to match General and MPWA fund expenditures in Vehicle/Equipment maintenance.

Approved:

_____ Mayor

Attest:

_____ Posted By _____ Date _____ BA# _____ Pkt.# _____
City Clerk

City of McAlester
Budget Amendment - FY 2013-2014
Worker's Compensation
January 28, 2014

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
36	40400		Charges for Services	372,000	239,643	611,643
Total					239,643	

Appropriations

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
36	5215301	Interdepartmental	Medical Services	185,663	170,000	355,663
36	5215305	Interdepartmental	Settlements	66,500	63,000	129,500
36	5215311	Interdepartmental	Legal	17,122	6,643	23,765
					239,643	

FUND INFORMATION	
Original Budget - Revenues ***	\$ 372,000
Amendments	239,643
Current Budget - Revenues	\$ 611,643
Original Budget - Expenditures	\$ 372,000
Amendments	239,643
Current Budget - Expenditures	\$ 611,643

*** Does not include appropriated fund balance.

Approved by the City Council this
 January 28, 2014

Explanation of Budget Amendment:
 Appropriate Funds for Midyear Review: Worker's Compensation Fund to match General & MPWA fund's Expenditures.

Approved:

Mayor

Attest:

_____ Posted By _____ Date _____ BA# _____ PKL# _____

City Clerk

**City of McAlester
Budget Amendment - FY 2013-2014
Capital Improvement Program
January 28, 2014**

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
41	40999		Fund Balance	-	246,400	246,400
			Total		246,400	

Appropriations

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
41	5321401	Police	Capital Outlay	245,000	135,000	380,000
41	5974402	Water Treatment	30 inch Pump Header Replacement	-	24,400	24,400
41	5974403	Water Treatment	20 inch Water Line Relocate	-	70,000	70,000
41	5542401	Parks	Capital Outlay	153,556	8,500	162,056
41	5544401	Recreation	Capital Outlay	-	8,500	8,500
					246,400	

FUND INFORMATION	
Original Budget - Revenues ***	\$ 679,868
Amendments	-
Current Budget - Revenues	\$ 679,868
Original Budget - Expenditures	\$ 460,547
Amendments	874,354
Current Budget - Expenditures	\$ 1,334,901

*** Does not include appropriated fund balance.

Approved by the City Council this
January 28, 2014

Explanation of Budget Amendment:
Appropriate Funds for 3 more police cars, engineering fees for 30 inch Pump Header Replacement Project. Engineering fees for 20 inch Water Line Relocate under lake (moved from MPWA), Parks mower and Recreation mower. Funding with fund balance provided by new funding sources Penalties and Service Charges projected to end of fiscal year will be \$250,000.

Approved:

_____ Mayor

Attest:

_____ City Clerk

Posted By _____ Date _____ BA# _____ Pkt.# _____

City of McAlester
Budget Amendment - FY 2013-2014
MPWA
January 28, 2014

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
02	40999		Fund Balance	-	20,000	20,000
			Total		20,000	

Appropriations

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
02	5267601	Interdepartmental	Transfer to General	1,522,943	238,000	1,760,943
02	5267106	Interdepartmental	Worker's compensation	157,977	(105,000)	52,977
02	5267323	Interdepartmental	Damages	45,000	(35,000)	10,000
02	5267325	Interdepartmental	Grants- Contingency	50,000	(50,000)	-
02	5267315	Interdepartmental	Telephone	50,000	30,000	80,000
02	5267150	Interdepartmental	Contingency - Severance	31,826	30,000	61,826
02	5267339	Interdepartmental	Vehicle Equipment Maintenance	17,964	(17,964)	-
02	5871101	Engineering	Full Time Payroll	252,799	(30,000)	222,799
02	5871102	Engineering	Part Time Payroll	-	15,000	15,000
02	5871107	Engineering	Group Insurance	25,064	(2,673)	22,391
02	5871105	Engineering	Severance	13,727	36,137	49,864
02	5871302	Engineering	Consultants	195,632	(70,000)	125,632
02	5216317	Utility Billing	Postage	50,400	15,000	65,400
02	5216101	Utility Billing	Full Time Payroll	187,010	15,000	202,010
02	5974206	Water Treatment Plant	Chemicals	393,872	(15,000)	378,872
02	5974103	Water Treatment Plant	Overtime	19,000	5,000	24,000
02	5974339	Water Treatment Plant	Vehicle Equipment Maintenance	16,864	(8,000)	8,864
02	5975101	Utility Maintenance	Full Time Payroll	244,956	(5,000)	239,956
02	5975103	Utility Maintenance	Overtime	16,000	6,000	22,000
02	5975211	Utility Maintenance	Water Meters	125,000	(40,000)	85,000
02	5975218	Utility Maintenance	Street Repairs & Maintenance	84,236	46,000	130,236
02	5975230	Utility Maintenance	Sewer Main Repairs	30,000	(20,000)	10,000
02	5975240	Utility Maintenance	Land Improvements	15,000	(7,500)	7,500
02	5975212	Utility Maintenance	Fuel Expense	48,409	(10,000)	38,409
					20,000	

FUND INFORMATION	
Original Budget - Revenues ***	\$ 8,361,681
Amendments	-
Current Budget - Revenues	\$ 8,361,681
Original Budget - Expenditures	\$ 8,361,681
Amendments	506,752
Current Budget - Expenditures	\$ 8,868,433

*** Does not include appropriated fund balance.

Approved by the City Council this
 January 28, 2014

Explanation of Budget Amendment:
 Appropriate Funds for Midyear Review; Additional Worker's Compensation, Telephone, Severance, Street Repairs and Maintenance (UTM), Overtime, and Payroll Changes

Approved:

 Mayor

Attest:

 City Clerk

Posted By _____ Date _____ BA# _____ Pkt.# _____

City of McAlester
Budget Amendment - FY 2013-2014
General Fund
January 28, 2014

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance	Amount of	Balance
				Before Amendment	Increase (Decrease)	After Amendment
01	40702		Transfer from MPWA	1,522,943	238,000	1,760,943
02	40999		Fund Balance		20,000	20,000
Total					258,000	

Appropriations

Fund Number	Account Number	Department	Description	Balance	Amount of	Balance
				Before Amendment	Increase (Decrease)	After Amendment
01	5215106	Interdepartmental	Worker's Compensation	14,285	145,000	159,285
01	5321106	Patrol	Worker's Compensation	27,027	86,033	113,060
01	5321112	Patrol	Holiday Pay	140,600	(50,000)	90,600
01	5321101	Patrol	Full Time Payroll	1,676,860	(24,000)	1,652,860
01	5865106	Streets	Worker's Compensation	22,356	133,610	155,966
01	5431103	Fire	Overtime	24,484	60,000	84,484
01	5431339	Fire	Vehicle Equipment	52,650	40,000	92,650
01	5432139	EMS	Vehicle Equipment	60,884	(55,884)	5,000
01	5548101	Facility Maintenance	Full Time Payroll	122,539	(18,959)	103,580
01	5548107	Facility Maintenance	Group Insurance	24,520	(2,800)	21,720
01	5214302	Legal	Consultants	75,000	25,000	100,000
01	5215325	Interdepartmental	Damages	35,000	(30,000)	5,000
01	5215325	Interdepartmental	Grants - Contingency	50,000	(50,000)	-
Total					258,000	

FUND INFORMATION	
Original Budget - Revenues ***	\$ 13,503,650
Amendments	238,000
Current Budget - Revenues	\$ 13,741,650
Original Budget - Expenditures	\$ 13,503,650
Amendments	857,494
Current Budget - Expenditures	\$ 14,361,144

*** Does not include appropriated fund balance.

Approved by the City Council this
 January 28, 2014

Explanation of Budget Amendment:
 Appropriate Funds for Midyear Review Additional Expenditures for Worker's Compensation, Fleet Maintenance, Legal, Fire Overtime & Fire Truck repairs

Approved:

_____ Mayor

Attest

_____ Posted By _____ Date _____ BA# _____ Pkt# _____

City Clerk



McAlester City Council

AGENDA REPORT

Meeting Date: January 28, 2014 Item Number: 4
Department: City Manager/Finance
Prepared By: Peter J. Stasiak, City Manager/Toni Ervin, CFO Account Code: _____
Date Prepared: January 21, 2014 Budgeted Amount: _____
Exhibits: 1

Subject

Discussion and Presentation of the Mid-Year Review of Fiscal Year 2013/2014 Budget. *(Toni Ervin, Chief Financial Officer)*

Recommendation

Mid-Year Review of Fiscal Year 2013/2014 Budget.

Discussion

Attachments:

1) PowerPoint Presentation.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head		
City Manager	P. Stasiak <u><i>PJS</i></u>	<u>01/21/14</u>

City of McAlester

Mid-Year Budget Review

Toni Ervin, CFO

January 28, 2014

City Of McAlester

Fund Balances and YTD Appropriated Funds

As of December 31, 2013

	Beg. Fund Balance	Appropriated Funds 13-14	FY 13-14 Fund Balance
General Fund	\$1,820,218	\$599,494	\$1,220,724
MPWA	\$1,549,529	\$486,752	\$1,062,777
Capital Fund	\$1,819,896	\$627,954	\$1,191,942 *

***\$800,000 of this Fund Balance is restricted to an Economic Development Project.**

McAlester General Fund Resources

Budgetary Revenues	Budget	YTD Actual	Over/(Under)
Franchise Tax	231,360	311,772	80,412
Sales Tax	3,774,307	3,769,623	(4,684)
Use Tax	349,723	323,460	(26,263)
Other Taxes	210,965	228,792	17,827
License and Permits	53,928	40,345	(13,583)
Court Costs	159,568	148,016	(11,552)
Ambulances	221,508	188,387	(36,121)
Oil/Gas Leases	492,511	554,972	62,461
Other Charges	59,841	82,231	22,390
Police Fines	378,593	302,187	(76,406)
Miscellaneous	68,000	56,930	(11,070)
Total General Fund	6,000,304	6,003,715	3,411

McAlester Public Works Authority Revenues

Budgetary Revenues	Budget	YTD Actual	Over/(Under)
Water Sales	1,525,750	1,708,251	182,501
Water Districts	531,698	537,008	5,310
Sewer	766,305	820,234	53,929
Garbage	1,297,550	1,305,366	7,816
Other Charges	40,461	47,878	7,417
Miscellaneous	19,077	15,233	3,844
Total MPWA Fund	10,181,145	10,437,685	256,540

City Of McAlester

Expenditures As of December 31, 2013

Percentage of year completed: 50.00%

	Original Budget	Current Budget	Actual Expenditure	% of Budget
General Fund	\$12,659,681	\$13,259,175	\$6,758,906	53.62%
MPWA	\$ 6,765,939	\$ 7,252,691	\$3,284,397	52.10%

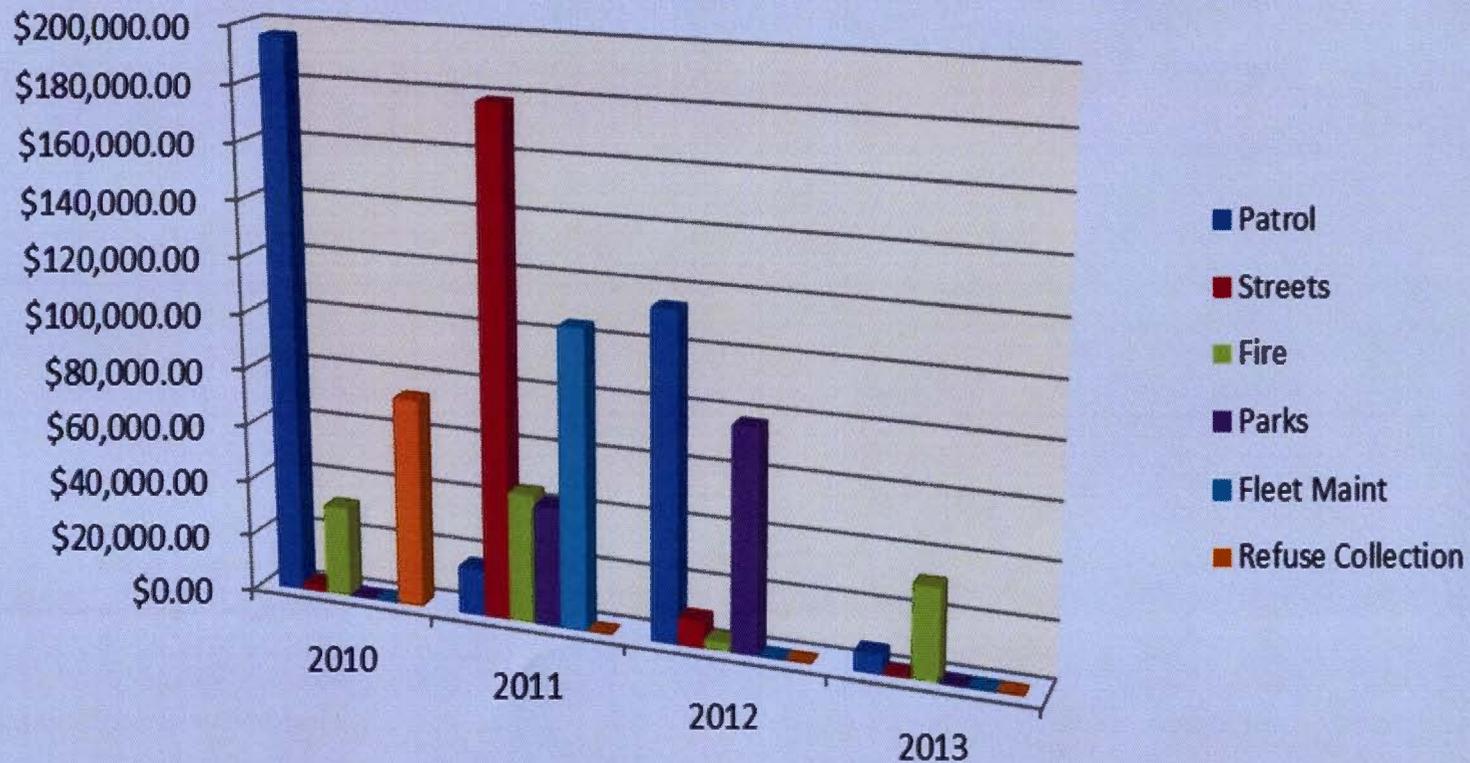
***Annual Payments made for entire year account for the small percent over budget.**

City of McAlester: Capital Budget Priorities

<u>Public Works</u>	<u>Amount</u>	<u>Status</u>
AP600 Asphalt Paver	350,000	Postponed
Diagnostic Tools	15,000	Open
Line Stripping Equipment	15,000	Complete
Tractor & Brush Hog (Landfill)	30,000	Open
Genie Lift	12,000	Open
<u>Public Utilities</u>		
THM Compliance (Eng Report)	20,000	Complete
CDBG Infrastructure	75,000	Budgeted
Katy Lift Station	55,000	In Construction-Funded
Truck (WWT)	26,000	Open
<u>Community Services</u>		
Chipper	52,000	Open
Playground Equipment	125,000	In Construction-Funded
Walk in Doors (Expo)	25,000	Open
<u>Fire</u>		
Truck	40,000	Open
SS Station Remodel	50,000	Open
EKG Monitors	25,000	Complete

Worker's Compensation

Top Departments Since 7-1-10





McAlester City Council

AGENDA REPORT

Meeting Date: January 28, 2014 Item Number: 5
Department: Police
Prepared By: Darrell Miller Account Code: _____
Date Prepared: January 17, 2014 Budgeted Amount: _____
Exhibits: 3

Subject

Consider, and act upon, approval of bid to Freedom Ford of McAlester for the purchase of three (3) new and unused 2014 Ford Police SUV'S.

Recommendation

Motion to approve the only bid of \$107,243.01 to Freedom Ford of McAlester for the purchase of three (3) new and unused 2014 Ford Police SUV AWD patrol vehicles.

Discussion

The City of McAlester went out for bids on three new and unused police SUV's. Bid packets were sent out to Bob Hurley Ford, Freedom Ford, Fenton Motors, Nix, Dunn Country Ford, Ada Ford, Riverside Autoplex, Hudiburg, and Vance Country Ford. We received one bid from Freedom Ford in McAlester. One SUV will be used as an administrative unit and the other two will replace older patrol cars on patrol.

Approved By

	<i>Initial</i>	<i>Date</i>
Department Head	GW	01-17-2014
City Manager	P. Stasiak 	01-21-2014

720 S. George Nigh Expy.
PO Box 1108



918-423-2800
McAlester, OK 74502

01/16/2013

To the City of McAlester,

Please accept this bid for a 2014 Ford Police Interceptor SUV AWD with the specified equipment (see bid sheet):

Price includes all Fleet discounts

Delivery estimate 10 weeks

Bid is good for 30 days

MSRP:	\$33,130.00
State Contract Price (2013 model):	\$27,498.13
Freedom Ford Price (2014 model):	\$27,459.02

Upfit pricing information:	\$12,659.29
----------------------------	-------------

Total cost:	\$40,118.31
--------------------	--------------------

Thank you,

A handwritten signature in black ink, appearing to read "Brandon Crnkovic".

Brandon Crnkovic
Fleet Sales Manager
Freedom Ford

A handwritten signature in black ink, appearing to read "Gene Crnkovic".

Gene Crnkovic
General Manager
Freedom Ford

NON-COLLUSIVE AFFIDAVIT

By submission of this bid or proposal, the bidder certifies that:

- a) This bid or proposal has been independently arrived at without collusion with any other bidder or with any competitor or potential competitor;
- b) This bid or proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids or proposals for this project, to any other bidder, competitor, or potential competitor;
- c) No attempt has been or will be made to induce any other person, partnership, or corporation to submit or not to submit a bid or proposal or to fix overhead, profit, or cost element of said bid price, or that of any other or to secure any advantage against the Housing Authority;
- d) The person, signing this bid or proposal certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification, and under the penalties of perjury, affirms the truth thereof, such penalties being applicable to the bidder as well as to the person signing in its behalf;
- e) That attached hereto (if a corporate bidder) is a certified copy of the resolution authorizing the execution of this certificate by the signator of this bid or proposal in behalf of the corporate bidder.

GENE CRANKOVIC, deposes and says that he is SECRETARY

the party making the foregoing proposal or bid for _____ (Project description), that such proposal or bid is genuine and not collusive and that all stats herein are true.

Signature:

Bidder (if the bidder is an Individual)

Partner (if the bidder is a Partnership)

[Signature] - SECRETARY

Officer (if the bidders is a Corporation)

Subscribed and sworn to before me this 13 day of Jan, 14

My commission expires: 3-7-17

JENNIFER WOOD



BUSINESS RELATIONSHIPS AFFIDAVIT

STATE OF OKLAHOMA \

> SS:

PITTSBURG COUNTY /

Brandon Cankovic, of lawful age, being first duly sworn, on oath says that (s) he is the agent authorized by the bidder to submit the attached bid.

Affiant further states that the nature of any partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement with architect, engineer, or other party to the project is as follows:

None

Affiant further states that any such business relationship presently in effect or which existed within one (1) year prior to the date of this statement between any officer or director of the bidding company and any officer or director of the bidding company and any officer or director of the architectural or engineering firm or other party to the project is as follows:

None

Affiant further states that the names of all persons having any such business relationships and the positions they hold with their respective companies or firms are as follows:

None

(If none of the business relationships hereinabove mentioned exist, affiant should so state.)

None exist

[Signature]

Subscribed and sworn to before me this 13 day of 2014.

[Signature]
(Notary Public)



My commission expires:

3-7-17

Bid Sheet

Freedom Ford Inc., submits the following bid for One (1)
Company Name

new and unused 2014 SUV AWD Unmarked Police Vehicle on this 16 day of January, 2014.

forty thousand one hundred eighteen and 38/100 (\$ 40,118.38)
Amount

And attest that this vehicle meet the specifications set out in this bid package and that the above bid includes all costs involved in the delivery of said vehicle.

[Signature]
Owner/Manager

Bid Sheet Page 1
POLICE SUV AWD

Description: 2014 Police Interceptor Utility SUV AWD or equivalent.

MECHANICAL:

		YES	NO
Emissions:	Federal Requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Engine and Drive Train:	3.7L Ti-VCT V6 FFV Engine or equivalent. AWD Drive-Train	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transmission:	6-speed automatic, exclusively police calibrated for for maximum acceleration and faster losing speeds.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Suspension:	Independent front and rear suspensions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brakes:	Police calibrated high performance system Heavy-Duty disc w/anti-lock break system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Steering:	Electric Power Assist Steering (Heavy Duty)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alternator:	Heavy - Duty 220 Amp	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Battery:	Heavy-Duty 750 CCA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Mechanical:	Cooling System - Heavy Duty, large high volume radiator, engine oil cooler and transmission oil cooler	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Engine Hour Meter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Power-train mounts - Heavy-Duty	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXTERIOR:			
Tires:	P245/55R18 AVS BSW	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wheels:	Heavy Duty 18" Steel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Door Handles:	Rear Door Handles Inoperable and Hidden Door Lock Plunger	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Glass:	Solar-Tinted 1st row; Privacy Glass 2nd and 3rd row	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Headlights:	Projector Halogen; Front Headlight Lighting Solution Housing/Clear	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tail Lamps:	LED Taillight Lighting Soutlion	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mirrors:	Heated Sideview Power Electric Remote, Manual Folding with Integrated Blind Spot Mirrors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
INTERIOR:			
Flooring:	Heavy Duty Vinyl	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Key:	Fleet Key Factory Remote Keyless Entry System	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pedals:	Power adjustable	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Speedometer:	Certified	✓	
Steering Wheel:	Tilt Steering Column	✓	
Door Locks:	Power	✓	
Climate Control:	Single Zone Manual	✓	
Seats:	Front- Heavy Duty Cloth -Bucket - Driver 6 way power-adjustable with manual lumbar. Rear - 60/40 Split Vinyl	✓	
Windows:	Power, 1-touch Up/Down Driver-Side Rear window power delete, operable from front driver side	✓	
Other Interior Features:	Column Shifter	✓	
Police Upfit Friendly:	Consistent 9-inch space between driver and passenger seats for aftermarket consoles Noise Suppression Bands	✓	
Safety/Security:	Tire Pressure Monitoring System (TPMS) SOS Post-Crash Alert System Battery saver feature LATCH (Lower Anchors and Tethers for Children) system on rear outboard seat locations Anti-Lock Brakes (ABS) with Traction Control accessory Delay 75-mph Rear End Crash Tested	✓	
Airbags	Front Side Impact Safety Canopy with rollover sensor	✓ ✓ ✓	
Radio:	AM/FM /CD /MP3 Capable /Clock/ 6 speakers	✓	
Options:	Black/White Exterior with factory Turnkey "Police" Vinyl Word Wrap	✓	
	Overhead Console	✓	
	Driveside Wheel LED Spotlight	✓	
	Brooking Torrent Lightbar with Rear Traffic Director	(extra 1-bar)	✓ *
	Jotto Console with armrest floorplate JD-#425-6411	✓	
	Utility Equipment Console-Contour(2013) #AP425-6193	✓	
	Master Com Siren with Mic, Airhorn, 9 Level Light Control (C3-3892L6S)	✓	
	100W Compact Speaker	✓	

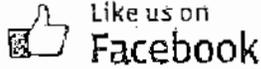
* Specified 2 lightbars see next page

86P 511 patrol

Priority Public Safety



659 Martin Duke Road
 Van Alstyne, TX 75495
 (903) 482-9357
 sales@prioritypublicsafety.net



Estimate

Date	Estimate No.
01/10/2014	1554
	Exp. Date
	02/10/2014

Address
 Freedom Ford
 720 South George Nigh Expressway
 P.O. Box 1108
 McAlester, OK 74501

Activity	Rep HK	Quantity
• Jotto Desk 2013 Ford Interceptor SUV Contour Console Package		1
• Jotto Desk Arm Rest with Floor plate attachment (No Charge, Part of Package)		1
• Jotto Desk Dual Drink Cupholders for Console (No Charge, Part of Package)		1
• Code 3 Siren Master Com B w/ 9 Level Light Control		1
• SVP 100Watt Cyclone Speaker w/ Universal Bracket		1
• Whelen PAR 28 Red/Blue Split Fog Light		2
• Whelen Fog Light Gasket for Mounting		2
• Ford Factory Fog Light Hardware		1
• Radio Coax and VHF Antenna		1
• Code 3 Lightbar with TRS9 LED Modules R/B with Traffic Director, Configuration C43038		1
• Code 3 XT6 Red/Blue Lights Mounted at each side rear window in lower portion (Center)		2
• Setina PB-450L-VS High Strength Aluminum Push Bumper with 2 LED lighthead		1
• Setina PB5 Fender Protectors to attach at Push Bumper		1
• Hide-a-way system (Red) for each side brakelight		2
• Hide-a-way system (Red/Blue) for each front headlight		2
• Code 3 Citadel LED Kit PI Utility Red/Blue		1
• Code 3 MR6 Surface Mount Red Mounted Flush for rear bumper reflector slot		1
• Code 3 MR6 Surface Mount Blue Mounted Flush for rear bumper reflector slot		1
• Motorola VHF Radio XPR 4550 (programmed)		1
• Kustom Signals Raptor Duel K-Band with Directional Same Lane Mode		1
• Jotto Desk Half Cage Prisoner System for Ford Interceptor SUV with Window Barriers and Door panels		1
• Shipping and Handling		1
• Misc. Connectors, Tape, Lume, Nuts, Bolts		1
• Custom Wiring Harness made to order		1
• Labor to install listed equipment		38

Thank you for doing business with us.

Total \$12,659.29

Accepted By _____ Accepted Date _____

Unused item refund or exchange within 14 days. Receipt and original packaging required. Used items no returns.

720 S. George Nigh Expy.
PO Box 1108



918-423-2800
McAlester, OK 74502

01/16/2013

To the City of McAlester,

Please accept this bid for a 2014 Ford Police Interceptor SUV AWD (unmarked) with the specified equipment (see bid sheet):

Price includes all Fleet discounts

Delivery estimate 10 weeks

Bid is good for 30 days

MSRP:	\$31,915.00
State Contract Price (2013 model):	\$26,234.00
Freedom Ford Price (2014 model):	\$26,225.00

Upfit pricing information:	\$7,783.52
----------------------------	------------

Total cost:	\$34,008.52
--------------------	--------------------

Thank you,

A handwritten signature in black ink, appearing to read 'Brandon Crnkovic'.

Brandon Crnkovic
Fleet Sales Manager
Freedom Ford

A handwritten signature in black ink, appearing to read 'Gene Crnkovic'.

Gene Crnkovic
General Manager
Freedom Ford

BUSINESS RELATIONSHIPS AFFIDAVIT

STATE OF OKLAHOMA \
> SS:
PITTSBURG COUNTY /

_____, of lawful age, being first duly sworn, on oath says that (s) he is the agent authorized by the bidder to submit the attached bid. Affiant further states that the nature of any partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement with architect, engineer, or other party to the project is as follows:

None

Affiant further states that any such business relationship presently in effect or which existed within one (1) year prior to the date of this statement between any officer or director of the bidding company and any officer or director of the bidding company and any officer or director of the architectural or engineering firm or other party to the project is as follows:

None

Affiant further states that the names of all persons having any such business relationships and the positions they hold with their respective companies or firms are as follows:

None

(If none of the business relationships hereinabove mentioned exist, affiant should so state.)

None Exist

[Signature]

Subscribed and sworn to before me this 13 day of 2019.



[Signature]
(Notary Public)

My commission expires:

3-7-17

NON-COLLUSIVE AFFIDAVIT

By submission of this bid or proposal, the bidder certifies that:

- a) This bid or proposal has been independently arrived at without collusion with any other bidder or with any competitor or potential competitor;
- b) This bid or proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids or proposals for this project, to any other bidder, competitor, or potential competitor;
- c) No attempt has been or will be made to induce any other person, partnership, or corporation to submit or not to submit a bid or proposal or to fix overhead, profit, or cost element of said bid price, or that of any other or to secure any advantage against the Housing Authority;
- d) The person, signing this bid or proposal certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification, and under the penalties of perjury, affirms the truth thereof, such penalties being applicable to the bidder as well as to the person signing in its behalf;
- e) That attached hereto (if a corporate bidder) is a certified copy of the resolution authorizing the execution of this certificate by the signator of this bid or proposal in behalf of the corporate bidder.

SENE CRNKOVIC, deposes and says that he is SECRETARY

the party making the foregoing proposal or bid for _____ (Project description), that such proposal or bid is genuine and not collusive and that all stats herein are true.

Signature:

Bidder (if the bidder is an Individual)

Partner (if the bidder is a Partnership)
[Signature] Secretary

Officer (if the bidders is a Corporation)

Subscribed and sworn to before me this 13 day of Jan, 14.

My commission expires: 3-7-17

[Signature] Wissel



Bid Sheet

Freedom Ford, Inc., submits the following bid for One (1)
Company Name

new and unused SUV AWD Unmarked Police Vehicle on this 16 day of January, 2014.

thirty four thousand eight and 52/100 . (\$ 34,008.⁵²/₁₀₀)
Amount

And attest that this vehicle meet the specifications set out in this bid package and that the above bid includes all costs involved in the delivery of said vehicle.

[Signature]
Chief/Manager

36P unmarked

Priority Public Safety



659 Martin Duke Road
Van Alstyne, TX 75495
(903) 482-9357
sales@prioritypublicsafety.net



Estimate

Date	Estimate No.
01/10/2014	1555
	Exp. Date
	02/10/2014

Address

Freedom Ford
720 South George Nigh Expressway
P.O. Box 1108
McAlester, OK 74501

Activity	Rep HK	Quantity
• Jotto Desk 2013 Ford Interceptor SUV Contour Console		1
• Jotto Desk Arm Rest with Floor plate attachment		1
• Jotto Desk Dual Drink Cupholders for Console		1
• Code 3 Siren Master Com B w/ 9 Level Light Control		1
• SVP 100Watt Cyclone Speaker w/ Universal Bracket		1
• Whelen PAR 28 Red/Blue Split Fog Light		2
• Whelen Fog Light Gasket for Mounting		2
• VHF Radio Antenna and Coax Cable		1
• Code 3 XT6 Red/Blue Lights		2
• Motorola XPR 4550 VHF Radio Programmed		1
• Hide-a-way System Red		2
• Hide-a-way System Red/Blue		2
• Hide-a-way System Blue		2
• Code 3 XT4 LED Red/Blue		4
• License Plate Bracket		1
• Code 3 MR6 Surface Mount Blue		2
• Code 3 MR6 Surface Mount Red		2
• Code 3 Command Stick Red/Blue		1
• Code 3 Supervisor Tri-Core with Takedowns Red/Blue for Ford Interceptor SUV		1
• SoundOff Signal Intersector, Under Mirror Light Red		1
• SoundOff Signal Intersector, Under Mirror Light Blue		1
• Shipping and Handling		1
• Misc. Connectors, Tape, Lume, Nuts, Bolts		1
• Custom Wiring Harness made to order		1
• Labor to install listed equipment		35
Thank you for doing business with us.	Total	\$7,783.52

Accepted By _____ Accepted Date _____

Unused item refund or exchange within 14 days. Receipt and original packaging required.

Used items no returns.

Bid Sheet - Page 1

POLICE SUV AWD

Description: 2014 Unmarked Police Interceptor Utility SUV AWD or equivalent.

MECHANICAL:		YES	NO
Emissions:	Federal Requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Engine and Drive Train:	3.7L Ti-VCT V6 FFV Engine or equivalent. AWD Drive-Train	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transmission:	6-speed automatic, exclusively police calibrated for for maximum acceleration and faster losing speeds.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Suspension:	Independent front and rear suspensions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brakes:	Police calibrated high performance system Heavy-Duty disc w/anti-lock break system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Steering:	Electric Power Assist Steering (Heavy Duty)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alternator:	Heavy - Duty 220 Amp	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Battery:	Heavy-Duty 750 CCA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Mechanical:	Cooling System - Heavy Duty, large high volume radiator, engine oil cooler and transmission oil cooler Engine Hour Meter Power-train mounts - Heavy-Duty	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXTERIOR:			
Tires:	P245/55R18 A/S BSW	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wheels:	Heavy Duty 18" Steel with 18" Fullface Wheel Covers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Glass:	Solar-Tinted 1st Row; Privacy Glass 2nd & 3rd Rows	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Headlights:	Headlight Lighting Solution Housing/Clear	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tail Lamps:	LED Taillight Lighting Soutlion	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mirrors:	Heated Sideview Power Electric Remote, Manual Folding with Integrated Blind Spot Mirrors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
INTERIOR:			
Flooring:	Heavy Duty Carpet 1st and 2nd rows	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Key:	Fleet Key Factory Remote Keyless Entry System	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pedals:	Power adjustable	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Speedometer:	Certified	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Steering Wheel:	Tilt Steering Column	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Door Locks:	Power	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Climate Control:	Single Zone Manual	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seats:	Front- Heavy Duty Cloth -Bucket - Driver 6 way power-adjustable	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Rear - 60/40 Split Heavy Duty Cloth	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Windows:	Power	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Interior Features:	Column Shifter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Daytime Running Lamps	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police Upfit Friendly:	Consistent 9-inch space between driver and passenger seats for aftermarket consoles Noise Suppression Bands	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Safety/Security:	Tire Pressure Monitoring System (TPMS) SOS Post-Crash Alert System Battery saver feature	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Airbags	Front Side Impact	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Radio:	AM/FM /CD /MP3 Capable /Clock/ 6 speakers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Options:	White Exterior	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Overhead Console	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Jotto Console with armrest floorplate JD-#425-6411	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Utility Equipment Console-Contour(2013+) #AP-425-6193	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Master Com Siren with Mic, Airhorn, 9 Level Light Control (C3-3892L6S)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	100W Compact Speaker	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Two (2) Whelen 3 1/2" extend led fog lights Red/Blue (WH-PAR28)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Dome Light Red/White in Cargo Area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Sync	<input type="checkbox"/>	<input type="checkbox"/>
	Heated Side View Mirrors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Additional:	Furnish and install VHF Radio Antenna with coax (FREQ 155.715)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	ABS Duel Cup Holder Faceplate Mount (JD-425-3704)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Code 3 XT6 Red/Blue Lower Center Each Side Rear Window (C3-XT6BR)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Motorola XPR-4550 (programmed)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hideablast Corner LED Red, 1 (One) Each Side Brakelight (C3-HB915R)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hideablast Corner LED Red/Blue 1 (One) For Each Side For Front Lights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hideablast Corner LED Blue 1 (One) Each Side Backup Light (C3-HB915B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two Single 4 Split Lighthouse Red/Blue Tag Lights (CS-XT4RB) With Bracket	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two MR6 LED Lighthouse Surface/Flush Mount (Blue) Rear Bumper Reflector Slot on Passenger Side (C3-MR6FM-B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two MR6 LED Lighthouse Surface/Flush Mount (Red) Rear Bumper Reflector Slot on Drivers Side (C3MR6FM-R)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Code 3 MR6 LED Hood Mount (Blue) Top of Hood Passenger Side (C3-MR6HM-B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Code 3 MR6 LED Hood Mount (Red) Top of Hood Drivers Side (C3-MR6HM-R)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 (Two) - Code 3 Signal 4 LED Split Lighthouse Red/Blue In Lower Grill Area (C3-XT4RB)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Code 3 Command Stick (8) 3 Up Torus Technology Heads Red/Blue for upper Center Rear Window	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Soundoff Mirror LEDS (ENT2B3R) 1 Red 1 Blue	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Code 3 Supervisor with Tricore front Inner Windshield	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Warranty: ALL EQUIPMENT INSTALLED WITH A MINIMUM FIVE YEAR PARTS AND LABOR WARRANTY	<input checked="" type="checkbox"/>	<input type="checkbox"/>

720 S. George Nigh Expy.
PO Box 1108



918-423-2800
McAlester, OK 74502

01/16/2013

To the City of McAlester,

Please accept this bid for a 2014 Ford Police Interceptor SUV AWD with the specified equipment (see bid sheet):

Price includes all Fleet discounts

Unit is available immediately

Bid is good for 30 days

MSRP:	\$32,150.00
Freedom Ford Price:	\$26,037.00

Upfit pricing information:	\$7,079.16
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Total cost:	\$33,116.18
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Thank you,

Brandon Crnkovic
Fleet Sales Manager
Freedom Ford

Gene Crnkovic
General Manager
Freedom Ford

Priority Public Safety



659 Martin Duke Road
 Van Alstyne, TX 75495
 (903) 482-9357
 sales@prioritypublicsafety.net



Invoice

Date	Invoice No.
12/16/2013	5607
Terms	Due Date
Due on receipt	01/01/2014

Bill To

Freedom Ford
 720 South George Nigh Expressway
 P.O. Box 1108
 McAlester, OK 74501

Amount Due	Enclosed
\$7,079.16	

Please detach top portion and return with your payment.

Activity	Quantity	Rep SK
• Go Industries 38015 Center Section Push Bumper for Ford Interceptor SUV	1	
• Brooking 49" Fully loaded Torrent - dual 6 diode take downs - dual 3 diode alley lights - composite mounting feet (R/B) (Red over driver)	1	
• Jotto Desk 2013 Ford Interceptor SUV Contour Console	1	
• Jotto Desk Dual Drink Cupholders for Console	1	
• Jotto Desk Arm Rest with Floor plate attachment	1	
• Brooking 200W multi-function siren w/ lighting control	1	
• Brooking 100 Watt - 11 Ohm Cast Speaker with bail "U" bracket	1	
• Tomar RECT14 Red/Blue Surface Mount LED (4 Mounted to push bumper)	4	
• Tomar 90 degree angle bracket for Surface Mount LEDs	4	
• Brooking Hide-a-ways 2 head (6) diode LED hide-a-way kit R/B mounted to foglight area	2	
• Tomar RECT14 Red/Blue Surface Mount LED	2	
• Brooking Hide-a-ways 2 head (6) diode LED hide-a-way kit R/B for rear taillights	2	
• Jotto Desk Half Cage Prisoner System for Ford Interceptor SUV with Window Barriers and Door panels	1	
• Whelen 10NJ Red/Blue Split LED used as Mirror Beams	2	
• Brooking 6 diode surface mount, black, 12/24 VDC. R/B used as LP Lights	2	
• Brooking Dual head license plate bracket for MS6BS	1	
• Sound Off 4 Module Interior LED Lightbar w/ Universal L Brackets Red/Blue	1	
• Radio Coax and VHF Antenna	1	
• Shipping and Handling	1	
• Misc. Connectors, Tape, Lume, Nuts, Bolts	1	
• Custom Wiring Harness made to order	1	
• Labor to install listed equipment	28	

Payments received after due date will be charged a 1.5% late fee daily.
 Please refer to Texas Government Code- Section 2251.021& 2251.025.
 Interest on Overdue Payment.

Total	\$7,079.16
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Unused item refund or exchange within 14 days. Receipt and original packaging required.

Used items no returns.

Bid Sheet

Freedom Ford, Inc _____, submits the following bid for One (1)
Company Name

new and unused 2014 SUV AWD Police Vehicle on this 16 day of January, 2014.

thirty-three thousand one hundred sixteen ¹⁸/₁₀₀ (\$ 33,116.¹⁸)
Amount

And attest that this vehicle meet the specifications set out in this bid package and that the above bid includes all costs involved in the delivery of said vehicle.

[Signature]
General Manager

Bid Sheet - Page 2
2013 POLICE SUV AWD

		YES	NO
Description:	2013 Police Interceptor SUV AWD or equivalent.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MECHANICAL:			
Emissions:	Federal Requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Engine and Drive Train:	3.7L Ti-VCT V6 FFV Engine or equivalent. AWD Drive-Train	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transmission:	6-speed automatic, exclusively police calibrated for for maximum acceleration and faster losing speeds.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Suspension:	Independent front and rear suspensions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brakes:	Police calibrated high performance system Heavy-Duty disc w/anti-lock break system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Steering:	Electric Power Assist Steering (Heavy Duty)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alternator:	Heavy - Duty 220 Amp	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Battery:	Heavy-Duty 750 CCA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Mechanical:	Cooling System - Heavy Duty, large high volume radiator, engine oil cooler and transmission oil cooler Engine Hour Meter Power-train mounts - Heavy-Duty	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXTERIOR:			
Tires:	P245/55R18 A/S BSW	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wheels:	Heavy Duty 18" Steel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Door Handles:	Rear Door Handles Inoperable and Hidden Door Lock Plunger	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Glass:	Solar-Tinted 1st row; Privacy Glass 2nd and 3rd row	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Headlights:	Projector Halogen; Front Headlight Housing/Clear	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tail Lamps:	LED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mirrors:	Sideview Power Electric Remote, Manual Folding with Integrated Blind Spot Mirrors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bumper:	Go-Industry Push Bumper	<input checked="" type="checkbox"/>	<input type="checkbox"/>
INTERIOR:			
Flooring:	Heavy Duty Vinyl	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Key:	Fleet Key Factory Remote Keyless Entry System	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pedals:	Power adjustable	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Speedometer:	Certified	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Bid Sheet - Page 3
POLICE SUV AWD

		YES	NO
Steering Wheel:	Tilt Steering Column	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Door Locks:	Power	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Climate Control:	Single Zone Manual	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seats:	Front- Heavy Duty Cloth -Bucket - Driver 6 way power-adjustable with manual lumbar. Rear - 60/40 Split Vinyl	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Windows:	Power, 1-touch Up/Down Driver-Side Rear window power delete, operable from front driver side	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Interior Features:	Column Shifter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police Upfit Friendly:	Consistent 9-inch space between driver and passenger seats for aftermarket consoles Noise Suppression Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Safety/Security:	Tire Pressure Monitoring System (TPMS) SOS Post-Crash Alert System Battery saver feature LATCH (Lower Anchors and Tethers for Children) system on rear outboard seat locations Anti-Lock Brakes (ABS) with Traction Control accessory Delay 75-mph Rear End Crash Tested	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Airbags	Front Side impact Safety Canopy with rollover sensor	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Radio:	AM/FM /CD /MP3 Capable /Clock/ 6 speakers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Options:	Black/White Exterior with factory Turnkey "Police" Vinyl Word Wrap	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Overhead Console	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Driverside Spotlight	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Brooking Torrent Lightbar with Rear Traffic Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Jotto Console	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Carson Siren/Switchbox	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Brooking 100W Speaker	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Brooking 4-Grill LED Red/Blue	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Brooking 2-Fog Lights LED Red/Blue	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Brooking 2-Side LED Red Blue	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Bid Sheet - Page 4
POLICE SUV AWD

YES

NO

Brooking Tail Light LED Red/Blue

Jotto 1/2 Cage Partition #475-0318

Additional:

Furnish and install VHF Radio Antenna with coax
for police radio. Install Police Radio supplied by City

Warranty:

5 Year Parts and Labor Warranty on Installed Equipment

BUSINESS RELATIONSHIPS AFFIDAVIT

STATE OF OKLAHOMA \

> SS:

PITTSBURG COUNTY /

Brandon Crnkovic, of lawful age, being first duly sworn, on oath says that (s) he is the agent authorized by the bidder to submit the attached bid. Affiant further states that the nature of any partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement with architect, engineer, or other party to the project is as follows:

None

Affiant further states that any such business relationship presently in effect or which existed within one (1) year prior to the date of this statement between any officer or director of the bidding company and any officer or director of the bidding company and any officer or director of the architectural or engineering firm or other party to the project is as follows:

None

Affiant further states that the names of all persons having any such business relationships and the positions they hold with their respective companies or firms are as follows:

None

(If none of the business relationships hereinabove mentioned exist, affiant should so state.)

They Do Not Exist Dale Child

Subscribed and sworn to before me this 13 day of 2013.



Jamie Wood
(Notary Public)

My commission expires:

3-7-17

NON-COLLUSIVE AFFIDAVIT

By submission of this bid or proposal, the bidder certifies that:

- a) This bid or proposal has been independently arrived at without collusion with any other bidder or with any competitor or potential competitor;
- b) This bid or proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids or proposals for this project, to any other bidder, competitor, or potential competitor;
- c) No attempt has been or will be made to induce any other person, partnership, or corporation to submit or not to submit a bid or proposal or to fix overhead, profit, or cost element of said bid price, or that of any other or to secure any advantage against the Housing Authority;
- d) The person, signing this bid or proposal certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification, and under the penalties of perjury, affirms the truth thereof, such penalties being applicable to the bidder as well as to the person signing in its behalf;
- e) That attached hereto (if a corporate bidder) is a certified copy of the resolution authorizing the execution of this certificate by the signator of this bid or proposal in behalf of the corporate bidder.

SENG CRNKOVIC, deposes and says that he is SECRETARY

the party making the foregoing proposal or bid for _____ (Project description), that such proposal or bid is genuine and not collusive and that all stats herein are true.

Signature: [Handwritten Signature]

Bidder (if the bidder is an Individual)

Partner (if the bidder is a Partnership)
[Handwritten Signature] - Secretary

Officer (if the bidders is a Corporation)

Subscribed and sworn to before me this 13 day of Jan, 14

My commission expires: 3-7-17

[Handwritten Signature]
Notary Public



Seal)



McAlester City Council

AGENDA REPORT

Meeting Date: January 28, 2014 Item Number: 6
Department: Water Treatment Plant /Public Works
Prepared By: Peter J. Stasiak Account Code: _____
Date Prepared: January 21, 2014 Budgeted Amount: _____
Exhibits: 1

Subject

Discussion and possible action on a WATER SYSTEM OPERATION AND MAINTENANCE AGREEMENT between The McAlester Public Works Authority (MPWA) and Severn Trent Environmental Services, Inc. for the Operation and Maintenance of the Water Treatment Plant.

Recommendation

Discussion, and possible action, on an agreement with Severn Trent Environmental Services, Inc. for the Operation and Maintenance of the Water Treatment Plant.

Discussion

A Public Private Partnership provides opportunities for improved treatment plant operations, improved asset management, and cost savings through bulk purchase of chemicals and related items.

Approved By

		<i>Initial</i>	<i>Date</i>
Department Head		JCM	01/21/14
City Manager	P. Stasiak	<i>PJS</i>	01/21/14

THIS WATER SYSTEM OPERATION AND MAINTENANCE AGREEMENT (the “Agreement”) is made this day of 2014, between:

MCALESTER PUBLIC WORKS AUTHORITY, a public trust organized under the laws of the State of Oklahoma (the “Authority”); and

SEVERN TRENT ENVIRONMENTAL SERVICES, INC., a Texas corporation with its principal place of business at 16337 Park Row, Houston, Texas 77084 (hereinafter the “Operator”).

BACKGROUND

The Authority desires to hire a professional firm to operate and maintain the Authority’s facilities as described in Schedule 2 of this Agreement (“Facilities”) and the Operator desires to provide said operations and maintenance services to the Authority.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1) TERM

1.1 This Agreement shall commence on March 1, 2014 (“Commencement Date”) and shall remain in full force and effect until June 30, 2019 (the “Initial Term”) unless terminated earlier under Section 8 below. After the Initial Term, the Agreement shall be automatically renewed for successive five (5) year periods unless cancelled in writing by either party at least sixty (60) days prior to the expiration of the then current term.

2) SERVICES

2.1 The services to be provided by the Operator as more fully set out in Schedule 1 (the “Services”). For a period of one (1) year following the Commencement Date, the Operator will evaluate the reduction of the staffed operation of the water plant from the initial staffing of twenty four (24) hours per day. Prior to the implementation of any such reduction, the parties shall negotiate and agree upon any adjustments in the Base Fee (defined below) or the scope of Services. The parties agree that the staffing of the Facilities must be sufficient to perform the Services and to comply with Applicable Law.

2.2 The Operator shall:

2.2.1 perform the Services in accordance with the provisions of this Agreement, Applicable Law, and all permits, licenses, and specifications applicable to the operation and maintenance of the Facilities, exercising the degree of skill and care ordinarily exercised by members of Operator’s profession in the geographic region of the Facilities.

2.2.2 use qualified (and where required, certified) personnel to operate and maintain the Facilities and all its equipment and processes in accordance with relevant operation and, if available, maintenance manuals for the Facilities and Applicable Law;

2.2.3 perform (or contract with a laboratory certified by the appropriate regulatory body to perform) all sampling and laboratory analysis required by Applicable Law. Laboratory procedures and analysis shall conform to the then current edition of Standard Methods for the Examination of Water, or shall be in accordance with testing requirements of Applicable Law;

2.2.4 subject to the limitations in Sections 3 and 6, below, perform the routine maintenance tasks set out in Schedule 1.

2.2.5 maintain necessary records of operations, maintenance, repair and improvement activities at the Facilities and shall prepare and submit to the Authority a monthly report, delivered to the Authority the following month, including a narrative and summary of operations, maintenance, repair and replacement activities (including the draw-down against the Annual Repair and Maintenance Limit) and data required for monthly reporting to local, state and federal agencies.

2.3 Notwithstanding Section 2.2.1 above, beginning immediately upon the date this Agreement is executed and until the date of issuance by the Operator of a written certificate of acceptance pursuant to Section 2.3.2 below, Operator shall manage and operate the Facilities by utilizing its best efforts to meet the requirements of the Facilities' environmental permits and licenses. During this period, in the event that any raw water cannot be properly treated using the processes and equipment provided at such Facility, the Operator shall not be responsible for compliance with the applicable environmental permit or with any other relevant provision of Applicable Law, or for any other consequence resulting therefrom, including, without limitation, any resulting fines, penalties or damages, except for those caused by Operator's negligence. To the extent that both the Authority and Operator are determined by a finder of fact to be negligent and the negligence of both is a proximate cause of a claim against the Authority for damages or fines arising from the operation and maintenance of the Facilities, then in such event, the Authority and Operator shall each be responsible for the portion of the liability equal to its comparative share of the total negligence.

2.3.1 Within sixty (60) days after the completion of the Capital Improvements performed in accordance with Section 12 below, which are expected to include Capital Improvements identified in an engineering report on the condition of the Facilities that is being prepared by Tetra Tech (a firm retained by the Authority), the Operator shall determine whether it accepts those compliance obligations specified in Section 2.2.1 above. This acceptance determination shall be based on the following criteria: (i) whether, based on reasonably available information, the individual components of the upgraded Facilities may be reasonably judged to be capable of performing to their stated design criteria and specifications; and (ii) whether, as a whole, based on reasonably available information, the upgraded Facilities may be reasonably judged to be capable of treating all anticipated raw water to be delivered to the Facilities in full compliance with Applicable Law.

2.3.2 The Operator's acceptance of the compliance responsibilities described in Section 2.3.1 above shall be signified by issuing a written certificate of acceptance that has been signed by

Operator's signatory to the Agreement, or his duly authorized designee. Such acceptance by the Operator shall not be unreasonably withheld.

2.3.3 In the event that Operator is unwilling to issue a written certificate of acceptance in accordance with Section 2.3.2 above, Operator shall issue a written notice to the Authority specifically delineating its reasons for refusing to accept the compliance responsibility for the Facilities. Following such notice, the parties shall negotiate in good faith for a period of not less than ninety (90) days or until reaching concurrence to set a schedule for the Authority to cure such deficiencies at the Facilities, or in the alternative, following such negotiation period, the Authority will have the right to cancel this Agreement in its entirety.

2.4 For the duration of this Agreement, the Authority hereby grants the Operator, free of charge, a license to use the Facilities, including all equipment, structures, facilities under Authority's ownership and which have been assigned by Authority to the Facilities.

2.5 The Operator shall provide all calculations to the Authority to determine whether or not the Baseline Conditions have been exceeded on an annual basis as of each Adjustment Date.

3) REPAIRS AND MAINTENANCE

3.1 The Operator shall be responsible for all Annual Maintenance Expenditures up to the aggregate Annual Repair and Maintenance Limit. Any and all costs in excess of the Annual Repair and Maintenance Limit shall be the responsibility of the Authority.

3.2 Except in the case of an Emergency Event, the Operator shall obtain the prior written approval of the Authority for any single maintenance-related expense which shall cost more than two thousand dollars (\$2,000.00). When the Operator determines that an Emergency Event exists, it may begin immediately taking any necessary action, without the Authority's prior approval. Any costs incurred during the Emergency shall be included in the Annual Maintenance Expenditures, subject to the Authority's subsequent review and approval.

3.3 Should these expenditures exceed eighty percent (80%) of the Annual Repair and Maintenance Limit prior to the end of any Agreement Year, the Operator shall notify the Authority and the parties will meet to mutually agree on necessary procedures to ensure this function is funded through the remainder of that Agreement Year.

3.4 Operator shall maintain up-to-date financial and accounting records as they apply to the Annual Maintenance Expenditures. The records must be kept in accordance with the Operator's standard accounting practices and made available to the Authority within thirty (30) days of Authority's written request.

3.5 The Operator will track Annual Maintenance Expenditures incurred against the Annual Repair and Maintenance Limit. Any portion of the Annual Maintenance Limit that has not been spent at the end of the Agreement Year will be reimbursed to the Authority within thirty (30) days of the end of the Agreement Year.

4) CHEMICALS

4.1 The Operator shall be responsible for all the cost of chemicals utilized in the performance of the Services up to the aggregate Annual Chemical Limit. Any and all costs in excess of the Annual Chemical Limit shall be the responsibility of the Authority.

4.2 Operator shall maintain up-to-date financial and accounting records as they apply to the expenditures credited towards the Annual Chemical Limit. The records must be kept in accordance with the Operator's standard accounting practices and made available to the Authority within thirty (30) days of Authority's written request.

4.3 Should these expenditures exceed eighty percent (80%) of the Annual Chemical Limit prior to the end of any Agreement Year, the Operator shall notify the Authority and the parties shall meet to mutually agree on necessary procedures to ensure this function is funded through the remainder of that Agreement Year.

4.4 The Operator will track those expenditures incurred against the Annual Chemical Limit. Any portion of the Annual Chemical Limit that has not been spent at the end of the Agreement Year will either be credited against the following year's Base Fee or reimbursed to the Authority within thirty (30) days of the end of the Agreement Year.

5) ELECTRICITY

5.1 The Operator shall be responsible for all costs of consumption of electricity at the facilities up to the aggregate Annual Electricity Limit. Any and all costs in excess of the Annual Electricity Limit shall be the responsibility of the Authority.

5.2 Operator shall maintain up-to-date financial and accounting records as they apply to the expenditures credited towards the Annual Electricity Limit. The records must be kept in accordance with the Operator's standard accounting practices and made available to the Authority within thirty (30) days of Authority's written request.

5.3 Should these expenditures exceed eighty percent (80%) of the Annual Electricity Limit prior to the end of any Agreement Year, the Operator shall notify the Authority and the parties will meet to mutually agree on necessary procedures to ensure this function is funded through the remainder of that Agreement Year.

5.4 The Operator will track those expenditures incurred against the Annual Electricity Limit. Any portion of the Annual Electricity Limit that has not been spent at the end of the Agreement Year will either be credited against the following year's Base Fee or reimbursed to the Authority within thirty (30) days of the end of the Agreement Year.

6) AUTHORITY OBLIGATIONS

6.1 The Authority shall:

a) obtain and maintain all state, federal, and local permits and licenses required for ownership, operation and maintenance of the Facilities, including without limitation, the Authority's Permits;

- b) arrange for and pay: i) all costs related to delivery to and consumption of utilities to the Facility, including, water, gas, internet services and telephone usage at the Facilities; ii) all property, value-related, franchise, sales, use, excise, gross receipts, transaction privilege or other taxes associated with the Services and the ownership, operation and maintenance of the Facilities, other than taxes imposed on Operator's net income or payroll; iii) expenses incurred from the treatment of Non-Processible Water, including without limitation, any penalties and fines that may be assessed as a result; iv) expenses resulting from raw water or pollutant loads exceeding the Baseline Conditions; (v) for the retention of the accounts for electricity in the Authority's name in order to retain most advantageous rates; and vi) all Capital Improvements;
- c) comply with Applicable Law relating to the management, ownership, operation, maintenance, repair and replacement of the Facilities (to the extent that the responsibility of complying with those laws is not specifically assumed by the Operator under this Agreement). The Operator shall not be responsible for Authority's failure to comply with any provision of Applicable Law that is not otherwise specifically assumed by the Operator hereunder;
- d) during visits to the Facilities, comply and shall require its agents, licensees of invitees to comply with all reasonable safety rules and regulations adopted by the Operator;
- e) maintain all water lines, pipes, and all other water transportation lines ("Authority Lines"), in a manner that will prevent, to the extent practicable, any damage to the operation of the Facilities due to leakage of water from such Authority Lines;
- f) perform all duties and discharge all responsibilities and obligations relating to the operation and maintenance of the Facilities not expressly assumed by the Operator pursuant to the terms of this Agreement;
- g) provide for all treatment and disposal of Process Residue as deemed necessary by the Operator for the proper operation of the Facilities in accordance with industry standard practices and Applicable Law;
- h) perform all distribution system flushing with input from the Operator regarding water quality analysis;
- i) provide for generator fuel for both the fixed and portable generators in case of unplanned emergency operation;
- j) provide all scheduled public notices (annual CCR, etc.) with operational information provided by the Operator;
- k) provide all major storage tank maintenance, painting and repair;
- l) provide all equipment currently in place at the water treatment plant including tools, lab equipment, tractors, and mowing equipment; and

7) FEES AND PAYMENT

7.1 For the period beginning on the Commencement Date, the Authority shall pay the Operator an annual fee (the "Base Fee") as set out in Schedule 5. The amount of the Base Fee shall be increased on each Adjustment Date in accordance with the formula set forth in Schedule

5. In no event shall the Base Fee be reduced by virtue of the formula. The calculation of the revised Base Fee, as well as the Annual Repair and Maintenance Limit, the Annual Chemical Limit, and the Annual Electricity Limit by the Operator shall occur on or before each May 30th during the term of this Agreement and such calculations shall be promptly transmitted to the Authority.

7.2 Any and all late payments due to either party from the other party shall accrue interest at the rate of one and one-half percent (1½%) per month from the original due date and until payment is received.

7.3 In the event of a change in the Services or Applicable Law or other factor which causes an increase in the Operator's cost of providing the Services, the Operator may provide notice to the Authority and the parties shall negotiate in good faith to adjust the Base Fee to account for such change in Operator's costs. If the parties are unable to reach a negotiated agreement within thirty (30) days of the date of notice, then the Agreement may be terminated immediately by either party.

7.4 That the Operator shall not reduce services to be performed under this Agreement without mutual agreement. Reduction of the overall scope of Services performed by the Operator under this Agreement may not, over the entire term of this Agreement, reduce the Base Fee by an amount greater than twenty five percent (25%) of the Base Fee as of the Commencement Date.

8) TERMINATION

8.1 Either party may terminate this Agreement by immediate written notice if the other has failed to comply with a material term, provided that the non-defaulting party has first given the defaulting party written notice to cure their default within forty five (45) days ("Cure Period") and the defaulting party has not done so. If a default cannot be cured within the Cure Period days, the parties may agree an extension as long as the defaulting party provides evidence within the Cure Period that it has commenced a cure and is pursuing it diligently.

8.2 In the event of the termination of this Agreement under 8.1 above, the Authority shall pay the Operator for the Services provided and invoiced by Operator up to the effective date of termination plus the unamortized balance of any Capital Improvements financed or paid for by the Operator as reflected on Operator's financial statements. Payment shall be made within thirty (30) days of the date of the Authority's receipt of applicable invoices or the balance of any qualifying Capital Improvements referenced herein.

9) FINES, INDEMNIFICATION AND LIMITATION

9.1 In the event that water treatment violations occur following the Commencement Date the Operator shall, subject to Sections 2.3 and 13.6, be responsible for fines, penalties, or damages or the admission of Operator fault for violations that may be imposed by Applicable Law. Prior to settlement or payment of any such fines, penalties or damages, the Operator reserves the right to contest government or private actions, suits or proceedings for violations through administrative procedures or otherwise.

9.2 If the Facilities loading exceed its design parameters or if the raw water contains: i) abnormal, toxic or other substances which cannot be removed or treated by the existing Facilities; or ii) discharges which violate applicable water ordinances, the Operator will use its best efforts to maximize performance of the Facilities but shall not be responsible for associated treated water characteristics or damages, fines or penalties which result.

9.3 The Operator shall defend, indemnify and hold harmless the Authority and their respective successors and assigns (each is referred to herein as an "Indemnified Party") against any and all liability for damages, costs, losses, and expenses, including reasonable attorney's fees, resulting from any claim asserted by a third party against the Indemnified Party for wrongful death, bodily injury and/or property damage, to the extent caused by the willful or negligent acts or omissions of the Operator. That the Authority shall hold harmless the Operator and their respective successors and assigns against any and all liability for damages, costs, losses, and expenses, including reasonable attorney's fees, resulting from any claim asserted by a third party for wrongful death, bodily injury and/or property damage, to the extent caused by the willful or negligent acts or omissions of the Authority.

9.4 Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or indirectly, for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit even if such party has been advised of the possibility of such damages.

9.5 Unless prohibited by law, the Operator's liability for claims covered by the insurance provided pursuant to Section 10 below shall be limited to the insurance policy limits set out in Section 10.

10) INSURANCE

10.1 The Operator shall provide and maintain the following levels of insurance coverage at all times during the Term:

10.1.1 Commercial General Liability Insurance, including contractual liability, with a limit of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate; and

10.1.2 Workers Compensation Insurance in compliance with the statutes of the State that has jurisdiction over Operator's employees engaged in the performance of Services hereunder, to the required statutory amount; and

10.1.3 Automobile Liability Insurance with a combined single limit in the amount of one million dollars (\$1,000,000).

10.1.4 Contractor's pollution liability insurance with a limit of two million dollars (\$2,000,000) per claim and aggregate.

10.2 The Operator will name the Authority as an additional insured on the general liability policy and automobile liability policy with respect to the Services during the term of this Agreement, except for any claim against or loss suffered by the Authority arising as a result of

Authority's negligence or fault and, in circumstances of joint fault or negligence, except to the extent of the loss attributable to the Authority's proportionate degree of negligence or fault. Operator agrees to provide the Authority with thirty (30) days' notice prior to cancellation of any policy hereunder. The Operator will provide the Authority with insurance certificates confirming the levels of coverage in Section 8.1 and that the Authority is named as an additional insured.

10.3 The Authority warrants that it maintains and will continue to maintain, during the term of this Agreement, appropriate property insurance in relation to the Facilities.

11) DISPUTES

11.1 11.1 In the event of any disputes, the parties shall first attempt to resolve the situation by good faith discussions which shall take place in a timely manner. If the dispute cannot be resolved within sixty (60) days, the parties shall mediate their dispute before a mediator acceptable to both parties, if they cannot agree, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The parties shall bear their own costs of the mediation but the parties shall share equally the costs of the mediator and the mediation facilities.

12) INITIAL CAPITAL IMPROVEMENT AND PROFESSIONAL SERVICES PROJECTS

12.1 During negotiations leading to this Agreement and as part of the proposal submitted by the Operator to operate and maintain the Facilities, the Operator has agreed to make certain improvements and/or modifications to the Facilities in order to address certain deficiencies identified by the Operator, enhance efficiency and improve compliance with Applicable Law (the "Initial Capital Improvement and Professional Services Projects").

12.2 The Initial Capital Improvement and Professional Services Projects program (the "Program") may include, but is not limited to the items listed in Schedule 7. These items will be finalized with mutual agreement between the Operator and the Authority prior to implementation.

12.3 The Operator agrees to expend/incur up to approximately four hundred twenty-five thousand (\$425,000) dollars in costs on the Program, but in no event shall the cost of the Program exceed such amount without mutual agreement and the Authority's prior written consent. The Initial Capital Improvement and Professional Services Projects costs shall include the cost of all engineers and subcontractors hired by the Operator, the cost of materials, supplies, tools, equipment, insurance, bonding expenses, plus an agreed-upon allocation of five percent (5%) of the total of all such costs and expenses towards the Operator's oversight and management of the Services. Upon the completion of the Program, the Operator shall provide the Authority with full accounting and backup information by line item to substantiate and establish the actual costs incurred by the Operator for the Initial Capital Improvement and Professional Services Projects. Any disagreement regarding such costs shall, where appropriate and feasible, be resolved in accordance with the provisions of Section 11 hereunder.

12.4 The Operator shall, within ninety (90) days of the Commencement Date, present the Program and a schedule for the implementation of same for the Authority's review and approval, which shall not be unreasonably withheld or delayed.

12.5 The Authority shall reimburse the Operator for the actual cost of the Initial Capital Improvement and Professional Services Projects. The Authority shall make such reimbursement payments (the "Reimbursement Payments") to the Operator in equal monthly installments commencing on the last day of the first month immediately following the completion of the Program (but in no event earlier than nine months from the Commencement Date) over the period of one-hundred and twenty (120) months. The actual amount of the Reimbursement Payments shall be calculated by utilizing a self-amortization loan schedule, bearing fixed interest at the rate of five percent (5%) per annum and amortized in full over the designated reimbursement period. In the event of a disagreement between the parties regarding the actual cost of any or all of the Initial Capital Improvement and Professional Services Projects, the Reimbursement Payments shall be based on the amount not in dispute; provided however that if it is finally determined (in accordance with Article 11 herein or through a judicial process as provided in this Agreement) that a portion or all of the disputed amounts are proper costs that should have been included in the calculation of the Reimbursement Payments, the Authority shall pay the Operator all such improperly disputed amounts in one lump sum payment within thirty (30) days of such final determination together with interest accruing thereon from the due date of the first Reimbursement Payment at the rate of five percent (5%) per annum.

12.6 In the event of the non-renewal or an early termination of this Agreement for any reason, the Authority shall be obligated to pay the Operator an amount (the "Early Termination Amount") in order to reimburse the Operator for the unpaid cost of the Initial Capital Improvement and Professional Services Projects. If this Agreement is terminated prior to the due date of the first Reimbursement Payment, the Early Termination Amount shall equal to the total cost incurred by the Operator prior to the effective date of such termination calculated in accordance with Section 12.5 above. If this Agreement is terminated subsequent to the due date of the first Reimbursement Payment, or in the event of the non-renewal of this Agreement, the Early Termination Amount shall equal the figure on the self-amortization loan schedule described in Section 12.3 above reflecting the unpaid principal balance remaining as of the day that the termination/non-renewal of the Agreement becomes effective plus all improperly disputed Initial Capital Expenditure Program costs, if any.

12.7 Title to all equipment, fixtures and/or other items purchased under the Initial Capital Improvement and Professional Services Projects shall vest with the Operator until the earlier of the following events: (a) the payment of the Early Termination Amount, or (b) the full payment to the Operator for any such project, at which time such title to those items associated with such individual project shall automatically pass to the Authority.

13) MISCELLANEOUS

13.1 The relationship of the Operator to the Authority is that of independent contractor for all purposes under this Agreement. This Agreement is not intended to create, and shall not be construed as creating, between Operator and Authority, the relationship of principal and agent,

joint venturers, co-partners or any other similar relationship, the existence of which is hereby expressly denied.

13.2 This Agreement contains the entire agreement between the Authority and the Operator and supersedes all prior or contemporaneous communications, representations, understandings or agreements. This Agreement may be modified only by a written amendment signed by both parties.

13.3 The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

13.4 Neither party may actively solicit, for hire, the employees of the other party during the term of this Agreement.

13.5 Neither party shall assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

13.6 A party's performance of any obligation under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of any event of Force Majeure. In any such event, the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.

13.7 The Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma. The parties agree that the venue of any action arising from this Agreement shall be in the appropriate State court having competent jurisdiction located in the judicial district in which the Authority is located.

13.8 In the event that the Authority receives notice of or undertakes the defense or prosecution of any legal or administrative action or proceeding in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, the Authority shall give the Operator prompt notice of such proceedings and shall inform the Operator in advance of all hearings. In the event the Operator receives notice of any action, claim, suit, administrative or arbitration proceeding or investigation in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, the Operator shall give Authority prompt notice of such proceedings.

13.9 All notices will be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices required to be given to the parties by each other will be addressed to:

Severn Trent Environmental Services, Inc.

[To be filled in]

The McAlester Public Works Authority

P.O. Box 578

McAlester, OK 74502

Attn: City Clerk

13.10 Defined terms in this Agreement are set out in Schedule 3 or within the main body of this Agreement, within quotation marks.

13.11 Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

13.12 This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

13.13 Both parties warrant and represent to the other that they have full power and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date at the top of this Agreement.

MCALESTER PUBLIC WORKS AUTHORITY:

By:.....

Title:.....

SEVERN TRENT ENVIRONMENTAL SERVICES, INC.

By:.....

Title:.....

Schedule 1: The Services

The Services include:

- (a) production of treated water as reasonably necessary to meet demand for water by the Authority's customers, as well as using reasonable efforts to maintain operationally appropriate water storage capacity levels in all water storage facilities in the distribution system;
- (b) routine preventive maintenance of the Facilities;
- (c) repair and replacement of the Facilities' equipment;
- (d) laboratory testing and analysis; and
- (e) preparation and prompt delivery of all applicable and required filings, including reports, to Authority and to regulatory agencies as prescribed by Applicable Law; and
- (f) mowing and minor ground maintenance

Routine preventive maintenance

- (i) routine preventive maintenance in accordance with the operators experience, acceptable industry practice and approved operating and maintenance procedures developed for equipment and processes of the Facilities;
- (ii) routine preventive maintenance in accordance with manufacturers' specifications and approved operating and maintenance procedures developed for equipment and processes of the Facilities;
- (iii) clean and lubricate equipment;
- (iv) make equipment inspections and needed adjustments;
- (v) perform building and grounds janitorial services for the Facilities and cleaning of all equipment and vehicles;
- (vi) perform minor, non-licensed plumbing and electrical maintenance;
- (vii) maintain vehicles and light duty service trucks necessary for daily operations;
- (viii) perform all minor, non-licensed, non-specialized maintenance of the Facilities' instrumentation, including instrumentation provided to the Operator by the Authority under this Agreement;
- (ix) schedule and track all preventative and corrective maintenance and perform spare parts inventory control in accordance with standard industry practice.

Schedule 2: The Facilities

1 Water Supply

The main raw water supply is Lake McAlester; a 2000 acre lake located about 1.7 miles northwest of the water plant.

2 Water Treatment Plant

The water treatment plant, located at 5200 Waterworks Road. The water treatment plant is operated under Permit #1020609.

3 Storage Tanks

The following storage tanks are included in the Facilities:

- a. Seminole Tank
- b. Buffalo Tank
- c. Carl Albert Tank
- d. Skyline Tank
- e. Taylor Industrial Park Tank

5 Booster Stations

The following booster stations are included in the Facilities:

- a. KFC Station
- b. Summit Ridge

Schedule 3: Definitions

"Abnormal or Biologically Toxic Materials" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"Adjustment Date" means each July 1st during the term of this Agreement, except that the first Adjustment Date shall be July 1, 2015.

"Agreement Year" means any consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on July 1st and ends on the following June 30th, except that the first Agreement July 1st and ends on the following June 30th, except that the first Agreement Year shall run from March 1, 2014 to June 30, 2015.

"Annual Maintenance Expenditures" means the total of all expenses incurred annually by the Operator in connection with the performance of its maintenance responsibilities under this Agreement. The Annual Maintenance Expenditures shall: i) exclude Operator's direct labor expenses and related benefits for its personnel assigned exclusively to the operations and maintenance of the Facilities and whose cost is included in the Base Fee; ii) include, but not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment and all of the Operator's overtime costs and related benefits, as well as the cost of Operator's personnel not exclusively assigned to the operation and maintenance of the Facilities at an agreed hourly billing rate.

"Annual Chemical Limit" means the total of all Annual Chemical Expenditures in an amount up to a maximum of the amount in Schedule 5 for the first Agreement Year. For each Agreement Year thereafter, the Annual Chemical Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Annual Electricity Limit" means the total of all Annual Electricity Expenditures in an amount up to a maximum of the amount in Schedule 5 for the first Agreement Year. For each Agreement Year thereafter, the Annual Electricity Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Annual Repair and Maintenance Limit" means the total of all Annual Maintenance Expenditures in an amount up to a maximum of the amount in Schedule 5 for the first Agreement Year. For each Agreement Year thereafter, the Annual Repair and Maintenance Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and treatment of the Authority's raw and finished water.

"Authority's Permit(s)" and/or *"Permit(s)"* means all permits and licenses issued to Authority or the City of McAlester and required for the treatment of potable water from the Facilities. Copies of all Permits are attached as Schedule 4 of this Agreement.

"Baseline Conditions" means the amount of raw water received and/or processed at the Facilities and the maximum pollutant limits contained in such raw water, all as outlined in Schedule 6. The Baseline Conditions shall be reset and adjusted on each and every Adjustment Date to reflect the actual raw water amount and pollutants processed at the Facilities during the Agreement Year just ended.

"Capital Improvements" means any modifications, additions or upgrades to the Facilities made by or on behalf of the Authority with its prior approval, and shall include all repair or replacement items with a cost of five thousand dollars (\$5,000.00) or greater..

"Emergency Event" means an event which threatens the immediate shutdown of (or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of the Authority and/or the Operator, their employees and/or agents or others.

"Force Majeure" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees; (i) shortage of adequate power or transportation facilities.

"Non-Processible Water" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

"Price Index" means the Consumer Price Index for all Urban Consumers (CPI-U) for the U.S. City Average for all Items, 1982-84=100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

"Price Index Increase" means the percentage increase between the Price Index in effect as of the month of each and every April 1st during the terms of the Agreement over the Price Index in effect as of April 1st of the prior Agreement Year, except for the Price Index Increase calculated on the first Adjustment Date, which shall be the percentage increase between the Price Index in effect as of the Commencement Date over the Price Index in effect as of April 1, 2015. The Price Index Increase shall be calculated on or before each and every May 30th during the term of this Agreement for the purpose of adjusting the Base Fee, the Annual Repair and Maintenance Limit, the Annual Chemical Limit, and the Annual Electricity Limit as of each Adjustment Date.

"Process Residue" means grit, screenings and any related trash generated by or through the operation of the Facilities.

Schedule 4: Authority's Permits

Schedule 5: Annual Base Fee and Compensation Formula

1) Repair and Maintenance, Chemical, and Electricity Limits and Baselines for First Agreement Year:

Annual Repair and Maintenance Limit (for first Agreement Year): one hundred thousand dollars (\$100,000)

Annual Chemical Limit (for first Agreement Year): three hundred and fifty thousand, one hundred seventy dollars (\$350,170)

Annual Electricity Limit (for first Agreement Year): one hundred and seventy one thousand, six hundred sixty three dollars (\$171,663)

2) Annual Base Fee:

The Base Fee on the Commencement Date shall be one million, three hundred fifty thousand, ninety-six dollars (\$1,356,096.00).

The Base Fee shall be payable in twelve (12) equal monthly installments of one hundred thirteen thousand and eight dollars (\$113,008), in advance, on the first day of each and every month for the duration of the Agreement, as adjusted under Section 7 of this Agreement.

3) Compensation Adjustment Formula

The following formula shall be used to determine the increase in Base Fee on each Adjustment Date:

$$AAF = AF_0 \times [P_1 / P_0]$$

where:

AAF = Annual Adjusted Fee (new Base Fee) for the upcoming Agreement Year

AF₀ = Annual Fee (Base Fee) for the Agreement Year just ended

P₁ = Price Index in effect as of April 1st of the Agreement Year that has just ended

P₀ = Price Index in effect as of April 1st of the prior Agreement Year. With respect to the first Adjustment Date, P₀ shall be the Price Index in effect as of the Commencement Date of the Agreement.

Schedule 6: Baseline Conditions

Schedule 7: Proposed Initial Capital Improvement and Professional Services Projects

- 1 Filter Media Evaluation
- 2 Disposal of Old Chemicals
- 3 RMP (Risk Management Plan) for 1 ton containers of chlorine
- 4 Repair and or replace influent flow meter and evaluate all other flow metering needs (backwash flow, wasting flow, individual filter flows, finished flow meter)
- 5 PLC/SCADA programming to start/stop WTP and High Service Pumps and control Remote Pump Stations
- 6 Wiring for automation of chemical injection pumps
- 7 Install five Auma valve motors supplied by the Authority
- 8 Telemetry for raw water pumps and raw chemical injection
- 9 Potassium permanganate feed system at the raw water pump station
- 10 PAC (powdered activated carbon) feed system
- 11 Coagulant feed system improvements (day tank, scale, pumps)
- 12 Caustic Soda feed system improvements (day tank, scale, pumps)
- 13 Add pbosphate feed system to finished water (day tank, scale, pumps)
- 14 Add missing scrapers to clarifier rakes
- 15 Chemical storage containment project
- 16 Initial maintenance and repair crew
- 17 Solids disposal truck and trailer

City Manager Report to the Council

January 28, 2014

Business:

- The City has received final sales tax numbers for the period November 16, 2013 through December 15, 2013. The sales tax received from the Oklahoma Tax Commission is \$1.144M. The budgeted number for this period is \$1.152M or \$8K under budget. Water sales have been compiled for the month of December. Water sales, district water sales and sewer sales collected for the month is \$404.4K as compared to the budget of \$470.6K or \$66.2K under budget. These sales have not been seasonally adjusted and will continue to decrease during the winter months. Oil and gas leases and royalties remain strong with \$555.0K collected as compared to \$492.5 budgeted, or \$62.5K over budget year to date. Overall, the City continues to remain in a stabilized position for the budget year.

Community Services Department:

- Report Attached, Exhibit "F"

Chief Financial Officer:

- Ms. Ervin and the Accounting Department have achieved a great milestone in financial reporting for the City of McAlester. With the assistance of Crawford and Associates, the department will be receiving the Certificate of Achievement for Excellence in Financial Reporting (CAFR). The requirements for this award added more than twenty (20) tables to our financials. The department has met all requirements for the national CAFR program. The City will be recognized with nine (9) other Oklahoma communities that include Edmond, Guymon, Mustang, Nichols Hill, Norman, Oklahoma City, Sand Springs, Stillwater and Tulsa. This is an outstanding achievement for our community and City.

Planning & Community Development:

- Report Attached, Exhibit "G"

Personnel Services:

- Report Attached, Exhibit "E"

Grants Department:

- The City of McAlester has reached the merit level for becoming a Certified Healthy Business and the community has been designated as a Certified Healthy Community for 2014. We will be honored along with other designated communities on February 13, 2014 in Norman, Oklahoma for achieving these levels of distinction.
- Report Attached, Exhibit "D"

Tourism Department:

- Staff has successfully booked another new venue for the EXPO Center. A two (2) day regional Wildlife Conference will be held June 23rd. and 24th. With an estimated 100 – 200 people arriving in our community from Oklahoma, Texas and Arkansas.
- Report Attached, Exhibit H

Police Department:

- Report Attached, Exhibit "B"
- No new grievances to report.

Fire Department:

- Report Attached, Exhibit "C"
- No new grievances to report.

Public Works Department:

- The Engineering Department has completed five (6) of the seven (7) concrete panel replacement projects. Staff has identified a seventh (7) project for panel replacement.
 - CPR 1 – 6 Complete
 - CPR 7 – Strong Boulevard various locations. Staff is analyzing whether or not funds are available to move forward.

- **CIP #1:** The 17th. St. reconstruction project will begin on January 27, 2014. Staff will be receiving the construction schedule from Austin Paving the week of January 20, 2014 and will be reported to the Council with updates. This project has a construction time of 150 days from the contract start date.

- **CIP #2:**
 - January 14, 2014: Professional Services agreement signed with Poe & Associates.

- Report Attached, Exhibit A

Fleet Maintenance:

- Fire Fighter/Mechanic Jered Weeks became aware that there existed a leaking problem associated with our pumps and valves on the fire trucks. He researched and notified Fleet Maintenance of the problems and asked for assistance. Richard Snyder of Myder Fire Suppression in Oklahoma City came to McAlester to analyze the situation. Several of the pumps had the original packing and the relief valves had not been serviced in the past. Upon further investigation it was discovered that the electrical wiring harnesses were in poor shape and needed replacement. Multiple other problems were also uncovered. All items have been repaired or replaced.

The National Fire Protection Association (NFPA) requires quarterly inspections of all fire vehicles. This is a highly involved inspection to meet these national standards. To meet these national standards, it starts with the daily walk-arounds and the establishment of routine maintenance schedules. Mr. Snyder has assisted Fleet Maintenance and our Fire Fighter Mechanics in establishing these requirements. Working closely with the departments, we are training our employees how to properly complete the requirements and the established check list. Going forward, the Fire Fighter Mechanics and Fleet Maintenance will be working closely together to maintain our equipment to the highest standards necessary for safe operation.

This Fire Truck is one of five (5) pumpers the city operates along with the ladder truck. Fleet Maintenance is working with Myder Fire Suppression to determine the repairs that are necessary to meet the national standards for safety. Each truck will be analyzed, taken out of service for repair and returned to service with training and established check lists.

Engine One repairs were approximately \$44K and is considered to not be the norm. The rest of the fleet is estimated to be approximately \$15K per Fire truck. These repairs and maintenance will be completed as quickly as possible.

Water Break Adjustments:

- Lowe, work performed by Fields Plumbing: \$293.65
- Lavenabeth, work performed by Loyds Plumbing: \$27.89
- Disilvestro, work performed by 911 Plumbing: \$266.51
- Stryker, work performed by customer and receipts from Ditch Witch rental: \$42.36
- Nail, work performed by Horizon Plumbing: \$79.10
- Lakewood, work performed by Horizon Plumbing: \$141.82

Monthly Reports:

- Public Works Department, Exhibit A
- Police Department, Exhibit B
- Fire Department, Exhibit C
- Grants Department, Exhibit D
- Personnel Department, Exhibit E
- Community Services Department, Exhibit F
- Community and Economic Development Department, Exhibit G
- Tourism Department, Exhibit H

Upcoming Events:

- Southeast Hunting & Fishing Expo: March 5 – 9, 2014
- Choctaw Pow Wow: March 15, 2014
- Junk Hippy road Show: March 21 – 23, 2014
- Gathering of the Tribes Pow Wow: April 25 – 27, 2014
- Regional Wildlife Conference: June 23 – 24, 2014
- Bass Masters Tournament: June 2014
- Charity Bicycle Ride (Fall 2014)

Meetings Attended:

- PIM Monthly Meeting
- McAlester Housing Authority
- Toured Tannehill Museum
- Presentation to Rotary Club on 2013 projects

**City of McAlester Public Works Department
Project Status Report
December 31, 2013**

<u>PROJECT</u>	<u>STATUS</u>
CIP #1 Construction Contract	Austin Paving, LLC: \$584,043 Notice of Award sent to Contractor Gas Company needs to relocate
CIP #1 Construction Management	EST, Inc: \$65,850
CIP #2 Engineering	Proposals received on 12/09/13 Selection Committee complete review on 12/28/13; contacted Poe & Associates on 12/30/13 for Fee Proposal due on 01/02/14
Water Treatment Plant ODEQ Consent Order Task D	Tetra Tech, Inc.: \$31,000 Disinfection By-Products Study Completed and sent to ODEQ on 12/31/13
Water Treatment Plant Operation & Maintenance Public Private Partnership (PPP)	Proposals received on 09/06/13 Selection Committee chose Severn Trent Services, Inc. (Severn Trent) to negotiate a Fee Proposal; Many meetings and requests for data have aided Severn Trent develop a Fee Proposal. Goal is Work Session on 01/16/14
Concrete Panel Replacement Project #6	Katcon, Inc.: \$22,404 Requested extension due to inclement weather; poured last panels on 12/31/13
Water Meter Replacement Program	Staff from Public Works and Utility office met w/ Poindexter Plumbing for Pre-Construction Meeting

**City of McAlester Public Works Department
Project Status Report**

December 31, 2013

(page 2)

<u>PROJECT</u>	<u>STATUS</u>
MRHC Dialysis Center	Engineering staff met w/project consultants to discuss on site d detention criteria
Belfair of McAlester	Pre-Construction meeting on 12/18/13
ALFA Board Meeting	Meeting at OML in OKC 12/12/13
Lake Talawanda 20-inch Water Line	Mehlburger Brawley chosen to Plans and Specifications for \$69,232.50 Plans submitted to DEQ on 12/23/13. Choctaw Nation has approved the easement. It still has to go through BIA after Chickasaw Approval. Choctaw Nation needs a couple items from the City to finish the ROW application and submit to BIA for approval. City Clerk searching for: Evidence of Authority of Officers to execute papers and By-Laws or Articles of Partnership Association Environmental Clearance 45 day deadline to receive back comment letters is 01/05/14
30-inch Water Plant Pump Header Replacement	Mehlburger Brawley chosen to design plans and specifications for \$24,400

**City of McAlester
Public Works Department
Monthly Report
December 2013**

Engineering:

John C. Modzelewski, P.E., CFM

- See attached Project Accounting Report

Richard Cotton:

- See attached Project Accounting Report

Streets Division:

Miscellaneous

- 2 days working on lateral lines at airport, 4 days snowed and ice removal-70 tons of salt, 2 days of helping parks department dig out for new play ground at Chadick Park,

Street Sweeping	25 yards removed
Cleaning Curb & Gutter	30 yards removed
No. of Potholes patched with Dura Patcher	Off line for tank cleaning and general maintenance.
No. of Digout/Pour Back/Clean-Up Water Breaks	37 tons
No. of Ditches Cleaned	60 yards
Cleaning Catch Basins	26 yards removed
Concrete and Flow able fill poured	56 cubic yards
No. of Sawed/Busted Street Cuts	4

Traffic Control:

Miscellaneous

- Check work zones, keying in work orders, pick up/place barrels, make signs, misc. meetings, and closed roads.

Facility Maintenance:

Report Attached

Water Treatment Plant:

No. of Gallons of Water treated	135,078,000
No. of Gallons of Water Used to Backwash Filters	6,804,000
No. of Pounds of Alum Used to Treat Water	117,991
No. of Pounds of Polymer Used to Treat Water	620

No. of Pounds of Caustic Used to Treat Water	78,373
No. of Pounds of Carbon Used to Treat Water	4,600

McAlester Regional Airport:

Miscellaneous

- Clean recycle center, shovel/remove ice, repair runway signage, check clearwells, repair lights, attend misc. meetings, manage airport.

Waste Water Treatment Plant:

Miscellaneous

- Both plants ran daily test which consist of approximately four PH test four DO tests four temperature test one settlometer test and three settleability tests on grab samples taken of the effluent, influent, digesters and basins.
- Both plants ran five weekly tests which consist of catching a sample every hour for six hours then running PH and Temp on every sample then mixing samples and running CBOD and TSS on the influent and effluent and tuning ammonia on the effluent.
- West plant treated approximately 49.02 million gallons of wastewater. Cleaned and wasted 12 drying beds. Replaced chain coupling on #2 basin Lubricated motors and bearings, cleaned clarifiers weekly. Hauled 47.3 tons of sludge to the landfill.
- Northeast plant treated approximately 48.08 million gallons of wastewater. Cleaned and wasted 9 drying beds and one decant bed. Replaced belts and O rings on the return pumps. Hauled 52.9 tons of sludge to the land fill.
- Performed preventive maintenance on lift stations.(change oil check heaters on the pumps and check backup systems.

Total Flow Treated for East Plant (in million gallons)	48.08
Total Flow Treated for West Plant (in million gallons)	49.02

Fleet Maintenance:

Number of Vehicles Worked on Per Department	
Airport	Misc.
Animal Control	
Cemetery	5
Comm. Development/Codes	1
Engineering	1
Facility Maintenance	3

Fire Department	6
Fleet	2
Landfill	
Nutrition	2
Parks	3
Patrol	26
Recreation	
Streets	15
Utility Office	
Utility Maintenance	6
Waste Water Treatment	5
Water Treatment	1

Utility Maintenance:

Miscellaneous

- Misc. OKIE Locates, Push snow/ice, Misc. Calls where customer had no water but was froze up on their side.

Water Break Repairs	17
Sewer Repairs/Flushed	17
New Water Meter	7
Delivered Water Meter (Steven Taylor Indust. Pk.)	1
Backfill/Clean-Up	3
Turned Water Off	11
Locate Sewer Line	1
Fix Curbstop	1
Made Meter Lid	1
Turn Water on	11

Landfill:

Miscellaneous

Hauled dirt, sludge, and mulch. Worked on generator, monthly meetings. Buried trash from parks department, and watched gate. Ran landfill, prepared monthly reports. Opened P.O.'s as necessary, re-work dumpsite, misc. meetings, clean up pit.

- Monthly Tonnage Total: 12.97 Tons

Project Accounting Report

Name John C. Modzelewski, P.E.,CFM

Week Ending 12/8/13

Description	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
Staff Meeting	1.0							1.0
Purchase Orders	0.5	0.5						1.0
CIP #1	0.5	1.0	0.5					2.0
CIP #2	3.0		1.0					4.0
Fleet	0.5	1.0	0.5					2.0
Landfill	0.5		0.5					1.0
CPR	1.0	1.0	0.5					2.5
Water Treatment Plant	0.5	0.5						1.0
UTM	0.5		0.5					1.0
Block 19	0.5							0.5
MRHC Dialysis Center	0.5			0.5				1.0
H R	0.5	0.5	3.0					4.0
Streets	0.5	1.0	1.0					2.5
Facility		0.5	0.5					1.0
Traffic Control		0.5						0.5
City Council		1.0						1.0
Public Private Partnership		0.5						0.5
NPDES Permit		0.5						0.5
Accident Review Board		1.0						1.0
								0.0
								0.0
								0.0
								0.0
Vacation								0.0
Holiday								0.0
Sick								0.0
Other				8.0	8.0			16.0
TOTAL HOURS	10.0	9.5	8.0	8.5	8.0	0.0	0.0	44.0

Employee Signature _____

Project Accounting Report

Name John C. Modzelewski, P.E.,CFM

Week Ending 12/15/13

Description	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
Staff Meeting	1.0		0.5					1.5
Purchase Orders			0.5		0.5			1.0
CIP #1	0.5	1.0	0.5	0.5	0.5			3.0
CIP #2	1.0	1.5	0.5	0.5	1.0			4.5
Fleet		0.5	0.5		0.5			1.5
Landfill	1.0	0.5			0.5			2.0
CPR	0.5	0.5		0.5	0.5			2.0
Water Treatment Plant	0.5	0.5	0.5		0.5			2.0
UTM	0.5	0.5	0.5					1.5
ALFA				6.5				6.5
MRHC Dialysis Center		0.5						0.5
H R		0.5	0.5	0.5	0.5			2.0
Streets	1.0	1.5	1.0	0.5	1.5			5.5
Facility		0.5	0.5		0.5			1.5
Traffic Control			0.5					0.5
City Council		2.0						2.0
Public Private Partnership	0.5		0.5	1.0	1.5			3.5
Meter Replacement Program			1.0					1.0
Airport			0.5					0.5
Payroll	2.5	0.5						3.0
Manager's Report					1.0			1.0
								0.0
								0.0
Vacation								0.0
Holiday								0.0
Sick								0.0
Other								0.0
TOTAL HOURS	9.0	10.5	8.0	10.0	9.0	0.0	0.0	46.5

Employee Signature _____

Project Accounting Report

Name John C. Modzelewski, P.E.,CFM

Week Ending 12/29/13

Description	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
Staff Meeting								0.0
Purchase Orders								0.0
CIP #1	0.5				1.0			1.5
CIP #2	0.5			1.0	3.5			5.0
Fleet	0.5			0.5				1.0
Landfill	0.5			3.5	0.5			4.5
Waste Water Treatment Plant								0.0
Water Treatment Plant				0.5	0.5			1.0
UTM	0.5			1.0	0.5			2.0
Audit								0.0
Planning				0.5				0.5
FI R								0.0
Streets	1.5			1.0	1.0			3.5
Facility	0.5							0.5
Traffic Control	1.0			0.5	0.5			2.0
City Council								0.0
Public Private Partnership	0.5			0.5	1.0			2.0
WTP Consent Order					0.5			0.5
Airport								0.0
Payroll	1.0							1.0
Budget								0.0
CPR #6					0.5			0.5
20" waterline relocate								0.0
Vacation								0.0
Holiday		8.0	8.0					16.0
Sick								0.0
Other								0.0
TOTAL HOURS	7.0	8.0	8.0	9.0	9.5	0.0	0.0	41.5

Employee Signature _____

Project Accounting Report

Name John C. Modzelewski, P.E.,CFM

Week Ending 1/5/14

Description	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
Staff Meeting	1.5	0.5		1.5				3.5
Purchase Orders		0.5						0.5
CIP #1	0.5				0.5			1.0
CIP #2	1.0			0.5	0.5			2.0
Fleet		0.5		0.5	1.0			2.0
Landfill		0.5			0.5			1.0
Waste Water Treatment Plant	1.5	1.0						2.5
Water Treatment Plant		0.5			1.0			1.5
JTM	0.5	0.5			0.5			1.5
Solid Waste Collection				0.5				0.5
Belfair of McAlester		0.5						0.5
H R				1.0	1.5			2.5
Streets	1.0	1.0		1.0	0.5			3.5
Facility		0.5		0.5	0.5			1.5
Traffic Control		0.5		0.5				1.0
MIRHC Dialysis				0.5				0.5
Budget					1.0	2.0		3.0
W/TP Consent Order	4.0	1.0						5.0
Airport		0.5						0.5
Payroll						1.0		1.0
Cotton Retirement				1.0				1.0
CPR #6				0.5	0.5			1.0
Escape Oil Change					1.5			1.5
Vacation								0.0
Holiday			8.0					8.0
Sick								0.0
Other								0.0
TOTAL HOURS	10.0	8.0	8.0	8.0	9.5	3.0	0.0	46.5

Employee Signature _____

Project Accounting Report

Name RICHARD COTTON

Week Ending 1-10-14

Description	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
1. WORKED ON BUILDING PERMIT FOR BLOCK 19 SINGLE FAMILY HOMES (6)	5	2 1/2	1 1/2	5	5			4 0
2. PROCESSED BUILDING PERMIT 1309 S. STRONG BLVD - AT & T CELL TOWER		2 1/2	1 1/2					4 0
3. CIP#2 ENG. FEE PROPOSAL			1 1/2					1 1/2 0
4. PRE-CONSTRUCTION MEETING - S. MAIN ST. CHANNEL REPAIR			1 1/2					1 1/2 0
5. UPDATED DIGITAL MAPS		3	1 1/2					4 1/2 0
6. PROCESSED UTILITY PERMIT FOR CENTERPOINT			1/2					1/2 0
								0 0
								0 0
								0 0
								0 0
								0 0
								0 0
								0 0
								0 0
								0 0
Vacation								0 0
Holiday								0 0
Sick								0 0
Other								0 0
TOTAL HOURS	0	0	0	0	0	0	0	16 0

Employee Signature Richard Cotton

Project Accounting Report

Name RICHARD COTTON

Week Ending 1-17-14

13 14 15 16 17

Description	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
1. PREPARED EXHIBITS FOR PETE & JOHN FOR NOON PRESENTATION - CPR & SURFACE RD. TYPE		2						2 0
2. PREPARED EXHIBITS FOR CODES - BLOCK 472 ALLEY CLOSING		2						2 0
3. TALKED TO SHERMAN MILLER - DID EXHIBIT SHOWING TREE REMOVAL LOCATION WAS ON CITY PROPERTY.		1/2						1/2 0
4. TALKED TO JIM KELLY ABOUT 20' CITY PROPERTY IN BLOCK 431 - C. ASSESS. DESCRIPTION ERROR		1/4						1/4 0
5. TALKED TO JERRY PERRY SUBV. - QUESTION ABOUT BM ELEV. FOR NEW FLOWERS BAKERY		1/4						1/4 0
6. PROCESSED 4 UTILITY PERMITS FOR CENTERPOINT		1/2						1/2 0
7. MEASURED CPR #6 FOR PANEL QUANTITIES		2						2 0
8. PREPARED FIRMETTE FOR BEALG PROP FOR ENGINEER AND SURVEYER		1/2						1/2 0
9. PROCESS BUILDING PERMIT - 456 S. MAIN - FLOWERS BAKERY			2 1/2					2 1/2 0
10. MEET W/ T. MURRAY - CHECK LOCATION OF SEWER LINE FOR BLOCK 472			1					1 0
11. INTERVIEW WITH NEW SR. ENG TECH			1					1 0
12. UPDATED DIGITAL ATRAS MAPS			3					3 0
13. RAN NEW CITY LIMITS MAPS			1/2					1/2 0
14. STAFF MEETING				2 1/2				2 1/2 0
15. CHECK DESCRIPTION FOR LEGAL AT & T CELL TOWER				1/2				1/2 0
Vacation								1/2 0
Holiday								0
Sick								0
Other								0
TOTAL HOURS	0	0	0	0	0	0	0	0

Employee Signature

Richard Cotton

*Facility Maintenance***City Managers Report**

01/16/2014

Repaired frozen water lines at Airport
Replaced water lines in Detective Building
Repair Boiler at Library (this is done every 2 days)
Repaired locks at Lobby in City Hall
Repaired busted water lines at Library
Repaired all lights at Detective Building
Replaced ceiling tiles at Detective Building
Repair lights at Airport
Repaired Traffic light loops at Main & Elect
Re-Lamp @ Main & Ottawa
Re-Lamp @ 2nd and Carl Albert (Turn lane)
Re-Lamp @ 3rd and Carl Albert (Turn lane)
Repair controller @ Main and South
Installed towel rack @ Detective Building
Re-Lamp @ A and Carl Albert
Repair controller @ 1st and Carl Albert
Replace pipe at Stipe Pool and re-wired motor
Repair Toilet at City Hall
Repaired Traffic light at 69 and Peaceable
Worked on Animal Shelter
Repaired Heater at Gun Range
Repaired Heater at city hall PD
Tested City Hall Generator
Repaired Heaters at Monroe shop
Replaced wall light at Monroe Shop
Repaired Air compressor at Monroe

McAlester Police Department

2012/2013 ticket/arrest comparison

The following is a comparison of municipal citations issued during the calendar years 2012 and 2013. I have included several of the notable crimes/violations that officers enforce:

	2012	2013
Public intoxication	107	71*
DUI	77	48*
Possession of Marijuana	54	79
No Insurance	850	1,322
Seat Belt	215	612**
No DL/DUS/No DL in poss.	635	948
Fail to Yield Traffic Sig.	270	316
Fail to Yield Stop Sign	169	222
Speed	2668	2772
Speed 1-10 over***	755	211
Warrants	342	508
Handicapped Parking	99	148
Curfew Violation	107	95
Minor in Poss. Alcohol	51	54
Petit Larceny	99	111
No Tag	438	521
Total:	7909	9453

There has been an overall increase in citations issued during 2013 over 2012 of approximately 20%.

* Public Intoxication and DUI decrease is largely attributable to having no municipal jail or city/county jail agreement during 6 months of 2013 which therefore required all of those arrests to be filed in district court.

** The increase in seatbelt citations and traffic signal/sign violations is partially a result of the request by the Oklahoma Highway Safety Office, which administers our highway safety grant, to put an emphasis on seatbelt tickets.

*** Speeding 1-10 over, also referred to as an SP-9, is a fine which has a reduced cost of about 1/3 of a normal ticket and cannot affect the insurance status of the violator. This particular citation was abolished in April 2013.

2012/2013 Activity Comparison

Comparison Item	1/1/2013 – 12/31/2013	1/1/2012 – 12-31-2012	Difference
Radio call logs	57,547	53505	+08%
Offences reported	3942	3805	+04%
Officer reports	2524	2328	+08%
Arrests/Booked	1408	1301	+08%
Accidents*	435	452	-04%

During the month of December, 2013 the police department put 4 new SUV patrol vehicles on the streets. Reports from officers driving them have all been positive, especially with regards to how they handled on ice and snow.

Former Pittsburg County Under-Sheriff Richard Bedford came to work for us on December, 16th. Richard brings a wealth of knowledge and experience and we are pleased to have him on our team. At this time we are two police officers and one communications officer shy of our budgeted strength and are in the process of attempting to find qualified and competent individuals to fill those positions.

Two resignations were received in December, Patrolman Dillin Munholland and probationary Communications Officer Sherec Lawrence.

Promotions occurred in December and were effective January 1st. Those promoted include:

Greg Read Captain

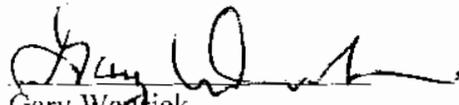
Richard Parker	Lieutenant
Kevin Bishop	Sergeant

There have been several re-assignments in the police department as a result of the promotions that have occurred during the last 3 months:

Capt. Don Hass	Patrol to CID
Lt. Mike Crandall	Patrol to CID
Lt. Brent McAlester	CID to Patrol
Sgt. Chris Morris	Patrol to CID
Capt. Kevin Hearod	CID to Patrol
Sgt. Shawn Delana	CID to Patrol

In December Officer Jeremy Busby made a presentation concerning Neighborhood safety, personal safety and related topics to about 40 people in 4th Ward. Councilman Robert Karr was instrumental in helping get this operation off the ground by coordinating with citizens in his ward and finding a place to conduct the meeting. We hope to conduct many more such programs in the future. Thanks to Northgate Baptist for our meeting place and Pam Kirby for assisting with booklets for the program.

Respectfully submitted,



Gary Wansick
Chief of Police

**McAlester Fire Department
Monthly Activity Report**

Activity	DEC-2012	DEC-2013	2013 - YTD	INCREASE/DECREASE
Structure Fires	3	4	29	33% Increase
All Other Fires	12	13	104	08% Increase
Ems	210	188	2,238	-10% Decrease
False Alarms	10	17	117	70% Increase
All Other Responses	18	14	192	-22% Decrease

Comments:

Station Tours – 3

Toys for Tots

Fire Investigations – 4

Fire Inspections - 3

Grants Update January 21, 2014

1. CDBG SMALL CITIES 2013 -\$72,771.00
..... Out to bid, advertisements in newspaper.
..... Should be completed by end of March to apply for CDBG -SC 2014
2. OK STATE PARKS - Oklahoma Tourism and Recreation Department . \$160,000.00
..... Award presentation scheduled for late January.
3. OK STATE DEPT OF HEALTH - Certified Healthy Communities\$92,000.00
..... ON HOLD until passing of appropriate Ordinances
2013 Grant Funds went to supplement Chadick Park Playground..... \$8,000.00
4. UNION PACIFIC RAILROAD FOUNDATION\$15,000.00
..... Out to Bid for SIGNS, BENCHES, BROCHURES
5. CHOCTAW TOBAKSI VILLAGEPhase I will be completed by March 1, 2014
.....waiting for City to complete Chief's Mound
6. LAND WATER CONSERVATION GRANTsubmitting January 29, 2014
requesting for splashpad.....\$81,500.00
7. PROMISE ZONE DESIGNATION awarded to Choctaw Nation
.. working with Dana McDaniel Bonham, Senior Director, Grants and Development
Choctaw Nation of Oklahoma to determine grants that are appropriate partnerships
for Choctaw Nation and City of McAlester
8. COMMUNITY POLICING - DATA COLLECTION
working with Dr Thomas and McAlester Police Dept to develop tracking system to
gather data to apply for Community Policing Grants
9. COMMUNITY POLICING - CRIME-FREE NEIGHBORHOODS.....
partnering with Norman OK working with Dr Thomas and McAlester Police Dept to
develop tracking system to gather data to apply for Community Policing Grants
10. COMMUNITY POLICING - CRIME-FREE RENTALS SINGLE FAMILY.....
working with local realtors to build model to make our rentals safe and in compliance
with codes/HUD standards
11. CHRISTMAS ON THE HILL November 29, 2014.....
First PLANNING MEETING January 10, 2014 - next meeting July 25, 2014

HEADCOUNT SUMMARY

As of December 31, 2013

DIVISION	DEPARTMENT	BUDGETED FULL-TIME 2013-2014	DECEMBER 2013 ACTUAL FULL-TIME	OVER / UNDER BUDGET	BUDGETED PART-TIME 2013-2014	DECEMBER 2013 ACTUAL PART-TIME	OVER / UNDER BUDGET	CHANGES	NOVEMBER 2013 ACTUAL FULL-TIME	NOVEMBER 2013 ACTUAL PART-TIME
CITY MANAGER	CITY MANAGER	3	3						3	
TOURISM	CITY MANAGER	1	1		1	0	-1	1 P/T POSITION REMAINS OPEN	1	0
ECONOMIC DEVELOPMENT	CITY MANAGER	1	1		1	0	-1	1 P/T POSITION REMAINS OPEN	1	0
CITY COUNCIL	CITY COUNCIL				7	6	-1	1 P/T POSITION OPEN		7
CITY CLERK	CITY COUNCIL	1	1		1	1			1	1
CODE ENFORCEMENT	P&CD	4	4		1	0	-1	1 P/T POSITION REMAINS OPEN	4	
HUMAN RESOURCES	FINANCE	2	2		1	1			2	1
COURT/LEGAL	FINANCE	2	2		4	4			2	4
UTILITY OFFICE	FINANCE	7	7		1	1			7	1
FINANCE	FINANCE	3	3		1	1			3	1
INFORMATION SERVICES	FINANCE	1	1						1	
TOTAL		25	25	0	18	14	-4		25	15
POLICE	POLICE	36	35	-1					36	
CID (DETECTIVES)	POLICE	8	7	-1				2 P/T POSITIONS REMAINS OPEN	6	
ANIMAL CONTROL	POLICE	1	1						1	
COMMUNICATIONS	POLICE	4	3	-1				1 P/T POSITION REMAINS OPEN	3	
COMMUNICATIONS E911	E911	10	9	-1				1 P/T POSITION REMAINS OPEN	10	
TOTAL		59	55	-4					56	
FIRE	FIRE	43	43						43	
TOTAL		43	43	0					43	
PARKS	COMMUNITY SVC	11	11		2	0	-2	2 P/T POSITIONS REMAIN OPEN DUE TO SEASONAL EMPLOYEES	11	0
RECREATION	COMMUNITY SVC	2	2		13	4	-9	P/T POSITIONS REMAINS OPEN DUE TO SEASONAL EMPLOYEES	2	4
NUTRITION	COMMUNITY SVC	5	4	-1	7	7		1 P/T POSITION REMAINS OPEN	5	6
SWIMMING POOLS	COMMUNITY SVC				33	0	-33	P/T POSITIONS REMAINS OPEN DUE TO SEASONAL EMPLOYEES		0
CEMETERY	COMMUNITY SVC	5	5		1	0	-1	P/T POSITION REMAINS OPEN DUE TO SEASONAL EMPLOYEES	5	0
EXPO	COMMUNITY SVC	3	3		7	6	-1	1 P/T POSITION REMAINS OPEN	4	5
AIRPORT	COMMUNITY SVC	3	3						3	
TOTAL		29	28	-1	63	17	-46		30	15

HEADCOUNT SUMMARY CONTINUED

As of December 31, 2013

DIVISION	DEPARTMENT	BUDGETED FULL-TIME 2013-2014	DECEMBER 2013 ACTUAL FULL-TIME	OVER / UNDER BUDGET	BUDGETED PART-TIME 2013-2014	DECEMBER 2013 ACTUAL PART-TIME	OVER / UNDER BUDGET	CHANGES	NOVEMBER 2013 ACTUAL FULL-TIME	NOVEMBER 2013 ACTUAL PART-TIME
ENGINEERING	PUBLIC WORKS	4	4						4	
FACILITIES MAINTENANCE	PUBLIC WORKS	3	3						3	
FLEET MAINTENANCE	PUBLIC WORKS	5	5						5	
STREETS	PUBLIC WORKS	13	12	-1				(D VOGEL MADE INACTIVE IN SYSTEM)	12	
LANDFILL	PUBLIC WORKS	2	2						2	
TOTAL		27	26	-1	0	0	0		26	0
WASTE WATER	UTILITIES	12	12						12	
WATER TREATMENT	UTILITIES	7	6	-1				1 FT POSITION REMAINS OPEN	7	
UTILITY MAINT.	UTILITIES	8	7	-1				1 FT POSITION REMAINS OPEN	8	
TOTAL		27	25	-2					27	
GRAND TOTAL		210	202	-8	81	31	-50		207	30

Prepared by Joanne Bednarck, HR Assistant
Generated January 2, 2014

ACTIVITY REPORT FOR DECEMBER, 2013

Advertise for Basketball League
Clean Bathrooms in all Parks
Winterize 2 Park Bathrooms
Installed 2 supply lines (froze) at Mike Deak
Setup for Exercise Classes for Senior Citizens
Hooked up heaters in all park bathrooms
New thermostat in Gym
Bid estimate for painting in dining hall & gym
Heating unit repairs in women exercise room
Pickup trash on Choctaw Street & Skatepark
Stock food from truck into freezer on Mondays
Put icemelt out at Stipe Center
Cleared & removed ice from walkways
Setup area for Red Cross at Armory
Check oil & fluids in all vehicles weekly.

(Clifford Vanderpool was on vacation for 2 weeks during this time.)

**SOUTHEAST EXPO CENTER
December 2013 Report**

<u>See attached Reports</u>	<u>December</u>	<u>Fiscal Year-to-date</u>
Event Attendance	1,715	48,020
Rental Income	\$6,075.00	\$43,916.00
Concession Income	\$435.00	\$25,683.35

Schedule/Booking Events

Daily: Administrative and operations of facility.

Incentive Project

Received Project Pre-Approval –POTSPS1528868091-City of McAlester letter from Public Service Company of Oklahoma for an energy efficiency improvement project incentive commitment of \$4,250.00 for the Expo.

EXPO Lobby TV Screen

Design and update power point per scheduled events to advertise daily for current and upcoming events.

Repairs & Maintenance

Daily –transport inmate crew daily from JBCC to help with daily maintenance responsibilities. Clean facility; take down and reset facility per scheduled events. Work with customers on various logistical demands;

Boiler – continued issues with boiler, parts are ordered and work should be completed within 30 days.

Elevator- out of service at this time; broken part ordered and should be installed within 5-10 days.

Alarms – Fire Dept. was called several times by the alarm monitor due to cut phone lines. Lines were repaired.

Marquee – is still not communicating with scheduler; City I.T. Dept. and sign company working on plan of action to correct issue.

Community & Economic Development Department
December 2013 Activity Report

Leroy Alsup, Community & Economic Development Director

Major Items in December 2013:

- ▶ Rezoning & Setback Variance for new MRMC Dialysis Center in 1200 Block E Monroe
- ▶ Advertised for Bids on Bldg Demolition and Site Clearance Services on 6 Dilapidated Structures
- ▶ Resolution of Support for the proposed Cottage Park McAlester, a Multi-Family Independent Senior Living Rental Housing Development by the Carland Group (Belfair Senior Care Center)- SW Corner of N. West Street & W. Carl Albert Parkway.
- ▶ Resolution of Support for the Aldridge Apartments' application for low-income housing tax credits (LIHTC)
- ▶ Submission of McAlester's Plan and Funding Request for 2013 Oklahoma Strategic Military Planning Commission Incentive Funds in the amount of \$260,000 to ODOC (12-18)

Activity/Meeting Details

- ▶ Intro Mtg with Dr. Stephen Smith, President, Eastern Oklahoma State Univ (12-03)
- ▶ Meeting with Livability.com rep Jarek Swecosky (12-04) - City determined to purchase 1 & ½ Page Ads in Livability.com McAlester Magazine to promote Tourism & Economic Devlp
 - Deadline to submit ad copy- February 7th
 - Target Date for distribution of McAlester Publication- July 2014
- ▶ Intro Mtg with Mark Emmons, Chairman of Planning Commission (12-09)
- ▶ Attended CNG Town Hall Meeting promoting CNG Fleets & Fueling Stations (12-10)
 - Met reps from OnCue- interested in developing CNG Station in McAlester in 2014
 - Met reps from EZ-GO- will have CNG Station at the new Travel Plaza on Turnpike
- ▶ Attended Mtg with Mike Hogan, Lobbyist with Robison International. (12-11)
- ▶ Attended Mtg with Burbach Aquatics, Inc., Architects & Engineers (12-16)
 - David Burbach made a presentation to the McAlester Waterpark Committee
- ▶ Planning Commission Meeting (12-17)
 - New Dialysis Center in 1200 block of E. Monroe Avenue The applicant is requesting a zoning change from R-1B single-family residential district to H-1 health facilities district. The Planning Commission met on December 17, 2013 and voted unanimously to recommend approval of the re-zone as presented and to forward the recommendation for rezoning to the City Council on January 14, 2014 for approval.
- ▶ Board of Adjustment (12-17)
 - New Dialysis Center in 1200 block of E. Monroe Avenue. BOA approved the request for the variances to the front and rear setbacks, subject to the approval of the rezone by the City Council.

- ▶ Meeting with City Mgr. & TD Miller on status of zoning in Village Addition II & Village Addition III (12-18)
 - Followed up with a report on the chronological history of the zoning for both subdivisions. Distributed report to all parties involved for their review and comment.
- ▶ Attended Mtg. Danny Baldwin, KEDDO Executive Director (12-18)
 - Preliminary discussion of EDA Grant Process and discussed other KEDDO Services.
- ▶ Attended Pre-Construction Mtg for Belfair (Carland Group) Senior Living Center (12-18)
 - Land Disturbance Permit Only/ Bldg Plans still under review
- ▶ Submission of McAlester's Plan and Funding Request for 2013 Oklahoma Strategic Military Planning Commission Incentive Funds in the amount of \$260,000 to ODOC (12-18)
 - Prepared a spreadsheet on 2012 OSMPC Incentive Fund Project - \$133,000 / \$147,778 with Match (*Strengthen Airport Terminal Apron for C-130 Aircraft*)
- ▶ January 3, 2014 Open Bids for Building Demolition and Site Clearance Services on 6 Structures
 - 341 W. Harrison deleted from list- New Owner obtained Spc demo Permit to do it
 - Henry Moss awarded contract for other five structures- \$21,450
- ▶ Initiated study on Demand/Need for additional tax-credit funded housing developments in McAlester per request of the City Council

December 2013 Activity Report for Kirk Ridenour

- Interacted regularly with the Liaison Design Group to discuss website design; Provided direction with ascetics and content
- (Dec 4th) Meeting with Livability representative, Chamber, and Tourism to discuss Livability ad placement
- Assisted Nebraska company, Energy Pioneer, in finding an appropriate office location and temporary hiring location; follow up: location still pending and two potential hiring locations found (KTC and Expo Center)
- (Dec 10th) Met with Mark Emmons and acquired pictures for ED website
- (Dec 12th) Meeting with Millie Vance to discuss McAlester's CDGB grant requirements
- Created Information Request and Release Form – Needed information form to collect data on industrial/commercial properties to be showcased for ED website
- (Dec 18th) Meeting with KEDDO for introductions and to discuss federal funding requirements, potential projects, and the cooperation between our entities
- Working on a "Starting a Business in McAlester" draft; Worked with Ginny Webb on content and design; Follow up: will use Oklahoma Small Business Development Center Business Guide w/ McAlester guide as addendum
- Collected and organized Business Retention and Expansion program ideas
- Assisted a local company, DBD Construction, in finding an appropriate office location; follow up: location found
- Met with Tony Korp of Kiamichi Technology Center for a tour, introductions, and breakdown of Kiamichi training packages
- Spoke with Cory Richards about possibility of cooperation between KTC and McAlester on Livability Ad design
- Began research on LIHTC housing demand within McAlester; focus on waiting lists, qualifying households, number of available units, and income and program requirements
- Responded to two proposal requests: 1) a metal working company w/ ODOC named "Project Grey" and 2) a hotel development site selection w/ PSO

City of McAlester- Community & Economic Development Department
 Building Permit Monthly Activity Report- December 2013

2013 McAlester Building Permit Log										Prior Year Comparison 2012 Totals
	Commercial			Residential			Storage	2013		
	New	Alteration	Addition	New	Alteration	Addition	Building	Totals		
JANUARY										
Permits	0	1	1	2	0	1	2	7		8
Value		\$15,950	\$65,000	\$374,000		\$3,595	\$42,107	\$500,652		\$3,300,475
Fees		\$160	\$200	\$2,038		\$30	\$1,102	\$3,530		\$17,519
FEBRUARY										
Permits	1	0	2	0	0	3	0	6		7
Value	\$400,000		\$240,000			\$438,060		\$1,078,060		\$389,000
Fees	\$1,522		\$233			\$2,132		\$3,887		\$2,493
MARCH										
Permits	1	1	0	1	0	2	2	7		3
Value	\$400,000	\$66,000		\$100,000		\$74,200	\$8,700	\$648,900		\$1,898,300
Fees	\$4,240	\$200		\$943		\$312	\$120	\$5,815		\$6,258
APRIL										
Permits	1	1	2	1	0	0	1	6		7
Value	\$1,061,600	\$100,000	\$201,700	\$110,000			\$288,000	\$1,761,300		\$648,000
Fees	\$4,643	\$280	\$883	\$1,026			\$320	\$7,152		\$3,031
MAY										
Permits	1	0	0	5	0	1	2	9		13
Value	\$10,700			\$514,000		\$2,000	\$33,500	\$560,200		\$737,100
Fees	\$160			\$4,565		\$30	\$701	\$5,456		\$5,266
JUNE										
Permits	0	3	2	1	0	10	0	16		7
Value		\$2,692,000	\$470,000	\$100,000	\$0	\$111,450		\$3,373,450		\$851,000
Fees		\$520	\$1,244	\$654	\$0	\$1,158		\$3,576		\$4,302
JULY										
Permits	1	0	1	5	0	7	0	14		10
Value	\$42,000	\$0	\$6,000	\$731,000	\$0	\$170,000	\$0	\$949,000		\$1,630,650
Fees	\$340	\$0	\$120	\$4,875	\$0	\$1,382	\$0	\$6,717		\$7,919
AUGUST										
Permits	0	1	0	2	5	3	0	11		9
Value		\$10,000		\$200,000	\$155,500	\$12,455		\$377,955		\$1,802,900
Fees		\$80		\$1,795	\$1,015	\$360		\$3,250		\$7,551
SEPTEMBER										
Permits	0	0	0	2	3	2	0	7		3
Value				\$415,000	\$85,100	\$24,000		\$524,100		\$211,000
Fees				\$2,399	\$330	\$240		\$2,969		\$2,063
OCTOBER										
Permits	1	1	0	2	4	1	0	9		7
Value	\$350,000	\$1,200,000		\$607,000	\$49,000	\$51,000		\$2,257,000		\$1,575,000
Fees	\$2,200	\$240		\$2,325	\$530	\$10		\$5,305		\$3,167
NOVEMBER										
Permits	0	1	0	5	0	5	0	11		45
Value		\$30,000		\$800,000		\$229,579		\$1,059,579		\$3,817,060
Fees		\$80		\$5,631		\$464		\$6,175		\$36,660
DECEMBER										
Permits	0	0	0	2	0	1	0	3		7
Value				\$630,000		\$15,000		\$645,000		\$646,200
Fees				\$3,070		\$204		\$3,274		\$4,046
YEAR-TO-DATE										
Permits	6	9	8	28	12	36	7	106		126
Value	\$2,264,300	\$4,113,950	\$982,700	\$4,581,000	\$289,600	\$1,131,339	\$372,307	\$13,735,196		\$16,389,185
Fees	\$13,105	\$1,560	\$2,680	\$29,321	\$1,875	\$6,322	\$2,243	\$57,106		\$100,275

**City of McAlester- Community & Economic Development Department
Code Violations Monthly Activity Report- November 2013**

DATE	PROPERTY	NOTICE FILED	FOLLOW UP DATE	COMPLIANT	COMMENTS
12/04/2013	422 E. Comanche	Clean up	12/14/2013	Yes	Gave notice to occupant
12/04/2013	1622 S 9th	Clean up	12/14/2013	Yes	Gave notice to occupant
12/04/2013	526-A E. Lincoln	Clean up	12/14/2013	Yes	Left notice/Prop Sold/Owner will demn
12/04/2013	2018 N. 14th	Clean up	12/14/2013	Yes	Left notice on door
12/04/2013	519 W. Jackson	Clean up	12/14/2013	Yes	Left notice on door
12/04/2013	425 W. Adams	Clean up	12/14/2013	Yes	Gave notice to occupant
12/04/2013	505 W. Washington	Clean up	12/14/2013	Yes	Gave notice to occupant
12/04/2013	725 W. Washington	Vehicle	12/19/2013	Yes	Left notice on door
12/05/2013	48 W. Osage	Clean up (brush)	12/15/2013		Mailed notice/Trying to obtain burn permit
12/05/2013	1011 N. H	Vehicle	12/20/2013	Yes	Mailed final notice to owner
12/05/2013	239 W. Cherokee	Clean up	12/15/2013	Yes	Mailed notice to owner
12/05/2013	223 W. Cherokee	Clean up	12/15/2013	Yes	Mailed notice to owner
12/05/2013	70 W. Osage	Clean up	12/15/2013	Yes	Mailed notice to owner & occupant
12/05/2013	702 S. 2nd	Clean up	12/15/2013	No	Mailed notice to owner.Sent Final
12/05/2013	2800 N. Birch	Clean up	12/15/2013	Yes	Mailed notice to occupant
12/13/2013	618 S. Oak	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	5 S. A	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	402 W. Harrison	Vehicle (1)	12/28/2013	Yes	Mailed notice to owner
12/13/2013	219 W. Carl Albert	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	730 W. Electric	Clean up	12/23/2013	Yes	Mailed notice to occupant
12/13/2013	403 W. Adams	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	20 E. Crisler	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	207 E. Crisler	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	324 E. Crisler	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	2001 N. Spruce	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	528 S. B	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	305 W. Jackson	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	413 E. Seminole	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	1901 Green Meadows	Clean up	12/23/2013	Yes	Mailed notice to owner
12/13/2013	3 W. Park	Trailer	12/23/2013	Yes	Mailed notice to occupant
12/18/2013	1401 E. Comanche	Can @ Curb	12/28/2013	Yes	Left notice on door
12/18/2013	1306 E. Comanche	Can @ Curb	12/28/2013	Yes	Left notice on door
12/18/2013	1304 E. Comanche	Can @ Curb	12/28/2013	Yes	Left notice on door
12/18/2013	926 E. Comanche	Clean up	12/28/2013	Yes	Left notice on door
12/18/2013	608 E. Comanche	Clean up	12/28/2013	Yes	Gave notice to occupant
12/18/2013	604 E. Comanche	Clean up	12/28/2013	Yes	Left notice on door
12/18/2013	713 W. Polk	Clean up	12/28/2013	Yes	Left notice/Remodeling
12/18/2013	514 E. Seminole	Clean up	12/28/2013	Yes	Left notice on door
12/18/2013	510 E. Seminole	Clean up	12/28/2013	Yes	Left notice on door
12/18/2013	517 W. Adams	Clean up	12/28/2013	Yes	Left notice on door
12/18/2013	513 W. Adams	Trailer	12/28/2013	Yes	Left notice on door

Summary

Clean Up Violations: 33	Can at Curb:3	Vehicles: 3
High Grass Violations: 0	Sight Obstructions: 0	Total Violations: 41
Trailer Violations: 2	Grass in Street: 0	
ROW Violations: 0	Animal Nuisance: 0	

December 2013 / January 2014 Tourism Report
Kathy Wall

Projects:

Gathering
Information for first meeting
with Hotel managers/ owners.

Status:

Working with Cristy
Morrism in Stillwater.
Helping them learn to
extend stays, and
sharing
information on
hospitality. Also,
help with directing
tourist to our
downtown and old
town areas.

Working with John Brown with
The National Letter Carriers
Conference to McAlester

John canceled this
because McAlester
could not
Accommodate all the
needs with meeting
spaces and hotel rooms.

I pursued SPAAMFAA 2015
(Fire Fighters National Convention)
To bring their convention to McAlester

Waiting on a
response. This is a
seven day conference.
Expected to bring up
To \$400,000.00 in
revenue.

(SOCIETY PRESERVATION APPRECIATION ANTIQUE MOTOR FIRE APPARATUS AMERICA)

PBR/Prison Rodeo meetings

We are pursuing the prison rodeo grounds. By contacting our state leaders. To re-establish a successful event

BASS NATION

Everything with Lake Eufaula and McAlester are prepared for this event. This seven day event is expected to bring up to \$312,270.00 in revenue.

I've contacted Lena Bilbrey With Bibrey Tours, Pat Mvckinzie With Sunrise Tours, Patti Manville with Summit 55 Club, Barbra Siegel with Silver Wheels and Travel Tours.

These are two day bus tours. Still waiting on response. Pending on itinerary, bus tours is expected to bring thousands in revenue.

Working with John McKee with Foretravel Motorcade Club/ called Oklahoma Ka-Pow Event. They bring up to 50 RV's To shop, tour and dine in McAlester.

John will be coming to McAlester in Jan. This event will be a 3-5 days. Even with no hotels stays This is expected to bring several thousand in revenue to our city.

A year ago, I pursued
The Junk Hippy Road Show

I've received confirmation
The Junk Hippy Road Show will
be coming March 20-22 2014 to
the SE Expo. This three day
event is expected to bring up to
\$100,000.00 In revenue to our
city.

Meetings with Rodney Briggs

We are in the process of
rebuilding our McAlester
brochures, postcards and
putting together a new
McAlester Travel Guide.

Meetings with Amy Johns

Partnering with The
McAlester News Capitol and
Briggs Printing on
developing a new McAlester
Tourism Guide.

Meeting with James Tannehill

Pete and I toured the
Tannehill Museum, I was
able to get pictures of the
new building. We are
planning a Open House in
April to get supporters for
"Friends of the Tannehill
Museum"

Meeting with Eddie Gray

We are gathering
information on old town,
Choctaw Village and the
Union Pacific walking trail
for McAlester's new
brochures.

Meeting with PBR Committee

This was a PBR wrap meeting. The main complaint was the concession lines. The chambers profit was right at \$6000.00. the Choctaw Nation was very pleased with turnout.

Meeting with Hope House

To pursue a partnership with Hope House and the National Boat Races in 2015 as a fund raiser for Hope House's organization. Waiting on response.

Advertising with;

- Travel Ok (Free)
- Social Media (Free)
- Livability Magazine
- Sent City of McAlester information To McAllen Texas Travel Show with Lake Eufaula on January 8-9.

Council Chambers
Municipal Building
January 14, 2014

The McAlester Airport Authority met in a Regular session on Tuesday, January 14, 2014, at 6:00 P.M. after proper notice and agenda was posted January 13, 2014.

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

A motion was made by Mr. Read and seconded by Mr. Titsworth to approve the following:

- Approval of the Minutes from the, 2013 Regular Meeting of the McAlester Airport Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item C, regarding claims ending January 7, 2014. *(Toni Ervin, Chief Financial Officer)* In the amount of \$6,113.93.
- Confirm action taken on City Council Agenda Item 10, amending Section 2.67 of the McAlester Code of Ordinances; Personnel Policies Section 1, Application for use of Sick Leave Bank, Item "A" of the non-uniform Personnel Policies for the City of McAlester, dated January 2000 and Declaring an Emergency. *(Cora Middleton, City Clerk)*

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

AYE: Trustees Karr, Garvin, Barnett, Titsworth, Read & Chairman Harrison
NAY: None

Chairman Harrison declared the motion carried.

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

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

AYE: Trustees Karr, Garvin, Barnett, Titsworth, Read & Chairman Harrison
NAY: None

Chairman Harrison declared the motion carried.

ATTEST:

Steve Harrison, Chairman

Cora Middleton, Secretary

Council Chambers
Municipal Building
January 14, 2014

The McAlester Public Works Authority met in a Regular session on Tuesday, January 14, 2014, at 6:00 P.M. after proper notice and agenda was posted January 13, 2014.

Robert Karr

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

Absent: Weldon Smith

Presiding: Steve Harrison, Chairman

A motion was made by Mr. Karr and seconded by Mr. Read to approve the following:

- Approval of the Minutes from the, 2013 Rescheduled Regular Meeting of the McAlester Public Works Authority. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item C, regarding claims ending, January 7, 2014. *(Toni Ervin, Chief Financial Officer)* In the amount of \$343,700.54.
- Confirm action taken on City Council Agenda Item E, to Concur with Oklahoma Municipal Assurance Group recommendation to deny Claim No. 135426-KW. *(Cora Middleton, City Clerk)*
- Confirm action taken on City Council Agenda Item 1, exercising the City of McAlester's forty-five (45) day option to purchase a 1.2 acre tract of land at 3101 Elks Road (USDA Building), and as more particular described below, pursuant to paragraph "f" of the deed restrictions attached as Exhibit A to the November 14, 2011 Correction Warranty Deed conveying ownership of the property from the City of McAlester to A.R.M., Inc. The provisions of paragraph "f" have been triggered by a December 20, 2013 notice from A.R.M., Inc. documenting their proposed "transfer of business interest" in the property to a third party. *(Leroy Alsup, Director, Community and Economic Development)*
- Confirm action taken on City Council Agenda Item 3, a change in the zoning of Lots 1 and 2, Block 246, as more particularly described in the ordinance, from R-1B single-family residential district to II-1 health facilities district. *(Leroy Alsup, Director, Community and Economic Development)*
- Confirm action taken on City Council Agenda Item 7, Contractor's Application for Final Payment Pay for the "Water Treatment Plant Residuals Handling Improvements" Project. *(John C. Modzelewski, P.E., City Engineer and Public Works Director)*
- Confirm action taken on City Council Agenda Item 8, a Professional Services Agreement with a consultant to be named for the design of road and infrastructure improvements for a segment of A Street from Comanche Avenue to Miami Avenue, and a segment of Sixth

Street from a point approximately 100' north of Jefferson Avenue to Monroc Avenue.
(John C. Modzelewski, P.E., City Engineer and Public Works Director)

- Confirm action taken on City Council Agenda Item 9, awarding bid in the amount of \$43,890.31 for one new and unused One Ton Work Truck with Snow Plow and Salt Spreader for the Streets Department to Freedom Ford. (Sheila Norman, Purchasing Fixed Assets)
- Confirm action taken on City Council Agenda Item 10, amending Section 2.67 of the McAlester Code of Ordinances; Personnel Policies Section 1, Application for use of Sick Leave Bank, Item "A" of the non-uniform Personnel Policies for the City of McAlester, dated January 2000 and Declaring an Emergency. (Cora Middleton, City Clerk)

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

AYE: Trustees Titsworth, Read, Karr, Garvin, Barnett & Harrison

NAY: None

Chairman Harrison declared the motion carried.

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

AYE: Trustees Titsworth, Read, Karr, Garvin, Barnett & Harrison

NAY: None

Chairman Harrison declared the motion carried.

ATTEST:

Steve Harrison, Chairman

Cora Middleton, Secretary

Council Chambers
Municipal Building
December 19, 2013

The McAlester Retirement Trust Authority met in a Rescheduled Regular session on Tuesday, December 19, 2013 at 6:00 P.M. after proper notice and agenda was posted December 16, 2013.

Present: Weldon Smith, John Titsworth, Travis Read, Robert Karr, Buddy Garvin & Steve Harrison
Absent: None
Presiding: Steve Harrison, Chairman

A motion was made by Mr. Smith and seconded by Mr. Read to approve the following:

- Approval of the Minutes from the November 26, 2013, Regular Meeting of the McAlester Retirement Trust Authority. *(Cora Middleton, City Clerk)*
- Approval of Retirement Benefit Payments for the Period of December 2013. *(Toni Ervin, Interim Chief Financial Officer)* In the amount of \$77,640.37.
- Confirm action taken on City Council Agenda Item 1, to appoint a new Vice Mayor. *(Cora Middleton, City Clerk)*

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

AYE: Trustees Titsworth, Read, Karr, Garvin, Smith & Chairman Harrison
NAY: None

Chairman Harrison declared the motion carried.

There being no further business to come before the Authority, Mr. Smith moved for the meeting to be adjourned, seconded by Mr. Read. The vote was taken as follows:

AYE: Trustees Titsworth, Read, Karr, Garvin, Smith & Chairman Harrison
NAY: None

Chairman Harrison declared the motion carried.

Steve Harrison, Chairman

ATTEST:

Cora Middleton, Secretary