



CITY COUNCIL AGENDA

MIDWEST CITY, OK



EST 1942



SPECIAL CITY OF MIDWEST CITY COUNCIL MEETING AGENDA

City Hall – City Council Chamber, 100 N. Midwest Boulevard

August 29, 2017 – 4:00 PM

To make a special assistance request, call 739-1215 or email pmenefee@midwestcityok.org no less than 24 hours prior to the start of a meeting. If special assistance is needed during a meeting, call 739-1388.

A. CALL TO ORDER.

Mayoral proclamation for "Payroll Week."

B. DISCUSSION ITEM.

1. Discussion and consideration of awarding the bid to and entering into a contract for the Regional Park C-47 Drainage Improvement Project. (Community Development - P. Menefee)

C. ADJOURNMENT.





The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT -
ENGINEERING DIVISION

Billy Harless, Community Development Director
Patrick Menefee, P.E., City Engineer

ENGINEERING DIVISION
Patrick Menefee, City Engineer
CURRENT PLANNING DIVISION
Kellie Gilles, Manager
COMPREHENSIVE PLANNING
Julie Shannon, Comprehensive Planner
BUILDING INSPECTION DIVISION
Charles Belk, Building Official
GIS DIVISION
Kathy Spivey, GIS Coordinator

To: Honorable Mayor and Council

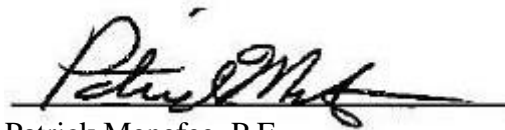
From: Patrick Menefee, P.E., City Engineer

Date: August 29th, 2017

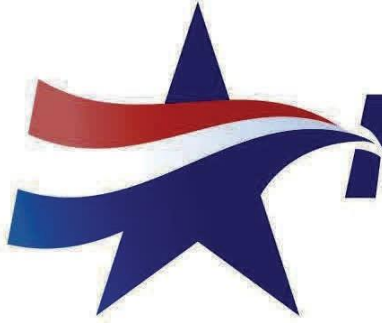
Subject: Discussion and consideration of awarding the bid and entering into a contract for the Regional Park C-47 Drainage Improvement Project.

Bids will be received and opened on August 24th, 2017 for the above referenced project. Due to the time constraints accelerating the installation of the proposed drainage improvement, staff will recommend awarding of the contract during the August 29th, 2017 special meeting. The funds for this project were designated as the C-47 Drainage Improvement in the 194 Downtown Redevelopment Fund.

Staff will make a recommendation during the meeting.



Patrick Menefee, P.E.
City Engineer



MIDWEST CITY

Where the Spirit Flies High

MEMORIAL HOSPITAL
AUTHORITY AGENDA

MIDWEST CITY, OK



EST 1942



SPECIAL MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY AGENDA

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

August 29, 2017 - 4:15 PM

To make a special assistance request, call 739-1215 or email pmenefee@midwestcityok.org no less than 24 hours prior to the start of a meeting. If special assistance is needed during a meeting, call 739-1388.

A. CALL TO ORDER.

B. DISCUSSION ITEMS.

1. Discussion and consideration of approving the Second Amendment to the Sooner Rose Phase II Development Financing Assistance Agreement with Sooner Investment Group, Inc. (Economic Development - R. Coleman)
2. Discussion and consideration of approving an agreement with Enerfin Gathering, LLC, Houston, TX, and Sooner Investment Group to relocate a petroleum pipeline located in the Southwest Quarter of Section 4, Township 11 North, Range 2 West, I.M. as part of the second phase of the Sooner Rose Shopping Center. (Economic Development - R. Coleman)
3. Discussion and consideration of accepting the Hospital Authority Investment Performance Review for the period ending June 30, 2017 and action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives. (Hospital Authority - G. Henson)
4. Discussion and consideration of the current Midwest City Memorial Hospital Authority Fund Statement of Investment Policy, Guidelines and Objectives. (General Manager/Administrator - G. Henson)

C. ADJOURNMENT.



DISCUSSION ITEMS





Midwest City Memorial Hospital Authority
100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1207/Fax (405) 739-1208
www.midwestcityok.org

MEMORANDUM

To: Honorable Chairman and Trustees

From: Robert Coleman, Director of Economic Development

Date: August 29, 2017

Subject: Discussion and consideration of approving the Second Amendment to the Sooner Rose Phase II Development Financing Assistance Agreement with Sooner Investment Group, Inc.

Unexpected cost overruns are causing Sooner Investment Group (“SIG”) to exceed the budget for the Sooner Rose Shopping Center’s second phase. As result, SIG is requesting the City/Authority to absorb the estimated \$135,000 cost of extending public sanitary sewer and \$130,000 cost of extending public water supply necessary to serve the development.

There are enough funds in the Strotham Fund (Capital Sewer Improvement Acct. #188) to pay for the sanitary sewer extension. The Walker Fund (Capital Water Improvement Acct. #172) has enough to cover the cost of the water service extension. We propose tapping these accounts to fund the shortfall.

SIG is also asking for a \$125,000 short-term loan to front the expense for modifications to the Burlington Stores building that were requested at the last minute. If approved, this money will be taken from the Downtown Redevelopment Fund (Acct. #194).

In addition, the City/Authority is working directly with Enerfin Resources to get a petroleum pipeline relocated off of the property that Warren Theatre will build upon. This estimated \$125,000 expense is being eliminated from SIG’s responsibility as outlined in the original agreement. Instead, the City/Authority will pay Enerfin directly from TIF funds.

Staff recommends approval.

Robert Coleman, Director of Economic Development

Attachment: Second Amendment to the Sooner Rose Phase II Development Financing Assistant Agreement

STATE OF OKLAHOMA

SOONER ROSE PHASE II – RETAIL
SECOND AMENDMENT TO DEVELOPMENT
FINANCING ASSISTANCE AGREEMENT

COUNTY OF OKLAHOMA

THIS SOONER ROSE PHASE II – RETAIL SECOND AMENDMENT TO DEVELOPMENT FINANCING ASSISTANCE AGREEMENT (this “Second Amendment”) is entered into as of the 29th day of August, 2017 (the “Effective Date”), by and between the Midwest City Memorial Hospital Authority, an Oklahoma public trust (the “Authority”), Sooner Investment Group, Inc., an Oklahoma corporation (“Sooner”), and SR2 DEV LLC, an Oklahoma limited liability company (“SR2 DEV”).

RECITALS

WHEREAS, the Authority and Sooner entered into that certain Sooner Rose II – Retail Development Financing Assistance Agreement, dated April 24, 2017, (the “Original Retail DFAA”), as amended by the Sooner Rose Phase II – Retail First Amendment to Development Financing Assistance Agreement, dated July 25, 2017 (collectively, the “Retail DFAA”), all associated with the redevelopment and gentrification of an approximate 14.5-acre parcel of property located immediately adjacent to the Sooner Rose Shopping Center located at the intersection of Southeast 15th Street and South Sooner Road, defined as the “Property” in the Original Retail DFAA; and

WHEREAS, the Authority and Sooner desire to amend the Retail DFAA as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Recitals.** The Recitals set forth above are true and correct and are hereby incorporated by reference.
2. **Definitions.** Capitalized terms used in this Second Amendment shall have the same meaning as provided in the Retail DFAA unless otherwise expressly provided in this Second Amendment.
3. **Sooner’s Obligations.** In addition to Sooner’s obligations set forth in Section 3 of the Retail DFAA, Sooner shall construct the Public Water Lines and Public Sanitary Sewer, both associated with the Phase II Retail and Theatre Developments (collectively, the “Public Utilities”).
4. **Authority’s Obligations.** In addition to the Authority’s obligations set forth in Section 4 of the Retail DFAA, the Authority shall undertake the obligations set forth in this Section.
 - a. Upon Sooner’s completion of construction of the Public Utilities, the Authority shall pay for all costs associated with Sooner’s construction of the Public Utilities as provided in Section 3 (the “Public Utilities Contribution”) in the amount of Two Hundred Sixty-Five Thousand and No/100 Dollars (\$265,000.00) pursuant to the terms of this Section.
 - i. Construction of the Public Utilities shall be deemed complete upon the City’s inspection of the Public Utilities.
 - ii. Not more than twice per month, Sooner shall submit written invoices for costs associated with the Public Utilities to the Authority (each, a “Contribution Request”) identifying the activities associated with the Public Utilities and the costs incurred associated therewith. The Authority shall pay the Public Utilities Contribution to Sooner or directly to the payee as identified in the Contribution

Request, in the amount set forth in the Contribution Request, within fourteen (14) days of receipt of the Contribution Request.

- b. Within ten (10) days following the Effective Date, the Authority shall issue a loan to Sooner in a principal amount not to exceed One Hundred Twenty-Five Thousand and No/100 Dollars (\$125,000.00) (the “Development Loan”) pursuant to the terms set forth in this Section.
 - i. The “Maturity Date” of the Development Loan shall be August 29, 2018. Sooner shall repay the Development Loan in full on or before the Maturity Date. Sooner may, but shall not be required to, repay the Development Loan in part or full prior to the Maturity Date.
 - ii. In furtherance of the redevelopment of property on SE 15th Street and promoting economic and community development, the Development Loan shall be interest-free, provided the Development Loan is repaid in full by the Maturity Date. In the event of Sooner’s default of the Development Loan, the Development Loan principal amount issued by the Authority shall bear interest at the maximum rate permitted by Oklahoma law calculated annually on a per-day basis.
5. **Gas Line.** Section 3.1.3 and Exhibit C of the Retail DFAA provided, *inter alia*, for Sooner to undertake the relocation of the Gas Line located on the Vloedman Property and for the Authority to pay Sooner for the costs associated therewith. Subsequent to entering into the Retail DFAA, the parties determined that the Gas Line owner, Enerfin, requires that Enerfin undertake the Gas Line relocation, and that the Authority pay Enerfin for such work directly. Therefore:
 - a. The Gas Line shall not be included in the definition of “Public Improvements” as used in the Retail DFAA, and the parties’ rights and obligations with respect to the Public Improvements shall not include the Gas Line except as expressly set forth in this Section;
 - b. The Authority shall coordinate directly with Enerfin for the relocation of the Gas Line to the location as provided on Exhibit C-1 of the Retail DFAA; and
 - c. The Authority shall pay directly to Enerfin the costs associated with such relocation.
6. **Assignment.** The parties hereto acknowledge that Sooner and its principals have formed SR2 DEV for the purposes of development of the Phase II Retail Development. The parties hereto agree to Sooner’s assignment of all its rights, title, interest, and obligations in and to the DFAA Retail as amended by this Second Amendment to SR2 DEV, and SR2 DEV joins in this Second Amendment for purposes of accepting all its rights, title, interest, and obligations in and to the DFAA Retail, as amended by this Second Amendment. The term “Sooner” as used in Sections 3 and 4 of this Second Amendment shall mean SR2 DEV, LLC.
7. **No Further Amendments.** Except as otherwise provided herein, the Retail DFAA shall remain in full force and effect.

[REAMINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Approved and agreed to by the Authority on the Effective Date.

ATTEST:

**MIDWEST CITY MEMORIAL HOSPITAL
AUTHORITY**, a public trust

_____, Secretary

_____, Chairman

Approved as to form and legality on the Effective Date.

Attorney for the Authority

Approved and agreed to by Sooner on the Effective Date.

SOONER INVESTMENT GROUP, INC., an
Oklahoma corporation

Robert Stearns, Vice President

Approved and agreed to by SR2 DEV on the Effective Date.

SR2 DEV LLC, an Oklahoma limited liability
company

By: Sooner Investment Group, Inc.,
an Oklahoma corporation
Its: Manager

Robert Stearns, Vice President



Midwest City Memorial Hospital Authority
100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1207/Fax (405) 739-1208
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and Council

FROM: Robert Coleman, Director of Economic Development

DATE: August 29, 2017

RE: Discussion and consideration of approving an agreement with Enerfin Gathering, LLC, Houston, TX, and Sooner Investment Group to relocate a petroleum pipeline located in the Southwest Quarter of Section 4, Township 11 North, Range 2 West, I.M. as part of the second phase of the Sooner Rose Shopping Center.

There is a petroleum pipeline that spans the property where the Warren Theatre is planned. Sooner Investment Group (SIG) was initially contracted to do all of the work as part of the Development Finance Assistance Agreement. Instead, Enerfin has decided it would prefer to take responsibility using its contractor(s). SIG will still coordinate the project, but the Authority is going to pay Enerfin directly.

The cost of relocating the pipeline closer to the street right-of-way was originally estimated at \$100,000 when the line was originally believed to be 4" in diameter. However, it has since been discovered to be an 8" line, which has resulted in a \$25,000 increase to the estimate. Enerfin also wants assurances the Authority will pay any costs for unforeseen circumstances that may arise during the job.

Staff recommends approval of the contract as written.

Robert Coleman, Director of Economic Development

Attachments: Contract

PIPELINE RELOCATION AGREEMENT

THIS PIPELINE RELOCATION AGREEMENT (the "Agreement"), effective the ____ day of _____, 2017, is by and between SR2 DEV LLC, an Oklahoma limited liability company ("SR2") whose mailing address is c/o Sooner Investment Realty, Inc., 2301 West I-44 Service Road, Suite 100, Oklahoma City, OK, 73112, and MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, a public trust ("MWC") whose mailing address is 100 North Midwest Blvd, Midwest City, Oklahoma, 73110, and ENERFIN GATHERING LLC, a Texas limited liability company ("Enerfin") whose mailing address is 2500 CityWest Blvd., Suite 400, Houston, Texas 77042, hereinafter called Enerfin.

WITNESSETH: That,

WHEREAS, Enerfin, through its predecessor-in-interest The Prairie Pipe Line Company, ("Prairie"), acquired the Right-Of-Way dated March 29, 1929 between Carry Evaline White and John M. White, wife and husband , Flossie F. Winstead and W.J. Winstead, wife and husband, and Edythe Bonebrake and A.L. Bonebrake, wife and husband, collectively referred to as Grantor, and The Prairie Pipe Line Company, Grantee, recorded in Book 74 at Page 277, on May 17, 1929, in the official records of Oklahoma County, Oklahoma, hereinafter referred to as the "ROW Grant," attached hereto and made a part hereof as Exhibit "A", allowing Grantee to lay, maintain, operate and remove a pipeline for the transportation of oil or gas, through the following described land situated in Oklahoma County, Oklahoma, to wit ("Property"):

The Southwest Quarter (SW/4) of Section 4, Township 11 North,
Range 2 West; and;

WHEREAS, Cimarron Gathering LLC, a Texas limited liability company, through mesne assignments, acquired all rights, privileges and interests in the ROW Grant; and

WHEREAS, Enerfin, under the terms of a Purchase and Sale Agreement dated November 20, 2015, by and between ScissorTail Energy, LLC, as sole member and owner of Cimarron Gathering LLC, and Enerfin, is subject to the ROW Grants as documented in the Assignment effective December 1, 2015; and

WHEREAS, it is currently expected that SR2 and MWC will acquire a portion of the Property in a transaction contemplated by a Special Warranty Deed to be consummated on or after August 14, 2017; and

WHEREAS, SR2 and MWC have requested that Enerfin reroute a portion of the pipeline traversing the Property.

NOW, THEREFORE, in consideration of the premises, the mutual benefits to be realized, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and agreement hereinafter stated, SR2, MWC and Enerfin do hereby agree as follows:

1. SCOPE OF WORK. Enerfin will cut, cap, purge, and abandon in place the existing eight-inch (8") pipeline and reroute a replacement eight-inch (8") pipeline around the perimeter of the property. The location of the existing pipeline and the proposed route of the pipeline relocation are further described and depicted on Exhibit "B", attached hereto and made a part hereof.
2. RELOCATION COSTS. Pursuant to a separate agreement between them, SR2 and MWC have agreed that SR2 shall be responsible for coordinating the construction project with Enerfin to effect the abandonment of the existing pipeline across the Property and the installation of the replacement pipeline along the proposed route, and MWC has agreed to pay all the costs associated with the abandonment of the existing pipeline and the pipeline relocation. Enerfin estimates the cost to perform the work described in Item 1 to be \$125,000. MWC will issue a purchase order for \$125,000. In the event total costs (including Enerfin's overhead) exceed the \$125,000 estimate, Enerfin will provide MWC with a change order at which time MWC will amend the purchase order. Upon completion of the work described in Item 1 Enerfin will submit an invoice summary showing the total costs payable by MWC within 30 days of receipt of the invoice summary.
3. NO INTERFERENCE WITH RELOCATED PIPELINES. Neither SR2 nor MWC nor any of its successors, assigns, agents, tenants, representatives, employees, and/or contractors shall build any structures, construct man-made surfaces or place bodies of water upon, excavate or locate any utilities within, change the grade of, or use any part of the surface above the relocated pipeline or within twenty feet (20') of the centerline of the pipeline in any way which will or may interfere with Enerfin's immediate and/or unimpeded access to Enerfin's pipeline facilities located thereon or therein, or otherwise interfere with Enerfin's lawful exercise of any of the rights thereunder.
4. NO ADDITIONAL DAMAGES. Enerfin will pay no additional damages to crops, fences or other structures on the Property which may arise from the relocation of said pipeline.
5. RELEASE OF EXISTING EASEMENT(S). Upon completion of the new pipeline and engagement in use thereof by Enerfin, Enerfin shall promptly execute and provide documentation suitable for recordation in the records of Oklahoma County, Oklahoma to release all the properties which are described in Exhibit "C" attached hereto, to the extent such properties are not burdened by the pipeline re-location as depicted on Exhibit "B" and the remaining upstream and downstream extensions therefrom.

6. BINDING EFFECT. All other terms and conditions of the ROW Grant, as amended, are hereby ratified and confirmed and shall remain in full force and effect, and in accordance with the terms and provisions thereof. The terms, covenants and conditions contained in this Agreement and the benefits and obligations arising hereunder shall create mutual benefits and servitudes running with the land. This Agreement shall be binding upon and shall inure to the benefit of Enerfin, SR2 and MWC, and their respective successors, assigns, tenants, contractors, agents, representatives and employees.

This Agreement may be executed by SR2, MWC and Enerfin in one or more counterparts, each of which shall constitute an original, but all of which shall constitute but one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, SR2 DEV LLC has executed this Agreement this _____ day of _____, 2017.

SR2 DEV LLC
an Oklahoma limited liability company
by its Manager,
SOONER INVESTMENT GROUP, INC.
An Oklahoma corporation

By: _____
Name: Bob Stearns
Title: Vice-President

THE STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on this _____ day of _____, 2017, by Bob Stearns, as Vice-President of SOONER INVESTMENT GROUP, INC., the Manager of SR2 DEV LLC, an Oklahoma limited liability company, on behalf of such Oklahoma limited liability company.

(Signature of Notary)

(Print Name)

Notary Public
In and for the State of _____

My Commission Expires: _____

IN WITNESS WHEREOF, the Midwest City Memorial Hospital Authority has executed this Agreement this _____ day of _____, 2017.

MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
a public trust

By: _____
Name: _____
Title: _____

THE STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on this _____ day of _____, 2017, by _____, as _____ of the Midwest City Memorial Hospital Authority, on behalf of such public trust.

(Signature of Notary)

(Print Name)

Notary Public
In and for the State of _____

My Commission Expires: _____

IN WITNESS WHEREOF, Enerfin Gathering LLC has executed this Agreement
this _____ day of _____, 2017.

ENERFIN GATHERING LLC

By _____

Name: D.C. Cremer

Title: Manager

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day
of _____, 2017, by D.C. Cremer, Manager of Enerfin Gathering LLC, on behalf
of such limited liability company.

(Signature of Notary)

(Print Name)

Notary Public

In and for the State of _____

My Commission Expires: _____

EXHIBIT "A"
ROW GRANT

✓ 12

P. P. L. Co. Form 101--2M-9-29.

FOR AND IN CONSIDERATION of the sum of Eighty seven & 50/100 DOLLARS,

to the undersigned owners paid, the receipt of which is hereby acknowledged, the undersigned hereby grant to THE PRAIRIE PIPE LINE COMPANY, a corporation, organized and existing under the laws of the State of Kansas, its successors or assigns, the right of way to lay, maintain, operate and remove a pipe line for the transportation of oil or gas, and ~~to erect, maintain, operate and remove a telegraph or telephone line, if the same shall be found necessary,~~ together with the right of ingress and egress, on, over and through the following described lands situate in Oklahoma County and State of Oklahoma, to-wit:

The S.W. 1/4 of Sec. 4 Twp 11 N Range 2 W

The said undersigned owners, their heirs or assigns, to fully use and enjoy the said premises, except as the same may be necessary for the purpose herein granted to the said THE PRAIRIE PIPE LINE COMPANY, its successors or assigns.

The said THE PRAIRIE PIPE LINE COMPANY, its successors or assigns, hereby agrees to pay any damages which may arise from laying, maintaining, operating or removing said pipe line; said damage, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the owners of said lands, their heirs or assigns, one by THE PRAIRIE PIPE LINE COMPANY, its successors or assigns, and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive.

It is further agreed that for the consideration above mentioned, THE PRAIRIE PIPE LINE COMPANY, its successors or assigns, is hereby granted the right to at any time lay an additional line or lines of pipe alongside of the first line, as herein provided, upon the payment of a further consideration of eighty seven & 50/100 (\$87.50) Dollars for each additional line when laid, and subject to the same rights and conditions. Said Company, its successors and assigns, to have the right to change the size of its pipes, the damage, if any, in making such change to be paid by the said THE PRAIRIE PIPE LINE COMPANY, its successors or assigns.

IN WITNESS WHEREOF We have hereunto set their hands and seal this 29th day of March, 1929.

Signed, sealed and delivered in the presence of

[Signature]

Carey Evelyn White (L.S.)
John M. White (L.S.)
Clasico Winsted (L.S.)
W. J. Winstead (L.S.)
Calvin Bonebrake
A. Bonebrake

**EXHIBIT "A" (continued)
ROW GRANT**

STATE OF OKLAHOMA, }
 County of Oklahoma, } SS.
 On this 29 th day of March, 1929,
 before me, the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared
Carry Evaline White and John M. White, Wife and Husband; Flossie F. Winstead and W. J. Winstead, Wife and Husband; and Edythe Bonebrake and A. B. Bonebrake, Wife and Husband,
 and _____
 to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.
 WITNESS my hand and official seal.
 My commission expires November 7, 1929. _____
 Notary Public.

STATE OF OKLAHOMA, }
 County of _____, } SS.
 On this _____ day of _____, 19____
 before me, the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared

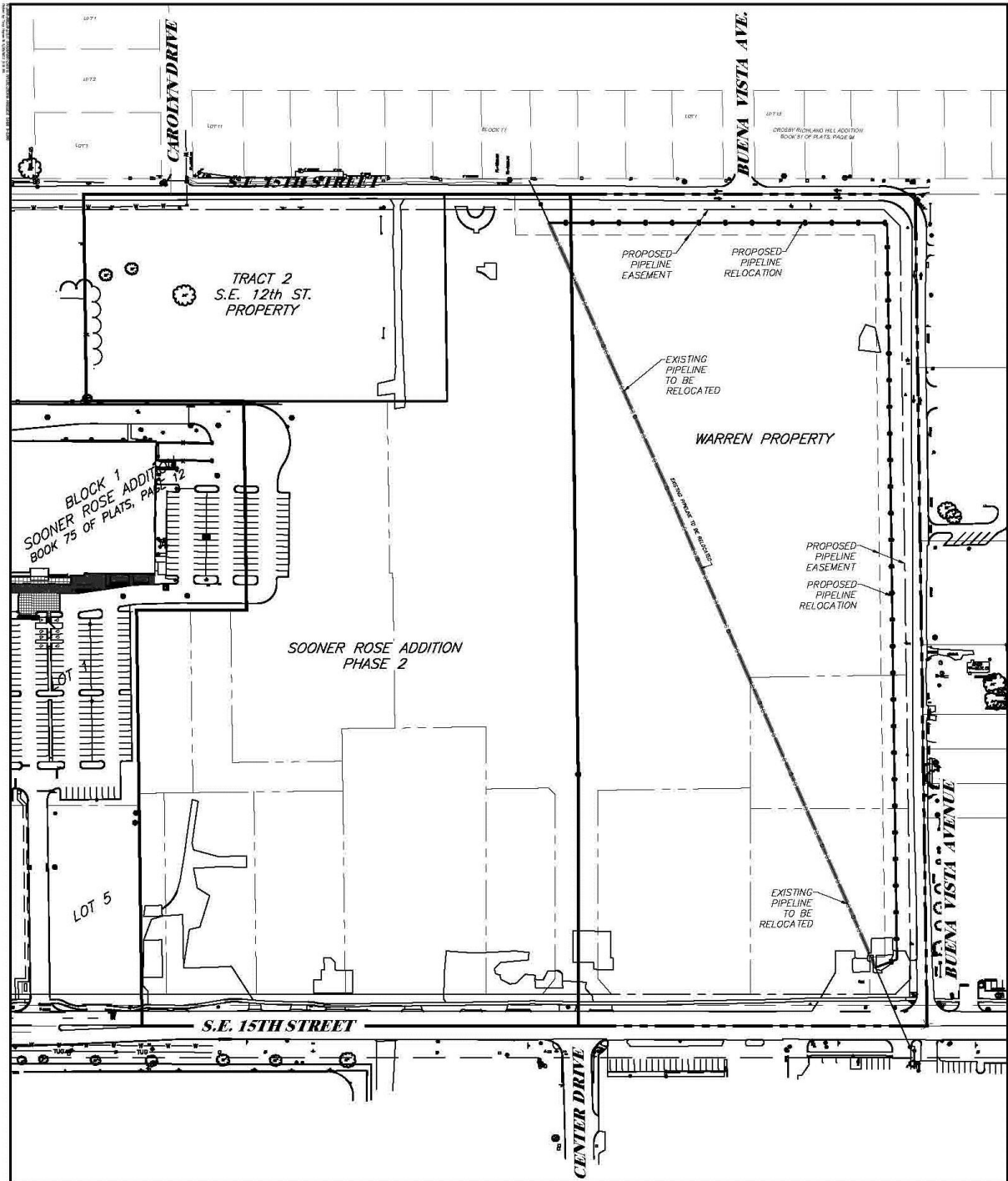
 and _____
 to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
 WITNESS my hand and official seal.
 My commission expires _____
 Notary Public.

12. 10 93931 10
 Voucher No. C101 Sub. No. 142
 Service 7246 Line No. 70
RIGHT OF WAY
 FROM
Carry Evaline White and John M. White
 TO
The Prairie Pipe Line Company
 Line Sta. 8000-8100 8"
RECORDED
 Entered L. B. 65 **CDW**
 Date _____

 STATE OF _____
 County OK 17 1 58 PM 1929.
 This instrument was filed for record on the _____
27 day of _____ 1929.
 _____ M., and duly
 Recorded in Book _____
 of _____

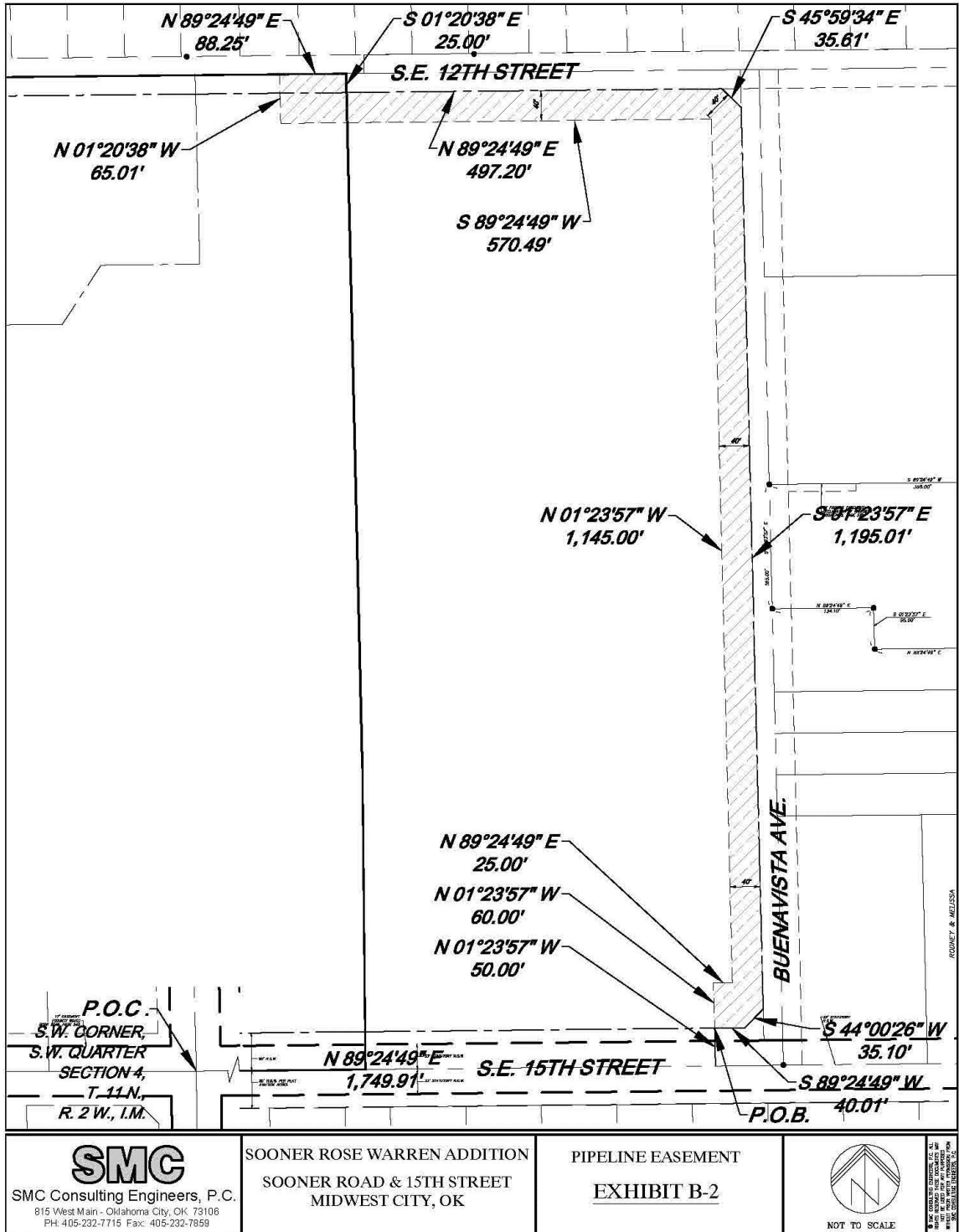
PROOF DEW County Clerk.
 _____ Deputy.
 Fee \$ _____
4-11-24

EXHIBIT "B"
PROPOSED ROUTE OF PIPELINE RELOCATION



| | | | |
|--|---|---|--|
| <p>SMC SMC Consulting Engineers, P.C. 815 West Main - Oklahoma City, OK 73108 PH: 405-232-7715 Fax: 405-232-7859</p> | <p align="center">SOONER ROSE WARREN DEVELOPMENT MIDWEST CITY, OK</p> | <p align="center">RELOCATION WORK EXHIBIT B</p> | <p align="center">  NOT TO SCALE <small>SMC CONSULTING ENGINEERS, P.C. IS AN EQUAL OPPORTUNITY FIRM. WE DO NOT DISCRIMINATE ON THE BASIS OF RACE, GENDER, RELIGION, NATIONAL ORIGIN, ANCESTRY, COLOR, SEX, OR HANDICAP.</small></p> |
|--|---|---|--|

EXHIBIT "B" (continued)
PROPOSED ROUTE OF PIPELINE RELOCATION



SMC

SMC Consulting Engineers, P.C.
 815 West Main - Oklahoma City, OK 73106
 PH: 405-232-7715 Fax: 405-232-7859

SOONER ROSE WARREN ADDITION
 SOONER ROAD & 15TH STREET
 MIDWEST CITY, OK

PIPELINE EASEMENT
 EXHIBIT B-2



NOT TO SCALE

RODNEY & MELISSA
REGISTERED PROFESSIONAL ENGINEERS

EXHIBIT "B" (continued)
PROPOSED ROUTE OF PIPELINE RELOCATION

(Legal Description of the Replacement Easement)

A tract of land lying in the Southwest Quarter of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma being more particularly described as follows:

COMMENCING at the southwest corner of said Southwest Quarter;

THENCE North 89°24'49" East, along the south line of said Southwest Quarter, a distance of 1,749.91 feet;

THENCE North 01°23'57" West, parallel with the east line of said Southwest Quarter, a distance of 50.00 feet, also being the POINT OF BEGINNING;

THENCE continuing North 01°23'57" West, a distance of 60.00 feet;

THENCE North 89°24'49" East, parallel with the south line of said Southwest Quarter, a distance of 25.00 feet;

THENCE North 01°23'57" West, parallel with the east line of said Southwest Quarter, a distance of 1,145.00 feet;

THENCE South 89°24'49" West, parallel with the south line of said Southwest Quarter, a distance of 570.49 feet;

THENCE North 01°20'38" West, parallel with the west line of said Southwest Quarter, a distance of 65.01 feet to a point on the centerline of S.E. 12th Street as shown on the plat of CROSBY RICHLAND HILL ADDITION, according to the plat thereof recorded in Book 31 of Plats, Page 94, Oklahoma County records;

THENCE North 89°24'49" East, along said centerline and parallel with the south line of said Southwest Quarter, a distance of 88.25 feet;

THENCE South 01°20'38" East, parallel with the west line of said Southwest Quarter, a distance of 25.00 feet;

THENCE North 89°24'49" East, parallel with the south line of said Southwest Quarter, a distance of 497.20 feet;

THENCE South 45°59'34" East, a distance of 35.61 feet;

THENCE South 01°23'57" East, parallel with the east line of said Southwest Quarter, a distance of 1,195.01 feet;

THENCE South 44°00'26" West, a distance of 35.10 feet;

THENCE South 89°24'49" West, parallel with the south line of said Southwest Quarter, a distance of 40.01 feet, to the POINT OF BEGINNING.

Said tract of land containing 75,673 square feet or 1.7372 acres more or less.

The basis of bearings for this legal description is the Oklahoma State Plane Coordinate System (NAD83-North Zone) using a bearing of South 89°24'49" West on the south line of the Southwest Quarter of Section 4, Township 11 North, Range 2 West of the Indian Meridian, Oklahoma County, Oklahoma.

EXHIBIT C - EASEMENT RELEASE TRACTS

LEGAL DESCRIPTION OF SR-HL TRACT

All of Lot One (1), in Block One (1), of SOONER ROSE ADDITION, an Addition to the City of Midwest City, Oklahoma, according to the plat thereof recorded in Book 75 of Plats at Page 12 in the records of the Oklahoma County Clerk.

LEGAL DESCRIPTION OF SOONER ROSE-A TRACT

A tract of land lying in the Southwest Quarter of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma, and containing within its bounds a part of Lot One (1), in Block One (1), of SOONER ROSE ADDITION, an Addition to the City of Midwest City, Oklahoma, according to the plat thereof recorded in Book 75 of Plats at Page 12 in the records of the Oklahoma County Clerk and being more particularly described as follows:

BEGINNING at the northwest corner of said Lot One (1), said point being on the northerly line of said plat of SOONER ROSE ADDITION;

THENCE North 89°24'49" East, along the north line of said Lot One (1), and parallel with the south line of said Southwest Quarter, a distance of 435.22 feet;

THENCE South 01°20'38" East, parallel with the west line of said Southwest Quarter, a distance of 331.70 feet to a point on a southerly line of said Lot One (1);

THENCE South 89°24'49" West, along said southerly line, and parallel with the south line of said Southwest Quarter, a distance of 89.06 feet;

THENCE South 01°20'38" East, parallel with the west line of said Southwest Quarter, a distance of 289.80 feet;

THENCE South 88°39'22" West a distance of 85.59 feet to a point on the east line of said Lot One (1);

THENCE South 01°20'38" East, along said easterly line of Lot One (1) and parallel with the west line of said Southwest Quarter, a distance of 19.07 feet to a southeasterly corner of said Lot One (1);

THENCE South 89°24'49" West, along a southerly line of said Lot One (1) and parallel with the south line of said Southwest Quarter, a distance of 145.21 feet to a corner of said Lot One (1);

THENCE South 01°20'38" East, along the most southerly east line of said Lot One (1), a distance of 300.00 feet to a point 50.00 feet north of the south line of said Southwest Quarter also being the most southerly southeast corner of said Lot One (1);

THENCE South 89°24'49" West, along the south line of said Lot One (1) and parallel with said south line of the Southwest Quarter, a distance of 44.27 feet;

THENCE North 00°35'11" West, along the west line of said Lot One (1), a distance of 20.00 feet;

THENCE North 88°39'22" East, along a line of said Lot One (1), a distance of 12.00 feet;

THENCE North 01°20'38" West, along the west line of said Lot One (1) and parallel with the west line of said Southwest Quarter, a distance of 279.84 feet to a corner of said Lot One (1);

THENCE South 89°24'49" West, along a southerly line of said Lot One (1) and parallel with the south line of said Southwest Quarter, a distance of 71.48 feet to a southwesterly corner of said Lot One (1);

THENCE North 01°20'38" West, along the west line of said Lot One (1), a distance of 178.29 feet;

THENCE South 88°39'22" West, along a line of said Lot One (1), a distance of 20.22 feet;

THENCE North 01°20'38" West, along the west line of said Lot One (1), a distance of 160.36 feet

THENCE North 90°00'00" East, along a line of said Lot One (1) a distance of 1.24 feet;

THENCE North 00°00'00" East along the west line of said Lot One (1), a distance of 303.31 feet to the POINT OF BEGINNING.

LEGAL DESCRIPTION OF SOONER ROSE TRACTS

All of Lots Four (4) and Five (5), in Block One (1), of SOONER ROSE ADDITION, an Addition to the City of Midwest City, Oklahoma, according to the plat thereof recorded in Book 75 of Plats at Page 12 in the records of the Oklahoma County Clerk.

LEGAL DESCRIPTION SR2 DEV TRACT

A tract of land lying in the Southwest Quarter of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma, and including within its bounds a part of Lot One (1) in Block One (1) of SOONER ROSE ADDITION, an addition to the City of Midwest City, Oklahoma, according to the plat thereof recorded in Book 75 of Plats at Page 12 in the records of the Oklahoma County Clerk. and being more particularly described as follows:

COMMENCING at the southwest corner of said Southwest Quarter;

THENCE North 89°24'49" East, along the south line of said Southwest Quarter, a distance of 593.83 feet to a point of intersection with the projected east line of Lot Five (5), in Block One (1) of SOONER ROSE ADDITION, an Addition to the City of Midwest City, Oklahoma, according to the plat thereof recorded in Book 75 of Plats at Page 12 in the records of the Oklahoma County Clerk, said point being the POINT OF BEGINNING;

THENCE North 01°20'38" West, along said projected line and the actual east line of said Lot Five (5) and Lot One (1) in Block One (1) of SOONER ROSE ADDITION, passing at a distance of 350.00 feet the northeast corner of said Lot 5, and continuing for a total distance of 369.07 feet;

THENCE North 88°39'22" East, perpendicular to the east line of said Lots 5 and 1, a distance of 85.59 feet;

THENCE North 01°20'38" West, parallel with the west line of said Southwest Quarter, a distance of 289.80 feet to a point on a southerly line of Lot 1, in Block 1, SOONER ROSE ADDITION;

THENCE North 89°24'49" East, along said southerly line of said Lot 1, a distance of 89.06 feet;

THENCE North 01°20'38" West a distance of 331.70 feet to a point on the north line of said Lot 1;

THENCE North 89°24'49" East, passing at a distance of 80.00 feet the northeast corner of said Lot 1, Block 1, SOONER ROSE ADDITION, and continuing for a total distance of 139.18 feet;

THENCE North 33°04'19" East a distance of 94.06 feet;

THENCE North 89°24'49" East, parallel with the south line of said Southwest Quarter, a distance of 130.63 feet;

THENCE North 01°20'38" West, parallel with the west line of said Southwest Quarter, a distance of 250.00 feet to a point on the centerline of Southeast 12th Street as shown on the plat of CROSBY RICHLAND HILL ADDITION, according to the plat thereof recorded in Book 31 of Plats, Page 94, Oklahoma County records;

THENCE North 89°24'49" East, along said centerline and parallel with the south line of said Southwest Quarter, a distance of 200.00 feet;

THENCE South 01°20'38" East, parallel with the west line of said Southwest Quarter, a

distance of 920.64 feet;
THENCE South 00°35'11" East, perpendicular to the south line of said Southwest Quarter, a distance of 399.33 feet to a point on the south line of said Southwest Quarter;
THENCE South 89°24'49" West, along said south line, a distance of 154.19 feet;
THENCE North 00°35'11" West a distance of 376.22 feet;
THENCE North 88°39'22" East a distance of 8.21 feet;
THENCE North 00°35'11" West a distance of 98.51 feet;
THENCE South 88°39'22" West a distance of 229.16 feet;
THENCE South 01°20'38" East a distance of 471.84 feet to a point on the south line of said Southwest Quarter;
THENCE South 89°24'49" West, along said south line, a distance of 323.48 feet to the POINT OF BEGINNING.
Said tract containing 582,020 square feet or 13.3613 acres more or less.
GWS 7-19-17

LEGAL DESCRIPTION OF PLATINUM HOSPITALITY TRACT

A tract of land lying in the Southwest Quarter of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma being more particularly described as follows:

COMMENCING at the southwest corner of said Southwest Quarter;
THENCE North 89°24'49" East, along the south line of said Southwest Quarter, a distance of 917.31 feet to the POINT OF BEGINNING;
THENCE North 01°20'38" West a distance of 471.84 feet;
THENCE North 88°39'22" East a distance of 229.16 feet;
THENCE South 00°35'11" East a distance of 98.51 feet;
THENCE South 88°39'22" West a distance of 8.21 feet;
THENCE South 00°35'11" East a distance of 376.22 feet to a point on the South line of said Southwest Quarter;
THENCE South 89°24'49" West, along the South line of said Southwest Quarter, a distance of 214.69 feet to the POINT OF BEGINNING.

LEGAL DESCRIPTION OF MWCMHA-THEATER TRACT

A tract of land lying in the Southwest Quarter of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma being more particularly described as follows:

COMMENCING at the southwest corner of said Southwest Quarter;
THENCE North 89°24'49" East, along the south line of said Southwest Quarter, a distance of 1,286.19 feet to the POINT OF BEGINNING;
THENCE North 00°35'11" West, perpendicular to the south line of said Southwest Quarter, a distance of 399.33 feet;
THENCE North 01°20'38" West, parallel with the west line of said Southwest Quarter, a distance of 920.64 feet to a point on the centerline of Southeast 12th Street as shown on the plat of CROSBY RICHLAND HILL ADDITION, according to the plat thereof recorded in Book 31 of Plats, Page 94, Oklahoma County records;
THENCE North 89°24'49" East, along said centerline and parallel with the south line of said Southwest Quarter, a distance of 547.18 feet to a point, said point being 792.00 feet South 89°24'49" West of the east line of the said Southwest Quarter;
THENCE South 01°23'57" East, parallel with the east line of said Southwest Quarter, a distance of 1,320.02 feet to a point on the south line of said Southwest Quarter, said point being 792.00 feet South 89°24'49" West of the southeast corner of said Southwest Quarter;

THENCE South 89°24'49" West, along said south line, a distance of 553.73 feet to the POINT OF BEGINNING.

Said tract of land containing 724,111 square feet or 16.6233 acres more or less.

The basis of bearings for this legal description is the Oklahoma State Plane Coordinate System (NAD83-North Zone) using a bearing of South 89°24'49" West on the south line of the Southwest Quarter of Section 4, Township 11 North, Range 2 West of the Indian Meridian, Oklahoma County, Oklahoma.

GWS 1-18-17

LEGAL DESCRIPTION OF- MWCMA S.E. 12TH STREET TRACT

A tract of land lying in the Southwest Quarter of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma being more particularly described as follows:

COMMENCING at the southwest corner of said Southwest Quarter;

THENCE North 01°20'38" West, along the west line of said Southwest Quarter, a distance of 1,320.00 feet to the centerline of Southeast 12th Street as shown on the plat of CROSBY RICHLAND HILL ADDITION, according to the plat thereof recorded in Book 31 of Plats, Page 94, Oklahoma County records;

THENCE North 89°24'49" East, along said centerline and parallel with the south line of said Southwest Quarter, a distance of 518.62 feet (518.50 feet record) to the POINT OF BEGINNING;

THENCE continuing North 89°24'49" East, along said centerline of Southeast 12th Street and parallel with the south line of said Southwest Quarter, a distance of 572.85 feet;

THENCE South 01°20'38" East, parallel with the west line of said Southwest Quarter, a distance of 250.00 feet;

THENCE South 89°24'49" West, parallel with the south line of said Southwest Quarter, a distance of 130.63 feet;

THENCE South 33°04'19" West a distance of 94.06 feet;

THENCE South 89°24'49" West, parallel with the south line of said Southwest Quarter, a distance of 389.05 feet to the southeast corner of a tract of land described in WARRANTY DEED recorded in Book 10163, Page 1030, said point being 518.62 feet North 89°24'49" East of the west line of said Southwest Quarter;

THENCE North 01°20'38" West, along the east line of said tract of land and said line extended, said line parallel with the west line of said Southwest Quarter, a distance of 328.30 feet to the POINT OF BEGINNING.

Said tract of land containing 175,740 square feet or 4.0344 acres more or less.

The foregoing description being all lands described in the WARRANTY DEED recorded in Book 8230, Page 900, and the remainder lands of WARRANTY DEED recorded in Book 7654, Page 1018, and WARRANTY DEED recorded in Book 7734, Page 1846.

The basis of bearings for this legal description is the Oklahoma State Plane Coordinate System (NAD83-North Zone) using a bearing of South 89°24'49" West on the south line of the Southwest Quarter of Section 4, Township 11 North, Range 2 West of the Indian Meridian, Oklahoma County, Oklahoma

GWS 6-20-17



Midwest City Memorial Hospital Authority
100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1207/Fax (405) 739-1208
www.midwestcityok.org

MEMORANDUM

To: Honorable Chairman and Trustees

From: J. Guy Henson, General Manager/Administrator

Date: August 29, 2017

Subject: Discussion and consideration of accepting the Hospital Authority Investment Performance Review for the period ending June 30, 2017 and action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives.

Jim Garrels, President, Fiduciary Capital Advisors, will be present at the meeting to present the Performance Review. Any need to reallocate assets, change fund managers or make changes to the Investment Policy Guidelines and Objectives will be addressed at the meeting.

Action is at the discretion of the Authority.

A handwritten signature in black ink, reading "J. Guy Henson", is written over a horizontal line.

J. Guy Henson
General Manager/Administrator

**MIDWEST CITY
MEMORIAL HOSPITAL AUTHORITY
INVESTMENT PERFORMANCE REVIEW
PERIODS ENDING
JUNE 30, 2017**

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
COMPOSITE VS. POLICY PORTFOLIO
PERIODS ENDING 6-30-17**

| | QTR | | YTD | | 1 Year | | 3 Years | |
|----------------------|--------|------|--------|------|--------|------|---------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Total Fund Composite | 2.79 | 33 | 8.48 | 26 | 14.79 | 38 | 6.24 | 25 |
| Policy Portfolio* | 2.47 | 39 | 7.19 | 38 | 11.93 | 71 | 5.20 | 46 |

| | 5 Years | | 10 Years | | From 12-31-96 | | From 9-30-96 | |
|----------------------|---------|------|----------|------|---------------|------|--------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Total Fund Composite | 10.55 | 26 | 5.60 | 30 | 7.41 | 31 | 7.56 | 26 |
| Policy Portfolio* | 9.67 | 51 | 5.39 | 39 | 6.92 | 41 | 7.14 | 39 |

* 70% S&P 500, 20% BARCLAYS CAPITAL AGG, 10% 90-day U.S. T-bill

This report is based on information we believe to be reliable but can in no way guarantee as to its accuracy or completeness. Past performance is no guarantee of future results.

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
RETURN SUMMARY
PERCENTILE RANKS
PERIODS ENDING 6-30-17**

| | QTR | | YTD | | 1 Year | | 3 Years | | 5 Years | | 10 Years | | From 12-31-96 | |
|---------------------------------------|-------------|-----------|--------------|-----------|--------------|-----------|-------------|-----------|--------------|-----------|-------------|-----------|---------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Vs. 100% Equity Universe | | | | | | | | | | | | | | |
| Total Equity | 3.54 | 33 | 10.34 | 28 | 20.08 | 40 | 9.42 | 17 | 14.75 | 20 | 6.63 | 50 | 7.52 | 68 |
| Active - Equity | 4.28 | 24 | 12.02 | 21 | 23.89 | 16 | 9.35 | 18 | 15.45 | 10 | 5.71 | 71 | 6.84 | 81 |
| Passive - Equity | 3.08 | 41 | 9.33 | 35 | 17.85 | 59 | 9.62 | 15 | 14.48 | 26 | 7.27 | 32 | 7.94 | 54 |
| S&P 500 | 3.09 | 40 | 9.37 | 35 | 17.90 | 58 | 9.61 | 15 | 14.63 | 22 | 7.18 | 35 | 7.96 | 54 |
| | | | | | | | | | | | | | | |
| Vs. 100% Fixed Income Universe | | | | | | | | | | | | | | |
| Total Fixed Income | 1.40 | 37 | 2.29 | 44 | -0.51 | 85 | 2.47 | 34 | 2.21 | 51 | 4.55 | 36 | 5.26 | 26 |
| Active - Fixed | 1.28 | 43 | 2.24 | 45 | -0.81 | 90 | 2.44 | 35 | 2.15 | 52 | 4.78 | 31 | 5.40 | 21 |
| Passive - Fixed | 1.50 | 31 | 2.37 | 42 | -0.25 | 81 | 2.58 | 31 | 2.33 | 48 | 4.59 | 35 | 5.26 | 26 |
| BC Aggregate | 1.45 | 34 | 2.27 | 44 | -0.31 | 82 | 2.48 | 34 | 2.21 | 51 | 4.48 | 38 | 5.27 | 26 |
| BC G/C | 1.69 | 22 | 2.66 | 33 | -0.41 | 83 | 2.62 | 30 | 2.29 | 49 | 4.57 | 36 | 5.33 | 23 |
| 90 Day US T-Bill | 0.18 | 91 | 0.30 | 97 | 0.46 | 68 | 0.20 | 94 | 0.15 | 95 | 0.51 | 99 | 2.15 | 98 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
RETURN SUMMARY
PERIODS ENDING 6-30-17**

| | QTR | | YTD | | 1 Year | | 3 Years | | 5 Years | | 10 Years | | Fr 12-31-96 | |
|---------------------------------------|-------------|-----------|-------------|-----------|--------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-------------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Vs. 100% Equity Universe | | | | | | | | | | | | | | |
| Growth Funds | | | | | | | | | | | | | | |
| Harbor Capital Appreciation | 6.00 | 9 | 17.28 | 6 | 24.40 | 14 | 10.66 | 7 | *16.00 | *7 | (12/31/12) | -- | -- | -- |
| T. Rowe Price New America | 7.26 | 4 | 20.08 | 2 | 26.97 | 7 | 12.18 | 3 | *16.63 | *4 | (12/31/12) | -- | -- | -- |
| S&P 500 | 3.09 | 40 | 9.37 | 35 | 17.90 | 58 | 9.61 | 15 | *14.91 | *18 | (12/31/12) | -- | -- | -- |
| Vs. 100% Equity Universe | | | | | | | | | | | | | | |
| Vanguard Mid Cap Growth | 4.08 | 26 | 10.45 | 28 | 15.51 | 78 | 5.70 | 73 | 11.61 | 80 | 7.18 | 35 | *8.81 | *28 (12/03) |
| S&P 500 | 3.09 | 40 | 9.37 | 35 | 17.90 | 58 | 9.61 | 15 | 14.63 | 22 | 7.18 | 35 | *8.16 | *47 (12/03) |
| PrimeCap Odyssey Agg. Growth | 6.26 | 8 | 15.69 | 9 | 34.10 | 1 | 13.09 | 1 | *21.95 | *1 | (12/31/12) | -- | -- | -- |
| S&P 500 | 3.09 | 40 | 9.37 | 35 | 17.90 | 58 | 9.61 | 15 | *14.91 | *18 | (12/31/12) | -- | -- | -- |
| Vs. 100% Equity Universe | | | | | | | | | | | | | | |
| Value Funds | | | | | | | | | | | | | | |
| Dodge & Cox Stock | 1.76 | 70 | 6.81 | 58 | 28.65 | 5 | 8.48 | 30 | 16.36 | 5 | *18.11 | *6 | (9/30/11) | -- |
| S&P 500 | 3.09 | 40 | 9.37 | 35 | 17.90 | 58 | 9.61 | 15 | 14.63 | 22 | *16.64 | *21 | (9/30/11) | -- |
| Vanguard Equity Income | 1.98 | 65 | 6.64 | 59 | 13.67 | 87 | 8.51 | 30 | *13.84 | *39 | (12/31/12) | -- | -- | -- |
| S&P 500 | 3.09 | 40 | 9.37 | 35 | 17.90 | 58 | 9.61 | 15 | *14.91 | *18 | (12/31/12) | -- | -- | -- |
| Vs. 100% Fixed Income Universe | | | | | | | | | | | | | | |
| Active Fixed Income Composite | 1.28 | 43 | 2.24 | 45 | -0.81 | 90 | 2.44 | 35 | 2.15 | 52 | 4.78 | 31 | 5.40 | 21 |
| Vanguard Short Term Inv. Grade | 0.74 | 63 | 1.57 | 62 | 1.31 | 49 | 1.89 | 54 | 2.15 | 52 | *2.36 | *56 | (9/30/11) | -- |
| Vanguard Short Term Treasury | 0.21 | 90 | 0.50 | 94 | -0.22 | 80 | 0.82 | 81 | 0.72 | 84 | *0.73 | *91 | (9/30/11) | -- |
| BC Aggregate | 1.45 | 34 | 2.27 | 44 | -0.31 | 82 | 2.48 | 34 | 2.21 | 51 | *2.54 | *53 | (9/30/11) | -- |
| Vanguard Int.Term Inv. Grade | 1.54 | 29 | 2.86 | 28 | 0.69 | 64 | 3.15 | 16 | 3.36 | 26 | 5.49 | 15 | *4.94 | *17 (12/03) |
| BC Aggregate | 1.45 | 34 | 2.27 | 44 | -0.31 | 82 | 2.48 | 34 | 2.21 | 51 | 4.48 | 38 | *4.21 | *37 (12/03) |
| Vanguard Int.Term Treasury | 0.92 | 55 | 1.71 | 58 | -2.10 | 97 | 2.09 | 48 | 1.35 | 70 | 4.61 | 35 | *5.37 | *26 (12/99) |
| Vanguard Long Term Treasury | 4.02 | 3 | 5.73 | 4 | -7.30 | 99 | 5.61 | 3 | 2.68 | 38 | 7.23 | 3 | *7.40 | *3 (12/99) |
| BC Aggregate | 1.45 | 34 | 2.27 | 44 | -0.31 | 82 | 2.48 | 34 | 2.21 | 51 | 4.48 | 38 | *5.19 | *32 (12/99) |
| BC G/C | 1.69 | 22 | 2.66 | 33 | -0.41 | 83 | 2.62 | 30 | 2.29 | 49 | 4.57 | 36 | 5.33 | 23 |
| Average Fixed Income Fund | 1.16 | 47 | 2.28 | 44 | 2.20 | 35 | 2.06 | 49 | 2.37 | 46 | 3.97 | 51 | 4.61 | 52 |

MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
RETURN SUMMARY
PERIODS ENDING 6-30-17
UNIVERSES BETA ADJUSTED

| | QTR | | YTD | | 1 Year | | 3 Year | | 5 Year | | 10 Year | | From 12-31-03 | |
|---|--------|------|--------|------|--------|------|--------|------|--------|------|------------|------|---------------|-------------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Vs. 100% Large Cap Growth Universe (Hi-Beta) | | | | | | | | | | | | | | |
| Harbor Capital Appreciation | 6.00 | 36 | 17.28 | 29 | 24.40 | 26 | 10.66 | 25 | *16.00 | *19 | (12/31/12) | -- | -- | -- |
| Russell 1000 Growth | 4.67 | 62 | 13.99 | 59 | 20.42 | 62 | 11.11 | 17 | *15.97 | *20 | (12/31/12) | -- | -- | -- |
| Average Large Cap Growth | 4.48 | 65 | 12.47 | 71 | 18.88 | 78 | 8.35 | 55 | *13.79 | *61 | (12/31/12) | -- | -- | -- |
| Vs. 100% Large Cap Growth Universe (Hi-Beta) | | | | | | | | | | | | | | |
| T. Rowe Price New America | 7.26 | 17 | 20.08 | 10 | 26.97 | 15 | 12.18 | 11 | *16.63 | *14 | (12/31/12) | -- | -- | -- |
| Russell 1000 Growth | 4.67 | 62 | 13.99 | 59 | 20.42 | 62 | 11.11 | 17 | *15.97 | *20 | (12/31/12) | -- | -- | -- |
| Average Large Cap Growth | 4.48 | 65 | 12.47 | 71 | 18.88 | 78 | 8.35 | 55 | *13.79 | *61 | (12/31/12) | -- | -- | -- |
| Vs. 100% Mid Cap Growth Universe (Mid-Beta) | | | | | | | | | | | | | | |
| Vanguard Mid Cap Growth | 4.08 | 30 | 10.45 | 28 | 15.51 | 88 | 5.70 | 69 | 11.61 | 78 | 7.18 | 53 | *8.81 | *57 (12/03) |
| Russell Mid Growth | 4.21 | 29 | 11.40 | 23 | 17.05 | 80 | 7.83 | 28 | 14.19 | 25 | 7.87 | 32 | *9.47 | *32 (12/03) |
| Average Mid Cap Growth | 3.13 | 39 | 7.75 | 41 | 20.65 | 50 | 6.58 | 50 | 12.92 | 53 | 6.92 | 57 | *8.62 | *63 (12/03) |
| Vs. 100% Mid Cap Growth Universe (Hi-Beta) | | | | | | | | | | | | | | |
| PrimeCap Odyssey Agg. Growth | 6.26 | 20 | 15.69 | 16 | 34.10 | 6 | 13.09 | 1 | *21.95 | *1 | (12/31/12) | -- | -- | -- |
| Russell Mid Growth | 4.21 | 47 | 11.40 | 47 | 17.05 | 93 | 7.83 | 26 | *14.14 | *23 | (12/31/12) | -- | -- | -- |
| Average Mid Cap Growth | 3.13 | 59 | 7.75 | 69 | 20.65 | 80 | 6.58 | 48 | *12.82 | *50 | (12/31/12) | -- | -- | -- |
| Vs. 100% Large Cap Value Universe (Hi-Beta) | | | | | | | | | | | | | | |
| Dodge & Cox Stock | 1.76 | 63 | 6.81 | 44 | 28.65 | 7 | 8.48 | 11 | 16.36 | 3 | *18.11 | *8 | (9/30/11) | -- |
| Russell 1000 Value | 1.34 | 75 | 4.66 | 79 | 15.53 | 95 | 7.36 | 32 | 13.94 | 42 | *16.11 | *39 | (9/30/11) | -- |
| Average Large Cap Value | 2.08 | 54 | 6.46 | 50 | 17.67 | 83 | 6.51 | 52 | 13.16 | 66 | *15.02 | *66 | (9/30/11) | -- |
| Vs. 100% Large Cap Value Universe (Lo-Beta) | | | | | | | | | | | | | | |
| Vanguard Equity Income | 1.98 | 40 | 6.64 | 32 | 13.67 | 59 | 8.51 | 13 | *13.84 | *20 | (12/31/12) | -- | -- | -- |
| Russell 1000 Value | 1.34 | 69 | 4.66 | 70 | 15.53 | 37 | 7.36 | 33 | *13.63 | *25 | (12/31/12) | -- | -- | -- |
| Average Large Cap Value | 2.08 | 35 | 6.46 | 36 | 17.67 | 12 | 6.51 | 55 | *12.88 | *45 | (12/31/12) | -- | -- | -- |

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
PERIODS ENDING 6-30-17**

MIDWEST CITY COMPOSITE VS. POLICY PORTFOLIO

| | 1 Year | 3 Years | 5 Years | 10 Years | From 9-30-96 |
|---------------------------|--------|---------|---------|----------|-----------------|
| Alpha | 0.76 | 0.28 | 0.22 | 0.06 | 0.10 |
| Beta | 1.17 | 1.10 | 1.04 | 1.02 | 1.00 |
| R - squared | 0.98 | 0.99 | 0.99 | 0.99 | 0.98 |
| STD for Composite | 2.80 | 6.17 | 6.20 | 12.25 | 11.76 |
| STD for Policy Portfolio* | 2.36 | 5.57 | 5.93 | 11.96 | 11.65 |

* 70% S&P 500, 20% BARCLAYS CAPITAL AGG, 10% 90-day U.S. T-bill

MIDWEST CITY COMPOSITE VS. S&P 500

| | 1 Year | 3 Years | 5 Years | 10 Years | From 9-30-96 |
|-------------------|--------|---------|---------|----------|-----------------|
| Alpha | -0.81 | -0.89 | -0.99 | -0.56 | -0.35 |
| Beta | 1.02 | 0.89 | 0.78 | 0.75 | 0.70 |
| R - squared | 0.66 | 0.92 | 0.89 | 0.96 | 0.95 |
| STD for Composite | 2.80 | 6.17 | 6.20 | 12.25 | 11.76 |
| STD for S&P 500 | 2.24 | 6.67 | 7.49 | 16.13 | 16.48 |

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
ASSET ALLOCATION
PERIOD ENDED 6-30-17**

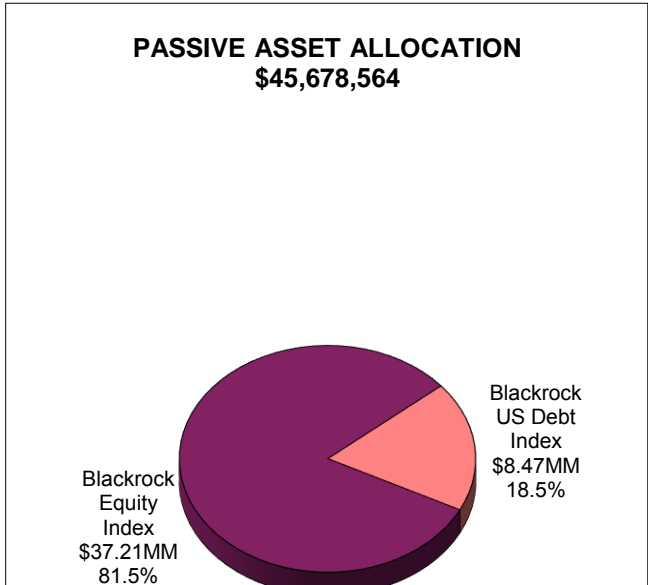
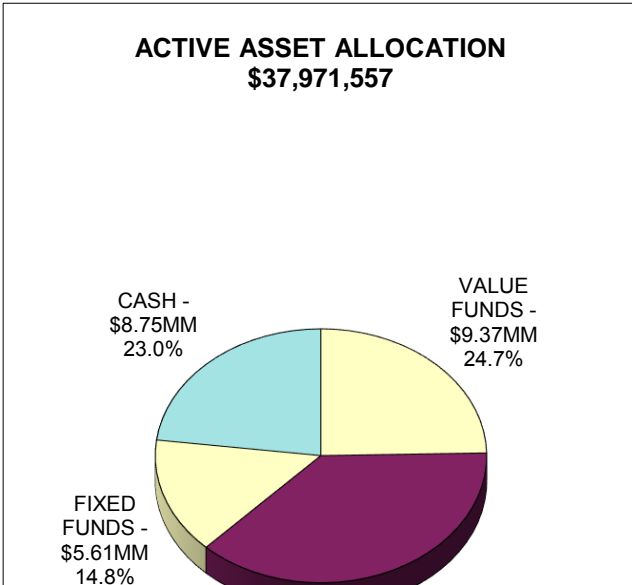
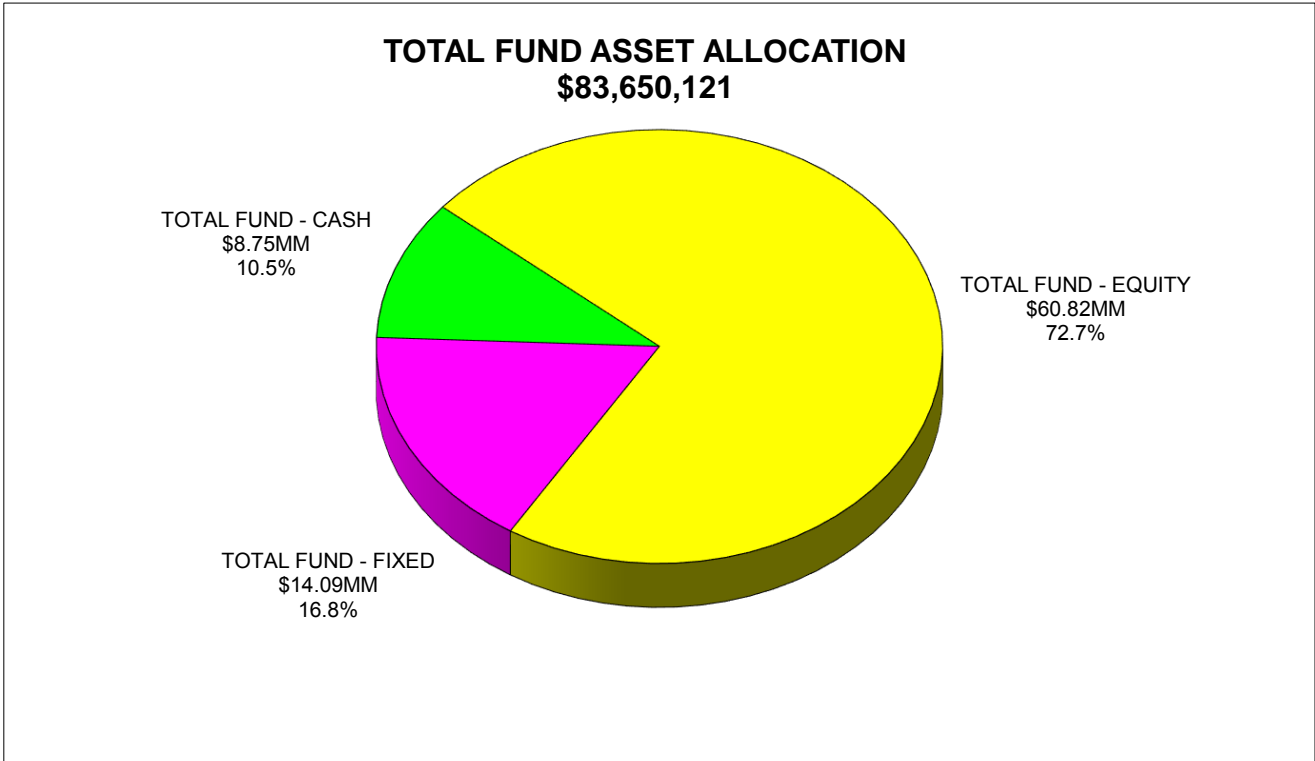
| | Domestic Equity | Foreign Equity | US Bond | Cash | Total | Percent of Total | Target | Range |
|-------------------------------|-----------------------------------|-------------------------|-----------------------------------|----------------------------------|------------------------------------|---------------------|---------------|---------------------|
| Blackrock Equity Index | 37,205,939 | | | | 37,205,939 | 44.5% | | |
| Harbor Capital Appreciation | 3,597,229 | | | | 3,597,229 | 4.3% | | |
| T. Rowe Price New America Gr. | 3,192,299 | | | | 3,192,299 | 3.8% | | |
| Primecap Odyssey Agg Growth | 4,330,124 | | | | 4,330,124 | 5.2% | | |
| Vanguard Mid Growth | 3,125,970 | | | | 3,125,970 | 3.7% | | |
| Dodge & Cox Stock | 5,113,649 | | | | 5,113,649 | 6.1% | | |
| Vanguard Equity Income | 4,252,497 | | | | 4,252,497 | 5.1% | | |
| TOTAL US EQUITY | 60,817,709 | | | | 60,817,709 | 72.7% | 70.0% | 20.0 - 85.0% |
| Blackrock EAFE Index | | 0 | | | 0 | 0.0% | | |
| Harbor Int'l Inst. | | 0 | | | 0 | 0.0% | | |
| MFS International | | 0 | | | 0 | 0.0% | | |
| Vanguard Int'l Growth | | 0 | | | 0 | 0.0% | | |
| TOTAL INTERNATIONAL | | 0 | | | 0 | 0.0% | 10.0% | 2.5 - 30.0% |
| Blackrock US Debt Index | | | 8,472,625 | | 8,472,625 | 10.1% | | |
| Vanguard Short Tm. Treas. | | | 1,241,838 | | 1,241,838 | 1.5% | | |
| Vanguard Short Tm. Inv. Gr. | | | 1,348,605 | | 1,348,605 | 1.6% | | |
| Vanguard Int. Tm. Treas. | | | 544,211 | | 544,211 | 0.7% | | |
| Vanguard Int. Tm. Inv. Gr. | | | 1,802,780 | | 1,802,780 | 2.2% | | |
| Vanguard Long Tm. Treas. | | | 676,011 | | 676,011 | 0.8% | | |
| TOTAL US BOND | | | 14,086,070 | | 14,086,070 | 16.8% | 20.0% | 2.5 - 80.0% |
| TOTAL CASH | | | | 8,746,343 | 8,746,343 | 10.5% | 0.0% | 0.0 - 20.0% |
| TOTAL | 60,817,709 72.7% | 0 0.0% | 14,086,070 16.8% | 8,746,343 10.5% | 83,650,121 100.0% | | 100.0% | |

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
PERIOD ENDED 6-30-17**

| ALLOCATION CHANGE | | | |
|--------------------------|-------------------|-------------------|------------------|
| | March 31, 2017 | June 30, 2017 | Change |
| Domestic Equity | 58,741,533 | 60,817,709 | 2,076,176 |
| Foreign Equity | 4,475,973 | 0 | -4,475,973 |
| Domestic Bond | 13,891,530 | 14,086,070 | 194,540 |
| Cash | 4,282,435 | 8,746,343 | 4,463,907 |
| TOTAL FUND | 81,391,471 | 83,650,121 | 2,258,650 |

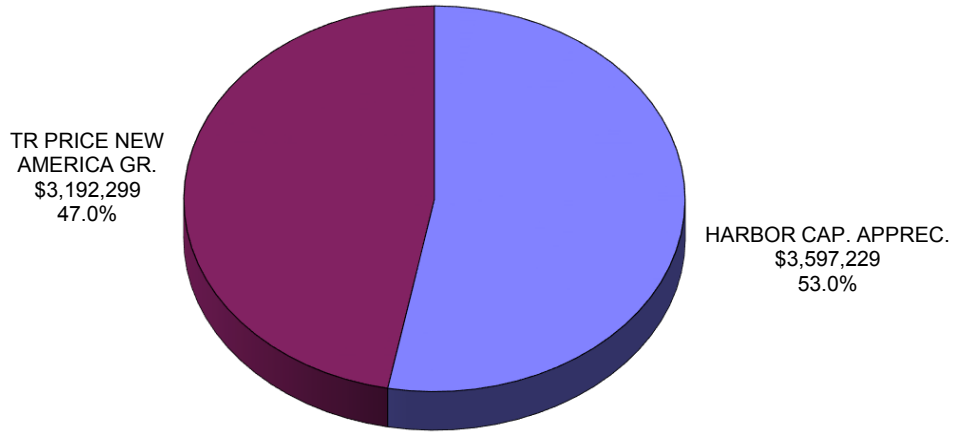
| ACTUAL vs. POLICY PORTFOLIO | | | |
|------------------------------------|-------------------|-------------------|------------------|
| | Actual Allocation | Policy Allocation | Allocation Range |
| Domestic Equity | 72.7% | 60.0% | 20 - 85% |
| Foreign Equity | 0.0% | 10.0% | 2.5 - 30% |
| Domestic Bond | 16.8% | 30.0% | 2.5 - 80% |
| Cash | 10.5% | 0.0% | 0 - 20% |

**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
ASSET ALLOCATION
PERIOD ENDED 6-30-17**

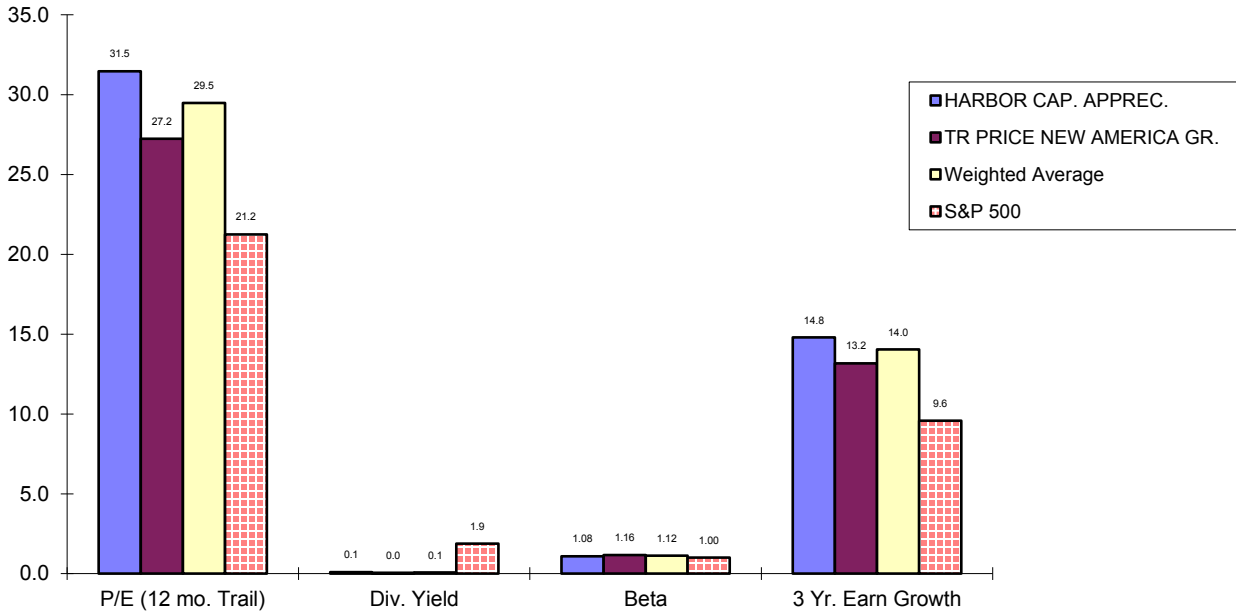


MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
PERIOD ENDED 6-30-17

LARGE GROWTH FUNDS COMPOSITE ASSET ALLOCATION
\$6,789,528

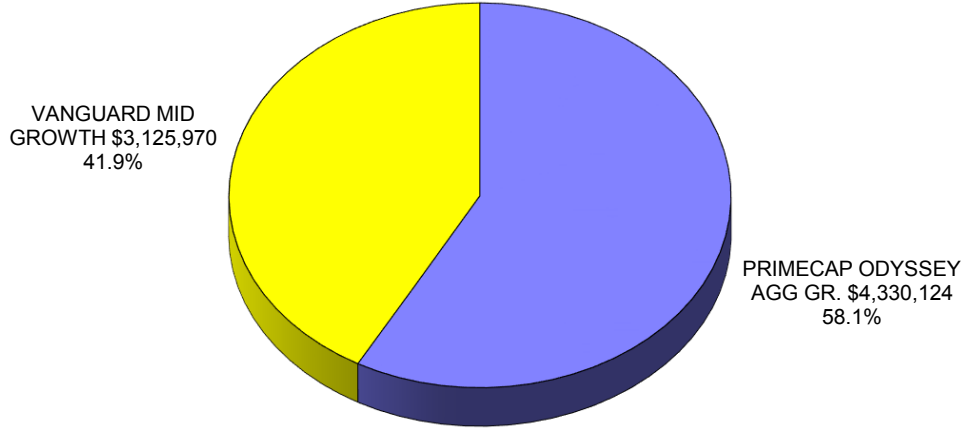


LARGE GROWTH EQUITY CHARACTERISTICS v. S&P 500

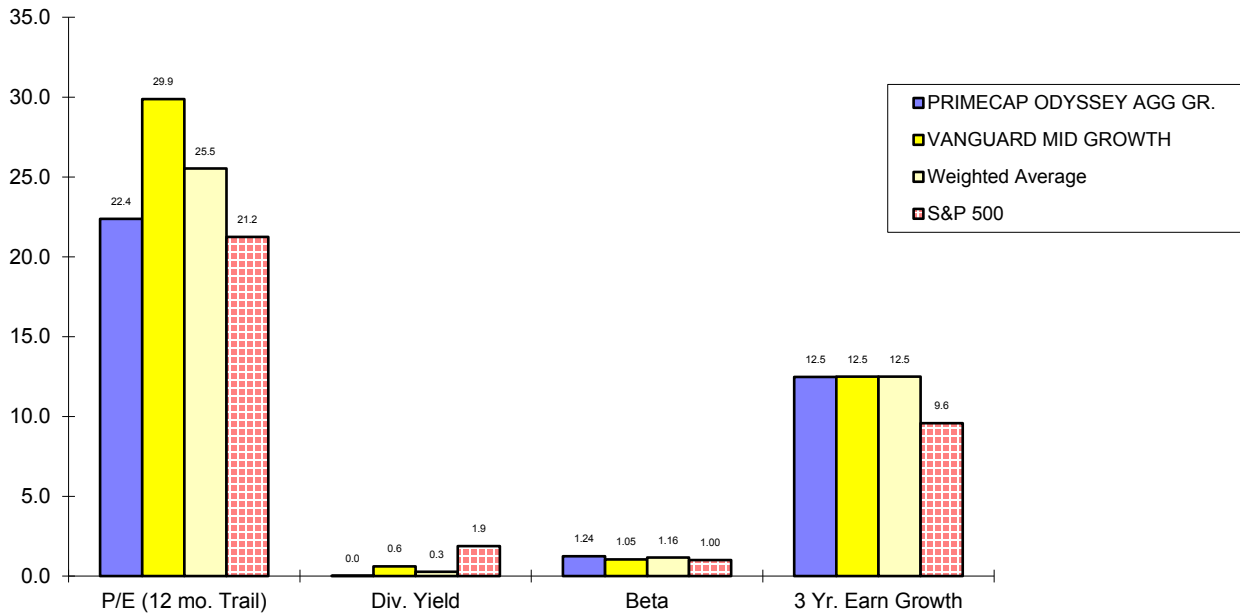


MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
PERIODS ENDED 6-30-17

MID GROWTH FUNDS COMPOSITE ASSET ALLOCATION
\$7,456,095

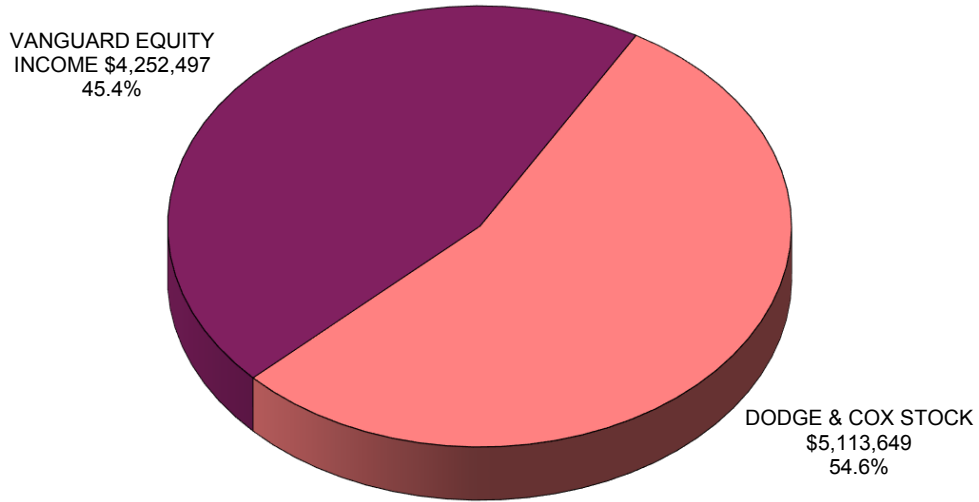


MID GROWTH EQUITY CHARACTERISTICS v. S&P 500

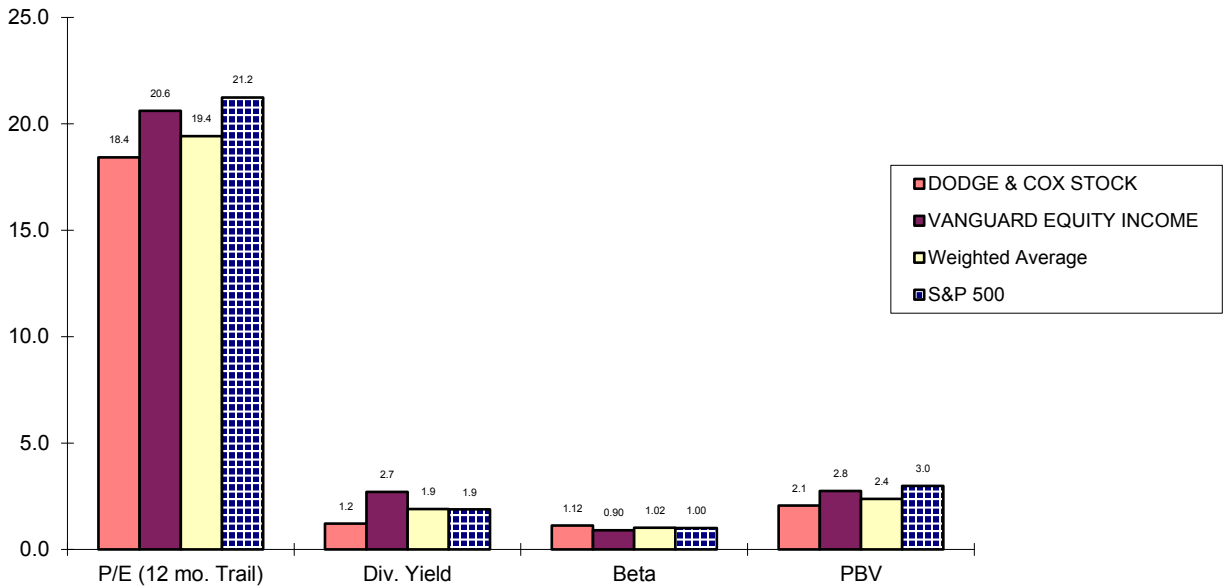


MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
PERIOD ENDED 6-30-17

VALUE FUNDS COMPOSITE ASSET ALLOCATION
\$9,366,147

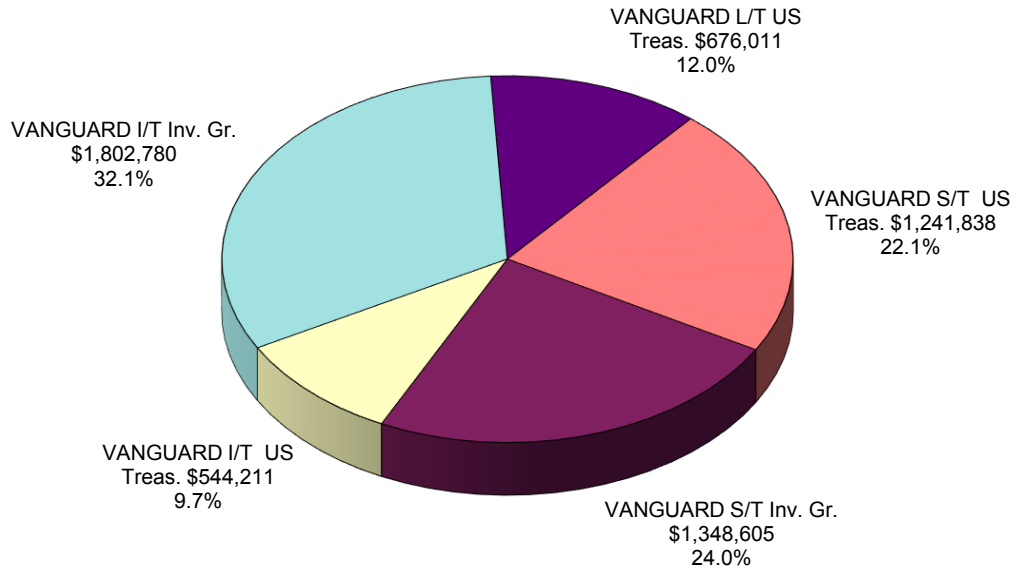


VALUE EQUITY CHARACTERISTICS v. S&P 500

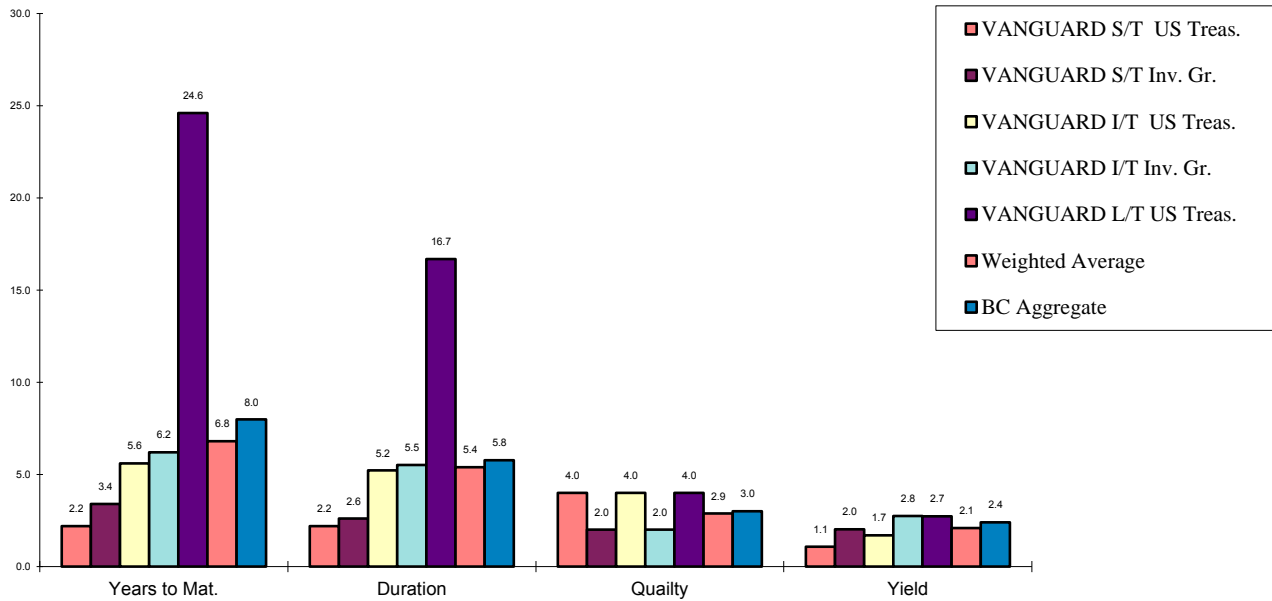


**MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY
PERIOD ENDED 6-30-17**

**ACTIVE FIXED INCOME ASSET ALLOCATION
\$5,613,445**



ACTIVE FIXED INCOME CHARACTERISTICS



Midwest City Memorial Hospital Authority

Market Value of Fund Plus Real Estate Investments

| | Begin MV | Contributions | Gains/(Losses) | PERIOD Distributions For Real Estate Investments | PERIOD Real Estate Sales | Investment End of Period | % ROR | NET Distributions/Sales For Real Estate Investments | Total MV Including Real Estate |
|--------------|------------|-------------------|-------------------|---|--------------------------------|-----------------------------|---------|--|--------------------------------------|
| 1996 | 0.00 | 40,000,000 | 1,894,724 | | | 41,894,724 | 5.00 | | 41,894,724 |
| 1997 | 41,894,724 | 6,500,000 | 9,149,906 | | | 57,544,631 | 21.43 | | 57,544,631 |
| 1998 | 57,544,631 | | 10,313,934 | | | 67,858,566 | 17.96 | | 67,858,566 |
| 1999 | 67,858,566 | | 9,842,497 | (892,504) | | 76,808,558 | 14.66 | 892,504 | 77,701,062 |
| 2000 | 76,808,558 | | 1,255,636 | (7,530,000) | | 70,534,196 | 1.61 | 8,422,504 | 78,956,700 |
| 2001 | 70,534,196 | | (3,474,570) | (17,000,001) | 881,724 | 50,941,348 | (4.96) | 24,540,781 | 75,482,129 |
| 2002 | 50,941,348 | | (6,288,441) | (3,000,000) | | 41,645,681 | (12.42) | 27,540,781 | 69,186,462 |
| 2003 | 41,645,681 | | 8,377,102 | (7,000,000) | 2,000,000 | 45,006,531 | 24.06 | 32,540,781 | 77,547,312 |
| 2004 | 45,006,531 | | 5,328,106 | (2,000,000) | | 48,318,461 | 12.32 | 34,540,781 | 82,859,242 |
| 2005 | 48,318,461 | | 3,559,195 | (27,212,736) | 27,006,977 | 51,651,524 | 5.88 | 34,746,540 | 86,398,063 |
| 2006 | 51,651,524 | | 7,786,194 | | | 59,433,416 | 15.11 | 34,746,540 | 94,179,956 |
| 2007 | 59,433,416 | | 4,280,658 | (3,300,000) | | 60,414,074 | 7.30 | 38,046,540 | 98,460,614 |
| 2008 | 60,414,074 | | (17,021,674) | | | 43,392,400 | (28.12) | 38,046,540 | 81,438,940 |
| 2009 | 43,392,400 | | 8,759,495 | | | 52,151,895 | 21.30 | 38,046,540 | 90,198,435 |
| 2010 | 52,151,895 | | 6,528,733 | (1,800,000) | | 56,880,628 | 9.32 | 39,846,540 | 96,727,168 |
| 2011 | 56,880,628 | | (1,072,322) | | | 55,808,306 | (1.79) | 39,846,540 | 95,654,846 |
| 2012 | 55,808,306 | | 7,553,650 | | | 63,361,956 | 13.60 | 39,846,540 | 103,208,496 |
| 2013 | 63,361,956 | | 13,845,096 | | | 77,207,052 | 21.94 | 39,846,540 | 117,053,592 |
| 2014 | 77,207,052 | | 5,844,036 | (5,650,000) | | 77,401,088 | 8.46 | 45,496,540 | 122,897,628 |
| 2015 | 77,401,088 | | (143,659) | | | 77,257,429 | (0.12) | 45,496,540 | 122,753,969 |
| 2016 | 77,257,429 | | 5,782,378 | (5,900,000) | | 77,139,807 | 7.84 | 51,396,540 | 128,536,347 |
| 1q17 | 77,139,807 | | 4,251,664 | | | 81,391,471 | 5.53 | 51,396,540 | 132,788,011 |
| 2q17 | 81,391,471 | | 2,258,650 | | | 83,650,121 | 2.79 | 51,396,540 | 135,046,661 |
| TOTAL | | 46,500,000 | 88,610,988 | (81,285,240) | 29,888,701 | 83,650,121 | | 51,396,540 | 135,046,661 |

9/30/96
INCEPTION
ROR: 7.56%



Midwest City Memorial Hospital Authority
100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1207/Fax (405) 739-1208
www.midwestcityok.org

MEMORANDUM

To: Honorable Chairman and Trustees

From: J. Guy Henson, General Manager/Administrator

Date: August 29, 2017

Subject: Discussion and consideration of revisions to the Midwest City Memorial Hospital Authority Fund Statement of Investment Policy, Guidelines and Objectives.

Please find attached the Statement of Investment Policy, Guidelines and Objectives dated May 2016. Mr. Jim Garrels, President of Fiduciary Capital Advisors, will be at this meeting to discuss these guidelines.

Per Mr. Garrels, our Fund Statement reflects the Policy change of last year which encompassed the elimination of international and emerging market funds (see page 6, section V. A. - Asset Allocation Ranges for current policy). He is not recommending additional changes in this section at this time.

However, he is recommending that the Cash Reserve Policy (see page 7, section V. B.) be revised, due to currently low short term Fed rate policy as follows:

| | % Total Fund Special Cash Reserves | Fed Funds Rate Level |
|---------------------------|------------------------------------|----------------------|
| Policy Position 1a | 0-3 | 2% or less |
| Policy Position 1b | 12 | 2.25% |
| Policy Position 2 | 18 | 2.50% |
| Policy Position 3 | 24 | 2.75% |
| Policy Position 4 | 30 | 3.00% |
| Policy Position 5 | 36 | 3.25% or more |

Our current Policy Position for the Fund is:

- **Policy Position 1a** - for equities, and

- **Policy Position 2** - fixed income.

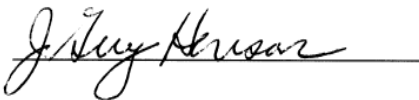
Note: The above two policies are for guidance only and are not mandatory triggers. An inverted yield curve (short term interest rates higher long term rates) would likely cause the fund to migrate to a Policy Position 5, a maximum defensive position to protect the fund from the stock market severe downturns that usually follow.

- **Policy Position 3** - The Total Fund Composite (TFC) came in with a +2.79% gain for the quarter vs. +2.47% for its benchmark, a gain of \$ 2,258,650.
- **Policy Position 4** - For the year ended 06-30-17, the TFC came in at + 14.79% vs. + 11.93%, a gain of \$ 4,941,097.
- **Policy Position 5** - Year to date (YTD) through Tuesday, August 22nd, the TFC came in at \$ 83,954,063, a gain of \$ 6,814,256.

Other topics to be discussed, time permitting, will be:

- A market update,
- Why use index funds ?,
- Performance objectives, and
- Why international and emerging markets were eliminated.

Action is at the Council's discretion.



J. Guy Henson
General Manager/Administrator

**MIDWEST CITY
HOSPITAL AUTHORITY FUND**

**STATEMENT OF INVESTMENT POLICY,
GUIDELINES AND OBJECTIVES**

MAY 2016

**MIDWEST CITY
HOSPITAL AUTHORITY FUND**

**STATEMENT OF INVESTMENT POLICY,
GUIDELINES AND OBJECTIVES**

TABLE OF CONTENTS

| | <u>Page Number</u> |
|--|--------------------|
| I. PURPOSE AND OBJECTIVE | 1 |
| II. SCOPE | 1 |
| III. PARTIES ASSOCIATED WITH THE FUND | 1 |
| A. Board of Trustees | 1 |
| B. Investment Managers | 2 |
| C. Custodian | 2 |
| D. Investment Consultant/Advisor | 2 |
| IV. INVESTMENT GUIDELINES AND OBJECTIVES | 3 |
| A. Investment Approach-Diversification | 3 |
| B. Investment Type and Quality | 4 |
| C. Liquidity | 5 |
| V. PORTFOLIO ASSET ALLOCATION GUIDELINES | 6 |
| A. Asset Allocation Ranges | 6 |
| B. Cash Reserve Policy | 7 |
| C. Money Manager Risk Limits | 7 |
| D. Equity Style Allocation | 8 |
| VI. PERFORMANCE OBJECTIVES | 9 |
| VII. MANAGER PERFORMANCE | 10 |
| VIII. MANAGER TERMINATION | 10 |
| IX. ETHICS AND CONFLICTS OF INTEREST | 10 |
| X. INVESTMENT POLICY ADOPTION | 11 |

MIDWEST CITY HOSPITAL AUTHORITY FUND

Statement of Investment Policy, Guidelines and Objectives for the Fund May 2016

I. PURPOSE AND OBJECTIVE

The primary purpose of the Midwest City Hospital Authority Fund ("Fund") is to preserve its principal, produce a proscribed level of income, and provide for growth of principal with no outside additions to the Fund being anticipated. Assets will be invested in a diversified portfolio to achieve attractive real rates of return. Prudent standards for the preservation of capital will be followed, with the goal to achieve the highest possible rate of return consistent with the Fund's tolerance for risk as determined by the Board of Trustees in its role as a fiduciary.

II. SCOPE

This policy applies only to the financial assets of the Midwest City Hospital Authority Fund of Midwest City, Oklahoma.

III. PARTIES ASSOCIATED WITH THE FUND

A. Board of Trustees (The Board)

1. Holds ultimate responsibility of the Fund and the appropriateness of its investment policy and its execution.
2. Retains consultants, investment managers and other advisors to implement and execute the investment policy as it relates to the Fund.
3. Reviews adequacy of or the need for change of this Statement.
4. Meets with investment managers and reviews quarterly reports concerning the Fund's asset management.
5. Engages a custodian.
6. Defines investment policy guidelines and objectives for the Fund including risk tolerance.

B. Investment Managers

1. Will have full discretion in the management of assets allocated to the investment managers subject to the overall investment guidelines set by The Board. The term investment manager shall include any investment vehicle utilized by the Board and shall include the use of investment advisors managing separate accounts, mutual funds, collective trust funds of banks or trust companies, and insurance company separate accounts.
2. Serve as fiduciaries responsible for specific securities decisions.
3. Will abide by duties, responsibilities and guidelines detailed in any specific manager agreement.
4. The managers will operate within a set of guidelines, objectives and constraints which are included within.
5. Meet as required with The Board at least annually and provide reports relative to the status of the portion of the fund in which they manage, and discuss performance objectives met and if applicable explain why the objectives were not met. The Board may, at its discretion waive this requirement if other than separate accounts are utilized (e.g. mutual funds).
6. Meet with and/or inform The Board in writing of any changes in Investment philosophy or professional staff.

C. Custodian

1. Accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured or called items, and provides periodic accounting statements.
2. Meets as required with The Board and provides reports relative to the status of the Fund.
3. Will abide by duties, responsibilities and guidelines detailed in any specific custodial agreement.

D. Investment Consultant/Advisor

1. Assist The Board in developing investment policy guidelines, including asset class choices, asset allocation targets and risk diversification.
2. Provides The Board with objective information on a broad spectrum of investment management specialists and helps construct a portfolio management team of superior investment managers.
3. Monitors performance of investment managers and provides regular quarterly reports to The Board, which will aid them in carrying out the content of this Statement.
4. Reports conclusions and recommendations in writing to The Board

- as required.
5. Evaluates and makes written recommendations as needed on portfolio management.
 6. Will abide by duties, responsibilities, and guidelines detailed in any specific consulting agreement.
 7. Advise The Board of policy position for cash reserves and investment manager retention, as required.

IV. INVESTMENT GUIDELINES AND OBJECTIVES

The Prudent Person Rule shall govern The Board in its choice of investment alternatives as it may in its sole discretion elect from time to time. The primary investment focus of The Board will be to invest in domestic and international common stocks, government and corporate bonds, short-term fixed income securities maturing in one year or less (cash equivalents), by utilizing primarily index funds, mutual funds, or collective trust funds. In addition, the Board may, in its sole discretion, invest portions of the fund corpus, or income, in real estate. Such investments would typically include developed or undeveloped real property located in Midwest City, Oklahoma or its environs, or commingled funds which invest in various kinds of property located throughout the United States.

A. Investment Approach-Diversification

Although the total fund is a balanced fund (comprised of stocks, bonds and cash equivalents), The Board has elected to utilize equity (common stocks plus cash equivalents) and fixed income (bonds plus cash equivalents) specialists for each component of the total fund.

The Board through its Consultant shall monitor the portfolio characteristics of the investment managers in order to ensure that their styles (investment approaches) are diverse as well as complementary. Characteristics for the equity managers shall include price to earnings ratio (P.E.), dividend yield, beta (volatility relative to the S&P 500 Index), price to book values, Return on Equity, and 3 year trailing earnings growth. Fixed income managers will be monitored for average years to maturity and duration.

The investment managers to the fund should not in the aggregate:

1. Invest more than 5% of the plan assets under its management in the securities of any one issuer based on cost, securities of the U.S. government excepted.
2. Invest more than 20% of the plan assets under its management in any industry of the market based on cost.

B. Investment Type and Quality

1. Common Stocks (Domestic)
Limit common stocks purchases to those issues on which the Investment Manager's research or portfolio management personnel maintain current opinions. Consider both the perceived ability of the company to appreciate and achieve future growth in earnings and in current dividend return in evaluating the potential total return of a security considered for purchase.
2. Fixed Income Securities (maturity greater than one year).
Fixed income securities must be rated at least Baa or BBB (investment grade) by both Moody's and Standard and Poor's to qualify for purchase. Issues subsequently downgraded below Baa or BBB rated quality must be sold within 60 days. Investment managers may appear before The Board to seek an exception to the sale of the issue within the 60 day provision.
3. Cash Equivalents
 - a. A1, P1 rated commercial paper.
 - b. Obligations of the U.S. government or its agencies maturing in 1 year or less.
 - c. Broker's or bank repurchase agreements--collateralized by the U.S. government/agency assets.
 - d. Money market mutual funds
Subject to the same restrictions a,b,c immediately listed above.
 - e. Bank STIF funds (short-term investment fund)
Subject to the same restrictions a,b,c immediately above.
4. International Investments and International Index Funds
Investment company shares (mutual funds), collective trust funds of banks or trust companies, and insurance company separate accounts. Mutual and collective trust funds, and insurance company separate accounts shall have at least a 5 year history, \$50 million in assets under management, the same management for the previous five years, and the same investment philosophy/strategy for the previous five years. Should an international index fund be utilized, the fund will strive to replicate MSCI/EAFE Index (Morgan Stanley Capital International/Europe, Australasia, and Far East Index).

5. **Index and Mutual Funds (Domestic)**
Investment company shares (mutual funds), collective trust funds of bank or trust companies, and insurance company separate accounts. Mutual and collective trust funds, and insurance company separate accounts shall have at least a 5 year history, \$50 million in assets under management, the same management for the previous five years, and the same investment philosophy/strategy for the previous five years. The domestic index fund(s) must strive to replicate the return of Standard and Poor's 500 Stock Index or the Barclays Capital Government/Credit Bond Index or the Barclays Capital Aggregate Bond Index.

C. Liquidity

1. **Common Stock**--Average daily trading volume in any given issue should be sufficient to allow timely purchase or sale without causing undue distortion in price due to such action.
2. **Fixed Income**--The investment advisors to the fund should restrict their purchases of non-U.S. government securities to issues of at least \$50 million or more.

V. PORTFOLIO ASSET ALLOCATION GUIDELINES

A. Asset Allocation Ranges

The Board has adopted the asset allocation policy shown below for the Fund assets. Target percentages have been determined for each asset class along with allocation ranges. It is the intent to rebalance the assets back to target allocations when the allocations fall outside the minimum and maximum ranges. Percentage allocations are intended to serve as guidelines. The Board will not be required to remain strictly within the designated ranges when market conditions or an investment transition (asset class or manager) may require an interim investment strategy, and therefore a temporary imbalance in asset mix.

| | Minimum | Asset Allocation Target | Maximum |
|------------------|---------|----------------------------|---------|
| Equities* | | | |
| Domestic | 20% | 70% | 85% |
| Fixed Income** | 2.5% | 30% | 80% |
| Real Estate | 0.0% | 0% | 20% |
| Cash Equivalents | 0.0% | 0% | 36% |

* Equity and fixed includes passive portions (60% of the 70% in domestic equity, 50% of the 10% in international equity, and 60% of the 30% in fixed income).

** Includes bonds, cash, and cash equivalents.

Should the asset mix of the Fund vary from The Board's policy $\pm 5\%$ at the end of any fiscal quarter due to market fluctuations the asset mix shall be rebalanced either by the direction of cash flow and/or shifting of assets.

B. Cash Reserve Policy

If the Board elects to reduce risk exposure by raising cash reserves, it may, at its discretion, retain a manager to manage such cash reserves in a Special Cash Reserve Fund. The implementation of a cash reserve policy, should the Board, upon the recommendation of its Consultation/Advisor, elect to do so, will not be based on interest rates or market forecasts, but will be driven by the current level of interest rates as reflected by the Fed Funds rate as determined by the Federal Reserve. The policy of The Board, should it elect to implement a cash reserve policy, will be as follows:

| | % of Total Fund Invested in Special Cash Reserve Fund | Fed Funds Rate Levels |
|--------------------|--|--------------------------|
| Policy Position 1a | 0-3 | 5% or less |
| Policy Position 1b | 12 | >5% - <6% |
| Policy Position 2 | 18 | 6% - <7% |
| Policy Position 3 | 24 | 7% - <8% |
| Policy Position 4 | 30 | 8% - <9% |
| Policy Position 5 | 36 | 9% or above |

C. Money Manager Risk Limits

1. Equity Manager(s)

The Equity portion of the fund shall be as fully invested as possible at all times. This generally means at least 95% of assets under a common stock manager's control. If in their opinion, it is necessary to protect the fund corpus on a long term basis, by exceeding the cash equivalents limit, the manager must contact The Board for the appropriate approval or guidance.

2. Fixed Income Manager(s)

The fixed income portion of the fund may be invested 100% in cash equivalents or up to 100% in fixed income securities maturing in 30 years or less.

The active fixed income manager(s) will maintain portfolio duration at a minimum of 50% and a maximum of 150% of the Barclays Capital Aggregate Bond Index (Index = 100).

D. Equity Style Allocation

The Board may or may not seek to take advantage of the cyclical behavior of the growth and value approaches to investing by rebalancing the portion of the fund invested in growth and value approaches to each other.

1. Equity

The Board defines the characteristics of the growth and value investing relative to the characteristics of the overall market (S&P 500 Stock Index) as follows:

Relative to the S&P 500

| | <u>Growth</u> | <u>Value</u> |
|--------------------------------|---------------|--------------|
| Price to Earnings Ratio (P.E.) | Higher | Lower |
| Dividend Yield | Lower | Higher |
| Volatility (Beta) | Higher | Lower |
| Price to Book Value | N/A | Lower |
| Earnings Growth | Higher | N/A |

Periodic rebalancing recommendations by the investment consultant/advisor to The Board shall be in writing, as the growth and value approaches become over, under, or fairly valued relative to each other in the following manner:

| | <u>Growth vs. Value Structure</u> |
|-----------------------------------|-----------------------------------|
| WHEN: Growth Stocks Overvalued | Growth 40% - Value 60% |
| Growth Stocks Fairly Valued | Growth 50% - Value 50% |
| Growth Stocks Undervalued | Growth 60% - Value 40% |

Rebalancing will not affect other segments of the equity portions of the fund not invested in growth or value.

2. Fixed

Approximately 60% of the fixed income portfolio will be passively managed utilizing an index fund which will strive to replicate the return of the Barclays Capital Aggregate Bond Index, with the remainder actively managed.

VI. PERFORMANCE OBJECTIVES

The Fund's total return will be expected to provide equal or superior results, using a three to five year moving average, relative to the following benchmarks:

1. An absolute return objective of the Consumer Price Index plus 4% compounded annually.
2. An income return sufficient to meet any disbursement requirement as stipulated by the Board.
3. A return exceeding the 90 Day U.S. Treasury Bill rate (risk-free rate).
4. Domestic equity fund returns which exceed the S&P 500 Stock Index return by 1% (100 basis points), per year and fixed income returns which exceed Barclays Capital Aggregate Bond Index by ½% per year (50 basis points).
5. Stock and bond returns which fall into the top 25% of the Consultant's Universe* (or other representative universe approved by The Board) of common stock and bond funds (referred to as equity and fixed income by Consultant's), with some consistency.
6. Passive domestic returns which replicate the return of the Standard and Poor's 500 Stock Index, passive fixed returns which replicate the return of the Barclays Capital Aggregate Bond Index. The Board may elect to utilize other types of index funds, in which case the same standard will apply.

* The FCA universe currently consists of data on several thousand mutual funds provided by Morningstar, Inc., which is screened for conformity to the portfolio characteristics described in this statement (P.E., dividend yield, etc).

VII. MANAGER PERFORMANCE

1. Manager performance shall be monitored using a three to five year moving average and performance will be compared to:
 - a. An unmanaged market index fund.
 - b. A relative return target of the top 50% of the Consultant's manager universe, (or other representative universe approved by The Board) with some consistency.
 - c. An absolute return target of the Consumer Price Index plus 4% compounded annually.
2. Performance will be reviewed for the following periods:
 - a. Three month, one, three, and five years.

VIII. MANAGER TERMINATION

Investment managers will be considered for termination if one or more of the following occur:

- a. Major changes in professional personnel.
- b. Major changes in the investment process.
- c. There appears to be minimal probability of the manager achieving long-term investment objectives.
- d. The trend of the manager's percentile ranking versus the consultant's universe is down.
- e. The trend of the manager's ranking versus his own peer group is down.

IX. ETHICS AND CONFLICTS OF INTEREST

Trustees, officers, employees, investment managers and consultants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials and consultants shall disclose to the Chairperson of the Board of Trustees any direct financial institutions that conduct business with the Fund, and they shall further disclose any personal financial investment positions that could be related to the performance of the portfolio of the Fund. Such disclosure shall be made within 90 days to the Board of any such position being taken. Employees, officers, trustees and consultants shall subordinate their personal investment transactions to those of the Fund, particularly with regard to the time of purchases and sales.

X. INVESTMENT POLICY ADOPTION

The statement of investment policy, guidelines and objectives for the Fund shall be adopted and approved by the Board of Trustees of the Fund. The policy document shall be reviewed on an annual basis by the Board with any modifications presented to the Board for approval and adoption. All Money Managers must be advised of any modifications to the policy in a timely manner.