



MIDWEST CITY
MEETING AGENDAS FOR
January 24, 2017

STAFF BRIEFING

City Hall, Midwest City Council Conference room – second floor, 100 N. Midwest Boulevard

January 24, 2017 – 6:00 PM

Special Assistance requests – tcoplen@midwestcityok.org or 739-1002. (Please provide no less than 24 hours' notice) Special assistance request during a meeting call 739-1388.

DISCUSSION.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the agendas for the City Council, Municipal Authority, and Hospital Authority for January 24, 2017.



CITY COUNCIL AGENDA



CITY OF MIDWEST CITY COUNCIL AGENDA

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

January 24, 2017 – 7:00 PM

Special Assistance requests – tcoplen@midwestcityok.org or 739-1002. (Please provide no less than 24 hours' notice) Special assistance request during a meeting call 739-1388.

A. **CALL TO ORDER.**

B. **OPENING BUSINESS.**

- Invocation - Public Works Director, Vaughn Sullivan
- Pledge of Allegiance - JROTC Cadets Desiree Henderson and Marissa Baxter
- Community-related Announcements

C. **CONSENT AGENDA.** These items are placed on the Consent Agenda so that members of the City Council, by unanimous consent, can approve routine agenda items by one motion. If any item proposed on the Consent Agenda does not meet with approval of all Council members, or members of the audience wish to discuss an item, that item will be removed and heard in regular order.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 10 2017, as submitted. (City Clerk - S. Hancock)
2. Discussion and consideration of accepting the City Manager's Report for the month of December 2016. (Finance - C. Barron)
3. Discussion and consideration of supplemental budget adjustments to the following funds for FY 2016-2017, increase: Reimbursed Projects Fund, revenue/Intergovernmental (14) \$11,000; expenses/General Gov't (14) \$11,000; revenue/ Intergovernmental (39) \$14,000; expenses/Grants Management (39) \$14,000; expenses/Grants Management (39) \$3,942. Fire Fund, revenue/Miscellaneous (00) \$1,500; expenses/Fire (64) \$1,500. (Finance - C. Barron)
4. Discussion and consideration of accepting the monthly report on the City of Midwest City Employees' Health Benefits Plan by the City Manager and action as deemed necessary by the Council to maintain the plan. (Human Resources - C. Wilson)
5. Discussion and consideration of approving and entering into, effective February 15 2017, (1) the MassMutual Administrative Services Agreement with Massachusetts Mutual Life Insurance Company to govern the terms and conditions under which it will administer the City's Section 457 Deferred Compensation Plan including recordkeeping and other administrative services; (2) the Investment Agreement, a group annuity contract, with Massachusetts Mutual Life Insurance Company; and (3) the Trust Agreement and Resolution with Reliance Trust Company which will govern the Trust Assets of the City's 457 (b) Deferred Compensation Plan and hold and administer the assets of the Plan in accordance with the Investment Agreement. (Human Resources - C. Wilson)

6. Discussion and consideration of renewing the Cityworks License Agreement contract, without modification, for FY 2017-18 with Azteca Systems, Inc. a Utah corporation in the amount of \$60,000.00. (Public Works - V. Sullivan)
7. Discussion and consideration of entering into a contract with Oklahoma Earthbike Fellowship, Inc. (OEF) for the upkeep and routine maintenance of the Soldier Creek Industrial Park (SCIP) recreational trail. (Public Works - V. Sullivan)
8. Discussion and consideration of entering into a contract with Tony Boone Trails, LLC in the amount of \$50,000 to provide design/build services in construction of the SCIP Recreational Trail. (Grants Management - T. Craft)
9. Discussion and consideration of entering into an agreement with Fugro Geospatial, Inc. for digital orthophotography (aerial photography) for a total price of \$10,098. (Community Development - B. Harless)
10. Discussion and consideration of accepting a grant of Permanent Easement from Red Oak L.L.C., across a parcel of land located within the corporate boundaries of Midwest City in Block One (1) Lot Three (3) of Red Oak Development Addition to the Northeast Quarter (NE/4) of Section Eleven (11), Township Eleven (11) North Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma. (Community Development - P. Menefee)
11. Discussion and consideration of awarding the bid to and entering into a contract with Luckinbill, Inc. in the amount of \$247,970.00 for the Soldier Creek Industrial Park Water and Sewer Line Public Improvements Project. (Community Development - P. Menefee)
12. Discussion and consideration of the acceptance of and making a matter of record Permit No. WL000055161034 from the State Department of Environmental Quality for the Soldier Creek Industrial Park Water Line Extension Project, Midwest City, Oklahoma. (Community Development - P. Menefee)
13. Discussion and consideration of the acceptance of and making a matter of record Permit No. SL000055160932 from the State Department of Environmental Quality for the Winco Foods Grocery Store Sewer Line Extension Project, Midwest City, Oklahoma. (Community Development - P. Menefee)
14. Discussion and consideration of the acceptance of and making a matter of record Permit No. WL000055160931 from the State Department of Environmental Quality for the WinCo Foods Grocery Store Water Line Extension Project, Midwest City, Oklahoma. (Community Development - P. Menefee)
15. Discussion and consideration of approving Joel Porter as a fourth candidate for a Municipal and Alternate Judge. (City Manager - G. Henson)
16. Discussion and consideration of approval of the Mayor's appointment of Joel Porter as a Municipal and Alternate Judge. (City Manager - G. Henson)

17. Discussion and consideration of declaring a fire department brush truck, unit number 07-03-13, surplus and authorizing its disposal by public auction or sealed bid. (Fire - B. Norton)

18. Discussion and consideration of declaring fire department winter coats and dress jackets, surplus and authorizing their disposal by public auction or sealed bid. (Fire - B. Norton)

19. Discussion and consideration of 1) declaring one (1) Auto License CarDetector Kit, which consists of one (1) 25MM Camera; one (1) 35MM Camera; one (1) 50MM Camera; one (1) Garmin GPS Unit; and one (1) Condor DSP, from the Police Department as surplus property; and 2) authorizing the disposal of this property by public auction or sealed bid. (Police - B. Clabes)

D. DISCUSSION ITEMS.

1. Public hearing with discussion and consideration of a resolution declaring the structure located at 7203 SE. 15th Street a dilapidated building as defined in Title 11-22-112(C) 1. Oklahoma State Statutes and setting dates to demolish and remove the structure from the site. (Neighborhood Services - M. Stroh)

2. (CA-75) Public hearing with discussion and consideration of an appeal to Section 9-394(e) of the Municipal Code which states that freestanding signs shall be brought into compliance with the ordinance at the time any modifications or repairs are made to the sign located at 9900 SE 15th St. (Community Development - B. Harless)

3. Discussion and consideration of budget amendments to reduce appropriations for fiscal year 2016-2017 due to declining revenues. (Finance - C. Barron)

4. Discussion and consideration of approving and adopting a new ordinance making it an offense to limit the line of sight into and out of convenience stores, providing for definitions; setting a penalty; providing for codification, providing for severability; providing for repealer and declaring an emergency. (City Attorney - P. Anderson)

E. NEW BUSINESS/PUBLIC DISCUSSION.

F. EXECUTIVE SESSION.

1. Discussion and consideration of (1) entering into executive session, as allowed under 25 O.S., § 307(B)(4), to discuss McGowen, et al v. City of Midwest City, Case No. CJ-2015-1802, and (2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session. (Community Development - B. Harless)

G. FURTHER INFORMATION.

1. Discussion and consideration of accepting the financial audit of the City of Midwest City as of and for the year ended June 30, 2016. (Finance - C. Barron)

2. Midwest City Tree Board July 12, 2016 and October 11, 2016 meeting minutes. (Public Works - V. Sullivan)

H. ADJOURNMENT.



CONSENT AGENDA



Notice of regular staff briefings for the Midwest City Council was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of this meeting.

MINUTES OF THE REGULAR STAFF BRIEFING FOR MIDWEST CITY COUNCIL

January 10, 2017 – 6:00 p.m.

This regular meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Mayor Matt Dukes; Councilmembers Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and City Clerk Sara Hancock. Absent: none. Councilmember Daniel McClure Jr., Ward 1, resigned as of January 1, 2017.

Mayor Dukes called the meeting to order at 6:02 p.m.

DISCUSSION. Clarification of agenda items, handouts, and presentation of new or additional information for items on the City Council agenda for January 10, 2017. Mayor Dukes introduced JROTC Cadet Xavier Freeman and Ward 1 nominee Susan Eads. City Manager Guy Henson and Public Works Director Vaughn made community-related announcements. Grants Management Director Terri Craft introduced representatives from the Tel-Star Boys and Girls Club, their Unit Director Judith Lawler, and the Boys and Girls Club of Oklahoma County President, Jane Sutter. Economic Development Director Robert Coleman noted scrivener's error on page 109, item b, should state Oklahoma City County Health Department and he introduced Dan McMahan of Riggs Abney. Staff briefed the councilmembers on various items on the agenda, and the councilmembers sought clarification and discussed individual agenda items with staff.

Mayor Dukes closed the meeting at 6:37 p.m.

ATTEST:

MATTHEW D. DUKES, II, Mayor

SARA HANCOCK, City Clerk

Notice of regular Midwest City Council meetings was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of the meeting.

MINUTES OF THE REGULAR MIDWEST CITY COUNCIL MEETING

January 10, 2017 – 7:00 p.m.

This regular meeting was held in the Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Mayor Matt Dukes; Councilmembers Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and City Clerk Sara Hancock. Absent: none. Councilmember Daniel McClure Jr., Ward 1, resigned as of January 1, 2017. Mayor Dukes called the meeting to order at 7:03 p.m.

Opening Business. The meeting opened with the invocation by Public Works Director Vaughn Sullivan, followed by the Pledge of Allegiance led by JROTC Cadet Xavier Freeman. City Manager Guy Henson made community-related comments and announcements. Mayor Dukes presented a proclamation to the Boys & Girls Club of Midwest City Tel-Star Elementary.

Consent Agenda. Motion was made by Byrne, seconded by Reed, to approve the items on the Consent Agenda, as submitted.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of December 20, 2016, as submitted.
2. Discussion and consideration of electing Rick Dawkins, Ward 3 Councilmember, as vice-mayor for the remainder of his term ending April 9, 2018.
3. Discussion and consideration of accepting the City Manager's Report for the month of November 2016.
4. Discussion and consideration of supplemental budget adjustments to the following funds for FY 2016-2017, increase: Grants Fund, revenue/Intergovernmental (41) \$4,944; expenses/Sanitation (41) \$4,944. Reimbursed Projects Fund, revenue/ Miscellaneous (37) \$648; expenses/Housing (37) \$648. Street & Alley Fund, expenses/ Street (09) \$3,274. Fleet Fund, expenses/Fleet (25) \$12,100. General Gov't Sales Tax Fund, expenses/General Gov't (14) \$21,594.
5. Discussion and consideration of entering into an agreement with Shoaid Nazir for translation services, and to establish the terms and conditions under which those companies will provide interpreting services upon the City's request as required by the Americans with Disabilities Act.
6. Discussion and consideration of accepting various easements from John L. Gravitt across certain parcels of property located within the corporate boundaries of Midwest City in the Northeast Quarter (NE/4) of Section Twenty Six (26), Township Twelve (12) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma, located at the 2200 block of N. Douglas Blvd.
7. Discussion and consideration of the acceptance of and making a matter of record Permit No. SL000055161035 from the State Department of Environmental Quality for the Soldier Creek Industrial Park Sewer Line Extension Project, Midwest City, Oklahoma.

8. Discussion and consideration of the acceptance of and making a matter of record Permit No. SL000055160960 from the State Department of Environmental Quality for the Sundance Addition, Section 5 Sewer Line Extension Project, Midwest City, Oklahoma.
9. Discussion and consideration of accepting maintenance bonds from Jordan Contractors, Inc. in the amount of \$1,853.60.
10. Discussion and consideration of accepting maintenance bonds from Control Fire Systems Company in the amount of \$2,411.40.
11. Discussion and consideration of accepting maintenance bonds from Davidson Concrete and Construction Inc. in the amount of \$6,743.00.
12. Discussion and consideration of 1) acceptance of an Oklahoma County Community Support grant in the amount of \$14,000 for the Mid Del Group Home Sheltered Workshop; 2) approving and entering into an agreement of Community Support with the Board of County Commissioners of Oklahoma County which establishes the terms and conditions of the grant; and 3) authorization of the Mayor and/or City Manager to enter into the necessary or appropriate contracts/agreements to implement the grant.
13. Discussion and consideration of 1) acceptance of a 2016-17 Oklahoma County Emergency Utility Assistance grant in the amount of \$11,000 for the implementation of an Emergency Utility Assistance Program; 2) approving and entering into a contract with the Board of County Commissioners of Oklahoma County which establishes the terms and conditions of the grant; and 3) authorization of the Mayor and/or City Manager to enter into the necessary contracts/agreements to implement the grant.
14. Discussion and consideration of approving and awarding a bid to QuikService Steel Company in the amount of the current market value on date of delivery less .15 per pound, based on the American Metal Market publication, for the sale of spent shell casings for recycling, which was declared as surplus at the December 13, 2016 Council meeting.

Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

Discussion Items.

1. **Discussion and consideration of appointing Susan Eads to replace Daniel McClure Jr as the Ward 1 Councilmember, due to Councilmember McClure's resignation, for the remainder of his unexpired term ending April 9, 2018.** Motion was made by Dawkins, seconded by Reed, to appoint Susan Eads as the Ward 1 replacement for the remainder of the unexpired term. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
2. **(PC – 1891) Public hearing with discussion and consideration of approval of the Replat of Lot 2 Block 8 of The Orchard Addition, described as a part of the NW/4 of Section 12, T11N, R2W.** Motion was made by Reed, seconded by Dawkins, to approve the replat. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

3. **(PC-1890) Public hearing with discussion and consideration of an ordinance to redistrict from R-6, Single Family Residential to C-3, Community Commercial, and a resolution to amend a portion of the Comprehensive Plan from Low-Density Residential to OR, Office Retail, for the property described as lot 28 of block 2 of the Replat of the Atkinson Heights addition, located at 229 West Fairchild.** Mary Dominguez, 401 W. Fairchild, spoke to the Council. Motion was made by Dawkins, seconded by Reed, to approve Ordinance 3286 and Resolution 2017-01 and amend the Comprehensive Plan. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
4. **(CA-75) Public hearing with discussion and consideration of an appeal to Section 9-394(e) of the Municipal Code which states that freestanding signs shall be brought into compliance with the ordinance at the time any modifications or repairs are made to the sign located at 9900 SE 15th St.** Carol McKee, 9412 S. Caldwell, and staff spoke with the Council. Ms. McKee indicated that she had not read the staff report as presented in the packet on the website. A motion was made by Reed, seconded by Allen, to delay this item until after discussion item number ten to give Ms. McKee a chance to read the staff report. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried. No action was taken when the Council returned to the item.
5. **Discussion and consideration of a resolution declaring the intent of the City Council of the City of Midwest City, Oklahoma, to consider the designation of a portion of the city as a "Statutory Reinvestment Area" and to consider creation of a related "Tax Increment District" pursuant to Oklahoma law; creating the Midwest City Local Development Act Review Committee ("the Review Committee"); determining membership of the Review Committee; designating the manner and term of appointment of Committee members; providing for meetings of the Review Committee; establishing officers; determining voting rights and quorum; directing the Review Committee to consider proposed project plans and to make any findings and recommendations required by law; directing the Midwest City Planning Commission to consider the proposed project plans and make any recommendations as required by law; and containing other provisions relating thereto.** Motion was made by Dawkins, seconded by Allen, to approve Resolution 2017-02 and to create a Midwest City Local Development Act Review Committee, as submitted. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
6. **Discussion and consideration of appointing a City Council member to serve as Chairman of the Local Development Act Review Committee.** Motion was made by Reed, seconded by Dawkins, to appoint Pat Byrne as the Local Development Act Review Committee Chairman. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
7. **Discussion and consideration of appointing a planning commissioner to serve on the Local Development Act Review Committee.** Motion was made by Reed, seconded by Dawkins, to appoint Stan Greil as the Planning Commissioner representative to the Local Development Act Review Committee. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

8. **Discussion and consideration of passing and approving an ordinance as required by Article IV, Section 4 of the Midwest City Charter declaring one (1) 2015 BMW Motorcycle Vin #3503, which has a value of more than \$10,000, surplus and authorizing its disposal; and providing for repealer and severability.** Motion was made by Reed, seconded by Dawkins, to approve Ordinance 3287, as submitted. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.
9. **Discussion and consideration of approving a list of candidates for Municipal Judge and Alternate Judge consisting of Gary Bachman, David Howell, and Adam Bush.** Brent Coldiron, 2801 Parklawn Dr., and Joel Porter, 11405 Victoria Pl., OKC, spoke to the Council. Motion was made by Byrne, seconded by Reed, to approve the list of candidate, as submitted. Voting aye: Byrne, Dawkins, Reed, Moore, and Mayor Dukes. Nay: Allen. Absent: none. Motion carried.
10. **Discussion and consideration of approval of the Mayor's appointment of Gary Bachman, David Howell and Adam Bush as Municipal Judges and Alternate Judges.** After Council discussion a motion was made by Reed, seconded by Byrne, to appoint the Mayor's nominees, as submitted. Voting aye: Byrne, Dawkins, Reed, Moore, and Mayor Dukes. Nay: Allen. Absent: none. Motion carried.

New Business/Public Discussion. There was no new business or public discussion.

Executive Session.

1. **Discussion and consideration of (1) entering into executive session, as allowed under 25 O.S., § 307(B)(4), to discuss Robert Broyles Workers Compensation Case No. MWC14-659, and (2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session.**
2. **Discussion and consideration of (1) entering into executive session, as allowed under 25 O.S., § 307(B)(4), to discuss Bailey, et al v. City of Midwest City, Case No. CJ-2013-5630, and (2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session.** Motion was made by Dawkins, seconded by Reed, enter into both executive sessions. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried. The Council went into executive session at 8:09 p.m.

Mayor Dukes reconvened the meeting in open session at 8:42 p.m. Motion was made by Dawkins, seconded by Allen, to authorize the city manager to take action as appropriate based upon the discussion for both executive sessions. Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

Adjournment. There being no further business, Mayor Dukes adjourned the meeting at 8:43 p.m.

ATTEST:

SARA HANCOCK, City Clerk

MATTHEW D. DUKES, II, Mayor



***THE CITY OF
MIDWEST CITY***
Finance Department

MEMORANDUM

TO: Honorable Mayor and Council
FROM: Christy Barron, Finance Director
DATE: January 24, 2017
SUBJECT: Discussion and consideration of accepting the City Manager's Report for the month of December, 2016.

The funds in December that experienced a significant change in fund balance from the November report are as follows:

General Fund (10) decreased due to revenues coming in at 95% of budget for the month of December. The monthly decrease for December is as follows:

<\$105,717>

Street and Alley (13) decreased due to the payment to Silver Star Construction for:
SE 29th Harris to Sooner Project

<\$156,573>

MWC Police Department (20) decreased due to revenues coming in at 95% of budget for the month of December. The monthly decrease for December is as follows:

<22,458>*

***The decrease in the police fund balance was mitigated by expenditures also coming in below budget for the month of December.**

MWC Fire Department (40) decreased due to revenues coming in at 95% of budget for the month of December. The monthly decrease for December is as follows:

<\$67,323>

Hotel/Conference Center (195) had an operational loss of \$104,632 in December.

John Conrad Regional Golf (197) had an operational loss of \$55,060 in December.

2002 GO Street Bond (269) decreased due to payment to ODOT for local share for:

15th from Fry to Anderson – Widening

<\$69,121>

MWC Hospital Authority (425) activities for December:

Compounded Principal:

(9010)-realized gain & interest on investment \$860,585

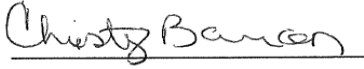
Discretionary:

(9050)-realized gain & interest on investment \$101,326

(9050)-payment for SE 15th/Sooner development <\$164,459>

(9050)-payment for Sooner Rose Phase 2 <\$100,000>

This item is at Council's discretion.



Christy Barron

Finance Director

City of Midwest City
Financial Summary by Fund
for Period Ending December, 2016
(Unaudited)

Fund Number	Fund Description	Assets	Liabilities	6-30-16 Fund Balance	Revenues	Expenditures	Gain or (Loss)	Fund Balance
9	GENERAL GOVERNMENT SALES TAX	1,714,299	-	1,930,025	246,821	(462,547)	(215,726)	1,714,299
10	GENERAL	4,534,927	(141,236)	4,671,897	18,122,664	(18,400,871)	(278,206)	4,393,691
11	CAPITAL OUTLAY RESERVE	901,962	-	893,700	8,262	-	8,262	901,962
13	STREET AND ALLEY FUND	511,345	-	1,775,423	344,662	(1,608,741)	(1,264,079)	511,345
14	TECHNOLOGY FUND	404,413	-	478,156	181,247	(254,990)	(73,743)	404,413
15	STREET LIGHT FEE	235,045	-	-	235,045	-	235,045	235,045
16	REIMBURSED PROJECTS	770,029	(184,121)	624,306	105,463	(143,861)	(38,397)	585,908
17	29TH & DOUGLAS PROPERTY	5,500,000	(181,059)	5,318,941	62,175	(62,175)	-	5,318,941
20	MWC POLICE DEPARTMENT	1,443,562	-	1,544,048	6,086,160	(6,186,646)	(100,486)	1,443,562
21	POLICE CAPITALIZATION	900,836	-	949,578	214,705	(263,447)	(48,742)	900,836
25	JUVENILE FUND	21,889	-	73,081	33,198	(84,390)	(51,192)	21,889
30	POLICE STATE SEIZURES	45,941	-	42,161	4,323	(544)	3,779	45,941
31	SPECIAL POLICE PROJECTS	72,792	-	48,259	31,783	(7,250)	24,533	72,792
33	POLICE FEDERAL PROJECTS	74,642	-	86,596	483	(12,437)	(11,954)	74,642
34	POLICE LAB FEE FUND	18,579	-	16,457	5,616	(3,494)	2,122	18,579
35	EMPLOYEE ACTIVITY FUND	17,991	-	17,714	8,454	(8,178)	276	17,991
36	JAIL	141,161	-	148,697	41,791	(49,327)	(7,536)	141,161
37	POLICE IMPOUND FEE	169,545	-	163,034	34,087	(27,576)	6,511	169,545
40	MWC FIRE DEPARTMENT	990,517	(4)	1,181,744	4,931,705	(5,122,936)	(191,231)	990,513
41	FIRE CAPITALIZATION	654,629	-	528,049	277,695	(151,115)	126,580	654,629
45	MWC WELCOME CENTER	359,921	(182)	348,868	107,539	(96,668)	10,871	359,739
46	CONV / VISITORS BUREAU	224,117	(500)	192,433	178,569	(147,385)	31,184	223,617
50	DRAINAGE TAX FUND	177,893	-	180,165	2,053	(4,325)	(2,272)	177,893
60	CAPITAL DRAINAGE IMP	464,294	-	417,629	228,779	(182,115)	46,664	464,294
61	STORM WATER QUALITY	914,371	-	918,411	382,480	(386,520)	(4,040)	914,371
65	STREET TAX FUND	1,120,025	-	1,231,886	219,750	(331,611)	(111,861)	1,120,025
70	EMERGENCY OPER FUND	632,156	-	658,058	197,746	(223,648)	(25,902)	632,156
75	PUBLIC WORKS ADMIN	296,871	-	283,928	488,775	(475,833)	12,943	296,871
80	INTERSERVICE FUND	135,387	-	183,485	1,062,329	(1,110,427)	(48,097)	135,387
81	SURPLUS PROPERTY	320,108	(245,800)	68,994	25,226	(19,912)	5,314	74,308
115	ACTIVITY FUND	287,600	-	269,707	99,801	(81,907)	17,893	287,600
123	PARK & RECREATION	652,972	-	552,750	267,989	(167,768)	100,222	652,972
141	COMM. DEV. BLOCK GRANT	15,155	-	15,156	232,810	(232,810)	-	15,156
142	GRANTS/HOUSING ACTIVITIES	160,915	(1,277)	188,674	30,452	(59,488)	(29,036)	159,638
143	GRANT FUNDS	124,451	(64,451)	60,000	360,177	(360,177)	-	60,000

City of Midwest City
Financial Summary by Fund
for Period Ending December, 2016
(Unaudited)

Fund Number	Fund Description	Assets	Liabilities	6-30-16 Fund Balance	Revenues	Expenditures	Gain or (Loss)	Fund Balance
157	CAPITAL IMPROVEMENTS	2,971,667	-	2,961,479	228,139	(217,950)	10,189	2,971,667
172	CAP. WATER IMP-WALKER	469,973	(18,694)	467,204	267,201	(283,126)	(15,926)	451,278
178	CONST LOAN PAYMENT REV	2,181,338	(4,392)	1,944,719	425,653	(193,426)	232,227	2,176,946
184	SEWER BACKUP FUND	80,763	-	81,039	746	(1,023)	(276)	80,763
186	SEWER CONSTRUCTION	3,223,665	(175,000)	3,101,034	751,994	(804,362)	(52,368)	3,048,665
187	UTILITY SERVICES	460,968	(924)	440,330	586,294	(566,579)	19,715	460,044
188	CAP. SEWER IMP.-STROTH	188,516	-	42,973	201,266	(55,723)	145,543	188,516
189	UTILITIES CAPITAL OUTLAY	1,333,425	(121,492)	1,575,337	307,571	(670,975)	(363,404)	1,211,933
190	MWC SANITATION DEPARTMENT	2,398,932	-	2,070,994	2,947,475	(2,619,536)	327,938	2,398,932
191	MWC WATER DEPARTMENT	895,504	-	559,333	3,417,206	(3,081,036)	336,171	895,504
192	MWC SEWER DEPARTMENT	1,257,291	-	1,130,962	2,707,104	(2,580,776)	126,329	1,257,291
193	MWC UTILITIES AUTHORITY	1,003,489	-	950,944	69,292	(16,746)	52,545	1,003,489
194	DOWNTOWN REDEVELOPMENT	3,932,616	(6,953)	3,749,062	682,419	(505,817)	176,602	3,925,664
195	HOTEL/CONFERENCE CENTER	468,663	(1,222,436)	(722,478)	2,639,370	(2,670,665)	(31,295)	(753,773)
196	HOTEL 4% FF&E	1,038,304	-	1,070,438	115,575	(147,708)	(32,133)	1,038,304
197	JOHN CONRAD REGIONAL GOLF	76,026	(1,352)	159,995	535,735	(621,056)	(85,321)	74,674
201	URBAN RENEWAL AUTHORITY	63,202	-	62,623	579	-	579	63,202
202	RISK MANAGEMENT	3,045,405	(37)	3,253,684	1,075,178	(1,283,494)	(208,316)	3,045,368
220	ANIMALS BEST FRIEND	86,998	-	74,490	14,034	(1,526)	12,508	86,998
225	HOTEL MOTEL FUND	-	-	-	307,749	(307,749)	-	-
230	CUSTOMER DEPOSITS	1,381,560	(1,381,560)	-	12,899	(12,899)	-	-
235	MUNICIPAL COURT	108,460	(108,460)	-	873	(873)	-	-
240	L & H BENEFITS	1,681,186	(134,901)	1,661,156	3,413,710	(3,528,580)	(114,870)	1,546,285
250	CAPITAL IMP REV BOND	5,014,149	(60,493,123)	(57,570,731)	7,275,786	(5,184,028)	2,091,757	(55,478,974)
269	2002 G.O. STREET BOND	645,553	-	3,064,713	12,978	(2,432,138)	(2,419,159)	645,553
310	DISASTER RELIEF	1,363,000	(185,239)	1,283,551	119,224	(225,014)	(105,790)	1,177,761
340	REVENUE BOND SINKING FUND	-	-	-	2,696,115	(2,696,115)	-	-
350	G. O. DEBT SERVICES	1,403,175	-	1,363,245	113,135	(73,206)	39,930	1,403,175
351	TAX INCREMENT FINANCING	1,502	-	(62,340)	64,946	(1,104)	63,842	1,502
425-9010	MWC HOSP AUTH-COMP PRINCIPAL	77,632,104	(9,800,840)	64,496,585	5,118,753	(1,784,073)	3,334,680	67,831,265
425-9020	MWC HOSP AUTH-LOAN RESERVE	2,884,653	(384,653)	2,500,000	27,971	(27,971)	-	2,500,000
425-9050	MWC HOSP AUTH-DISCRETIONARY	8,067,269	(6,465)	8,983,537	2,095,107	(3,017,840)	(922,733)	8,060,804
425-9060	MWC HOSP IN LIEU OF/ROR/MISC	1,442,564	(154,711)	3,700,541	2,112,880	(4,525,567)	(2,412,686)	1,287,855
	TOTAL	151,812,262	(75,019,860)	78,456,432	75,205,767	(76,869,794)	(1,664,027)	76,792,405



The City of MIDWEST CITY

100 N. MIDWEST BLVD * MIDWEST CITY, OKLAHOMA 73110
(405) 739-1245 * FAX (405) 739-1247 * TDD (405) 739-1359

Memorandum

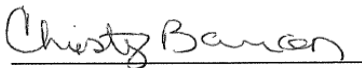
TO: Honorable Mayor and Council

FROM: Christy Barron, Finance Director

DATE: January 24, 2017

Subject: Discussion and consideration of supplemental budget adjustments to the following funds for FY 2016-2017, increase: Reimbursed Projects Fund, revenue/Intergovernmental (14) \$11,000; expenses/General Gov't (14) \$11,000; revenue/Intergovernmental (39) \$14,000; expenses/Grants Management (39) \$14,000; expenses/Grants Management (39) \$3,942. Fire Fund, revenue/Miscellaneous (00) \$1,500; expenses/Fire (64) \$1,500.

The first supplement is needed to budget 2016-2017 Oklahoma County Emergency Utility Assistance Grant from the Board of Oklahoma County Commissioners. The second supplement is needed to budget 2016-2017 Oklahoma County Support Grant from the Board of Oklahoma County Commissioners. The third supplement is needed to budget expenses related to fiscal year 2016-2017 Telstar Boys and Girls Club. The fourth supplement is needed to budget donation from Walmart Foundation to be used to purchase fire prevention supplies.



Christy Barron
Finance Director

SUPPLEMENTS
January 24, 2017

Fund REIMBURSED PROJECTS (016)		BUDGET AMENDMENT FORM Fiscal Year 2016-2017			
Dept Number	Department Name	Estimated Revenue		Budget Appropriations	
		Increase	Decrease	Increase	Decrease
14	Intergovernmental	11,000			
14	General Gov't			11,000	
		<u>11,000</u>	<u>0</u>	<u>11,000</u>	<u>0</u>

Explanation:
Budget 2016-2017 Oklahoma County Emergency Utility Assistance Grant from the Board of Oklahoma County Commissioners.

Fund REIMBURSED PROJECTS (016)		BUDGET AMENDMENT FORM Fiscal Year 2016-2017			
Dept Number	Department Name	Estimated Revenue		Budget Appropriations	
		Increase	Decrease	Increase	Decrease
39	Intergovernmental	14,000			
39	Grants Management			14,000	
		<u>14,000</u>	<u>0</u>	<u>14,000</u>	<u>0</u>

Explanation:
Budget 2016-2017 Oklahoma County Support Grant from the Board of County Commissioners of Oklahoma County.

Fund REIMBURSED PROJECTS (016)		BUDGET AMENDMENT FORM Fiscal Year 2016-2017			
Dept Number	Department Name	Estimated Revenue		Budget Appropriations	
		Increase	Decrease	Increase	Decrease
39	Grants Management			3,942	
		<u>0</u>	<u>0</u>	<u>3,942</u>	<u>0</u>

Explanation:
Budget for expenses related to FY16-17 Telstar Boys and Girls Club. Funding will come from donations received in fiscal year 2015-2016.

SUPPLEMENTS

January 24, 2017

Fund FIRE (040)		BUDGET AMENDMENT FORM Fiscal Year 2016-2017			
		Estimated Revenue		Budget Appropriations	
<u>Dept Number</u>	<u>Department Name</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
00	Miscellaneous	1,500			
64	Fire			1,500	
		<u>1,500</u>	<u>0</u>	<u>1,500</u>	<u>0</u>

Explanation:
Budget donation from Walmart Foundation to be used to purchase fire prevention supplies.



Human Resources
100 N. Midwest Boulevard
Midwest City, OK 73110
office 405.739.1235

Memorandum

TO: Honorable Mayor and Council

FROM: Catherine Wilson, Human Resources Director

DATE: January 24, 2017

RE: Discussion and consideration of accepting the monthly report on the City of Midwest City Employees' Health Benefits Plan by the City Manager and action as deemed necessary by the Council to maintain the plan.

This item is placed on the agenda at the request of the Council. Attached to this memo is information regarding the current financial condition of the City Employees' Health Benefits Plan for the month of December 2016.

This is a staff update

Catherine Wilson, Human Resources Director

REPORT OF THE EMPLOYEES' HEALTH BENEFIT PLAN FOR FISCAL YEAR 2016-2017												
FISCAL YEAR 2016-2017	<u>Jul -16</u>	<u>Aug - 16</u>	<u>Sep - 16**</u>	<u>Oct - 16</u>	<u>Nov - 16</u>	<u>Dec - 16</u>	<u>Jan - 17</u>	<u>Feb - 17</u>	<u>Mar - 17**</u>	<u>Apr - 17</u>	<u>May - 17</u>	<u>Jun - 17</u>
PLAN INCOME												
Budgeted (MTD)	572,353	572,353	572,353	572,363	572,363	572,363	572,363	572,363	572,363	572,363	572,363	572,363
Actual (MTD)	531,527	538,079	727,097	538,294	539,198	539,768						
Budgeted (YTD)	572,353	1,144,706	1,717,059	2,289,422	2,861,785	3,434,148						
Actual (YTD)	531,527	1,069,606	1,796,703	2,334,997	2,874,195	3,413,963						
PLAN CLAIMS/ADMIN COSTS	<u>Jul -16</u>	<u>Aug - 16</u>	<u>Sep - 16</u>	<u>Oct - 16</u>	<u>Nov - 16</u>	<u>Dec - 16</u>	<u>Jan - 17</u>	<u>Feb - 17</u>	<u>Mar - 17</u>	<u>Apr - 17</u>	<u>May - 17</u>	<u>Jun - 17</u>
Budgeted (MTD)	559,896	559,896	559,896	559,896	559,896	559,896	559,896	559,896	559,896	559,896	559,896	559,896
Actual (MTD)	629,294	570,126	572,340	694,343	537,963	524,514						
Budgeted (YTD)	559,896	1,119,792	1,679,688	2,239,584	2,799,480	3,359,376						
Actual (YTD)	629,294	1,199,420	1,771,760	2,466,103	3,004,066	3,528,580						
EXCESS INCOME vs. EXPENDITURES	<u>Jul -16</u>	<u>Aug - 16</u>	<u>Sep - 16</u>	<u>Oct - 16</u>	<u>Nov - 16</u>	<u>Dec - 16</u>	<u>Jan - 17</u>	<u>Feb - 17</u>	<u>Mar - 17</u>	<u>Apr - 17</u>	<u>May - 17</u>	<u>Jun - 17</u>
Budgeted (MTD)	40,826	12,457	12,457	12,467	12,467	12,467	12,467	12,467	12,467	12,467	12,467	12,467
Actual (MTD)	-97,767	-32,047	154,757	-156,049	1,235	15,254						
Budgeted (YTD)	12,457	24,914	37,371	49,838	62,305	74,772						
Actual (YTD)	-97,767	-129,814	24,943	-131,106	-129,871	-114,617						
FISCAL YEAR 2015-2016	<u>Jul -15</u>	<u>Aug - 15</u>	<u>Sep - 15</u>	<u>Oct - 15</u>	<u>Nov - 15</u>	<u>Dec - 15</u>	<u>Jan - 16</u>	<u>Feb - 16</u>	<u>Mar - 16</u>	<u>Apr - 16</u>	<u>May - 16</u>	<u>Jun - 16</u>
PLAN INCOME												
Budgeted (MTD)	530,920	530,920	530,920	663,615	530,920	530,920	530,920	530,920	530,920	663,615	530,920	530,920
Actual (MTD)	537,739	532,037	534,342	718,473	539,926	534,845	549,498	529,364	556,672	729,630	631,135	556,148
Budgeted (YTD)	530,920	1,061,840	1,592,760	2,256,375	2,787,295	3,318,215	3,849,135	4,380,055	4,910,975	5,574,590	6,105,510	6,636,430
Actual (YTD)	537,739	1,069,776	1,604,118	2,322,591	2,862,517	3,397,362	3,946,860	4,476,224	5,032,896	5,762,526	6,393,661	6,949,809
PLAN CLAIMS/ADMIN COSTS	<u>Jul -15</u>	<u>Aug - 15</u>	<u>Sep - 15</u>	<u>Oct - 15</u>	<u>Nov - 15</u>	<u>Dec - 15</u>	<u>Jan - 16</u>	<u>Feb - 16</u>	<u>Mar - 16</u>	<u>Apr - 16</u>	<u>May - 16</u>	<u>Jun - 16</u>
Budgeted (MTD)	560,232	700,290	560,232	560,232	700,290	560,232	560,232	700,290	560,232	560,232	700,290	560,232
Actual (MTD)	475,229	793,029	497,060	581,637	804,651	647,170	583,231	613,736	471,664	592,649	694,747	480,354
Budgeted (YTD)	560,232	1,260,522	1,820,754	2,380,986	3,081,276	3,641,508	4,201,740	4,902,030	5,462,262	6,022,494	6,722,784	7,283,016
Actual (YTD)	475,229	1,268,258	1,765,318	2,346,955	3,151,606	3,798,776	4,382,007	4,995,743	5,467,407	6,060,056	6,754,803	7,235,157
EXCESS INCOME vs. EXPENDITURES	<u>Jul -15</u>	<u>Aug - 15</u>	<u>Sep - 15</u>	<u>Oct - 15</u>	<u>Nov - 15</u>	<u>Dec - 15</u>	<u>Jan - 16</u>	<u>Feb - 16</u>	<u>Mar - 16</u>	<u>Apr - 16</u>	<u>May - 16</u>	<u>Jun - 16</u>
Budgeted (MTD)	-29,312	-169,370	-29,312	103,383	-169,370	-29,312	-29,312	-169,370	-29,312	103,383	-169,370	-29,312
Actual (MTD)	62,510	-260,992	37,282	136,836	-264,725	-112,325	-33,733	-84,372	85,008	136,981	-63,612	75,794
Budgeted (YTD)	-29,312	-198,682	-227,994	-124,611	-293,981	-323,293	-352,605	-521,975	-551,287	-447,904	-617,274	-646,586
Actual (YTD)	62,510	-198,482	-161,200	-24,364	-289,089	-401,414	-435,147	-519,519	-434,511	-297,530	-361,142	-285,348

Current Fund Balance: \$1,543,687

Dec. 2016 \$1,545,493

Dec. 2015 \$1,579,292

Dec. 2014 \$926,976

Dec. 2013 \$1,200,877

****NOTE: Sept. 2016 and Mar. 2017 are months in which there are Three Payrolls of Revenue into the Plan**



Human Resources
100 N. Midwest Boulevard
Midwest City, OK 73110
office 405.739.1235

Memorandum

To: Honorable Mayor and Council
From: Catherine Wilson, MPA, Human Resources Director
Date: January 24, 2017

RE: Discussion and consideration of approving and entering into, effective February 15 2017, (1) the MassMutual Administrative Services Agreement with Massachusetts Mutual Life Insurance Company to govern the terms and conditions under which it will administer the City's Section 457 Deferred Compensation Plan including recordkeeping and other administrative services; (2) the Investment Agreement, a group annuity contract, with Massachusetts Mutual Life Insurance Company; and (3) the Trust Agreement and Resolution with Reliance Trust Company which will govern the Trust Assets of the City's 457 (b) Deferred Compensation Plan and hold and administer the assets of the Plan in accordance with the Investment Agreement.

As an employer the City maintains, for the benefit of its eligible employees, a Section 457 Deferred Compensation Plan, which is intended to satisfy the requirements of Section 457 of the Internal Revenue Code. The Administrative Services Agreement describes the record keeping services that MassMutual will provide for the Plan with the new electronic platform they will be providing to the City's eligible employees. The newer platform will allow participating employees access to invest their funds and will assist them in making decisions with regard to their retirement funds. The conversion to the new platform will be conducted in February in conjunction with the effective date of the Trust Agreement.

The Investment Agreement is a group annuity contract that funds benefits for plans satisfying the requirements under Section 457 of the Internal Revenue Code and is designed to comply with state insurance department standards. Annuities are available subject to the terms of each plan but this Agreement does not require the purchase of annuities. MassMutual will accept deposits of plan assets and pay benefits under the terms of this Agreement.

As the employer, the Trust Agreement and resolution will appoint Reliance Trust Company as the direct trustee to hold and administer the assets of the Plan in accordance with the Agreement.

Staff recommends approval.

A handwritten signature in black ink, appearing to read "Catherine Wilson", with a stylized flourish at the end.

Catherine Wilson, MPA, Human Resources Director

Attachments (3)

MASSMUTUAL ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") is made between Massachusetts Mutual Life Insurance Company ("MassMutual") and City of Midwest City ("Plan Sponsor") with respect to City of Midwest City Deferred Compensation Plan ("Plan").

WHEREAS: The Plan Sponsor is the sponsor of the Plan and is (or is authorized to act for) the "administrator" of the Plan;

WHEREAS: The Plan Sponsor desires to engage MassMutual to provide the recordkeeping and other administrative services described in this Agreement (the "Services") to the Plan, and MassMutual is willing to provide the Services in exchange for certain fees on the terms and conditions described by this Agreement.

THEREFORE: The Plan Sponsor and MassMutual effective as of the 15th day of February, 2017 hereby agree as follows:

1. RECORDKEEPING AND ADMINISTRATIVE SERVICES

1.1 Description of Services: The Plan Sponsor hereby engages MassMutual to provide the Services described in this Agreement and the accompanying Exhibits. At all times, the Services are subject to review and approval by the Plan Sponsor and the legal, tax and other advisors of the Plan Sponsor, as the Plan Sponsor in its sole discretion, determines.

1.2 Plan Administrator's Guide: The Plan Sponsor hereby directs MassMutual to perform the Services in accordance with the policies, practices and procedures set forth in MassMutual's Plan Administrator's Guide, as the same may be amended by MassMutual from time to time. MassMutual agrees to provide Plan Sponsor with notice of any changes to the Plan Administrator's Guide, which may take the form of posting an amended Guide on MassMutual's plan sponsor website. In any matter not resolved by the language in the Plan Administrator's Guide, Plan Sponsor directs MassMutual, and MassMutual agrees to follow commercially reasonable standards.

1.3 Participant Access/Plan Sponsor Website/Paperless Services: The Plan Sponsor consents to MassMutual's use of electronic media for all services provided under this Agreement to the extent permitted by law and it agrees to process transactions and transmit data and information to MassMutual using electronic media, via MassMutual's plan sponsor website or such other methods as may be agreed to by MassMutual. MassMutual may charge the Plan Sponsor additional fees if the Plan Sponsor does not process transactions using electronic media made available by MassMutual.

The Plan Sponsor directs MassMutual to allow participants access to their individual accounts and to initiate transactions electronically and via toll-free telephone services which include a voice response unit and customer service professionals. MassMutual endeavors to make its electronic channels, voice response unit and customer service representatives available during normal business hours or such other times as determined by MassMutual. MassMutual is not responsible for the failure of these systems caused by events beyond its control.

MassMutual will act on any telephonic or electronic instructions it reasonably believes to be genuine. In order to prevent unauthorized access to its systems, MassMutual employs reasonable security procedures, such as personal identification numbers and plan sponsor ID numbers. MassMutual is not responsible for a loss that results if any participant's or the Plan Sponsor's identifiers or other security procedures are compromised. Plan Sponsor agrees to immediately notify MassMutual if the Plan Sponsor becomes aware of a security breach.

1.4 Distribution Services: As part of ongoing plan administration, MassMutual will provide terminating plan participants with information regarding their distribution options under the Plan. As part of this service, MassMutual will provide participants with estimated annuity payments where applicable and a notice regarding the tax consequences of various forms of distribution. Plan Sponsor authorizes MassMutual to provide participants information regarding individual retirement accounts and other rollover products available through MassMutual.

1.5 Data Sharing/Plan Sponsor Logo: The Plan Sponsor directs MassMutual to provide the Plan's representatives and other authorized third parties, including but not limited to third-party administrator, broker of record, data aggregator, or other third-party advisor, if any, with information regarding the Plan, as requested by such persons, including but not limited to termination, loans and distributions.

1.6 Plan Conversion: MassMutual will commence providing recordkeeping and other administrative services with respect to the Plan upon the completion of a conversion period during which all Plan records required by MassMutual to perform the Services are transferred to MassMutual. During the conversion period, MassMutual may rely on data supplied by the prior recordkeeper. The details of the Plan's conversion to MassMutual, including the Plan Sponsor's directions with respect to the investment of Plan assets, for example, mapping of plan assets, and other terms and conditions for the conversion, are described in Exhibit B.

2. INVESTMENT PROCEDURES

2.1 Investment of Plan Assets: The Plan Sponsor or its designee, and not MassMutual, is responsible for the investment of plan assets. Plan assets are invested in mutual funds, collective investment trust funds, insurance company general and separate accounts, other pooled investment vehicles or other investments, selected by the Plan Sponsor or its designee as described in

Exhibit C ("Investment Options"). The Plan Sponsor or its designee and/or the participants direct the investment of plan assets among these Investment Options as indicated in Exhibit C. The Plan Sponsor or its designee may amend its selections on Exhibit C at any time by providing MassMutual at least sixty (60) days advance written notice. MassMutual cannot accept any change it is unable to administer.

If the Plan's assets are invested either exclusively or in part through a group annuity contract issued by MassMutual, the Plan Sponsor acknowledges and agrees that MassMutual has established Investment Options that it makes available to plan sponsors through the contract and that the contract allows MassMutual to add, reinvest the underlying assets of, or discontinue, available Investment Options subject to certain conditions. If MassMutual adds an Investment Option to, or removes an Investment Option from the Investment Options available under the group annuity contract, MassMutual will post a notice titled *Separate Investment Account Additions and Removals* on the plan sponsor website at <https://retire.massmutual.com/trc2/public/login.aspx> under the 'Actions and Alerts' section. MassMutual will also post on the same plan sponsor website and location a notice titled *Menu of Available Investment Options* for each Investment Option MassMutual makes available under a group annuity contract or funding agreement that discloses the expense ratio for the investment option and the revenue, if any, paid to MassMutual from the investment option, including disclosure of those investment options that make no revenue sharing payments to MassMutual.

Notwithstanding any provision in the Plan Sponsor's group annuity contract or group funding agreement (the "Group Contract"), MassMutual will not delete, change or replace any investment option the Plan Sponsor has selected to be part of the Plan's menu of investment options (including share classes of a given plan investment option) without: (1) providing the Plan Sponsor with sixty days' written notice, and (2) obtaining the Plan Sponsor's consent to the proposed change, subject to the qualification that MassMutual can remove an investment option from the Plan's menu of investment options if the investment option is no longer available through merger or otherwise and further provided that the Plan Sponsor's failure to object will be treated as consent to the proposed change. If the Plan Sponsor affirmatively rejects the proposed change and MassMutual ultimately implements the change, the Plan Sponsor has the right to terminate the Group Contract without application of a surrender charge or similar charge (a "penalty") and the Plan Sponsor will be provided with an additional sixty days from the effective date of the change to identify an alternative service provider. These conditions only apply to changes to plan investment options initiated by MassMutual.

Any plan investment option changes initiated by an investment provider other than MassMutual will be administered as follows. Unless the change is required by events beyond MassMutual's reasonable control, MassMutual will provide the Plan Sponsor with advance written notice of such change, typically sixty (60) days in advance of the effective date, including an explanation of the reason for, and the effective date of, the change and an opportunity to select other Investment Options available under the group annuity contract. If the change is required by events beyond MassMutual's reasonable control, MassMutual is not required to provide sixty (60) days-notice, but will provide notice as soon as practicable. For administrative purposes, MassMutual may communicate and process changes to the Plan's Investment Options prior to the effective date of the change. If MassMutual notifies the Plan Sponsor of the discontinuance of an Investment Option and the Plan Sponsor fails to select a replacement Investment Option before the requested response date, any plan assets invested in the discontinued Investment Option will be transferred to the Participant Default Investment Option.

The Plan Sponsor directs MassMutual to treat any change to the Plan's Investment Options approved by the Plan Sponsor under the conditions set forth in the group annuity contract or this Agreement, as an amendment to Exhibit C.

As a result of entering into a contractual relationship with MassMutual through a Group Contract, the Plan is directing MassMutual to reinvest any mutual fund dividends or capital gains distributions payable on the shares of any mutual fund in which a separate account invests in the form of additional shares, if available, and credit to contract value the dividends and distributions either as part of the separate account accumulation unit value, or as additional accumulation units. By purchasing this Group Contract, the authorized plan representative hereby instructs that all such dividends and capital gains distributions be paid and credited as described above, so long as available.

2.2 Pricing Transactions: MassMutual generally processes investment instructions at the value determined at the close of the New York Stock Exchange (usually 4 p.m.) on each business day following receipt by MassMutual of the investment instructions in good order. Thus, if MassMutual receives investment instructions in good order before the close of the New York Stock Exchange on a business day, the transaction receives the value of the investment option in question determined as of the market close on that day, earlier times may apply to certain Investment Options. If investment instructions are received in good order after the New York Stock Exchange closes, or on a day when it is not open, the transaction receives the value of the Investment Option in question determined as of the market close on the next day the New York Stock Exchange is open. If investment instructions are not processed on a business day for reasons beyond MassMutual's reasonable control, including without limitation, that the order is not in good order, the instructions will be processed at the value determined at the close of the New York Stock Exchange on the next business day when the investment instructions are in good order or as soon, thereafter, as is feasible.

2.3 Participant Default Investment Option: To the extent that MassMutual does not receive investment instructions or the instructions are not in good order from a participant regarding the investment of all or a portion of the participant's individual account, the amount in question will be invested in the default investment option selected by the Plan Sponsor on Exhibit C.

2.4 Frequent Trading Policy: In order to comply with the prohibitions on market timing and frequent trading enforced by the managers of certain Investment Options or their underlying investments, MassMutual applies controls that prohibit Plan Sponsors and participants from transferring into certain Investment Options if the Plan Sponsor or participant has transferred into and out of the Investment Option within the previous sixty (60) days (the "Frequent Trading Policy"). The Plan Sponsor directs MassMutual to apply the Frequent Trading Policy to the Plan and agrees that MassMutual may revise the Frequent Trading Policy as described above, in its sole discretion. A description of the Frequent Trading Policy is available to the Plan Sponsor upon request. In addition, the Plan Sponsor agrees and acknowledges that the managers of mutual funds and other Investment Options may require

MassMutual to impose different or additional trading restrictions or to prohibit further trading by a plan or participant at any time. MassMutual may revise the Frequent Trading Policy, as necessary, to comply with new investment manager restrictions or legal requirements.

2.5 Competing Investment Options: Exchanges between Investment Options that are competing funds may be restricted, where such exchanges could adversely impact the returns of participants. This restriction may be in lieu of, or in addition to similar restrictions that may be found in any investment agreement, the prospectus, or other documents governing the Investment Options. The Plan Sponsor acknowledges that MassMutual will enforce such restrictions in providing the administrative services under this Agreement.

3. PLAN SPONSOR'S RESPONSIBILITIES

3.1 Instructions, Information and Data: The Plan Sponsor will provide MassMutual with all necessary instructions, information and data in a timely fashion and in good order. The information or data required in a given situation is described in this Agreement, the Exhibits, the Plan Administrator's Guide, or as otherwise communicated by MassMutual. The Plan Sponsor must immediately notify MassMutual if the Plan Sponsor believes MassMutual has not properly processed instructions.

For purposes of this Agreement, "in good order" means an instruction that includes all information reasonably required by MassMutual to give effect to the instruction and is in a format mutually agreeable to the parties. MassMutual has no duty to verify whether instructions, information or data it receives from the Plan Sponsor is properly authenticated, accurate and complete or that it is in receipt of all necessary instructions. MassMutual may fully rely on instructions, information and data provided by the Plan Sponsor, its representatives and other authorized third parties, and the participants. If MassMutual determines that an item is not in good order, MassMutual will bring this to the Plan Sponsor's attention and will inform the Plan Sponsor of what additional information or data is required before it can act. The Plan Sponsor is responsible for any expense or claim that results from the Plan Sponsor's failure to provide instructions, information or data in a timely fashion and in good order. MassMutual is not responsible for a loss that results from carrying out instructions received from the Plan Sponsor, participants, the plan sponsors, representatives, or authorized third parties.

In carrying out its responsibilities under this Agreement, MassMutual will act upon the directions of the Plan Sponsor's representatives. MassMutual will rely upon the continuing authority of such representatives until otherwise notified in writing. MassMutual may act upon written directions of the Plan Sponsor or its representatives (in original or by facsimile transmission) or upon oral or telephonic instructions, or electronically transmitted instructions that MassMutual reasonably believes to be genuine.

3.2 Contributions: The Plan Sponsor, its representatives or other authorized third parties, including but not limited to a common remitter or payroll provider, if any, is responsible for monitoring and collecting all contributions and other amounts due to the Plan, and will remit or cause to be remitted all such sums to the Plan on a timely basis in full compliance with the Internal Revenue Code, as amended ("Code") or other relevant law.

3.3 Multiple Plans and Controlled Groups: The Plan Sponsor will inform MassMutual of other retirement plans it sponsors and controlled groups or affiliated service groups of which it is a member.

3.4 Required Reporting and Communications: This Agreement does not affect which party has ultimate responsibility for a report or participant communication. However, MassMutual will assist the Plan Sponsor with the preparation of reports and participant communications as described in Exhibit A. The Plan Sponsor is obligated to review in a timely manner reports and communications prepared by MassMutual and inform MassMutual of any errors or discrepancies. The Plan Sponsor is responsible for providing participants, including terminated participants, all legally required disclosures, communications and other information. MassMutual only provides the communication materials and statements described in this Agreement (including the Exhibits) and the Plan Administrator's Guide. MassMutual does not make any representations as to whether such communication materials and statements satisfy the requirements under applicable laws and regulations.

3.5 Notice of Plan Events: The Plan Sponsor must notify MassMutual as far in advance as practicable of events that may increase volume in participant-directed transactions or benefit requests. Such events include reorganizations or restructurings, early retirement programs or lay-offs.

3.6 Third-party Service Providers: The Plan Sponsor may engage third-parties to provide services to the Plan. The Plan Sponsor agrees that any third-party administrator or other person engaged by the Plan Sponsor to provide services to the Plan is not, and will not be deemed to be, MassMutual's agent or subcontractor and MassMutual is not responsible for the third-party's acts or omissions with respect to the Plan. MassMutual may subcontract services it provides under this Agreement.

3.7 Missing Participants: In the event that MassMutual cannot from its records ascertain the whereabouts of a participant or beneficiary entitled to a distribution from the Plan, MassMutual will notify the Plan Sponsor. The Plan Sponsor is responsible for locating missing participants and directing MassMutual as to the disposition of missing participants' benefits.

3.8 Certification: In the event of a request by the Plan Sponsor for a transfer of any Plan assets to a new trustee, custodian or insurance company, the Plan Sponsor or a delegate of the Plan Sponsor will, in a written notice delivered to MassMutual: (i) designate the trustee, custodian or insurance company that is to receive the transfer; and (ii) certify that the amount so transferred is to be used to provide benefits for those participants and beneficiaries who would be entitled to benefits under the Plan and such Plan, in the opinion of the Plan Sponsor or its delegate, continues to meet the applicable qualification requirements of the Code. MassMutual will be entitled to rely conclusively upon such certification.

4. FEES

4.1 Fee Schedule: Descriptions of the fees and other revenue MassMutual receives in connection with the Services provided to the Plan Sponsor and the Plan pursuant to this Agreement may be found in Exhibits C ("Plan Investments"), D ("Fees"), F ("MassMutual Retirement Services Float Policy") & H ("Approval Services"). MassMutual reserves the right to assess fees for services it renders which are not contemplated by this Agreement.

4.2 Method of Payment: The Plan Sponsor certifies that reasonable administrative expenses and fees may be paid from plan assets. To the extent the Plan is prohibited from paying amounts due MassMutual from plan assets, the Plan Sponsor will pay the amount due from its own assets. In the absence of notice provided by the Plan Sponsor, MassMutual will deduct from plan assets amounts owed for expenses and fees. Instead of deducting expenses and fees from plan assets, the Plan Sponsor may provide notice to MassMutual in a form satisfactory to MassMutual that it is electing to directly pay the expenses and fees. In such case, amounts are due and payable by the Plan Sponsor within thirty (30) days from the date of the invoice from MassMutual. If fees and expenses have not been paid within thirty (30) days from the date of the invoice, MassMutual will withdraw the amount of the unpaid fees and expenses and all future fees and expenses from plan assets.

4.3 Modification of Fees: The fees set forth in Exhibit D are effective for 3 year(s) from the effective date of this Agreement and is executed contingent upon the assumptions regarding plan assets, cash flow, Investment Options and account balances on which the fees are based at time of conversion. If these factors are not consistent with these assumptions, MassMutual reserves the right to increase fees. Thereafter fees are subject to change upon sixty (60) days advance written notice provided by MassMutual to the Plan Sponsor. This notice will consist of a revised fee schedule. In addition to the fees set forth in Exhibit D, if MassMutual increases any other compensation it receives from the Plan, whether directly or indirectly, including compensation received from the Plan's Investment Options, MassMutual will provide the Plan Sponsor with sixty (60) days advance notice of the increase. The Plan Sponsor may terminate its Contract without penalty if the changes are not acceptable.

4.4 Investment Fees: Under the arrangements between MassMutual and the investment vehicles offered as Investment Options under this Agreement, MassMutual receives certain fees in exchange for providing recordkeeping and accounting services. Amounts received by MassMutual are disclosed in the Cost and Revenue Disclosure document you received before MassMutual began delivering administrative services pursuant to this Agreement. These fees represent a portion of the fees assessed against all of the shareholders or investors in the Investment Options and are separate from fees paid to MassMutual under this Agreement. The Plan Sponsor acknowledges that these fees allow MassMutual to charge the Plan a lower fee under this Agreement than would otherwise be the case. The Plan Sponsor further acknowledges that it has taken these fees into consideration in determining, if overall, the fees paid by the Plan under this Agreement are reasonable. From time to time, MassMutual may renegotiate these fees under such arrangements without the approval of the Plan Sponsor.

4.5 Disclosure of Fees: The attached Exhibits contain a detailed description of all the fees collected under this Agreement. MassMutual also provides or makes available to you materials that describe additional revenue MassMutual receives, including revenue received with respect to the Plan's investments. MassMutual will disclose any material change in this information to the Plan Sponsor as required by law.

4.6 Float: MassMutual's policy is to process contributions to and distributions from the Plan as quickly as possible. Pending the processing of contributions and distributions, funds may be invested in short term instruments such as institutional money market funds. It is MassMutual's policy to retain any earnings ("float") that accrue on these short term investments. The Plan Sponsor acknowledges that it has taken this float into consideration in determining the reasonableness of the fees paid by the Plan under this Agreement. MassMutual's float policy is attached as Exhibit F.

5. TRUSTEE/CUSTODIAN SERVICES

5.1 Custody of Plan Assets: Except for Plan assets deposited under a group annuity contract issued by MassMutual, all assets of the Plan are held in trust by the Trustee/Custodian. The responsibilities of the Trustee/Custodian and its legal obligations are governed by a separate trust agreement.

5.2 Directed Trustee/Custodian: If any assets of the Plan are held in trust, the Plan Sponsor may appoint a directed trustee/custodian of the Plan, provided that MassMutual determines that the directed trustee/custodian is capable of providing information and instructions to MassMutual in accordance with MassMutual's standard administrative procedures, as reasonably determined by MassMutual. In carrying out its responsibilities under this Agreement, MassMutual may rely on information, confirmations and other communications received from the directed trustee/custodian.

If FMT is the directed trustee of the Plan pursuant to a Directed Trustee Agreement between FMT and the Plan Sponsor, the Plan Sponsor confirms that FMT has been properly appointed directed trustee in accordance with the terms of the Plan.

6. AMENDMENT AND TERMINATION

6.1 Amendment: This Agreement may be amended, at any time, by a written agreement of the parties. In addition, acceptance by Plan Sponsor of Services with respect to a Plan and changes to the Plan's investment options by the Plan Sponsor's designee will be deemed to be acceptance by Plan Sponsor of corresponding changes to Exhibits A, C and D, as applicable. Finally, MassMutual may amend this Agreement by providing the Plan Sponsor written notice of an amendment sixty (60) days prior to its effective date. If the amendment is not acceptable to the Plan Sponsor, the Plan Sponsor may terminate this Agreement. In the absence of written notice to terminate this Agreement delivered to MassMutual before the applicable effective date of an

amendment, the Plan Sponsor will be deemed to have approved such amendment. Amendment to the terms of this Agreement may be documented in an addendum to this Agreement.

6.2 Term and Termination: This Agreement commences as of the earliest of the date (i) so indicated on the first page; (ii) executed by the plan sponsor; or, (iii) funds are deposited with MassMutual or the trustee/custodian, and continues until terminated by either party.

At any time, MassMutual or the Plan Sponsor may terminate this Agreement by providing the other party written notice of its intent. Appointment of a successor recordkeeper by the Plan Sponsor effectively terminates this agreement. If the Plan is solely funded by a group annuity contract, then this agreement terminates coincident with the termination of the group annuity contract. Otherwise, the termination is effective sixty (60) days from the date notice is received by the other party, unless the parties select another date mutually agreeable to both. If the Plan Sponsor is terminating this agreement because it objects to an amendment by MassMutual, it may terminate the Agreement by delivering thirty (30) days notice to MassMutual. MassMutual will continue to provide administrative services through the termination date, will be entitled to fees, and will cooperate in the conversion of the Plan to the new recordkeeper to the extent mutually agreeable to both parties. On and after the termination date, contributions to, withdrawals from, and transfers between funds maintained with respect to this Agreement will not be permitted. As of a date not later than thirty (30) days following the termination date, MassMutual will withdraw the value of the affected participants' accounts from the investments made under this Agreement and will deliver the proceeds of such withdrawal to, or as directed by, the Plan Sponsor provided that MassMutual will first be entitled to deduct from such proceeds any administrative or other fees then due to MassMutual. It shall not be a breach of this Agreement if MassMutual fails to make a withdrawal and/or deliver proceeds, as provided for above, due to an unscheduled market closure or any other event beyond MassMutual's reasonable control, provided MassMutual makes such withdrawal and/or delivers such proceeds as soon as reasonably possible following such event. Termination of any other contract issued to the Plan Sponsor by MassMutual will be governed solely by the terms of such contract. MassMutual will provide any outstanding reports to the Plan Sponsor within ninety (90) days of the termination date. Information regarding the form 5500 will be provided as required by law which may be later than stated above.

7. LIABILITY; INDEMNIFICATION; DISPUTE RESOLUTION

7.1 Scope of MassMutual's Responsibility under this Agreement: MassMutual has no duties or obligations with respect to the Plan other than those duties and obligations specifically set forth in this Agreement. Without limiting the foregoing, MassMutual has no responsibility for any of the following: the deductibility of the Plan Sponsor's contributions made to the Plan, the continued qualification of the Plan; the accuracy of data supplied to MassMutual by the Plan Sponsor, its representatives or other authorized third parties, if any, at any time prior to or during the term of this Agreement; the payment of interest, penalties or excise taxes arising from the failure of the Plan Sponsor to comply with any of the Plan Sponsor's responsibilities under this Agreement or applicable law; or joint testing of additional plans maintained by the Plan Sponsor, but administered by someone other than MassMutual. MassMutual does not warrant, verify or accept responsibility for administrative services provided to the Plan Sponsor prior to the engagement of MassMutual.

7.2 Fiduciary Status: The Plan Sponsor acknowledges that it is the plan fiduciary within the meaning of relevant law, with the authority to select service providers and plan investments. It is the intent of the parties that in performing its non-discretionary administrative services for the Plan under this Agreement, MassMutual: (i) acts solely as a non-fiduciary service provider to the Plan Sponsor implementing the instructions and directives it receives from the Plan Sponsor or, as authorized by the Plan Sponsor, from the participants; (ii) is neither a fiduciary nor a plan administrator as these terms are defined in relevant law; and (iii) has no discretion in matters of plan administration and management including, but not limited to, interpretation of the plan document, the application of law and the investment of plan assets. The parties intend that discretion in these, and all other matters, lies exclusively with the Plan Sponsor. The Plan Sponsor is responsible for appointing a plan administrator who has discretionary authority in the administration of the Plan. The Plan Sponsor may also retain other service providers with whom MassMutual will work to service the Plan, including investment advice providers and directed trustees. These service providers may assume fiduciary responsibility with respect to the Plan and while MassMutual may provide the Plan Sponsor with revenue information with respect to these service providers, they are neither affiliates of, nor subcontractors for, MassMutual. MassMutual does not give legal, accounting, or tax advice and the Plan Sponsor should consult its own legal, accounting and tax advisors.

MassMutual may offer group annuity contracts, the assets of which are allocated to insurance company separate investment accounts ("SIA") that may hold plan assets. Those SIAs may invest in either one or more mutual funds, a bank collective trust fund or a portfolio of securities. MassMutual may also offer a registered product through which plans may directly invest in mutual funds (including the MassMutual Premier and Select mutual funds) and bank collective trust funds. MassMutual acknowledges its status as an investment advisor registered under the Investment Advisers Act of 1940 with respect to the plan to the extent that it manages the Premier and Select mutual funds offered under the registered product in accordance with the stated investment objectives of such mutual funds.

With respect to the group annuity contract, MassMutual's affiliate, Babson Capital Management, LLC ("Babson") acknowledges its status as an investment advisor registered under the Investment Advisers Act of 1940 with respect to the plan to the extent that it manages the securities of a portfolio SIA holding plan assets in accordance with the stated investment objectives of such SIA. With respect to the registered product, MassMutual's affiliates, Babson, Baring International Investment Limited ("Baring"), OppenheimerFunds, Inc. ("OFI") or OFI Institutional Asset Management, Inc. ("OFI Inst") acknowledge their status as investment advisors registered under the Investment Advisers Act of 1940 with respect to the plan to the extent that they manage the securities of the mutual funds in which the plan invests in accordance with the stated investment objectives of such mutual funds.

The Plan Sponsor further acknowledges and agrees that all information about the Investment Options (including performance data), all participant enrollment and education information, and similar materials, are provided to the Plan Sponsor and participants to

enable them to independently assess their options and make investment decisions in connection with the Plan. MassMutual is not authorized and will not make recommendations that the Plan Sponsor or a participant may rely on as a primary basis for investment decisions. In making the investments under our products available, MassMutual is not acting as a fiduciary to the Plan. The Plan Sponsor or its delegate is responsible for selecting the investment options that are available under the Plan.

7.3 Indemnification: MassMutual agrees to indemnify and to defend the Plan with respect to any loss or liability including reasonable legal expenses ("Indemnified Costs") arising from a claim or legal action asserted against the Plan or Plan Sponsor based upon the gross negligence or willful misconduct of MassMutual in performing its duties under this Agreement. To the extent permitted by applicable law, the liability of MassMutual under this section is limited to two times the compensation paid to MassMutual under this Agreement in the year the act or omission giving rise to the liability occurred. In its turn, the Plan Sponsor agrees that it, and to the extent permitted by law the Plan, shall indemnify and defend MassMutual and its agents with respect to any Indemnified Costs arising from a claim or legal action asserted against MassMutual or its agents in performing its duties under this Agreement, except to the extent such Indemnified Costs are the result of the gross negligence or willful misconduct of MassMutual. A party ("the indemnified party") will lose its right to seek indemnification and defense under this section regarding a particular claim or action unless it notifies the other party within thirty (30) business days after the indemnified party becomes aware of such claim or action.

7.4 Informal Resolution: If a dispute concerning the performance of duties under this Agreement should arise between the Plan Sponsor and the Plan, on the one hand, and MassMutual on the other, both parties agree that every effort will be made to reach an informal resolution of the matter that is fair and equitable to both parties.

7.5 Limitation/Mitigation of Damages: The right to indemnification for a loss or liability, or to a payment or an award in mediation or arbitration between MassMutual and the Plan, and the Plan Sponsor or its agents, is limited to damages arising directly from a breach of this Agreement. The right to damages under this Agreement does not extend to punitive, consequential, incidental, indirect or special damages. Both parties have a duty to mitigate damages.

7.6 Statute Of Limitations: Subject to relevant law, no lawsuit or other action may be brought by either party hereto, or on any claim or controversy based upon or arising in any way out of this Agreement, after one (1) year from the date on which the cause of action arose regardless of the nature of the claim or form of action, whether in contract, tort (including negligence) or otherwise; provided, however, the foregoing limitation shall not apply to the collection of any amounts due under this Agreement.

8. GENERAL PROVISIONS

8.1 Severability and Validity Agreement: If the parties determine that a provision of this Agreement is open to more than one interpretation, the provision must be interpreted in a manner consistent with applicable law. The finding of a court of law or other legal body that a provision of this Agreement is unenforceable in a jurisdiction, does not affect the validity of the remaining provisions of the Agreement and the remaining provisions will continue to be enforced in all other jurisdictions. Where a provision of the Agreement is found to be unenforceable, MassMutual and the Plan Sponsor agree to substitute new language in the place of such provision that, as closely as possible, reflects the provision's original intent and economic impact. The failure of either MassMutual or the Plan Sponsor to enforce a provision of this Agreement does not constitute a waiver of the provision and does not affect the validity of this Agreement.

8.2 Assignment: Either party may assign this Agreement by providing at least one hundred and eighty (180) days prior written notice to the other.

8.3 Force Majeure: The performance of the respective duties of MassMutual and the Plan Sponsor under this Agreement are excused for any period of time during which performance is impossible due to events beyond the control of either party. This includes, but is not limited to, floods, fire, earthquakes and other natural disasters; power outages; the malfunction of communication facilities; and the closing of stock exchanges.

8.4 Third Parties: This Agreement does not impose duties upon or create rights in any person or entity except MassMutual and the Plan Sponsor.

8.5 Electronic Signatures: The parties agree that the execution of necessary documents or where approval of the Plan Sponsor or a participant is required, this can be accomplished in an electronic format.

8.6 Written Notices: Written notices required under this Agreement must be delivered by a nationally recognized overnight courier service (costs prepaid) to MassMutual; Attention: Executive Vice President for Retirement Services, 1295 State Street, Springfield, Massachusetts 01111; and to the Plan Sponsor Attention: the person designated as the Plan's primary contact at the most recent address on record with MassMutual. The date of a written notice is the date it is received by the recipient. Written notices may be sent by other means, including facsimile or e-mail with confirmation of transmission if this is acceptable to the party receiving the notice. The person designated to receive notice may be changed by providing notice to the other party.

8.7 Plan Sponsor Representations: The Plan Sponsor acknowledges that it is the plan fiduciary responsible for the selection of and monitoring of service providers and investment options for the Plan, and represents that: (i) it is a fiduciary within the meaning of relevant law, with respect to the Plan; (ii) it is independent in all respects of MassMutual and all affiliates of MassMutual; and (iii) it has not relied on any advice or recommendation of MassMutual or any affiliates of MassMutual as a basis to enter into this Agreement or with respect to the selection of the Investment Options offered to participants under the Plan.

- 8.8 Governing Law:** The validity and interpretation of this Agreement and the rights and duties of the parties are governed by the laws of the Commonwealth of Massachusetts without applying the principles of conflict of laws.
- 8.9 Venue and Jurisdiction:** In the event of litigation, MassMutual and the Plan Sponsor consent to the venue in and to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts, including the Federal District Court for Massachusetts.
- 8.10 Provisions Survive Agreement:** The provisions of Sections 6, 7 and 8 of this Agreement will survive and continue to govern the rights of all parties in the event of the termination of this Agreement.
- 8.11 Participant Defined:** A participant is any person with an individual account in the Plan which includes beneficiaries and alternate payees under qualified domestic relations orders.
- 8.12 Headings:** The headings in this Agreement are for reference only and are not intended to affect the interpretation of its language.
- 8.13 Plan Sponsor Acknowledgement:** The Plan Sponsor acknowledges and agrees that it received from MassMutual, before the execution of this Agreement, sufficient information to make an informed decision as to whether the aggregate of the direct and indirect compensation received by MassMutual in connection with the Services constitutes reasonable compensation.
- 8.14 Third Party Investment Guidance and Advice Services:** MassMutual may make available to the Plan investment advice and related services from third parties ("Advice Providers"). Such services may include, but are not limited to, assisting the Plan Sponsor with investment selection and monitoring and assisting Plan participants with investment selection and asset allocation (collectively, "Advice Services"). By making Advice Services available to the Plan, MassMutual is not soliciting on behalf of any Advice Provider or endorsing or recommending any Advice Provider or any investment advice that any Advice Provider may render. The Plan Sponsor is solely responsible for determining whether to utilize Advice Services and to offer Advice Services to Plan participants and acknowledges that it has the option of declining or discontinuing Advice Services at any time. MassMutual may charge a fee, as otherwise specified in this Agreement, for administering any Advice Services elected by the Plan Sponsor. The Plan Sponsor agrees that in no event will MassMutual be deemed to be a fiduciary to the Plan or participants as a result of making Advice Services available. The Plan Sponsor agrees that investment advice rendered to the Plan by an Advice Provider may be limited to investment options available from MassMutual and that investment advice rendered to participants by any Advice Provider may be limited to the investment options the Plan Sponsor or other Plan fiduciary elects to make available in the Plan. The Sponsor agrees to hold harmless and indemnify MassMutual for any costs or damages resulting from the provision of Advice Services to the Plan or Plan participants.
- 8.15 Entire Agreement:** This Agreement, together with the Exhibits below, represents the entire understanding between MassMutual and the Plan Sponsor regarding the provision of the Services to the Plan. There are no understandings, covenants, or warranties with respect to the Services beyond those explicitly described in this Agreement and the Exhibits. The execution of this Agreement revokes any existing agreement with respect to the Services between the parties. The Plan Sponsor agrees to the following Exhibits to this Agreement:

Exhibits

- Exhibit A – Administrative Services
- Exhibit B – Plan Conversion Services
- Exhibit C – Plan Investments
- Exhibit D – Fees
- Exhibit E – Compensation Paid By MassMutual
- Exhibit F – MassMutual's Float Policy
- Exhibit G – Plan Administrative Expense Reimbursement
- Exhibit H – Approval Services
- Exhibit I – Not Applicable
- Exhibit J – Not Applicable
- Exhibit K – Fee Roadmap

The Plan Sponsor certifies that it has the power and authority to enter into this Agreement. The person signing below as the Plan Sponsor's representative warrants, as an individual, that he or she is the Plan Sponsor's representative authorized to sign this Agreement and that his or her signature is genuine.

SIGNATURES

In Witness Whereof: MassMutual and the Plan Sponsor have caused this Agreement to be executed by their duly appointed officer or representative effective as of the date executed by both parties.

For Massachusetts Mutual Life Insurance Company



Tina Wilson, Senior Vice President

January 10, 2017
Date

Legal Name of Plan Sponsor: City of Midwest City

Contract Number: 062340-0001-0000

For the Plan Sponsor:

Signature

Date

Printed Name and Title

EXHIBIT A: ADMINISTRATIVE SERVICES

Recordkeeping Services

- Plan Transition Services
 - Communication Assistance
 - ❖ Creates Sarbanes Oxley notice for participants
 - ❖ Sample board resolutions
 - ❖ Sample notification to existing vendors
 - Dedicated Transition Manager and/or Conversion Team
 - ❖ Manages all phases of conversion services
 - ❖ Establishes responsibilities (including those of your current recordkeeper)
 - ❖ Sets target dates
 - Participant Balance Initiation
 - ❖ Review test files, if applicable
 - ❖ Completes plan reconciliation before establishing participant balances on MassMutual's record keeping system
 - ❖ Provides transition statements for participants
 - Payroll Initiation
 - ❖ Works with payroll department or vendor to establish the workflow for submitting contributions electronically
 - Plan Document Services
 - ❖ Plan design assistance and consultative services
 - ❖ Restatement of plan document to MassMutual's volume submitter document
 - Reporting
 - Service Initiation
 - ❖ Introduction to ongoing service team
 - ❖ Eligibility calculation, employee information feed required
 - ❖ Arranges for enrollment or investment education meetings, minimum number of employees may be required
- Ongoing Administration
 - Automated Services (Groups may elect different services)
 - ❖ Electronic enrollment with eligibility calculation
 - ❖ Salary Contribution Changes
 - ❖ Automated Terminations
 - ❖ Hardship withdrawal suspension monitoring
 - ❖ Feedback data
 - ❖ Service Initiation
 - ❖ Eligibility calculation, employee information via a demographic file feed required
 - ❖ Data Submittal to MassMutual:
 - ❖ Electronic File Submittal (Groups may elect to submit different files)
 - Contribution
 - Demographic
 - Compensation
 - Distribution Processing and Reporting (Lump sums, installments, in-service withdrawals, partial distributions and annuities)
 - MassMutual RetireSmartSM Services
 - ❖ Automatic asset allocation
 - ❖ Automatic periodic rebalancing
 - Payroll Processing & Account Maintenance
 - ❖ Regular file feed submission, including contributions
 - Qualified Domestic Relations Order ("QDRO") Processing and Reporting
 - Required Minimum Distribution Processing - Pay distributions to participants and beneficiaries in accordance with Internal Revenue Code minimum distribution provisions.
 - 457(e)(15) Applicable Limit Testing
- Plan Deconversion Services
 - Contract liquidation and asset transfer
 - Data transfer
 - Plan terminations – consulting assistance and participant distribution service

Participant Services

- Ongoing Administration Services
 - Distribution Education Assistance
 - ❖ Customized distribution kits for participants who are retiring or terminating
 - Enrollment Services
 - ❖ Enrollment/investment material
 - Participant Information Center (PIC) Access - Customer service professionals to answer participant telephone calls
 - Participant Retirement Planning Website Access; including Online Transaction Capabilities (24/7/365)
 - Touchtone Telephone Service (24/7/365)
- Communication & Education Services
 - Educational Material and Services Access

- ❖ Interactive participant planning website with planning tools
- ❖ Participant statements delivered quarterly or annually
- ❖ 404(a) Participant Fee Disclosure provided on website
- Education Meetings
 - ❖ On-site / online enrollment, minimum 20 employees per day (after transition, additional charges may apply)
- MassMutual RetireSmartSM Ready Tool – simple way to calculate and implement savings rates and asset allocation strategies
- Social Media – interactive version of our participant website
- Third-party Investment Guidance

Plan Sponsor Services

- Ongoing Administration Services
 - Dedicated Service Team
 - Investment Consulting – periodic portfolio review and analysis
 - Payroll Remittal Support – Debit ACH is accepted
 - Termination/Retirement Notification Services
 - Third-Party Fiduciary Partnership Service
 - Third-party QDRO Review Services
 - Vesting Calculation Service
 - Vesting Reporting to Participants
- Communication & Education Services
 - Education Calendar
 - Plan Sponsor Newsletter
 - Plan Sponsor Website access that includes access to participant accounts (24/7/365)
 - PlanSmartSM Analysis to measure and analyze plan effectiveness
- MassMutual Advisory ServicesSM
 - Fiduciary Planning Guide – available on the sponsor website
 - Other Tests – as applicable based upon employer entity and benefit plan offerings
 - Plan Administrator's Guide – available on the Plan Sponsor Website
 - Plan Document Services
 - ❖ Amendments and restatements as required (additional fees may apply)
 - Participant Notices – Annual Regulatory Notices, as elected below (additional fees may apply)
 - Qualified default investment alternative
 - Automatic enrollment
 - Safe harbor
 - SAR
 - Projection Illustrations – plan design illustrations as applicable
 - Third-Party Statement on Standards for Attestation Engagements No. 16 (SSAE 16)
 - Third-party Trustee/Custodial Services, if applicable
 - White Papers & Technical Guidance

Investment Services

- Ongoing Services
 - Additional Investment Options – access to over 2800 additional Investment Options
 - Custom Choice StrategiesSM – uses the existing Investment Options to create target retirement date and lifestyle model portfolios
 - Flash Reports - Intra-quarter updates relating to performance and current issues affecting investments
 - Investment Updates Notices of any changes relating to the investment options
 - MassMutual Smart ArchitectureSM Investment Program (Smart Architecture) – multiple managers and watch list due diligence
 - Methodology Reports - rationale for the addition of new investment managers
 - Qualitative and Quantitative Standard Reporting
 - ❖ Daily performance updates - daily prices, year-to-date, 12-month performance, and percent change from previous day
 - ❖ Monthly performance summaries - calendar and average annual returns as of the most recent month-end
 - ❖ Quarterly investment Webex - overview of the economy, markets and investment-related events
 - ❖ Investment Profiles - quantitative and qualitative information for each investment option
 - ❖ Peer Analysis Reports - performance summary of all the investment options versus their peers and other relevant benchmarks
 - ❖ Market Commentary - quantitative and qualitative review of the economy, markets and investment options
 - ❖ Due Diligence Reports - detailed quantitative and qualitative report discussing the performance of each sub advised investment option in consideration of economic and individual manager data
 - White Papers - primary research studies developed by the MassMutual Investment Group
 - Watch List Updates

EXHIBIT B: PLAN CONVERSION SERVICES

Mapping of Plan Assets: The Plan Sponsor directs MassMutual to map assets transferred from the Plan's existing investment structure to MassMutual's investment structure in accordance with the mapping described below. MassMutual will accept transferred assets from the prior recordkeeper on or after the effective date of this Agreement and after the execution of all required documents including this Agreement, the group annuity contract, and the trust document.

Current Investment Structure	MassMutual Investment Structure And Designation
GIA	Guaranteed Interest Account(GIA)
PIMCO Real Return Instl	PIMCO Real Return Fund(MF-1037)
PIMCO Total Return Instl	Select Strategic Bond Fd (Western)(MF-CKL)
Putnam High Yield Advantage A	Premier High Yield Fund (Barings)(MF-EV)
Allianz NFJ Dividend Value A	American Century Value Fund(MF-JFK)
American Centurt Value	American Century Value Fund(MF-JFK)
HFTD Div & Grwth HLS IA	Hartford Dividend & Growth Fund(MF-2968)
Hartford Cap App HLS IA	Hartford Capital Appreciation Fund(MF-JGF)
American Funds Growth Fund of Amer R3	American Funds Grth Fund of America(MF-922)
Neuberger Berman Socially Resp Trust	American Funds Grth Fund of America(MF-922)
Goldman Sachs Mid Cap Value A	Wells Fargo Special Mid Cap Val Fd(MF-2484)
American Century Ultra Inv	American Funds Grth Fund of America(MF-922)
Franklin Small-Mid Cap Growth A	Hartford Midcap Fund(MF-JGG)
HFTD Midcap HLS	Hartford Midcap Fund(MF-JGG)
AMG Mgrs Skyline Special Equities	Eagle Small Cap Growth Fund(MF-1770)
HFTD Sml Company HLS IA	Hartford Small Company Fund(MF-3177)
LA Developing Growth A	Eagle Small Cap Growth Fund(MF-1770)
HFTD Int Opps HLS	Hartford International Opp Fd(MF-2969)
Invesco Real Est A	Invesco Real Estate Fund(MF-2092)
Invesco Eq and Inc A	Invesco Equity and Income Fund(MF-2657)
Oakmark Equity & Income II	Invesco Equity and Income Fund(MF-2657)
SSgA DJ Tgt 2015 SL A	JP Morgan SmartRetirement 2015 Fund(MF-2879)
SSgA DJ Tgt 2025 SL A	JP Morgan SmartRetirement 2025 Fund(MF-2881)
SSgA DJ Tgt 2035 SL A	JP Morgan SmartRetirement 2035 Fund(MF-2883)
SSgA DJ Tgt 2045 SL A	JP Morgan SmartRetirement 2045 Fund(MF-2885)
SSgA DJ Tgt Today SL A	JP Morgan SmartRetirement 2015 Fund(MF-2879)
SSgA MC Ind NL Ser II	Hartford Midcap Fund(MF-JGG)
SSgA S&P 500 Ind SL II	MM S&P 500 Index Fd(Northern Trust)(MF-CAA)
SSgA SC Ind Sec Lend II	Hartford Midcap Fund(MF-JGG)

Amer Funds World Growth and Income	American Fnds Cap Wld Gr and Inc Fd(MF-940)
MFS Intl New Discovery A	MFS Int'l New Discovery Fund(MF-1937)

Investment at the Plan Level. Assets will be invested at the plan level upon receipt by MassMutual of both the transferred assets and the plan records showing the balance for each existing investment and the total amount transferred to MassMutual in good order. The transferred assets will be invested in accordance with the following:

- The transferred assets and the plan records showing the balance for each existing investment and the total amount transferred to MassMutual must be received in good order prior to the close of the New York Stock Exchange (usually 4:00 pm Eastern Time), to ensure that such transferred assets are invested in accordance with the Mapping of Plan Assets described above and valued as of that business day.
- If the transferred assets are received in good order prior to the close of the New York Stock Exchange, but the plan records showing the balance for each existing investment and the total amount transferred to MassMutual are not received in good order until after the close of the New York Stock Exchange on that same day, MassMutual will make a reasonable effort to invest the transferred assets in accordance with the Mapping of Plan Assets as of that business day. However, if MassMutual is unable to invest the transferred assets in accordance with the Mapping of Plan Assets on day of receipt, the transferred assets will be invested in accordance with the Mapping of Plan Assets on the next business day immediately following the day of receipt. In the interim, the transferred assets will be invested in the Plan Default Investment Option.
- If the transferred assets are not received in good order until after the close of the New York Stock Exchange, the transferred assets will be invested in the Plan Default Investment Option as of the next business day and will not be invested in accordance with the Mapping of Plan Assets until the business day all required information necessary to invest the transferred assets is received as described above.

Allocation of Assets at Participant Level: Before assets can be allocated at the participant level, MassMutual must receive in an electronic format, and in good order, from the prior recordkeeper, indicative participant data and investment elections in whole percentages. The allocation of investments at the participant level will generally be accomplished within five business days after the receipt by MassMutual of the electronic indicative participant data and investment elections in good order.

Investment of Future Contributions: Participants will not complete enrollment forms as future contributions will be invested according to the existing elections provided by the prior recordkeeper. Any assets subject to Plan Sponsor selection rights as elected in Exhibit C will be allocated to the investment option(s) selected by the Plan Sponsor in the percentages selected by the Plan Sponsor.

Reliance on Information: During the process of converting the Plan to MassMutual's systems, MassMutual must rely upon information provided by the prior recordkeeper, including the summarizing and reconciling of account balances with plan assets, and reports of plan activity as required by MassMutual. MassMutual is not responsible for any expense or loss that arises from inaccurate or incomplete records provided by the prior recordkeeper.

Existing Matters: The Plan Sponsor warrants that it has notified MassMutual of existing matters regarding the Plan of a material nature including, but not limited to, recent or pending plan examinations conducted by the Internal Revenue Service or legal claims asserted against the Plan or the Plan Sponsor by a participant or other party. MassMutual has no responsibility for pending claims or losses in existence on the date this Agreement is executed.

EXHIBIT C: PLAN INVESTMENTS

Plan Investment Options: The Plan Sponsor has selected the following Investment Options:

Fund or other Investment Account and Designation	Ticker	Cusip	Plan Default Investment Option*
Prem U.S. Govt Mny Mkt Fd (Barings) (MF-G)	MKSXX	57629E209	<input checked="" type="checkbox"/>
PIMCO Real Return Fund (MF-1037)	PRRIX	693391104	<input type="checkbox"/>
Select Strategic Bond Fd (Western) (MF-CKL)	MSBZX	57630E578	<input type="checkbox"/>
Premier High Yield Fund (Barings) (MF-EV)	MPHZX	57629H327	<input type="checkbox"/>
American Century Value Fund (MF-JFK)	AVUDX	025076316	<input type="checkbox"/>
Hartford Dividend & Growth Fund (MF-2968)	HDBGVX	41664R291	<input type="checkbox"/>
Hartford Capital Appreciation Fund (MF-JGF)	ITHVX	41664R317	<input type="checkbox"/>
Wells Fargo Special Mid Cap Val Fd (MF-2484)	WFPRX	94987W513	<input type="checkbox"/>
American Funds Grth Fund of America (MF-922)	RGAGX	399874817	<input type="checkbox"/>
Hartford Midcap Fund (MF-JGG)	HFMVX	41664R267	<input type="checkbox"/>
Eagle Small Cap Growth Fund (MF-1770)	HSRUX	269858460	<input type="checkbox"/>
Hartford Small Company Fund (MF-3177)	IHSUX	41664L104	<input type="checkbox"/>
Hartford International Opp Fd (MF-2969)	IHOVX	41664R275	<input type="checkbox"/>
Invesco Real Estate Fund (MF-2092)	IARFX	001421585	<input type="checkbox"/>
Invesco Equity and Income Fund (MF-2657)	IEIFX	00142J123	<input type="checkbox"/>
MM S&P 500 Index Fd(Northern Trust) (MF-CAA)	MMIZX	57630A360	<input type="checkbox"/>
Guaranteed Interest Account (GIA)	N/A	N/A	<input type="checkbox"/>
JP Morgan SmartRetirement Inc Fd (MF-2888)	JSIYX	46641U713	<input type="checkbox"/>
JP Morgan SmartRetirement 2015 Fund (MF-2879)	JSFYX	46641U812	<input type="checkbox"/>
JP Morgan SmartRetirement 2020 Fund (MF-2880)	JTTYX	46641U796	<input type="checkbox"/>
JP Morgan SmartRetirement 2025 Fund (MF-2881)	JNSYX	46641U788	<input type="checkbox"/>
JP Morgan SmartRetirement 2030 Fund (MF-2882)	JSMYX	46641U770	<input type="checkbox"/>
JP Morgan SmartRetirement 2035 Fund (MF-2883)	SRJYX	46641U762	<input type="checkbox"/>
JP Morgan SmartRetirement 2040 Fund (MF-2884)	SMTYX	46641U754	<input type="checkbox"/>
JP Morgan SmartRetirement 2045 Fund (MF-2885)	JSAYX	46641U747	<input type="checkbox"/>
JP Morgan SmartRetirement 2050 Fund (MF-2886)	JTSYX	46641U739	<input type="checkbox"/>
JP Morgan SmartRetirement 2055 Fund (MF-2887)	JFFYX	46641U721	<input type="checkbox"/>
American Fnds Cap Wld Gr and Inc Fd (MF-940)	RWIGX	140543810	<input type="checkbox"/>
MFS Int'l New Discovery Fund (MF-1937)	MIDLX	552981383	<input type="checkbox"/>

*This is the Plan Default Investment Option and is not available as a participant investment option.

Trusted Fixed Interest Option: The Separate Account Guaranteed Interest Contract (or SAGIC), Guaranteed Interest Account (or GIA), and Capital Preservation Account investment options (each a "Fixed Interest Option") are offered through a MassMutual group annuity contract (the "Contract"). To the extent a Fixed Interest Option is held as part of MassMutual's registered product in a trust that is unitized by State Street Bank and Trust Company, then all deposits to, or withdrawals from, the Fixed Interest Option are first processed through the plan's trust as of the close of the Business Day on which the transaction is requested (the "Trade Date") and are simultaneously reflected in participants' accounts. The corresponding deposit to, or withdrawal from, the Fixed Interest Option Contract, however, does not occur until the close of business on the first business day following the Trade Date ("Trade Date +1"). As a result, when there is a net deposit, participants' accounts are credited with units in the Fixed Interest Option trust on Trade Date but cash is held in the trust until the end of Trade Date +1 and, therefore, the trust does not earn the Fixed Interest Option contractual credited rate for that one day. Because the trust does not begin to receive earnings based on the credited rate from the Fixed Interest Option Contract until the end of Trade Date +1, during Trade Date +1 the interest rate received by participants invested in the trust is less than the Fixed Interest Option contractual credited rate. Conversely, when there is a net withdrawal from the Fixed Interest Option, the accounts of participants are reduced by the amount of the withdrawal at the end of the Trade Date but there is a one day delay in the withdrawal from the Fixed Interest Option Contract. This means the trust receives an extra day of earnings at the Fixed Interest Option contractual credited rate, causing the interest rate received by participants invested in the trust on Trade Date + 1 to be higher than the credited rate under the Fixed Interest Option Contract.

Participant Default Investment Option: If MassMutual isn't otherwise provided with investment direction with respect to a participant's account, either from the Plan Sponsor or the participant, the Plan Sponsor directs MassMutual to invest all amounts contributed on the participant's behalf, in the JP Morgan SmartRetirement target date series. The Plan Sponsor directs MassMutual to invest participants' contributions based on the participant dates of birth according to the recommended date ranges provided to MassMutual from time to time by the fund manager.

Contributions will be invested in the Guaranteed Interest Account(GIA) investment if MassMutual is not provided with the participant's date of birth prior to initial investment.

Plan Default Investment Option: MassMutual will allocate contributions to participants' accounts according to allocation instructions received in good order from the Plan Sponsor. Unallocated contributions will be invested in the Plans Default Investment Option from the date the contribution is received until the contribution is allocated.

Unallocated Suspense Account: Any Plan assets to be held in an unallocated suspense account under the Plan, including but not limited to forfeitures, will be invested in the Guaranteed Interest Account(GIA) designated by the Plan Sponsor.

Investment Direction

MassMutual will maintain a distinct Account for each participant to reflect the participant's entire interest under the Plan. The participant's Account will be composed of distinct sub-Accounts if different forms of contributions have been made by or for a participant in accordance with the terms of the Plan. Other sub-Accounts may also be established as the Plan Sponsor deems necessary for the proper administration of the Plan. Except to the extent elected otherwise below, each participant is responsible for directing the investment of their Account and the same investment direction will apply to all the sub-Accounts that make up the participant's Account.

- Notwithstanding the above, the Plan Sponsor or their designee is responsible for providing investment direction with respect to the following sub-Account(s) (the participants will be responsible for directing the investment of any sub-Accounts not selected below.):
 - All sub-Accounts
 - Salary Deferral (including Roth Deferrals)
 - Match (including QMAC and Safe Harbor Matching Contributions)
 - Employer Non-Elective (including QNEC and Safe Harbor Non-Elective Contributions)
 - All Employee Contributions
 - All Employer Contributions
 - Rollover
 - After-Tax

- Notwithstanding the above, a participant may provide separate investment direction with respect to the following sub-Account(s):
 - Salary Deferral (including Roth Deferrals)
 - Match (including QMAC and Safe Harbor Matching Contributions)
 - Employer Non-Elective (including QNEC and Safe Harbor Non-Elective Contributions)
 - All Employee Contributions
 - All Employer Contributions
 - Rollover
 - After-Tax

SIA Commodity Pool Operator Notice: MassMutual has claimed an exclusion from the definition of the term "Commodity Pool Operator" under the Commodity Exchange Act (the "CEA") with respect to all of its Separate Investment Accounts ("SIAs") and, therefore, with respect to such SIAs is not subject to registration or regulation as a Commodity Pool Operator under the CEA.

MassMutual's Role: MassMutual has no discretion with regard to the selection or monitoring of the Plan's Investment Options. MassMutual's role is limited to carrying out the investment instructions of the Plan Sponsor and participants. MassMutual, or its affiliates, may serve as the investment manager to registered investment companies or other investment vehicles offered as investment options under the Plan. However, MassMutual does not act as an investment advisor to the Plan. From time to time, MassMutual may provide informational materials regarding the Plan's investment options to the Plan Sponsor or to participants. Such material is informational or educational in nature and does not constitute investment advice.

EXHIBIT D: FEES

Except as otherwise provided in the Agreement, expenses will be determined and deducted monthly as of a date determined by MassMutual.

Annual Asset Charge: An asset charge at an effective annual rate of 0.30% will be applied to all assets of the Plan as described in Exhibit C Plan Investments, provided that no charge will be applied to assets, if any, invested in a Self-Directed Brokerage Account, a Company Stock Account or a third-party component of a blended stable value investment option.

The above charges are paid by the Participant.

Participant Activity Services:

Service	Fee	Fee Paid By
Disbursement Charge	\$40	Participant
Return of Excess Charge:	\$40	Plan Sponsor
Overnight Mailing of Check, if requested	\$20	Participant
Reprocessing (adjustment)	\$75 per occurrence, additional fee may apply	Participant
Installment Payment Setup Charge	\$100	Participant
Annuity Payment Setup Charge	\$175*	Participant

* The purchase price of an annuity will include an additional cost not to exceed 2% of the annuity to cover acquisition costs and state premium tax, if applicable.

Special and Optional Charges:

Service	Fee	Fee Paid By
Contributions submitted other than Debit ACH	\$1,200 per Subscriber, charged annually	Plan Sponsor
Participant Address Searches	\$3.00 per address, additional fees may apply.	Plan Sponsor
Participant Notices Annual Regulatory Notices	Fee quoted upon request A fee will be quoted upon request for any mailings not elected in Exhibit A. This service will continue unless you elect otherwise.	Plan Sponsor
Contract Liquidation Estimate Charges	\$125 per estimate of the liquidation value of the "Stable Value Option" in excess of one estimate per calendar month	Plan Sponsor
Plan Year End Testing Services – Retesting due to Sponsor data errors	\$500	Plan Sponsor
Plan Amendment (Other than Regulatory Amendments)	Volume Submitter, 403(b) or 457(b) \$300. An additional fee may be charged if customized wording is required. Any additional fee to be agreed upon by the Sponsor and MassMutual prior to the service being provided.	Plan Sponsor
Regulatory Amendments – Volume Submitter Plans	\$100	Plan Sponsor
New Plan Volume Submitter Document (including Restatements)	\$800	Plan Sponsor
Restatement of Individually Designed Plan to MassMutual Volume Submitter document	\$800	Plan Sponsor
Future Regulatory Restatements	Fee quoted at time of service	Plan Sponsor
Advisory and Compliance Consultative Services—(any other non-standard service (including, but not limited to, contribution projections, plan termination assistance and plan audit assistance. - Estimates are available before the service is provided	\$200 per hour charge	Plan Sponsor

Contract Amendments initiated by the Sponsor - Additional fee may be assessed based on complexity or non-standard language	\$300	Plan Sponsor
--	-------	--------------

The above services are provided within this Agreement. Any additional requested services and fees must be agreed upon by the Sponsor and MassMutual.

Additional Service Charges: Fee quoted for services upon request
• Payroll conversions, data feeds, corrections
• Non-standard data input, error corrections, special calculations
• Account adjustments
• Additional contract liquidation services can be found in the Plan Administration Guide
• Contribution and allocation services
• Repeated lapse calculation estimates and monitoring
• Plan Reviews including but not limited to Plan design illustrations
• IRS/DOL Corrective Programs
• Expenses for Sponsor requested mailings

Expense Disclosure:

Guaranteed Interest Account Credit:

A GIA Credit of 2 basis points has been applied to offset plan administrative services expenses and is reflected in a reduced Net Annual Target Revenue for Administrative Services on your Cost and Revenue Disclosure document. The GIA Credit is attributable to the revenue enhancement arising from the selection of the MassMutual Guaranteed Interest Account ("GIA") investment option for a plan of this size. MassMutual Retirement Services ("MMRS") reserves the right to reduce or eliminate the GIA Credit if the GIA is replaced by another investment option or if the allocation to the GIA falls below 90% of the original GIA allocation. If the GIA Credit is reduced or eliminated, notwithstanding any other provision of this Agreement to the contrary, the Plan Sponsor agrees that MMRS may impose an additional fee to recover the difference.

EXHIBIT E: COMPENSATION PAID BY MASSMUTUAL

Agents Benefits, if applicable: MassMutual insurance agents may also be eligible for certain cash and non-cash benefits from MassMutual in addition to commissions. Additional cash compensation includes bonuses and allowances based on factors such as sales, productivity and persistency. Non-cash compensation includes various recognition items such as prizes and awards as well as payment of the cost associated with attendance at conferences, seminars and recognition trips. Sales of this product may help these agents and their supervisors qualify for such benefits.

Subcontracting: MassMutual may make payments to intermediaries under sub-contracting services agreements for certain plan administrative services that MassMutual would otherwise provide, such as assistance with enrollment meetings, or to deliver marketing and sales assistance services to MassMutual.

Override Payments: MassMutual may make override payments to sales and/or servicing organizations to defray a portion of the organization's cost of maintaining its sales and servicing representatives. Not all sales and servicing organizations receive override payments. If MassMutual makes a payment, it is typically based on a percentage of the aggregate value of plan assets held in MassMutual products that were sold, or are serviced, by the organization's representatives. The level of these payments to eligible organizations varies.

Sponsorship Payments: MassMutual may make sponsorship payments to intermediaries for, among other things, training of sales personnel, conference support, marketing or other services they provide to promote awareness of MassMutual's products. Not all intermediaries receive marketing support payments and the level of these flat dollar payments to intermediaries varies. The largest payment to any intermediary during the last calendar year was approximately \$1,250,000. Also, MassMutual has a variety of arrangements with intermediaries that are not directly related to the sale of MassMutual products to your plan. For example, MassMutual provides cash and non-cash benefits to intermediaries in consideration of their overall efforts selling MassMutual's products, such as prizes, awards, gifts, entertainment and charitable contributions. MassMutual may also reimburse intermediaries for certain expenses, such as the cost of promotional items or expenses associated with meetings, conferences, seminars, and recognition trips. An intermediary may receive compensation for selling other MassMutual products and MassMutual might purchase goods or services from intermediaries or their affiliates, such as educational seminars and training or pricing services. When a participant in a retirement plan funded by a MassMutual product leaves the plan and transfers the participant's beneficial interest into a MassMutual-affiliated rollover IRA, MassMutual may compensate the intermediary.

No Additional Charges: Any compensation paid under the arrangements listed above is paid from MassMutual's assets and will not result in any additional direct charges to you. If one or more of the above compensation arrangements are provided, such compensation arrangement may provide an intermediary with a financial incentive to recommend a MassMutual product over other available products whose issuers do not provide such compensation or which provide lower levels of compensation. Your intermediary can tell you whether his or her organization has entered into any such agreements with MassMutual. You may want to take such compensation arrangements into account when evaluating any recommendations regarding this MassMutual product. Applicable compensation is reported to you annually on the Form 5500.

EXHIBIT F: MASSMUTUAL RETIREMENT SERVICES FLOAT POLICY

MMRS' procedure for processing Plan contributions provides for prompt investment of funds according to contract obligations. When a contribution is received in good order before the cut-off time (normally 4:00 p.m. Eastern Time) on a Business Day, contributions are valued as of the end of that Business Day. A contribution is received in "good order" when a contribution is accompanied by usable and complete data, and available funds equal to the total amount shown in the data. "Business day" is defined as each day that the New York Stock Exchange is open for business. It is MMRS' goal to minimize the generation of Float by handling transactions as soon as possible in accordance with contract obligations. Notwithstanding this policy, amounts held pending investment may generate Float.

Float may arise in connection with various deposits such as plan contributions, loan repayments and expense payments ("contributions"), including funds received by wire or electronic funds transfer ("EFT"). Float is generally not earned on contributions processed via check, unless the funds are available immediately. When a contribution is received, funds are invested in overnight investments pending execution of investment directions. Funds may be invested in the following types of overnight investments: (1) institutional money market account, which earns institutional money market rates; (2) passive overnight bank sweep, which is credited with overnight bank deposit rates; or (3) corporate checking account, which is credited at a rate that is set by the bank, currently 90% of the 3-month average of the 13-week Treasury-bill rates. When funds are withdrawn at the start of the following business day in order to be invested according to investment instructions, MMRS retains the Float, or interest, as part of its compensation. Contributions made by wire that are not in good order may earn additional Float until good order is obtained.

It is the policy of MMRS to process distributions and the corresponding withdrawals from investments as soon as possible. Notwithstanding this policy, Float may arise in connection with distributions, including those that are made by check or by EFT.

There is generally no Float generated in connection with account distributions made by wire transfer. MMRS issues a disbursement and directs the providers of Plan investment options to transfer the funds to MMRS in an amount sufficient to satisfy the distribution request. On the date that the disbursement is issued, the funds are withdrawn from the investment options and are invested in one of the following types of overnight investments: (1) institutional money market account, which earns institutional money market rates; (2) passive overnight bank sweep, which is credited with overnight bank deposit rates; or (3) corporate checking account, which is credited at a rate that is set by the bank, currently 90% of the 3-month average of the 13 week Treasury-bill rates. MMRS accrues any Float, or interest, that is earned on the funds from the time the disbursement is issued until such time as the disbursement is deposited or cashed as part of its compensation. Generally, in the case of a disbursement issued by check, if the check is not deposited or cashed after six months, the funds are returned to the plan as abandoned property.

EXHIBIT G – PLAN EXPENSE REIMBURSEMENT ACCOUNT

Plan Administrative Expense Reimbursement: MassMutual agrees to reimburse plan administrative expenses as follows:

Out of Reimbursement Credit: As directed by the Trustee/Custodian, Plan fiduciary or Plan Sponsor, MassMutual agrees to either reimburse the Plan, Plan fiduciary or Plan Sponsor or pay on behalf of the Plan reasonable plan administrative expenses, including any registered investment adviser fees incurred by the Plan pursuant to the terms of a written agreement with the registered investment adviser, an amount as described below:

The reimbursement credit will be an amount equal to 0.10% of the Plan assets calculated as follows: each calendar quarter MassMutual will calculate the reimbursement credit for such period by multiplying the value of Plan Assets as of the last business day of such calendar quarter by 1/4 of the annual reimbursement credit percentage listed above. The maximum annual reimbursement credit will equal the sum of the quarterly reimbursement credits.

MassMutual will make the reimbursement payments to the Plan, Plan fiduciary or Plan Sponsor on an as-needed basis provided MassMutual receives written certification from the Plan fiduciary or Plan Sponsor of the plan administrative expenses actually incurred.

Plan administration expenses actually incurred must be equal to or greater than the reimbursement payment made. MassMutual will make the reimbursement payments directly to third-parties, including any investment advisory fees payable to the registered investment adviser, at the direction of the Trustee/Custodian, Plan fiduciary or Plan Sponsor. The Plan Sponsor has advised MassMutual that it has entered into an agreement with Woodbury Financial (the "Direct Payee") to perform certain plan administrative services for which the Direct Payee is entitled to annual compensation in the amount of the entire reimbursement credit listed above. MassMutual will pay the Direct Payee out of the reimbursement credit in the same periodic frequency as the reimbursement credit percentage is calculated above. The Plan Sponsor has directed MassMutual to make such reimbursement credit payments to the Direct Payee on the Plan's behalf until the Plan Sponsor notifies MassMutual in writing to discontinue making reimbursement credit payments to the Direct Payee. Any reimbursement credits credited during a calendar year will be forfeited if not used within ninety (90) days following the end of that calendar year.

If the effective date of this Plan Expense Reimbursement Account Agreement does not coincide with the first day of the first quarterly calculation period, the first quarterly credit will be prorated accordingly. In the event that MassMutual reasonably determines that the making of a reimbursement payment could result in the violation, constructive or otherwise, of any law, regulation, or ruling made by a court or regulatory body MassMutual will reduce the amount of the reimbursement credit to the extent necessary to avoid such violation.

Out of Plan Assets: In addition to the payments out of reimbursement credits described above, at the direction of the Trustee/Custodian, Plan fiduciary or Plan Sponsor, MassMutual will process the payment of plan administrative expenses from the assets of the Plan.

In General: Whether the payment is made out of reimbursement credits or plan assets, in making any such direction, the person signing this agreement represents: (1) that the reimbursement or payment represents reasonable compensation payable for services necessary for the establishment or operation of the Plan or will be used solely for the reimbursement of the direct and reasonable expenses properly and actually incurred in connection with the administration of the Plan; (2) the terms of the Plan permit the payment of such amounts from the Plan's assets; and (3) that the amounts would otherwise be deducted from participant's accounts.

EXHIBIT H: APPROVAL SERVICES PLAN SPONSOR DIRECTION

The Plan Sponsor hereby directs MassMutual to process the transactions described below pursuant to the procedures outlined in the Plan Administrator’s Guide or which are provided to the plan sponsor for review. MassMutual has no discretion with regard to processing these transactions, and there will be no deviation from these procedures without the Plan Sponsor’s written direction. MassMutual may subcontract certain aspects of these approval services to other vendors.

Service	Fee	Fee Paid By
Domestic Relations Orders: <ul style="list-style-type: none"> • Determine that order satisfies IRS Requirement for a Qualified Domestic Relations Order 	\$350 per approval request, plus disbursement charge	Participant
	\$350 if the request is rescinded or closed	Participant
In Service Withdrawal	Refer to Exhibit D	Refer To Exhibit D
Rollover: The Plan will accept eligible rollover distributions from: (Check all that apply.) <ul style="list-style-type: none"> <input type="checkbox"/> a qualified plan described in Code Section 401(a) (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), excluding after-tax employee contributions. <input checked="" type="checkbox"/> a qualified plan described in Code Section 401(a) (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), including after-tax employee contributions. <input type="checkbox"/> a plan described in Code Section 403(a) (an annuity plan), excluding after-tax employee contributions. <input checked="" type="checkbox"/> a plan described in Code Section 403(a) (an annuity plan), including after-tax employee contributions. <input type="checkbox"/> a plan described in Code Section 403(b) (a tax-sheltered annuity), excluding after-tax employee contributions. <input checked="" type="checkbox"/> a plan described in Code Section 403(b) (a tax-sheltered annuity), including after-tax employee contributions. <input checked="" type="checkbox"/> if the Plan permits Roth Elective Deferrals, a Roth elective deferral account from (select all that apply): <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> a qualified plan described in Code Section 401(a). 2. <input checked="" type="checkbox"/> a plan described in Code Section 403(b) (a tax-sheltered annuity). <input checked="" type="checkbox"/> an eligible plan described in Code Section 457(b) (a deferred compensation plan) 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. <input checked="" type="checkbox"/> a rollover contribution of the portion of a distribution from a traditional IRA that is eligible to be rolled over and would otherwise be includible in gross income. Rollovers from Roth IRAs or a Coverdell Education Savings Account (formerly known as an Education IRA) are not permitted because they are not traditional IRAs. A rollover from a SIMPLE IRA is allowed if the amounts are rolled over after the individual has been in the SIMPLE IRA for at least two years. 	Refer to Exhibit D	Not Applicable
Unforeseen Emergency*	\$160	Participant

EXHIBIT K: FEE ROADMAP

Understanding fees is a necessary step in assessing whether or not they are reasonable compensation for the services associated with them. The types of fees described below may be associated with one or more service(s) related to your plan.

Revenue/Fees Received by MassMutual	Description of Revenue/Fees Received	Sponsor Disclosure
12b-1 Fee	These are fees that we may be paid pursuant to an agreement with the investment advisors or distributors of mutual funds other than the plan's MassMutual Premier and Select investment options that are offered either directly or through separate investment accounts on our investment platform. They can be paid for providing services in connection with the distribution and marketing of the mutual fund, including fees paid for marketing and selling fund shares, such as compensating brokers and others who sell fund shares, and paying for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. They also can be paid for providing shareholder services to the mutual fund investors, which include responding to investor inquiries and providing investors with information about their investments. Whether paid for distribution or shareholder services, 12b-1 fees are a form of revenue sharing when they are paid to us and are disclosed as Administrative Services Revenue. 12b-1 fees reduce the mutual fund's NAV.	Proposal/Services Agreement/ Prospectus ⁴ / Cost and Revenue Disclosure
Administrative Fees	Fees associated with administration of the plan's MassMutual Premier and Select investment options, including enrollment in and distribution from the investment option, transaction processing, and preparation and mailing of account statements and certain required notices. Administrative fees are included in a mutual fund's expense ratio.	Prospectus/Statement of Additional Information/ Cost and Revenue Disclosure
Asset charge	The asset charge is calculated based on plan assets and may be paid by the plan sponsor or deducted from participants' accounts or plan assets on a periodic basis.	Group Annuity Contract/ Proposal/ Services Agreement/ Cost and Revenue Disclosure
Distribution Processing Fee	Fee for all aspects of processing withdrawals, loans, QDROs, RMDs, or other distributions, including payments, taxation and reporting. It is either paid by the Plan Sponsor or deducted from participants' accounts or from plan assets.	Proposal/Services Agreement/ Plan Administrator's Guide
Fee for Investor Services	These are fees that we may be paid pursuant to an agreement with a fund's investment advisor with respect to either mutual funds other than the plan's MassMutual Premier and Select investment options or bank collective trust funds that are offered either directly or through separate investment accounts on our investment platform. They are often paid by the fund's investment advisor from its revenue. MassMutual provides services to investors in mutual funds and bank collective trust funds, which include responding to investor inquiries and providing investors with information about their investments, that would otherwise be performed by the fund's investment advisor in a retail fund context. Fees for investor services are a form of revenue sharing when they are paid to us and are disclosed as Administrative Services Revenue.	Proposal/ Prospectus/ Cost and Revenue Disclosure

⁴ MassMutual has provided, or made available electronically, disclosure materials, including prospectuses and statements of additional information, provided by issuers of the plan's designated investment alternatives (or the mutual funds or bank collective trust funds underlying the plan's separate investment account investment alternatives). MassMutual makes no representations as to the completeness or accuracy of such materials provided by nonaffiliated issuers.

Revenue/Fees Received by MassMutual	Description of Revenue/Fees Received	Sponsor Disclosure
Flat Dollar Fee	This flat fee may be paid by the Plan Sponsor or deducted from plan assets on a periodic basis.	Expense Disclosure/ Services Agreement/ Cost and Revenue Disclosure
Float	Float is generated from the overnight investment of assets and may arise in connection with deposits such as plan contributions, loan repayments and expense payments. Float may also arise in connection with distributions.	Services Agreement/ Float Disclosure
MassMutual Retirement Services (MMRS) General Investment Account investment option revenue	We offer two general classes of general account investment options. The first class of general account investment options falls into the category of guaranteed benefit policies. If your plan has a guaranteed benefit policy, then your plan is provided a guaranteed rate of interest on deposits held for a specified period of time. We commit to return the principal and the promised interest regardless of either the expenses we incur in investing the assets within our general account or the actual return on those assets (although a market value adjustment will apply to certain employer-initiated distributions). Given the nature of these investment options, there is no guarantee that we will receive a pre-set level of revenue, as we do in connection with a mutual fund advisory fee. Although we retain the difference, if any, between the guaranteed rate of interest and the investment return we actually earn on the deposits in our general account (net of expenses), this is not an additional expense to the plan. The second class of general account investment options falls into the category of transition policies. You will know you own a transition policy rather than a guaranteed benefit policy because of the annual transition policy notice you receive from MassMutual. If your plan has a transition policy, your plan is provided a rate of interest on deposits held for a specified period of time based on the actual earnings rate of that plan's interest in MassMutual's general account less a fee and risk charge of 140 basis points. Transition policies are subject to a floor rate of 0%, although a market value adjustment will apply to certain employer-initiated distributions. Under these products, the interest we credit is on an investment year methodology, with interest accrued throughout the year based on estimates of investment return net of investment expenses. Shortly after year end interest is trued up based on actual results.	Group Annuity Contract/Proposal/ Services Agreement/ Cost and Revenue Disclosure
Investment Management Fee	Investment management fees, or "annual expense ratio," are paid directly out of the assets of the investment option to the investment advisor for managing the investment portfolio. With respect to the MassMutual Premier and Select Funds, we receive these fees in our capacity as investment advisor to these funds and they are included in a mutual fund's expense ratio.	Prospectus/Cost and Revenue Disclosure
Non-Active-Employee Participant Fee	Fee associated with all aspects of providing direct administration of plan services to non-active-employee participants. The total revenue received by MassMutual is based on the number of participants who are not active employees (including but not limited to beneficiaries, alternate payees, terminated employees and retirees) and have a vested account balance ("non-active-employee participants"). The number of non-active-employee participants is disclosed on MassMutual's plan sponsor website. The fee may be deducted from the accounts of the non-active-employee participants on a periodic basis.	Proposal/Services Agreement/Cost and Revenue Disclosure
Optional Services' Fees	These are fees that we may be paid if you elect to receive any of the optional services described in the Services overview. These fees may be paid by the Plan Sponsor or deducted from participants' accounts or from plan assets	Services Agreement/ Plan Administrator's Guide
Other Investment Fees	Other investment fees (for example: account maintenance fees, or "annual expense ratio") are any expenses incurred by the investment option that are not included in any other investment-related Compensation/Fee categories. Other investment fees may include custodial, legal, accounting, transfer agent as well as shareholder service expenses paid outside of a mutual fund's 12b-1 arrangement. Other investment fees are included in a mutual fund's expense ratio.	Prospectus/ Annual Report/ Cost and Revenue Disclosure

Revenue/Fees Received by MassMutual	Description of Revenue/Fees Received	Sponsor Disclosure										
Per Participant Fee	The participant charge is based on the number of participants and may be paid by the Plan Sponsor or deducted from participant's accounts or from plan assets on a periodic basis.	Proposal/Services Agreement/Cost and Revenue Disclosure										
Securities Lending Fees	These are fees that may be received by advisors to investment funds if they lend portfolio securities to broker-dealers or other institutional borrowers. Loaned securities are secured by collateral in the form of cash, cash equivalents (such as money market instruments) or other liquid securities in an amount at least equal to the market value of the securities loaned. The advisor invests the collateral and retains a portion of the earnings from the invested collateral. Accordingly, while the earnings on the investment of the collateral are additional revenue to the advisor, they are not an additional cost to the plan that invests in the fund. Currently we do not lend our portfolio securities.	Prospectus (or other offering document)/ Statement of Additional Information										
Self-Directed Brokerage Account (SDBA) Fees	<p>Self-Directed Brokerage Accounts: If your plan provides for a self-directed brokerage account option ("SDBA") from Charles Schwab & Co., Inc. (the "SDBA Broker-Dealer Firm"), we will receive fees and payments from that SDBA Broker-Dealer Firm for processing and recordkeeping services provided by us.</p> <p>We generally receive payments at the rates described below from the SDBA Broker-Dealer Firm:</p> <table border="1" data-bbox="456 873 1198 1024"> <thead> <tr> <th>Participant Account Balance</th> <th>Plan Expense Payment Percentage</th> </tr> </thead> <tbody> <tr> <td>\$25,000 or less</td> <td>0% of SDBA Broker-Dealer Firm Revenue</td> </tr> <tr> <td>Over \$25,000 through \$50,000</td> <td>5% of SDBA Broker-Dealer Firm Revenue</td> </tr> <tr> <td>Over \$50,000 through \$100,000</td> <td>10% of SDBA Broker-Dealer Firm Revenue</td> </tr> <tr> <td>Over \$100,000</td> <td>15% of SDBA Broker-Dealer Firm Revenue</td> </tr> </tbody> </table> <p>For purposes of the calculation, "SDBA Broker-Dealer Firm Revenue" generally consist of transaction fees and commissions received by the SDBA Broker-Dealer Firm on account of trades of securities, including mutual funds, payments received by the SDBA Broker-Dealer Firm from fund complexes in connection with fee based programs, and fees paid to the SDBA Broker-Dealer Firm from assets invested in its own family of proprietary mutual funds. Based on 2013 reports, we estimate we received \$8,790 for these services in 2013, representing an average of 1 basis point (0.01%) of plan assets for all plans that used the SDBA service. This estimate is determined by dividing total SDBA Broker-Dealer Firm Revenue by all SDBA assets for the year.</p>	Participant Account Balance	Plan Expense Payment Percentage	\$25,000 or less	0% of SDBA Broker-Dealer Firm Revenue	Over \$25,000 through \$50,000	5% of SDBA Broker-Dealer Firm Revenue	Over \$50,000 through \$100,000	10% of SDBA Broker-Dealer Firm Revenue	Over \$100,000	15% of SDBA Broker-Dealer Firm Revenue	
Participant Account Balance	Plan Expense Payment Percentage											
\$25,000 or less	0% of SDBA Broker-Dealer Firm Revenue											
Over \$25,000 through \$50,000	5% of SDBA Broker-Dealer Firm Revenue											
Over \$50,000 through \$100,000	10% of SDBA Broker-Dealer Firm Revenue											
Over \$100,000	15% of SDBA Broker-Dealer Firm Revenue											
Soft Dollar Compensation	Research or other products or services, other than trade execution, provided by brokers or a third party to the investment advisor or subadvisor (if applicable) in connection with securities transactions. For those funds that use soft dollars, the benefit of such brokerage and research services accrues to the applicable fund(s). With respect to the MassMutual Premier and Select Funds, each Fund's subadvisor receives any applicable soft dollar compensation. The subadvisors to the Premier Funds are MassMutual affiliates.	Statement of Additional Information/ 120 Day Mailing										
Sub-Transfer Agent (Sub-TA) Fees	These are fees we are paid pursuant to an agreement with the transfer agent of non-proprietary mutual funds that are offered on our investment platform and represent compensation we receive for providing mutual fund shareholder accounting services. Transfer agents track and record who owns how many of a mutual fund's shares. For retirement plans, the plan's recordkeeper often performs these functions instead of the transfer agent and is thus considered a sub-transfer agent and is eligible for compensation, which is a form of revenue sharing. Sub-TA fees are a form of revenue sharing when they are paid to us and are disclosed as Administrative Services Revenue.	Proposal/Cost and Revenue Disclosure										

Revenue/Fees Received by MassMutual	Description of Revenue/Fees Received	Sponsor Disclosure
Surrender Charge	A surrender charge may apply if the plan terminates certain of our group annuity contracts. Surrender charges are typically expressed as a specified percentage of assets held in the group annuity contract and reimburse us for a portion of sales commissions we have paid but not recovered due to early contract termination. This fee is paid by the Plan Sponsor or from plan assets.	Group Annuity Contract
Surrender Value Make Up	If, when your plan transitioned to MassMutual, we restored a market value adjustment or surrender charge that was imposed by your prior provider, we may have temporarily imposed an, or increased your, asset charge to recover the amount restored to your impacted participants' accounts. Please check your group annuity contract or services agreement to determine if you are subject to this temporary asset charge and, if so, when it will discontinue.	Group Annuity Contract/ Services Agreement
Third-Party Customized Asset Allocation Portfolios	If your plan elects to receive third-party plan sponsor fiduciary advice services to assist in the creation of customized asset allocation portfolios, we will receive a fee based on participant account assets invested in Third-Party Customized Asset Allocation Portfolios as compensation for processing and recordkeeping services provided by us. This periodic fee will be deducted from participants' accounts.	Services Agreement
Wrap Fees	The wrap fee is calculated based on the amount of plan assets in one or more specified plan investment options. This fee may cover the direct services the customer receives with respect to such plan investment option as well as cover general plan administrative costs we incur. The fee is deducted from the plan investment option and reduces the investment performance of such option.	Group Annuity Contract/120 Day Mailing/Cost and Revenue Disclosure

Compensation Received by Third Party	Description of Compensation	Sponsor Disclosure	Recipient of Compensation (Payee)
Commissions	We pay commissions to advisors with respect to new sales and ongoing business with MassMutual from revenue we derive from your plan, including revenue from 12b-1 fees on MassMutual's Premier and Select Investment options.	Commission Disclosure/ Cost and Revenue Disclosure	Advisor
Enrollment Reimbursement	We pay third-party administrators ("TPAs") and other service providers who perform participant enrollment services, primarily at the time of plan conversion, from revenue we derive from your plan.	Proposal/ TPA Fee Disclosure	TPA and Other Third Party Enrollers
Investment Advisory and Sub-Advisory Fee	If your plan offers MassMutual Premier or Select Funds as a plan investment option, it will pay a mutual fund investment management fee. If your plan offers a guaranteed separate investment account (SAGIC or Capital Preservation Account) as a plan investment option, it will pay a separate account management fee. In either case, we will pay a portion of the remainder of that fee, net of the annual administrative services revenue that is deducted, to the advisor or sub-advisor of the fund or account. To the extent the advisor or sub-advisor is an affiliate of MassMutual – Babson Capital Management, LLC ("Babson"), Baring International Investment Limited ("Baring"), OppenheimerFunds, Inc. ("OFI") or OFI Institutional Asset Management, Inc. ("OFI Inst") – this will result in MassMutual and the affiliate's receipt of the entire amount of the difference between the investment option's annual plan cost and its annual administrative services revenue.	Prospectus/ Statement of Additional Information/ Cost and Revenue Disclosure	Mutual Fund Sub-advisor
Investment Option Expenses	For plan investment options other than the MassMutual Premier and Select Funds, the plan pays investment expenses composed of the investment management fee, administrative fees and, depending on the share class in which the plan invests 12b-1 fees, which are reflected in the mutual fund's expense ratio, to the mutual fund's investment advisor and other mutual fund service providers.	Prospectus/ Proposal/ Cost and Revenue Disclosure	Investment Manager
Marketing Allowance	We pay marketing allowances to advisors to support their marketing services, including for the development of marketing, advertising and promotional materials, the sponsoring of sales conferences and workshops, and the supervising of research reports, correspondence and lecture materials.	Services Agreement	Advisor
Non-monetary compensation	We provide non-monetary compensation to sales representatives who sell our products, including welfare plan compensation (health, vision, life and disability coverage), 401(k) plan compensation, pension plan compensation, participation at conferences we sponsor and other awards.	Services Agreement/ Proposal	Advisors, Agents, and Brokers, Sponsors
Override Payments	We pay override to general agents and other selling organizations to defray a portion of the cost of maintaining a sales force. The amount of the override is typically a percentage of the commissions earned by the selling organization's agents.	Commission Disclosure/ Form 5500	General Agents and Broker Dealers
Participant Investment Advisory Services Fees	If your plan elects to offer participant investment advice, your plan will pay a fee to a third-party investment advice provider. This fee may be paid by the Plan Sponsor, deducted from participants' accounts or plan assets or paid from revenue we derive from your plan.	Proposal/Services Agreement/Third Party's Sponsor Agreement and Fee Schedule	Investnet Retirement Solutions, LLC or RPA

Compensation Received by Third Party	Description of Compensation	Sponsor Disclosure	Recipient of Compensation (Payee)
Plan Expense Reimbursement Account (PERA) or ERISA Budget Account (EBA)	If a PERA or an EBA Account is available to your plan, then at your direction, and on your plan's behalf, we will pay third parties who provide administrative services to your plan. These payments are made from revenue we derive from your plan.	Services Agreement	Third Party Plan Service Providers
QDRO Review Services Fee	If your plan elects to receive QDRO determination and administration services, then we will pay to a third-party administrator a fee for these services. This fee may be paid by the Plan Sponsor, deducted from participants' accounts or plan assets or paid from revenue we derive from your plan.	Services Agreement	QDRO.com
Self Directed Brokerage Account (SDBA) Fees	If your plan elects to offer an SDBA investment option, the broker-dealer administering the SDBA receives a per participant fee based on usage of this investment option. This fee may be paid by the Plan Sponsor, deducted from participants' accounts or plan assets or paid from revenue we derive from your plan. Participants will also pay brokerage commissions for trades under the SDBA which are described in the brokerage agreement participants enter into with the SDBA broker-dealer.	SDBA Brokerage Agreement	State Street or Charles Schwab
Shareholder Servicing Agreement Fee	We may pay a fee to your plan's advisor for providing shareholder services to the plan on behalf of the MassMutual Premier and/or Select Funds. Services provided may include: delivering current prospectuses, reports, notices, communication and other information, and providing support services, including answering participant inquiries. We pay this fee from revenue we derive from your plan, including revenue from 12b-1 fees on MassMutual's Premier and Select investment options.	Prospectus/ Cost and Revenue Disclosure	Advisor
Sponsor Third-Party Fiduciary Partnership Services Fee	If your plan elects to receive plan sponsor fiduciary partnership services, a third-party plan fiduciary will receive a fee for providing investment advice to the plan sponsor. This fee may be paid by the Plan Sponsor, deducted from participants' accounts or plan assets or paid from revenue we derive from your plan.	Proposal/ Services Agreement	Investnet Retirement Solutions (ERS)
Sub-administrative Service Fee	We may pay a fee to your plan's advisor for providing administrative services to your plan on our behalf (e.g., plan design consulting, employee communication programs, enrollment meetings, etc.) We pay this fee from revenue we derive from your plan, including revenue from 12b-1 fees on MassMutual's Premier and Select investment options.	Services Agreement	Advisor
Trust/Custody Services Fee	A fee is paid to your plan's directed trustee or custodian for providing trustee or custodial services. This fee is paid from revenue we derive from your plan.	Trust Company Disclosure	State Street Trust Co, Reliance Trust Co or other Trustee

MASSMUTUAL ADMINISTRATIVE SERVICES AGREEMENT

Effective the 15th day of February, 2017 the following constitutes an amendment to the Administrative Services Agreement ("Agreement") between the Plan Sponsor and MassMutual. The following services shall be available in lieu of the current services described in the Agreement. All services in the Agreement shall continue to remain in full force and effect upon the changes to the services described herein.

WHEREAS: The Plan Sponsor is the sponsor of the Plan and is (or is authorized to act for) the "administrator" of the Plan;

WHEREAS: The Plan Sponsor has entered into an agreement with MassMutual to provide the recordkeeping and other administrative services to the Plan.

WHEREAS, pursuant to the amendment provisions of the services agreement, the Plan Sponsor and MassMutual desire to amend that agreement with respect to the recordkeeping and other administrative services to be provided to the Plan.

NOW THEREFORE, the Agreement is amended effective the 15th day of February, 2017 to read as follows:

7.3 Indemnification: The Plan Sponsor confirms that it is a governmental entity that is prohibited by state constitution, statute, regulation, or administrative rule from indemnifying MassMutual for any loss or liability arising from a claim or legal action asserted against MassMutual or its agents in performing its duties under the Agreement.

The Plan Sponsor certifies that it has the power and authority to enter into this Agreement. The person signing below as the Plan Sponsor's representative warrants, as an individual, that he or she is the Plan Sponsor's representative authorized to sign this Agreement and that his or her signature is genuine.

SIGNATURE(S):

In Witness Whereof: MassMutual and the Plan Sponsor have caused this Agreement to be executed by their duly appointed officer or representative effective as of the date executed by both parties.

For Massachusetts Mutual Life Insurance Company:



Tina Wilson, Senior Vice President

January 18, 2017
Date

Legal Name of Plan Sponsor: City of Midwest City

Contract Number: 062340-0001-0000

For the Plan Sponsor:

Signature

Date

Printed Name and Title



INVESTMENT AGREEMENT

issued by

Massachusetts Mutual Life Insurance Company (“MassMutual”)

Investment Agreement Number MR 062340

Investor The City of Midwest City

Effective Date February 15, 2017

Anniversary Date Anniversaries will occur on each February first after the Effective Date

Issue Date February 15, 2017

Investment Agreement

This Agreement is a group annuity contract that funds benefits for plans satisfying the requirements under section 457 of the Code and is designed to comply with state insurance department standards. Annuities are available subject to the terms of each plan but this Agreement does not require the purchase of annuities. MassMutual will accept deposits of plan assets and pay benefits under the terms of this Agreement.

MassMutual issues this Agreement in consideration of the Application and the payment of Deposits provided for under this Agreement. This Agreement is delivered in Oklahoma and is subject to its laws. In Witness Whereof, MassMutual has executed this Agreement at Our Home Office in Springfield, Massachusetts as of the Issue Date, to take effect on the Effective Date.

Secretary

President

“WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE DEFRAUD OR DECEIVE ANY INSURER MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.”

**NOTICE OF
PROTECTION PROVIDED BY
OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

This notice provides a brief summary of the Oklahoma Life and Health Insurance Guaranty Association (“the Association”) and the protection it provides for policyholders. This safety net was created under Oklahoma law, which determines who and what is covered and the amounts of coverage. The Association was established to provide protection in the unlikely event that your life, annuity or health insurance company becomes financially unable to meet its obligations and is taken over by its Insurance Department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Oklahoma law, with funding from assessments paid by other insurance companies.

The basic protections provided by the Association are:

- Life Insurance
 - \$300,000 in death benefits
 - \$100,000 in cash surrender or withdrawal values
- Health Insurance
 - \$500,000 in hospital, medical and surgical insurance benefits
 - \$300,000 in disability income insurance benefits
 - \$300,000 in long-term care insurance benefits
 - \$100,000 in other types of health insurance benefits
- Annuities
 - \$300,000 in withdrawal and cash values

The maximum amount of protection for each individual, regardless of the number of policies or contracts, is \$300,000, except that with regard to hospital, medical and surgical insurance benefits, the maximum amount that will be paid is \$500,000.

Note: Certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Oklahoma law.

To learn more about the above protections, please visit the Association’s website at www.oklifega.org, or contact:

Oklahoma Life & Health Insurance Guaranty Association
201 Robert S. Kerr, Suite 600
Oklahoma City, OK 73102
Phone: (405) 272-9221

Oklahoma Department of Insurance
3625 NW 56th Street, Suite 100
Oklahoma City, OK 73112
1-800-522-0071 or (405) 521-2828

Insurance companies and agents are not allowed by Oklahoma law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and Oklahoma law, then Oklahoma law will control.

TABLE OF CONTENTS

Section 1.	Deposits	<i>Page</i>
1.01	Transferred Assets.....	5
1.02	Contributions.....	5
1.03	Grace Period for Deposits	5
1.04	Limitations on Deposits	5
1.05	Allocation Instructions for Deposits.....	5
1.06	Allocation Date for Deposits.....	5

Section 2.	Transfers Between Plan Investment Options	
2.01	Transfers.....	6
2.02	Frequency and Timing of Transfers	6
	A. Daily Transfers.....	6
	B. Allocation Date for Transfers.....	6

Section 3.	Distributions	
3.01	Benefit Payments	7
	A. In General	7
	B. Lump-sum Cash Payment Option.....	7
	C. Installment Payment Option	7
	D. Annuity Purchase Option	8
3.02	Misstatements and Adjustments.....	9
3.03	Corrective Distributions	9
3.04	Expense Distributions	9
3.05	Outside Fund Distributions.....	9

Section 4.	Termination	
4.01	Termination Events	10
	A. In General	10
	B. Pending Termination.....	10
	C. Timing of Termination.....	10
4.02	Result of Termination	10
	A. Deposits, Transfers and Distributions.....	10
	B. Expenses	10
	C. Investment Allocation	11

TABLE OF CONTENTS

Section 5.	Termination Payments	
5.01	Termination Payment Options	12
5.02	Book Value Installment Payment Options	12
	A. Five Year Rate Reset Installment Option	12
	B. Ten Year Installment Option	12
5.03	Annuity Purchase Payment Option	13
5.04	Lump-Sum Payment Option.....	13
5.05	Plan Termination Payment Option	13
5.06	Certification	13

Section 6.	Agreements of the Parties	
6.01	Information Required by MassMutual	14
6.02	Plan Change Or Amendment.....	14
6.03	Prohibited Communication	15
6.04	Clone Agreement	15

Section 7.	General Provisions	
7.01	Responsibility for Funding Vehicle	16
7.02	Nondiversion of Benefits	16
7.03	Payment of Benefit.....	16
7.04	Facility of Payment	16
7.05	Evidence of Survival	16
7.06	Designation of Beneficiary.....	16
7.07	Basis of Reserves	16
7.08	Limitation of Liability.....	17
7.09	Correction of Breach	17
7.10	Deferral of Allocation of Deposits and Withdrawals	17
7.11	Entire Agreement	17
7.12	Assignment.....	17
7.13	Amendment	17
7.14	Modification.....	18
7.15	Form and Gender.....	18

TABLE OF CONTENTS

Section 8.	Definitions	
8.01	Account	19
8.02	Agreement	19
8.03	Business Day	19
8.04	Code	19
8.05	Contributions	19
8.06	Deposits	19
8.07	Distributions	19
8.08	Effective Communication	19
8.09	ERISA	20
8.10	Expenses	20
8.11	General Account Assets	20
8.12	GIA Market Value	20
8.13	Guaranteed Interest Account	20
8.14	Guaranteed Interest Account Schedule	20
8.15	Holding Account Interest Rate	21
8.16	Investor	21
8.17	Market Value Formula	21
8.18	MassMutual	22
8.19	Participant	22
8.20	Plan	22
8.21	Plan Sponsor	22
8.22	Termination Date	23
8.23	Termination Payment	23
8.24	Third Party Administrator	23
8.25	Transferred Assets	23
8.26	Transfers	23
8.27	Valuation Date	23

Guaranteed Interest Account Schedule
Expense Schedule
Application

Section 1 – Deposits

1.01 Transferred Assets

The Investor will deposit approximately \$4,400,000 of Transferred Assets that were held under a prior funding vehicle immediately before the Effective Date of this Agreement.

1.02 Contributions

Subject to the terms of the Plan and the provisions of Section 1.04, the Investor will deposit into the Agreement 100% of the Contributions to the Plan that are to be allocated to the Guaranteed Interest Account.

1.03 Grace Period for Deposits

The Investor will deposit Transferred Assets within thirty-one (31) days of the later of the Issue Date or Effective Date or such later date as is mutually agreed upon by the Investor and MassMutual. The Investor will deposit Contributions as soon as administratively feasible following the date they are made to the Plan.

1.04 Limitations on Deposits

Only if the Investor and MassMutual mutually agree may the Investor deposit amounts attributable to: (i) a transfer or rollover of assets from another plan on or after the Effective Date; (ii) the addition of new groups or categories of eligible employees to the Plan after the Effective Date; (iii) transfers or rollovers from a Code section 408 individual retirement account or an individual retirement annuity, a Code section 403(b) tax sheltered annuity or a Code section 457 deferred compensation plan on or after the Effective Date; or (iv) non-tax-deductible Contributions to the Plan.

1.05 Allocation Instructions for Deposits

The Investor will provide MassMutual with allocation instructions for the Deposits. These instructions and any revised instructions will be effective as soon as administratively feasible, but in no event later than five (5) Business Days following the date MassMutual receives Effective Communication of the allocation instructions. The Investor may allocate the Deposits to the Guaranteed Interest Account. Allocation instructions will remain in effect until the Investor provides MassMutual with Effective Communication of revised instructions.

1.06 Allocation Date for Deposits

MassMutual will allocate Deposits as soon as reasonably practicable but in no event later than the Valuation Date occurring five (5) Business Days after the later of: (i) the Effective Date; (ii) the Issue Date; or (iii) the date MassMutual receives the Deposit and Effective Communication of the allocation instructions. Until MassMutual allocates the Deposits in accordance with the allocation instructions, MassMutual will invest the Deposit in the MassMutual Premier U.S. Government Money Market Fund from the date MassMutual receives the Deposit up to and including the Valuation Date prior to the date on which MassMutual allocates the Deposit.

Section 2 – Transfers Between Plan Investment Options

2.01 Transfers

Subject to the terms of the Plan, the Investor may direct transfers between Plan investment options, including any selected investment option described in a Guaranteed Interest Account Schedule. MassMutual will apply the limitations described in the Guaranteed Interest Account Schedule to these transfers.

2.02 Frequency and Timing of Transfers

A. Daily Transfers.

Subject to the terms of the Plan, MassMutual permits daily Transfers.

B. Allocation Date for Transfers.

MassMutual will allocate Transfers as soon as reasonably practicable, but in no event later than the Valuation Date occurring five (5) Business Days following the date MassMutual receives Effective Communications from the Investor or a Participant regarding the Transfer.

Section 3 - Distributions

3.01 Benefit Payments

A. In General

Distributions for the purpose of making benefit payments, including loans and in-service withdrawals, will be made by MassMutual following receipt of Effective Communications from the Investor. MassMutual must receive Effective Communication of an election of a benefit payment form at least thirty-one (31) days prior to the date on which either an annuity is to be purchased or thirty-one (31) days prior to the date on which benefit payments are to commence. An election of a form of benefit payment is subject to the terms of the Plan and applicable federal and state laws and regulations. Except as provided below, any modification, retraction, or change of a benefit payment election must be made prior to the date benefit payments commence.

B. Lump-sum Cash Payment Option

- (1) MassMutual, upon receipt of Effective Communications from the Investor and subject to the terms of the Plan and Section 3.02, will make a benefit payment in a lump-sum cash payment equal to the balance of the Participant's Plan Account.
- (2) MassMutual will not make a benefit payment under this lump-sum cash payment option after the Termination Date.

C. Installment Payment Option

- (1) MassMutual, upon receipt of Effective Communication from the Investor and subject to the terms of the Plan, will make benefit payments in installments equal to the balance of the Participant's Plan Account.
- (2) Effective Communication of an election of installment payments must specify either: (i) benefit payments in equal amounts, except that the last payment which exhausts the Participant's Plan Account may be smaller; (ii) a specific number of benefit payments, the amount of each benefit payment to be equal to the then value of the balance of the Participant's Plan Account divided by the number of remaining benefit payments to be made; or (iii) benefit payments over the Participant's life expectancy, or the life expectancy designated in accordance with the terms of the Plan, the amount of each benefit payment to be equal to the then value of the balance of the Participant's Plan Account divided by the applicable life expectancy as redetermined each year.
- (3) The Plan Account of a Participant who elects installment payments will remain invested in the Guaranteed Interest Account during the time in which the installment payments are made to the Participant.
- (4) Installment payments will terminate with the earlier of: (i) the benefit payment which completely exhausts the balance of the Participant's Plan Account; (ii) completion of the installment payment period; (iii) the Participant's election to receive the balance of the Participant's Plan Account in a lump sum; (iv) the last benefit payment due preceding the death of the Participant; or (v) the Termination Date. At the death of the Participant, any outstanding balance of the Participant's Plan Account will be paid in accordance with the provisions of the Plan.

D. Annuity Purchase Option

- (1) The Investor may, but is not required to, purchase an annuity for any person who is eligible to receive an annuity under the Plan. Subject to the terms of the Plan, MassMutual will make available any form of annuity customarily offered by MassMutual and, upon receipt of Effective Communication from the Investor, will make annuity benefit payments. MassMutual will not permit the purchase of an annuity under this option after the Termination Date.
- (2) If the Investor elects to purchase an annuity for a Participant, MassMutual will apply to the purchase of the annuity the amount by which the balance of the Participant's Plan Account exceeds the sum of administrative expenses applicable to the purchase of the annuity and any State premium tax liability due with respect to the purchase of the annuity. The consideration applied to the purchase of an annuity will be net of the sum of administrative expenses applicable to the purchase of the annuity and any State premium tax liability due with respect to the purchase of the annuity.

The minimum amounts of an annuity which can be purchased under this Agreement are based on the 1994 Group Annuity Mortality Table male rates projected to 2015, with ages set back 3 years, at 3% interest for immediate annuities and 2% interest for deferred annuities and a loading of 2% of the net rate.

Sample monthly amounts of life annuity (commencing immediately) which can be provided by \$1,000 of net consideration are as follows:

<u>Age of Person at Date of Purchase</u>	<u>Amount of Annuity</u>
55	\$4.15
60	4.62
65	5.25
70	6.10
75	7.30

MassMutual will provide amounts of annuity for other ages and other annuity forms upon request. The amount of annuity will not be less than what is provided by MassMutual at the time of purchase under other investment agreements in the same class as this Agreement.

Any annuity which, under the terms of the Plan, is the actuarial equivalent of a stated annuity will have the same present value on the date payment commences as the stated annuity. If the Plan does not provide for the determination of actuarial equivalence, the present value will be determined on the basis of the 1994 Group Annuity Mortality Table male rates projected to 2015, with ages set back 3 years and interest at 3% for immediate annuities and 2% for deferred annuities.

Each person for whom an annuity is purchased will receive an annuity certificate from MassMutual. Application of the balance of the Participant's Plan Account to the purchase of annuities on the basis of data and certifications received by MassMutual from the Investor will be deemed conclusive, except as otherwise provided in Section 3.02.

3.02 *Misstatements and Adjustments*

If MassMutual discovers that any fact pertaining to the determination of a benefit payment was misstated, or MassMutual discovers a clerical error, MassMutual will make the following adjustments. MassMutual will: (i) correct the amount payable retroactively to the date MassMutual began making benefit payments; and either (ii) deduct any overpayments resulting from misstatements or errors from amounts payable following the correction of the benefit payment amount; or (iii) pay any underpayments resulting from misstatements or errors in full with the next payment following the correction of the benefit payment amount.

3.03 *Corrective Distributions*

On or prior to the Termination Date and subject to the terms of the Plan, corrective distributions will be made if mandated by applicable law and regulations.

3.04 *Expense Distributions*

MassMutual will deduct monthly from assets invested under this Agreement amounts owed for expenses and charges described in the Expense Schedule. Instead of deducting expenses and charges described in the Expense Schedule from assets invested under this Agreement, the Investor may provide Effective Communication to MassMutual electing to directly pay the expenses and charges on a monthly basis, which expenses shall be due and payable by the Investor to MassMutual within thirty (30) days of the date of the invoice from MassMutual. If the expenses have not been paid within thirty (30) days from the date of the invoice, MassMutual shall have the right to withdraw the amount of the unpaid expenses and all future expenses from assets invested under this Agreement.

In accordance with Effective Communication from the Investor, MassMutual agrees to deduct and pay from assets invested under this Agreement amounts owed for expenses incurred on behalf of the Plan other than those expenses and charges described in the Expense Schedule.

3.05 *Outside Fund Distributions.*

On or prior to the Termination Date and subject to the terms of the Plan and any limitations described in the Guaranteed Interest Account Schedule, the distribution from the Agreement of funds resulting from employee-directed investment transfers to outside funds, will be made.

Section 4 - Termination

4.01 Termination Events

A. In General.

MassMutual will fully or partially terminate this Agreement under the following circumstances:

- (1) The Investor provides Effective Communication to MassMutual that the Agreement will be fully or partially terminated as of a date selected by the Investor, which will be no earlier than thirty (30) days after the Investor provides Effective Communication to MassMutual.
- (2) The Internal Revenue Service determines that the Plan no longer meets the requirements of Code section 401(a), 403(a), 414(d), 414(e), 457 or any other applicable Code provision.
- (3) There is a termination or partial termination of the Plan.
- (4) The Investor breaches a provision of the Agreement.
- (5) MassMutual provides Effective Communication to the Investor that the Agreement will be terminated as of a date at least ninety (90) days after MassMutual provides Effective Communication to the Investor.

B. Pending Termination.

MassMutual may defer making withdrawals and transfers for up to ten (10) days during which MassMutual is considering terminating the Agreement.

C. Timing of Termination.

If the Agreement is terminated under Section 4.01(A)(1), then the Termination Date is the later of the date specified in, or the date of receipt of, the Effective Communication that the Agreement is being terminated, unless both parties agree otherwise. If the Agreement is terminated under Section 4.01(A)(2), (3) or (4), then the Termination Date is the date MassMutual first discovers that the Plan no longer satisfies applicable Code requirements, the Plan has been fully or partially terminated, or the Investor has breached a provision of the Agreement. If the Agreement is terminated under Section 4.01(A)(5), then the Termination Date is a date specified by MassMutual at least ninety (90) days after MassMutual provides Effective Communication to the Investor.

4.02 Result of Termination

A. Deposits, Transfers and Distributions

After the Termination Date, except with the mutual agreement of MassMutual and the Investor, MassMutual shall not accept Deposits, permit Transfers or make Distributions.

B. Expenses

After the Termination Date, MassMutual shall deduct any Expenses, as provided in Section 3.04, including any that have not been paid before the Termination Date.

C. *Investment Allocation*

MassMutual shall determine the value of the General Account Assets. The amount of the General Account Assets will be held in the general investment account of MassMutual and credited with the Holding Account Rate from the Termination Date until disbursed in accordance with Section 5, except as hereinafter provided.

Section 5 – Termination Payments

5.01 Termination Payment Options

MassMutual will disburse all assets held under this Agreement in accordance with Effective Communication of one of the following payment options from the Investor. In the event no option is elected within thirty-one (31) days of the Termination Date, the applicable Book Value Installment Payment Option will be deemed to have been elected by the Investor.

5.02 Book Value Installment Payment Options

This Option provides for installment payments of the General Account Assets. Payments will be made under Section 5.02A if the Termination Date occurs on an Anniversary Date. Payments will be made under Section 5.02B if the Termination Date occurs other than on an Anniversary Date.

A. Five Year Rate Reset Installment Option

This option provides for payment in six (6) equal annual installments of the value of the General Account Assets. The first installment will be due and payable not later than six (6) months after the Termination Date and additional installments will be due and payable on each of the next five (5) annual anniversaries of the Termination Date. Each such installment will be reduced by the Expenses determined in Section 3.04, including any Expenses incurred for services provided while installment payments are being made. During the installment payment period commencing with the Termination Date, interest will be credited to the unpaid assets held under this Agreement at the Guaranteed Interest Rate credited to the Guaranteed Interest Account as of the Termination Date for the duration of the Rate Period in which the Termination Date occurs. At the same time that MassMutual would otherwise provide Effective Communication of the Guaranteed Interest Rate for subsequent Rate Periods, as specified in the Guaranteed Investment Account Schedule, MassMutual will also provide the installment interest rate under this option that will apply for such Rate Period. In no event will this interest rate be less than the Agreement Minimum Interest Rate. Benefit payments will not be made during the installment payment period.

B. Ten Year Installment Option

This option provides for payment in eleven (11) equal annual installments of the value of the General Account Assets. The first installment will be due and payable not later than six (6) months after the Termination Date and additional installments will be due and payable on each of the ten (10) annual anniversaries of the Termination Date. Each such installment will be reduced by the Expenses determined in Section 3.04, including any Expenses incurred for services provided while installment payments are being made. During the installment payment period commencing with the Termination Date, interest will be credited to the unpaid assets held under this Agreement. Such rate of interest will be 1.0% below the rate of interest equal to the net effective interest rate being credited to the Guaranteed Interest Account determined as of the Termination Date, but in no event less than the Agreement Minimum Interest Rate. Benefit payments will not be made during the installment payment period.

5.03 Annuity Purchase Payment Option

The Investor may, but is not required to, purchase annuities under this Agreement. If the Investor elects to purchase annuities for all of the Participants, MassMutual will apply to the purchase of annuities the amount by which (i) exceeds (ii), where: (i) equals the Market Value of the General Account Assets; and (ii) equals the sum of: (I) administrative expenses applicable to the purchase of the annuities, and (II) any State premium tax liability due with respect to the purchase of the annuities.

If permitted under the terms of the Plan, if a Participant is eligible to receive a retirement benefit, such Participant may choose by means of Effective Communication either an immediate or deferred annuity. If the Participant is not eligible to immediately receive a retirement benefit under the provisions of the Plan, a deferred annuity will be purchased for such Participant. The basis for the purchase of an annuity is determined in accordance with Section 3.01D. Any balance remaining under the Agreement that is not used to provide annuities will be paid under the Lump-Sum Payment Option.

5.04 Lump-Sum Payment Option

This option provides for a lump-sum cash payment. The amount of the Market Value of the General Account Assets will be paid in one sum in accordance with Section 5.06 not later than six (6) months after the Termination Date, provided that if the Market Value of the General Account Assets is larger than \$1.5 million, MassMutual may make payment in installments at four-week intervals. Each installment withdrawn is limited to the larger of \$1.5 million or ten percent (10%) of the total amount to be withdrawn and the first payment will be made not later than six (6) months after the Termination Date.

5.05 Plan Termination Payment Option

If the Plan is terminating, the Investor may offer the Participants under this option a choice of an annuity under Section 5.03 or lump-sum cash payments under Section 5.04, as provided in accordance with the terms of the Plan. Any payments will be made in accordance with an Effective Communication.

5.06 Certification

In the event of the election of the book value installment payment option or the lump-sum payment option, the Investor will in the Effective Communication: (i) designate the trustee or insurance company that is to receive the payment; and (ii) certify that the amount so paid is to be used to provide benefits for those employees who would be entitled to benefits under the Plan and such Plan, in the opinion of the Investor, continues to meet the applicable qualification requirements of the Code. MassMutual will be entitled to rely conclusively upon such certification.

Section 6 – Agreements of the Parties

6.01 Information Required by MassMutual

The Investor agrees to provide Effective Communication of all information required by MassMutual, including information required to process Deposits, Transfers, and Distributions, or to meet any other obligation under this Agreement, in such form and at such time as the Investor and MassMutual mutually agree. The Investor and MassMutual agree that the Plan fiduciary's determination of the eligibility of any person for, and the amount of, any benefit payment will be conclusive.

The Investor agrees to provide MassMutual with the Plan document, the summary plan description and the latest Form 5500, or other required forms, filed with the Internal Revenue Service or Department of Labor, unless otherwise agreed upon by the parties.

The Investor agrees to furnish to MassMutual a copy of a current determination letter from the Internal Revenue Service that the Plan, as it may be amended from time to time, meets the requirements of Code sections 401(a), 403(a), 414(d), 414(e), 457 or any other applicable Code provision.

The Investor agrees to provide Effective Communication to MassMutual within seven (7) days after the Plan Sponsor receives written notification from the Internal Revenue Service that the Plan no longer meets the requirements of Code sections 401(a), 403(a), 414(d), 414(e), 457 or any other applicable Code provision or the Plan Sponsor terminates or partially terminates the Plan.

MassMutual may rely entirely on the information it receives from the Investor and is not responsible for any exclusions or inaccuracies.

6.02 Plan Change Or Amendment

The Investor agrees to provide Effective Communication at least sixty (60) days in advance of the effective date of any change in Plan operation, including changes in investment allocation, the establishment or activation of, or material change in, any Plan investment fund or any change in administrative procedures or any amendment to the Plan. The notice shall include a description of the proposed change or amendment. MassMutual shall have forty-five (45) days from the date of receipt of the notice to determine whether it can continue to operate the Agreement under its current terms following the proposed change or amendment. If MassMutual determines that the proposed change or amendment has an adverse effect on MassMutual's administrative procedures or the financial experience of MassMutual or other investors with investment agreements in the same class as this Agreement, MassMutual shall either:

- (i) propose an amendment to this Agreement that it deems necessary as a result of the change or amendment; or
- (ii) terminate the Agreement, before the effective date of the change or amendment if MassMutual and the Investor are unable to reach agreement, including agreement upon any amendment to this Agreement, that MassMutual deems necessary.

The Investor agrees that it will be a breach of this Agreement for the Plan Sponsor to adopt any change or amendment that would have an adverse effect on MassMutual's administrative procedures or the financial experience of MassMutual or other investors with investment agreements in the same class as this Agreement unless the Investor and MassMutual have agreed to any such amendment to this Agreement that MassMutual deems necessary as a result of the change or amendment.

6.03 Prohibited Communication

The Investor agrees that it will be a breach of this Agreement for the Investor, Plan Sponsor or the Plan fiduciary to deliver any communication to Participants, either directly or indirectly, that is intended to induce Participants to withdraw or transfer funds from the Guaranteed Interest Account to another investment option under the Plan (a “Prohibited Communication”); provided that communications delivered to Participants which are not intended to be biased against a particular investment option under the Plan and are factual information concerning investment options, general discussions of asset allocation principles or investment strategies, fair and accurate descriptions of the risk and reward characteristics of the available investment options, or information required to be delivered for the Plan to maintain its qualification under Section 401(a) of the Code or to satisfy Section 404(c) of ERISA will not be deemed to induce Participants to withdraw or transfer funds.

6.04 Clone Agreement

If, as a result of the sale of a part or all of the Plan Sponsor’s or an affiliated employer’s business (including both stock and asset sales), Participants’ employment with the Plan Sponsor or an Affiliated Employer is terminated but is continued with a successor employer and the impacted employees are immediately included in a defined contribution plan of the successor employer, then if the successor employer’s plan meets MassMutual’s underwriting requirements, MassMutual may offer the successor employer an investment agreement on behalf of such employees with provisions substantially similar to the terms then in effect under this Agreement at the Termination Date (a “Clone Agreement”).

If the successor employer accepts the Clone Agreement, funds maintained under this Agreement with respect to such group of employees will be withdrawn and transferred to the new investment agreement following the issue date of such investment agreement. If the Clone Agreement is not accepted by the successor employer, or if such group of employees are not immediately included in a defined contribution plan of the successor employer, amounts withdrawn on behalf of such employees shall be transferred in accordance with the provisions of Section 4.02.

Section 7 – General Provisions

7.01 Responsibility for Funding Vehicle

The Investor is solely responsible for selecting this Agreement as the funding vehicle appropriate for the Plan.

7.02 Nondiversion of Benefits

Prior to the satisfaction of all liabilities with respect to persons whose Plan benefits are funded by this Agreement, funds maintained with respect to this Agreement will only be used for the exclusive benefit of such persons and for payment of administrative expenses as determined in accordance with this Agreement.

7.03 Payment of Benefit

Other than for the purposes of Section 7.04, annuity payments cannot be made to a person other than the annuitant unless permitted by law and with the written consent of the Investor.

7.04 Facility of Payment

If any person is, in the opinion of MassMutual, legally or physically unable to receive and endorse a payment due hereunder and a guardian has not been appointed, MassMutual may make payment to the person or institution who, in MassMutual's determination, is responsible for that person until such time as MassMutual is notified of a duly appointed guardian or other legal representative. Payment in this manner relieves MassMutual of any liability to the extent of the payment and the application of the money paid.

7.05 Evidence of Survival

MassMutual has the right to require satisfactory evidence that any person entitled to receive an annuity payment under this Agreement is alive on each date payment is due. MassMutual may withhold payments until it receives satisfactory evidence.

7.06 Designation of Beneficiary

A Participant's beneficiary will be designated in accordance with the terms of the Plan. If there is no designated beneficiary living upon the death of a Participant and the Plan does not designate a beneficiary, then any benefit payment hereunder will be paid to such Participant's executors or administrators.

7.07 Basis of Reserves

MassMutual will hold reserves under this Agreement equal to the minimum required by law. Reserves for any annuities purchased in accordance with this Agreement will be at least equal to the minimum required by law.

7.08 *Limitation of Liability*

MassMutual will be liable for any Distribution or Termination Payment under this Agreement only to the extent the Market Value of the General Account Assets, less estimated Expenses, which include a charge for assets held under the Agreement and the expense of any services provided, is sufficient therefor at the time such Distribution or Termination Payment is to be made.

7.09 *Correction of Breach*

If the Investor breaches a provision of the Agreement and subsequent to such breach MassMutual permits Transfers or makes Distributions from the General Account Assets in accordance with Section 2 or Section 3, MassMutual will recover the difference between the amount so withdrawn and the GIA Market Value of the amount so withdrawn by withdrawing such amounts from the remaining funds.

7.10 *Deferral of Allocation of Deposits and Withdrawals*

MassMutual may defer Transfers, Distributions, Termination Payments and the allocation of Deposits under the Agreement if there is an emergency, an interruption in the normal operation of banks or securities exchanges or any other circumstance that makes the purchase of, sale of, liquidation of, or receipt of payment for securities impractical. Deferred Deposits, Transfers, Distributions and Termination Payments will be made within a reasonable period of time after the end of the emergency or interruption.

7.11 *Entire Agreement*

The Investment Agreement, the Guaranteed Interest Account Schedule, the Expense Schedule, and the application of the Investor, together with any riders or endorsements, constitute the entire Agreement between the parties.

7.12 *Assignment*

No assignment of this Agreement will be effective or valid unless: (i) there has been Effective Communication of the original or a true copy of the assignment; and (ii) MassMutual has consented in writing to the assignment. MassMutual will not unreasonably withhold its consent to an assignment but assumes no responsibility for the validity of any such assignment.

7.13 *Amendment*

This Agreement may be amended at any time by agreement between MassMutual and the Investor without the consent of any person receiving, or entitled to receive, benefit payments from this Agreement. No such amendment will affect the amount or the terms of any annuity purchased prior to the effective date of such amendment.

7.14 Modification

MassMutual may modify this Agreement at any time to comply with applicable law by providing Effective Communication to the Investor at least thirty-one (31) days prior to the effective date of the modification and subject to the following conditions: (i) a modification may not affect the amount or terms of any annuity purchased prior to the effective date of the modification; and (ii) a modification may not reduce any existing Guaranteed Interest Rate.

MassMutual may modify this Agreement at any time to add Separate Investment Accounts to the Separate Investment Account Schedule by providing Effective Communication to the Investor. The new Separate Investment Accounts will not be available as investment options under the Plan until such time as the Investor and MassMutual mutually agree.

MassMutual may modify the Market Value Formula by providing Effective Communication to the Investor at least ninety (90) days prior to the effective date of the modification, provided the Investor may terminate this Agreement under the existing formula prior to the effective date of the modification.

MassMutual may modify the expenses and charges described in the Expense Schedule or impose an expense or charge not currently provided for under the Agreement, effective as of any Anniversary Date by providing Effective Communication to the Investor at least one hundred and twenty (120) days prior to such Anniversary Date.

7.15 Form and Gender

Wherever the context of this Agreement requires, the singular includes the plural, the plural the singular, and the masculine the feminine.

Section 8 – Definitions

Capitalized terms used in this Agreement that are not defined herein will have the meanings ascribed to them in the applicable schedule.

8.01 Account

Account means the amount maintained under the Plan for each person participating in the Plan.

8.02 Agreement

Agreement means this investment agreement, including the Guaranteed Interest Account Schedule, Expense Schedule and Application.

8.03 Business Day

Business Day means each day on which the New York Stock Exchange is open for business.

8.04 Code

Code means the Internal Revenue Code of 1986, as amended.

8.05 Contributions

Contributions means amounts contributed to the Plan on or after the Effective Date of this Agreement.

8.06 Deposits

Deposits means Contributions and Transferred Assets described in Section 1.

8.07 Distributions

Distributions means withdrawals for benefit payments and Expenses and corrective distributions described in Section 3.

8.08 Effective Communication

Effective Communication means written or electronic communication in a form satisfactory to MassMutual, which shall be deemed given when delivered personally, upon receipt of a transmission confirmation (with a confirming copy sent by overnight courier) if sent electronically or by facsimile or like transmission, and on the next business day when sent by Federal Express, United Parcel Service, Express Mail, or other reputable overnight courier. The Investor will submit Effective Communications to MassMutual at the following address:

Massachusetts Mutual Life Insurance Company
Retirement Services
430 W 7th Street
Kansas City, MO 64105

MassMutual will submit Effective Communications to the Investor at the Investor's principal place of business or as the Investor and MassMutual mutually agree.

8.09 ERISA

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

8.10 Expenses

Expenses means expenses, fees and charges described in the Expense Schedule.

8.11 General Account Assets

General Account Assets means the sum of the amount of the Guaranteed Interest Account and all other amounts held under the Agreement in MassMutual's general investment account.

8.12 GIA Market Value

GIA Market Value means the value of the General Account Assets as of a Valuation Date determined by applying the market value factor determined under the Market Value Formula as of the date of the partial or complete termination of the Agreement to the value of the General Account Assets as of such Valuation Date.

8.13 Guaranteed Interest Account

Guaranteed Interest Account means the accounts maintained under this Agreement to determine the amount of the Investor's interest in MassMutual's general investment account. The amount of the Guaranteed Interest Account at any time will be the sum of the amount of such Guaranteed Interest Account on the last Valuation Date after adjustments for deposits and withdrawals plus interest from the last Valuation Date at the Guaranteed Interest Rate applicable to such Guaranteed Interest Account.

8.14 Guaranteed Interest Account Schedule

Guaranteed Interest Account Schedule means the schedule that describes the Guaranteed Interest Account available under the Agreement and all conditions associated with the use of such investment option under this Agreement.

8.15 *Holding Account Interest Rate*

Holding Account Interest Rate means the interest rate credited on any balance that is not paid and is based on the net yield being realized by Separate Investment Account G, a pooled separate investment account invested primarily in short-term interest bearing instruments. The net yield is determined as the annual rate of return after adjustments for investment expenses, duration from issue to maturity date, maturity par values for each asset, and the assumption that reinvestment will be made by purchase of identical assets. The Holding Account Rate is an effective annual rate and is credited at the equivalent daily rate. The rate is reviewed weekly and reset at least as frequently as quarterly. The Holding Account Rate is not guaranteed for any length of time.

8.16 *Investor*

Investor means the fiduciary, Plan Sponsor or trustee to which the Agreement is issued, as listed on the face page of the Agreement.

8.17 *Market Value Formula*

Market Value Formula means the formula used to determine the market value factor. The rates entering into the Market Value Formula, the methods employed in the computation, and any amount determined by the application of the Market Value Formula will be deemed conclusive.

The Market Value Formula is based on a serial bond valuation formula for a bond which repays its original principal in installments, pays interest on the outstanding principal, and is being valued in the current interest rate environment. The Market Value Formula is:

$$\frac{a}{r} + \left[\frac{k}{m} \times \left(1 - \frac{a}{r} \right) \right]$$

where:

m = the weighted average of the yields of the indices listed below, where the weightings represent the percentage of the market value of the retirement segment that is invested in each of the asset categories listed below (the “assumed market yield”). For purposes of this section, the term “retirement segment” refers to the segment of the MassMutual general investment account to which the assets of this Agreement are allocated. The yield of each index is the last available published yield in the month immediately prior to the month as of which the market value factor is being calculated. The weighting of each index is determined as of the last Business Day of the month immediately prior to the most recent calendar quarter-end that precedes the date as of which the market value factor is being calculated. For example, if the market value factor is being calculated as of July 15, MassMutual would determine the weightings for each index as of the last Business Day in May. Unless otherwise defined in this Contract, a “Business Day” will be each day on which the New York Stock Exchange is open for business.

Asset Category	Applicable Index
Public/Private Corporates	80% Citi USBIG BBB Corporate Index, 20% Citi HYM Index
Commercial Mortgage Loans	Bank of America/Merrill CMBS Fixed Rate AAA 5-10 Yrs Index
Commercial Mortgage Backed Securities	Bank of America/Merrill CMBS Fixed Rate AAA 5-10 Yrs Index
Mortgage Backed Securities/ Collateralized Mortgage	Barclays U.S. MBS: Agency Fixed Rate MBS Index

Obligations/Residential Mortgage Loans	
Asset Backed Securities/Floaters	Bank of America/Merrill ABS Credit Cards Floating Rate Index
Treasuries	Barclays U.S. Treasury: 5-7 Year Index
Cash	3 month US Dollar LIBOR
Assets not listed above	80% Citi USBIG BBB Corporate Index, 20% Citi HYM Index

The assumed market yield is adjusted to account for the difference between the duration of the assumed market yield and the duration of the retirement segment. In the event MassMutual determines that the market value factor produced by the Market Value Formula no longer accurately represents the market value of the retirement segment, MassMutual will provide the Investor Effective Communication of replacement of one or more of the applicable indices. This change will be effective no earlier than 90 days following the date of the Effective Communication.

k = the weighted average of the investment year interest rates being used by MassMutual for the retirement segment, where the weightings represent the distribution to the various investment years of this Agreement's funds or the funds of the class of investment agreements to which this Agreement is assigned depending on whether the Contract is individually rated or pool rated. Each investment year's interest rate is net of investment expenses and is adjusted for gains and losses not included in the establishment of prior Guaranteed Interest Rates.

a = the present value of an immediate annuity of \$1 per year for r years with interest at the rate (m). The formula to be used to calculate this value is:

$$a = \frac{1 - \left(\frac{1}{1+m}\right)^r}{m}$$

r = the number of years to maturity of a serial bond, in whole and fractional years, whose duration represents the duration of the retirement segment.

8.18 MassMutual

MassMutual means Massachusetts Mutual Life Insurance Company.

8.19 Participant

Participant means an individual having an account under the Plan.

8.20 Plan

Plan means the City of Midwest City Deferred Compensation Plan as in effect on the Effective Date.

8.21 Plan Sponsor

Plan Sponsor means the entity sponsoring the Plan.

8.22 Termination Date

Termination Date means the date on which the Agreement is terminated in accordance with Section 4.01(C).

8.23 Termination Payment

Termination Payment means a payment made in accordance with Section 5 upon termination of the Agreement.

8.24 Third Party Administrator

Third Party Administrator means a third party administration firm which has an active services agreement with MassMutual.

8.25 Transferred Assets

Transferred Assets means amounts contributed under the terms of the Plan prior to the Effective Date or amounts contributed under either an existing or a terminated plan qualified under Code section 401(a) or a plan that is being merged into the Plan.

8.26 Transfers

Transfers means transfers among the Guaranteed Interest Account and all Plan funds held outside of the Guaranteed Interest Account.

8.27 Valuation Date

Valuation Date means any day on which the amount of the Guaranteed Interest Account is determined by MassMutual.

Guaranteed Interest Account Schedule

G1.01 Guaranteed Interest Rate

A Guaranteed Interest Rate is an effective annual rate of interest credited at its equivalent daily rate to amounts in the Guaranteed Interest Account as of the close of business daily. The establishment of the Guaranteed Interest Rate requires estimation of the future earnings rates, the rate at which existing investments mature, and future cashflow. MassMutual will establish a Guaranteed Interest Rate on a semi-annual basis (the "Rate Period") for deposits received during a Rate Period. MassMutual will also establish an annual minimum interest rate (the "Minimum Annual Interest Rate") for each year of the Agreement (the "Annual Rate Period") and a minimum interest rate that will apply for the duration of the Agreement (the "Agreement Minimum Interest Rate").

The Guaranteed Interest Rate to be credited to the Guaranteed Interest Account during any Rate Period will be at a rate not less than the Minimum Annual Interest Rate in effect during such Annual Rate Period and the Minimum Annual Interest Rate in effect during any Annual Rate Period will not be less than the Agreement Minimum Interest Rate.

The initial Guaranteed Interest Rate will be: 3.75%

The initial Rate Period will be: February 15, 2017 to August 31, 2017

The duration of Rate Periods will be: 6 months

Minimum Annual Interest Rates and Applicable Annual Rate Periods will be:	Minimum Annual Interest Rate	Annual Rate Period
	3.25%	March 1, 2018 to February 28, 2019
	2.75%	March 1, 2019 to February 28, 2020
	2.25%	March 1, 2020 to February 28, 2021
	1.75%	March 1, 2021 to February 28, 2022

initial Annual Rate Period February 15, 2017 to February 28, 2018

The Agreement Minimum Interest Rate the six month average of the five-year constant maturity treasury rate as published by the Federal Reserve, less .75%, rounded to the nearest multiple of .05%, and subject to a maximum of 3.00% and a minimum of 1.00%. The six month average is determined over a period ending on the last Business Day of the preceding November if the Agreement's initial Rate Period (as defined above) begins between January 1 and June 30, and the last Business Day of the preceding May if the Agreement's initial Rate Period begins between July 1 and December 31.

MassMutual will establish a Guaranteed Interest Account for deposits allocated to the Guaranteed Interest Account. MassMutual will credit to those amounts the Guaranteed Interest Rate as established by MassMutual with respect to each Rate Period during which this Guaranteed Interest Account is in effect.

MassMutual will provide the Investor with Effective Communication of: (1) the Guaranteed Interest Rate for each Rate Period following the initial Rate Period at least thirty days prior to the beginning of such Rate Period; and (2) the Minimum Annual Interest Rate for each Annual Rate Period following the initial Annual Rate Period at least thirty days prior to the beginning of such Annual Rate Period.

G1.02 Termination of Employment

A. Bona Fide Termination of Employment

On or prior to the Termination Date, benefit payments from the Guaranteed Interest Account to be made with respect to a bona fide termination of employment will be paid at book value. A bona fide termination of employment includes retirement, death or disability. Additionally, a bona fide termination of employment generally includes a separation from employment with the Plan Sponsor or an affiliated employer but does not include a: (i) temporary absence; (ii) change in position or other occurrence qualifying as a temporary break in service under the Plan; (iii) transfer or other change of position resulting in employment by an entity controlling, controlled by, or under other common control with the Plan Sponsor or an affiliated employer; or, (iv) separation from employment resulting from a reorganization, merger, layoff, enhanced separation or retirement offer, or the sale or discontinuance of all or any part of the Plan Sponsor's or affiliated employer's business.

B. Non-Bona Fide Termination of Employment

If any withdrawal is a result of the removal from the Plan of one or more groups or classifications of Plan Participants, a Plan termination or a partial Plan termination, or any reason under (A)(i) through (iv) above, (a "Non-Bona Fide Termination of Employment"), then the amount payable from the Guaranteed Interest Account by MassMutual with respect to a Non-Bona Fide Termination of Employment will be paid under Section 5.02 of the Investment Agreement.

The GIA Market Value will be determined by the Market Value Formula set forth in the Investment Agreement. The date of withdrawal will be considered the Termination Date for the purpose of establishing the benefit payments or Termination Payments to be made and determining the market value factor under the Market Value Formula.

At the Investor's election, the Market Value of the amount withdrawn from the General Investment Account shall be paid in lieu of payments under Section 5.02 of the Investment Agreement. The Market Value will be determined by the Market Value Formula set forth in the Investment Agreement. The date of withdrawal will be considered the Termination Date in the formula.

C. De Minimus Partial Withdrawals

De minimus partial withdrawals due to a Non-Bona Fide Termination of Employment are permitted from the Guaranteed Interest Account in a lump-sum at the value of the Guaranteed Interest Account prior to the application of the market value factor. De minimus means either: an aggregate withdrawal amount during a calendar year less than the lower of: 5% of the Guaranteed Interest Account, and \$2,000,000; or a total Market Value adjustment less than or equal to \$25,000.

G1.03 Competing Fund Transfer Restrictions

A. Guaranteed Interest Account Transfer Restrictions

No transfers may be made to a Competing Fund. Only new contributions to the Plan may be invested in a Competing Fund. Transfers may be made from a Competing Fund to any other Plan investment option.

B. Competing Fund Definition

For purposes of this Section, a "Competing Fund" is a Plan investment option containing fixed income assets, including, but not limited to money market funds, short and intermediate-term bond funds, bank investment contracts, guaranteed interest contracts, stable value funds, self-directed brokerage accounts, and pooled-GIC collective trusts.

G1.04 Investor Directed Plan Investment Option Transfer Restriction

Only with the mutual agreement of MassMutual and the Investor, and subject to such conditions as MassMutual and the Investor may agree upon, may the Investor direct the distribution of all or a portion of a Participant's Plan account for the purpose of transferring such amounts to other Plan investment options.

Expense Schedule

E1.01 Plan Administrative Expenses

If the Investor requests that MassMutual provide administrative services, MassMutual will deduct from assets invested under this Agreement amounts owed for expenses attributable to such administrative services.

APPLICATION FOR GROUP ANNUITY CONTRACT

to

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
(MassMutual)

Springfield, Massachusetts

Application is hereby made for a Group Annuity Contract (the "Contract") by City of Midwest City (the "Applicant"), to be issued to The City of Midwest City (the "Investor") by the Massachusetts Mutual Life Insurance Company (the "MassMutual") to provide benefits for eligible employees of the

City of Midwest City Deferred Compensation Plan

Said Contract will be prepared by MassMutual on Form No. GP 5566, or the contract form then being issued, and designated as Group Annuity Contract No. MR 062340, the terms and conditions of which have been mutually agreed upon by the Applicant and MassMutual.

It is understood and agreed that this Application will become a part of the Contract hereby applied for, that said Contract is to be effective as of February 15, 2017 and that this Application supersedes and replaces any prior application for said Contract.

I, the undersigned, have read and understood the proposal material presented to me prior to entering into this Contract and any applicable prospectus.

WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE DEFRAUD OR DECEIVE ANY INSURER MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

Signed at _____, this _____ day of _____, 20____.

(Location)

City of Midwest City
(Complete Legal Name of Applicant)

By _____
Signature and Title

For Information of MassMutual:

(Soliciting Agent or Broker)

(Signature of Resident Agent Where Required
by Law if other than Soliciting Agent or Broker)

TRUST AGREEMENT

FOR

City of Midwest City Deferred Compensation Plan

**Reliance Trust Company
Trustee
1100 Abernathy Road NE, Suite 400
Atlanta, GA 30328-5634**

TRUST AGREEMENT

THIS TRUST AGREEMENT (the "Agreement") is entered into by and between City of Midwest City (the "Employer") and Reliance Trust Company (the "Trustee") as of the Effective Date.

WITNESSETH:

WHEREAS, the Employer maintains, for the benefit of its eligible employees and those of its participating affiliate entities, the Plan, which is intended to satisfy the requirements of §457 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Employer desires to appoint the Trustee as a directed trustee to hold and administer the assets of the Plan in accordance with this Agreement; and

WHEREAS, the Trustee has agreed to serve as directed trustee of the trust established under this Agreement;

NOW, THEREFORE, the Employer and the Trustee hereby mutually covenant and agree as follows:

TABLE OF CONTENTS

ARTICLE 1

	DEFINITIONS	7
1.1	Alternate Payee	7
1.2	Beneficiary	7
1.3	Broker	7
1.4	Brokerage Account	7
1.5	Code	7
1.6	Effective Communication	7
1.7	Effective Date	7
1.8	Employer	7
1.9	Investment Fund	7
1.10	Investment Manager	7
1.11	Participant	7
1.12	Plan	8
1.13	Plan Administrator	8
1.14	Recordkeeper	8
1.15	Sub-Custodian	8
1.16	Trust	8
1.17	Trust Assets	8
1.18	Trust Specifications Schedule	8
1.19	Trustee	8

ARTICLE 2

	ESTABLISHMENT OF THE TRUST	9
2.1	Trust Established	9
2.2	Limit of Employers' Interests	9
	(a) No Right to Reversion	9
	(b) Return of Contributions	9
2.3	Trustee's Conditional Acceptance	9
	(a) Directed Trustee	9
	(b) Compensation	10
2.4	Standard of Care	11

Section	Page
ARTICLE 3	
DUTIES OF TRUSTEE	12
3.1 Duties	12
(a) Receipt of Contributions	12
(b) Management of Funds	12
(c) Payments	12
(d) Records	12
(e) Authorized Acts	12
(f) Acceptance of Rollovers	12
 ARTICLE 4	
INVESTMENT OF TRUST ASSETS	14
4.1 General Investment Power/Investment Funds	14
(a) Authority of Employer	14
(b) Investment Funds	14
(c) Funding Policy	14
4.2 Participant Direction of Investments	14
4.3 Investment Managers	15
(a) Appointment	15
(b) Contractual Arrangement	15
(c) Trustee's Duties	15
(d) Failure to Direct	15
(e) Termination of Appointment	15
4.4 Manner and Effect of Directions	15
(a) Delegation of Authority to Custodian	15
(b) Manner of Direction	16
(c) Liability for Authorized Acts	16
4.5 Authorization of Designee(s)	16

Section	Page
ARTICLE 5	
POWERS OF TRUSTEE	17
5.1 General Authority	17
5.2 Specific Powers	17
(a) Purchase of Property	17
(b) Disposition of Property	17
(c) Retention of Cash	17
(d) Exercise of Owner's Rights	17
(e) Registration of Investments	18
(f) Qualified Pooled Investments	18
(g) Purchase of Contracts	18
(h) Execution of Instruments	18
(i) Settlement of Claims and Debts	18
(j) Employment of Agents, Advisers and Counsel	18
(k) Power to do any Necessary Act	18
5.3 Authorized Investments	19
(a) General Definition	19
(b) Limitation on Investment in Securities of the Employer	19
(c) Responsibility for Compliance	19
5.4 Participant Loans	19
ARTICLE 6	
ADMINISTRATION	20
6.1 Accounting by Trustee	20
(a) Books and Records	20
(b) Accounting	20
(c) Release	20
(d) Valuations	21
(e) Reliance on Recordkeeper	21
6.2 Expenses	21

Section	Page
ARTICLE 7	
REMOVAL AND RESIGNATION OF TRUSTEE; SUCCESSOR TRUSTEE	22
7.1 Removal and Resignation	22
7.2 Final Accounting	22
ARTICLE 8	
AMENDMENT OF TRUST; TERMINATION OF PLAN	23
8.1 Amendment of Trust	23
(a) Right to Amend	23
(b) Exclusive Benefit	23
8.2 Termination of Plan	23
ARTICLE 9	
MISCELLANEOUS	24
9.1 Nonalienation of Benefits	24
9.2 Exclusive Benefit	24
9.3 Effect of Plan	24
9.4 Entire Agreement	24
9.5 Approval of the Employer	24
9.6 Notices	24
9.7 Liability for Predecessor or Successor	24
9.8 Liability for Acts of Others	24
9.9 Indemnification	25
9.10 Controlling Law	25
9.11 Effective Date	25
TRUST SPECIFICATIONS SCHEDULE	ATTACHMENT

ARTICLE 1 DEFINITIONS

The following words and phrases, when used herein with an initial capital letter, shall have the meanings set forth below or in the Trust Specifications Schedule unless a different meaning plainly is required by the context. Any reference to a section number shall refer to a section of this Agreement unless otherwise specified.

- 1.1 **Alternate Payee** means a person designated to receive all or a portion of the Participant's benefit pursuant to a qualified domestic relations order.
- 1.2 **Beneficiary** means any person designated under the terms of the Plan to receive benefits payable upon the death of a Participant.
- 1.3 **Broker** means a broker-dealer registered under the Securities Exchange Act of 1934 with whom a Participant, Beneficiary or Alternate Payee may enter into a self-directed Brokerage Account to direct the investment of Trust Assets.
- 1.4 **Brokerage Account** means any brokerage account established with a registered broker/dealer for the purposes of investing the Trust Assets.
- 1.5 **Code** means the Internal Revenue Code of 1986, as amended.
- 1.6 **Effective Communication** means written or electronic communication in a form satisfactory to the Trustee, which shall be deemed given when delivered personally, upon receipt of a transmission confirmation if sent electronically or by facsimile or like transmission, and considered delivered upon receipt by Trustee when sent by Federal Express, United Parcel Service, Express Mail, or other reputable overnight courier.
- 1.7 **Effective Date** means the date the agreement is effective as identified on the Trust Specifications Schedule.
- 1.8 **Employer** means the organization identified on the Trust Specifications Schedule.
- 1.9 **Investment Fund** means any of the separate funds, including a Brokerage Account, established by the Employer for the investment of Plan assets.
- 1.10 **Investment Manager** means any person, corporation or other organization or association appointed by the Employer consistent with the terms of §4.3 to manage, acquire or dispose of the assets of an Investment Fund.
- 1.11 **Participant** means an employee or former employee of an Employer who has an account balance under the Plan.
- 1.12 **Plan** means the plan identified on the Trust Specifications Schedule.

- 1.13 **Plan Administrator** means the entity or person the Employer appoints to serve as Plan Administrator of the Plan. Unless the Employer notifies the Trustee in writing of the appointment of a Plan Administrator, the Employer shall be the Plan Administrator.
- 1.14 **Recordkeeper** means the Plan's duly appointed recordkeeper and any of its agents or assigns, including processing agents.
- 1.15 **Sub-Custodian** means the entity named on the Trust Specifications Schedule, if applicable, which serves as sub-custodian to Reliance Trust Company. If no entity is named on the Trust Specifications Schedule to serve as sub-custodian, then Reliance Trust Company will perform the custodial functions designated within this Agreement for the trust.
- 1.16 **Trust** means the trust established by this Agreement.
- 1.17 **Trust Assets** means the total amount of cash and other property held from time to time under this Agreement.
- 1.18 **Trust Specifications Schedule** means a schedule, as amended from time to time, which is part of this Agreement and which contains all customized terms and amended parts to this Agreement.
- 1.19 **Trustee** means Reliance Trust Company.

ARTICLE 2 ESTABLISHMENT OF THE TRUST

- 2.1 **Trust Established.** The Employer has established with the Trustee, as a funding medium for the Plan, a Trust consisting of the Trust Assets and such earnings, profits, increments, additions and appreciation thereto and thereon as may accrue from time to time.
- 2.2 **Limit of Employer's Interests.**
- (a) **No Right to Reversion.** Except as provided in subsection (b) hereof and except as provided the Code, the Employers shall not have any right, title, interest, claim or demand whatsoever in or to the funds held by the Trustee, other than the right to a proper application thereof and accounting therefore by the Trustee as provided herein, nor shall any funds revert to the Employer, except as permitted by the Code.
 - (b) **Return of Contributions.** Any other provisions of this Agreement or the Plan notwithstanding, if and to the extent permitted by the Code and other applicable laws and regulations thereunder, upon the Employer's request, a contribution made by a mistake in fact, shall be returned to the specified Employer within one year after the mistaken payment of the contribution.
- 2.3 **Trustee's Conditional Acceptance.** The Trustee accepts the Trust hereby created and agrees to perform the duties required of the Trustee, subject, however, to the following conditions:
- (a) **Directed Trustee.** The parties expressly acknowledge and agree that the Trustee is a directed trustee. In the management and control of the Trust Assets, the Trustee shall be subject to the direction of the Employer, Plan Administrator, Participants, Beneficiaries or Alternate Payees in the Plan and, to the extent applicable under the terms of this Agreement, the directions of Investment Managers. The Trustee shall not make any investment review of, consider the propriety of holding or selling, or vote any assets held in the Trust except as directed by the Plan Administrator, Investment Manager, Employer, Participant, Beneficiaries, Alternate Payees or Employer. The Trustee shall have no responsibility to review or make recommendations regarding investments made at the direction of the Employer, Plan Administrator, Participant, Beneficiaries, Alternate Payees or an Investment Manager. The Employer, Plan Administrator, Investment Manager, Participants, Beneficiaries, and Alternate Payees shall not issue any directions to the Trustee that are in violation of the terms of the Plan or this Agreement. The Participants, Beneficiaries and Alternate Payees may exercise direction to the Trustee only through the Recordkeeper, provided that if the Plan permits a Participant, Beneficiary or Alternate Payee to direct investments through a self-directed Brokerage Account, each such self-directed Brokerage Account shall be opened in the name of the Trustee with a Broker for the benefit of each affected Participant, Beneficiary or Alternate Payee. The Trustee shall have and exercise authority and control over such Brokerage Account, subject always to the terms of the Plan and to authorized directions from the Plan Administrator, Investment

Manager, Employer, Participant, Beneficiary, Alternate Payee or Employer. Subject to the foregoing, the parties agree that Participants, Beneficiaries or Alternate Payees may relay trading instructions directly to the Broker.

- (b) **Compensation.** The Trustee shall be entitled to compensation for its services under this Agreement at such rates as from time to time the Trustee and the Recordkeeper shall agree in writing.

The Trustees have directed the Recordkeeper to retain any float earnings, as described below, as additional compensation for services the Recordkeeper renders.

Recordkeeper's procedure for processing Plan contributions provides for prompt investment of monies according to contract obligations. When a contribution is received in good order before the cut-off time (normally 4:00 p.m. Eastern Time) on a business day, contributions are valued at the Investment Fund's net asset value or unit value (depending on the form of the Investment Fund) as of the end of that business day. A contribution is received in "good order" when a contribution is accompanied by usable and complete data, and available monies equal to the total amount shown in the data. For purposes of this section, "business day" is defined as each day that the New York Stock Exchange is open for business.

It is Recordkeeper's goal to minimize the generation of float earnings by handling transactions as soon as possible in accordance with contract obligations. Notwithstanding this policy, amounts held pending investment may generate float earnings. Float may arise in connection with various deposits such as contributions, loan repayments and expense payments ("contributions"), including monies received by wire or electronic funds transfer ("EFT"). Float is generally not earned on contributions processed via check, unless the monies are available immediately. When a contribution is received, monies are invested in overnight investments pending execution of investment directions. Monies may be invested in the following types of overnight investments: (1) institutional money market account, which earns institutional money market rates; (2) passive overnight bank sweep, which is credited with overnight bank deposit rates; or (3) corporate checking account, which is credited at a rate that is set by the bank, currently 90% of the 3-month average of the 13-week Treasury-bill rates. When monies are withdrawn at the start of the following business day in order to be invested according to investment instructions, Recordkeeper retains the float, or interest, as part of its compensation. Contributions made by wire that are not in good order may earn additional float until good order is obtained.

It is the policy of Recordkeeper to process distributions and the corresponding withdrawals from investment funds as soon as possible. Notwithstanding this policy, float may arise in connection with distributions, including those that are made by check or by EFT. There is generally no float generated in connection with distributions made by wire transfer. Recordkeeper issues a distribution and directs the providers of Plan investment options to transfer the monies to

Recordkeeper in an amount sufficient to satisfy the distribution request. On the date that the distribution is issued, the monies are withdrawn from the investment funds and are invested in one of the following types of overnight investments: (1) institutional money market account, which earns institutional money market rates; (2) passive overnight bank sweep, which is credited with overnight bank deposit rates; or (3) corporate checking account, which is credited at a rate that is set by the bank, currently 90% of the 3-month average of the 13 week Treasury-bill rates. Recordkeeper accrues any float that is earned on the monies from the time the distribution is issued until such time as the distribution is deposited or cashed as part of its compensation. Generally, in the case of a distribution issued by check, if the check is not deposited or cashed after six months, the monies are returned to the Plan as abandoned property.

- 2.4 **Standard of Care** This Trust shall be administered by the Trustee solely in the interest of and for the exclusive purpose of providing benefits to Participants, Beneficiaries and their successors in interest and shall be administered in accordance with the provisions of the Plan and this Agreement. The Trustee shall discharge its duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person 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. The Trustee shall not be responsible for the title, validity or genuineness of any property or evidence of title thereto received by it or delivered by it pursuant to this Agreement and shall be held harmless in acting upon any notice, request, direction, instruction, consent, certification or other instrument believed by it to be genuine and delivered by the proper party or parties.

ARTICLE 3 DUTIES OF TRUSTEE

- 3.1 **Duties** . The following shall be the duties of the Trustee hereunder, provided the Trustee may delegate any or all of such duties to a third-party, including the Sub-Custodian and Recordkeeper, as set forth below:
- (a) **Receipt of Contributions.** To receive any contributions paid to it under this Agreement in cash or in other property acceptable to the Trustee. The Trustee shall be responsible only for property actually received by it pursuant to this Agreement. The Trustee has delegated this duty to the Sub-Custodian.
 - (b) **Administration of Trust Assets.** In accordance with directions received (either directly or indirectly) under the terms of this Agreement, to hold, invest and reinvest (except as otherwise provided herein) all contributions so received, together with the income therefrom and any other increment thereon, for the exclusive benefit of Participants, Alternate Payees and their Beneficiaries in accordance with the terms of this Agreement. The Trustee has delegated this duty to the Sub-Custodian.
 - (c) **Payments.** The Plan Administrator, Participants, Beneficiaries or Alternate Payees will direct that payments be made under the Plan and the Trustee delegates the duty to accept these directions to the Recordkeeper. The Trustee shall be fully protected in relying upon the directions received from the Recordkeeper. In the absence of negligence or willful misconduct on the part of the Trustee or the Recordkeeper, the Plan Administrator hereby indemnifies Trustee from any loss, claim, damage or liability, including legal expenses, that may arise in connection with Trustee's acting upon such direction. The Plan Administrator shall provide Effective Communication to Trustee to revoke such delegation to Recordkeeper. Notwithstanding the foregoing delegation of authority, the Plan Administrator retains the right to separately direct the Trustee with respect to any payment from the Trust Assets, and Trustee shall be fully protected in relying upon such directions.
 - (d) **Records.** To keep such accounts and records and make such reports and disclosures as shall be required under this Agreement. The Trustee has delegated this duty to the Recordkeeper.
 - (e) **Authorized Acts.** To take any action directed by the Employer, Plan Administrator, Recordkeeper, or the authorized designee of any of them. The Trustee may rely on any such direction without question and shall not be liable for any failure to act pending receipt of any such direction.
 - (f) **Acceptance of Rollovers.** At the direction of the Plan Administrator, to accept a contribution of cash distributed or distributable to a Participant from another §457(b) employee benefit plan, or from an individual retirement account or annuity described in Code §408, or from 403(b) and 401(a) retirement plans. The Plan Administrator shall be solely responsible for determining that any such contribution represents an eligible rollover contribution within the meaning of Code §402(c)(4)

or Code §408(d)(3)(A)(ii). The Trustee has delegated this duty to the Sub-Custodian.

ARTICLE 4 INVESTMENT OF TRUST ASSETS

4.1 General Investment Power/Investment Funds

- (a) **Authority of Employer.** Except as provided in Sections 4.2 and 4.3, the Employer shall have all authority and responsibility for the management, disposition and investment of the Trust Assets, and the Trustee shall comply with directions of the Employer. The Employer shall not issue any directions that are in violation of the terms of the Plan or this Agreement.
- (b) **Investment Funds.** The Trust shall be divided into one or more separate Investment Funds, the number, makeup and description of which shall be determined from time to time by the Employer. The Trustee shall implement, terminate, value, transfer to and from and allocate the gains, losses and expenses among the Investment Funds in accordance with the proper directions of the Employer, Plan Administrator, Recordkeeper, or their delegates, and, to the extent applicable under the terms of this Agreement, the directions of Investment Managers.
- (c) **Funding Policy.** The Employer is responsible for establishing and carrying out a funding policy consistent with the objectives of the Plan. The Trustee will rely on the Employer for direction with respect to the proper diversification of the Trust Assets and for the prudence of any investment of Trust assets.

- 4.2 **Participant Direction of Investments.** To the extent provided for under the Plan, each Participant, Beneficiary, and Alternate Payee shall have investment authority over his or her account and may direct the investment and reinvestment of assets among the Investment Funds. The Plan Administrator or its designee (which may be the Recordkeeper) shall communicate such directions to the Trustee under procedures established by the Trustee and the Plan Administrator, and the Trustee shall follow and carry out such directions. If a Participant, Beneficiary, or Alternate Payee who has investment authority under the terms of the Plan fails to provide such directions, the Trustee shall invest the Participant's, Beneficiary's or Alternate Payee's account among the Investment Funds in accordance with the directions of the Employer, as maintained by the Recordkeeper. The Trustee shall not be liable for any loss that results from a Participant's, Beneficiary's or Alternate Payee's exercise of investment control.

4.3 Investment Managers.

- (a) **Appointment.** The Employer may, but shall not be required to, appoint one or more Investment Managers to manage the assets of all or any one or more of the Investment Funds.
- (b) **Contractual Arrangement.** The Employer shall enter into a written contract or agreement with each such Investment Manager in connection with its appointment as such, and such contract shall be subject to such terms and conditions and shall grant to the Investment Manager such authority and responsibilities in the management of the applicable Investment Fund assets as the Employer deems appropriate under the circumstances. Without limiting the generality of the foregoing, such contract may establish investment objectives for the assets of the Investment Fund(s) under the management of the Investment Manager and may limit the types of assets that may be acquired or held by such Investment Fund(s).
- (c) **Trustee's Duties.** With respect to each Investment Fund the management of which has been delegated to an Investment Manager, the Trustee shall follow and carry out the instructions of the appointed Investment Manager with respect to the acquisition, disposition and reinvestment of assets of such Investment Fund, including instructions relating to the exercise of all ownership rights in such assets, and the Trustee shall not be under any obligation to invest or otherwise manage any assets allocated to such Investment Fund.
- (d) **Failure to Direct.** In the event that an appointed Investment Manager shall fail to direct the Trustee with respect to investment of all or any portion of the cash held in an Investment Fund under its management, the Trustee shall invest such cash in accordance with the directions of the Employer, as maintained by the Recordkeeper.
- (e) **Termination of Appointment.** Upon the termination of the appointment of an Investment Manager, the Employer shall (i) appoint a successor Investment Manager with respect to the Investment Fund(s) formerly under the management of the terminated Investment Manager, (ii) direct the Trustee to merge or combine such Investment Fund(s) with other Investment Fund(s) or Trust Assets, or (iii) direct the Trustee to invest the assets of such Investment Fund as the Employer deems appropriate in accordance with the existing funding policy.

4.4 Manner and Effect of Directions

- (a) **Delegation of Authority.** The Trustee, who is authorized and directed to serve as the custodian with the authority and responsibility for receiving and carrying out the directions of the Participants, Beneficiaries, Alternate Payees, Employer, Plan Administrator, or their designees, has delegated such custodial duties to the Sub-Custodian. With respect to any assets held by a party other than Trustee, the Trustee is authorized and directed to delegate to a custodian the authority and responsibility for receiving and carrying out the directions of the Participants, Beneficiaries, Alternate Payees, Employer, Plan Administrator, or their designees. The Trustee is authorized and directed to enter into such agreements with another

custodian as are deemed necessary or appropriate to effect such delegation. The Employer represents that all directions given by it in any capacity under this Agreement, whether to the Trustee or the custodian, shall comply with the terms of the Plan, this Agreement, and applicable law.

- (b) **Manner of Direction.** Any direction, request or approval of the Employer, Participants, Beneficiaries, Alternate Payees, Plan Administrator, or any other party to whom authority to give such directions, requests or approvals is delegated under the powers conferred under this Agreement (including, without limitation, the Recordkeeper and its designees) shall be provided to the Trustee or the Sub-Custodian in writing, by automated telephone response system, electronic data transmission (including internet communications) or such other means of Effective Communication as is acceptable to the Trustee or the Sub-Custodian, as applicable.
- (c) **Liability for Authorized Acts.** Except in the event of its own negligence or willful misconduct, the Trustee shall incur no liability to anyone for any action that it or the Sub-Custodian as its delegate takes pursuant to a direction, request or approval given by the Employer, Participants, Beneficiaries, Alternate Payees, Plan Administrator or by any other party (including, without limitation, the Recordkeeper and any of its agents) to whom authority to give such directions, requests or approvals is delegated under the powers conferred upon the Employer, Participants, Beneficiaries, Alternate Payees, Plan Administrator or such other party under this Agreement.

4.5 **Authorization of Designee(s).** The Plan Administrator and the Employer may each appoint one or more designees to act on their behalf. If a designee (or designees) is appointed, the Plan Administrator or the Employer shall furnish the Trustee with Effective Communication of the appointment and a specimen signature of each designee. The Trustee shall be entitled to rely upon such documentation until the Trustee receives Effective Communication to the contrary.

ARTICLE 5 POWERS OF TRUSTEE

- 5.1 **General Authority.** In accordance with the directions of the Employer, Participants, Beneficiaries and Alternate Payees, and any Investment Managers as provided in Article 4, the Trustee shall receive, hold, manage, convert, sell, exchange, invest, reinvest, disburse and otherwise deal with the assets of the Trust, including contributions to the Trust and the income and profits therefrom, without distinction between principal and income and in the manner and for the uses and purposes set forth in the Plan and as hereinafter, described, provided that the Trustee is authorized to delegate to the Recordkeeper certain of the specific powers listed below.
- 5.2 **Specific Powers.** In the management of the Trust, the Trustee shall have the following powers in addition to the powers customarily vested in trustees by law and in no way in derogation thereof; provided, all such powers shall be exercised only upon and in accordance with the directions of the Participants, Beneficiaries, Alternate Payees, Employer, Plan Administrator and, to the extent applicable, any duly appointed Investment Managers:
- (a) **Purchase of Property.** With any cash at any time held by it, to purchase or subscribe for any authorized investment (as defined in Section 5.3) and to retain the same in trust;
 - (b) **Disposition of Property.** To sell, exchange, transfer or otherwise dispose of any property at any time held by it;
 - (c) **Retention of Cash.** To hold cash without interest in administrative accounts for contribution and distribution processing in such amounts as may be reasonable and necessary for the proper operation of the Plan and the Trust;
 - (d) **Exercise of Owner's Rights.** The Employer acknowledges and agrees that the Trustee shall not have the right or power to vote proxies appurtenant to securities that the Trustee holds except as directed by the Employer, Plan Administrator, Participants, Beneficiaries or Alternate Payees, acknowledges and agrees that Trustee shall not make any review of, or consider the propriety of, holding or selling any assets held as Trust Assets in response to any tender offer, conversion privilege, rights offering, merger, exchange, public offering and/or any proxy action for any of such assets and agrees not to issue any directions to the Trustee relating to any corporate event, proxy votes or holding or selling assets held as Trust Assets that are contrary to or in violation of the terms of the Plan document or this Agreement or that are prohibited by the Internal Revenue Code of 1986.
 - (e) **Registration of Investments.** To cause any stock, bond, other security or other property held as part of the Trust to be registered in its own name or in the name of one or more of its nominees; provided, the books and records of the Trustee shall at all times show that all such investments are part of the Trust;

- (f) **Qualified Pooled Investments.** To transfer, at any time and from time to time, all or any part of the Trust Assets to, or withdraw the same from, any pooled Investment Fund or group or collective trust, invested in similar types of securities or other investments, maintained by a bank or trust company (including, if applicable, the Trustee) supervised by a state or federal agency, which has been determined by the Internal Revenue Service to be a qualified trust or fund exempt from federal income tax under Code §501(a) and which has been established to permit separate trusts qualified under Code §457(g)(1) to pool some or all of their funds for investment purposes; to the extent the Trust Assets are invested in such a pooled fund or group or collective trust, the terms of the instrument establishing such pooled fund or group or collective trust are made a part of this Agreement as fully as if set forth at length herein; the commingling of assets of this Trust with assets of other qualified participating trusts in such pooled funds or group or collective trusts is specifically authorized;
- (g) **Purchase of Contracts.** To apply for, purchase, hold, transfer, surrender and exercise all incidents of ownership of any life insurance or annuity contract (but not a contract for a life annuity unless the Plan provides for the distribution of benefits in such form) which the Employer directs it to purchase;
- (h) **Execution of Instruments.** To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments, which may be necessary or appropriate to carry out the powers herein granted;
- (i) **Settlement of Claims and Debts.** To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust, to commence or defend suits or legal or administrative proceedings and to represent the Trust in all suits and legal and administrative proceedings;
- (j) **Employment of Agents, Advisers and Counsel.** To employ suitable agents, actuaries, accountants, investment advisers, brokers, sub-custodians and counsel, and to pay their reasonable expenses and compensation. Counsel may be counsel to the Employer, and such counsel's advice may be sought on any legal matter including the interpretation of this Agreement and the Plan. The Trustee shall be fully protected in acting on advice of counsel to the Employer, if such counsel is acting on behalf of the Employer; and
- (k) **Power to do any Necessary Act.** To do all acts which it may deem necessary or proper and to exercise any and all powers of the Trustee under the Plan and this Agreement upon such terms and conditions as it may deem in the best interests of the Trust.

5.3 **Authorized Investments.**

- (a) **General Definition.** "Authorized investment" as used in this Article V shall mean bonds, debentures, notes or other evidences of indebtedness; stocks (regardless of class) or other evidences of ownership, in any corporation, mutual investment fund, investment company, association or business trust: annuity contracts (other than life

annuity contracts); guaranteed income contracts; and savings accounts and certificates and interest-bearing deposits in any depository institution (including the Trustee or any affiliate of the Trustee). "Authorized investments" shall not be limited to that class of investments which are defined as legal investments for Trust Assets under the laws of the state in which the Employer has its principal place of business or of any other jurisdiction.

- (b) **Responsibility for Compliance.** The responsibility for determining whether any investment of Trust Assets complies with the terms of this Agreement and applicable law shall lie solely with the Employer, and the Trustee shall have no responsibility to ascertain whether any investment made at the direction of the Employer or other authorized person complies with the terms of this Agreement or applicable law. The Trustee's entering into this Agreement will not be deemed to be a determination that the investment of Trust Assets complies with the terms of this Agreement.

- 5.4 **Participant Loans.** If provided for by the Plan, loans to Participants shall be granted and administered by the Plan Administrator, provided that the Plan Administrator may delegate some or all responsibility for granting and administering loans to the Recordkeeper. The Trustee shall distribute cash to Participants who are granted loans in such amounts and at such times as directed by the Plan Administrator or the Recordkeeper. The Trustee hereby designates the Plan Administrator and/or the Recordkeeper as the physical custodian of the promissory notes, responsible for the safekeeping of the promissory notes and other related documents. The Trustee has no responsibility to ascertain whether a loan complies with the provisions of the Plan or applicable law, for the decision of the Plan Administrator or Recordkeeper to grant a loan, or for the collection and repayment of a loan.

ARTICLE 6 ADMINISTRATION

6.1 Accounting by Trustee

- (a) **Books and Records.** The Recordkeeper generally shall be responsible for keeping accurate and detailed records of all investments, receipts and disbursements and other transactions hereunder, including such specific records as may be agreed upon in writing between the Plan Administrator, Employer, Recordkeeper and Trustee. All books and records relating thereto shall be open to inspection and audit, with reasonable advance notice, at all reasonable times during Recordkeeper's normal business hours by any person or persons designated by the Plan Administrator, Employer or Employer. The Trustee shall promptly provide copies of such books or records to any persons designated by the Plan Administrator. Any inspection shall be subject to all applicable rules of privilege and confidentiality, thereby excluding any non-relevant material that is privileged, confidential, proprietary, or subject to third party privacy interests or rights. Any relevant privileged or confidential information produced or disclosed in an inspection shall be subject to the confidentiality and use restrictions set forth herein.
- (b) **Accounting.** Following the close of each Plan year of the Plan, or more frequently as the Trustee and the Plan Administrator may agree, and after the effective date of the removal or resignation of the Trustee, the Recordkeeper, on behalf of the Trustee, will make available to the Plan Administrator and the Employer (and/or their authorized designees) electronic records setting forth all transactions, including but not limited to investments, receipts, and disbursements effected by it during such year or during the period beginning as of the close of the last preceding year to the date of such removal or resignation. These electronic records will be made available in a timely manner to permit the preparation of Participant statements or to provide for the orderly replacement of the Trustee, as the case may be. Except as may be required by statute or by regulations published by federal government agencies with respect to reporting and disclosure, as may be required pursuant to the terms of the Plan or this Agreement or as reasonably may be requested by the Plan Administrator, Employer or Employer, no person shall have the right to demand or to be entitled to any further or different accounting by the Trustee.
- (c) **Release.** The Trustee shall forever be released and discharged from any liability or accountability to anyone with respect to the propriety of its acts or transactions shown in such annual accounting as of the deadline, with extension, for the Employer's filing of any report filed with a governmental entity, with respect to such period for which the report is filed or, if the Employer is not subject to any such filing requirement, 60 days from the date the electronic records are made available except with respect to any acts or transactions as to which the Plan Administrator or Employer, within such 60-day period, files with the Trustee Effective Communication of disapproval. In the event such Effective Communication of disapproval is filed, and unless the matter is compromised by agreement between the

Trustee and the Plan Administrator or the Employer, the Trustee shall file its statement covering the period from the date of the last annual statement to which no objection was made in any court of competent jurisdiction for audit or adjudication.

- (d) **Valuations.** The Trustee shall deliver to the Plan Administrator and the Employer (and their authorized designees) such information as may be required or requested to permit the Trust Assets to be valued at such other times as the Plan Administrator or Employer shall deem appropriate. Employer shall designate a party, other than Trustee, to be responsible for valuations of assets held by a custodian other than Trustee or Sub-Custodian and any assets held by the Plan for which prices are not readily available on a nationally recognized securities exchange.
- (e) **Reliance on Recordkeeper.** The Trustee shall be entitled to rely on the Recordkeeper and any custodian, other than Trustee or Sub-Custodian, for the maintenance and provision of all records (including participant loan records) specified in this Section 6.1.

6.2 **Expenses.** The expenses incurred by the Trustee in the performance of its duties hereunder, including:

- (a) fees for legal services rendered to the Trustee;
- (b) compensation of the Trustee; and
- (c) all other proper charges and disbursements of the Trustee, including all personal property taxes, income taxes and other taxes of any and all kinds whatsoever, that may be levied or assessed under existing or future laws upon or in respect of the Trust or any money, property or security forming a part of the Trust Assets;

shall be paid by the Trustee from the Trust Assets, and the same shall constitute a charge upon the Trust Assets, unless the Trustee receives payment of the same or any part thereof from the Employer or otherwise.

To the extent an Employer pays any expenses that are properly payable from the Trust Assets, the Trustee shall reimburse the Employer from the Trust Assets if requested to do so by the Employer.

ARTICLE 7
REMOVAL AND RESIGNATION OF TRUSTEE; SUCCESSOR TRUSTEE

- 7.1 **Removal and Resignation.** The Employer may remove the Trustee at any time upon 60 days Effective Communication delivered to the Trustee. The Trustee may resign at any time upon 60 days Effective Communication delivered to the Employer. In either case, the notice period may be reduced to such shorter period as the Trustee and the Employer agree upon. The Trustee's removal or resignation will be effective upon the last day of the notice period or, if later, the acceptance of the Trust by the successor Trustee. Until the effective date of the appointment of a successor Trustee (or the termination of the Trust and complete distribution of its assets), the incumbent Trustee will have full authority and responsibility to act as Trustee hereunder.
- 7.2 **Final Accounting.** In any such case, the Employer shall notify the Trustee of the appointment of a successor trustee, and the Trustee shall convey and deliver to such successor trustee all of the Trust Assets. Within 90 days after any such removal or resignation of the Trustee, the Trustee shall make a final accounting to the Employer, Plan Administrator and as of the effective date of such removal or resignation pursuant to the terms of Section 6.1.

ARTICLE 8
AMENDMENT OF TRUST; TERMINATION OF PLAN

8.1 **Amendment of Trust.**

- (a) **Right to Amend.** The Employer and the Trustee may by written agreement amend this Agreement at any time or from time to time, and any such amendment by its terms may be retroactive. All such amendments will be included in the Trust Specifications Schedule.
- (b) **Exclusive Benefit.** Notwithstanding the foregoing, no amendment shall be made which would authorize or permit any Trust Assets, other than such assets as are required to pay taxes and administration expenses, to be used for or diverted to purposes other than the exclusive benefit of Participants, Beneficiaries or Alternate Payees, except that this Agreement may be amended retroactively and to affect the benefits of Participants, Beneficiaries or Alternate Payees if necessary to cause the Plan and Trust to be or remain exempt from income taxes under the Code.

8.2 **Termination of Plan.** In the event of termination of the Plan, the Trustee shall continue to hold the Trust, to be applied and distributed in accordance with the terms of the Plan.

ARTICLE 9 MISCELLANEOUS

- 9.1 **Nonalienation of Benefits.** Except as provided under the provisions of the Plan relating to loans to Participants and to qualified domestic relations orders and to the extent permitted by law, neither the benefits payable from the Trust Assets nor any interest in any of the assets of the Trust Assets shall be subject in any manner to the claim of any creditor of a Participant, Beneficiary or Alternate Payee or to any legal process by any creditor of such Participant, Beneficiary or Alternate Payee; and neither a Participant nor any Beneficiary or Alternate Payee shall have any right to alienate, commute, anticipate or assign any right to benefits payable from or any interest in the Trust, except as provided in the Plan.
- 9.2 **Exclusive Benefit.** Except as otherwise provided in the Plan and this Agreement, no part of the Trust hereunder shall be used for or diverted to any purpose other than for the exclusive benefit of Participants, Beneficiaries or Alternate Payees or the payment of expenses as herein provided.
- 9.3 **Effect of Plan.** The Trustee is not a party to the Plan, and in no event shall the terms of the Plan, either expressly or by implication, be deemed to impose upon the Trustee any power or responsibility other than as set forth in this Agreement. In the event of any conflict between the provisions of the Plan and this Agreement, this Agreement shall be deemed to be incorporated into and be a part of the Plan. The Trustee shall not be a fiduciary under the Plan and shall not have the authority to interpret the Plan.
- 9.4 **Entire Agreement.** This Trust Agreement along with the Trust Specifications Schedule constitute the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no other agreements or understandings between the parties relating to the subject matter hereof other than those set forth or provided for herein.
- 9.5 **Approval of the Employer.** The Employer and Plan Administrator and shall have the right, on behalf of all individuals at any time having any interest in the Trust, to approve any action taken or omitted by the Trustee.
- 9.6 **Notices.** Effective Communication may be made to the parties at the addresses listed in the Trust Specifications Schedule or to such other addresses as may be agreed upon by the parties.
- 9.7 **Liability for Predecessor or Successor.** No successor trustee hereunder in any way will be liable or responsible for any actions or omissions of any prior trustee in the administration of the Trust or the assets comprising the Trust prior to the date such successor trustee assumes its obligations hereunder, nor will any prior trustee in any way be liable or responsible for any actions or omissions of any successor trustee.
- 9.8 **Liability for Acts of Others.** The Trustee shall not be liable for the acts or omissions of the Employer, Recordkeeper, Plan Administrator, Investment Manager, Participants, Beneficiaries, Alternate Payees or any custodian (other than Sub-Custodian, provided that such liability will be limited to liability arising from those duties and responsibilities

delegated to Sub-Custodian under the services agreement between Trustee and Sub-Custodian), except with respect to any acts or omissions of any such party in which the Trustee participates knowingly or which the Trustee knowingly undertakes to conceal, and which the Trustee knows constitutes a breach of fiduciary responsibility of such party.

- 9.9 **Indemnification.** In the event that the Trustee incurs any liability, loss, claim, suit or expense (including without limitation attorneys' fees) in connection with or arising out of its provision of services under this Agreement or its status as Trustee hereunder, then the Employer shall indemnify and hold the Trustee harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from a breach by the Trustee of responsibilities specifically allocated to it by the terms of the Agreement. The Trustee shall hold the Employer and Plan Administrator harmless against any loss, claim, suit or expense (including without limitation attorneys' fees) incurred as a result of the Trustee's negligence or a breach by the Trustee of any service covered by this Agreement. The indemnification provided by this Section shall survive the termination of this Agreement.
- 9.10 **Controlling Law.** This Agreement shall be construed according to the laws of the State of Georgia, except to the extent superseded by any federal law.
- 9.11 **Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Employer and the Trustee have caused this Agreement to be signed by their duly authorized officers or representatives as of the day first written above.

EMPLOYER

City of Midwest City

By: _____

Title: _____

Date: _____

TRUSTEE

RELIANCE TRUST COMPANY

By: _____

Title: _____

Date: _____

TRUST SPECIFICATIONS SCHEDULE

I. The Trust Agreement is amended as follows:

Amendments to Article 1:

1.7 **Effective Communication**

If to the Employer: _____

If to the Plan Administrator: _____

If to the Trustee: Reliance Trust Company
1100 Abernathy Road, N.E. Suite 400
Atlanta, Georgia 30328-5634
Attn: Manager, Retirement Strategies Group

1.8 **Effective Date** means February 15, 2017.

1.9 **Employer** means City of Midwest City and its successors that adopt the Plan.

1.14 **Plan** means City of Midwest City Deferred Compensation Plan, as such Plan may be amended from time to time.

1.15 **Recordkeeper** means Massachusetts Mutual Life Insurance Company, the Plan’s duly appointed recordkeeper and any of their respective agents or assigns, including processing agents.

1.16 **Sub-Custodian** means State Street Bank and Trust Company.

The amendments to Article 1 are effective as of February 15, 2017.

9.9

Indemnification

The Employer has confirmed that it is a governmental entity and that it is prohibited by state constitution, statute, regulation, or administrative rule from indemnifying the Trustee. Therefore, Section 9.9 Indemnification is hereby deleted in its entirety.

This amendment is effective as of February 15, 2017

RELIANCE TRUST COMPANY ERISA 408(b)(2) Fee Disclosure

This document is being provided pursuant to new regulations adopted by the Department of Labor ("DOL") requiring certain service providers to employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA) to provide certain disclosures to their plan customers.

About ERISA 408(b)(2)

The new regulation is issued under section 408(b)(2) of ERISA and requires service providers that reasonably expect to receive \$1,000 or more in compensation, directly or indirectly, to disclose information to assist plan fiduciaries in assessing the reasonableness of the service providers' compensation and potential conflicts of interest that may affect the service providers' performance.

About Reliance Trust Company

Reliance Trust Company ("RTC"), headquartered in Atlanta was founded in 1975 and organized as a bank and trust company in 1981. RTC provides a full array of financial products and services to plan fiduciaries, recordkeeping and third party administrators of retirement plans. Services include: trustee and custodial recordkeeping, fiduciary services, investment and cash management, trade clearing and settlement services.

Plan Fiduciary Notification

RTC is a covered service provider as defined by the ERISA section 408(b)(2) regulation for your employee benefit retirement plan in the capacity of providing directed trustee services under the trust agreement your business has executed with RTC.

As a directed trustee, RTC is a fiduciary to the plan and responsible for the proper execution of directions, safekeeping of plan assets and providing periodic trust reporting subject to the direction of the plan's named fiduciary, plan administrator and/or investment manager.

Massachusetts Mutual Life Insurance Company ("MassMutual") and RTC have entered into an agreement pursuant to which RTC provides directed trustee services for plans that are serviced by MassMutual, and MassMutual provides administration services to RTC, and, where appropriate acts as RTC's agent for directed trustee administration functions and responsibilities assumed by RTC with respect to the plan. MassMutual and RTC are not affiliated. The responsibilities and services provided by MassMutual are intended to be ministerial in nature and MassMutual does not serve in a fiduciary capacity with respect to the plan in this context.

RTC enters into a separate agreement with the sponsor of each plan for which RTC provides services. RTC's fees for its services are paid by MassMutual to RTC out of revenue that MassMutual receives from its plan clients. The fees for RTC services vary based on the type of plan serviced by RTC. The fee received by RTC for services provided to plans with no employer securities is \$400 per year per plan and the fee received by RTC services for plans with employer securities is \$5,000 per year per plan. The fees received by RTC are considered indirect compensation because they are paid to RTC out of MassMutual's revenue.

RESOLUTION NO. 2017-_____

A RESOLUTION OF THE CITY OF MIDWEST CITY COUNCIL NAMING THE RELIANCE TRUST COMPANY AS TRUSTEE OF THE ASSETS OF THE CITY OF MIDWEST CITY'S DEFERRED COMPENSATION TAKING THE FOLLOWING ACTION:

WHERE AS, the undersigned hereby take the following corporate action with respect to the City of Midwest City Deferred Compensation Plan:

WHERE AS, it is necessary that the City of Midwest City Council appoint **Reliance Trust Company, 1100 Abernathy Road 500 Northpark, Suite 400 Atlanta, GA 30328** as Trustee with Respect to the City of Midwest City Deferred Compensation Plan effective February 15, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the City of Midwest City Council authorizes the plan record-keeper, MassMutual, as an agent of the Trustee as indicated in the Trust Agreement.

PASSED and APPROVED, the undersigned have caused this Consent on January 24, 2017 to be executed in their capacity as a member of the City of Midwest City Council:

By: _____ Date: _____
Mayor

By: _____ Date: _____
Ward 1

By: _____ Date: _____
Ward 2

By: _____ Date: _____
Ward 3

By: _____ Date: _____
Ward 4

By: _____ Date: _____
Ward 5

By: _____ Date: _____
Ward 6

ATTEST:

Sara Hancock, City Clerk

APPROVED as to form and legality this the 24th day of January 2017.

Phillip Anderson, City Attorney



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1066 /Fax: 405-739-1090

MEMO

TO: Honorable Mayor and Council

FROM: Vaughn K. Sullivan, Public Works Director

DATE: January 24, 2017

SUBJECT: Discussion and consideration of renewing the Cityworks License Agreement contract, without modification, for FY 2017-18 with Azteca Systems, Inc. a Utah corporation in the amount of \$60,000.00.

Azteca Systems has agreed to renew the Cityworks License Agreement, without modification for FY 2017-18 renewal period: 02-01-2017 to 01-30-2018 in the amount of \$60,000.00. In FY 2016-17, \$60,000.00 was encumbered with Azteca Systems for Cityworks software license agreement.

Cityworks is an asset management program used to manage Public Works work orders.

Funds are available in the Public Works Administration hardware software maintenance account for FY 2017-2018.

Staff recommends approval.

Vaughn K. Sullivan
Public Works Director

Attachment: Renewal Agreement Letters



Support Quote

December 5, 2016

Azteca Systems, Inc
11075 South State Street #24
Sandy, UT 84070
(801) 523-2751
(801) 523-3734 (fax)

Kathy Spivey
Midwest City
8730 S.E. 15th Street
Midwest City, OK 73110

Our records indicate the renewal date is approaching for Cityworks Update & Support Agreement. Keeping your update and support current entitles you to:

- Software Updates
- Customer Support
- Access to MyCityworks.com

To assure that you continue to receive these valuable services it is important to renew the software maintenance for the forthcoming term. Attached please find the quotation for renewing your Cityworks Update & Support Agreement.

If you have any questions regarding this information, please contact this office.

Thank you,

Marianne Haslam
801-523-2751
801-523-3734 (fax)
marianne@cityworks.com



Support Quote

December 5, 2016

Azteca Systems, Inc
11075 South State Street #24
Sandy, UT 84070
(801) 523-2751
(801) 523-3734 (fax)

Midwest City, OK
Contract # C146810L

<u>Cityworks AMS</u>	<u>Licenses</u>
Cityworks Server AMS	ELA
Cityworks Server AMS Essentials	
Mobile Native Apps (iOS/Android)	Y
Respond	Y
Cityworks Desktop	ELA
Cityworks Anywhere	ELA
Desktop/Anywhere	
Service Request API	ELA
Citizen Engagement API	
Work Order API - Basic	
Work Order API - Extended	
Inspection API	
Document Management API	
Metrics API	
SR Only	
Server AMS View	
Server AMS Inspection	
<u>Cityworks Online</u>	<u>Licenses</u>
Cityworks OnLine	
<u>Cityworks PLL</u>	<u>Licenses</u>
Server PLL	
Mobile Native Apps (iOS/Android)	
Public Access for PLL	
Case API - Basic	
Case API - Extended	
<u>Cityworks Add-ons</u>	<u>Licenses</u>
Storeroom	ELA
Equipment Checkout	Y
Contracts	Y
Cityworks Analytics	Y
Cityworks for Excel	Y
eURL (Enterprise URL)	Y
CCTV Interface for PACP	ELA



Support Quote

December 5, 2016

Azteca Systems, Inc
11075 South State Street #24
Sandy, UT 84070
(801) 523-2751
(801) 523-3734 (fax)

MicroPaver Interface	ELA
Renewal Period	2/1/2017 to 1/31/2018
U & S Amount Due	\$60000.00 (plus any applicable sales tax)

By signing below, you are authorizing Azteca Systems, Inc. to issue an update and support invoice in the amount quoted above.

Signature of Authorized Representative

Matthew D. Dukes, II

Name (please print)

01-24-2017

Date

Mayor

Title

Purchase Order #: _____

Submit invoice electronically to: (email) _____

Invoice to be addressed to: (if different than listed above)

(Please fax or mail this form back to Azteca Systems – 801-523-3734)

Notes:

Occasionally, Azteca changes the name of its licensed software as part of its ongoing process to improve and increase the functionality of the software. In the event the software licensed to the client changes in name, and/or improvements are made, Azteca will provide software with functionality that is similar to or with substantially the same or greater functionality of the originally licensed software, provided all current license fees have been paid.

Updates may not always include any release, option or future program that Azteca licenses separately. Updates are provided when available (as determined by Azteca). Azteca is under no obligation to develop any future programs or functionality. Any updates made available will be delivered to you, or made available to you for download. You shall be responsible for copying, downloading and installing the updates.



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memorandum

TO: Honorable Mayor and Council

FROM: Vaughn K. Sullivan, Public Works Director

DATE: January 24, 2017

SUBJECT: Discussion and consideration of entering into a contract with Oklahoma Earthbike Fellowship, Inc. (OEF) for the upkeep and routine maintenance of the Soldier Creek Industrial Park (SCIP) recreational trail.

In September of 2016 Midwest City's application was approved for Recreational Trails Program funds from the State of Oklahoma to develop and construct a recreational trail along Soldier Creek between Mid America Park and N.E. 23rd Street, including an ADA compliant trailhead and parking. The City of Midwest City was awarded \$140,000.00 in construction funding from the state and an additional \$35,000.00 in matching funds was budgeted in the FY 16-17 for the project. In addition, city crews will be providing approximately \$12,000.00 of in-kind labor, equipment and surplus materials.

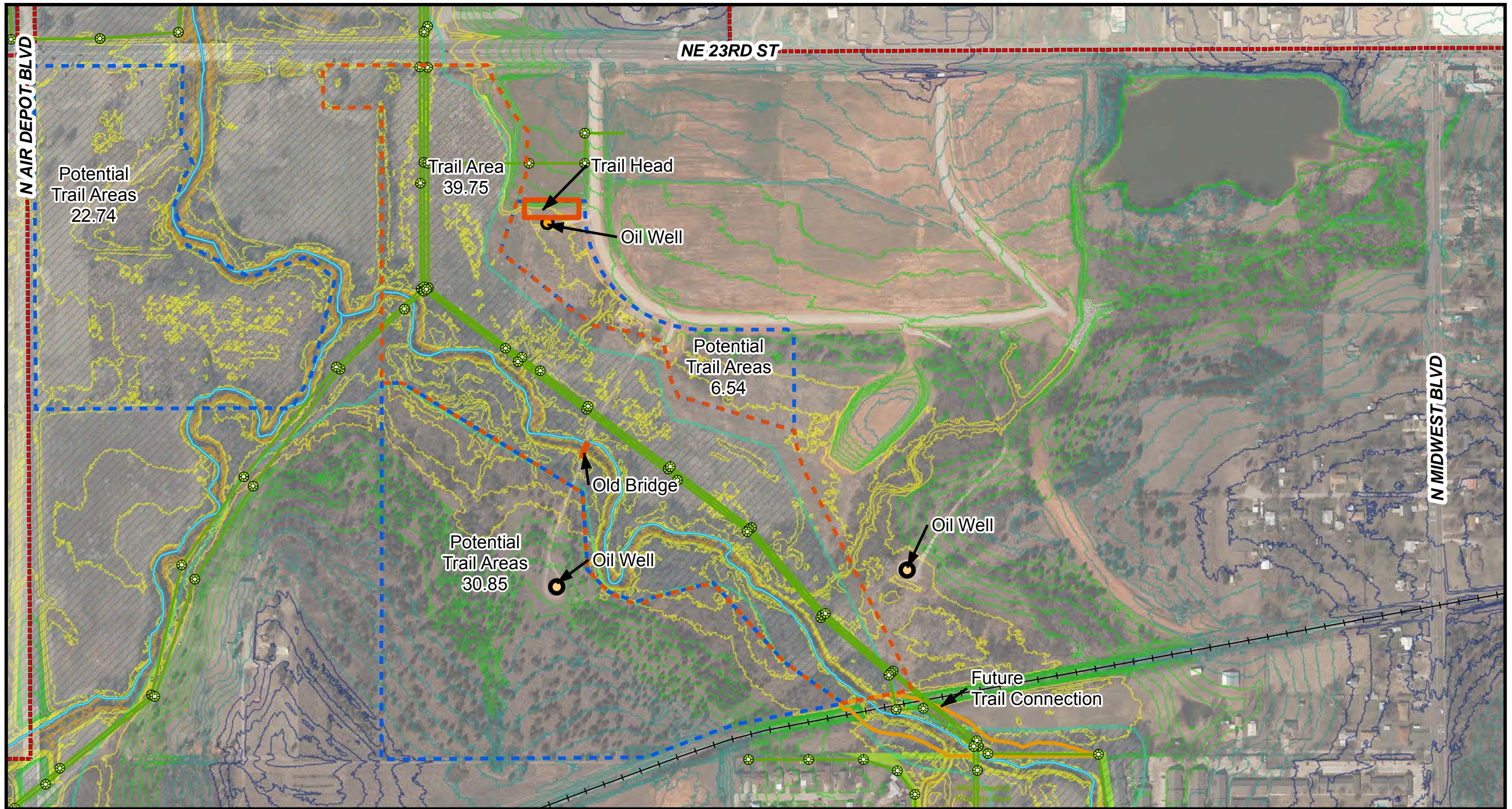
The natural recreational trail will be professionally designed and constructed on approximately 77 acres of city-owned property, adjacent to the SCIP. Approximately 3.5 miles of unpaved, natural terrain trails for mountain biking, running and hiking will be constructed (See attached map and preliminary trailhead/parking layout). This contract outlines the scope services provided by OEF to manage and maintain the unpaved natural trails at no cost to the City. OEF has similar contracts with other public agencies across the state. The OEF is well established organization made up of very knowledgeable trail enthusiasts. They are very well organized and have an outstanding reputation for quality workmanship and professionalism.

Park Board recommendation will be provided at the January 24 pre-council meeting.

Vaughn K. Sullivan
Public Works Director

Attachment: OEF Contract
SCIP recreational trail maps

Document Path: N:\MXD\Eng\Engineering\SCIP\Trails_Bundy_2016\Sep2011x17.mxd



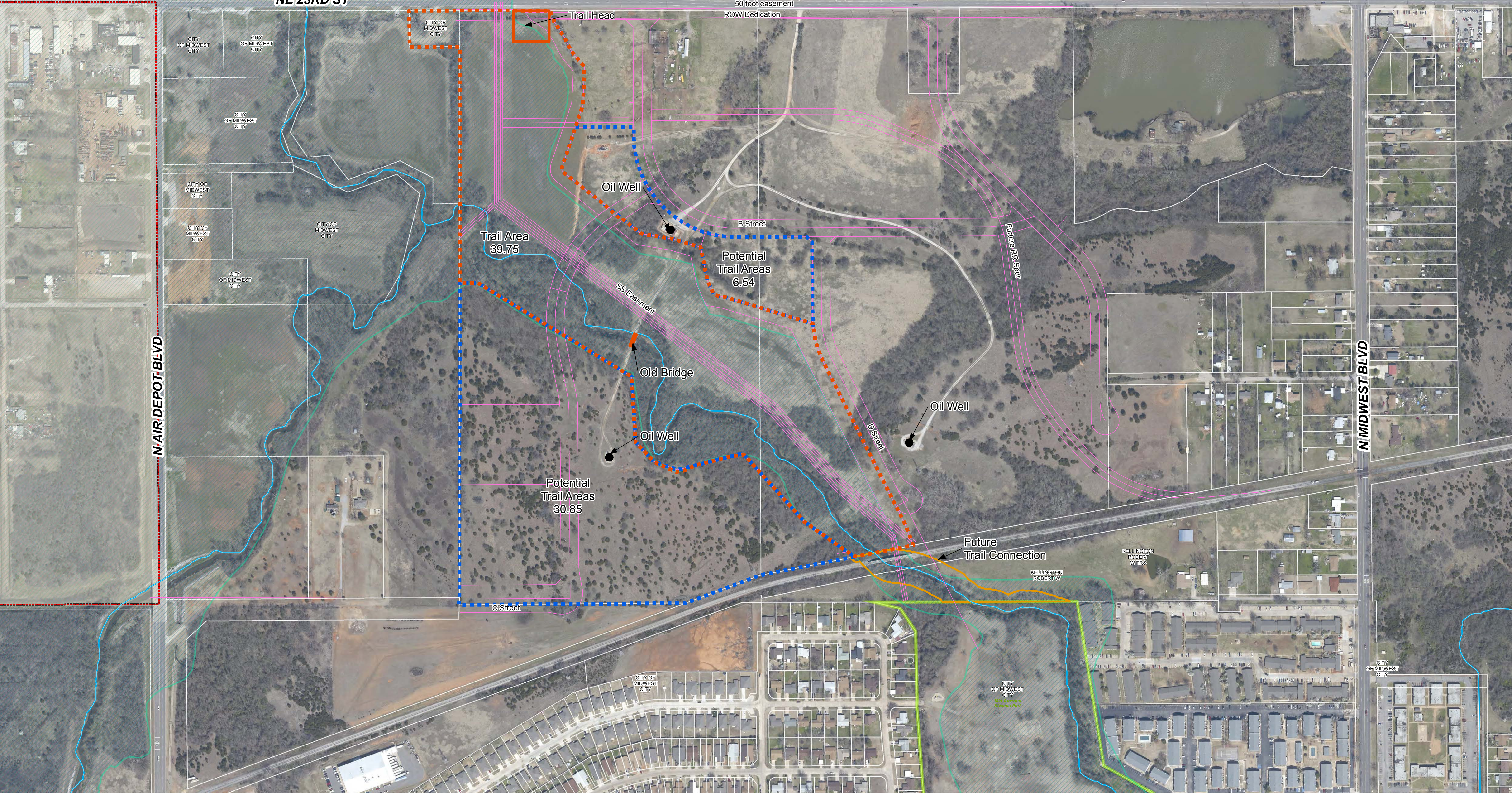
DISCLAIMER
 This map is a general information public resource. The City of Midwest City makes no warranty, representation or guarantee as to the content, accuracy, timeliness or completeness of any of the information provided on this map. Any party's use or reliance on this map, or any information on it, is at that party's own risk and without liability to the City of Midwest City, its officials or its employees for any discrepancies, errors or variances that may exist.

Legend			
Name	Midwest City Limits	2009 FEMA Floodway	Elevation
Pink dashed line	Red dashed line	Blue hatched area	1128 - 1146
Red solid line	Orange dashed line	Blue solid area	1147 - 1158
Blue solid line	Purple solid line	Light blue solid area	1159 - 1168
Blue dashed line	Orange solid line	White area	1169 - 1180
Blue dotted line	Blue dashed line	White area	1181 - 1192
Blue dotted line	Blue dotted line	White area	1193 - 1204



City of Midwest City 2016

City-Owned Land Available for Trails



DISCLAIMER
 This map is a general information public resource. The City of Midwest City makes no warranty, representation or guarantee as to the content, accuracy, timeliness or completeness of any of the information provided on this map. Any party's use or reliance on this map, or any information on it, is at that party's own risk and without liability to the City of Midwest City, its officials or its employees for any discrepancies, errors or variances that may exist.

Legend	
Preliminary and Future Phases	Midwest City Limits
Creeks	City-Owned Properties
Creeks	Access Easements
SCIP	Potential Trail Areas
Old Bridge	Trail Area
2009 FEMA Floodway	2009 FEMA Floodplains
100-yr	Parcels



City of Midwest City 2015

MAINTENANCE AND SERVICES CONTRACT

Parks & Recreation Division

This contract is made this ___ day of _____, 2017, by and between the Oklahoma Earthbike Fellowship, Inc. (hereinafter "SPONSOR") and the City of Midwest City (hereinafter "OWNER"). The parties hereto, for and in consideration of the benefits and payments hereinafter provided, do hereby covenant and agree as follows:

GENERAL LANDSCAPE MAINTENANCE TERMS AND CONDITIONS

It is understood that all improvements on public property become the property of the OWNER. The OWNER and SPONSOR recognize the need and desirability of landscape improvements and maintenance of mountain bike trails at the following LOCATION: SCIP Recreational Trail (hereinafter called the "LOCATION") and are entering into this agreement to permit the SPONSOR to provide installation and maintenance of landscape improvements on publicly owned property (See Exhibit "A" for map).

SPONSOR and OWNER acknowledge and agree to the following terms and conditions:

- A. **MAINTENANCE--** SPONSOR agrees to purchase all materials and provide all labor for the maintenance of trails at the LOCATION at its sole cost and expense. It is agreed that SPONSOR will use volunteers to maintain mountain bike trails and improvements in accordance with the original construction plans and specifications approved by the OWNER. SPONSOR shall bear the responsibility to provide repair and maintenance of the mountain bike trails and bridges for five (5) years from the date hereof.

Any major reroute or modification of structures shall be submitted to the Public Works Director for approval. Any reroute or modification of structures shall require written approval from the Public Works Director prior to work being done by SPONSOR.

It is expressly agreed that there will be an annual inspection of the LOCATION by OWNER and SPONSOR to assure proper ongoing maintenance of the facilities. Any repairs identified through this inspection will be accomplished by OWNER or SPONSOR, depending upon whose responsibility it is under the terms of this contract, within a period of time agreed upon by SPONSOR and OWNER.

- B. **TEMPORARY CLOSURE--** OWNER has authority to temporarily close the LOCATION due to safety issues at any time. SPONSOR must also notify OWNER of any safety issue that will require temporary closure of LOCATION.
- C. **LAWS--** SPONSOR agrees to comply fully with all applicable Federal statutes and regulations, Oklahoma statutes, and OWNER ordinances, policies, permits and procedures.
- D. **INSURANCE--** Volunteers whose activities are limited to general trail maintenance, litter pickup, supplemental mowing, edging, and similar activities shall not be required to be insured by SPONSOR. OWNER acknowledges that SPONSOR has no employees, and operates solely through volunteers. SPONSOR agrees that any change in that status shall be timely reported to OWNER and the procurement of any necessary Workers Compensation Insurance by SPONSOR. Further, SPONSOR agrees to maintain in force a policy of General Liability Insurance, naming OWNER as an additional insured, with limits at least as follows:

Property Damage Liability in an amount not less than Twenty-Five Thousand Dollars (\$25,000.00) for any claim or to any claimant who has more than one claim for loss of or damage to property arising out of a single accident or occurrence; and subject to the same limit for each claimant, One Million Dollars (\$1,000,000.00) for any number of claims for loss of or damage to property arising out of a single accident or occurrence.

Personal or Bodily Injury Liability in an amount not less than One Hundred Seventy-five Thousand Dollars (\$175,000.00) to any claimant for his claim for personal or bodily injuries, including accidental death, arising out of a single accident or occurrence; and subject to the same limit for each claimant, One Million Dollars (\$1,000,000.00) for any number of such claims arising out of a single accident or occurrence.

When "certificates of insurance" are submitted, they shall be on a form acceptable to OWNER.

- E. **RELEASE--** Volunteers of SPONSOR shall sign an appropriate Acknowledgement and General Release if engaged in bridge or trail maintenance, litter pickup, edging, supplemental mowing, or similar activities. SPONSOR agrees to maintain said Acknowledgment and General Release in its records for a period of two years from the date of signature, and to provide access thereto upon written request from the OWNER.

SPONSOR agrees if any work will be done at the LOCATION by volunteers who are not employees of and not under any contract of employment with SPONSOR or the OWNER, volunteers will read and sign a copy of either Exhibit "B" or Exhibit "C" (the one that is appropriate) "ACKNOWLEDGMENT AND GENERAL RELEASE". SPONSOR further agrees any person under 18 years of age will not do any work without the written authorization of his/her parent or legal guardian as provided for on the release form for minors (see attachments). Release forms are the responsibility of SPONSOR to distribute, collect and maintain.

- F. **INDEMNIFICATION--** SPONSOR shall indemnify, defend, keep, and hold harmless the OWNER, its agents, officials, and employees against all suits or claims of any kind whatsoever arising out of or by reason of this agreement, its execution and/or its performance occasioned by the negligent act of SPONSOR.
- G. **TERMINATION--** Should SPONSOR fail to fulfill any of the terms or conditions, the OWNER may give written notice to SPONSOR to use diligence to correct such condition or default within thirty (30) days after receipt of such notice. The OWNER may, after the lapse of such thirty (30) days notice and failure by SPONSOR to correct or cure such default or condition, terminate this agreement; provided that if SPONSOR has commenced to cure or correct such default or condition within such 30 day period, SPONSOR will have a reasonable time after such thirty (30) day period within which to comply with said cure or corrections.
- H. **SIGNS--** SPONSOR shall not install any signs in the landscape improvement areas without prior written approval of the Public Works Director. A drawing or drawings showing details of the design, location, size, type of lettering, installation methods, and the materials for the sign shall be submitted for review.
- I. **ENVIRONMENTAL--** SPONSOR agrees not to permit or introduce any chemical substance or hazardous material in or about the LOCATION by SPONSOR, its agents, employees, or contractors, without prior written consent of the Parks and Recreation Department. SPONSOR

or SPONSOR's contractor will provide a list to the Parks and Recreation Department for review and approval of any "chemical substances" or "hazardous materials" to be used on the subject LOCATION (fertilizer, pesticide, herbicide, or insecticide) prior to such materials being applied. SPONSOR agrees to provide or cause to be provided a Material Safety Data Sheet (MSDS) for all products, substances or materials to be applied to the LOCATION. SPONSOR agrees that all chemical substances or hazardous materials shall be applied to the LOCATION by a Certified Chemical Applicator in the State of Oklahoma. Proof of current license of the applicator shall be provided with the list of substances, the MSDS sheets, insurance certificates, and other information required of contractors as set forth in this agreement.

- J. **AGREEMENT DURATION--** This agreement shall become effective upon approval by OWNER Council and runs for five (5) years. This agreement may be renewed for two additional five (5) year terms, if requested in writing by SPONSOR and approved by the OWNER Council, provided however this agreement may be terminated by either party upon written notice to the other in accordance with this agreement. The OWNER may modify or cancel this program and this agreement, after the occurrence of a default by SPONSOR hereunder which has not been cured or corrected as provided herein, within 30 days provided that written notice has been sent to the SPONSOR's contact person at the address last provided in accordance with this Agreement.
- K. **OWNER MAINTENANCE--** Should SPONSOR not renew this agreement after five (5) years and relinquish maintenance of LOCATION, OWNER will maintain LOCATION as funds permit. In the event of a natural disaster or an act of God, any damages to the facilities will be resolved through a joint effort by SPONSOR and OWNER based on the availability of funds.
- L. **TRAILHEAD--** OWNER shall maintain the trailhead parking surface, bathroom facilities, and water source. SPONSOR agrees to notify OWNER of any vandalism.

OWNER will furnish all necessary refuse and garbage containers and will remove and dispose of all rubbish, refuse and garbage resulting from the SPONSOR's activity, provided that refuse is deposited in receptacles provided. SPONSOR shall be responsible for the refuse and garbage pickup and facility cleanup on the grounds and agrees to restore all which existed prior to SPONSOR's usage.

OWNER shall furnish SPONSOR with adequate sets of keys to the facilities. Only locks and keys supplied by OWNER shall be used. SPONSOR agrees to furnish OWNER with a list of those people to whom SPONSOR has furnished any key(s) and to inform OWNER of any changes therein. OWNER reserves the right to enter the facilities at any time for purposes of inspection, repair or to ascertain compliance with this contract. SPONSOR shall furnish OWNER with keys to structures that contain only SPONSOR equipment. Said keys will be kept in the Parks and Recreation Division office in the Midwest OWNER Community Center. Locks and keys that are lost during the term of this contract will be replaced at SPONSOR's expense.

- M. **HAZARDS--** Should any of the improvements become a hazard or safety risk, the OWNER reserves the right to remove the hazard as quickly as possible.

NOTICES

Notices or other communications to the OWNER regarding this contract shall be sent by registered or certified mail, postage prepaid, addressed to:

Public Works Director
The City of Midwest City – Public Works Administration
8730 S.E. 15th Street
Midwest City, Oklahoma 73110

Notices or other communications to SPONSOR shall be sent by registered or certified mail, postage prepaid, to:

Oklahoma Earthbike Fellowship, Inc.
President
PO Box 2320
Oklahoma City, OK 73101

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed, in three duplicate originals, the day and year first above written.

OKLAHOMA EARTH BIKE FELLOWSHIP:

CITY OF MIDWEST CITY:

BY _____

MAYOR

TITLE _____

ATTEST:

ATTEST:



Grants Management
100 N. Midwest Boulevard
Midwest City, OK 73110
405.739.1216

TO: Honorable Mayor and City Council

FROM: Terri L. Craft, Grants Manager

DATE: January 24, 2017

RE: Discussion and consideration of entering into a contract with Tony Boone Trails, LLC in the amount of \$50,000 to provide design/build services in construction of the SCIP Recreational Trail.

Four proposals were received and evaluated by a review committee. Tony Boone Trails, LLC submitted the best overall design/build proposal and had the most trail building experience. Contract is attached and it is anticipated that work will begin in February. Funding is the result of a Recreational Trails Program grant received from the State of Oklahoma to construct a multi-use, sustainable, non-motorized, off road trail adjacent to the Soldier Creek Industrial Park (SCIP) between Mid-America Park and N.E. 23rd St.

Staff recommends approval.

A handwritten signature in black ink that reads "Terri L. Craft". The signature is written in a cursive, flowing style.

Terri L. Craft
Grants Manager

**CITY OF MIDWEST CITY
 SCIP RECREATIONAL TRAIL
 CONTRACT FOR PROVISION OF DESIGN/BUILD SERVICES**

THIS CONTRACT is made and entered into this 24th day of January, 2017 by and between the City of Midwest City, Oklahoma (“CITY”) and Tony Boone Trails, LLC; 1240 F Street; Salida, CO 81201 (hereinafter referred to as (“CONTRACTOR”).

1. Term. The term of this ninety (90) day contract is from January 24, 2017 to April 24, 2017.
2. Location. Project location is within approximately 77 acres of CITY-owned property located adjacent to the Soldier Creek Industrial Park (SCIP) and along Soldier Creek located in the NW/4 of Section 27, Township 12 North, Range 2 West, Oklahoma County, Oklahoma.
3. Mutual Obligations. CITY and CONTRACTOR commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under this contract.
4. Contractor’s Obligations. CONTRACTOR shall:
 - A. Design and construct approximately 3 to 5 miles of 36” – 40”, multi-purpose (mountain bike and running), sustainable, non-motorized, off road trail. The CITY expects a turnkey product that is completely finished and meets the International Mountain Biking Associations (IMBA) guidelines, as well as the US Forest Service Standard Trail Specifications and Drawings.
 - B. Provide trail design, to include trail signage, to be approved by CITY prior to construction.
 - C. Provide all labor, equipment, technical assistance and expertise necessary to complete project.
 - D. Adhere to all obligations made in CONTRACTOR’s proposal to CITY dated December 8, 2016 and incorporated by reference.
 - E. Agree that work items include:

Trail Design & Layout	13,750 LF	@ \$0.24/LF =	\$ 3,300.00
36-40” Trail – Green Loop	6000 LF	@ \$2.25/LF =	\$ 13,500.00
36-40” Trail – Climbing	3500 LF	@ \$2.25/LF =	\$ 7,875.00
36-40” Trail – Green Flow	2500 LF	@ \$5.00/LF =	\$ 12,500.00
36-40” Trail – Blue Flow	1750 LF	@ \$5.50/LF =	\$ 9,625.00
Mobilization		Lump Sum =	<u>\$ 3,200.00</u>
		TOTAL:	<u>\$ 50,000.00</u>
 - F. Submit to CITY a final invoice based upon actual linear footage measured by measuring wheel and approved by CITY on final walk-through.
 - G. Agree that any substantial on-site construction by CONTRACTOR not associated with the above planned trail construction pay items, determined necessary to project and approved by CITY will be billed at \$500 per day, not to exceed a total of \$3,000.00.
 - H. Provide supervision, coordination and direction to CITY equipment operators and volunteers on shared work.
 - I. Acknowledge that any planned subcontract of work or services, approved by the CITY and subject to this contract, shall be specified by written contract or agreement and shall be subject to each provision of this contract.
 - J. Prepare as-built maps upon completion of project.

- K. Agree that notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.
- L. Agree to conduct itself as an independent contractor of the CITY and further agree that it will neither hold itself out as nor claim to be an officer or employee of the CITY by reason of this contract, and that it will not by reason of this contract make any claim, demand or application for any right or privilege applicable to an officer or employee of CITY including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit.
- M. Provide evidence of Worker's Compensation coverage and liability insurance as required under state and local laws.
- N. Not assign any interest on this Contract and shall not transfer any interest in the same without the prior written consent of CITY.
- O. Have full responsibility for payment of worker's compensation insurance, unemployment insurance, social security, state and federal income tax, and any other deductions required by law for its employees.
- P. Within limitations placed on such entities by state law, save harmless the State of Oklahoma and the CITY, its agents, officers, and employees from all claims and actions, and all expenses defending same, that are brought as a result of any injury or damage sustained by any person or property in consequence of any act or omission by Contractor. Contractor shall, within limitations placed on such entities by state law, save harmless the State of Oklahoma, its agents, officers and employees from any claim or amount recovered as a result of infringement or patent, trademark, copyright, or from any claim or amounts arising or recovered under Workers' Compensation Law or any other law.
- Q. At such times and in such form as the CITY may require, furnish the CITY such reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.
- R. Assist the CITY in maintaining accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by the CITY to assure proper accounting for all project funds, both federal and non-federal shares.
- S. Comply with all applicable laws, ordinances and codes of the state and local government, and the CONTRACTOR shall save the CITY harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Contract.
- T. During the performance of this Contract, agree as follows:
 - 1) The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, creed, sex, color or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, sex, color or national

- origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to all employees and applicants for employment, setting forth the provisions of this non-discrimination clause.
- 2) The CONTRACTOR will, in all solicitation or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.
 - 3) The CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor.
 - 4) The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - 5) The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the City, the State of Oklahoma and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
 - 6) In the event of the CONTRACTOR'S non-compliance with the equal opportunity clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rules, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
 - 7) The CONTRACTOR will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1956, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the CITY, the State of Oklahoma may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the CITY, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.
- U. Agree under Title VI of the Civil Rights of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits or, or be subjected to discrimination under any program or activity receiving federal financial assistance.

- V. Certify that they do not appear on the List of Parties Excluded from Federal Procurement and Non-Procurement Programs, i.e., list of Debarred Contractors. The electronic version of the list is available at

www.sam.gov Initial TBoone.

- W. Agree that they will not hire any employees of the CITY to assist in the contracted project.
- X. Comply with all applicable anti-kickback regulations covered under the Department of Labor Regulations 29 CFR, Part III.
- Y. Agree in the event of any disagreement between the CITY and the CONTRACTOR, relative to the provisions of this Contract, the details of such disagreement shall be forwarded to the legal counsels of both parties for review and recommendation and such recommendation forwarded to the CITY'S Council who jointly shall make the final determination.
- Z. Certify to the best of its knowledge and belief:
- 1) No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
 - 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 - 3) It will require that the language of paragraphs (a) and (b) of this contract be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
5. City Obligations. CITY shall:
- A. Fully utilize the services of the CONTRACTOR to carry out Design/Build Services as indicated and shall not supplant said services with staff or any others without mutual agreement. The CITY will make available to the CONTRACTOR for his information or use, such data, equipment and materials as may be required by the CONTRACTOR in rendering the services provided for in this Contract.
 - B. Agree to pay CONTRACTOR for the completion of work associated with the Project upon the CITY'S inspection and acceptance of the work completed, submission of invoice(s) and receipt of executed lien release. Payment shall be made to the CONTRACTOR at the address below:

Tony Boone Trails, LLC
1240 F Street
Salida, CO 81201

6. Termination Prior to Expiration of Contract Term. The CITY has the right to terminate this contract, with or without cause, by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof. Such notice shall be given at least ten (10) days before the effective date of such termination. CONTRACTOR shall be entitled to receive compensation in accordance with the contract for any satisfactory work completed pursuant to the terms of this contract prior to the date of termination. Notwithstanding the above, CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the contract by the CONTRACTOR.
7. Severability Clause. If any provision under this contract or its application to any person or circumstance is held invalid by any court of competent jurisdiction, such invalidity does not affect any other provision of this contract or its application that can be given effect without the invalid provision or application.
8. Notice. Any written notice required by this contract shall be deemed delivered through any of the following: (1) hand delivery to the person at the address below; (2) delivery by facsimile or email with confirmation of receipt; or (3) within three (3) days of being sent certified first class mail, postage prepaid, return receipt requested addressed as follows:

- | | | |
|----|---|--|
| A. | CONTRACT:
To: City of Midwest City
Attn: Terri Craft
100 N. Midwest Blvd.
Midwest City, OK 73110
tcraft@midwestcityok.org
405-739-1217 office
405-869-8636 facsimile | PROJECT:
To: City of Midwest City
Attn: Brandon Bundy
100 N. Midwest Blvd.
Midwest City, OK 73110
bbundy@midwestcityok.org
405-739-1213 office
405-739-1399 facsimile |
| B. | Tony Boone Trails, LLC
Attn: Tony Boone
1240 F Street
Salida, CO 81201
dirtfarmerz@yahoo.com
719-221-3421 office | |

IN WITNESS WHEREOF, the parties have executed this contract as of the date first set out herein above.

CONTRACTOR: Tony Boone Trails, LLC

By: T. Boone 1/12/2017
Tony Boone Date
President/Owner

CITY OF MIDWEST CITY, OKLAHOMA, a municipal corporation

By: _____
Matthew D. Dukes II, Mayor Date

ATTEST:
(SEAL)

By: _____
Sara Hancock, City Clerk

Approved as to form and legality this _____ day of _____, 2017.

By: _____
Philip W. Anderson, City Attorney



AGREEMENT FOR SERVICES

Between

Fugro Geospatial, Inc.

And the

City of Midwest City, Oklahoma



TABLE OF CONTENTS

ARTICLE 1 – FUGRO’S SERVICES AND PERSONNEL.....1

ARTICLE 2 - COMPENSATION.....1

ARTICLE 3 - CHANGES TO SCOPE OF WORK, SUSPENSION2

ARTICLE 4 - TECHNICAL & CONTRACTUAL REPRESENTATIVES.....2

ARTICLE 5 – CITY OF MIDWEST CITY RESPONSIBILITIES2

ARTICLE 6 - INFORMATION FURNISHED BY OTHERS & COST ESTIMATES2

ARTICLE 7 - RECORDS, AUDIT, OWNERSHIP OF DOCUMENTS3

ARTICLE 8 - CONFLICT OF INTEREST, NO CONTINGENT FEES3

ARTICLE 9 - SOFTWARE RIGHTS, COPYRIGHT, PATENT, TRADEMARK.....3

ARTICLE 10 - SUBCONTRACTS3

ARTICLE 11 - INDEMNIFICATION & RISK ALLOCATION.....3

ARTICLE 12 - INSURANCE.....4

ARTICLE 13 - TERMINATION4

ARTICLE 14 - DISPUTE RESOLUTION5

ARTICLE 15 - GENERAL.....5

 15.1 Governing Law, Venue & Costs 5

 15.2 Entire Agreement, Amendments 5

 15.3 Severability 5

 15.4 Assignment..... 5

 15.5 Successors and Approved Assigns..... 5

 15.6 Non-Waiver. 5

 15.7 Independent Contractor..... 5

 15.8 Force Majeure. 5

 15.9 Notices. 5

 15.11 Counterparts..... 6

ARTICLE 16 - INCORPORATION OF ATTACHMENTS.....7



AGREEMENT FOR SERVICES

This Agreement for Services ("**Agreement**") is made by and between Fugro Geospatial, Inc., a South Dakota corporation ("**Fugro**") and the City of Midwest City ("**MWC**").

MWC desires services to obtain professional surveying and mapping services for the Acquisition of Digital Orthophotographs ("**Project**") as described on Attachment "A" and Attachment "B", and the parties wish to set forth the terms and conditions for performance of these services.

In consideration of the mutual promises and covenants of the parties, it is agreed as follows.

ARTICLE 1 – FUGRO'S SERVICES AND PERSONNEL

Fugro shall perform services and furnish equipment, labor and other things necessary to complete the services described in Attachment "A" and "B". Upon notification to proceed, Fugro shall promptly commence, and diligently continue the services to completion in compliance with Attachment "A" and "B", except as may be otherwise provided herein. Fugro services shall be performed in a manner consistent with the care and skill exercised by practitioners in the same specialty under similar conditions. There are no warranties, expressed or implied, which extend beyond the description in this Agreement.

Fugro shall endeavor to follow, and comply with federal, state and local government laws, rules, regulations, codes, and ordinances; provided, however, and if applicable, since the Americans with Disabilities Act contains general provisions subject to differing interpretations on a case-by-case basis, all services in connection therewith shall be on the basis of Fugro's professional experience and judgment. However, Fugro cannot and does not guarantee, or warrant its services will be in compliance therewith. Fugro shall be responsible for completeness and accuracy of its services, and shall correct defects or errors or omissions at its own expense.

Subject to the approval of MWC, prior to the commencement of Fugro services, certain of Fugro personnel may be designated as key personnel for performance of the services. In the ordinary course of business, and so long as they remain in Fugro employ, designated key personnel shall not be removed from the Project without MWC's prior written consent, which shall not be unreasonably withheld. MWC may require additions, reductions, or substitutions to Fugro employees working on the Project.

The key Project person of Fugro is Megan Blaskovich.

ARTICLE 2 - COMPENSATION

MWC shall pay Fugro for its basic services as provided in Attachment "C" ("Schedule of Payment"). If changes to the scope of services or requests for additional services under Article 3 cause an increase or decrease in Fugro services, an equitable adjustment shall be made to Fugro compensation under Article 3 and this Agreement shall be modified in writing accordingly.

Except where the payment provisions of Attachment "C" provide, or require otherwise, Fugro shall submit periodic invoices to MWC with a summary of services performed in accordance with Fugro standard invoicing practices. MWC shall notify Fugro of any objection within 14 calendar days of the invoice date, identifying the reasons therefore in writing, and timely paying that portion of the invoice not in dispute. Invoices will be considered acceptable to MWC if no such objections are made.

NET30 payment by MWC to Fugro is a material part of the consideration of this Agreement. If payment is withheld, Fugro may suspend services, or terminate this Agreement without incurring liability to MWC or others for incidental, special, indirect, or consequential damages.



ARTICLE 3 - CHANGES TO SCOPE OF WORK, SUSPENSION

Either party may request changes within the general scope of this Agreement. Any changes to the responsibilities and/or terms and conditions of this Agreement shall be in writing, and executed by both parties to this Agreement. If such changes cause an increase or decrease in the amount of services to be performed by Fugro or in the time required for their performance, equitable adjustment shall be made in the provision of this Agreement for payments to Fugro or for the time performance of service or for both, and this Agreement shall be modified by agreement of the parties accordingly.

MWC may at any time, by written notice to Fugro suspend further performance of the services by Fugro. Upon receiving notice of suspension, Fugro shall promptly suspend performance of the services to the extent specified. During the period of a suspension, Fugro shall care for, and protect its services in progress. For a period of 90 days, MWC may withdraw the suspension of performance of the services as to all or part of the suspended services by written notice to Fugro specifying the effective date and scope of withdrawal. Fugro shall then resume diligent performance of the services for which the suspension was withdrawn.

If suspension or withdrawal of suspension justifies modification of Fugro compensation, an equitable adjustment shall be made under Attachment "B", and this Agreement shall be modified in writing accordingly.

If Fugro disagrees with a request by MWC for a non-compensable correction of defects or errors or omissions in the services, then in addition to, or in lieu of the other provisions of this Agreement, Fugro may invoice MWC for additional compensation in performing the services, and the Dispute Resolution procedures of Article 15 shall apply to such invoiced amounts.

ARTICLE 4 - TECHNICAL & CONTRACTUAL REPRESENTATIVES

Authorized representatives of MWC and Fugro are:

MWC:		FUGRO:	
Technical	<u>Kathy H. Spivey</u>	Technical	<u>Megan Blaskovich</u>
Contractual	<u>Billy Harless</u>	Contractual	<u>Keith Owens</u>

Modifications or amendments required, or permitted under this Agreement should be coordinated by the Contractual Representatives of the parties. The Technical Representatives of the parties should coordinate technical directions and communications concerning the services.

ARTICLE 5 - MWC RESPONSIBILITIES

MWC shall cooperate with Fugro in all aspects of the Project, and shall provide full information and all criteria of MWC's requirements for the Project, including objectives and constraints, space, capacity and performance requirements, flexibility and expendability, and any time or budgetary limitations. MWC shall furnish copies of all specifications and standards, which it will require to be included in the services, and shall examine and respond promptly to Fugro submissions.

Additional responsibilities of MWC are specified in Attachment "D" ("MWC Responsibilities").

ARTICLE 6 - INFORMATION FURNISHED BY OTHERS & COST ESTIMATES

Unless the scope of services in Attachments "A" and "B" includes an undertaking by Fugro to assure the accuracy of documents or information furnished by MWC or others, Fugro shall be entitled to rely upon as accurate and correct any



plans, drawings, specifications, criteria, maps, surveys and other data furnished by MWC or others. If subsequent errors are discovered in data furnished by MWC, which necessitate redoing services, Fugro shall be compensated for such extra services in accordance with Article 3. Fugro shall not be liable to MWC for errors or omissions in data furnished by MWC.

ARTICLE 7 - RECORDS, AUDIT, OWNERSHIP OF DOCUMENTS

Fugro shall maintain records of performance under this Agreement, and shall make these records available for inspection and for audit (if the payment provisions herein are of a type capable of audit) by MWC at all reasonable times during the course of services and for a period of two years after completion of services. Audits shall be conducted in accordance with generally accepted auditing principles.

ARTICLE 8 - CONFLICT OF INTEREST, NO CONTINGENT FEES

Fugro represents it has no known direct or indirect interest, which would conflict with the performance of its services under this Agreement.

Except as disclosed to MWC, and except for the compensation to be paid hereunder, Fugro warrants it has not directly or indirectly paid or agreed to pay any person or company any fee, commission, contribution, donation, gift, or any other type of consideration to solicit or secure an award of this Agreement.

ARTICLE 9 - SOFTWARE RIGHTS, COPYRIGHT, PATENT, TRADEMARK

No title to or ownership of MWC provided data, or any of their parts is transferred to Fugro. MWC shall maintain complete ownership and proprietary rights with regard to its database schema, source data and documents, and deliverable products of this Project, excepting source field survey books and magnetic media, and any software used by Fugro in performance of the Project work.

Fugro shall retain ownership and proprietary rights of any software programs to be used and/or developed under this Agreement, unless otherwise specified in any of the Attachments of this Agreement. MWC retains ownership of deliverables produced from this Agreement. Fugro shall not reveal, share or sell any of the Project deliverables without written permission of MWC, excluding any software provided to MWC by Fugro

Software provided to MWC by Fugro under this Agreement shall be bound by the terms and conditions of Fugro standard software license agreement.

ARTICLE 10 - SUBCONTRACTS

Except as provided in the Attachments, Fugro shall not subcontract any part of its services under this Agreement. Fugro shall provide MWC with reasonable advance written notice if subcontract services are required.

Fugro shall obligate each subcontractor of every tier to consent to compliance with all applicable provisions of this Agreement. Nothing contained in any subcontract of any tier shall create a contractual relationship between MWC and any such subcontractor, nor shall any subcontract create any obligation on the part of MWC to pay or to see that payment is made to any subcontractor.

ARTICLE 11 - INDEMNIFICATION & RISK ALLOCATION

Fugro agrees to indemnify, and save MWC harmless from any loss, cost, or expense, including reasonable attorney fees, claimed by third parties for property damage or bodily injury, including death, caused by the negligence of Fugro or its employees in connection with Fugro services. MWC agrees to indemnify and save Fugro harmless from any loss, cost, or expense, including reasonable attorney fees, claimed by third parties for property damage or bodily injury,



including death, caused by the negligence of MWC or its employees in connection with the operations of MWC, subject to City Charter and Oklahoma State Law. If the negligence of both Fugro and MWC (or a person identified above for whom each is liable) is the cause of such damage or injury, the loss, cost or expense shall be shared between Fugro and MWC in proportion to their relative degrees of negligence, and the right of indemnity shall apply for such proportion, subject to City Charter and Oklahoma State Law.

It is intended by the parties to this Agreement that performance of Fugro services shall not subject Fugro personnel, including its employees, officers, directors, or shareholders, to any personal legal exposure for any risk associated with the Project. MWC agrees that any claim, demand or suit shall be made only against Fugro a South Dakota corporation, and not against any of Fugro personnel.

MWC and Fugro have discussed the risks and rewards associated with the Project as well as Fugro compensation for services.

Neither party hereto shall be liable to the other for incidental, special, indirect or consequential damages, nor shall Fugro be liable for any cost or expense that provides betterment, upgrade or enhancement of the Project.

ARTICLE 12 - INSURANCE

Fugro shall continuously maintain during the term of this Agreement, and for a period of two years after completion of Fugro services, insurance of the kinds and with the limits not less than the amounts below:

Workers' Compensation: As prescribed by the laws of the state in which the work is being conducted.

Comprehensive General Liability: \$1,000,000 bodily injury and property damage combined single limit.

Comprehensive Automobile Liability: \$1,000,000 per accident bodily injury and property damage combined single limit.

Excess Liability. \$1,000,000 bodily injury and property damage combined single limit.

Professional Liability. \$1,000,000 annual aggregate.

Certificates of insurance evidencing these minimum coverage's shall be submitted to MWC at the commencement of Fugro services. Failure to submit the certificates or endorsements, or failure of MWC to insist upon submission shall not relieve Fugro of its duty to maintain the required insurance.

ARTICLE 13 - TERMINATION

Subject to the other provisions of this Agreement, either party in the event of a substantial failure by the other party to fulfill its obligations under this Agreement may terminate this Agreement in whole or in part in writing. No such termination shall be effective until the other party is given not less than 60 working days written notice of intent to terminate, and an opportunity for consultation with the terminating party prior to termination.

MWC may terminate in whole or in part in writing this Agreement for its convenience. No such termination shall be effective until Fugro is given not less than 60 working days written notice of intent to terminate and an opportunity for consultation with MWC prior to termination.

Upon receipt of a notice of termination, Fugro shall promptly discontinue all services affected (unless the notice directs otherwise). If MWC is not in breach of this Agreement, Fugro shall deliver, or otherwise make available to MWC all finished services; provided, however, Fugro shall not be responsible for the accuracy, completeness or workability of documents prepared by Fugro if used, changed or completed by MWC or by another party.



Subject to the provisions of Article 2, Fugro shall be paid for its costs and services performed through the effective date of termination, less allowances for errors or services which must be corrected. If this Agreement is terminated for MWC's convenience, MWC shall pay Fugro for costs and services performed through the effective date of termination.

ARTICLE 14 - DISPUTE RESOLUTION

If a claim or controversy between MWC and Fugro is not resolved by the designated representatives of the parties, the chief executive officers of Fugro and MWC shall meet within 30 days thereafter to review and discuss such claim or controversy and attempt, in good faith, to settle or resolve the matter.

ARTICLE 15 - GENERAL

15.1 Governing Law, Venue & Costs. The laws of the State of Oklahoma shall govern this Agreement, and venue for all disputed matters between the parties shall be Oklahoma. In the event of an action to enforce the terms and conditions of this Agreement or of any of the rights or obligations arising from this Agreement, the prevailing party shall be entitled to an award of the costs of such action, including reasonable attorney fees.

15.2 Entire Agreement, Amendments. This Agreement sets forth the entire agreement of the parties, supersedes all prior negotiations and understandings, and shall govern any services by Fugro on the Project prior to execution of this Agreement. Except as otherwise expressly provided in this Agreement, this Agreement may be modified or amended only upon the signed written agreement of both parties. Fugro shall not be required to execute any documents subsequent to the signing of this Agreement that increase Fugro contractual or legal obligations or risks, or jeopardize the availability of or increase the cost of its professional or general liability insurance. Fugro and MWC have each read, and fully understand the terms of this Agreement, each has had the opportunity to have it reviewed by counsel, and the rule providing that ambiguities in a contract shall be construed against the drafter shall not apply to this Agreement.

15.3 Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court or other authority with like jurisdiction, the remainder of this Agreement shall be unaffected and enforceable, and there shall be deemed substituted for the affected provision(s) a valid and enforceable provision(s) as similar as possible to the affected provision(s).

15.4 Assignment. This Agreement is for personal services, and neither party may assign its rights, nor delegate the performance of its duties hereunder without the prior written approval of the other. Any assignment, voluntary or involuntary, in violation of the foregoing shall be voiding able. This Agreement is not intended to benefit any third party.

15.5 Successors and Approved Assigns. This Agreement shall inure to the benefit of, and shall be binding upon the parties and their respective legal representatives, successors, and approved assigns.

15.6 Non-Waiver. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right shall constitute a waiver of that or any other right.

15.7 Independent Contractor. Fugro shall perform its services as an independent contractor and not as an agent, employee, representative, joint venture or partner of MWC.

15.8 Force Majeure. Any delays beyond the control of either party shall automatically extend the time schedule as contained in Attachment C. By mutual consent and two weeks advance notice, the indicated times may fluctuate to suit the needs of either party.

15.9 Notices. Notice required or permitted hereunder shall be in writing and delivered in a manner most efficient under the circumstances. Subject to the foregoing, notice shall be deemed to have been given when received by the party to whom it is directed by hand delivery, fax, or mail delivery as follows:



Fugro, Inc:

Fugro
7320 Executive Way
Frederick, Maryland 21704
Attn: Megan Blaskovich

MWC:

City of Midwest City
100 N. Midwest Blvd.
Midwest City, OK 74857
Attn: Kathy H. Spivey

Or at such other address as a party hereto may designate by written notice.

15.10 Headings. The captions and headings of this Agreement are for convenience and reference only and do not limit or define the scope or intent of the clause.

15.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



ARTICLE 16 - INCORPORATION OF ATTACHMENTS

The following Attachments are incorporated into and made a part of this Agreement:

- A - Scope of Work**
- B - Payment Schedule and Schedule of Work**
- C - MWC Responsibilities**



IN WITNESS WHEREOF, the parties execute this Agreement on the date last written below.

The City of Midwest City, OKLAHOMA

Signature: _____	Signature: _____
Print: _____	Print: _____
Title: _____	Title: _____
Date: _____	Date: _____

Fugro Geospatial, Inc.

Signature: _____	Signature: _____
Print : _____	Print : _____
Title: _____	Title: _____
Date: _____	Date: _____



ATTACHMENT A - SCOPE OF WORK

See **COAGA-2017-RFP-Final.PDF** for details of the Scope of Work. Below is a clarified scope for MWC.

BACKGROUND

The City of Midwest City covers an area of approximately 24.37 square miles – see 2017 DOP Areal Coverage Requirements map below (Layer: Midwest City Limits). Midwest City has a population of approximately 55,000 people. The City of Midwest City procured the following DOP and planimetric data in the last ten (10) years:

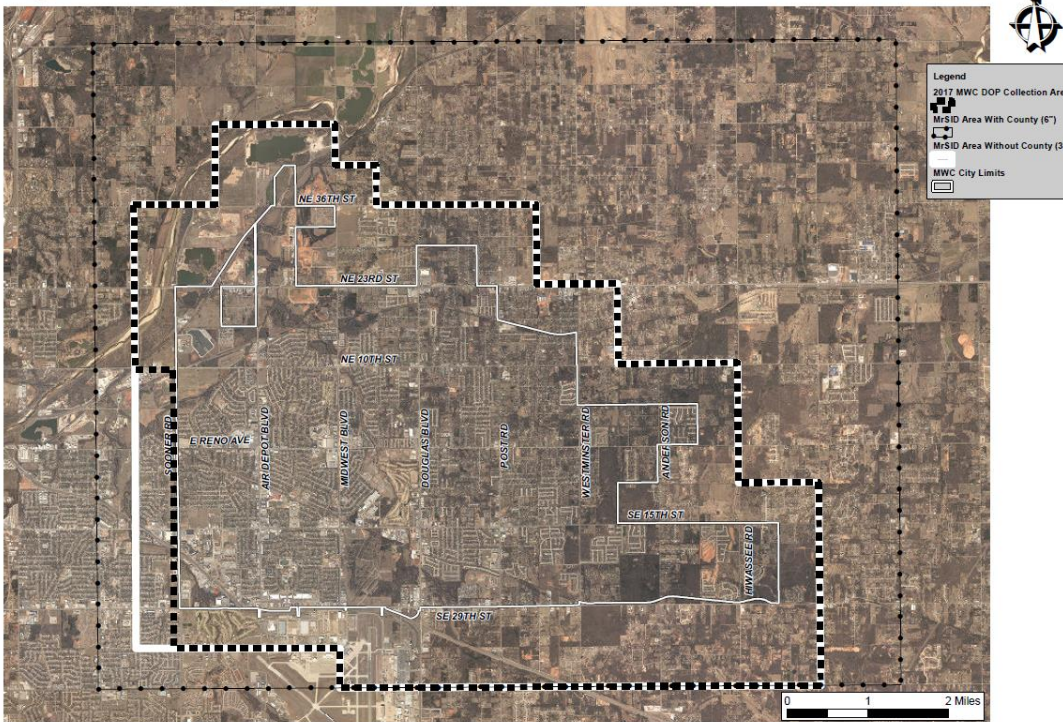
Year	Digital Orthophotos	Planimetrics/Others
2010	6" DOPs	2'-contours, 1'-contours, building footprints and impervious surface
2013	6" DOPs	None
2015	3" DOPs with DTM for ground surface	1'-contours

DELIVERABLES

The City of Midwest City would like to obtain color digital orthoimagery for our city and surrounding area. We have selected 3"-pixel resolution DOPs using the NMAS 1" = 50' standard. The required DOP collection area for the City of Midwest City is shown in the 2017 DOP Areal Coverage Requirements map below as the layer entitled 2017 MWC DOP Collection Area (dashed black thick line). **The area is approximately 42.43 sq miles in size.** A MrSID with 3" resolution shall be delivered for the area labeled MrSID Area Without County (3") (shown by the thick white line below and constructed by merging the Midwest City and Del City 3" DOPs). A MrSID with 6" resolution shall be delivered for the area labeled MrSID Area With County (6") (shown by the thin black line with spaced black dots below). Fugro may substitute a countywide 6" MrSID for this requirement.

2017 DOP Areal Coverage Requirements

City of Midwest City Map Date:
11/15/2016

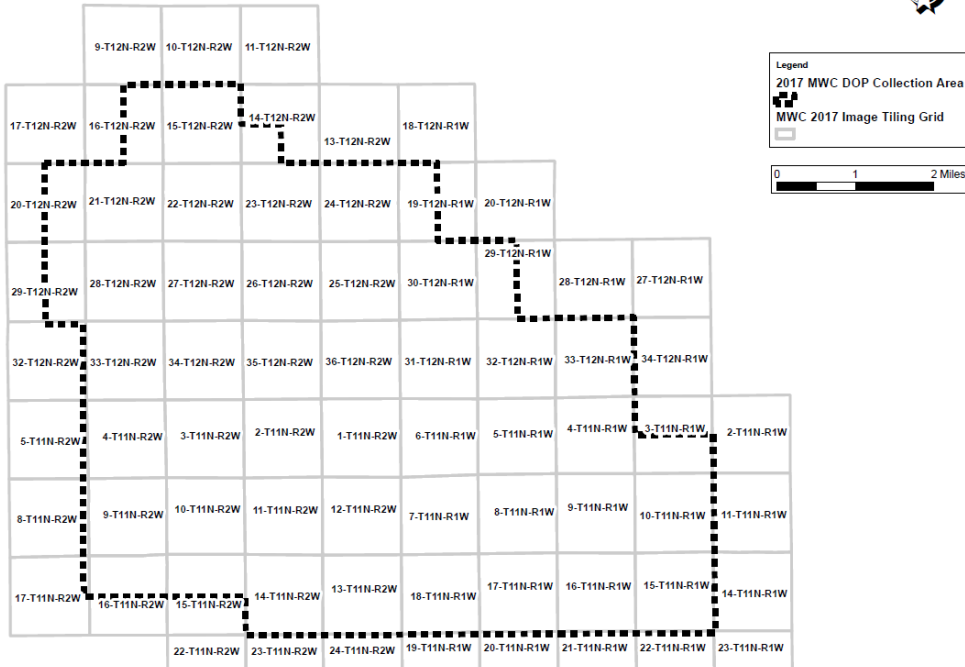


In the past, contractors have produced the DOPs for the whole COAGA group using one color map for the entire area of all entities involved. The City of Midwest City will require color optimization for its area alone on this deliverable (separate from the other entities involved in this project) so as to create a pleasing color map for the City of Midwest City specifically. The Contractor will work directly with the City of Midwest GIS Project Manager to deliver a color map that is acceptable to the City of Midwest City.

The tiling scheme for the DOP delivery will approximate the PLSS for the Midwest City area and is included as a shapefile named MWC_2017_ImageTilingGrid.shp with this RFP. Image tiles should be labeled with the labels shown in this data in the field SECTION (see 2017 DOP Image Tiling Grid map below).

2017 DOP Image Tiling Grid

City of Midwest City Map Date:
11/15/2016



The DOPs should be delivered in the following format: georeferenced TIFF, uncompressed, with an ESRI 10.2 compatible image catalog. All spatial data shall be projected into the following projection/coordinate system:

- Coordinates/Projection: State Plane Coordinate System,
- Zone: Oklahoma North, FIPS Zone 3501
- Horizontal Datum: NAD83
- Vertical Datum: NAVD88
- Map Units: US Feet

*Note: No re-compression of compressed data is acceptable. Image mosaics shall be equal in quality to image tiles.



ATTACHMENT B - PAYMENT SCHEDULE AND RESPONSIBILITIES

Delivery Schedule

Product	Date
3" DOPs tiles	7/17/2017
Ground Control shapefile and report	7/17/2017
Flight plan, AT report	7/17/2017
MrSID/JP2000	8/17/2017

Payment Schedule

Inv.	Work	Date (Approx)	%	Amount
Inv 1	Acquisition Complete	3/22/2017	30%	\$3,029.40
Inv2	Production 50%	5/24/2017	30%	\$3,029.40
Inv3	3' ortho delivery	7/17/2017	30%	\$3,029.40
Inv4	Customer Acceptance/MrSID delivery	8/17/2017	10%	\$1,009.80
TOTAL				\$10,098.00

ATTACHMENT C - MWC RESPONSIBILITIES

MWC Responsibilities

- Provide final approved project boundary
- Approval on flight plan design and ground control layout
- If available – provide most recent DEM, DSM, Contours, etc.
- If available – provide existing photo identifiable ground control points (for blind check points)
- Provide a purchase order
- Provide fully executed contract

2017 Pricing

	FUGRO	Quantum	Surdex	Kucera	Sanborn
City of Edmond (3")	\$ 30,266	\$ 31,010	\$ 29,763.72	\$ 25,000	\$ 29,325.57
Del City (3") 8 miles	\$ 1,904	\$ 2,575	\$ 2,500.00	\$ 2,600	\$ 1,847.28
Del City (3") 12 miles	\$ 2,975	\$ 3,343	\$ 2,929.50	\$ 3,600	\$ 2,770.92
City of Midwest City 53 - (3")	\$ 10,098	\$ 10,360	\$ 9,944	\$ 11,000	\$ 9,797.51
City of Midwest City 53 - (6")	\$ 2,122	\$ 3,490	\$ 2,737	\$ 4,000	\$ 2,116.83
City of Moore (6")	\$ 1,095	\$ 1,800	\$ 2,500	\$ 1,400	\$ 1,092.59
City of Norman (6")	\$ 8,200	\$ 13,475	\$ 10,578	\$ 10,000	\$ 8,181.96
City of Norman (3")	\$ 21,896	\$ 24,795	\$ 21,561	\$ 21,400	\$ 21,243.72
Oklahoma County (6") @ 552	\$ 27,600	\$ 45,345	\$ 35,604	\$ 27,500	\$ 27,539.28
Oklahoma County (3") @ 552	\$ 102,672	\$ 134,770	\$ 129,367	\$ 108,900	\$ 109,345.68
Oklahoma County (6") @ 718	\$ 35,900	\$ 58,980	\$ 46,311	\$ 43,000	\$ 35,821.02
Oklahoma County (3") @ 718	\$ 133,548	\$ 175,300	\$ 168,270	\$ 139,000	\$ 133,756.22
Oklahoma City (6") 712.48	\$ 35,624	\$ 58,530	\$ 45,955	\$ 58,500	\$ 35,545.63
Oklahoma City (6") 6.85 miles	\$ 19,477	\$ 1,275	\$ 884	\$ 900	\$ 6,830.89
Yukon (3")	\$ 8,516	\$ 8,740	\$ 8,385	\$ 7,400	\$ 8,261.96
	\$ 441,893	\$ 573,788	\$ 517,289	\$ 397,400	\$ 433,477
1. Mr SID and JP2000 of City of Edmond	\$ -	\$ 1,350	\$ -	\$ 500	\$ -
3. Mr SID and JP2000 of Del City	\$ -	\$ 250	\$ -	\$ 100	\$ -
4. Mr SID and JP2000 of City of Midwest City	\$ -	\$ 750	\$ -	\$ 200	\$ -
4. Mr SID and JP2000 of City of Midwest City	\$ -		\$ -		\$ -
4. Mr SID and JP2000 of City of Midwest City	\$ -		\$ -		\$ -
4. Mr SID and JP2000 of City of Midwest City	\$ -		\$ -		\$ -
4. Mr SID and JP2000 of City of Moore	\$ -	\$ 350	\$ -	\$ 100	\$ -
5. Mr SID and JP2000 of City of Norman	\$ -	\$ 1,750	\$ -	\$ 650	\$ -
5. Mr SID and JP2000 of City of Oklahoma City		\$ 3,400		\$ 2,800	
5. Mr SID and JP2000 of Oklahoma County	\$ -	\$ 2,750	\$ -	\$ 2,300	\$ -
5. Mr SID and JP2000 of Yukon		\$ 540		\$ 150	
6. Mr SID and JP2000 of Entire Project Area - All TIFF Combined ACOG	\$ -	\$ 7,500	\$ -	\$ 5,000	\$ -



The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT -
ENGINEERING DIVISION

ENGINEERING DIVISION
Patrick Menefee, City Engineer
BUILDING INSPECTION DIVISION
Charles Belk, Building Official
GIS DIVISION
Kathy Spivey, GIS Coordinator

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

TO : Honorable Mayor and City Council


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

DATE : January 24, 2017

SUBJECT : Discussion and consideration of accepting a grant of Permanent Easement from Red Oak L.L.C., across a parcel of land located within the corporate boundaries of Midwest City in Block One (1) Lot Three (3) of Red Oak Development Addition to the Northeast Quarter (NE/4) of Section Eleven (11), Township Eleven (11) North Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma.
(Community Development - P. Menefee)

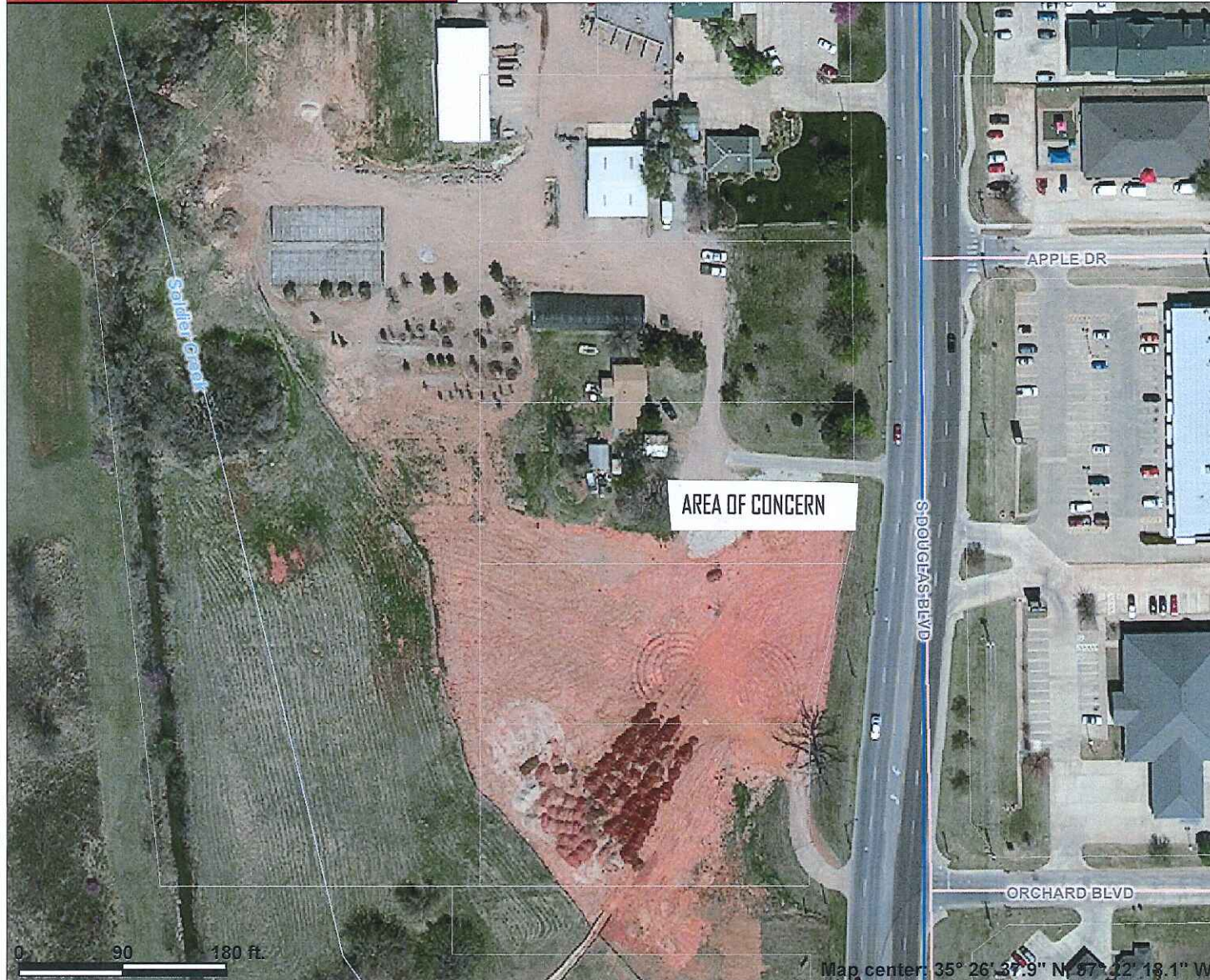
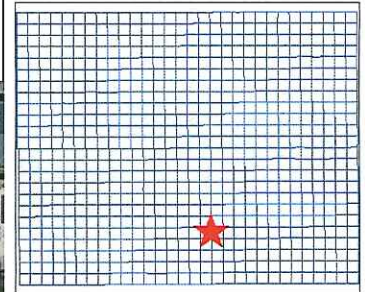
The easement is needed in connection with a waterline project 2200 block of South Douglas Boulevard.

Staff recommends approval.



Patrick Menefee, P.E.
City Engineer

Attachments



- ### Legend
- Annotation
 - Sections
 - Streets
 - Parcels
 - North Canadian River
 - Rivers & Creeks
 - Lakes
 - Aerials (flown Feb 28th - March 23rd, 2011)
 - County Background

Scale: 1:1,606

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

RETURN TO CITY CLERK
100 N. Midwest Boulevard
Midwest City, OK 73110

Project:
Parcel No.

GRANT OF PERMANENT EASEMENT

KNOW ALL BY THESE PRESENTS:

That RED OAK, LLC. (grantor),
of CLEVELAND County, OKLAHOMA, for good and valuable
consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell and convey
unto the City of Midwest City, a municipal corporation, a permanent easement across, over and under the
following described lots, tracts or parcels of land situated in Oklahoma County, State of Oklahoma, to-wit:

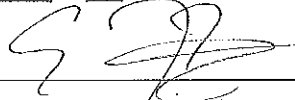
See Exhibit "A"

This easement is granted for the purpose of enabling the City of Midwest City, its officers, agents,
contractors and employees to go upon, layout, construct, change, and/or build improvement(s) upon the
above-described lots, parcels or tracts of land and includes the permanent right of ingress and egress for
employees, tools and equipment of the City of Midwest City, its officers, agents, contractors and employees.

The consideration herein covers any and all kinds and character of damages or injury that may be
sustained directly or indirectly to any lands owned by the Grantor by reason of the construction and
maintenance of such improvements.

Grantor hereby covenants and warrants that at the time of the delivery of this easement that the
above-described real estate and premises are free of all liens and claims whatsoever, except _____
and that they will, so long as this easement is in full force and effect, defend the same unto the City of
Midwest City against all claiming to the contrary.

WITNESS the hands of the parties this 27 day of December, 2016.



Eric Flecko, Manager

STATE OF Oklahoma)
COUNTY OF Cleveland) ss.

Before me, the undersigned Notary Public in and for the state and county aforesaid, on this
day of December, 2016, personally appeared
_____, to me known to be the identical person(s) who executed the within and foregoing instrument and
acknowledged to me that _____ executed the same as a free and voluntary act and deed for the purposes
herein set forth.

WITNESS, my hand and seal this 27 day of December, 2016.

My Commission expires: 10-28-20



NOTARY PUBLIC



Approved by City Attorney _____ Date: _____

Approved by City Council _____ Date: _____

December 28, 2016

RE: Red Oak Development
2301 S. Douglas Blvd.
Midwest City, OK
(NSE Job #1640)

**DESCRIPTION OF A PERMENENT PUBLIC UTILITY EASEMENT FOR
LOT 3 IN BLOCK 1, RED OAK DEVELOPMENT,
CITY OF MIDWEST CITY, OKLAHOMA COUNTY**

A permanent Public Utility Easement for the City of Midwest City on the Lot 3, Block 1, Red Oak Development, an addition to City of Midwest City, identified as "Public Utility Easement" as shown on a Map entitled "Exhibit A" dated December 28, 2016, with no revisions, prepared by NSE Engineering Consultants, Norman, Oklahoma, more particularly described as follows:

BEGINNING at a point on the Western Right of Way line of South Douglas Blvd., said point being the following two courses from a point forming the northeast corner of Lot 3, Block 1, Red Oak Development;

- a) Along common lot line of Lot 3 and South Douglas Blvd, on a bearing of South 00 degrees 35 minutes 43 seconds East, a distance of 20.00 feet to a point; thence
 - b) Still along common lot line of Lot 3 and South Douglas Blvd, on a bearing of South 00 degrees 35 minutes 43 seconds East, a distance of 34.83 feet to the Point of Beginning;
- Thence 1) South 00 degrees 35 minutes 43 seconds East along the Proposed Utility Easement Line herein established, a distance of 20.00 feet to a point;
- Thence 2) South 89 degrees 42 minutes 41 seconds East along the Proposed Utility Easement Line herein established, a distance of 90.52 feet to a point;
- Thence 3) North 00 degrees 17 minutes 19 seconds East along the Proposed Utility Easement Line herein established, a distance of 20.00 feet to a point;
- Thence 4) North 89 degrees 42 minutes 41 seconds East along the Proposed Utility Easement Line herein established, a distance of 90.42 feet to a point or place of BEGINNING.

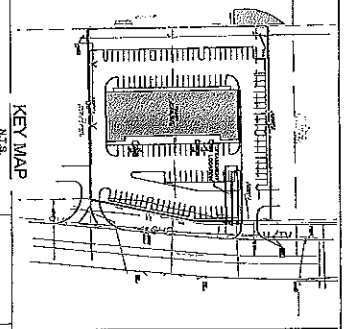
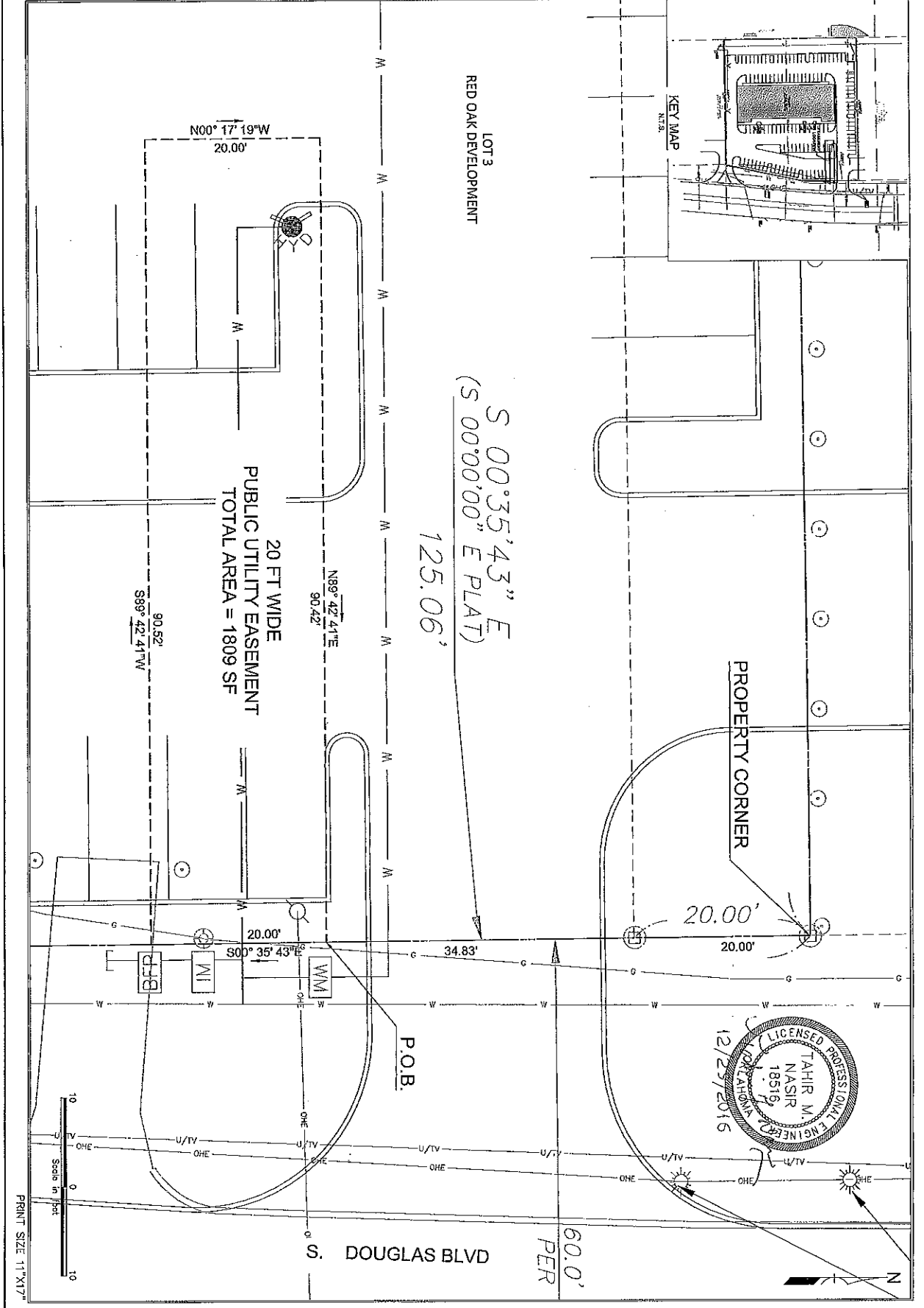
The above description is intended to describe a Public Utility Easement across Lot 3 in Block 1, Red Oak Development, an addition to City of Midwest City, containing 1,809 ft² (0.042 of an acre).

NSE Engineering Consultants, PLLC



12/29/2016

TAHIR M. NASIR, P.E.
LIC. #18516, Exp. 10.31.2018
(Plan Attached)



PRINT SIZE 11"X17"
 Scale in feet
 10
 0
 10

<p>Project No. 1610</p> <p>Sheet No. 01</p>	<p>Barriers</p> <p>Date 12-28-16</p>	<p>EXHIBIT "A" PUBLIC UTILITY EASEMENT 2301 S. DOUGLAS BLVD MIDWEST CITY, OK</p>	<p>NSE ENGINEERING CONSULTANTS 1600 NORTH INTERSTATE DRIVE, SUITE 116 NORMAN, OK 73072 TEL 405-364-2900 FAX 270-817-6739 www.nseengineering.com</p>	<p>OKLAHOMA BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS CERTIFICATE OF AUTHORIZATION #4475 EXPIRES JUNE 30, 2017</p>	<p>TAHIR M. NASIR, P.E. LICENSED PROFESSIONAL ENGINEER STATE OF OKLAHOMA LICENSE No.18519 EXPIRES OCTOBER 31, 2018</p>
---	--	---	---	--	---



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 Chairman and Trustees
Midwest City Utilities Authority

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

Date: January 24th, 2017

Subject: Discussion and consideration of awarding the bid to and entering into a contract with Luckinbill, Inc. in the amount of \$247,970.00 for the Soldier Creek Industrial Park Water and Sewer Line Public Improvements Project.

Bids were received on January 10th, 2017 for the above referenced project. Staff recommends award of the bid to Luckinbill, Inc., which submitted the lowest and best bid meeting specifications in the amount of \$247,970.00. Attached are the bid tabulations for the seven bids received for the project, plus the engineer's estimate. The funds for this project were designated for the Soldier Creek Industrial Park in 193 Utilities Authority Fund.

Staff recommends awarding the bid to Luckinbill, Inc.

Patrick Menefee, P.E.
City Engineer

Attachments

Bid Tab: Water and Sewer SCIP			Engineer's Est		Luckinbill		Southwest Water Works LLC		Holland Backhoe		WEB Construction		Young Contracting	
	Unit	Qty	Unit Price	Est	Unit Price	Est	Unit Price	Est	Unit Price	Est	Unit Price	Est	Unit Price	Est
1 8" C900 Waterline Pipe	LF	3404	\$ 37.50	\$ 127,650.00	\$ 18.00	\$ 61,272.00	\$ 15.00	\$ 51,060.00	\$ 22.00	\$ 74,888.00	\$ 21.99	\$ 74,853.96	\$ 24.50	\$ 83,398.00
2 Fire Hydrant and Assembly	EA	6	\$ 2,000.00	\$ 12,000.00	\$ 3,000.00	\$ 18,000.00	\$ 3,000.00	\$ 18,000.00	\$ 3,200.00	\$ 19,200.00	\$ 3,213.97	\$ 19,283.82	\$ 3,871.00	\$ 23,226.00
3 12" X 8" Tapping Sleeve (MJ)	EA	1	\$ 2,200.00	\$ 2,200.00	\$ 3,000.00	\$ 3,000.00	\$ 2,500.00	\$ 2,500.00	\$ 1,875.00	\$ 1,875.00	\$ 1,650.04	\$ 1,650.04	\$ 3,657.10	\$ 3,657.10
4 8" Tapping Valve & Box	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 2,500.00	\$ 2,500.00	\$ 1,150.00	\$ 1,150.00	\$ 1,878.33	\$ 1,878.33	\$ 3,315.60	\$ 3,315.60
5 8" X 45 Degree Bend	EA	6	\$ 375.00	\$ 2,250.00	\$ 350.00	\$ 2,100.00	\$ 250.00	\$ 1,500.00	\$ 325.00	\$ 1,950.00	\$ 575.93	\$ 3,455.58	\$ 569.50	\$ 3,417.00
6 8" X 22 1/2 Bend	EA	4	\$ 425.00	\$ 1,700.00	\$ 350.00	\$ 1,400.00	\$ 250.00	\$ 1,000.00	\$ 325.00	\$ 1,300.00	\$ 574.79	\$ 2,299.16	\$ 545.90	\$ 2,183.60
7 8" X 11 1/4 Bend	EA	8	\$ 325.00	\$ 2,600.00	\$ 350.00	\$ 2,800.00	\$ 250.00	\$ 2,000.00	\$ 325.00	\$ 2,600.00	\$ 569.09	\$ 4,552.72	\$ 498.60	\$ 3,988.80
8 8" X 8" X 8" Tee	EA	1	\$ 425.00	\$ 425.00	\$ 550.00	\$ 550.00	\$ 500.00	\$ 500.00	\$ 425.00	\$ 425.00	\$ 688.94	\$ 688.94	\$ 922.80	\$ 922.80
9 8" X 8" X 6" Tee	EA	6	\$ 375.00	\$ 2,250.00	\$ 450.00	\$ 2,700.00	\$ 400.00	\$ 2,400.00	\$ 400.00	\$ 2,400.00	\$ 767.26	\$ 4,603.56	\$ 854.30	\$ 5,125.80
10 Remove 12" Plug	EA	1	\$ 500.00	\$ 500.00	\$ 150.00	\$ 150.00	\$ 500.00	\$ 500.00	\$ 125.00	\$ 125.00	\$ 326.73	\$ 326.73	\$ 293.00	\$ 293.00
11 12" X 8" Reducer	EA	1	\$ 500.00	\$ 500.00	\$ 350.00	\$ 350.00	\$ 600.00	\$ 600.00	\$ 395.00	\$ 395.00	\$ 519.19	\$ 519.19	\$ 628.60	\$ 628.60
12 8" Gate Valve and Box	EA	7	\$ 1,000.00	\$ 7,000.00	\$ 1,500.00	\$ 10,500.00	\$ 2,500.00	\$ 17,500.00	\$ 2,150.00	\$ 15,050.00	\$ 1,306.46	\$ 9,145.22	\$ 1,592.80	\$ 11,149.60
13 6" Gate Valve and Box	EA	6	\$ 800.00	\$ 4,800.00	\$ 1,200.00	\$ 7,200.00	\$ 2,000.00	\$ 12,000.00	\$ 1,225.00	\$ 7,350.00	\$ 1,065.62	\$ 6,393.72	\$ 1,175.70	\$ 7,054.20
14 8" Plug	EA	1	\$ 350.00	\$ 350.00	\$ 100.00	\$ 100.00	\$ 150.00	\$ 150.00	\$ 125.00	\$ 125.00	\$ 395.22	\$ 395.22	\$ 343.90	\$ 343.90
15 Service Connection (Short)	EA	4	\$ 725.00	\$ 2,900.00	\$ 600.00	\$ 2,400.00	\$ 300.00	\$ 1,200.00	\$ 275.00	\$ 1,100.00	\$ 660.90	\$ 2,643.60	\$ 744.40	\$ 2,977.60
16 Service Connection (Long)	EA	3	\$ 950.00	\$ 2,850.00	\$ 3,000.00	\$ 9,000.00	\$ 500.00	\$ 1,500.00	\$ 325.00	\$ 975.00	\$ 1,160.90	\$ 3,482.70	\$ 1,751.20	\$ 5,253.60
17 Bore W/14" Steel Casing	LF	36	\$ 45.00	\$ 1,620.00	\$ 180.00	\$ 6,480.00	\$ 100.00	\$ 3,600.00	\$ 110.00	\$ 3,960.00	\$ 270.55	\$ 9,739.80	\$ 97.40	\$ 3,506.40
18 Pressure & Disinfection Test	LS	1	\$ 800.00	\$ 800.00	\$ 1,000.00	\$ 1,000.00	\$ 2,500.00	\$ 2,500.00	\$ 1,875.00	\$ 1,875.00	\$ 621.04	\$ 621.04	\$ 1,932.00	\$ 1,932.00
Water Subtotal				\$ 173,395.00		\$ 130,502.00		\$ 121,010.00		\$ 136,743.00		\$ 146,533.33		\$ 162,373.60
1 Manhole (4' Manhole)	EA	6	\$ 3,210.00	\$ 19,260.00	\$ 1,850.00	\$ 11,100.00	\$ 2,500.00	\$ 15,000.00	\$ 3,750.00	\$ 22,500.00	\$ 1,784.79	\$ 10,708.74	\$ 3,655.90	\$ 21,935.40
2 Add'l Depth in Manhole (4' Diameter)	VF	36	\$ 168.38	\$ 6,061.68	\$ 135.00	\$ 4,860.00	\$ 200.00	\$ 7,200.00	\$ 90.00	\$ 3,240.00	\$ 165.36	\$ 5,952.96	\$ 455.90	\$ 16,412.40
3 Tie into existing Manhole (drop)	EA	1	\$ 2,200.00	\$ 2,200.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 4,500.00	\$ 4,500.00	\$ 3,501.76	\$ 3,501.76	\$ 2,056.00	\$ 2,056.00
4 Trenching and Backfilling (0'-6')	LF	104	\$ 14.00	\$ 1,456.00	\$ 5.00	\$ 520.00	\$ 5.00	\$ 520.00	\$ 1.00	\$ 104.00	\$ 3.57	\$ 371.28	\$ 24.70	\$ 2,568.80
5 Trenching and Backfilling (6'-20')	LF	1616	\$ 17.00	\$ 27,472.00	\$ 8.00	\$ 12,928.00	\$ 15.00	\$ 24,240.00	\$ 1.50	\$ 2,424.00	\$ 11.90	\$ 19,230.40	\$ 49.30	\$ 79,668.80
6 8" Sanitary Sewer Pipe (SDR-35)	LF	1720	\$ 32.28	\$ 55,521.60	\$ 28.00	\$ 48,160.00	\$ 20.00	\$ 34,400.00	\$ 30.25	\$ 52,030.00	\$ 24.54	\$ 42,208.80	\$ 15.70	\$ 27,004.00
7 Steel Casing by Trenching (14")	LF	50	\$ 130.00	\$ 6,500.00	\$ 35.00	\$ 1,750.00	\$ 60.00	\$ 3,000.00	\$ 25.00	\$ 1,250.00	\$ 87.69	\$ 4,384.50	\$ 91.50	\$ 4,575.00
8 Bore and Casing (14" Steel Encasement)	LF	50	\$ 232.00	\$ 11,600.00	\$ 180.00	\$ 9,000.00	\$ 120.00	\$ 6,000.00	\$ 110.00	\$ 5,500.00	\$ 321.42	\$ 16,071.00	\$ 295.20	\$ 14,760.00
9 Bore of Sanitary Service Line (6" Long Service)	LF	70	\$ 100.00	\$ 7,000.00	\$ 120.00	\$ 8,400.00	\$ 40.00	\$ 2,800.00	\$ 118.00	\$ 8,260.00	\$ 303.87	\$ 21,270.90	\$ 102.30	\$ 7,161.00
10 Sanitary Sewer Service Connection (6")	EA	5	\$ 195.00	\$ 975.00	\$ 500.00	\$ 2,500.00	\$ 250.00	\$ 1,250.00	\$ 185.00	\$ 925.00	\$ 363.71	\$ 1,818.55	\$ 431.30	\$ 2,156.50
11 Sanitary Sewer Service Line (6")	LF	145	\$ 30.00	\$ 4,350.00	\$ 20.00	\$ 2,900.00	\$ 5.00	\$ 725.00	\$ 25.00	\$ 3,625.00	\$ 31.43	\$ 4,557.35	\$ 36.40	\$ 5,278.00
12 Leakage Test	LS	1	\$ 570.00	\$ 570.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,850.00	\$ 1,850.00	\$ 746.93	\$ 746.93	\$ 2,646.80	\$ 2,646.80
13 Deflection Test (8" Pipe)	LS	1	\$ 750.00	\$ 750.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,850.00	\$ 1,850.00	\$ 366.35	\$ 366.35	\$ 2,408.20	\$ 2,408.20
Sewer Subtotal				\$ 143,716.28		\$ 104,618.00		\$ 98,135.00		\$ 108,058.00		\$ 131,189.52		\$ 188,630.90
1 Erosion Control	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 1,850.00	\$ 1,850.00	\$ 2,500.00	\$ 2,500.00	\$ 625.00	\$ 625.00	\$ 2,360.52	\$ 2,360.52	\$ 3,020.20	\$ 3,020.20
2 Seed	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,850.00	\$ 1,850.00	\$ 5,000.00	\$ 5,000.00	\$ 7,467.90	\$ 7,467.90
3 Solid Slab Sodding (*)	SY	1000	\$ 5.00	\$ 5,000.00	\$ 2.00	\$ 2,000.00	\$ 1.00	\$ 1,000.00	\$ 3.50	\$ 3,500.00	\$ 3.50	\$ 3,500.00	\$ 4.80	\$ 4,800.00
4 Mobilization	LS	1	\$ 23,336.93	\$ 23,336.93	\$ 3,500.00	\$ 3,500.00	\$ 13,000.00	\$ 13,000.00	\$ 3,500.00	\$ 3,500.00	\$ 18,224.18	\$ 18,224.18	\$ 29,327.90	\$ 29,327.90
5 Construction Staking Level II (#)	LS	1	\$ 5,228.59	\$ 5,228.59	\$ 4,000.00	\$ 4,000.00	\$ 20,000.00	\$ 20,000.00	\$ 7,250.00	\$ 7,250.00	\$ 12,026.04	\$ 12,026.04	\$ 4,029.30	\$ 4,029.30
General Subtotal				\$ 35,565.52		\$ 12,850.00		\$ 37,500.00		\$ 16,725.00		\$ 41,110.74		\$ 48,645.30
Total				\$ 352,676.80		\$ 247,970.00		\$ 256,645.00		\$ 261,526.00		\$ 318,833.59		\$ 399,649.80

Bid Tab: Water and Sewer SCIP		Cimarron Const Company		Jordan Contractors			
	Unit	Qty	Unit Price	Est	Unit Price	Est	
1	8" C900 Waterline Pipe	LF	3404	\$ 27.00	\$ 91,908.00	\$ 30.00	\$ 102,120.00
2	Fire Hydrant and Assembly	EA	6	\$ 3,050.00	\$ 18,300.00	\$ 2,200.00	\$ 13,200.00
3	12" X 8" Tapping Sleeve (MJ)	EA	1	\$ 2,525.00	\$ 2,525.00	\$ 2,200.00	\$ 2,200.00
4	8" Tapping Valve & Box	EA	1	\$ 2,350.00	\$ 2,350.00	\$ 950.00	\$ 950.00
5	8" X 45 Degree Bend	EA	6	\$ 425.00	\$ 2,550.00	\$ 370.00	\$ 2,220.00
6	8" X 22 1/2 Bend	EA	4	\$ 405.00	\$ 1,620.00	\$ 370.00	\$ 1,480.00
7	8" X 11 1/4 Bend	EA	8	\$ 395.00	\$ 3,160.00	\$ 360.00	\$ 2,880.00
8	8" X 8" X 8" Tee	EA	1	\$ 590.00	\$ 590.00	\$ 425.00	\$ 425.00
9	8" X 8" X 6" Tee	EA	6	\$ 540.00	\$ 3,240.00	\$ 600.00	\$ 3,600.00
10	Remove 12" Plug	EA	1	\$ 735.00	\$ 735.00	\$ 220.00	\$ 220.00
11	12" X 8" Reducer	EA	1	\$ 450.00	\$ 450.00	\$ 380.00	\$ 380.00
12	8" Gate Valve and Box	EA	7	\$ 1,295.00	\$ 9,065.00	\$ 950.00	\$ 6,650.00
13	6" Gate Valve and Box	EA	6	\$ 865.00	\$ 5,190.00	\$ 825.00	\$ 4,950.00
14	8" Plug	EA	1	\$ 315.00	\$ 315.00	\$ 120.00	\$ 120.00
15	Service Connection (Short)	EA	4	\$ 375.00	\$ 1,500.00	\$ 500.00	\$ 2,000.00
16	Service Connection (Long)	EA	3	\$ 750.00	\$ 2,250.00	\$ 800.00	\$ 2,400.00
17	Bore W/14" Steel Casing	LF	36	\$ 210.00	\$ 7,560.00	\$ 100.00	\$ 3,600.00
18	Pressure & Disinfection Test	LS	1	\$ 2,243.00	\$ 2,243.00	\$ 750.00	\$ 750.00
Water Subtotal				\$ 155,551.00		\$ 150,145.00	
1	Manhole (4' Manhole)	EA	6	\$ 2,450.00	\$ 14,700.00	\$ 1,500.00	\$ 9,000.00
2	Add'l Depth in Manhole (4' Diameter)	VF	36	\$ 225.00	\$ 8,100.00	\$ 100.00	\$ 3,600.00
3	Tie into existing Manhole (drop)	EA	1	\$ 2,720.00	\$ 2,720.00	\$ 400.00	\$ 400.00
4	Trenching and Backfilling (0'-6')	LF	104	\$ 4.00	\$ 416.00	\$ 5.00	\$ 520.00
5	Trenching and Backfilling (6'-20')	LF	1616	\$ 9.00	\$ 14,544.00	\$ 15.00	\$ 24,240.00
6	8" Sanitary Sewer Pipe (SDR-35)	LF	1720	\$ 31.00	\$ 53,320.00	\$ 34.00	\$ 58,480.00
7	Steel Casing by Trenching (14")	LF	50	\$ 105.00	\$ 5,250.00	\$ 45.00	\$ 2,250.00
8	Bore and Casing (14" Steel Encasement)	LF	50	\$ 215.00	\$ 10,750.00	\$ 100.00	\$ 5,000.00
9	Bore of Sanitary Service Line (6" Long Service)	LF	70	\$ 125.00	\$ 8,750.00	\$ 40.00	\$ 2,800.00
10	Sanitary Sewer Service Connection (6")	EA	5	\$ 750.00	\$ 3,750.00	\$ 120.00	\$ 600.00
11	Sanitary Sewer Service Line (6")	LF	145	\$ 26.00	\$ 3,770.00	\$ 8.00	\$ 1,160.00
12	Leakage Test	LS	1	\$ 850.00	\$ 850.00	\$ 500.00	\$ 500.00
13	Deflection Test (8" Pipe)	LS	1	\$ 425.00	\$ 425.00	\$ 500.00	\$ 500.00
Sewer Subtotal				\$ 127,345.00		\$ 109,050.00	
1	Erosion Control	LS	1	\$ 2,500.00	\$ 2,500.00	\$ 800.00	\$ 800.00
2	Seed	LS	1	\$ 3,250.00	\$ 3,250.00	\$ 1,000.00	\$ 1,000.00
3	Solid Slab Sodding (*)	SY	1000	\$ 2.00	\$ 2,000.00	\$ 2.50	\$ 2,500.00
4	Mobilization	LS	1	\$ 12,975.00	\$ 12,975.00	\$ 2,500.00	\$ 2,500.00
5	Construction Staking Level II (#)	LS	1	\$ 20,825.00	\$ 20,825.00	\$ 3,000.00	\$ 3,000.00
General Subtotal				\$ 41,550.00		\$ 9,800.00	
Total				\$ 324,446.00		\$ 268,995.00	



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: January 24th, 2017

Subject: Discussion and consideration of the acceptance of and making a matter of record Permit No. WL000055161034 from the State Department of Environmental Quality for the Soldier Creek Industrial Park Water Line Extension Project, Midwest City, Oklahoma.

Permit No. WL000055161034 is for the construction of 2437 L.F. and 966 L.F. of eight inch (8") water line to serve the Soldier Creek Industrial Park, Midwest City, Oklahoma.

Staff recommends acceptance as this is consistent with past policy

Patrick Menefee, P.E.
City Engineer



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

December 23, 2016

Mr. J. Guy Henson, City Manager
City of Midwest City
100 N. Midwest Blvd.
Midwest City, Oklahoma 73110

Re: Permit No. WL000055161034
Soldier Creek Industrial Park
Facility No. 1020806

Dear Mr. Henson:

Enclosed is Permit No. WL000055161034 for the construction of 2437 linear feet of eight (8) inch potable waterline, 966 linear feet of eight (8) inch potable waterline and all appurtenances to serve the Soldier Creek Industrial Park, Oklahoma County, Oklahoma.

The project authorized by this permit should be constructed in accordance with the plans approved by this Department on December 23, 2016. Any deviations from the approved plans and specifications affecting capacity, flow or operation of units must be approved, in writing, by the Department before changes are made.

Receipt of this permit should be noted in the minutes of the next regular meeting of the City of Midwest City, after which it should be made a matter of permanent record.

We are returning one (1) set of the approved plans to you, one (1) set to your engineer and retaining one (1) set for our files.

Respectfully,

A handwritten signature in black ink, appearing to read "Robert Walker", is written over a faint, larger signature.

Robert Walker
Construction Permit Section
Water Quality Division

HH
RBW/HH/RC/ag

Enclosure

c: Bruce Vande Lune, Regional Manager, DEQ
OKLAHOMA CITY DEQ OFFICE
Jon Doyle, P.E., Cedar Creek, Inc





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT No. WL000055161034

WATER LINES

FACILITY No. 1020806

PERMIT TO CONSTRUCT

December 23, 2016

Pursuant to O.S. 27A 2-6-304, the City of Midwest City is hereby granted this Tier I Permit to construct 2437 linear feet of eight (8) inch potable waterline, 966 linear feet of eight (8) inch potable waterline and all appurtenances to serve the Soldier Creek Industrial Park, located in NE/4 of Section 27, T-12-N, R-2-W, I.M./C.M., Oklahoma County, Oklahoma, in accordance with the plans approved December 23, 2016.

By acceptance of this permit, the permittee agrees to operate and maintain the facility in accordance with the Public Water Supply Operation rules (OAC 252:631) and to comply with the State Certification laws, Title 59, Section 1101-1116 O.S. and the rules and regulations adopted thereunder regarding the requirements for certified operators.

This permit is issued subject to the following provisions and conditions.

- 1) This water line provides adequate fire flow in accordance with the 2009 International Fire Code through the approved hydraulic analysis. The fire flow provided is 1,500 gpm.
- 2) That the recipient of the permit is responsible that the project receives supervision and inspection by competent and qualified personnel.
- 3) That construction of all phases of the project will be started within one year of the date of approval or the phases not under construction will be resubmitted for approval as a new project.
- 4) That no significant information necessary for a proper evaluation of the project has been omitted or no invalid information has been presented in applying for the permit.
- 5) That the Oklahoma Department of Environmental Quality shall be kept informed on occurrences which may affect the eventual performance of the works or that will unduly delay the progress of the project.
- 6) That wherever water and sewer lines are constructed with spacing of 10 feet or less, sanitary protection will be provided in accordance with Public Water Supply Construction Standards [OAC 252:626-19-2].





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT No. WL000055161034

WATER LINES

FACILITY No. 1020806

PERMIT TO CONSTRUCT

- 7) That before placing this facility into service, at least two samples of the water, taken on different days, shall be tested for bacteria to show that it is safe for drinking purposes.
- 8) That any deviations from approved plans or specifications affecting capacity, flow or operation of units must be approved by the Department before any such deviations are made in the construction of this project.
- 9) That the recipient of the permit is responsible for the continued operation and maintenance of these facilities in accordance with rules and regulations adopted by the Environmental Quality Board, and that this Department will be notified in writing of any sale or transfer of ownership of these facilities.
- 10) The issuance of this permit does not relieve the responsible parties of any obligations or liabilities which the permittee may be under pursuant to prior enforcement action taken by the Department.
- 11) That the permittee is required to inform the developer/builder that a DEQ Storm Water Construction Permit is required for a construction site that will disturb one (1) acre or more in accordance with OPDES, 27A O.S. Section 2-6-201 *et seq.* For information or a copy of the GENERAL PERMIT (OKR10) FOR STORM WATER DISCHARGES FROM CONSTRUCTION ACTIVITIES, Notice of Intent (NOI) form, Notice of Termination (NOT) form, or guidance on preparation of a Pollution Prevention Plan, contact the Storm Water Unit of the Water Quality Division at P.O. Box 1677, Oklahoma City, OK 73101-1677 or by phone at (405) 702-8100.
- 12) That any notations or changes recorded on the official set of plans and specifications in the Oklahoma Department of Environmental Quality files shall be part of the plans as approved.
- 13) That water lines shall be located at least fifteen (15) feet from all parts of septic tanks and absorption fields, or other sewage treatment and disposal systems.
- 14) That whenever plastic pipe is approved and used for potable water, it shall bear the seal of the National Sanitation Foundation and meet the appropriate commercial standards.





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT No. WL000055161034

WATER LINES

FACILITY No. 1020806

PERMIT TO CONSTRUCT

- 15) That when it is impossible to obtain proper horizontal and vertical separation as stipulated in Public Water Supply Construction Standards OAC 252:626-19-2(h)(1) and OAC 252:626-19-2(h)(2), respectively, the sewer shall be designed and constructed equal to water pipe, and shall be pressure tested to the highest pressure obtainable under the most severe head conditions of the collection system prior to backfilling.

Failure to appeal the conditions of this permit in writing within 30 days from the date of issue will constitute acceptance of the permit and all conditions and provisions.

Rocky Chen, P.E., Engineering Manager, Construction Permit Section
Water Quality Division





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: January 24th, 2017

Subject: Discussion and consideration of the acceptance of and making a matter of record Permit No. SL000055160932 from the State Department of Environmental Quality for the Winco Foods Grocery Store Sewer Line Extension Project, Midwest City, Oklahoma.

Permit No. SL000055160932 is for the construction of 1320 L.F. of eight inch (8") sewer line to serve the Winco Foods Grocery Store, Midwest City, Oklahoma.

Staff recommends acceptance as this is consistent with past policy

Patrick Menefee, P.E.
City Engineer



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

December 22, 2016

J. Guy Henson, City Manager
City of Midwest City
100 N. Midwest Blvd
Midwest City, Oklahoma 73110

Re: Permit No.: SL000055160932
WinCo Foods Grocery Store
Sewer Line Extension Project
Facility No.: S-20541

Dear Mr. Henson:

Enclosed is Permit No.: SL000055160932 for the construction of approximate 1,320 L. F. of eight (8) inch sewer line and appurtenances to serve the City of Midwest City WinCo Foods Grocery Store Sewer Line Extension Project, Oklahoma County, Oklahoma.

The project authorized by this permit should be constructed in accordance with the plans approved by this Department on December 22, 2016. Any deviations from the approved plans and specifications affecting capacity, flow, or operation of units must be approved, in writing, by the Department before changes are made.

Receipt of this permit should be noted in the minutes of the next regular meeting of the City of Midwest City, after which it should be made a matter of permanent record.

We are returning one (1) set of the approved plans to you and retaining one (1) set for our files.

Respectfully,

A handwritten signature in black ink, appearing to read 'Robert B. Walker', is written over a set of horizontal lines.

Robert B. Walker
Construction Permit Section
Water Quality Division

RBW/RC/ag

Enclosure

c: Bruce Vande Lune, R. S., Regional Manager, DEQ
Dan Grant, P. E., Kimley-Horn and Associates, Inc.
Oklahoma City DEQ Office





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT NO.: SL000055160932

SEWER LINES

FACILITY NO.: S-20541

PERMIT TO CONSTRUCT

December 22, 2016

Pursuant to O.S. 27A 2-6-304, the City of Midwest City is hereby granted this Tier I Permit to construct approximate 1,320 L. F. of eight (8) inch sewer line and appurtenances to serve the City of Midwest City WinCo Foods Grocery Store Sewer Line Extension Project, located in part of SE-1/4, Section 34, T-12-N, R-2-W, I. M., Oklahoma County, Oklahoma, in accordance with the plans approved on December 22, 2016.

By acceptance of this permit, the permittee agrees to operate and maintain the facilities in accordance with the "Oklahoma Pollutant Discharge Elimination System Standards - OPDES" (OAC 252:606) rules and to comply with the state certification laws, Title 59, Section 1101-1116 O.S. and the rules and regulations adopted thereunder regarding the requirements for certified operators.

This permit is issued subject to the following provisions and conditions.

- 1) That the recipient of the permit is responsible that the project receives supervision and inspection by competent and qualified personnel.
- 2) That construction of all phases of the project will be started within one year of the date of approval or the phases not under construction will be resubmitted for approval as a new project.
- 3) That no significant information necessary for a proper evaluation of the project has been omitted or no invalid information has been presented in applying for the permit.
- 4) That tests will be conducted as necessary to insure that the construction of the sewer lines will prevent excessive infiltration and that the leakage will not exceed 10 gallons per inch of pipe diameter per mile per day.
- 5) That the Oklahoma Department of Environmental Quality shall be kept informed of occurrences which may affect the eventual performance of the works or that will unduly delay the progress of the project.
- 6) That the permittee will take steps to assure that the connection of house services to the sewers is done in such a manner that the functioning of the sewers will not be impaired and that earth and ground water will be excluded from the sewers when the connection is completed.
- 7) That any deviations from approved plans or specifications affecting capacity, flow or operation of units must be approved by the Department before any such deviations are made in the construction of this project.

Page 2 of 2





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT NO.: SL000055160932

SEWER LINES

FACILITY NO.: S-20541

PERMIT TO CONSTRUCT

- 8) That the recipient of the permit is responsible for the continued operation and maintenance of these facilities in accordance with rules and regulations adopted by the Environmental Quality Board, and that this Department will be notified in writing of any sale or transfer of ownership of these facilities.
- 9) The issuance of this permit does not relieve the responsible parties of any obligations or liabilities which the permittee may be under pursuant to prior enforcement action taken by the Department.
- 10) That the permittee is required to inform the developer/builder that a DEQ Storm Water Construction Permit is required for a construction site that will disturb one (1) acre or more in accordance with OPDES, 27A O.S. 2-6-201 *et. seq.* For information or a copy of the GENERAL PERMIT (OKR10) FOR STORM WATER DISCHARGES FROM CONSTRUCTION ACTIVITIES, Notice of Intent (NOI) form, Notice of Termination (NOT) form, or guidance on preparation of a Pollution Prevention Plan, contact the Storm Water Unit of the Water Quality Division at P.O. Box 1677, Oklahoma City, OK 73101-1677 or by phone at (405) 702-8100.
- 11) That all manholes shall be constructed in accordance with the standards for Water Pollution Control Facility Construction (OAC 252:656-5-3), as adopted by the Oklahoma Department of Environmental Quality.
- 12) That any notations or changes recorded on the official set of plans and specifications in the Oklahoma Department of Environmental Quality files shall be part of the plans as approved.
- 13) That when it is impossible to obtain proper 10-foot horizontal and 2-foot vertical separation between water mains and sewer lines as stipulated in Water Pollution Control Facility Construction OAC 252:656-5-4(c)(1) and OAC 252:656-5-4(c)(2), respectively, the sewer shall be designed and constructed equal to water pipe, and shall be pressure tested in accordance with the ASTM standard for the sewer line leakage test used, with no detectable leakage prior to backfilling, in accordance OAC 252:656-5-4(c)(3).

Failure to appeal the conditions of this permit in writing within 30 days from the date of issue will constitute acceptance of the permit and all conditions and provisions.

Rocky Chen, P.E., Engineering Manager, Construction Permit Section
Water Quality Division





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: January 24th, 2017

Subject: Discussion and consideration of the acceptance of and making a matter of record Permit No. WL000055160931 from the State Department of Environmental Quality for the Winco Foods Grocery Store Water Line Extension Project, Midwest City, Oklahoma.

Permit No. WL000055160931 is for the construction of 1805 L.F. of eight inch (8") and 150 L.F. of six inch (6") water line to serve the Winco Foods Grocery Store, Midwest City, Oklahoma.

Staff recommends acceptance as this is consistent with past policy

Patrick Menefee, P.E.
City Engineer



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

December 22, 2016

J. Guy Henson, City Manager
City of Midwest City
100 N. Midwest Blvd
Midwest City, Oklahoma 73110

Re: Permit No.: WL000055160931
City of Midwest City
WinCo Foods Grocery Store
Water Line Extension Project
PWSID No.: 1020806

Dear Mr. Henson:

Enclosed is Permit No.: WL000055160931 for the construction of approximately 150 L. F. of six (6) inch and 1,805 L. F. of eight (8) inch water line and appurtenances to serve the City of Midwest City WinCo Foods Grocery Store Water Line Extension Project, Oklahoma County, Oklahoma.

The project authorized by this permit should be constructed in accordance with the plans approved by this Department on December 22, 2016. Any deviations from the approved plans and specifications affecting capacity, flow, or operation of units must be approved, in writing, by the Department before changes are made.

Receipt of this permit should be noted in the minutes of the next regular meeting of the City of Midwest City, after which it should be made a matter of permanent record.

We are returning one (1) set of the approved plans to you and retaining one (1) set for our files.

Respectfully,

A handwritten signature in black ink, appearing to read 'Robert B. Walker', is written over a horizontal line.

Robert B. Walker
Construction Permit Section
Water Quality Division

RBW/RC/ag

Enclosure

c: Oklahoma City DEQ Office
Bruce Vande Lune, R. S., Regional Manager, DEQ
Dan Grant, P. E., Kimley-Horn and Associates, Inc.





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT NO.: WL000055160931

WATER LINES

PWSID NO.: 1020806

PERMIT TO CONSTRUCT

December 22, 2016

Pursuant to O.S. 27A 2-6-304, the City of Midwest City is hereby granted this Tier I Permit to construct approximately 150 L. F. of six (6) inch and 1,805 L. F. of eight (8) inch water line and appurtenances to serve the City of Midwest City WinCo Foods Grocery Store Water Line Extension Project, located in part of SE-1/4, Section 34, T-12-N, R-2-W, I. M., Oklahoma County, Oklahoma, in accordance with the plans approved on December 22, 2016.

By acceptance of this permit, the permittee agrees to operate and maintain the facility in accordance with the Public Water Supply Operation rules (OAC 252:631) and to comply with the State Certification laws, Title 59, Section 1101-1116 O.S. and the rules and regulations adopted thereunder regarding the requirements for certified operators.

This permit is issued subject to the following provisions and conditions.

- 1) Based on review of the submitted limited hydraulic analysis information, this water line design is deemed adequate to provide the 2009 International Fire Code minimum fire flow of approximately 1,938-gpm for commercial building with an IFC approved automatic sprinkler system.
- 2) That the recipient of the permit is responsible that the project receives supervision and inspection by competent and qualified personnel.
- 3) That construction of all phases of the project will be started within one year of the date of approval or the phases not under construction will be resubmitted for approval as a new project.
- 4) That no significant information necessary for a proper evaluation of the project has been omitted or no invalid information has been presented in applying for the permit.
- 5) That the Oklahoma Department of Environmental Quality shall be kept informed on occurrences which may affect the eventual performance of the works or that will unduly delay the progress of the project.
- 6) That before placing this facility into service, at least two samples of the water, taken on different days, shall be tested for bacteria to show that it is safe for drinking purposes.
- 7) That any deviations from approved plans or specifications affecting capacity, flow or operation of units must be approved by the Department before any such deviations are made in the construction of this project.

Page 1 of 2





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT NO.: WL000055160931

WATER LINES

PWSID NO.: 1020806

PERMIT TO CONSTRUCT

- 8) That the recipient of the permit is responsible for the continued operation and maintenance of these facilities in accordance with rules and regulations adopted by the Environmental Quality Board, and that this Department will be notified in writing of any sale or transfer of ownership of these facilities.
- 9) The issuance of this permit does not relieve the responsible parties of any obligations or liabilities which the permittee may be under pursuant to prior enforcement action taken by the Department.
- 10) That the permittee is required to inform the developer/builder that a DEQ Storm Water Construction Permit is required for a construction site that will disturb one (1) acre or more in accordance with OPDES, 27A O.S. Section 2-6-201 *et seq.* For information or a copy of the GENERAL PERMIT (OKR10) FOR STORM WATER DISCHARGES FROM CONSTRUCTION ACTIVITIES, Notice of Intent (NOI) form, Notice of Termination (NOT) form, or guidance on preparation of a Pollution Prevention Plan, contact the Storm Water Unit of the Water Quality Division at P.O. Box 1677, Oklahoma City, OK 73101-1677 or by phone at (405) 702-8100.
- 11) That any notations or changes recorded on the official set of plans and specifications in the Oklahoma Department of Environmental Quality files shall be part of the plans as approved.
- 12) That whenever plastic pipe is approved and used for potable water, it shall bear the seal of the National Sanitation Foundation and meet the appropriate commercial standards.
- 13) That when it is impossible to obtain proper 10-foot horizontal and 2-foot vertical separation between water and sewer lines as stipulated in Public Water Supply Construction Standards OAC 252:626-19-2(h)(1) and OAC 252:626-19-2(h)(2), respectively, design and construct the sewer line pipe equal to water line pipe and pressure test in accordance with OAC 252:626-19-2(h)(3).

Failure to appeal the conditions of this permit in writing within 30 days from the date of issue will constitute acceptance of the permit and all conditions and provisions.

Rocky Chen, P.E., Engineering Manager, Construction Permit Section
Water Quality Division





City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
ghenson@midwestcityok.org
Office: 405.739.1204/Fax: 405.739.1208
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: J. Guy Henson, City Manager
DATE: January 24, 2017
SUBJECT: Discussion and consideration of approving Joel Porter as a fourth candidate for a Municipal and Alternate Judge.

Pursuant to Article V, Municipal Court, of the City Charter municipal judges are appointed by the Mayor from a list of candidates submitted by the Council. The Mayoral appointments are subsequently approved by the City Council.

If Joel Porter is approved, he will be submitted to the Mayor, who will formally appoint him, subject to approval by the City Council.

Action on this item is at the Council's discretion.

J. GUY HENSON, AICP, City Manager



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
ghenson@midwestcityok.org
Office: 405.739.1204
Fax: 405.739.1208
www.midwestcityok.org

MEMORANDUM

TO: Honorable Acting Mayor and City Council

FROM: J. Guy Henson, City Manager

DATE: January 24, 2017

SUBJECT: Discussion and consideration of approval of the Mayor's appointment of Joel Porter as a Municipal and Alternate Judge.

The Mayor has appointed Joel Porter as a Municipal and Alternate Judge.

Approval of this appointment by the Council is required. Action is at the Council's discretion.

J. GUY HENSON, AICP
City Manager

MEMO

To: Honorable Mayor and City Council

From: Bert Norton, Fire Chief

Date: January 24, 2015

Subject: Discussion and consideration of declaring a fire department brush truck, unit number 07-03-13, surplus and authorizing its disposal by public auction or sealed bid.

Staff respectfully requests that the Council declare as surplus a 1997 Chevrolet 3500, unit number 07-03-13, vin 1GBJK34XVE106999. This vehicle is no longer of any operational value to the Fire Department. This unit has served a long career with the fire department. This vehicle is past its useful service life due primarily to age, and the repairs required to make it operationally reliable are not cost effective. I would consider the vehicle in "fair" cosmetic condition and "fair" mechanical condition.

Staff recommends approval.



Bert Norton
Fire Chief

MEMO

To: Honorable Mayor and City Council

From: Bert Norton, Fire Chief

Date: January 24, 2015

Subject: Discussion and consideration of declaring fire department winter coats and dress jackets, surplus and authorizing their disposal by public auction or sealed bid.

Staff respectfully requests that the Council declare as surplus 40 winter coats and 15 dress jackets known as "Ike" jackets for class A uniforms. These uniform items are no longer of any operational value to the Fire Department. These garments have served a long career with the fire department are past their useful service. I would consider all article in "good" cosmetic condition and department patches have been removed.

Staff recommends approval.



Bert Norton
Fire Chief



City of Midwest City Police Department
100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1320
Fax 405.739.1398

Memorandum

To: Honorable Mayor and Council

From: Brandon Clabes, Chief of Police

Date: January 24, 2017

Subject: Discussion and consideration of 1) declaring one (1) Auto License CarDetector Kit, which consists of one (1) 25MM Camera; one (1) 35MM Camera; one (1) 50MM Camera; one (1) Garmin GPS Unit; and one (1) Condor DSP, from the Police Department as surplus property; and 2) authorizing the disposal of this property by public auction or sealed bid.

This agenda item will declare the item listed above as surplus property. The item is obsolete, defective or has been replaced.

If approved this item will be posted for sale on the city's auction site at: <http://stores.ebay.com/MWC-Surplus-Property-Division>

Staff recommends approval.

Brandon Clabes
Chief of Police

Attachment

MIDWEST CITY POLICE DEPARTMENT
 SURPLUS PROPERTY LIST
FOR CITY COUNCIL MEETING - JANUARY 24, 2017

Department	Qty.	Description
Police Dept.	1 Kit	Auto License CarDetector Kit #101968
		<i>This kit contains the following:</i>
		VVR-01-925 25MM Camera S/N 2010070029
		VVR-01-935 35MM Camera S/N 2011050050
		VVR-01-950 50MM Camera S/N 2012020012
		Garmin GPS Unit S/N 19M017316
		Condor DSP S/N 2120010230



DISCUSSION ITEMS





The City Of Midwest City Neighborhood Services Department

Animal Welfare • Code Enforcement • Neighborhood Initiative
8726 SE 15th Street, Midwest City, OK 73110
(405) 739-1005

Date: January 24, 2017

To: Honorable Mayor and City Council

From: Mike S. Stroh, Neighborhood Services Director

Subject: Public hearing with discussion and consideration of a resolution declaring the structure located at 7203 SE. 15th Street. a dilapidated building as defined in Title 11-22-112(C) 1. Oklahoma State Statutes and setting dates to demolish and remove the structure from the site.

Title 11 Section 22-112 (C) 1. of Oklahoma State Statutes defines a dilapidated building as:

- a. a structure which through neglect or injury lacks necessary repairs or otherwise is in a state of decay or partial ruin to such an extent that the structure is a hazard to the health, safety, and welfare of the general public,*
 - b. a structure which is unfit for human occupancy due to the lack of necessary repairs and is considered uninhabitable or is a hazard to the health, safety, and welfare of the general public,*
 - c. a structure which is determined by the municipal governing body or administrative officer of the municipal governing body to be an unsecured building, as defined by Section 22-112.1 of this title, more than three times within any twelve-month period,*
 - d. a structure which has been boarded and secured, as defined by Section 22-112.1 of this title, for more than eighteen (18) consecutive months, or*
 - e. a structure declared by the municipal governing body to constitute a public nuisance;*
1. The property is vacant and the exterior of all structures have not been maintained over a long period of time and is causing a public nuisance.
 2. The deteriorating condition of the structures are a safety hazard due to broken windows, open and unsecure doors as well as unfinished addition compromising the integrity of the structural condition of the structures.

3. There have been complaints of trespassers entering the property on multiple occasions. Notices mailed to owner on record for 5 separate offenses of open and unsecure between February 8th 2016 to September 16th 2016.
4. The last time there was an established utility account with the City was August 2015.

The structure meets the definition of a dilapidated building as defined in Oklahoma State Statute title 11 Section 22-112 (C) 1. and has become detrimental to the health, safety and welfare of the general public.

If the council concurs with staff's opinion and finds that a nuisance does in fact exist, staff recommends requiring ten (10) days within which someone with the proper authority to act on behalf of the owner must begin demolition and thirty (30) days for someone with the proper authority to act on behalf of the property owner to complete the removal of the structure.

Mike S. Stroh

Mike S. Stroh, Neighborhood Services Director

RESOLUTION NO. 2017-_____

A RESOLUTION DECLARING THE STRUCTURE LOCATED AT 7203 SE. 15th Street. A DILAPIDATED BUILDING AS DEFINED IN SECTION 22-112(C) OF OKLAHOMA STATE STATUTE TITLE 11; AND SETTING DATES TO DEMOLISH AND REMOVE THE STRUCTURE FROM THE SITE

WHEREAS, Section 22-112 of Oklahoma State Statute title 11 establishes procedures for declaring and abating a public nuisance within the corporate limits of Midwest City; and

WHEREAS, the City Council of the City of Midwest City, after proper notice was mailed to the property owner at the address indicated in the County Assessor's records and posted notice at the property, conducted a public hearing regarding the structure located at 7203 SE. 15TH STREET; and

WHEREAS, during the hearing the City Council reviewed the information on the condition of the property; and

WHEREAS, notice of the hearing was mailed to the property owner at the address indicated in the County Assessor's record by regular mail and posting pursuant to Section 22-112 (1) of the Oklahoma State Statute title 11;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MIDWEST CITY, OKLAHOMA COUNTY, OKLAHOMA:

That the property located at 7203 SE. 15TH STREET is a public nuisance for the neighborhood and community.

That someone with the proper authority to act on behalf of the property owner must begin to repair or demolish and remove the structure from the site located at 7203 SE. 15TH STREET within 10 days of the date of this resolution and have the repairs or demolition completed within 30 days of the date of this resolution. If someone with the proper authority to act on behalf of the property owner fails to repair or demolish and remove the structure within 30 days of the date of this resolution, the City Council hereby directs the city manager to remove and abate the public nuisance and charge the abatement to someone with the proper authority to act on behalf of the owner of the property.

PASSED AND APPROVED by the Mayor and Council of the City of Midwest City, Oklahoma this _____ day of _____, 2017.

CITY OF MIDWEST CITY, OKLAHOMA

MATT DUKES, Mayor

ATTEST:

SARA HANCOCK, City Clerk

APPROVED: as to form and legality this _____ day of _____, 2017.

PHILIP W. ANDERSON, City Attorney



2016-02-23 03:42:11





176

2016-06-03 04:01:42











182

2017-01-13 09:53:25



The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT

Billy Harless, Community Development Director

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

To: Honorable Mayor and City Council
From: Billy Harless, Community Development Director
Date: January 24, 2017

Subject: (CA-75) Public hearing with discussion and consideration of an appeal to Section 9-394(e) of the Municipal Code which states that freestanding signs shall be brought into compliance with the ordinance at the time any modifications or repairs are made to the sign located at 9900 SE 15th St.

As the Council will recall, this item was heard at the January 10, 2017 City Council meeting. The applicant has notified staff that installing the new electronic display reader board in the existing reader board is not possible and wishes to proceed with the requested appeal.

Currently, the sign is 22 ft. in height which is 2' above what is allowed under the Midwest City Sign Ordinance. The ordinance states that if specific modifications are made to a sign that is not in compliance with the ordinance, the sign must be brought into compliance which would mean reducing the overall height of the sign by 2'.

Section 9-394(e) of the Municipal Code states "Freestanding signs shall be brought into compliance with the provisions above, at the time any modifications or repairs are made to the sign:

1. That would cause an increase or decrease to the height of the sign; and/or
2. **That would cause an increase or decrease in the display surface area of the sign; and/or**
3. **That would cause a change to the shape or the sign; and/or**
4. **That would cause any modifications to, additions to or removal of any structural components of the sign; and/or**
5. **That would cause the overall sign area to be increased or decreased due the number of reader boards on the sign or the area of signs.**

The new proposed electronic reader board would qualify for items 2-5 listed above and therefore would require the applicant to reduce the height of the sign by 2'. The applicant is requesting to install the new electronic reader board and to keep the overall height of the sign 22'.

Action is at the discretion of the Council.

Billy Harless, AICP



The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT

Billy Harless, Community Development Director

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

To: Honorable Mayor and City Council
From: Billy Harless, Community Development Director
Date: January 10, 2017

Subject: (CA-75) Public hearing with discussion and consideration of an appeal to Section 9-394(e) of the Municipal Code which states that freestanding signs shall be brought into compliance with the ordinance at the time any modifications or repairs are made to the sign located at 9900 SE 15th St.

Applicant: Carol McKey

Owner: Cornerstone Church of Midwest City

The existing free standing sign located at Cornerstone Church 9900 SE 15th St was constructed in 2002 under previous sign regulations and is 22 feet in height. Current regulations restrict the overall height of a freestanding sign to 20 feet. The applicant has proposed to replace the digital display portion of the existing sign, which would require the sign to come into compliance with the current regulations by reducing the overall height by 2 feet. Section 9-394(e) of the Municipal Code states "Freestanding signs shall be brought into compliance with the provisions above, at the time any modifications or repairs are made to the sign:

1. That would cause an increase or decrease to the height of the sign; and/or
2. That would cause an increase or decrease in the display surface area of the sign; and/or
3. That would cause a change to the shape or the sign; and/or
4. That would cause any modifications to, additions to or removal of any structural components of the sign; and/or
5. That would cause the overall sign area to be increased or decreased due the number of reader boards on the sign or the area of signs.

The proposed change would increase the display surface area, the overall sign area due to the number of reader boards and would require the removal and addition of structural components.

Attached is a letter from the applicant regarding this matter.

If this application is approved, it would set precedence for further applications to not bring existing freestanding signs into compliance with the ordinance at the time of modifications or repairs are made. Therefore, staff recommends denial of this request.

Action Required: Approve or reject the appeal to the Midwest City Sign Ordinance for the property described as noted in this staff report.

A handwritten signature in black ink, appearing to read "Billy Harless". The signature is fluid and cursive, with a long horizontal stroke at the end.

Billy Harless, AICP
Community Development Director
CA

Please check the type of appeal:

- 160 Appeal of an administrative or interpretation decision by a City official
 Variance
 Special Exception
 Oil and gas well applications

Please describe the purpose of this appeal: Our existing sign is grandfathered in @ 2' above the current guidelines. We need to replace the digital display insert on the sign because it has a both dated and inconsistent display. The cost of this replacement is over \$40,000. We have been told that if we make this modification we will also be required to lower the sign 2'. The cost of lowering the sign is an additional \$7,000 and in order to be proportional we would actually have to lower it 4' rather than the required 2'. This would not only be costly but will also greatly diminish the aesthetic appearance of the sign. Please consider granting us a variance so that we can proceed in replacing the digital display. Thank you.

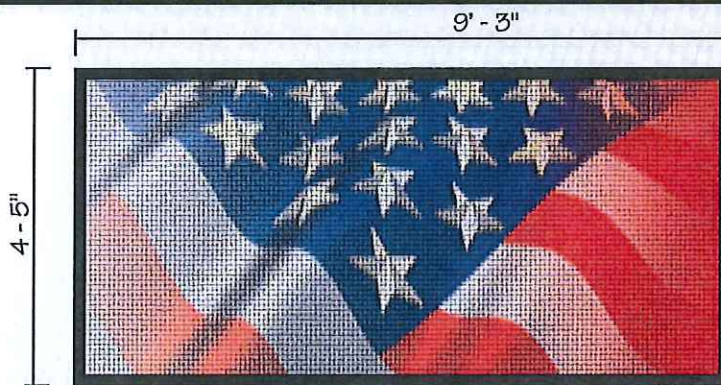
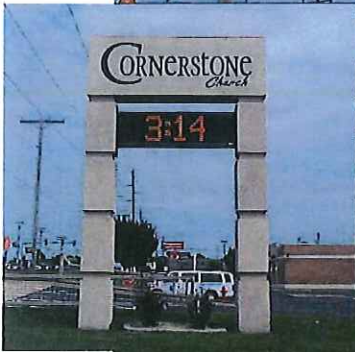
Carol McKay
Signature

11-15-16
Date



Existing Sign

Proposed
Modification



REMOVE EXISTING EMC AND REPLACE WITH NEW 19mm 64x144 MATRIX EMC.

OPTION 2: 16mm 72x162 MATRIX EMC

CLIENT CORNERSTONE CHURCH	
SALESMAN DAVID KOWALS	SCALE 3/8" = 1'
DESIGNER GAR-2016 APPROVAL	
P:\Design\AJs Design\Design 2016\David Kowals\CORNERSTONE CHURCH EMC.cdr	
Thursday, November 10, 2016 9:14:49 AM	

MetroSign
Corporation

188



THE CITY OF MIDWEST CITY

MEMORANDUM

TO: Honorable Mayor and Council

FROM: Christy Barron, Finance Director / Treasurer

DATE: January 24, 2017

SUBJECT: Discussion and consideration of budget amendments to reduce appropriations for fiscal year 2016-2017 due to declining revenues.

Year-to-date the three largest revenue sources to the general fund are down compared to budget as follows:

Sales and Use Tax Revenue - down 2.63%
Fines and Forfeiture Revenue – down 16%
Franchise Tax Revenue – down 4%

Overall revenues to the general fund are down 3.18% year-to-date. Therefore, budget amendments for fiscal year 2016-2017 are being submitted for adoption. The proposed budget amendments represent a reduction in expenditures of approximately 1.5%.

Additional information by fund and department can be seen in the appendix of this agenda item. Staff recommends that the budget amendments be adopted by resolution at the department level.

Christy Barron
Christy Barron
Finance Director / Treasurer

Attachments: Proposed Resolution

Appendix including:
Additional information by fund and department

100 N. Midwest Boulevard - Midwest City, Oklahoma 73110
(405) 739-1245 - FAX (405) 739-1247 - (TDD) (405) 739-1359
An Equal Opportunity Employer

**MIDWEST CITY, OKLAHOMA
RESOLUTION NO. 2017-_____**

**A RESOLUTION AMENDING THE CITY OF MIDWEST CITY, OKLAHOMA
BUDGET FOR THE FISCAL YEAR 2016-2017**

WHEREAS, The City of Midwest City has adopted the provisions of the Oklahoma Municipal Budget Act (the Act) in 11 O.S., Section 17-201 through 17-216; and

WHEREAS, The Act in Section 17-216 states that the governing body of the City may amend its budget to reduce appropriations when it appears probable that revenues available will be insufficient to meet the amount appropriated.

WHEREAS, sales and use tax revenues are down 2.63% compared to budget projections and overall revenues to the general fund are down 3.18% compared to budget projections.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Midwest City, Oklahoma that the Council does hereby adopt FY 2016-2017 budget reductions to reduce appropriations as follows:

General Fund:

Departments/Divisions:	Budget Reduction
City Manager (010-0110)	\$ (7,917)
City Clerk (010-0211)	\$ (1,514)
Human Resources (010-0310)	\$ (7,131)
City Attorney (010-0410)	\$ (1,660)
Community Development (010-0510)	\$ (29,630)
Park & Recreation (010-0610)	\$ (10,000)
Finance (010-0810)	\$ (11,058)
Street/Parks (010-0910)	\$ (47,000)
Animal Welfare (010-1010)	\$ (6,980)
Municipal Court (010-1210)	\$ (8,019)
General Government (010-1410)	\$ (17,673)
Neighborhood Services (010-1510)	\$ (17,875)
Neighborhood Services (010-1530)	\$ (750)
Information Technology (010-1610)	\$ (7,853)
Emergency Response (010-1810)	\$ (15,692)
Swimming Pools (010-1910)	\$ (5,000)

Police Fund:

Departments/Divisions:	Budget Reduction
Police Fund (020-6210)	\$ (204,981)

Fire Fund:

Departments/Divisions:	Budget Reduction
Fire Fund (040-6410)	\$ (165,804)

Special Revenue:

Departments/Divisions:	Budget Reduction
General Government Sales Tax (009-1510)	\$ (7,182)
Emergency Operations (070-2100)	\$ (5,876)
Park & Recreation (123-0610)	\$ (7,300)

Capital Projects:

Departments/Divisions:	Budget Reduction
Police Capitalization (021-6210)	\$ (117,541)
Fire Capitalization (041-6410)	\$ (171,190)
Dedicated Tax 2012 (065-0610)	\$ (2,182)
Dedicated Tax 2012 (065-2310)	\$ (2,000)
Dedicated Tax 2012 (065-6600)	\$ (3,000)
Capital Improvements (157-5700)	\$ (94,521)
Sales Tax Capital Improvements (340)	\$ (94,521)

PASSED AND APPROVED by the Mayor and Council of the City of Midwest City, Oklahoma, this 24th day of January, 2017.

CITY OF MIDWEST CITY, OKLAHOMA

Mayor

ATTEST:

City Clerk

APPROVED as to form and legality this 24th day of January, 2017.

City Attorney

**City of Midwest City, Oklahoma
FY 16-17 Budget Reduction Detail
Appendix**

General Fund

Fund #	Department Name	Dep. #	Budget Reduction Description	Budget Reduction Amount
10	City Manager	0110	Travel/School	-\$7,917
10	City Clerk	0211	Travel/School	-\$1,514
10	Human Resources	0310	Travel/School	-\$7,131
10	City Attorney	0410	Salary	-\$1,660
10	Community Development	0510	Salary	-\$29,630
10	Park & Recreation	0610	Travel/School	-\$2,740
			Materials/Maintenance of Equipment	-\$735
			Small Tools/Equipment	-\$400
			Upkeep Real Property	-\$6,000
			Membership/Subscriptions	-\$125
			Total	-\$10,000
10	Finance	0810	Salary	-\$11,058
10	Street/Parks	0910	Wages	-\$14,000
			Supplies	-\$20,000
			Chemicals	-\$3,000
			Contractual	-\$10,000
			Total	-\$47,000
10	Animal Welfare	1010	Wages	-\$2,334
			Salary/Social Security	-\$179
			Overtime	-\$4,084
			Travel/School	-\$50
			Utilities/Communication	-\$333
	Total	-\$6,980		
10	Municipal Court	1210	Wages	-\$8,019
10	General Government	1410	Other Services/Contractual	-\$10,000
			Other Services/Election Expense	-\$7,673
			Total	-\$17,673
10	Neighborhood Services	1510	Sick Leave Incentive	-\$1,500
		1510	Travel/School	-\$6,650
		1510	Uniforms/Protective Gear	-\$5,500
		1510	Upkeep Real Property	-\$4,225
		1530	Travel/School	-\$750
		Total	-\$18,625	

**City of Midwest City, Oklahoma
FY 16-17 Budget Reduction Detail
Appendix**

Fund #	Department Name	Dep. #	Budget Reduction Description	Budget Reduction Amount
10	Information Technology	1610	Wages	-\$350
			Travel/School	-\$300
			Materials/Maintenance of Equipment	-\$500
			Small Tools/Equipment	-\$194
			Supplies	-\$246
			Other Services/Maintenance of Equip.	-\$6,188
			Membership/Subscriptions	-\$75
			Total	-\$7,853
			10	Emergency Response
10	Swimming Pool	1910	Contract Labor	-\$5,000
General Fund Total				-\$195,752

Police Fund

Fund #	Department Name	Dep. #	Budget Reduction Description	Budget Reduction Amount
20	Police Fund	6210	Salary	-\$87,175
			Education Incentive	-\$1,087
			Longevity	-\$2,619
			Increase in Separation Pay	\$32,320
			Social Security	-\$7,304
			Retirement	-\$10,115
			Medical	-\$7,521
			Travel/School	-\$8,844
			Uniforms/Protective Gear	-\$7,500
			Life	-\$121
			Dental	-\$631
			Maintenance	-\$400
			Materials and Supplies/Supplies	-\$1,750
			Utilities/Communication	-\$500
			Upkeep Real Property	-\$515
			Other Services/Contractual	-\$11,219
			Eliminate Transfer to Fund 21	-\$90,000
			Total	-\$204,981

Expenditures Reduced From Police Fund

Transfers Reduced

Police Fund Total

-\$114,981

-\$90,000

-\$204,981

**City of Midwest City, Oklahoma
FY 16-17 Budget Reduction Detail
Appendix**

Fire Fund

Fund #	Department Name	Dep. #	Budget Reduction Description	Budget Reduction Amount
40	Fire Fund	6410	Eliminate Transfer to Fund 41	-\$165,804

Special Revenue

Fund #	Department Name	Dep. #	Budget Reduction Description	Amount
9	General Government Sales Tax	1510	Capital Outlay/Remodel	-\$7,182
70	Emergency Operations	2100	Small Tools/Equipment	-\$1,000
			Other Services/Maintenance of Equipment	-\$3,676
			Contractual	-\$1,200
			Total	-\$5,876
123	Park & Recreation	0610	Upkeep Real Property	-\$3,650
			Contractual	-\$3,650
			Total	-\$7,300
				-\$20,358

Capital Projects

Fund #	Department Name	Dep. #	Budget Reduction Description	Budget Reduction Amount
21	Police Capitalization	6210	Vehicles	-\$117,541
41	Fire Capitalization	6410	Remodel/Refurbish	-\$5,386
			Vehicles	-\$165,804
			Total	-\$171,190
65	Dedicated Tax 2012	6600	Capital Outlay/Infrastructure - Streets	-\$3,000
			0610	Capital Outlay Infrastructure - Park & Rec
		2310	Capital Outlay/Infrastructure - MWC Parks	-\$2,000
			Total	-\$7,182
157	Capital Improvements	5700	Capital Outlay/Contingencies	-\$94,521
340	Sales Tax Capital Improvements		Elimination of Transfer to Capital Improvements - Fund 157	-\$94,521

Expenditures Reduced From Capital Projects	-\$390,434
Transfers Reduced	-\$94,521
Capital Projects Total	-\$484,955

Total Expenditures Reduced -\$721,524



City Attorney
100 N. Midwest Blvd.
Midwest City, OK 73110
panderson@midwestcityok.org
Office: 405-739-1203
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and Council

FROM: Philip W. Anderson, City Attorney

DATE: January 24, 2017

RE: Discussion and consideration of approving and adopting a new ordinance making it an offense to limit the line of sight into and out of convenience stores, providing for definitions; setting a penalty; providing for codification, providing for severability; providing for repeal of ordinances in conflict, and declaring an emergency.

Staff is recommending a new section to the Midwest City Municipal Code making it an offense to cover windows of a convenience store so that the cash transaction area is not visible from the street.

The purpose of the ordinance is to deter crime and to make the premises safer for employees and customers. A clear line of sight will also allow law enforcement personnel to see into the business to assess any situation.

The research for and preparation of the ordinance followed a recent death at a convenience store. There are other instances when convenience store employees and customers are injured in robberies.

The ordinance defines a convenience store and prohibits the placement of any sign, merchandise or equipment in such a way that there is no clear line of sight from the exterior.

The Police Department has discussed this ordinance with local convenience store owners and operators and it has their support.

Since this is a public safety issue, staff recommends that an emergency be declared. The Police Department and Code Enforcement officers will work with the stores to help them get into compliance before they begin to issue citations. Staff recommends approval.

PHILIP W. ANDERSON
City Attorney
Attachment (1)

Ordinance No. _____

A NEW ORDINANCE AMENDING THE CODE OF THE CITY OF MIDWEST CITY, MAKING IT AN OFFENSE TO LIMIT LINE OF SIGHT INTO CONVENIENCE STORES; PROVIDING FOR DEFINITIONS; SETTING A PENALTY; PROVIDING FOR CODIFICATION, PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEALER AND DECLARING AN EMERGENCY

WHEREAS, There have been numerous robberies of convenience stores in the City involving the use of a firearm; and

WHEREAS, employees of the convenience stores have received gunshot injuries during those robberies; and

WHEREAS, numerous convenience stores obstruct the line of sight into the interior of the convenience stores with tinting, signage, advertisements, shelving and merchandise ; and

WHEREAS, it is a matter of public safety that visibility of the interior of convenience stores be unobstructed, allowing a clear view of and from the cash register and sales transaction area through all windows and public access doors; and

WHEREAS, the Mayor and City Council find that the visibility into and out of the interior of convenience stores to be desirable for the benefit of public Safety in the City,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF MIDWEST CITY:

Section 1 Definition. That a convenience store means any business that is primarily engaged in the retail sale of convenience goods, or both convenience goods and gasoline, and has less than 10,000 square feet of retail floor space. Convenience store does not include any business where there is no retail floor space accessible to the public.

Section 2 Line of Sight to be Protected. That it shall be unlawful for a convenience store to fail to maintain an unobstructed line of sight allowing a clear view of and from the cash register and sales transaction area through all windows and public access doors. Such windows and doors must be clear of all items that would obstruct a clear view including, but not limited to, tinting, signage, advertisements, shelving and merchandise. Such unobstructed line of sight must, at a minimum, extend from three feet above the ground to at least six feet above the ground.

Section 3: Penalty. Any person, corporation, partnership, firm, association or other entity who shall violate any of the provisions of this article shall be guilty of an offense and upon conviction thereof shall be punished by a fine in the amount of at least one hundred dollars (\$100.00), plus

costs, but not more than two hundred dollars (\$200.00), plus costs. Each act violating any of the provisions of this article shall be deemed a separate offense. Each day's continued violation of any of the provisions of this article shall constitute a separate offense and may be chargeable as such.

Section 4. Codification This ordinance shall be codified in Chapter 9 as Article XIV, "Convenience Stores," Sections 9-675 and 9-676, unless that should cause duplication in numbering, in which case it may be renumbered through codification.

Section 5. Severability. If any section, sentence, clause or portion of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of the ordinance.

Section 6. Repealer. Any section, subsection or portion thereof in conflict with this ordinance is hereby repealed.

PASSED AND APPROVED by the Mayor and Council of the City of Midwest City, Oklahoma, on the _____ day of _____, 2017.

THE CITY OF MIDWEST CITY, OKLAHOMA

MATTHEW D. DUKES, II, Mayor

ATTEST:

SARA HANCOCK, City Clerk

APPROVED as to form and legality this _____ day of _____, 2017.

PHILIP W. ANDERSON, City Attorney

Section 7. Emergency: The City Council declares this ordinance to be an emergency, it being necessary for the immediate preservation of the peace, health and safety of the City, and it shall become effective upon passage.

EMERGENCY CLAUSE PASSED AND APPROVED by the Mayor and Council of the City of Midwest City, Oklahoma, on the _____ day of _____, 2017.

THE CITY OF MIDWEST CITY, OKLAHOMA

MATTHEW D. DUKES, II, Mayor

ATTEST:

SARA HANCOCK, City Clerk

APPROVED as to form and legality this _____ day of _____, 2017.

PHILIP W. ANDERSON, City Attorney



NEW BUSINESS/
PUBLIC DISCUSSION





EXECUTIVE SESSION





The City of
MIDWEST CITY
COMMUNITY DEVELOPMENT DEPARTMENT

Billy Harless, Community Development Director

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: Billy Harless, Community Development Director

DATE: January 24, 2017

RE: Discussion and consideration of (1) entering into executive session, as allowed under 25 O.S., § 307(B)(4), to discuss *McGowen, et al v. City of Midwest City*, Case No. CJ-2015-1802, and (2) in open session, authorizing the city manager to take action as appropriate based on the discussion in executive session.

Appropriate information will be provided during executive session.

Billy Harless
Community Development Director



FURTHER INFORMATION





THE CITY OF MIDWEST CITY

Finance Department

TO: Honorable Mayor and City Council

FROM: Christy Barron, Finance Director

DATE: January 24, 2017

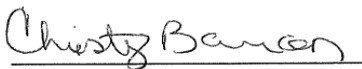
SUBJECT: Discussion and consideration of accepting the financial audit of the City of Midwest City as of and for the year ended June 30, 2016.

The financial audit for the City of Midwest City as of and for the year ended June 30, 2016 and the required communications by the auditor are attached to your council agenda. The financial audit report expressed an unmodified opinion for the year ending June 30, 2016 with no audit findings.

The auditor communicated three uncorrected misstatements that are immaterial, both individually and in the aggregate, to the City's financial position. Therefore, no audit adjustments were required. The uncorrected misstatements related to 1) accrual of an estimated legal liability, 2) accrual of estimated sick leave liability and 3) accrual of accounts payable liability.

The Federal threshold for requiring an audit of Federal grant compliance requirements was \$750,000 for fiscal year 2015-16. Since the City did not expend more than \$750,000 in Federal funds during fiscal year 2015-16, a Federal single audit was not required.

The financial audit is provided to you as a further information item for this agenda. The item will be placed on the February 14, 2017 council agenda for approval. Mike Gibson of RSM US LLP will be at the February 14, 2017 meeting to present the report and answer any questions.



Christy Barron
Finance Director

Attachments: Financial Audit Report - FY15-16
Required Communications by Auditor - FY15-16



THE CITY OF MIDWEST CITY

December 28, 2016

RSM US LLP
531 Couch Drive, Suite 200
Oklahoma City, Oklahoma 73102

This representation letter is provided in connection with your audit of the basic financial statements of the City of Midwest City, Oklahoma (the "City") as of and for the year ended June 30, 2016 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of December 28, 2016:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 27, 2016, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party transactions and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. We are not aware of any actual or possible litigation and claims required to be accounted for and disclosed in accordance with U.S. GAAP, except as follows:
 - a. We are involved the defendant in one matter that our attorney has advised us that our exposure ranges from \$-0- to \$800,000, and we have an estimated probability of loss ranging from 60% to 75%. We have not accrued or disclosed anything regarding this matter because we do not believe it is material to the financial statements.

8. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No.10.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, or to special assessment bond.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. The City has satisfactory title to all owned assets.
12. Net positions (net invested in capital assets; restricted; and unrestricted) and fund balances are properly classified and when applicable, approved.
13. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
14. Revenues are appropriately classified in the statements of activities within program revenues and general revenues.
15. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
16. We agree with the findings of the actuary specialists used by the City of Midwest, Oklahoma Firefighters Pension and Retirement System (the "OFPRS"), and Oklahoma Police Pension and Retirement System (the "OPPRS") in evaluating the assumptions and financial amounts related to the defined benefit plans and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
17. We have informed you of all uncorrected misstatements.

As of and for the year ended June 30, 2016, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the opinion units of the financial statements. For purposes of this representation, we consider items to be material, regardless of their amount, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Opinion Unit: Governmental Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reversed opening equity misstatements	\$ -	\$ -	\$ 96,143	\$ 122,827	(26,684)
Judgmental misstatement - Estimate of loss on legal claim	-	(600,000)	-	-	600,000
Known misstatement related to estimated sick leave payouts for employees between 5-10 years.	-	(347,514)	-	-	347,514
	\$ -	\$ (947,514)	96,143	\$ 122,827	\$ 920,830
Current year effect on net position			1,043,657		
Total			\$ 1,139,800		

Opinion Unit: Business Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Non-reversed opening equity misstatements	\$ -	\$ -	\$ 771,825	\$ -	(771,825)
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (1)	-	(45,704)	-	-	45,704
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (2)	-	(37,026)	-	-	37,026
To record misstatement related to non-accrual of accounts payable. (2)	-	(23,405)	-	-	23,405
	<u>\$ -</u>	<u>\$ (106,135)</u>	<u>771,825</u>	<u>\$ -</u>	<u>(665,690)</u>
Current year effect on net position			(665,690)		
Total			<u>\$ 106,135</u>		

(1) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$45,704. The net effect on ending net position is \$45,704.

(2) Aggregate Non-Major Opinion Unit - Total current year effect is \$37,026. The net effect on ending net position is \$37,026.

(3) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$23,405. The net effect on ending net position is \$23,405.

Information Provided

18. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing boards and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
19. All transactions have been recorded in the accounting records and are reflected in the financial statements.
20. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
21. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
22. We are not aware of any information regarding allegations of fraud or suspected fraud, affecting the City's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
23. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, or others.
24. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
25. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
26. We have disclosed to you there are no known related parties. Therefore, there are no known transactions with related parties that require disclosure in the City's financial statements.

27. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
28. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
29. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
30. We have not completed the process of evaluating the effect that will result from adopting the guidance in Governmental Accounting Standards Board (GASB) Statements No. 74,75,77,80, and 83, as discussed in Note 13. The City is therefore unable to disclose the effect that adopting the guidance in the aforementioned GASB Statements may have on its financial position and the results of operations when such guidance is adopted.

Supplementary Information


31. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement have not changed from the prior period, but the presentation has changed from those used in the prior period due to change in the presentation for the other post-employment benefits in the internal service funds.
 - d. Underlying significant assumptions or interpretations regarding the measurement or presentation of such information are disclosed in the financial statements.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
32. With respect to the required supplementary information presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America and/or budgetary accounting principles as described in the financial statements.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. Underlying significant assumptions or interpretations regarding the measurement or presentation of such information are disclosed in the financial statements.
 - e. When required supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the required supplementary information no later than the date of issuance of the required supplementary information and the auditor's report thereon.

Compliance Considerations

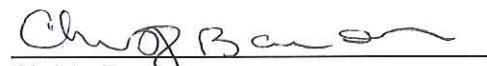
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

33. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
34. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
35. Is not aware of any instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
36. Is not aware of any instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
37. Is not aware of any instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
38. Is responsible for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
39. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
40. Has a process to track the status of audit findings and recommendations.

City of Midwest City, Oklahoma


J. Guy Henson
City Manager


Tim Lyon
Assistant City Manager


Christy Barron
Finance Director


Frank Chen
Deputy Finance Director

**Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Midwest City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Oklahoma City, Oklahoma
December 28, 2016



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

TABLE OF CONTENTS

	Page
Independent Auditor’s Report on Financial Statements	5-6
Management’s Discussion and Analysis	7-17
The Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	19
Statement of Activities	20
Governmental Funds Financial Statements:	
Balance Sheet	22
Reconciliation of Governmental Fund and Government-Wide Financial Statements.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances.....	23
Reconciliation of Governmental Fund and Government-Wide Financial Statements.....	24-25
Proprietary Funds Financial Statements:	
Statement of Net Position.....	27
Statement of Revenues, Expenses, and Changes in Net Position.....	28
Statement of Cash Flows.....	29
Footnotes to the Basic Financial Statements	30-73
Required Supplementary Information:	
Budgetary Comparison Information	
Budgetary Comparison Schedule – General Fund.....	75
Budgetary Comparison Schedules – Police and Fire Funds.....	76
Footnotes to Budgetary Comparison Schedule.....	77-78
Pension Information	78-80
Other Post Employment Benefits Information	80
Other Supplementary Information:	
Combining Schedules	
Combining Balance Sheet – General Fund Accounts.....	82
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts.....	83

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Balance Sheet - Non-Major Governmental Funds.....	84-85
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds.....	86-87
Combining Schedule of Net Position – Midwest City Municipal Authority Accounts.....	88
Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts.....	89
Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts	90
Combining Statement of Net Position - Non-Major Enterprise Funds.....	91
Combining Statement of Revenues, Expenses and Changes in Net Position – Non-Major Enterprise Funds.....	92
Combining Statement of Cash Flows – Non-Major Enterprise Funds.....	93
Combining Statement of Net Position – Internal Service Funds.....	94
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	95
Combining Statement of Cash Flows – Internal Service Funds.....	96
Debt Service Coverage Schedule.....	97

Statistical Information:

Statistical Tables.....	99-111
-------------------------	--------

Independent Auditors' Report

Honorable Mayor and City Council
The City of Midwest City
Midwest City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of pension plan funding progress and other post-employment benefits funding progress, and the general fund, police fund, and fire fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying statistical section, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report (under separate cover) dated December 28, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Oklahoma City, Oklahoma
December 28, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

The City of Midwest City's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements beginning on page 18.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended June 30, 2016, by \$516,929,402 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$20,260,132 with the business type activities reporting an unrestricted net position of \$9,396,345. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position decreased by \$3,242,754 or .62% from the prior year. This was a result of a decrease of \$5,847,274 in the governmental activities while the business-type activities had an increase of \$2,604,520. Both revenues and expenses increased over the prior year. The detailed changes made from the Governmental Fund Statements to the Statement of Net Position can be found on page 25.
- The City's total deferred inflows decreased by \$2,385,231 or, 28.68%. 2002 general obligation bond will be paid off in fiscal year 2017 from sinking fund balances instead of property tax, therefore deferred property tax inflows decreased by \$1,239,511. Also, police and fire pension related deferred inflows decreased by \$1,145,720.
- Sales tax is the major source of revenue for governmental activities. Sales and use tax collections for fiscal year 2016 totaled \$33,475,086 compared to FY 2015 which totaled \$33,008,553. The total increase in sales and use tax collection was \$466,533. A historical review of governmental activity revenues can be found in statistical information of the report.
- At the end of the fiscal year 2016, the unassigned fund balance of the General Fund was \$4,257,831 or 14.4% of General Fund revenues.
- Health Insurance premiums decreased \$329,679 from the prior year or 5.88%. This was due to more employees choosing low premium insurance plans offered by the City in fiscal year 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City of Midwest City's basic financial statements. The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to the private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four elements reported as net position. Over time, increases or decreases in net position serve as a useful indicator on whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and fines and earned but not used vacation and sick leave as stated in City policy and union contracts). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used for Fund Financial Statements of the governmental funds.

In the Statement of Net Position and the Statement of Activities, the City is divided between two types of activities:

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, culture and recreation, health and welfare and economic development. Sales taxes and franchise taxes finance most of these activities as reflected on page 19.
- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, sanitation, and drainage), conference center/hotel, golf, trailer park and industrial park activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the

government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements on page 23 and 25 of this report.

The City of Midwest City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Police, Fire, and Hospital Authority funds. Data from the debt service fund, 14 special revenue funds, and 6 capital project funds, all of which are considered to be governmental, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 81 of this report.

- **Proprietary funds.** The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are similar to the business-type activities that are reported in the Government-wide statements but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the risk management functions, health self-insurance fund, fleet services, surplus property activities and public works function. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Midwest City maintains one major enterprise fund. The City uses this fund to account for its water, sewer, sanitation, conference center/hotel, debt service and drainage operations. The fund provides the same type of information as the government-wide financial statements, only in more detail and includes some of the internal service fund-type activity. The City considers this enterprise fund activity to be a major fund. Data from 6 non-major enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements starting on page 88 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2016, the City's combined net position is \$516,929,402, of which \$401,793,617 can be attributed to governmental activities and \$115,135,785 is attributed to business-type activities. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

The largest portion of the City's net position, 82.5%, reflects its net investment in capital assets (e.g., land, water rights, building, machinery and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net change in capital assets can be reviewed in Table 1 with key element changes shown in Table 3.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2016	2015		2016	2015		2016	2015	
Current and other assets	\$ 155,954	\$ 154,784	1%	\$ 22,327	\$ 23,240	-4%	\$ 178,281	\$ 178,024	0%
Capital assets	324,230	335,228	-3%	163,369	164,248	-1%	487,599	499,476	-2%
Total assets	480,184	490,012	-	185,696	187,488	-1%	665,880	677,500	-2%
Deferred outflow of resources	7,346	2,737	168%	928	982	-5%	8,274	3,719	122%
Long-term debt outstanding	64,473	61,934	4%	65,962	69,640	-5%	130,435	131,574	-1%
Other liabilities	15,333	14,858	3%	5,527	6,299	-12%	20,860	21,157	-1%
Total liabilities	79,806	76,792	4%	71,489	75,939	-6%	151,295	152,731	-1%
Deferred inflow of resources	5,931	8,316	-29%	-	-	0%	5,931	8,316	-29%
Net position:									
Net investment in capital assets	322,494	331,128	-3%	103,868	100,696	3%	426,362	431,824	-1%
Restricted	99,560	98,153	1%	1,871	2,126	-12%	101,431	100,279	1%
Unrestricted (deficit)	(20,261)	(21,640)	-6%	9,396	9,709	-3%	(10,865)	(11,931)	-9%
Total net position	\$ 401,793	\$ 407,641	-1%	\$ 115,135	\$ 112,531	2%	\$ 516,928	\$ 520,172	-1%

Governmental activities decreased the City's net position by \$5,847,274 or 1.12%. The business type activities increased the City's net position by \$2,604,520 or .2% for a net decrease of \$3,242,754, or .6%. The key elements of these changes are contained in Table 2.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Table 2
Changes In Net Position
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2016	2015		2016	2015		2016	2015	
Revenues:									
Program revenues:									
Charges for services	\$ 8,233	\$ 6,825	21%	\$ 28,074	\$ 27,377	3%	\$ 36,307	\$ 34,202	6%
Operating grants and contributions	4,724	4,865	-3%	-	-	0%	4,724	4,865	-3%
Capital grants and contributions	125	2,594	-95%	-	-	0%	125	2,594	-95%
General revenues:									
Sales and use taxes	33,475	33,009	1%	-	-	0%	33,475	33,009	1%
Other taxes	7,308	7,266	1%	-	-	0%	7,308	7,266	1%
Other general revenue	3,704	8,469	-56%	962	1,433	-33%	4,666	9,902	-53%
Total revenues	<u>57,569</u>	<u>63,028</u>	-9%	<u>29,036</u>	<u>28,810</u>	1%	<u>86,605</u>	<u>91,838</u>	-6%
Program expenses:									
General government	7,167	6,431	11%	-	-	-	7,167	6,431	11%
Public safety	28,732	26,748	7%	-	-	-	28,732	26,748	7%
Streets	15,404	14,939	3%	-	-	-	15,404	14,939	3%
Cultural, parks and recreation	1,909	1,641	16%	-	-	-	1,909	1,641	16%
Health and welfare	465	430	8%	-	-	-	465	430	8%
Economic development	4,361	3,845	13%	-	-	-	4,361	3,845	13%
Interest expense	1,462	1,567	-7%	-	-	-	1,462	1,567	-7%
Water	-	-	-	7,008	6,820	3%	7,008	6,820	3%
Sewer	-	-	-	9,408	6,256	50%	9,408	6,256	50%
Sanitation	-	-	-	4,596	4,155	11%	4,596	4,155	11%
Drainage	-	-	-	688	638	8%	688	638	8%
Conference center	-	-	-	7,400	8,858	-16%	7,400	8,858	-16%
Other activities	-	-	-	1,247	1,082	15%	1,247	1,082	15%
Total expenses	<u>59,500</u>	<u>55,601</u>	7%	<u>30,347</u>	<u>27,809</u>	9%	<u>89,847</u>	<u>83,410</u>	8%
Excess (deficiency) before transfers	(1,931)	7,427	-126%	(1,311)	1,001	-231%	(3,242)	8,428	-138%
Transfers	<u>(3,916)</u>	<u>(3,857)</u>	2%	<u>3,916</u>	<u>3,857</u>	2%	<u>-</u>	<u>-</u>	
Increase (decrease) in net position	\$ (5,847)	\$ 3,570	-264%	\$ 2,605	\$ 4,858	-46%	\$ (3,242)	\$ 8,428	-138%

Governmental Activities. The revenues reflect a decrease over last year of \$5,460,461. This significant decrease is primarily the result of decrease in investment income of \$4,859,300. The Hospital Authority had a decrease of \$4,958,658 in investment income over last year. The Hospital Authority is the only fund authorized to invest in the stock market which can result in large fluctuations based on the market performance. All other fund investments are FDIC insured, collateralized or direct obligations of the United State Government.

The most significant governmental activities expense was providing public safety with a cost of \$28,732,258. These expenses were funded by revenue collected from a variety of sources with the largest being a transfer from General Fund in the amount of \$17,469,337 and dedicated sales tax of \$5,464,697 for the fiscal year ended June 30, 2016. The most significant portion of public safety expense is the cost of personnel. Salaries and benefits totaled \$25,378,074 Other significant governmental expenses are for the streets in the amount of \$15,404,119 of which \$11,945,366 is depreciation expense.

Business-type Activities. Business-type revenue increased by \$226,677 or 2.3% from the prior year. The investment income decreased from \$1,431,852 to \$889,843 due to the unrealized loss on investments in FY 2016.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Budgetary Highlights. For fiscal year 2015-2016, General Fund revenue (including transfers) budget was amended by \$482,136 or 1.27% of the original budget of \$37,419,532. The actual revenue (including transfers) is less than the final budget projection by \$106,031, or 0.28%. General Fund actual expenditures (including transfers) on a budgetary basis was \$36,346,390 compared to the final budget of \$38,294,807. See page 74 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by \$173,623, or 1.34%, of the original budget of \$12,789,952. The actual revenue (including transfers) is more than the final budget projection by \$17,075 or 0.13%. The actual expenditures (including transfers) on a budgetary basis were \$12,718,926 compared to the final budget of \$13,853,779. Actual expenditures (including transfers) were \$1,134,853 or 8.19% below budget projections. Some vacant positions were budgeted but not staffed. Capital outlay of \$575,670 for equipment was not spent.

The Fire Fund revenues (including transfers) budget was amended by \$134,383 or 1.27%. The actual revenue (including transfers) was less than the final budget projection by \$72,408. The actual expenditures (including transfers) on a budgetary basis were \$10,284,339 compared to the final budget of \$11,176,072. Actual expenditures (including transfers) were \$891,733 or 7.69 % below projections. Some vacant positions were budgeted but not staffed. Capital outlay appropriation of \$439,503 was not spent.

The budget to actual comparisons for these funds can be found on pages 75-78 of the report.

Capital Asset At the end of fiscal year 2016, the City had \$487,599,772 invested in a broad range of capital assets, including police and fire equipment, buildings, conference center and hotel, park facilities, roads, bridges, water and sewer facilities and distribution systems. This amount represents a net decrease (including additions and deductions) of \$10,538,497 for the governmental activities. Although the City had land additions of \$138,198, building additions of \$165,912, equipment additions of \$730,668, vehicle additions of \$539,440, construction in progress additions of \$1,732,064 and infrastructure additions of \$1,199,058; the depreciation expense of \$14,406,124 caused the current year reduction, with street depreciation for the year amounting to of \$11,945,366.

The business activities had a net increase of \$824,348. The Sewer Facility construction in progress of \$65,437,015 was moved to the infrastructure category upon completion of the project. Table 3 reflects the net key elements that make up the capital assets by type and source.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

TABLE 3
Capital Assets
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 32,682	\$ 32,544	\$ 7,572	\$ 7,550	\$ 40,254	\$ 40,094
Water rights	-	-	4,673	4,673	4,673	4,673
Construction in progress	4,661	3,519	2,443	66,463	7,104	69,982
Buildings	29,551	29,385	31,966	31,363	61,517	60,748
Machinery and equipment	19,998	19,328	13,182	12,925	33,180	32,253
Vehicles	9,235	9,047	8,367	8,032	17,602	17,079
Infrastructure	440,578	439,838	178,922	110,923	619,500	550,761
	<u>536,705</u>	<u>533,661</u>	<u>247,125</u>	<u>241,929</u>	<u>783,830</u>	<u>775,590</u>
Less: Depreciation	<u>(212,476)</u>	<u>(198,433)</u>	<u>(83,755)</u>	<u>(77,679)</u>	<u>(296,231)</u>	<u>(276,112)</u>
Totals	\$ 324,229	\$ 335,228	\$ 163,370	\$ 164,250	\$ 487,599	\$ 499,478

Additional information on the City's capital assets can be found on pages 48-49 of this report.

Debt Administration. At year end, the City had \$93,076,634 in long term debt outstanding compared to \$98,605,500 at the end of the prior fiscal year, a decrease of 5.6% as shown in Table 4. See pages 52-55 for a more in depth review of long-term debt.

TABLE 4
Long-Term Debt
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 2,700	\$ 4,100	\$ -	\$ -	\$ 2,700	\$ 4,100
Notes payable	21,983	22,592	216	428	22,199	23,020
Accrued compensated absences	5,044	4,215	57,860	61,915	62,904	66,130
Revenue bonds	-	-	2,353	2,619	2,353	2,619
Revenue bonds premium	-	-	1,468	1,434	1,468	1,434
Refundable deposits	78	82	1,374	1,221	1,452	1,303
	<u>29,805</u>	<u>30,989</u>	<u>63,271</u>	<u>67,617</u>	<u>93,076</u>	<u>98,606</u>
Totals	\$ 29,805	\$ 30,989	\$ 63,271	\$ 67,617	\$ 93,076	\$ 98,606

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook. Oklahoma's unemployment rate continues inching toward the national average, which is negative news in a state that had been the trendsetter in new job creation prior to 2014. Nevertheless, eastern Oklahoma County has been somewhat insulated from the energy sector downturn thanks to good jobs in and around Tinker Air Force Base. Boeing Aircraft during the next calendar year is expected to add approximately 400 more positions to its campus on SE 59th ST, just south of the City limits. The city expects continued slow growth in some of the companies that service Tinker Air Force Base, Boeing and the like.

We offer the following review of local economic sectors:

- **Retail.** In the past year the Sooner Rose Shopping Center has risen from the intersection of SE 15th ST and S Sooner RD with Academy Sports + Outdoors and Hobby Lobby as its first tenants.

A new center is coming online at 2601 S Douglas BLVD that is reportedly 60% pre-leased. Another is in the works at 1011 S Air Depot BLVD, but construction is moving very slowly. A small center is also planned for the 2300 block of S Douglas BLVD.

The biggest retail “splash” is expected to be the completion of the WinCo Foods store sometime in late 2017. While the start of construction will create spikes in use tax collections, we do not expect doors to open until late this fiscal year or early in FY 2017 – 2018.

OnCue Express is vigorously working to complete its third location in Midwest City. The latest store will be situated at the SW corner of NE 23rd ST (U.S. Highway 62) and N Douglas BLVD on the north side of the city.

- **Hospitality.** Restaurant activity has been a great source of sales tax collections that remains virtually unaffected by e-commerce. More and more families are choosing to dine out, and we feel this trend will continue into 2017.

Zaxby’s Chicken continues making rapid progress on its new location on S Douglas BLVD where it will join the recently completed Freddy’s Frozen Custard & Steakhburgers on our east restaurant row.

Meanwhile, there are at least six new restaurant pad sites in the works including two at the Sooner Rose Center, three in the S Douglas BLVD corridor and another in TCP. We are also working to recruit restaurants to the area around the new OnCue. No building plans have been filed and no start dates have been announced on any of these projects.

The lodging business is not doing quite as well. Hotels are being erected in many parts of the OKC Metro area; however, they may be three years too late. A lot of franchisees overbuilt based on the strength of oilfield traffic, but overall room availability frequently exceeds demand. Midwest City has a Hilton Home 2 Suites that will contribute another 91 rooms to this surplus when it opens in 2017.

- **Industrial.** The Soldier Creek Industrial Park (“SCIP”) was recently certified by the Oklahoma Department of Commerce as being a “Site Ready” light industrial park. The preliminary plat was approved in November and all utilities should be installed in early 2017. The completion of SCIP’s first phase opens up approximately 40 acres up for industrial development with over 100 undeveloped acres remaining in the neighboring area. The city has responded to two Oklahoma Department of Commerce requests for proposals for manufacturing facilities where SCIP may be a good candidate. The city has also seen some fleeting interest in the 107,000 ft.² Chromalloy building which has long been vacant.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

- **Office and Professional.** The glut of Metro area hotel rooms leftover from the decrease in energy sector activities may only be surpassed by the amount of office space available. Significant vacancies remain citywide in Class B and Class C office space. The silver lining lies in the fact there was a shortage of Class A space before the Boom that still exists. In fact, Midwest City’s only new Class A space, Mid-Town Office Park, seems to be doing well and there may be plans for expansion. Although office development does not produce sales tax revenue, the number of type of jobs being created is advantageous to the local economy.

FY 2016-2017 Budgets and Rates. The fiscal year 2016-2017 expenditure budgets presented to the Council and Board of Trustees was \$100,987,189, which is net of \$48,975,154 inter/intra-fund transfers.

The three major governmental funds reflect the following budgets adopted for FY 16-17:

	<u>Revenues</u>	<u>Transfers In</u>	<u>Expenditures</u>	<u>Transfer Out</u>	<u>(Use) of Fund Balance</u>
General	\$26,927,381	\$10,817,890	\$12,189,935	\$26,232,963	(\$677,627)
Police	\$ 2,835,897	\$ 9,825,091	\$12,906,635	\$ 234,000	(\$479,647)
Fire	\$ 2,327,040	\$ 7,957,488	\$10,318,247	\$ 378,500	(\$412,219)

Personal services were budgeted with the merit steps included for all pay plans; non-represented, police and fire. A 1.0% cost of living (COLA) was included for all non-represented employees. The non-represented employees participate in a defined contribution plan; the contribution by the City is 14%.

Through later negotiations, a total of 0.5% increase was implemented for police. The statutory contribution requirement for the police defined benefit pension plan will remain the same at 21% in which 13% is to be paid by the City and 8% by the employee.

Through later negotiations, a total of 2.3% increase was implemented for fire. The statutory contribution requirement for fire defined benefit pension plan will remain the same at 23%. The City currently pays 18% and the employee pays 5%.

The City through self-insurance sponsors medical, prescription and dental insurance to full time employees and qualifying retirees and their families. Annual health insurance premium amounts are established by the City Council. The “Affordable Care Act” (ACA) has certain costs that are not to be passed on to the employee or retiree. For FY 2016-2017 the budgeted is \$112,537.

City is currently offering two medical insurance plans, Blue Option Plan and Blue Preferred Plan. Blue Preferred Plan has lower premium with a reduced network to employees.

Emergency reserves are contained in the operational fund budgets of the City. The General fund is required to maintain a 10% reserve while all others are required to maintain a 5% reserve. The reserves are equal to the annual operating budget less transfer outs and capital outlay. The reserves are only accessible if a significant event should occur such as a downturn in the economy greatly affecting the funding of the City’s operations, uses for natural disasters or one-time non-recurring emergency that disrupts the cash receipts of the City. With this resolution in place for maintaining a reserve, the City

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

becomes more financially stable and better equipped to handle any unforeseen emergencies or major loss of revenues.

Request for Information. This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws, regulations and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Midwest City, Finance Department, 100 N. Midwest Boulevard, Midwest City, Oklahoma 73110.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Statement of Net Position– June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,954,984	\$ 2,913,820	\$ 17,868,804
Cash and cash equivalents, restricted	-	2,887,325	2,887,325
Investments	104,793,098	12,556,389	117,349,487
Accounts receivable, net	5,155,745	3,204,010	8,359,755
Interest receivable	66,582	22,430	89,012
Other receivable	19,826	86,303	106,129
Inventory	113,639	249,589	363,228
Internal balances	785,480	(785,480)	-
Prepaid items	4,615	-	4,615
Due from other governments	4,974,080	-	4,974,080
Lease receivable	20,169,837	-	20,169,837
Deposits held by others	4,915,851	-	4,915,851
Investments, non- current, restriced	-	1,193,028	1,193,028
Capital assets:			
Land, water rights, and construction in progress	37,343,012	14,688,433	52,031,445
Other capital assets, net of depreciation	286,887,366	148,680,961	435,568,327
Total assets	<u>480,184,115</u>	<u>185,696,808</u>	<u>665,880,923</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	927,989	927,989
Deferred amount related to pensions	7,346,012	-	7,346,012
Total deferred outflows	<u>7,346,012</u>	<u>927,989</u>	<u>8,274,001</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,613,032	4,295,881	6,908,913
Wages payable	1,429,863	453,525	1,883,388
Claims payable	2,353,088	-	2,353,088
Due to other governments	8,550	-	8,550
Accrued interest payable	34,214	777,621	811,835
Unearned revenue	8,894,591	-	8,894,591
Long-term liabilities:			
Due within one year	3,789,945	5,071,939	8,861,884
Due in more than one year	60,682,556	60,890,047	121,572,603
Total liabilities	<u>79,805,839</u>	<u>71,489,013</u>	<u>151,294,852</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	5,638,139	-	5,638,139
Deferred amount related to property taxes	292,532	-	292,532
Total deferred inflows	<u>5,930,671</u>	<u>-</u>	<u>5,930,671</u>
NET POSITION			
Net investment in capital assets	322,493,871	103,868,269	426,362,140
Restricted for:			
Debt service	1,434,476	1,871,171	3,305,647
Hospital	76,250,368	-	76,250,368
Capital improvements	11,587,425	-	11,587,425
Public Safety	6,584,361	-	6,584,361
Street operations	1,506,138	-	1,506,138
Culture and recreation	1,436,763	-	1,436,763
Economic Development	732,604	-	732,604
Other	27,743	-	27,743
Unrestricted (deficit)	(20,260,132)	9,396,344	(10,863,788)
Total net position	<u>\$ 401,793,617</u>	<u>\$ 115,135,784</u>	<u>\$ 516,929,401</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Statement of Activities –Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 7,166,992	\$ 3,499,283	\$ 164,975	\$ -	\$ (3,502,734)	\$ -	\$ (3,502,734)
Public safety	28,732,258	2,629,817	3,591,649	27,230	(22,483,562)	-	(22,483,562)
Streets	15,404,119	141,648	529,784	15,467	(14,717,220)	-	(14,717,220)
Culture and recreation	1,909,102	505,466	63,554	-	(1,340,082)	-	(1,340,082)
Health and welfare	464,889	-	-	-	(464,889)	-	(464,889)
Economic development	4,360,854	1,456,957	374,374	82,309	(2,447,214)	-	(2,447,214)
Interest expense	1,461,517	-	-	-	(1,461,517)	-	(1,461,517)
Total governmental activities	<u>59,499,731</u>	<u>8,233,171</u>	<u>4,724,336</u>	<u>125,006</u>	<u>(46,417,218)</u>	<u>-</u>	<u>(46,417,218)</u>
Business-type activities:							
Water	7,007,982	7,202,813	-	-	-	194,831	194,831
Wastewater	9,408,356	8,018,367	-	-	-	(1,389,989)	(1,389,989)
Sanitation	4,595,959	5,910,071	-	-	-	1,314,112	1,314,112
Drainage	688,044	480,287	-	-	-	(207,757)	(207,757)
Conference center	7,399,848	5,343,154	-	-	-	(2,056,694)	(2,056,694)
Golf	1,195,429	1,119,514	-	-	-	(75,915)	(75,915)
Mobile home park	27,279	145	-	-	-	(27,134)	(27,134)
Industrial park	23,988	-	-	-	-	(23,988)	(23,988)
Total business-type activities	<u>30,346,885</u>	<u>28,074,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,272,534)</u>	<u>(2,272,534)</u>
Total primary government	<u>\$ 89,846,616</u>	<u>\$ 36,307,522</u>	<u>\$ 4,724,336</u>	<u>\$ 125,006</u>	<u>(46,417,218)</u>	<u>(2,272,534)</u>	<u>(48,689,752)</u>
General revenues:							
Taxes:							
Sales and use taxes					33,475,086	-	33,475,086
Property tax					3,630,576	-	3,630,576
Franchise and public service taxes					2,610,661	-	2,610,661
Hotel/motel taxes					597,837	-	597,837
Intergovernmental revenue not restricted to specific programs					467,541	-	467,541
Investment income					3,113,120	889,842	4,002,962
Miscellaneous					590,695	71,639	662,334
Transfers - internal activity					(3,915,572)	3,915,572	-
Total general revenues and transfers					<u>40,569,944</u>	<u>4,877,053</u>	<u>45,446,997</u>
Change in net position					(5,847,274)	2,604,519	(3,242,755)
Net position - beginning					407,640,891	112,531,265	520,172,156
Net position - ending					<u>\$ 401,793,617</u>	<u>\$ 115,135,784</u>	<u>\$ 516,929,401</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Governmental Funds Balance Sheet - June 30, 2016

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Midwest City Hospital Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,298,525	\$ 457,990	\$ 290,458	\$ 8,417,710	\$ 3,659,454	\$ 14,124,137
Investments	4,839,610	2,190,477	1,426,233	77,142,586	14,717,346	100,316,252
Receivables:						
Accounts receivable	1,179,309	70,720	923	3,128,469	691,458	5,070,879
Accrued interest receivable	10,453	3,416	2,624	6,779	32,131	55,403
Due from other funds	41,968	1,134,461	852,411	2,689	828,455	2,859,984
Deposits held by others	-	-	-	4,223,251	692,600	4,915,851
Prepaid items	4,615	-	-	-	-	4,615
Other receivable	15,177	4,475	874	-	-	20,526
Due from other governments	2,868,013	351,718	314,360	-	1,439,989	4,974,080
Inventory	-	-	-	-	60,000	60,000
Advance from other funds	1,271,817	-	-	181,059	141,476	1,594,352
Total assets	<u>\$ 11,529,487</u>	<u>\$ 4,213,257</u>	<u>\$ 2,887,883</u>	<u>\$ 93,102,543</u>	<u>\$ 22,262,909</u>	<u>\$ 133,996,079</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 291,273	\$ 8,014	\$ 13,079	\$ 1,070,391	\$ 911,051	\$ 2,293,808
Accrued interest payable	-	-	-	-	-	-
Wages payable	402,112	520,577	380,554	3,868	73,623	1,380,734
Unearned revenue	-	-	-	8,894,591	-	8,894,591
Refundable deposits - court	78,055	-	-	-	-	78,055
Due to other funds	1,881,934	-	-	846,845	723,800	3,452,579
Due to other governments	8,550	-	-	-	-	8,550
Advance to other funds	141,476	-	1,271,817	-	62,340	1,475,633
Total liabilities	<u>2,803,400</u>	<u>528,591</u>	<u>1,665,450</u>	<u>10,815,695</u>	<u>1,770,814</u>	<u>17,583,950</u>
Deferred inflows of resources:						
Unavailable revenue	912,119	57,609	-	549,109	566,403	2,085,240
Fund balances:						
Nonspendable	1,276,432	-	-	4,223,251	752,600	6,252,283
Restricted	1,572,213	3,496,564	1,222,433	77,514,488	16,976,545	100,782,243
Assigned	1,979,309	130,493	-	-	2,258,887	4,368,689
Unassigned (deficit)	2,986,014	-	-	-	(62,340)	2,923,674
Total fund balances	<u>7,813,968</u>	<u>3,627,057</u>	<u>1,222,433</u>	<u>81,737,739</u>	<u>19,925,692</u>	<u>114,326,889</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 11,529,487</u>	<u>\$ 4,213,257</u>	<u>\$ 2,887,883</u>	<u>\$ 93,102,543</u>	<u>\$ 22,262,909</u>	<u>\$ 133,996,079</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2016:

Fund balances of governmental funds	\$	114,326,889
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$211,431,196		<u>323,266,885</u>
Certain long-term assets are not available to pay for current fund liabilities and, therefore, along with deferred outflows, are a deferred outflow of resources in the funds or not reported in the funds:		
Due from other governments		113,773
Other receivable, net of allowance		1,678,935
HMA hospital receivable		<u>20,169,837</u>
		<u>21,962,545</u>
Certain deferred outflows are not available to pay current period expenditures and certain long-term liabilities and deferred inflows are not due and payable from current financial resources, and therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Pension related deferred outflows		7,346,012
Net pension liability		(27,828,299)
Pension related deferred inflows		<u>(5,638,139)</u>
		<u>(26,120,426)</u>
Internal service funds are used by management to charge the cost of certain activities to individual funds. An allocation of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>4,490,490</u>
Certain long-term liabilities are not due and payable from current financial resources and, therefore, along with deferred inflows, are not reported in the funds:		
General obligation bonds payable		(2,700,000)
Notes payable		(21,983,066)
Accrued compensated absences		(4,904,866)
OPEB Obligation - obligation shared by governmental function \$2,320,819, police \$2,505,664, and fire \$1,684,135		(6,510,620)
Accrued interest payable		<u>(34,214)</u>
		<u>(36,132,766)</u>
Net position of governmental activities	\$	<u>401,793,617</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2016

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Midwest City Hospital Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 23,308,700	\$ 2,885,595	\$ 2,579,102	\$ 935,362	\$ 10,588,220	\$ 40,296,979
Intergovernmental	881,619	837,945	2,447,937	-	1,200,457	5,367,958
Charges for services	2,273,604	102,497	23,019	-	1,859,931	4,259,051
Fines and forfeitures	1,690,351	125,594	-	-	155,201	1,971,146
Licenses and permits	367,757	2,600	9,990	-	187,595	567,942
Investment income	329,678	111,760	49,018	2,125,093	930,813	3,546,362
Miscellaneous	602,192	45,549	52,181	975,342	263,672	1,938,936
Total revenues	<u>29,453,901</u>	<u>4,111,540</u>	<u>5,161,247</u>	<u>4,035,797</u>	<u>15,185,889</u>	<u>57,948,374</u>
EXPENDITURES						
Current:						
General government	5,409,617	-	-	1,412,994	560,804	7,383,415
Public safety	923,340	13,267,060	12,102,205	-	724,084	27,016,689
Streets	2,754,360	-	-	-	93,943	2,848,303
Culture and recreation	1,024,887	-	-	-	477,680	1,502,567
Health and welfare	413,564	-	-	-	-	413,564
Economic development	2,866,830	-	-	-	1,048,025	3,914,855
Capital outlay	478,422	257,123	99,342	37,633	3,561,019	4,433,539
Debt service:						
Principal retirement	-	-	-	608,693	1,400,000	2,008,693
Interest and fiscal charges	8,238	-	51,426	1,245,046	191,891	1,496,601
Total expenditures	<u>13,879,258</u>	<u>13,524,183</u>	<u>12,252,973</u>	<u>3,304,366</u>	<u>8,057,446</u>	<u>51,018,226</u>
Excess (deficiency) of revenues over expenditures	<u>15,574,643</u>	<u>(9,412,643)</u>	<u>(7,091,726)</u>	<u>731,431</u>	<u>7,128,443</u>	<u>6,930,148</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,803,483	9,703,727	7,778,045	300,000	1,154,644	29,739,899
Transfers out	<u>(25,971,414)</u>	<u>(34,433)</u>	<u>(191,946)</u>	<u>(300,150)</u>	<u>(7,154,378)</u>	<u>(33,652,321)</u>
Total other financing sources and uses	<u>(15,167,931)</u>	<u>9,669,294</u>	<u>7,586,099</u>	<u>(150)</u>	<u>(5,999,734)</u>	<u>(3,912,422)</u>
Net change in fund balances	406,712	256,651	494,373	731,281	1,128,709	3,017,726
Fund balances - beginning	7,407,256	3,370,406	728,060	81,006,458	18,796,983	111,309,163
Fund balances - ending	<u>\$ 7,813,968</u>	<u>\$ 3,627,057</u>	<u>\$ 1,222,433</u>	<u>\$ 81,737,739</u>	<u>\$ 19,925,692</u>	<u>\$ 114,326,889</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2016:

Net change in fund balances - total governmental funds: \$ 3,017,726

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

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

Capital asset purchases capitalized	3,885,312
Capital asset donated	15,467
Loss on disposal of capital assets	(506,620)
Depreciation expense	(14,337,983)
	(10,943,824)

In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.

1,753,171

Repayment of debt principal is an expenditure and collections of leasehold receivables are a revenue in the governmental funds. However, the repayments reduce long-term liabilities or the long-term assets in the Statement of Net Position:

Leasehold receivable receipts	(489,098)
Note payable principal payments	608,693
General obligation bond principal payments	1,400,000
	1,519,595

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

Change in unavailable revenue	259,259
-------------------------------	---------

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

Change in OPEB obligation	(163,877)
Change in accrued interest payable	(21,376)
Change in accrued compensated absences	(814,013)
	(999,266)

Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues/expenses are reported in governmental activities on the Statement of Activities.

Total change in net position for internal service funds	(453,935)
---	-----------

Change in net position of governmental activities	\$ (5,847,274)
---	----------------

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Proprietary Funds Statement of Net Position - June 30, 2016

	<u>Midwest City Municipal Authority</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,443,647	\$ 419,020	\$ 2,862,667	\$ 882,000
Cash and cash equivalents, restricted	2,652,850	234,475	2,887,325	-
Investments	10,426,510	1,897,104	12,323,614	4,709,621
Accounts receivable, net	3,134,204	69,806	3,204,010	84,166
Other receivable	82,954	3,349	86,303	-
Accrued interest receivable	19,280	3,150	22,430	11,179
Inventory	246,468	3,121	249,589	53,639
Due from other funds	735,120	907,733	1,642,853	599
Total current assets	<u>19,741,033</u>	<u>3,537,758</u>	<u>23,278,791</u>	<u>5,741,204</u>
Non-current assets:				
Investments, restricted	-	1,193,028	1,193,028	-
Advance from other funds	1,393,125	-	1,393,125	-
Land, construction in progress, and water rights	8,465,248	6,223,185	14,688,433	1,141
Other capital assets, net	138,053,194	10,472,983	148,526,177	1,117,136
Total non-current assets	<u>147,911,567</u>	<u>17,889,196</u>	<u>165,800,763</u>	<u>1,118,277</u>
Total assets	<u>167,652,600</u>	<u>21,426,954</u>	<u>189,079,554</u>	<u>6,859,481</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	927,989	-	927,989	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	4,090,530	202,093	4,292,623	329,951
Claims liability	-	-	-	1,101,088
Wages payable	349,031	69,820	418,851	76,334
Due to other funds	741,384	72,550	813,934	236,923
Accrued interest payable	777,621	-	777,621	-
Accrued compensated absences	354,380	75,338	429,718	96,021
Refundable deposits	48,208	143,230	191,438	-
Notes payable	216,090	-	216,090	-
Revenue bonds payable	4,185,000	-	4,185,000	-
Total current liabilities	<u>10,762,244</u>	<u>563,031</u>	<u>11,325,275</u>	<u>1,840,317</u>
Non-current liabilities:				
Accrued compensated absences	644,838	150,677	795,515	192,041
Claims liability	-	-	-	1,252,000
Net OPEB obligation	2,074,362	451,841	2,526,203	492,917
Advance to other funds	-	1,511,844	1,511,844	-
Refundable deposits	-	1,276,614	1,276,614	-
Revenue bonds payable, net	56,028,024	-	56,028,024	-
Total non-current liabilities	<u>58,747,224</u>	<u>3,390,976</u>	<u>62,138,200</u>	<u>1,936,958</u>
Total liabilities	<u>69,509,468</u>	<u>3,954,007</u>	<u>73,463,475</u>	<u>3,777,275</u>
NET POSITION				
Net investment in capital assets	87,017,317	16,696,168	103,713,485	1,118,277
Restricted for debt service	1,871,171	-	1,871,171	-
Restricted for other purposes	-	314,423	314,423	-
Unrestricted	10,182,633	462,356	10,644,989	1,963,929
Total net position	<u>\$ 99,071,121</u>	<u>\$ 17,472,947</u>	<u>\$ 116,544,068</u>	<u>\$ 3,082,206</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances

(1,408,284)

Total net position per Government-Wide financial statements

\$ 115,135,784

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2016

	Midwest City Municipal Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 25,802,731	\$ 2,150,985	\$ 27,953,716	\$ 10,341,515
Fees, licenses and permits	32,050	-	32,050	-
Miscellaneous	24,578	-	24,578	76,618
Total operating revenues	<u>25,859,359</u>	<u>2,150,985</u>	<u>28,010,344</u>	<u>10,418,133</u>
OPERATING EXPENSES				
Personal services	9,867,376	1,636,489	11,503,865	2,265,596
Materials and supplies	3,522,665	216,986	3,739,651	1,393,724
Other services and charges	7,660,414	310,379	7,970,793	4,326,559
Insurance claims and expense	-	-	-	3,543,711
Depreciation and amortization	4,925,468	514,933	5,440,401	101,470
Total operating expenses	<u>25,975,923</u>	<u>2,678,787</u>	<u>28,654,710</u>	<u>11,631,060</u>
Operating income (loss)	<u>(116,564)</u>	<u>(527,802)</u>	<u>(644,366)</u>	<u>(1,212,927)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	724,383	165,459	889,842	323,171
Interest expense and fiscal charges	(1,244,791)	(29,964)	(1,274,755)	-
Gain on asset retirement	1,383	4,645	6,028	-
Other non-operating revenue	-	151,169	151,169	-
Total non-operating revenue (expenses)	<u>(519,025)</u>	<u>291,309</u>	<u>(227,716)</u>	<u>323,171</u>
Income (loss) before transfers	<u>(635,589)</u>	<u>(236,493)</u>	<u>(872,082)</u>	<u>(889,756)</u>
Capital contributions	-	3,591	3,591	-
Transfers in	16,654,305	1,533,070	18,187,375	-
Transfers out	<u>(14,123,997)</u>	<u>(149,649)</u>	<u>(14,273,646)</u>	<u>(4,898)</u>
Change in net position	1,894,719	1,150,519	3,045,238	(894,654)
Total net position - beginning	97,176,402	16,322,428	113,498,830	3,976,860
Total net position - ending	<u>\$ 99,071,121</u>	<u>\$ 17,472,947</u>	<u>\$ 116,544,068</u>	<u>\$ 3,082,206</u>
Change in net position per above			\$ 3,045,238	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			(440,719)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 2,604,519</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2016

	Midwest City Municipal Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 25,974,709	\$ 2,302,286	\$ 28,276,995	\$ 10,370,354
Payments to suppliers	(10,614,270)	(1,064,255)	(11,678,525)	(5,653,876)
Payments to employees	(9,342,443)	(1,469,910)	(10,812,353)	(1,719,577)
Receipts (payments) from interfund loans	(334,139)	(823,877)	(1,158,016)	12,472
Receipt of customer deposits	-	520,622	520,622	-
Return of customer deposits	-	(492,830)	(492,830)	-
Claims and benefits paid	-	-	-	(3,807,391)
Net cash provided by (used in) operating activities	5,683,857	(1,027,964)	4,655,893	(798,018)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	16,654,305	1,533,070	18,187,375	-
Transfers to other funds	(14,123,997)	(149,649)	(14,273,646)	(4,898)
Net cash provided by (used in) noncapital financing activities	2,530,308	1,383,421	3,913,729	(4,898)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(4,588,249)	(826,084)	(5,414,333)	(21,926)
Principal paid on capital debt	(4,267,039)	-	(4,267,039)	-
Proceeds from interfund loan for capital purchases	-	1,398,797	1,398,797	-
Payments of interfund loan for capital purchases	(211,986)	(176,727)	(388,713)	-
Interest and fiscal charges paid on capital debt	(1,501,674)	(29,964)	(1,531,638)	-
Proceeds from sale of capital assets	4,966	4,645	9,611	-
Net cash provided by (used in) capital and related financing activities	(10,563,982)	370,667	(10,193,315)	(21,926)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	1,177,069	(844,058)	333,011	222,586
Interest and dividends	686,887	162,043	848,930	309,492
Net cash provided by (used in) investing activities	1,863,956	(682,015)	1,181,941	532,078
Net increase (decrease) in cash and cash equivalents	(485,861)	44,109	(441,752)	(292,764)
Balances - beginning of year	5,582,358	609,386	6,191,744	1,174,764
Balances - end of year	\$ 5,096,497	\$ 653,495	\$ 5,749,992	\$ 882,000
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 2,443,647	\$ 419,020	\$ 2,862,667	\$ 882,000
Restricted cash and cash equivalents	2,652,850	234,475	2,887,325	-
Total cash and cash equivalents	\$ 5,096,497	\$ 653,495	\$ 5,749,992	\$ 882,000
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (116,564)	\$ (527,802)	\$ (644,366)	\$ (1,212,927)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	4,925,468	514,933	5,440,401	101,470
Loss on impairment of capital asset	826,576	-	826,576	-
Other nonoperating revenue	-	151,169	151,169	-
Change in assets and liabilities:				
Receivables, net	(130,064)	132	(129,932)	(47,779)
Other receivable	238,964	-	238,964	-
Due from other funds	(664,325)	(837,469)	(1,501,794)	(524)
Inventory	(13,402)	(418)	(13,820)	14,851
Accounts payable	(244,365)	(536,472)	(780,837)	179,359
Claims liability	-	-	-	(391,483)
Due to other funds	330,186	13,592	343,778	12,996
Due to employees	54,961	6,479	61,440	12,220
Refundable deposits	6,450	27,792	34,242	-
Net OPEB obligation	363,501	139,103	502,604	492,917
Accrued compensated absences	106,471	20,997	127,468	40,882
Net cash provided by (used in) operating activities	\$ 5,683,857	\$ (1,027,964)	\$ 4,655,893	\$ (798,018)

See accompanying notes to the basic financial statements.

FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Midwest City's (the "City") accounting and financial reporting policies conform to accounting principles generally accepted in the United State of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1.A. Financial Reporting Entity

The City of Midwest City – operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities

The City of Midwest City is an incorporated municipality located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected seven-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judges are practicing attorneys appointed by the City Council

In determining the financial reporting entity, the City of Midwest City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*" and Statement No. 61, "*The Financial Reporting Entity: Omnibus*" and includes all component units for which the City is financially accountable. The City's financial reporting entity primary government presentation includes the City of Midwest City and certain component units as follows:

Blended Component Units: Separate legal entities for which the City Council members serve as the trustees/governing body of the City and /or the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities. These component units funds are blended into the City's by appropriate fund type to comprise part of the primary government presentation.

Midwest City Utilities Authority –created for industrial development.

Midwest City Municipal Authority – created to operate the water, wastewater, sanitation and conference center/hotel.

Midwest City Hospital Authority – created to operate the hospital, however, in 1996 the hospital was leased for a 30 year term. In March 2009, this lease was extended to May 2048. The Trustees manage activities related to the hospital lease.

Urban Renewal Authority – created for economic development.

Each of these component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing

assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trusts within the City's financial reporting entity. The public trusts do not issue separate annual financial statements.

1.B. Basis of Presentation and Accounting

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Government-Wide Financial Statements:

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets, parks and recreation. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities – Services where the City charges a fee to customers to help cover all or most of the cost of the services it provides. The City's water, sewer, sanitation systems and the hotel/conference center activities are reported here.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Fund Financial Statements:

Governmental Funds:

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursement type grants that are recorded as revenues when the related expenditures are recognized. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, judgments, and net pension liabilities are recorded only when payment is due.

Sales and use taxes, property taxes, franchise taxes, licenses, court fines and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes the General Fund includes the activities of the Reimbursed Projects Account, Employee Activity Account, Activity Account, Animals Best Friend Account, Disaster Relief Account, and Retiree Health Claims Account.
- Police Fund – is a special revenue fund that accounts for police services funded by a restricted sales tax, a transfer of 34.21% of General Fund revenues per ordinance legally restricted for police operations, and fines and fees restricted for traffic enforcement operations. For reporting purposes, the Police Fund includes the Jail Fund.
- Fire Fund — is a special revenue fund that accounts for fire protection services funded by sales tax legally restricted for fire and a transfer of 27.66% of General Fund revenues per ordinance legally restricted for fire operations.
- Midwest City Hospital Authority – is a special revenue fund that manages activities related to the hospital lease, funded by interest income and in lieu of taxes.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

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

Special Revenue Funds include Grants, Juvenile, Parks and Recreation, Emergency Operations, Technology, Welcome Center, Police Impound Fees, Street and Alley, Police Special Projects, Police Lab Fee, Convention/Visitors Bureau, Urban Renewal Authority Funds, Tax Increment Financing, and General Government Sales Tax.

Debt Service Fund – accounts for ad-valorem taxes levied by the City for use in retiring general obligation bonds, and their related interest expenses.

Capital Project Funds:

- Capital Improvement Fund – accounts for assessed fees that help fund capital projects for various functions of the City.
- Downtown Redevelopment Authority – accounts for the lease proceeds from the 29th street redevelopment. Proceeds are used to fund various needs of the City.
- 2002 Street Project Fund – accounts for the proceeds from the 2002 General Obligation Street Bonds which funds capital street projects.
- Dedicated Tax 2012 Fund – accounts for the sales tax restricted for street, parks, trails, sidewalks and public transportation projects.
- Sales Tax Capital Improvement Fund – accounts for sales tax restricted by a vote of the citizens for capital improvements, including debt retirements.
- Capital Outlay Reserve Fund – accounts for funds set aside to fund the five year capital needs projects.

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

Proprietary Funds:

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Midwest City Municipal Authority, non major enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's proprietary funds include the following:

Enterprise Funds

Major:

Midwest City Municipal Authority includes the following accounts:

- Water Account (includes the Water Operating Account and the Water Capital Projects Account) accounts for the activities providing water services to the public.
- Sewer Account (includes the Sewer Operating Account and the Sewer Capital Projects Account) accounts for the activities providing sewer services to the public.
- Sanitation Account (includes the Sanitation Operating Account) accounts for the activities providing sanitation services to the public.
- Conference Center/Hotel Account (includes the Conference and Hotel Operating Account) accounts for the activities related to the Conference Center and Hotel.
- Drainage Account (includes the Drainage Operating Fund and the Capital Projects Account) accounts for the activities providing drainage services to the public.
- Debt Service Account accounts for the debt activities related to the 2011 and 2011A Revenue Bonds.

Non-Major:

- Utilities Authority Fund –accounts for industrial development activities.
- Utility Services Fund – accounts for activities related to billing for water, sewer, sanitation, storm water, and drainage.
- Utilities Capital Fund – accounts for capital purchases for the water, sewer, and sanitation systems.
- Customer Deposit Fund –accounts for utility customer deposits.
- Golf Course Fund –accounts for activities of the John Conrad and the Hidden Creek golf courses.
- 29th and Douglas –accounts for activities of the trailer park at 29th and Douglas.

Internal Service Funds (aggregated in a single column for reporting purposes)

- Risk Management Fund - accounts for the cost of providing various insurance services (i.e workers compensation, general liability, vehicle and property) to other funds and departments of the City
- Public Works Administration Fund - accounts for the cost of centralization of administrative resources to various departments of the City. This fund primarily serves the business-type activities.
- Fleet Services Fund - accounts for fuel, maintenance and repairs for the City's fleet.
- Surplus Property Fund - accounts for the disposal of surplus property on behalf of all departments.
- L&H Benefits Fund - accounts for health and life benefits to employees.

1.C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments:

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments, other than Hospital investments, consist of long-term certificates of deposit, U.S. Treasury bonds and notes, and U.S. agency securities. Certificates of deposit are reported at cost, while the U.S. Treasury and agency securities are reported at fair value which is determined by quoted market value. Hospital investment consist of mutual funds, equities, and foreign equities. Investments are reported at fair value.

Restricted Assets:

Certain proceeds of the enterprise funds promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The debt service fund accounts are used to segregate resources accumulated for debt service payments over the next 12 months. In addition, amounts held for meter deposit refunds are considered restricted.

Receivables and Unearned Revenue

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants and court fines. Business-type activities report utilities as its major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues. Non-exchange transactions collectible but not available are reported as a deferred inflow of resources in the fund financial statements in accordance with the modified accrual basis of accounting, but not reported as a deferred inflow of resources in the government-wide financial statements in accordance with the accrual basis. Interest on investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories:

Inventories are valued at cost. Governmental fund inventory is related to parts of vehicle and equipment maintenance. Proprietary fund inventory is related to material on hand for repairs and improvements to the utility system. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City capitalizes interest on construction in progress for enterprise funds that have outstanding long term debt. The City capitalized \$309,125 in interest costs.

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

- Buildings/improvements 25-60 years
- Utility systems 25-99 years
- Infrastructure 25-99 years
- Machinery and equipment 5-20 years
- Vehicles 5-25 years

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset.

Long-term obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount. Deferred amount on refundings are amortized over the shorter of the life of the new debt or the remaining life of the refunded debt using the straight line method. Deferred amounts are shown as deferred inflows or outflows.

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

The City's long term debt consists of general obligation bonds, revenue bonds and notes, accrued compensated absences, contracts payable, net pension liability, net OPEB obligation, and refundable deposits.

Compensated Absences:

Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. Regular full-time civilian employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a civilian employee is paid for accrued vacation up to a maximum of 192 hours plus current year accrual earned to date of separation. Civilian employees earn sick leave per pay period of 3.7 hours, for a total of 96.20 hours per year with the exception of Fire Rookies working 24 hour shifts who earn 5.54 hours per pay period for an annual total of 144.04 hours per year. Civilian employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years of service, a civilian employee is paid for accrued sick leave up to a maximum of 960 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Civilian employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits.

Police union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a police union employee is paid for accrued vacation up to a maximum of 216 hours plus current year accrual earned to date of separation. Police union employees earn sick leave per pay period of 4.6 hours for an annual total of 119.60 hours. Police union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service, a police union employee is paid for accrued sick leave up to a maximum of 1100 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Police union employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits. 100% of the sick leave balance shall be paid to the police union employee's named beneficiary in the event an employee is killed in the line of duty.

Fire union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 301.34 hours per year based upon shift worked and years of service. Upon separation from the city, a fire union employee is paid for accrued vacation up to a maximum of 300 hours plus current year accrual earned to date of separation for 24 hour workers; up to a maximum of 216 hours plus current year accrual earned to date of separation for 8 hour workers. Fire union employees earn sick leave per pay period of 5.54 for a total of 144.04 hours per year for 24 hour workers and 96.20 hours per year for 8 hour workers. Fire union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service or with an on-the-job injury, a fire union employee is paid for accrued sick leave up to a maximum of 1314 hours for 24 hour workers; up to a maximum of 939 hours for 8 hour workers at 1/3 his/her hourly rate of pay. Hours accumulated over the maximum are paid at the rate of 1/2 his/her hourly rate of pay each bi-weekly pay period. Employees, regardless of years of service, will be paid out at 1/2 for separation due to on the job injury. Fire union employees who separate from employment prior to 10 years of service and without an on-the-job injury shall receive no compensation for accrued sick leave benefits.

Deferred Outflow/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The government only has two items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The city also reports deferred outflows for pension-related amounts.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements the property tax revenues remain as a deferred inflow under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The government-wide Statement of Net Position reports deferred inflows for pension-related amounts.

Fund Equity:

Government-Wide and Proprietary Fund Financial Statements:

Net position is displayed in three components:

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

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. While the Municipal Authority, Hospital Authority and Urban Renewal Authority highest level of decision-making authority is made by resolution.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the City’s policy to first use unrestricted fund balance prior to the use of the restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available. The City’s policy for the use of fund balance amounts require that unassigned amounts would be reduced first followed by assigned amounts and then committed amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

1.D. Revenues, Expenditures and Expenses

Program Revenues:

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

- Public Safety – Fire, Police, 911 –fines and forfeitures, restricted operating grants, 911 revenue, and restricted capital grants, property seizure, donations, state on-behalf pension contributions
- Streets – commercial vehicle and gasoline excise tax shared by the State.
- Culture and recreation – pool fees, rental of community center and senior center, programming fees, park fees, softball fees, operating and capital grants
- Health and Welfare – FEMA grants
- Economic Development – rental income and operating grants

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

- General Government – license and permits, technology and false alarm fees, impact fees, and operating grants

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

Sales Tax Revenue:

Sales tax revenue represents a 3.85 cents tax on each dollar of taxable sales which is collected by the Oklahoma Tax Commission and remitted to the City. Upon final allocation the sales tax is broken down as follows:

General Government	1.04	27.01%
Police	1.10	28.57%
Fire	.92	23.90%
911	.04	1.04%
Capital Improvements	.25	6.49%
Parks and Recreation	.05	1.30%
Sewer Plant	.40	10.39%
Streets/Parks/Sidewalks/Trails/and Public Transportation	.05	1.30%
Totals	3.85	100%

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurer and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2016, the City's net assessed valuation of taxable property was \$296,030,326. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2016 was \$5.18.

Property tax accrued on the lien date of January 1, 2016 and recorded as a deferred inflow of resources was \$292,532.

Expenditures and Expenses:

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity.

1.E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government-Wide Financial Statements:

Interfund activity, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. *Internal balances* – amounts reported in the fund financial statements as interfund receivable and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. *Internal activities* - amounts reported in the fund financial statements as interfund transfers are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds is not eliminated in the statement of activities.
3. *Primary government and component unit activity and balances* - resource flows between the primary government and the discretely presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1.F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1.G. NEW ACCOUNTING PRONOUNCEMENTS

The city implemented GASB Statement No. 72, *Fair Value Measurement and Application* – the Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Implementation has resulted in additional disclosures in the investment note.

The City implemented Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. Implementation has resulted in additional disclosures in the investment note.

The City implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – GASB No. 76 was issued in June 2015, and was issued to identify the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation had no material impact on the financial statements.

The City implemented GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Implementation had no material impact on the financial statements.

2. Cash and Cash Equivalents, Deposits and Investments

Deposits and Investments Risks

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
US agency securities	\$ 556,576	\$ 38,744,972	\$ -	\$ 39,301,548
Real Estate	-	-	3,163,362	3,163,362
Mutual Fund - equities	15,084,215	-	-	15,084,215
Mutual Fund - International	5,343,606	-	-	5,343,606
Mutual Fund - Fixed Income	5,742,044	-	-	5,742,044
	<u>\$ 26,726,441</u>	<u>\$ 38,744,972</u>	<u>\$ 3,163,362</u>	<u>\$ 68,634,775</u>

Real estate investments classified in Level 3 are valued using the change in assessed property tax land values for similar properties from the county assessor.

Certain investments that do not have a readily determinable fair value are measured at net asset value (NAV), or its equivalent. NAV per share is calculated as of the City's year-end in a manner consistent with the Governmental Accounting Standards Board's measurement principles. The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the following table.

Investments Measured at Net Asset Value	Fair Value	Redemption Frequency	Redemption Notice Period
International equity index funds ⁽¹⁾	\$ 3,951,852	Daily	1 day
US equity index funds ⁽²⁾	31,586,146	Daily	2 days
US fixed income debt funds ⁽³⁾	8,500,664	Daily	2 days
	<u>\$ 44,038,662</u>		

- (1) **International equity index funds** – The fund seeks to achieve investment results that are similar to the price and yield performance, before fees and expenses of the MSCI EAFE Index. The Fund uses a replication indexing strategy to manage the underlying fund by investing in substantially all of the securities of the Index in approximately the same proportions as the Index. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (2) **US equity index funds** – The Fund is an index fund that seeks investment results that correspond generally to the S&P 500 Index. The Fund is invested and reinvested in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of that segment of the U.S. market for publicly traded equity securities represented by the larger capitalized companies. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (3) **US fixed income debt funds** – The US fixed income debt fund is an index fund that establishes an objective of delivering investment performance approximating as closely as practicable the total rate of return of the market for debt securities as defined by the Barclays U.S. Aggregate Bond Index. The Fund uses a "passive" or indexing approach to try to achieve the Fund's

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

investment objective. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

The City of Midwest City primary government and blended component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2016 by these entities are as follows:

Schedule of Deposits and Investments by Type - June 30, 2016

Type	Carrying Value	Credit Rating	Maturities in Years					
			On Demand	Less Than One	1 - 5	6 - 10	More than 10	
Demand deposits	\$ 11,895,541	n/a	\$ 11,895,541	\$ -	\$ -	\$ -	\$ -	
Time deposits	6,213,363	n/a	-	3,000,000	3,213,363	-	-	
Government Money Market Accounts	8,515,546	AAAm	8,515,546	-	-	-	-	
U.S. Agencies Obligations	38,744,972	n/a	-	-	-	279,201	38,465,771	
Sub-total	65,369,422		\$ 20,411,087	\$ 3,000,000	\$ 3,213,363	\$ 279,201	\$ 38,465,771	
Real Estate	3,163,362							
Mutual Funds	49,699,944							
Mutual Funds - equities	19,059,448							
Foreign equities	2,006,468							
Sub-total	73,929,222							
Total Deposits and Investments	\$ 139,298,644							
Reconciliation to Financial Statements:								
Cash and cash equivalents	\$ 17,868,804							
Cash and cash equivalents, restricted	2,887,325							
Investments	117,349,487							
Investments, restricted	1,193,028							
	\$ 139,298,644							

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at a minimum level of 110% of the uninsured deposits and accrued interest thereon. The City’s policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma. Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement

At June 30, 2016, the City had no exposure to custodial credit risk as defined above.

Investment Credit Risk – The City’s investment policy limits investments, excluding Hospital Authority, to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and

- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

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

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy indicates that the investment portfolio, shall remain sufficiently liquid to enable the City to meet all operating requirements as anticipated. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the preceding schedule of deposits and investments, at June 30, 2016, the investments held by the City mature between 2016 through 2030.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The city’s investments in Blackrock exceed 5%.

Hospital Authority Investments:

The Authority policy provides that assets be invested 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 are to be invested in a diversified portfolio to achieve attractive real rates of return. The investment policy of the Hospital Authority allows for the investment of funds 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 Authority may invest portions of the fund corpus, or income, in real estate. Such real estate 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. The overall rate of return objective of the portfolio is a highest possible rate of return consistent with the risk levels established by the Board.

The acceptable long-term rate of return is 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).

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

4. Domestic equity fund returns which exceed the S&P 500 Stock index return by 1% (100 basis points), per year and fixed income return which exceed the 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), 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, and passive international returns which replicate the return of the MSCI EAFE International Index.
7. Active international equity returns which exceeds the MSCI EAFE Index by 1% per year.

Asset allocation guidelines for the Hospital Authority are as follows:

Class	Target	Maximum	June 2016 Percent
Equities - Domestic	20%-70%	85%	64.3%
Equities - International	0%	0%	7.6%
Fixed Income	2.5%-30%	80%	18.0%
Real Estate	0%	20%	0%
Cash Equivalents	0%	36%	10.1%

Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the Midwest City Proprietary Debt Service accounts of the trustee bank for revenue bond retirement, and the Customer Deposit Account for refundable deposits held by others. The restricted assets as of June 30, 2016 are as follows:

Cash and Cash Equivalents:	
Pooled Cash Restricted for Debt Service	\$ 2,652,850
Pooled Cash Restricted for Refundable Deposits	234,475
	<u>\$ 2,887,325</u>
Investments:	
Pooled Investments Restricted for Refundable Deposits	\$ 1,193,028
	<u>\$ 1,193,028</u>

3. Receivables

The Midwest City Memorial Hospital Authority (the Authority) entered into an agreement with the Midwest Regional Medical Center (now known as Alliance Health Midwest) to provide funds up to \$25,000,000 to construction two additional floors onto the existing six floor patient tower. The loan is amortized over a 25 year with interest rate of 7.5%, will be repaid within 9 years from December 2010, with a balloon payment in November 2019. The loan is secured with a lease receivable for future rental of the facility. At the end of the fiscal year, the City reflects a \$20.2 million receivable in the governmental activities.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

4. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2016, capital assets balances changed as follows:

	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 32,544,209	\$ 138,198	\$ -	\$ 32,682,407
Construction in progress	3,518,506	1,732,064	589,965	4,660,605
Total capital assets not being depreciated	<u>36,062,715</u>	<u>1,870,262</u>	<u>589,965</u>	<u>37,343,012</u>
Capital assets being depreciated:				
Buildings	29,385,249	165,912	-	29,551,161
Machinery and equipment	19,327,994	730,668	60,225	19,998,437
Vehicles	9,047,114	539,440	351,350	9,235,204
Infrastructure	439,837,953	1,199,058	458,872	440,578,139
Total other capital assets at historical cost	<u>497,598,310</u>	<u>2,635,078</u>	<u>870,447</u>	<u>499,362,941</u>
Less accumulated depreciation for:				
Buildings	10,978,634	719,133	-	11,697,767
Machinery and equipment	13,212,474	1,033,825	47,168	14,199,131
Vehicles	4,507,549	596,238	316,659	4,787,128
Infrastructure	169,734,621	12,056,928	-	181,791,549
Total accumulated depreciation	<u>198,433,278</u>	<u>14,406,124</u>	<u>363,827</u>	<u>212,475,575</u>
Capital assets being depreciated, net	<u>299,165,032</u>	<u>(11,771,046)</u>	<u>506,620</u>	<u>286,887,366</u>
Governmental activities capital assets, net	<u>\$ 335,227,747</u>	<u>\$ (9,900,784)</u>	<u>\$ 1,096,585</u>	<u>\$ 324,230,378</u>

	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 7,549,649	\$ 22,800	\$ -	\$ 7,572,449
Water rights	4,672,610	-	-	4,672,610
Construction in progress	66,463,084	1,653,234	65,672,944	2,443,374
Total capital assets not being depreciated	<u>78,685,343</u>	<u>1,676,034</u>	<u>65,672,944</u>	<u>14,688,433</u>
Capital assets being depreciated:				
Buildings	31,362,796	603,310	-	31,966,106
Machinery and equipment	12,924,544	338,270	81,240	13,181,574
Vehicles	8,031,670	515,052	180,034	8,366,688
Utility systems	110,923,120	68,019,387	20,608	178,921,899
Total other capital assets at historical cost	<u>163,242,130</u>	<u>69,476,019</u>	<u>281,882</u>	<u>232,436,267</u>
Less accumulated depreciation for:				
Buildings	9,193,225	718,291	-	9,911,516
Machinery and equipment	8,176,628	649,962	57,074	8,769,516
Vehicles	4,209,008	422,062	174,494	4,456,576
Utility systems	56,100,583	4,518,342	1,227	60,617,698
Total accumulated depreciation	<u>77,679,444</u>	<u>6,308,657</u>	<u>232,795</u>	<u>83,755,306</u>
Capital assets being depreciated, net	<u>85,562,686</u>	<u>63,167,362</u>	<u>49,087</u>	<u>148,680,961</u>
Business-type activities capital assets, net	<u>\$ 164,248,029</u>	<u>\$ 64,843,396</u>	<u>\$ 65,722,031</u>	<u>\$ 163,369,394</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$ 408,617
Public safety	1,343,198
Streets	11,945,366
Culture and recreation	312,846
Health and welfare	33,577
Economic development	294,379
Sub-total governmental funds depreciation	<u>14,337,983</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	68,142
Total	<u><u>\$ 14,406,125</u></u>

Business-Type Activities:

Water	\$ 1,025,613
Sewer	2,640,864
Sanitation	439,116
Drainage	269,001
Conference center/hotel	939,947
Golf	101,872
Industrial park	23,988
Total Business Type Activities	<u>5,440,401</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	33,328
Total	<u><u>\$ 5,473,729</u></u>

Wastewater expenses include an impairment loss of \$834,928 on the old wastewater treatment plan due to changes in environmental factors. The same amount is included in additions to accumulated depreciation in the above schedule.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

5. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2016 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>			
General Gov Sales Tax	Surplus Property	\$ 47,772	Surplus properties sales proceeds to be distributed			
General Fund	Comm Dev Block Grant	41,968	To cover negative balance in pooled cash			
General Fund	Fire Fund	1,271,817	Long-term loan for capital improvements			
Police Fund	General Fund	1,040,585	Restricted sales tax payable			
Police Fund	Surplus Property	93,876	Surplus properties sales proceeds to be distributed			
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed			
Fire Fund	General Fund	841,349	Restricted sales tax payable			
Fire Fund	Surplus Property	11,062	Surplus properties sales proceeds to be distributed			
Welcome Center	Surplus Property	323	Surplus properties sales proceeds to be distributed			
Convention & Visitor Bureau	Surplus Property	148	Surplus properties sales proceeds to be distributed			
Emergency Operating Fund	Surplus Property	287	Surplus properties sales proceeds to be distributed			
Emergency Operating Fund	Grant Fund	3,750	Grants to be transferred			
CDBG	Surplus Property	1,222	Surplus properties sales proceeds to be distributed			
Grant Fund	Police Impound	283	Revenue accrued to be transferred			
Downtown Redevelopment	Reimbursed Project	141,476	Long-term loan for capital improvements			
Hospital Authority	29th and Douglas	181,059	Long-term loan			
Hospital Authority	Surplus Property	2,689	Surplus properties sales proceeds to be distributed			
Capital Improvements Fund	Debt Service	33,890	Revenue accrued to be transferred			
Capital Improvements Fund	Hotel & Conference Center	740,000	Capital outlay subsidy			
Fleet Services Fund	Surplus Property	598	Surplus properties sales proceeds to be distributed			
Sewer Fund	Surplus Property	54	Surplus properties sales proceeds to be distributed			
Water Fund	Utility Capital Outlay	1,330,785	Long-term loan for economic improvements			
Water Fund	Customer Deposits	13,592	Revenue accrued to be transferred			
Sewer Fund	Tax Increment Financing Fund	62,340	Long-term loan for economic improvements			
Utilities Capital Outlay	Hospital Authority	846,845	To cover negative balance in pooled cash			
Utility Services	Utility Capital Outlay	58,958	To cover negative balance in pooled cash			
Sanitation Fund	Surplus Property	50,744	Surplus properties sales proceeds to be distributed			
Water Fund	Surplus Property	13,679	Surplus properties sales proceeds to be distributed			
Sewer Fund	Surplus Property	939	Surplus properties sales proceeds to be distributed			
Hotel/Conference Center	Surplus Property	12,203	Surplus properties sales proceeds to be distributed			
Golf	Surplus Property	546	Surplus properties sales proceeds to be distributed			
Customer Deposit	Water Fund	1,384	Meter deposit liability			
Capital Improvement Rev. Bond	Revenue Bond Sinking Fund	643,909	Revenue accrued to be transferred			
		<u>\$ 7,490,912</u>				
		Due From Other	Advance From	Due To Other	Advance To	Net Internal
		Funds	Other Funds	Funds	Other Funds	Balances
Reconciliation to Fund Financial Statements:						
Governmental Funds		\$ 2,859,984	\$ 1,594,352	\$ 3,452,579	\$ 1,475,633	\$ (473,876)
Proprietary Funds		1,642,853	1,393,125	813,934	1,511,844	\$ 710,200
Internal Service Funds		599	-	236,923	-	\$ (236,324)
Total		<u>\$ 4,503,436</u>	<u>\$ 2,987,477</u>	<u>\$ 4,503,436</u>	<u>\$ 2,987,477</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position:						
Net Internal Balances		\$ 710,200				
Internal Service Fund Activity reported in Business-Type Activities		(1,495,680)				
Net Internal Balances		<u>\$ (785,480)</u>				

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2016 were as follows:

Transfer In	Transfer Out	Amount	Nature of Transfer
General Fund	Fire Fund	166,000	Code Enforcement Allocation
General Fund	Storm Water Quality Fund	41,907	Indirect Cost Allocation
General Fund	Sanitation Fund	763,936	Indirect Cost Allocation
General Fund	Water Fund	748,459	Indirect Cost Allocation
General Fund	Sewer Fund	772,099	Indirect Cost Allocation
General Fund	Capital Improvement Revenue Bond Fund	8,291,332	Debt Service Subsidy
General Fund	Grants Fund	19,750	Grant Subsidy
General Gov Sales Tax	General Fund	35,028	Capital Outlay Subsidy
General Gov Sales Tax	G.O.Debt Services	32,442	Capital Outlay Subsidy
General Gov Sales Tax	Park & Recreation	647	Contract Cost Allocation
General Gov Sales Tax	Risk Management	289	Contract Cost Allocation
General Gov Sales Tax	Convention & Visitor Bureau	428	Contract Cost Allocation
General Gov Sales Tax	Emergency Operations Fund	536	Contract Cost Allocation
General Gov Sales Tax	Welcome Center	589	Contract Cost Allocation
General Gov Sales Tax	Public Works Administration	867	Contract Cost Allocation
General Gov Sales Tax	Downtown Redevelopment Authority	123	Contract Cost Allocation
General Gov Sales Tax	Juvenile Fund	429	Contract Cost Allocation
General Gov Sales Tax	Community Development Block Grant	621	Contract Cost Allocation
General Gov Sales Tax	Police Fund	34,433	Contract Cost Allocation
General Gov Sales Tax	Hospital Authority	150	Contract Cost Allocation
General Gov Sales Tax	Technology Fund	601	Contract Cost Allocation
General Gov Sales Tax	Fire Fund	25,946	Contract Cost Allocation
General Gov Sales Tax	L&H Benefits	161	Contract Cost Allocation
Sreet and Alley Fund	Water Fund	60,708	Reimburse Repair Cost
Technology Fund	Emergency Operations Fund	45,673	Contract Cost Allocation
Police Fund	General Fund	9,703,451	Ordinance Obligation
Police Fund	Grants Fund	276	Grant Subsidy
Juvenile Fund	General Fund	25,000	Operating Subsidy
Fire Fund	General Fund	7,765,886	Ordinance Obligation
Fire Fund	Grants Fund	12,159	Grant Subsidy
Emergency Management Fund	Grants Fund	18,750	Grant Subsidy
Community Development Block Grant	General Fund	147,126	City Match of CDBG Program
Grants Fund	Police Impound Fee	1,682	Grant Subsidy
Urban Renewal Authority	Downtown Redevelopment Authority	65,000	Operating Subsidy
Hospital Authority	Downtown Redevelopment Authority	300,000	Return on owners investment
Capital Improvement Fund	Conference Center / Hotel Fund	360,000	Capital Outlay Subsidy
Capital Improvement Fund	Revenue Bond Sinking Fund	297,415	Capital Outlay Subsidy
Trailer Park Fund	Downtown Redevelopment Authority	135,894	Debt Service Subsidy
Drainage Tax Fund	Capital Improvements	180,000	Capital Outlay Subsidy
Drainage Tax Fund	Capital Improvement Revenue Bond Fund	35,746	Capitalize Interest Cost
Capital Water Improve	Capital Improvement Revenue Bond Fund	90,583	Capitalize Interest Cost
Construction Loan Payment	Capital Improvement Revenue Bond Fund	114,649	Capitalize Interest Cost
Sewer Construction	Capital Improvement Revenue Bond Fund	729,374	Capitalize Interest Cost
Utilities Capital Outlay	Sanitation	747,884	Capital Outlay Subsidy
Utilities Capital Outlay	Capital Drainage Improvement	804	Contract Cost Allocation
Utilities Capital Outlay	Storm Water Quality Fund	1,357	Contract Cost Allocation
Utilities Capital Outlay	Public Works Administration	881	Contract Cost Allocation
Utilities Capital Outlay	Interservice fund	2,593	Contract Cost Allocation
Utilities Capital Outlay	Surplus Property	107	Contract Cost Allocation
Utilities Capital Outlay	Utility Services	2,813	Contract Cost Allocation
Utilities Capital Outlay	Water Fund	6,893	Contract Cost Allocation
Utilities Capital Outlay	Sewer Fund	9,540	Contract Cost Allocation
Utilities Capital Outlay	Golf	4,019	Contract Cost Allocation
Utilities Capital Outlay	Utility Services	97,976	Contract Cost Allocation
Water Fund	Customer Deposits Fund	44,841	Interest earnings
Sewer Fund	Grant Fund	3,800	Grant Subsidy
Utility Authority	Grant Fund	82,309	Capital Outlay Subsidy
Utility Authority	Capital Sewer	140,000	Capital Outlay Subsidy
Utility Authority	Hospital Authority	300,000	Capital Outlay Subsidy
Golf	General Fund	3,591	Capital Donation
Capital Improvement Revenue Bond Fund	Sewer Construction Fund	1,208,726	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	5,955,254	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	General Fund	8,291,332	Debt Service Subsidy
		<u>\$ 47,930,865</u>	

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Internal and Interfund Transfers:

	Transfers From Other Funds	Transfers To Other Funds	Net Transfers
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 29,739,899	\$ (33,652,321)	\$ (3,912,422)
Proprietary Funds	18,187,375	(14,273,646)	3,913,729
Internal Service Funds	-	(4,898)	(4,898)
Total	\$ 47,927,274	\$ (47,930,865)	\$ (3,591)
 Reconciliation to Statement of Activities:			
Net Transfers			\$ 3,911,981
Capital Contributions to Enterprise Fund			3,591
Transfers - Internal Activity			\$ 3,915,572

6. Long-Term Liabilities

The City's long term debt consists of general obligation bonds, notes payable, revenue bonds payable accrued compensated absences, net OPEB obligation and net pension liabilities. For the year ended June 30, 2016, the City's long-term debt balances changed as follows:

Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,100,000	\$ -	\$ 1,400,000	\$ 2,700,000	\$ 1,400,000
Notes Payable	22,591,759	-	608,693	21,983,066	646,956
Accrued Compensated Absences	4,215,069	3,386,188	2,557,408	5,043,849	1,664,934
Total Governmental Activities	\$ 30,906,828	\$ 3,386,188	\$ 4,566,101	29,726,915	3,711,890
 Reconciliation to Statement of Net Position:					
Plus: Net OPEB Obligation				6,839,232	-
Net Pension Liability				27,828,299	-
Refundable Deposits				78,055	78,055
				\$ 64,472,501	\$ 3,789,945
 Business-Type Activities:					
Notes Payable	\$ 428,129	\$ -	\$ 212,039	\$ 216,090	\$ 216,090
Revenue Bonds Payable	61,915,000	-	4,055,000	57,860,000	4,185,000
Revenue Bonds Premium	2,618,915	-	265,891	2,353,024	-
Refundable Deposits	1,433,811	520,434	486,193	1,468,052	191,438
Accrued Compensated Absences	1,220,728	992,619	839,035	1,374,312	479,411
Total Business-Type Activities	\$ 67,616,583	\$ 1,513,053	\$ 5,858,158	\$ 63,271,478	\$ 5,071,939
 Reconciliation to Statement of Net Position:					
Plus: Net OPEB Obligation				2,690,508	-
				\$ 65,961,986	\$ 5,071,939

Accrued compensated absences liability of the governmental activities is liquidated by the General Fund, Police Fund, the Fire Fund, Juvenile Fund, Grant Fund, Welcome Center Fund, Convention and Visitors Bureau Fund, Technology Fund, Park and Recreation Fund, Downtown Redevelopment Fund, Hospital Authority, and the Emergency Operations Fund.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

General Obligation Bonds:

\$4,500,000 general obligation bonds dated May 1, 2006 for public safety, payable in annual installments of \$275,000 the first year and \$325,000, thereafter, with interest rates of 3.75% to 3.95%, repaid by property tax levies. Final maturity in May 2021. Current portion \$325,000. \$ 1,625,000

\$15,000,000 general obligation bonds dated February 1, 2002 for street improvements, payable in annual installments of \$1,025,000 the first year and \$1,075,000, thereafter, with interest rates of 5.00% to 5.25%, repaid by property tax levies. Final maturity in February 2017. Current portion \$1,075,000. 1,075,000

Total general obligation bonds \$ 2,700,000

Current	\$ 1,400,000
Non-current	<u>1,300,000</u>
Total	<u>\$ 2,700,000</u>

Notes Payable:

\$25,000,000 construction loan for hospital addition, payable in monthly installments beginning December 2010 of \$154,710; final payment due November 2019 of \$19,773,124; interest rate equal to the variable rate equal to the "Prime Rate," as quoted in the Money Rates Section of The Wall Street Journal, adjusted daily, with a minimum interest rate of five and one-half percent (5.50%) per annum and a maximum interest rate of eleven percent (11%) per annum with payments adjusted annually; current rate is 5.5%; construction interest rate of 5.5%. Secured by a first mortgage lien on the property. Current portion \$646,956. \$ 21,983,066

Total notes payable \$ 21,983,066

Current	\$ 646,956
Non-current	<u>21,336,110</u>
Total	<u>\$ 21,983,066</u>

Business-type activities long-term debt payable from net revenues generated and taxes pledged to the City's business-type activities include the following:

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Revenue Bonds Payable:

\$26,630,000 Series 2011 Capital Improvement Revenue Bonds, due in annual principal installments of \$855,000 to \$1,740,000 through September 1, 2033; interest rate from 0.4% to 5.0%.

	\$ 23,115,000
Unamortized Revenue Bond Premium	<u>98,216</u>
Total Revenue Bonds, Net	<u><u>\$ 23,213,216</u></u>

	\$ 940,000
Current	<u>22,175,000</u>
Non-current	<u>\$ 23,115,000</u>
Total	<u><u>\$ 23,115,000</u></u>

\$46,550,000 Series 2011A Capital Improvement Revenue Bonds, due in annual principal installments of \$2,605,000 to \$4,530,000 through June 30, 2025; interest rate from 0.5% to 5.0%.

	\$ 34,745,000
Unamortized Revenue Bond Premium	<u>2,254,808</u>
Total Revenue Bonds, Net	<u><u>\$ 36,999,808</u></u>

	\$ 3,245,000
Current	<u>31,500,000</u>
Non-current	<u>\$ 34,745,000</u>
Total	<u><u>\$ 34,745,000</u></u>

Notes Payable:

\$3,222,911 contract payable with the Central Oklahoma Master Conservancy District maturing October 1, 2016. The contract provides the City with a share of the District's water supply. The City pays its share of the costs of the facilities and its operations to the District. The City has pledged water revenues to secure this obligation. Debt principal payments are due annually, with interest at 2.742%.

	<u>\$ 216,090</u>
--	-------------------

	<u>\$ 216,090</u>
Current	<u><u>\$ 216,090</u></u>

Long-term debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental-Type Activities			
	G.O. Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 1,400,000	\$ 120,625	\$ 646,956	\$ 1,209,573
2018	325,000	51,350	683,969	1,172,560
2019	325,000	38,513	723,100	1,133,429
2020	325,000	25,675	19,929,041	462,927
2021	325,000	12,837	-	-
	<u>\$ 2,700,000</u>	<u>\$ 249,000</u>	<u>\$ 21,983,066</u>	<u>\$ 3,978,489</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Business-Type Activities

<u>Year Ending June 30,</u>	<u>Notes Payable</u>		<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 216,090	\$ 5,925	\$ 4,185,000	\$ 2,318,762
2018	-	-	4,325,000	2,185,788
2019	-	-	4,495,000	2,000,538
2020	-	-	4,715,000	1,774,662
2021	-	-	4,925,000	1,575,288
2022-2026	-	-	23,080,000	4,693,088
2027-2031	-	-	7,130,000	1,772,647
2032-2034	-	-	5,005,000	315,459
	<u>\$ 216,090</u>	<u>\$ 5,925</u>	<u>\$ 57,860,000</u>	<u>\$ 16,636,232</u>

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2011 Revenue Bonds which are payable through 2033. Proceeds from the bond provided financing to advance refund the 2003 Revenue Bonds which were originally used for construction and equipping the Sheraton Hotel and the Reed Conference Center. The total principal and interest payable for the remainder of the life of the bond is \$32,114,819. Pledged sales taxes transferred in the current year was \$13,849,343. Debt service payments on 2011 Revenue Bonds of \$1,797,625 for the current fiscal year were 13.0% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$17,259,575.

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2011A Revenue Bonds which are payable through 2025. Proceeds from the bond provided financing for construction and improvements to the wastewater treatment plant. The total principal and interest payable for the remainder of the life of the bond is \$42,381,413. Pledged sales taxes transferred in the current year was \$13,849,343. Debt service payments on the bonds were \$4,711,663 for the current fiscal year or 34.0% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$17,259,575.

Utility Revenue Pledge - The City has pledged the revenues from the future sale of water to repay the Central Oklahoma Master Conservancy District note payable which is payable through 2016. Proceeds from the note provided funding for improvements and expansion of the water transportation and distribution system. The total principal and interest payable for the remainder of the life of the bond is \$222,015. Water revenues received in the current year was \$6,460,751. Debt service payments of \$223,778 for the current fiscal year were 3.5% of pledged water revenue.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

7. Net Position and Fund Balances

The following table shows the net position as restricted:

Fund	Restricted By	Amount
Hospital Authority	Enabling legislation	\$ 76,250,368
Technology Fund	Enabling legislation	490,617
Police Impound Fund	Enabling legislation	165,450
Urban Renewal Authority	Enabling legislation	3,804
Capital Outlay Reserve Fund	Enabling legislation	746,652
General Fund	Enabling legislation	137,312
		<u>77,794,203</u>
Street and Alley Fund	Statutory requirements	1,506,138
Juvenile Fund	Statutory requirements	75,077
Police Special Projects	Statutory requirements	175,408
Police Lab Fee	Statutory requirements	17,468
		<u>1,774,091</u>
Grant Fund	External contracts	198,962
General Fund	External contracts	1,434,901
Police Fund	External contracts	3,496,564
Fire Fund	External contracts	1,222,433
Park and Recreation Fund	External contracts	592,788
Emergency Operation Fund	External contracts	688,529
Welcome Center	External contracts	359,102
Convention and Visitors Bureau	External contracts	213,673
GO Debt Service Fund	External contracts	1,434,476
2002 GO Street Bond	External contracts	2,787,632
Downtown Redevelopment	External contracts	1,818,803
Dedicated Tax Fund	External contracts	1,296,160
Capital Improvement Fund	External contracts	2,555,863
General Government Sales Tax Fund	External contracts	1,891,698
		<u>19,991,584</u>
Total Restricted Net Position		<u>\$ 99,559,878</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

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

	Major Special Revenue Funds				Other Governmental Fund	Total
	General Fund	Police Fund	Fire Fund	Hospital Authority		
Fund Balance:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
Deposits held by others	1,271,817	-	-	4,223,251	692,600	6,187,668
Prepaid expenses	4,615	-	-	-	-	4,615
	1,276,432	-	-	4,223,251	752,600	6,252,283
Restricted:						
Public safety	743,432	3,496,564	1,222,433	-	1,121,932	6,584,361
Hospital	-	-	-	77,514,488	-	77,514,488
General obligation debt service	-	-	-	-	1,392,721	1,392,721
Capital improvements	-	-	-	-	7,013,016	7,013,016
Street improvements	-	-	-	-	4,083,792	4,083,792
Street operations	-	-	-	-	1,506,138	1,506,138
Technology improvements	-	-	-	-	490,617	490,617
Culture and rec programs	484,873	-	-	-	951,890	1,436,763
Economic development	316,165	-	-	-	416,439	732,604
Health and welfare programs	27,743	-	-	-	-	27,743
Sub-total restricted	1,572,213	3,496,564	1,222,433	77,514,488	16,976,545	100,782,243
Assigned in:						
Culture and rec programs	88,206	-	-	-	-	88,206
Downtown redevelopment	-	-	-	-	1,632,989	1,632,989
Health and welfare programs	52,695	-	-	-	-	52,695
Capital improvements	-	-	-	-	567,079	567,079
Public safety	710,885	130,493	-	-	-	841,378
Economic development	-	-	-	-	58,819	58,819
Streets	60,022	-	-	-	-	60,022
Appropriation for use in FY 16-17 budget	677,627	-	-	-	-	677,627
General government - encumbrances	71,921	-	-	-	-	71,921
Public safety - encumbrances	1,765	-	-	-	-	1,765
Public works - encumbrances	34,549	-	-	-	-	34,549
Culture and rec - encumbrances	1,071	-	-	-	-	1,071
Economic development - encumbrances	50,784	-	-	-	-	50,784
Health and welfare - encumbrances	229,784	-	-	-	-	229,784
Sub-total assigned	1,979,309	130,493	-	-	2,258,887	4,368,689
Unassigned (deficit):	2,986,014	-	-	-	(62,340)	2,923,674
TOTAL FUND BALANCE	\$ 7,813,968	\$ 3,627,057	\$ 1,222,433	\$ 81,737,739	\$ 19,925,692	\$ 114,326,889

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

The following is a breakdown of encumbrances at June 30, 2016:

Fund	Balance
Major Funds:	
General Fund	\$ 280,911
Police Fund	238,586
Fire Fund	68,122
Hospital Authority	5,485,313
	<u>\$ 6,072,932</u>
Non Major Fund:	
Capital Outlay Fund	
General Govt Sales Tax	\$ 182,506
Street and Alley Fund	671,996
Technology Fund	9,476
Police Federal Projects	7,272
Police Lab Fund	1,115
Police Impound Fund	400
Welcome Center Fund	15,135
Convention and Visitor Bureau	3,390
Street Tax Fund	240,685
Emergency Operations Fund	18,970
Park and Recreation Fund	16,106
Grant Fund	34,205
Capital Improvement Fund	138,600
Downtown Redevelopment Fund	80,680
Debt Service	28,219
	<u>\$ 1,448,755</u>

Per resolution, the City Council has established a minimum fund balance policy for the General Fund equal to ten percent (10%) of the fund's budgetary operating expenditures each fiscal year. In addition, a reserve equal to five percent (5%) of the budgetary operating expenditures for each fund has been established for the following funds: Police Fund, Fire Fund, Welcome Center Fund, Convention and Visitors Bureau Fund and the Juvenile Fund. The reserves are to ensure the fiscal solvency of the City as a safeguard and all or a portion of the reserves may be appropriated by the city council as necessary in the event of a natural disaster or other catastrophic circumstances, or in the event of significant accounting errors.

8. Risk Management

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

- General Liability – Covered through self-insurance with stop-loss for individual claims in excess of \$250,000 and aggregate stop loss of \$1,000,000.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

- Physical Property – Covered through purchased insurance with deductibles, by coverage as follows:

Wind/hail	\$100,000
All other losses	25,000
EDP	1,000
Inland marine	5,000
Fine arts deductible	1,000
Automobile physical damage	2,500

- Workers' Compensation – Workers' compensation is covered through self-insurance with the a third party administering the claims process. The City carry's stop-loss insurance for individual claims in excess of \$450,000 for non-uniform employees and \$500,000 for uniform employees with an aggregate stop loss of \$1,000,000.
- Employee's Group Medical –Covered through self-insurance using a third party administrator to process medical claims. The City uses the third party processor's estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$150,000 during any year with aggregate stop loss of \$6,243,193.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standards No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance funds, changes in the claims liability for the City from June 30, 2013, to June 30, 2016, are as follows:

	<u>Risk Fund</u>	<u>Health Care</u>	<u>Total</u>
Claims liability, June 30, 2013	3,054,000	551,423	3,605,423
Claims and changes in estimates	(402,448)	7,679,394	7,276,946
Claims payments	(410,552)	(7,698,047)	(8,108,599)
Claims liability, June 30, 2014	<u>2,241,000</u>	<u>532,770</u>	<u>2,773,770</u>
Claims and changes in estimates	806,158	6,799,627	7,605,785
Claims payments	(842,158)	(6,792,826)	(7,634,984)
Claims liability, June 30, 2015	<u>2,205,000</u>	<u>539,571</u>	<u>2,744,571</u>
Claims and changes in estimates	597,468	5,761,091	6,358,559
Claims payments	(998,468)	(5,751,574)	(6,750,042)
Claims liability, June 30, 2016	<u><u>\$ 1,804,000</u></u>	<u><u>\$ 549,088</u></u>	<u><u>\$ 2,353,088</u></u>

9. Retirement Plan Participation

The City of Midwest City participates in three pension or retirement plans:

1. Oklahoma Police Pension and Retirement System (OPPRS) - a statewide cost-sharing plan
2. Oklahoma Firefighter’s Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
3. Oklahoma Municipal Retirement Fund (OMRF-DCP) – an agent multiple-employer defined contribution plan

Summary Defined Benefit Plans Balances:

	Governmental Activities
Net Pension Liability	
Police Pension System	\$ 94,795
Firefighter's Pension System	27,733,504
Total Net Pension Liability	<u>\$ 27,828,299</u>
Deferred Outflows of Resources	
Police Pension System	\$ 2,705,980
Firefighter's Pension System	4,640,032
Total Deferred Outflows of Resources	<u>\$ 7,346,012</u>
Deferred Inflows of Resources	
Police Pension System	\$ 2,587,640
Firefighter's Pension System	3,050,499
Total Deferred Inflows of Resources	<u>\$ 5,638,139</u>

Oklahoma Police Pension and Retirement Systems

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from OPPRS’s fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The City of Midwest City, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS.

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$837,945. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$788,612 this is reported as both revenue and expenditure in the Police Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$825,107. These on-behalf payments did not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 3% and employer contributions will be 18%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$94,795 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 2.3249%.

For the year ended June 30, 2016, the City recognized pension expense of \$360,457. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 524,165
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,698,691	2,063,475
Changes in proportion and differences between City contributions and proportionate share of contributions	26,366	-
City contributions subsequent to the measurement date	980,923	-
Total	\$ 2,705,980	\$ 2,587,640

The \$980,923 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 5.77 years and 5.83 years as of July 1, 2015 and 2014, respectively. The deferred inflows relates to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	2017	\$	(351,829)
	2018		(351,829)
	2019		(351,829)
	2020		348,373
	2021		(12,251)
Thereafter			-
		\$	(719,365)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 3%

Salary increases: 4.5% to 17% average, including inflation

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Investment rate of return: 7.5% net of pension plan investment expense

Mortality rates: Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Real Rate of Return</u>
Fixed income	2.24%
Domestic equity	4.87%
International equity	7.68%
Real estate	5.47%
Private equity/debt	5.80%
Commodities	2.96%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	(6.5%)	Rate (7.5%)	(8.5%)
Employers' net pension liability (asset)	\$ 5,695,986	\$ 94,795	\$ (4,627,398)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS .

Oklahoma Fire Pension and Retirement Systems

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS) and additions to/deductions from FPRS's fiduciary net position have been determined on the same basis as they are reported by FPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The City of Midwest City, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs.

Benefits provided - FPRS provides retirement, disability, and death benefits to members of the plan. Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

month salary as opposed to 30 months. For volunteer firefighters, the not-in-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-line-of-duty pension is \$150.60 with less than 20 years of service, or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$873,705. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$2,447,937 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$2,838,898. These on-behalf payments did not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 5% and employer contributions will be 18%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$27,733,504 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 2.6129%.

For the year ended June 30, 2016, the City recognized pension expense of \$2,761,613. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 547,928	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	983,165	3,050,499
Changes in proportion and differences between City contributions and proportionate share of contributions	2,154,805	-
City contributions subsequent to the measurement date	954,134	-
Total	<u>\$ 4,640,032</u>	<u>\$ 3,050,499</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

The \$954,134 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 6.31 years and 6.37 years as of July 1, 2015 and 2014, respectively. The deferred inflows of resources relates to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$	(220,585)
2018		(220,585)
2019		(220,585)
2020		796,247
2021		449,219
Thereafter		132,017
	<u>\$</u>	<u>715,728</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.13%
Domestic equity	37%	8.02%
International equity	20%	9.49%
Real estate	10%	7.47%
Other assets	13%	6.25%

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	(6.5%)	Rate (7.5%)	(8.5%)
Employers' net pension liability	\$ 36,009,051	\$ 27,733,504	\$ 20,792,771

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at www.ok.gov/fprs.

OMRF Defined Contribution Plan:

The City has also provided a defined contribution plan and trust known as the City of Midwest City Plan and Trust (the "Plan") in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan an agent multiple employer defined contribution plan. OMRF operations are supervised by a nine-member Council of Trustees elected by the participating municipalities. The Plan is administered by JPMorgan Chase of Oklahoma City. The defined contribution plan is available to all full-time employees on a voluntary basis who are not participating in a state sponsored plan. According to City Ordinance, the employee and employer are required to contribute amounts equal to 0.0% and 14%, respectively, of the employee's salary each month. The employer's contributions for each employee are 50% vested after five years, with 10% vesting for each subsequent year thereafter. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited are allocated to the remaining fund participants based on percentage of contribution. The authority to establish and amend the provisions of the plan rests with the City Council. For the year ended June 30, 2016, the City contributed \$2,111,914 to the plan, while the employee contributions totaled \$2,177.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 525 Central Park Drive, Suite 320, Oklahoma City, Oklahoma, 73105, or by calling (405) 606-7880.

10. Postemployment Healthcare Plan

Plan Description. The City sponsors Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance that collectively operates as a substantive single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Midwest City Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City as assessed by the self-insurance fund. The plan does not issue separate financial statements.

Funding Policy. The contribution requirements of plan members and the City are established by the City Council. Annual health insurance premium amounts are established by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the actuarially expected City contribution in the form of net age adjustment was \$339,570 to the Plan. Plan members receiving benefits contributed \$980,725 of the total premiums, through their payment of the full determined premium in FY 2016.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2016:

Amortization of Actuarial Accrued Liability (AAL)	\$	1,293,611
Normal Cost		320,684
Interest on Net OPEB Obligation		384,164
Amortization of Net OPEB Obligation		(499,491)
Annual OPEB cost (expense)		1,498,968
Expected net benefits during the year		(339,570)
Increase in net OPEB obligation		1,159,398
Net OPEB obligation—beginning of year		8,370,342
Net OPEB obligation—end of year	\$	9,529,740

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 2,718,990	51%	\$ 8,087,659
6/30/15	\$ 1,498,968	81%	\$ 8,370,342
6/30/16	\$ 1,498,968	81%	\$ 9,529,740

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$20,823,987, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,823,987. The covered payroll (annual payroll of active employees covered by the plan) was \$30.3 million, and the ratio of the UAAL to the covered payroll was 68.77 percent. Because the plan is a substantive plan there are no plan assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.75 percent (1.75% real rate of return plus 3.00% inflation) investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5 percent in 2019. The UAAL is being amortized over 30 years based on a level dollar basis on an open basis. The remaining amortization period at July 1, 2014, was thirty years. As of the date of this valuation, there are no plan assets.

The city accounts for the retiree health benefits in an account of the General Fund. The Net OPEB Obligation is shared by the governmental activities and the proprietary funds based upon their percentage of current employees. The governmental activities and the proprietary funds record \$6,839,231 and \$2,690,509, respectively, of the Net OPEB Obligation. In the governmental activities the obligation is shared by the general government function \$2,320,820, the police function \$2,505,664, and the fire function \$1,684,135 and internal service allocation \$492,917.

11. Stewardship, Compliance, and Accountability

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2016, the city reported a deficit fund balance of \$62,340 in the Tax Increment Financing Fund. This deficit is due to transfers out at the end of the fiscal year.

12. Commitments and Contingencies

Construction Contracts Outstanding

The following construction contracts were outstanding at June 30, 2016:

15th & Douglas Intersection	\$ 588,617
Carl Albert Water Tower	387,570
CNG Fueling Station	558,600
	<u>\$ 1,534,787</u>

Litigation

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

Grant Programs

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

Hospital Lease

Midwest Regional Medical Center, now known as Alliance Health Midwest, is being operated by a private for-profit corporation under a lease agreement with the Midwest City Memorial Hospital Authority and the City of Midwest City. In January 2014, that corporation was acquired by a third party. Under the terms of the lease agreement, the Authority had to be provided a right of first refusal which provided an opportunity to terminate the lease under certain circumstances. As part of the right of first refusal process, the Authority paid a good faith deposit of \$4,193,251 but rescinded its exercise of its right of first refusal allowing the acquiring company to continue operating the hospital. The Authority believes that the deposit should now be refunded and has recorded the payment as a refundable deposit in its financial statements. The lessee is disputing this and the Authority has undertaken legal proceedings against the lessee. This matter was settled in late November and the Authority recovered the deposit and legal fees.

13. Future Accounting Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are described below:

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - GASB No. 74 was issued in June 2015, and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. At this time the impact to the city is unknown.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – GASB No., 75 was issued in June 2015, and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position, although it may be material.

GASB Statement No. 77, *Tax Abatement Disclosures* - GASB 77 was issued in August 2015, and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered

into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time the impact to the city is unknown.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* - GASB 78 was issued in December 2015, and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The statement does not affect the city's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* – GASB 79 was issued in December 2015, and addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. At this time, the impact to the city is unknown.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14* – GASB 80 was issued in January 2016, and amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. At this time, the impact to the city is unknown.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* – GASB 81 was issued in March 2016, to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. At this time, the impact to the city is unknown.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

GASB Statement No. 83, Certain Asset Retirement Obligations, issued December 2016, will be effective for the City beginning with its fiscal year ending June 30, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Budgetary Comparison Schedules – Year Ended June 30, 2016

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget
	\$	\$	\$	\$
Beginning Budgetary Fund Balance:	1,181,066	1,040,560	4,249,192	3,208,632
Resources (Inflows):				
Taxes	23,408,281	23,729,398	23,421,884	(307,514)
Charges for services	489,167	489,167	486,195	(2,972)
Fines and forfeitures	1,628,507	1,789,526	1,786,146	(3,380)
Licenses and permits	242,435	242,435	367,757	125,322
Investment income	125,154	125,154	113,994	(11,160)
Intergovernmental	439,424	439,424	467,579	28,155
Miscellaneous	211,501	211,501	366,138	154,637
Total Resources (Inflows)	<u>26,544,469</u>	<u>27,026,605</u>	<u>27,009,693</u>	<u>(16,912)</u>
Amounts available for appropriation	<u>27,725,535</u>	<u>28,067,165</u>	<u>31,258,885</u>	<u>3,191,720</u>
Charges to Appropriations (Outflows):				
City Manager	478,636	481,492	467,495	13,997
City Clerk	582,091	603,319	570,956	32,363
Personnel	382,636	382,965	362,859	20,106
City Attorney	102,684	102,684	97,952	4,732
Community Development	1,766,728	1,772,758	1,630,168	142,590
Park & Recreation	625,523	625,743	590,304	35,439
Finance	661,645	683,117	654,086	29,031
Animal Welfare	440,907	442,102	413,704	28,398
Streets	2,997,976	3,015,780	2,737,635	278,145
General Government	1,144,851	1,175,848	1,053,160	122,688
Neighborhood Services	1,149,770	1,151,957	1,099,975	51,982
Information Technology	470,480	485,352	416,391	68,961
Emergency Response	954,232	954,903	914,207	40,696
Swimming Pools	274,156	299,066	285,696	13,370
Total Charges to Appropriations	<u>12,032,315</u>	<u>12,177,086</u>	<u>11,294,588</u>	<u>882,498</u>
Other financing sources (uses)				
Transfers from other funds	10,875,063	10,875,063	10,785,943	(89,120)
Transfers to other funds	(25,811,673)	(26,117,721)	(26,051,802)	65,919
Total other financing sources (uses)	<u>(14,936,610)</u>	<u>(15,242,658)</u>	<u>(15,265,859)</u>	<u>(23,201)</u>
Ending Budgetary Fund Balance	<u>\$ 756,610</u>	<u>\$ 647,421</u>	<u>\$ 4,698,438</u>	<u>\$ 4,051,017</u>

See accompanying notes to this schedule.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

	POLICE FUND			
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 484,463	\$ 254,859	\$ 2,035,550	\$ 1,780,691
Resources (Inflows):				
Taxes	2,905,074	2,905,074	2,892,569	(12,505)
Charges for services	99,307	98,307	102,497	4,190
License and permits	-	-	2,600	2,600
Investment income	63,113	63,113	56,460	(6,653)
Fines and forfeitures	138,215	138,215	131,097	(7,118)
Miscellaneous	-	26,232	49,352	23,120
Total Resources (Inflows)	<u>3,205,709</u>	<u>3,230,941</u>	<u>3,234,575</u>	<u>3,634</u>
Amounts available for appropriation	<u>3,690,172</u>	<u>3,485,800</u>	<u>5,270,125</u>	<u>1,784,325</u>
Charges to Appropriations (Outflows):				
Public Safety	13,433,601	13,819,346	12,684,493	1,134,853
Total Charges to Appropriations	<u>13,433,601</u>	<u>13,819,346</u>	<u>12,684,493</u>	<u>1,134,853</u>
Other financing sources (uses)				
Transfers from other funds	9,585,243	9,723,634	9,746,074	22,440
Transfers to other funds	-	(34,443)	(34,443)	-
Total other financing sources (uses)	<u>9,585,243</u>	<u>9,689,191</u>	<u>9,711,631</u>	<u>22,440</u>
Ending Budgetary Fund Balance	<u>\$ (158,186)</u>	<u>\$ (644,355)</u>	<u>\$ 2,297,263</u>	<u>\$ 2,941,618</u>

	FIRE FUND			
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 665,200	\$ (76,206)	\$ 1,481,072	\$ 1,557,278
Resources (Inflows):				
Taxes	2,596,513	2,596,513	2,585,336	(11,177)
Charges for services	22,000	22,000	23,019	1,019
Investment income	47,915	47,915	37,704	(10,211)
Licenses and permits	11,151	11,151	9,990	(1,161)
Miscellaneous	103,197	106,247	44,728	(61,519)
Total Resources (Inflows)	<u>2,780,776</u>	<u>2,783,826</u>	<u>2,700,777</u>	<u>(83,049)</u>
Amounts available for appropriation	<u>3,445,976</u>	<u>2,707,620</u>	<u>4,181,849</u>	<u>1,474,229</u>
Charges to Appropriations (Outflows):				
Public Safety	10,616,922	10,984,126	10,092,393	891,733
Total Charges to Appropriations	<u>10,616,922</u>	<u>10,984,126</u>	<u>10,092,393</u>	<u>891,733</u>
Other financing sources (uses)				
Transfers from other funds	7,670,310	7,801,643	7,812,285	10,642
Transfers to other funds	(166,000)	(191,946)	(191,946)	-
Total other financing sources (uses)	<u>7,504,310</u>	<u>7,609,697</u>	<u>7,620,339</u>	<u>10,642</u>
Ending Budgetary Fund Balance	<u>\$ 333,364</u>	<u>\$ (666,809)</u>	<u>\$ 1,709,795</u>	<u>\$ 2,376,604</u>

Footnotes to Budgetary Comparison Schedule:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on the modified cash basis of accounting. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

unreserved budgetary fund balance. This presentation of unreserved fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.

2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation between departments and object categories require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

3. The Hospital Authority does not present and budget to actual comparison because it is a Title 60 Public Trust. Title 60 Trust are required to prepare a budget and submit to the beneficiary, but there are no requirements related to form, content or monitoring.

4. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedules below:

GENERAL FUND	Fund Balance June 30, 2015	Net Change in Fund Balance	Fund Balance June 30, 2016
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 7,407,256	\$ 406,712	\$ 7,813,968
Increases (Decreases):			
Revenues:			
Receivable	(3,170,688)	(742,732)	(3,913,420)
Change in fair value of investments	6,468	(13,188)	(6,720)
Expenditures:			
Payables	2,562,995	748,663	3,311,658
Encumbrances	(59,281)	(101,059)	(160,340)
Impact of combining accounts:			
Reimbursed Projects Account	(646,782)	(7,506)	(654,288)
Employee Activity Account	(15,875)	(1,839)	(17,714)
Activity Account	(303,015)	34,406	(268,609)
Animals Best Friend Account	(71,872)	(6,460)	(78,332)
Disaster Relief Account	(1,358,705)	30,940	(1,327,765)
Fund Balance - Budgetary Basis	\$ 4,350,501	\$ 347,937	\$ 4,698,438

POLICE FUND	Fund Balance June 30, 2015	Net Change in Fund Balance	Fund Balance June 30, 2016
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 3,370,406	\$ 256,651	\$ 3,627,057
Increases (Decreases):			
Revenues:			
Receivable	(1,613,026)	(299,922)	(1,912,948)
Change in fair value of investments	3,576	(6,622)	(3,046)
Expenditures:			
Payables	274,594	311,606	586,200
Fund Balance - Budgetary Basis	\$ 2,035,550	\$ 261,713	\$ 2,297,263

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

FIRE FUND	<u>Fund Balance June 30, 2015</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2016</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 728,060	\$ 494,373	\$ 1,222,433
Increases (Decreases):			
Revenues:			
Receivable	(1,200,664)	24,915	(1,175,749)
Change in fair value of investments	841	(3,180)	(2,339)
Expenditures:			
Payables	1,952,835	(287,385)	1,665,450
Fund Balance - Budgetary Basis	<u><u>\$ 1,481,072</u></u>	<u><u>\$ 228,723</u></u>	<u><u>\$ 1,709,795</u></u>

Required Supplementary Information – Pension

**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	2.392%	2.613%
City's proportionate share of the net pension liability	\$ 24,598,661	\$ 27,733,504
City's covered-employee payroll	\$ 6,734,825	\$ 7,151,904
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	365%	388%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous two fiscal years are presented because 10-year data is not yet available.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016**

**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	2.2929%	2.3249%
City's proportionate share of the net pension liability (asset)	\$ (772,001)	\$ 94,795
City's covered-employee payroll	\$6,171,257	\$ 6,571,604
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(12.51%)	-(1.44%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	99.82%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the two previous fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>
Statutorily required contribution	\$ 1,001,267	\$ 969,220
Contributions in relation to the statutorily required contribution	<u>1,064,424</u>	<u>969,270</u>
Contribution deficiency (excess)	<u>\$ (63,157)</u>	<u>\$ (50)</u>
City's covered-employee payroll	\$ 7,151,904	\$6,922,999
Contributions as a percentage of covered-employee payroll	14.88%	14.00%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only two previous fiscal years are presented because 10-year data is not yet available.

The City's contract with the union provides that member contributions will be 5% and employer contributions will be 18%.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
Statutorily required contribution	\$ 854,309	\$ 873,711
Contributions in relation to the statutorily required contribution	<u>1,021,780</u>	<u>873,705</u>
Contribution deficiency (excess)	<u>\$ (167,471)</u>	<u>\$ 6</u>
City's covered-employee payroll	\$ 6,571,604	\$ 6,720,857
Contributions as a percentage of covered-employee payroll	15.55%	13.00%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the two previous fiscal years are presented because 10-year data is not yet available.

The City's contract with the union provides that member contributions will be 3% and employer contributions will be 18%.

Required Supplementary Information – Other Post Employment Benefit (OPEB)

The funded status and funding progress of the City's defined benefit OPEB plan for the most recent actuarial valuations is as follows:

	<u>July 1, 2010</u>	<u>July 1, 2012</u>	<u>July 1, 2014</u>
Actuarial accrued liability - AAL (a)	\$ 29,797,397	\$ 32,591,119	\$ 20,823,987
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability - UAAL (funding excess) (a)-(b)	29,797,397	32,591,119	20,823,987
Funded ratio (b)/(a)	0%	0%	0%
Covered payroll (c)	\$ 25,016,000	\$ 28,628,580	\$ 30,280,298
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	119%	114%	69%

OTHER SUPPLEMENTARY INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Combining Balance Sheet – General Fund Accounts – June 30, 2016

	General Fund Accounts						Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	Disaster Relief Account	
ASSETS							
Cash and cash equivalents	\$ 795,158	\$ 145,513	\$ 17,714	\$ 48,579	\$ 74,490	\$ 217,071	\$ 1,298,525
Investments	2,853,268	662,165	-	219,698	-	1,104,479	4,839,610
Accounts receivable	977,979	26,750	-	-	9,673	164,907	1,179,309
Accrued interest receivable	7,536	-	-	-	-	2,917	10,453
Other receivable	13,747	-	-	1,430	-	-	15,177
Due from other governments	2,867,575	-	-	-	-	438	2,868,013
Due from other funds	41,968	-	-	-	-	-	41,968
Prepaid items	4,615	-	-	-	-	-	4,615
Advance from other funds	1,271,817	-	-	-	-	-	1,271,817
Total assets	<u>\$ 8,833,663</u>	<u>\$ 834,428</u>	<u>\$ 17,714</u>	<u>\$ 269,707</u>	<u>\$ 84,163</u>	<u>\$ 1,489,812</u>	<u>\$ 11,529,487</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 234,363	\$ 38,664	\$ -	\$ 459	\$ -	\$ 17,787	\$ 291,273
Wages payable	395,196	-	-	639	-	6,277	402,112
Due to other governments	8,550	-	-	-	-	-	8,550
Refundable deposits	78,055	-	-	-	-	-	78,055
Due to other funds	1,881,934	-	-	-	-	-	1,881,934
Advance to other funds	-	141,476	-	-	-	-	141,476
Total liabilities	<u>2,598,098</u>	<u>180,140</u>	<u>-</u>	<u>1,098</u>	<u>-</u>	<u>24,064</u>	<u>2,803,400</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	768,305	-	-	-	5,831	137,983	912,119
Fund balances:							
Nonspendable	1,276,432	-	-	-	-	-	1,276,432
Restricted	137,312	594,266	-	198,117	25,637	616,881	1,572,213
Assigned	1,067,502	60,022	17,714	70,492	52,695	710,884	1,979,309
Unassigned	2,986,014	-	-	-	-	-	2,986,014
Total fund balances	<u>5,467,260</u>	<u>654,288</u>	<u>17,714</u>	<u>268,609</u>	<u>78,332</u>	<u>1,327,765</u>	<u>7,813,968</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,833,663</u>	<u>\$ 834,428</u>	<u>\$ 17,714</u>	<u>\$ 269,707</u>	<u>\$ 84,163</u>	<u>\$ 1,489,812</u>	<u>\$ 11,529,487</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts – Year Ended June 30, 2016

General Fund Accounts							
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	Disaster Relief Account	Totals
REVENUES							
Taxes	\$ 23,308,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,308,700
Intergovernmental	467,541	414,078	-	-	-	-	881,619
Charges for services	2,051,689	80,213	-	77,238	-	64,464	2,273,604
Investment income	222,630	17,968	352	6,360	1,458	80,910	329,678
Fines & forfeitures	1,666,417	-	-	-	23,934	-	1,690,351
Licenses & permits	367,757	-	-	-	-	-	367,757
Miscellaneous	366,137	31,099	2,973	91,314	345	110,324	602,192
Total revenues	28,450,871	543,358	3,325	174,912	25,737	255,698	29,453,901
EXPENDITURES							
Current:							
General government	5,079,346	14,897	8,986	-	-	306,388	5,409,617
Public Safety	918,757	4,583	-	-	-	-	923,340
Streets	2,754,360	-	-	-	-	-	2,754,360
Culture and recreation	884,604	1,236	-	139,047	-	-	1,024,887
Health & welfare	408,916	-	-	-	4,648	-	413,564
Economic development	2,747,782	119,048	-	-	-	-	2,866,830
Capital outlay	9,370	384,259	-	70,164	14,629	-	478,422
Debt service:							
Interest and fiscal charges	-	8,238	-	-	-	-	8,238
Total expenditures	12,803,135	532,261	8,986	209,211	19,277	306,388	13,879,258
Revenues over (under) expenditures	15,647,736	11,097	(5,661)	(34,299)	6,460	(50,690)	15,574,643
OTHER FINANCING SOURCES (USES)							
Transfers in	10,783,733	-	-	-	-	19,750	10,803,483
Transfers out	(25,967,716)	(3,591)	-	(107)	-	-	(25,971,414)
Transfers in - interaccount	-	-	7,500	-	-	-	7,500
Transfers out - interaccount	(7,500)	-	-	-	-	-	(7,500)
Total other financing sources (uses)	(15,191,483)	(3,591)	7,500	(107)	-	19,750	(15,167,931)
Net change in fund balances	456,253	7,506	1,839	(34,406)	6,460	(30,940)	406,712
Fund balances - beginning of year	5,011,007	646,782	15,875	303,015	71,872	1,358,705	7,407,256
Fund balances - end of year	\$ 5,467,260	\$ 654,288	\$ 17,714	\$ 268,609	\$ 78,332	\$ 1,327,765	\$ 7,813,968

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2016

	Special Revenue Funds										
	Grant Fund	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund
ASSETS											
Cash and cash equivalents	\$ 215,462	\$ 73,081	\$ 99,008	\$ 118,337	\$ 85,151	\$ 62,888	\$ 163,033	\$ 293,771	\$ 177,016	\$ 16,457	\$ 34,669
Investments	-	-	450,542	538,498	387,486	286,175	-	1,494,733	-	-	157,764
Accrued interest receivable	-	-	-	-	-	-	-	3,948	-	-	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-
Other receivable	26,876	61,804	3,200	1,223	159,593	-	2,700	-	-	6,090	-
Due from other governments	56,893	-	61,186	42,921	-	17,565	-	48,364	-	-	32,788
Due from other funds	1,505	780	-	4,037	-	323	-	-	-	-	148
Inventory	60,000	-	-	-	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>360,736</u>	<u>135,665</u>	<u>613,936</u>	<u>705,016</u>	<u>632,230</u>	<u>366,951</u>	<u>165,733</u>	<u>1,840,816</u>	<u>177,016</u>	<u>22,547</u>	<u>225,369</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	18,072	-	18,108	-	11,317	1,037	-	334,678	1,608	90	3,055
Wages payable	19,600	7,195	3,040	16,487	9,160	6,812	-	-	-	-	8,641
Due to other funds	45,718	-	-	-	-	-	283	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>83,390</u>	<u>7,195</u>	<u>21,148</u>	<u>16,487</u>	<u>20,477</u>	<u>7,849</u>	<u>283</u>	<u>334,678</u>	<u>1,608</u>	<u>90</u>	<u>11,696</u>
Deferred inflows:											
Unavailable revenue	18,384	53,393	-	-	121,136	-	-	-	-	4,989	-
Fund balances:											
Nonspendable	60,000	-	-	-	-	-	-	-	-	-	-
Restricted	198,962	75,077	592,788	688,529	490,617	359,102	165,450	1,506,138	175,408	17,468	213,673
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>258,962</u>	<u>75,077</u>	<u>592,788</u>	<u>688,529</u>	<u>490,617</u>	<u>359,102</u>	<u>165,450</u>	<u>1,506,138</u>	<u>175,408</u>	<u>17,468</u>	<u>213,673</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 360,736</u>	<u>\$ 135,665</u>	<u>\$ 613,936</u>	<u>\$ 705,016</u>	<u>\$ 632,230</u>	<u>\$ 366,951</u>	<u>\$ 165,733</u>	<u>\$ 1,840,816</u>	<u>\$ 177,016</u>	<u>\$ 22,547</u>	<u>\$ 225,369</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2016

	Special Revenue Funds			Capital Project Funds					Debt Service Fund		Totals
	Urban Renewal Authority	General Government Sales Tax Fund	Tax Increment Financing Fund	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	G.O. Debt Services Fund	
ASSETS											
Cash and cash equivalents	\$ 62,623	\$ 319,352	\$ -	\$ 477,300	\$ 507,657	\$ 203,834	\$ -	\$ 363,234	\$ 161,011	\$ 225,570	\$ 3,659,454
Investments	-	1,624,893	-	2,428,546	2,583,004	1,037,127	-	1,848,169	732,689	1,147,720	14,717,346
Accrued interest receivable	-	4,292	-	6,415	6,823	2,739	-	4,882	-	3,032	32,131
Deposits held by others	-	-	-	687,300	300	-	-	5,000	-	-	692,600
Other receivable	-	-	-	429,972	-	-	-	-	-	-	691,458
Due from other governments	-	52,460	-	-	-	52,460	677,799	12,653	-	384,900	1,439,989
Due from other funds	-	47,772	-	-	-	-	-	773,890	-	-	828,455
Inventory	-	-	-	-	-	-	-	-	-	-	60,000
Advance from other funds	-	-	-	141,476	-	-	-	-	-	-	141,476
Total assets	62,623	2,048,769	-	4,171,009	3,097,784	1,296,160	677,799	3,007,828	893,700	1,761,222	22,262,909
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	-	112,638	-	29,229	309,852	-	-	71,367	-	-	911,051
Wages payable	-	-	-	2,688	-	-	-	-	-	-	73,623
Due to other funds	-	-	-	-	-	-	677,799	-	-	-	723,800
Advance to other funds	-	-	62,340	-	-	-	-	-	-	-	62,340
Total liabilities	-	112,638	62,340	31,917	309,852	-	677,799	71,367	-	-	1,770,814
Deferred inflows:											
Unavailable revenue	-	-	-	-	-	-	-	-	-	368,501	566,403
Fund balances:											
Nonspendable	-	-	-	687,300	300	-	-	5,000	-	-	752,600
Restricted	3,804	1,891,698	-	1,818,803	2,787,632	1,296,160	-	2,555,863	746,652	1,392,721	16,976,545
Assigned	58,819	44,433	-	1,632,989	-	-	-	375,598	147,048	-	2,258,887
Unassigned (deficit)	-	-	(62,340)	-	-	-	-	-	-	-	(62,340)
Total fund balances	62,623	1,936,131	(62,340)	4,139,092	2,787,932	1,296,160	-	2,936,461	893,700	1,392,721	19,925,692
Total liabilities, deferred inflows, and fund balances	\$ 62,623	\$ 2,048,769	\$ -	\$ 4,171,009	\$ 3,097,784	\$ 1,296,160	\$ 677,799	\$ 3,007,828	\$ 893,700	\$ 1,761,222	\$ 22,262,909

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2016

	Special Revenue Funds										
	Grant Fund	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund
REVENUES											
Taxes	\$ -	\$ -	\$ 518,439	\$ 352,140	\$ -	\$ 179,351	\$ -	\$ -	\$ -	\$ -	\$ 334,789
Intergovernmental	662,660	-	-	-	-	-	-	529,784	-	-	-
Charges for services	-	-	-	27,250	303,406	-	73,500	-	-	-	-
Investment income	205	1,618	11,267	16,669	10,859	7,603	3,308	104,032	3,570	449	3,900
Fines & forfeitures	-	103,409	-	-	26,913	-	-	-	15,730	9,149	-
Licenses & permits	-	-	-	-	24,800	-	-	-	-	-	-
Miscellaneous	18,864	-	41,534	-	83	24,986	-	-	6,067	-	-
Total revenues	<u>681,729</u>	<u>105,027</u>	<u>571,240</u>	<u>396,059</u>	<u>366,061</u>	<u>211,940</u>	<u>76,808</u>	<u>633,816</u>	<u>25,367</u>	<u>9,598</u>	<u>338,689</u>
EXPENDITURES											
Current:											
General government	-	-	-	-	446,334	-	-	-	-	-	-
Public safety	163,918	162,238	-	365,171	-	-	1,837	-	20,136	10,784	-
Streets	-	-	-	-	-	-	-	58,500	-	-	-
Culture and recreation	-	-	307,481	-	-	170,199	-	-	-	-	-
Economic development	583,733	-	-	-	-	-	-	-	-	-	287,294
Capital outlay	32,304	-	80,254	86,078	-	17,469	22,365	855,845	9,760	3,507	1,029
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>779,955</u>	<u>162,238</u>	<u>387,735</u>	<u>451,249</u>	<u>446,334</u>	<u>187,668</u>	<u>24,202</u>	<u>914,345</u>	<u>29,896</u>	<u>14,291</u>	<u>288,323</u>
Revenues over (under) expenditures	<u>(98,226)</u>	<u>(57,211)</u>	<u>183,505</u>	<u>(55,190)</u>	<u>(80,273)</u>	<u>24,272</u>	<u>52,606</u>	<u>(280,529)</u>	<u>(4,529)</u>	<u>(4,693)</u>	<u>50,366</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	148,808	25,000	-	18,750	45,673	-	-	60,708	-	-	-
Transfers out	(137,665)	(429)	(647)	(46,209)	(601)	(589)	(1,682)	-	-	-	(428)
Total other financing sources (uses)	<u>11,143</u>	<u>24,571</u>	<u>(647)</u>	<u>(27,459)</u>	<u>45,072</u>	<u>(589)</u>	<u>(1,682)</u>	<u>60,708</u>	<u>-</u>	<u>-</u>	<u>(428)</u>
Net change in fund balances	(87,083)	(32,640)	182,858	(82,649)	(35,201)	23,683	50,924	(219,821)	(4,529)	(4,693)	49,938
Fund balances - beginning of year	346,045	107,717	409,930	771,178	525,818	335,419	114,526	1,725,959	179,937	22,161	163,735
Fund balances - end of year	<u>\$ 258,962</u>	<u>\$ 75,077</u>	<u>\$ 592,788</u>	<u>\$ 688,529</u>	<u>\$ 490,617</u>	<u>\$ 359,102</u>	<u>\$ 165,450</u>	<u>\$ 1,506,138</u>	<u>\$ 175,408</u>	<u>\$ 17,468</u>	<u>\$ 213,673</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2016

	Special Revenue Funds			Capital Project Funds					Debt Service Fund		Totals
	Urban Renewal Authority	General Government Sales Tax Fund	Tax Increment Financing Fund	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	G.O. Debt Services Fund	
REVENUES											
Taxes	\$ -	\$ 430,394	\$ 1,166,123	\$ -	\$ -	\$ 430,394	\$ 5,558,011	\$ 106,669	\$ -	\$ 1,511,910	\$ 10,588,220
Intergovernmental	-	-	-	-	-	-	-	-	-	8,013	1,200,457
Charges for services	-	-	-	1,455,775	-	-	-	-	-	-	1,859,931
Investment income	687	118,450	1,072	154,705	188,554	67,342	2,628	130,086	19,913	83,896	930,813
Fines & forfeitures	-	-	-	-	-	-	-	-	-	-	155,201
Licenses & permits	-	-	-	-	-	-	-	162,795	-	-	187,595
Miscellaneous	-	28,600	-	1,857	141,648	-	-	-	-	33	263,672
Total revenues	687	577,444	1,167,195	1,612,337	330,202	497,736	5,560,639	399,550	19,913	1,603,852	15,185,889
EXPENDITURES											
Current:											
General government	-	114,296	174	-	-	-	-	-	-	-	560,804
Public safety	-	-	-	-	-	-	-	-	-	-	724,084
Streets	-	-	-	-	23,402	12,041	-	-	-	-	93,943
Culture and recreation	-	-	-	-	-	-	-	-	-	-	477,680
Economic development	6,868	-	-	170,130	-	-	-	-	-	-	1,048,025
Capital outlay	-	746,994	-	330,146	769,723	213,847	-	391,698	-	-	3,561,019
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	1,400,000	1,400,000
Interest and fiscal charges	-	-	48,222	-	-	-	-	-	-	143,669	191,891
Total expenditures	6,868	861,290	48,396	500,276	793,125	225,888	-	391,698	-	1,543,669	8,057,446
Revenues over (under) expenditures	(6,181)	(283,846)	1,118,799	1,112,061	(462,923)	271,848	5,560,639	7,852	19,913	60,183	7,128,443
OTHER FINANCING SOURCES (USES)											
Transfers in	65,000	133,290	-	-	-	-	-	657,415	-	-	1,154,644
Transfers out	-	-	-	(501,017)	-	-	(6,252,669)	(180,000)	-	(32,442)	(7,154,378)
Total other financing sources (uses)	65,000	133,290	-	(501,017)	-	-	(6,252,669)	477,415	-	(32,442)	(5,999,734)
Net change in fund balances	58,819	(150,556)	1,118,799	611,044	(462,923)	271,848	(692,030)	485,267	19,913	27,741	1,128,709
Fund balances - beginning of year	3,804	2,086,687	(1,181,139)	3,528,048	3,250,855	1,024,312	692,030	2,451,194	873,787	1,364,980	18,796,983
Fund balances - end of year	\$ 62,623	\$ 1,936,131	\$ (62,340)	\$ 4,139,092	\$ 2,787,932	\$ 1,296,160	\$ -	\$ 2,936,461	\$ 893,700	\$ 1,392,721	\$ 19,925,692

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2016

	Midwest City Municipal Authority						Total
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ -	\$ 2,443,647
Cash and cash equivalents, restricted	-	-	-	-	-	2,652,850	2,652,850
Investments	1,172,520	6,334,566	1,555,372	888,874	475,178	-	10,426,510
Accounts receivable, net	986,800	1,094,080	805,536	184,875	62,913	-	3,134,204
Other receivable	-	-	-	82,954	-	-	82,954
Accrued interest receivable	-	12,824	4,108	2,348	-	-	19,280
Inventory	150,560	95,908	-	-	-	-	246,468
Due from other funds	27,271	993	50,744	12,203	-	643,909	735,120
Total current assets	<u>2,594,815</u>	<u>8,934,481</u>	<u>2,721,449</u>	<u>1,551,016</u>	<u>642,513</u>	<u>3,296,759</u>	<u>19,741,033</u>
Non-current assets:							
Due from other funds	1,330,785	62,340	-	-	-	-	1,393,125
Land, construction in progress, and water rights	6,632,098	1,114,420	712,036	5,444	1,250	-	8,465,248
Other capital assets, net	17,260,543	80,907,336	3,732,921	22,184,367	13,968,027	-	138,053,194
Total non-current assets	<u>25,223,426</u>	<u>82,084,096</u>	<u>4,444,957</u>	<u>22,189,811</u>	<u>13,969,277</u>	<u>-</u>	<u>147,911,567</u>
Total assets	<u>27,818,241</u>	<u>91,018,577</u>	<u>7,166,406</u>	<u>23,740,827</u>	<u>14,611,790</u>	<u>3,296,759</u>	<u>167,652,600</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refunding	-	-	-	-	-	927,989	927,989
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	513,884	3,066,739	210,671	299,201	35	-	4,090,530
Wages payable	98,874	131,986	38,490	69,313	10,368	-	349,031
Due to other funds	1,384	-	-	740,000	-	-	741,384
Accrued interest payable	-	-	-	-	-	777,621	777,621
Accrued compensated absences	124,957	146,690	34,561	35,511	12,661	-	354,380
Refundable deposits	-	-	-	48,208	-	-	48,208
Notes payable	216,090	-	-	-	-	-	216,090
Revenue bonds payable	-	-	-	-	-	4,185,000	4,185,000
Total current liabilities	<u>955,189</u>	<u>3,345,415</u>	<u>283,722</u>	<u>1,192,233</u>	<u>23,064</u>	<u>4,962,621</u>	<u>10,762,244</u>
Non-current liabilities:							
Accrued compensated absences	249,914	293,380	69,121	7,101	25,322	-	644,838
Net OPEB obligation	636,685	1,026,912	328,612	-	82,153	-	2,074,362
Notes payable	-	-	-	-	-	-	-
Revenue bonds payable, net	-	-	-	-	-	56,028,024	56,028,024
Total non-current liabilities	<u>886,599</u>	<u>1,320,292</u>	<u>397,733</u>	<u>7,101</u>	<u>107,475</u>	<u>56,028,024</u>	<u>58,747,224</u>
Total liabilities	<u>1,841,788</u>	<u>4,665,707</u>	<u>681,455</u>	<u>1,199,334</u>	<u>130,539</u>	<u>60,990,645</u>	<u>69,509,468</u>
NET POSITION							
Net investment in capital assets	23,676,551	82,021,756	4,444,957	22,189,811	13,969,277	(59,285,035)	87,017,317
Restricted for debt service	-	-	-	-	-	1,871,171	1,871,171
Unrestricted (deficit)	2,299,902	4,331,114	2,039,994	351,682	511,974	647,967	10,182,633
Total net position	<u>\$ 25,976,453</u>	<u>\$ 86,352,870</u>	<u>\$ 6,484,951</u>	<u>\$ 22,541,493</u>	<u>\$ 14,481,251</u>	<u>\$ (56,765,897)</u>	<u>\$ 99,071,121</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2016

	Midwest City Municipal Authority						Total
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	
OPERATING REVENUES							
Charges for services	\$ 6,443,139	\$ 7,810,908	\$ 5,737,874	\$ 5,363,322	\$ 447,488	\$ -	\$ 25,802,731
Fees, licenses and permits	12,000	20,050	-	-	-	-	32,050
Miscellaneous	5,612	98	18,135	-	733	-	24,578
Total operating revenues	6,460,751	7,831,056	5,756,009	5,363,322	448,221	-	25,859,359
OPERATING EXPENSES							
Personal services	2,377,828	3,614,324	1,200,000	2,379,854	295,370	-	9,867,376
Materials and supplies	884,601	514,307	797,341	1,258,346	68,070	-	3,522,665
Other services and charges	1,514,545	2,520,393	1,989,102	1,597,715	38,659	-	7,660,414
Depreciation and amortization	636,540	2,640,864	439,116	939,947	269,001	-	4,925,468
Total operating expenses	5,413,514	9,289,888	4,425,559	6,175,862	671,100	-	25,975,923
Operating income (loss)	1,047,237	(1,458,832)	1,330,450	(812,540)	(222,879)	-	(116,564)
NON-OPERATING REVENUES (EXPENSES)							
Investment income	111,443	432,980	118,103	43,716	12,927	5,214	724,383
Interest expense and fiscal charges	(11,739)	-	-	-	-	(1,233,052)	(1,244,791)
Gain (loss) on asset retirement	560	981	1,956	(2,114)	-	-	1,383
Total non-operating revenue (expenses)	100,264	433,961	120,059	41,602	12,927	(1,227,838)	(519,025)
Income (loss) before contributions and transfers	1,147,501	(1,024,871)	1,450,509	(770,938)	(209,952)	(1,227,838)	(635,589)
Transfers in	250,073	733,174	-	-	215,746	15,455,312	16,654,305
Transfers out	(816,060)	(2,173,629)	(1,511,820)	(360,000)	(804)	(9,261,684)	(14,123,997)
Change in net position	581,514	(2,465,326)	(61,311)	(1,130,938)	4,990	4,965,790	1,894,719
Total net position - beginning	25,394,939	88,818,196	6,546,262	23,672,431	14,476,261	(61,731,687)	97,176,402
Total net position - ending	\$ 25,976,453	\$ 86,352,870	\$ 6,484,951	\$ 22,541,493	\$ 14,481,251	\$ (56,765,897)	\$ 99,071,121

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2016

	Midwest City Municipal Authority						Total
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 6,593,454	\$ 7,816,542	\$ 5,693,302	\$ 5,424,029	\$ 447,382	\$ -	\$ 25,974,709
Payments to suppliers	(2,247,685)	(2,582,126)	(2,784,274)	(2,871,317)	(128,868)	-	(10,614,270)
Payments to employees	(2,298,279)	(3,243,514)	(1,171,683)	(2,366,782)	(262,185)	-	(9,342,443)
Receipts (payments) from interfund loans	(13,966)	(939)	(1,899)	326,574	-	(643,909)	(334,139)
Net cash provided by (used in) operating activities	2,033,524	1,989,963	1,735,446	512,504	56,329	(643,909)	5,683,857
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	250,073	733,174	-	-	215,746	15,455,312	16,654,305
Transfers to other funds	(816,060)	(2,173,629)	(1,511,820)	(360,000)	(804)	(9,261,684)	(14,123,997)
Net cash provided by (used in) noncapital financing activities	(565,987)	(1,440,455)	(1,511,820)	(360,000)	214,942	6,193,628	2,530,308
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	(1,375,308)	(2,160,669)	(399,451)	(357,636)	(295,185)	-	(4,588,249)
Principal paid on capital debt	(212,039)	-	-	-	-	(4,055,000)	(4,267,039)
Payments of interfund loan for capital purchases	(1,330,785)	1,118,799	-	-	-	-	(211,986)
Interest and fiscal charges paid on capital debt	(11,739)	-	-	-	-	(1,489,935)	(1,501,674)
Proceeds from sale of capital assets	560	981	-	3,425	-	-	4,966
Net cash provided by (used in) capital and related financing activities	(2,929,311)	(1,040,889)	(399,451)	(354,211)	(295,185)	(5,544,935)	(10,563,982)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (purchase) of investments	1,099,360	(40,832)	4,893	100,010	13,638	-	1,177,069
Interest and dividends	111,272	408,091	110,129	39,146	12,927	5,322	686,887
Net cash provided by (used in) investing activities	1,210,632	367,259	115,022	139,156	26,565	5,322	1,863,956
Net increase (decrease) in cash and cash equivalents	(251,142)	(124,122)	(60,803)	(62,551)	2,651	10,106	(485,861)
Balances - beginning of year	508,806	1,520,232	366,492	442,313	101,771	2,642,744	5,582,358
Balances - end of year	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ 2,652,850	\$ 5,096,497
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ -	\$ 2,443,647
Restricted cash and cash equivalents	-	-	-	-	-	2,652,850	2,652,850
Total cash and cash equivalents	\$ 257,664	\$ 1,396,110	\$ 305,689	\$ 379,762	\$ 104,422	\$ 2,652,850	\$ 5,096,497
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,047,237	\$ (1,458,832)	\$ 1,330,450	\$ (812,540)	\$ (222,879)	\$ -	\$ (116,564)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	636,540	2,640,864	439,116	939,947	269,001	-	4,925,468
Loss on impairment of capital asset	-	826,576	-	-	-	-	826,576
Change in assets and liabilities:							
Receivables, net	(99,385)	(14,514)	(62,707)	47,381	(839)	-	(130,064)
Other receivable	232,088	-	-	6,876	-	-	238,964
Due from other funds	(14,152)	(939)	(1,899)	(3,426)	-	(643,909)	(664,325)
Inventory	(14,380)	978	-	-	-	-	(13,402)
Accounts payable	165,841	(374,980)	2,169	(15,256)	(22,139)	-	(244,365)
Due to other funds	186	-	-	330,000	-	-	330,186
Due to employees	9,491	24,946	2,657	15,354	2,513	-	54,961
Refundable deposits	-	-	-	6,450	-	-	6,450
Unfunded OPEB obligation	48,002	254,265	34,270	-	26,964	-	363,501
Accrued compensated absences	22,056	91,599	(8,610)	(2,282)	3,708	-	106,471
Net cash provided by (used in) operating activities	\$ 2,033,524	\$ 1,989,963	\$ 1,735,446	\$ 512,504	\$ 56,329	\$ (643,909)	\$ 5,683,857

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Net Position - Nonmajor Enterprise Funds – June 30, 2016

	<u>Utilities Authority</u>	<u>Utility Services</u>	<u>Utilities Capital Fund</u>	<u>Customer Deposit Fund</u>	<u>Golf Courses Fund</u>	<u>29th & Douglas Fund</u>	<u>Total</u>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 177,472	\$ 56,204	\$ 154,888	\$ -	\$ 30,456	\$ -	\$ 419,020
Cash and cash equivalents, restricted	-	-	-	234,475	-	-	234,475
Investments	807,595	255,758	704,827	-	128,924	-	1,897,104
Receivables:							
Other receivable	-	-	-	-	3,349	-	3,349
Interest	-	-	-	3,150	-	-	3,150
Due from other funds	-	58,958	846,845	1,384	546	-	907,733
Accounts receivable, net	-	68,407	-	1,399	-	-	69,806
Inventories	-	-	-	-	3,121	-	3,121
Total current assets	<u>985,067</u>	<u>439,327</u>	<u>1,706,560</u>	<u>240,408</u>	<u>166,396</u>	<u>-</u>	<u>3,537,758</u>
Non-current assets:							
Investments, restricted	-	-	-	1,193,028	-	-	1,193,028
Land, construction in progress, and water rights	415,063	1,936	74,129	-	232,057	5,500,000	6,223,185
Other capital assets, net	2,808,142	20,734	6,166,143	-	1,477,964	-	10,472,983
Total non-current assets	<u>3,223,205</u>	<u>22,670</u>	<u>6,240,272</u>	<u>1,193,028</u>	<u>1,710,021</u>	<u>5,500,000</u>	<u>17,889,196</u>
Total assets	<u>4,208,272</u>	<u>461,997</u>	<u>7,946,832</u>	<u>1,433,436</u>	<u>1,876,417</u>	<u>5,500,000</u>	<u>21,426,954</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	39,123	16,736	135,763	-	10,471	-	202,093
Wages payable	-	34,065	-	-	35,755	-	69,820
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	-	-	58,958	13,592	-	-	72,550
Accrued compensated absences	-	29,449	-	-	45,889	-	75,338
Refundable deposits	-	-	-	143,230	-	-	143,230
Total current liabilities	<u>39,123</u>	<u>80,250</u>	<u>194,721</u>	<u>156,822</u>	<u>92,115</u>	<u>-</u>	<u>563,031</u>
Non-current liabilities:							
Accrued compensated absences	-	58,898	-	-	91,779	-	150,677
Net OPEB Obligation	-	287,535	-	-	164,306	-	451,841
Refundable deposits	-	-	-	1,276,614	-	-	1,276,614
Advance to other funds	-	-	1,330,785	-	-	181,059	1,511,844
Total non-current liabilities	<u>-</u>	<u>346,433</u>	<u>1,330,785</u>	<u>1,276,614</u>	<u>256,085</u>	<u>181,059</u>	<u>3,390,976</u>
Total liabilities	<u>39,123</u>	<u>426,683</u>	<u>1,525,506</u>	<u>1,433,436</u>	<u>348,200</u>	<u>181,059</u>	<u>3,954,007</u>
NET POSITION							
Net investment in capital assets	3,223,205	22,670	6,240,272	-	1,710,021	5,500,000	16,696,168
Restricted for other purposes	216,134	48,038	-	-	50,251	-	314,423
Unrestricted (deficit)	729,810	(35,394)	181,054	-	(232,055)	(181,059)	462,356
Total net position	<u>\$ 4,169,149</u>	<u>\$ 35,314</u>	<u>\$ 6,421,326</u>	<u>\$ -</u>	<u>\$ 1,528,217</u>	<u>\$ 5,318,941</u>	<u>\$ 17,472,947</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds – Year Ended June 30, 2016

	<u>Utilities Authority</u>	<u>Utility Services</u>	<u>Utilities Capital Fund</u>	<u>Customer Deposit Fund</u>	<u>Golf Courses Fund</u>	<u>29th & Douglas Fund</u>	<u>Total</u>
OPERATING REVENUES							
Charges for services	\$ -	\$ 1,036,016	\$ -	\$ -	\$ 1,114,869	\$ 100	\$ 2,150,985
Total operating revenues	<u>-</u>	<u>1,036,016</u>	<u>-</u>	<u>-</u>	<u>1,114,869</u>	<u>100</u>	<u>2,150,985</u>
OPERATING EXPENSES							
Personal services	-	854,775	-	-	781,714	-	1,636,489
Materials and supplies	-	30,284	3,675	-	183,027	-	216,986
Other services and charges	-	167,554	-	-	115,546	27,279	310,379
Depreciation and amortization	23,988	4,424	384,649	-	101,872	-	514,933
Total operating expenses	<u>23,988</u>	<u>1,057,037</u>	<u>388,324</u>	<u>-</u>	<u>1,182,159</u>	<u>27,279</u>	<u>2,678,787</u>
Operating income (loss)	<u>(23,988)</u>	<u>(21,021)</u>	<u>(388,324)</u>	<u>-</u>	<u>(67,290)</u>	<u>(27,179)</u>	<u>(527,802)</u>
NON-OPERATING REVENUES (EXPENSES)							
Investment income	57,408	6,420	16,065	82,076	3,490	-	165,459
Other non-operating revenue	-	79,530	71,639	-	-	-	151,169
Gain (loss) on sales of capital assets	-	-	-	-	4,645	-	4,645
Interest expense and fiscal charges	-	-	(29,964)	-	-	-	(29,964)
Total non-operating revenue (expenses)	<u>57,408</u>	<u>85,950</u>	<u>57,740</u>	<u>82,076</u>	<u>8,135</u>	<u>-</u>	<u>291,309</u>
Income (loss) before contributions and transfers	<u>33,420</u>	<u>64,929</u>	<u>(330,584)</u>	<u>82,076</u>	<u>(59,155)</u>	<u>(27,179)</u>	<u>(236,493)</u>
Capital contributions	-	-	-	-	3,591	-	3,591
Transfers in	522,309	-	874,867	-	-	135,894	1,533,070
Transfers out	<u>-</u>	<u>(100,789)</u>	<u>-</u>	<u>(44,841)</u>	<u>(4,019)</u>	<u>-</u>	<u>(149,649)</u>
Change in net position	555,729	(35,860)	544,283	37,235	(59,583)	108,715	1,150,519
Total net position - beginning	3,613,420	71,174	5,877,043	(37,235)	1,587,800	5,210,226	16,322,428
Total net position - ending	<u>\$ 4,169,149</u>	<u>\$ 35,314</u>	<u>\$ 6,421,326</u>	<u>\$ -</u>	<u>\$ 1,528,217</u>	<u>\$ 5,318,941</u>	<u>\$ 17,472,947</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Cash Flows - Nonmajor Enterprise Funds – June 30, 2016

	<u>Utilities Authority</u>	<u>Utility Services</u>	<u>Utilities Capital Fund</u>	<u>Customer Deposit Fund</u>	<u>Golf Courses Fund</u>	<u>29th & Douglas Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ -	\$ 1,114,327	\$ 71,639	\$ 741	\$ 1,115,479	\$ 100	\$ 2,302,286
Payments to suppliers	(44,935)	(197,738)	(492,836)	-	(301,467)	(27,279)	(1,064,255)
Payments to employees	-	(764,961)	-	-	(704,949)	-	(1,469,910)
Payments of interfund loan	-	-	(846,845)	13,391	9,577	-	(823,877)
Receipt of customer deposits	-	-	-	520,622	-	-	520,622
Return of customer deposits	-	-	-	(492,830)	-	-	(492,830)
Net cash provided by (used in) operating activities	(44,935)	151,628	(1,268,042)	41,924	118,640	(27,179)	(1,027,964)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	522,309	-	874,867	-	-	135,894	1,533,070
Transfers to other funds	-	(100,789)	-	(44,841)	(4,019)	-	(149,649)
Net cash provided by (used in) noncapital financing activities	522,309	(100,789)	874,867	(44,841)	(4,019)	135,894	1,383,421
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	(709,373)	(2,966)	(63,996)	-	(49,749)	-	(826,084)
Proceeds from interfund loan for capital purchases	-	-	1,398,797	-	-	-	1,398,797
Payments of interfund loan for capital purchases	-	-	(68,012)	-	-	(108,715)	(176,727)
Interest and fiscal charges paid on capital debt	-	-	(29,964)	-	-	-	(29,964)
Proceeds from sale of capital assets	-	-	-	-	4,645	-	4,645
Net cash provided by (used in) capital and related financing activities	(709,373)	(2,966)	1,236,825	-	(45,104)	(108,715)	370,667
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (purchase) of investments	131,162	(42,491)	(704,827)	(98,978)	(128,924)	-	(844,058)
Interest and dividends	57,285	6,420	16,065	78,783	3,490	-	162,043
Net cash provided by (used in) investing activities	188,447	(36,071)	(688,762)	(20,195)	(125,434)	-	(682,015)
Net increase (decrease) in cash and cash equivalents	(43,552)	11,802	154,888	(23,112)	(55,917)	-	44,109
Balances - beginning of year	221,024	44,402	-	257,587	86,373	-	609,386
Balances - end of year	\$ 177,472	\$ 56,204	\$ 154,888	\$ 234,475	\$ 30,456	\$ -	\$ 653,495
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 177,472	\$ 56,204	\$ 154,888	\$ -	\$ 30,456	\$ -	\$ 419,020
Restricted cash and cash equivalents	-	-	-	234,475	-	-	234,475
Total cash and cash equivalents	\$ 177,472	\$ 56,204	\$ 154,888	\$ 234,475	\$ 30,456	\$ -	\$ 653,495
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (23,988)	\$ (21,021)	\$ (388,324)	\$ -	\$ (67,290)	\$ (27,179)	\$ (527,802)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	23,988	4,424	384,649	-	101,872	-	514,933
Other non operating revenue	-	79,530	71,639	-	-	-	151,169
Change in assets and liabilities:							
Receivables, net	-	(1,219)	-	741	610	-	132
Due from other funds	-	-	(846,845)	(201)	9,577	-	(837,469)
Accounts payable	(44,935)	100	(489,161)	-	(2,476)	-	(536,472)
Inventory	-	-	-	-	(418)	-	(418)
Due to other funds	-	-	-	13,592	-	-	13,592
Due to employees	-	1,784	-	-	4,695	-	6,479
Refundable deposits	-	-	-	27,792	-	-	27,792
Accrued compensated absences	-	2,855	-	-	18,142	-	20,997
Net OPEB obligation	-	85,175	-	-	53,928	-	139,103
Net cash provided by (used in) operating activities	\$ (44,935)	\$ 151,628	\$ (1,268,042)	\$ 41,924	\$ 118,640	\$ (27,179)	\$ (1,027,964)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Net Position– Internal Service Funds – June 30, 2016

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Totals
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Investments	232,775	-	244,548	2,742,047	1,490,251	4,709,621
Receivables:						
Accounts receivable	-	-	767	51,833	31,566	84,166
Accrued interest receivable	-	-	-	7,243	3,936	11,179
Due from other funds	-	599	-	-	-	599
Inventories	-	53,639	-	-	-	53,639
Total current assets	<u>283,928</u>	<u>211,769</u>	<u>306,477</u>	<u>3,340,038</u>	<u>1,598,992</u>	<u>5,741,204</u>
Non-current assets:						
Capital Assets:						
Non-depreciable	-	1,141	-	-	-	1,141
Depreciable, net of accumulated depreciation	154,784	870,103	92,249	-	-	1,117,136
Total non-current assets	<u>154,784</u>	<u>871,244</u>	<u>92,249</u>	<u>-</u>	<u>-</u>	<u>1,118,277</u>
Total assets	<u>438,712</u>	<u>1,083,013</u>	<u>398,726</u>	<u>3,340,038</u>	<u>1,598,992</u>	<u>6,859,481</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	3,258	100,689	917	27,346	197,741	329,951
Claims liability	-	-	-	552,000	549,088	1,101,088
Wages payable	34,674	32,341	946	6,787	1,586	76,334
Due to other funds	-	-	236,923	-	-	236,923
Accrued compensated absences	49,693	34,394	522	10,681	731	96,021
Total current liabilities	<u>87,625</u>	<u>167,424</u>	<u>239,308</u>	<u>596,814</u>	<u>749,146</u>	<u>1,840,317</u>
Non-current liabilities:						
Accrued compensated absences	99,385	68,789	1,045	21,361	1,461	192,041
Net OPEB obligation	164,306	266,997	20,538	20,538	20,538	492,917
Claims liability	-	-	-	1,252,000	-	1,252,000
Total non-current liabilities	<u>263,691</u>	<u>335,786</u>	<u>21,583</u>	<u>1,293,899</u>	<u>21,999</u>	<u>1,936,958</u>
Total liabilities	<u>351,316</u>	<u>503,210</u>	<u>260,891</u>	<u>1,890,713</u>	<u>771,145</u>	<u>3,777,275</u>
NET POSITION						
Net investment in capital assets	154,784	871,244	92,249	-	-	1,118,277
Unrestricted (deficit)	(67,388)	(291,441)	45,586	1,449,325	827,847	1,963,929
Total net position	<u>\$ 87,396</u>	<u>\$ 579,803</u>	<u>\$ 137,835</u>	<u>\$ 1,449,325</u>	<u>\$ 827,847</u>	<u>\$ 3,082,206</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2016

	<u>Public Works Administration</u>	<u>Fleet Services Fund</u>	<u>Surplus Property Fund</u>	<u>Risk Management Fund</u>	<u>L & H Benefits Fund</u>	<u>Totals</u>
OPERATING REVENUES						
Charges for services	\$ 912,824	\$ 2,179,638	\$ 44,070	\$ 1,931,986	\$ 5,272,997	\$ 10,341,515
Miscellaneous	-	524	274	3,109	72,711	76,618
Total operating revenues	<u>912,824</u>	<u>2,180,162</u>	<u>44,344</u>	<u>1,935,095</u>	<u>5,345,708</u>	<u>10,418,133</u>
OPERATING EXPENSES						
Personal services	934,923	1,047,211	49,596	180,648	53,218	2,265,596
Materials and supplies	7,251	1,354,772	398	31,303	-	1,393,724
Other services and charges	96,915	79,173	10,302	4,123,649	16,520	4,326,559
Insurance claims and expenses	-	-	-	(2,205,000)	5,748,711	3,543,711
Depreciation and amortization	33,328	63,789	4,353	-	-	101,470
Total operating expenses	<u>1,072,417</u>	<u>2,544,945</u>	<u>64,649</u>	<u>2,130,600</u>	<u>5,818,449</u>	<u>11,631,060</u>
Operating income (loss)	<u>(159,593)</u>	<u>(364,783)</u>	<u>(20,305)</u>	<u>(195,505)</u>	<u>(472,741)</u>	<u>(1,212,927)</u>
NON-OPERATING REVENUES						
Investment income	5,936	1,846	6,622	201,224	107,543	323,171
Gain (loss) on capital asset disposal	-	-	-	-	-	-
Total non-operating revenue	<u>5,936</u>	<u>1,846</u>	<u>6,622</u>	<u>201,224</u>	<u>107,543</u>	<u>323,171</u>
Change in net position	(155,405)	(365,530)	(13,790)	5,430	(365,359)	(894,654)
Total net position - beginning, restated	242,801	945,333	151,625	1,443,895	1,193,206	3,976,860
Total net position - ending	<u>\$ 87,396</u>	<u>\$ 579,803</u>	<u>\$ 137,835</u>	<u>\$ 1,449,325</u>	<u>\$ 827,847</u>	<u>\$ 3,082,206</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2016

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 912,824	\$ 2,180,162	\$ 45,790	\$ 1,883,384	\$ 5,348,194	\$ 10,370,354
Payments to suppliers	(107,614)	(1,366,505)	(10,097)	(4,153,140)	(16,520)	(5,653,876)
Payments to employees	(734,369)	(760,596)	(29,101)	(163,093)	(32,418)	(1,719,577)
Claims and benefits paid	-	-	-	1,804,000	(5,611,391)	(3,807,391)
Payment from (to) other funds	-	(524)	12,996	-	-	12,472
Net cash provided by (used in) operating activities	70,841	52,537	19,588	(628,849)	(312,135)	(798,018)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating transfers out	(1,748)	(2,593)	(107)	(289)	(161)	(4,898)
Net cash provided by (used in) noncapital financing activities	(1,748)	(2,593)	(107)	(289)	(161)	(4,898)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets purchased	(7,329)	(14,597)	-	-	-	(21,926)
Net cash provided by (used in) capital and related financing activities	(7,329)	(14,597)	-	-	-	(21,926)
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale (purchase) of investments	(53,808)	-	(17,315)	272,651	21,058	222,586
Interest and dividends	5,936	1,846	6,622	187,131	107,957	309,492
Net cash provided by (used in) investing activities	(47,872)	1,846	(10,693)	459,782	129,015	532,078
Net increase (decrease) in cash and cash equivalents	13,892	37,193	8,788	(169,356)	(183,281)	(292,764)
Balances - beginning of year	37,261	120,338	52,374	708,271	256,520	1,174,764
Balances - end of year	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Total cash and cash equivalents	\$ 51,153	\$ 157,531	\$ 61,162	\$ 538,915	\$ 73,239	\$ 882,000
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (159,593)	\$ (364,783)	\$ (20,305)	\$ (195,505)	\$ (472,741)	\$ (1,212,927)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	33,328	63,789	4,353	-	-	101,470
Change in assets and liabilities:						
Receivables, net	-	-	1,446	(51,711)	2,486	(47,779)
Due from other funds	-	(524)	-	-	-	(524)
Inventory	-	14,851	-	-	-	14,851
Accounts payable	(3,448)	52,589	603	1,812	127,803	179,359
Claims liability	-	-	-	(401,000)	9,517	(391,483)
Due to employees	10,134	2,064	(347)	834	(465)	12,220
Due to other funds	-	-	12,996	-	-	12,996
Net OPEB obligation	164,306	266,997	20,538	20,538	20,538	492,917
Accrued compensated absences	26,114	17,554	304	(3,817)	727	40,882
Net cash provided by (used in) operating activities	\$ 70,841	\$ 52,537	\$ 19,588	\$ (628,849)	\$ (312,135)	\$ (798,018)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Debt Service Coverage Schedule - Year Ended June 30, 2016

	2011 and 2011A Revenue Bonds
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 6,460,751
Wastewater revenue	7,831,056
Pledged sales tax	13,849,343
Investment income	544,423
Total Gross Revenue Available	28,685,573
OPERATING EXPENSES:	
Total Operating Expenses	11,425,998
Net Revenue Available for Debt Service	\$ 17,259,575
Average Annual Debt Service	
2011 Revenue Bonds	\$ 1,808,379
2011A Revenue Bonds	4,709,500
	\$ 6,517,879
Computed Coverage	265%
Coverage Requirement	125%

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

STATISTICAL INFORMATION

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

**General Government Expenditures by Function
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Health and Welfare</u>	<u>Culture & Recreation</u>	<u>Economic Development</u>	<u>Debt Services</u>	<u>Total</u>
2006-07	\$ 4,638,916	\$ 19,653,099	\$ 2,860,439	\$ 1,060,332	\$ 1,269,324	\$ 4,286,769	\$ 1,874,210	\$ 35,643,089
2007-08	4,433,847	22,751,353	4,704,754	9,065,571	1,833,511	4,151,318	3,096,734	50,037,088
2008-09	4,731,952	28,025,096	5,832,627	23,077,926	1,720,807	4,523,604	2,241,289	70,153,301
2009-10	4,341,709	25,474,931	14,974,806	1,491,596	1,657,029	4,648,669	2,811,624	55,400,364
2010-11	6,459,976	25,157,469	6,006,443	160,983	1,120,863	4,915,834	3,679,296	47,500,864
2011-12	5,423,037	27,570,275	3,702,871	629	1,989,113	4,813,173	3,745,698	47,244,796
2012-13	5,216,187	27,388,784	3,460,381	110,935	2,841,490	4,704,086	3,856,073	47,577,936
2013-14	6,972,885	27,386,699	4,382,912	463,886	2,112,589	5,028,554	3,753,029	50,100,554
2014-15	6,704,404	28,657,862	5,138,517	410,969	1,746,966	3,792,050	3,650,604	50,101,372
2015-16	7,714,835	27,494,864	4,865,569	755,691	2,037,909	4,644,064	3,505,294	51,018,226

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

**Governmental Revenues By Source
Last Ten Fiscal Years**

Fiscal Year	Taxes	Intergov- ernmental	Licenses & Permits	Charges for Services	Fines & Forfeitures	Investment Income	Misc Revenues	Total
2006-07	\$ 28,111,696	\$ 1,173,791	\$ 566,845	\$ 1,851,771	\$ 1,458,500	\$ 11,216,338	\$ 612,269	\$ 44,991,210
2007-08	31,705,767	8,261,565	413,183	1,766,807	1,916,846	(3,275,268)	1,162,943	41,951,843
2008-09	32,399,044	4,903,868	420,663	2,127,414	2,104,237	(9,252,051)	775,469	33,478,644
2009-10	33,166,047	4,906,373	385,949	2,066,991	1,878,424	6,582,036	2,445,317	51,431,137
2010-11	33,566,216	6,440,504	395,511	2,193,602	2,001,322	14,546,261	552,201	59,695,617
2011-12	36,586,145 *	5,462,968	330,553	2,636,087	2,170,041	2,749,217	742,978	50,677,989
2012-13	39,796,809	5,205,283	392,512	2,249,961	1,960,694	10,846,574	1,492,193	61,944,026
2013-14	40,546,435	5,668,145	304,395	2,545,726	1,976,580	15,736,403	2,367,115	69,144,799
2014-15	39,781,445	5,543,732	349,439	3,662,747	2,045,294	8,377,665	2,381,400	62,141,722
2015-16	40,296,979	5,367,958	567,942	4,259,051	1,971,146	3,546,362	1,938,936	57,948,374

* A new sales/use Tax became effective January 1, 2012 changing the rate from 3.3 to 3.85

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

**Assessed Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Service Property	Veteran and Homestead Exemption	Total Actual		Ratio of Total Assessed Value to Total Estimated Actual Value
					Assessed Value	Estimated Actual Value	
2007	\$ 216,308,965	\$ 27,831,980	\$ 12,095,233	\$ 10,654,076	\$ 245,582,102	\$ 2,232,564,564	11%
2008	233,726,705	27,869,971	12,100,868	14,043,632	259,653,912 (1)	2,360,490,127	11%
2009	244,609,641	29,359,839	12,004,561	14,504,429	271,469,612 (1)	2,467,905,563	11%
2010	252,013,094	27,856,671	13,374,321	10,453,302	278,216,075 (1)	2,529,237,045	11%
2011	258,517,927	27,728,562	13,697,571	10,398,494	284,605,074 (1)	2,587,318,855	11%
2012	259,775,001	27,954,136	13,431,063	10,164,671	285,884,862 (1)	2,598,953,291	11%
2013	263,908,805	28,917,523	11,834,175	15,286,274	289,374,229 (1)	2,630,674,809	11%
2014	267,452,466	28,135,094	11,407,389	15,250,420	291,744,529 (1)	2,652,222,991	11%
2015	272,926,268	26,469,753	11,878,425	9,320,146	296,030,326 (1)	2,691,184,782	11%
2016	283,028,134	25,089,341	11,544,013	9,165,223	304,059,153 (1)	2,764,174,118	11%

(1) New established exemption for veterans

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

Property Tax Rates – All Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	City Sinking Fund	MWC Schools	Rose State College	Oklahoma County	Total Midwest City Resident	Choctaw Schools	Total Midwest City Resident	OKC Schools	Total Midwest City Resident
2007	8.32	64.31	17.67	22.29	112.59	63.11	111.39	56.73	105.01
2008	7.29	65.05	17.30	23.18	112.82	66.66	114.43	52.48	100.25
2009	7.24	65.83	17.40	24.79	115.26	68.50	117.93	58.43	107.86
2010	6.81	65.60	17.32	24.27	114.00	69.41	117.81	58.70	107.10
2011	6.62	64.64	17.18	24.06	112.50	70.22	118.08	62.09	109.95
2012	6.09	66.55	17.10	23.97	113.71	72.49	119.65	59.29	106.45
2013	5.78	64.98	17.02	23.87	111.65	76.19	122.86	60.39	107.06
2014	5.44	70.32	20.33	23.58	119.67	76.18	125.53	59.36	108.71
2015	5.18	71.03	19.88	23.72	119.81	76.17	124.95	59.71	108.49
2016	0.96	70.64	19.65	23.81	115.06	76.17	120.59	59.36	103.78

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

Computation of Legal Debt Margin
June 30, 2016

Net assessed valuation	\$304,059,153
Debt limit (a)	\$30,405,915
Applicable bonds outstanding	\$2,700,000
Legal debt margin	\$27,705,915

(a) Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation for certain types of general obligation bonds.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Government Expenditures
2006-07	\$ 1,075,000	\$ 599,313	\$ 1,674,313	\$ 35,643,089	4.70%
2007-08	1,350,000	1,102,596	2,452,596	50,037,088	4.90%
2008-09	1,400,000	635,560	2,035,560	70,153,301	2.90%
2009-10	1,400,000	569,623	1,969,623	55,400,364	3.56%
2010-11	1,400,000	503,685	1,903,685	47,500,864	4.01%
2011-12	1,400,000	437,342	1,837,342	47,244,796	3.89%
2012-13	1,400,000	370,754	1,770,754	47,577,936	3.72%
2013-14	1,400,000	304,167	1,704,167	50,100,554	3.40%
2014-15	1,400,000	259,975	1,659,975	50,101,372	3.31%
2015-16	1,400,000	190,700	1,590,700	51,018,226	3.12%

(1) Excludes bond issuance and other costs

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
 To Assessed Value and Net General Obligation Bonded Debt Per Capita
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Money Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006-07	54,088	\$ 245,582,102	\$ 15,250,000	\$ 1,961,500	\$ 13,288,500	5.41%	246
2007-08	54,088	259,653,914	13,900,000	1,683,112	12,216,888	4.71%	226
2008-09	54,088	271,469,612	12,500,000	1,513,528	10,986,472	4.05%	203
2009-10	54,088	278,216,075	11,100,000	1,500,619	9,599,381	3.45%	177
2010-11	54,371	284,605,074	9,700,000	1,504,457	8,195,543	2.88%	151
2011-12	54,371	285,884,862	8,300,000	1,551,565	6,748,435	2.36%	124
2012-13	54,371	289,374,229	6,900,000	1,428,884	5,471,116	1.89%	101
2013-14	54,371	291,744,529	5,500,000	1,373,216	4,126,784	1.41%	76
2014-15	54,371	296,030,326	4,100,000	1,364,980	2,735,020	0.92%	50
2015-16	54,371	304,059,153	2,700,000	1,392,720	1,307,280	0.43%	24

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Revenue Bond and Note Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Debt Service Coverage</u>
2006-07	\$ 11,389,730	\$ 7,378,584	\$ 4,011,146	\$ 2,000,344	2.01
2007-08	14,201,820	7,372,367	6,829,453	2,000,344	3.41
2008-09	14,535,584	8,191,452	6,344,132	2,000,344	3.17
2009-10	14,822,864	7,867,225	6,955,639	2,000,344	3.48
2010-11	15,207,582	8,004,126	7,203,456	2,000,344	3.60
2011-12	17,702,453	8,669,659	9,032,794	6,517,879	1.39
2012-13	27,258,461	9,443,537	17,814,924	6,517,879	2.73
2013-14	28,567,824	9,583,902	18,983,902	6,517,879	2.91
2014-15	28,465,993	9,581,604	18,884,389	6,517,879	2.70
2015-16	28,685,573	11,425,998	17,259,575	6,517,879	2.65

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Population Percent Change</u>
1950	10,166	0.00%
1960	36,058	254.69%
1970	48,212	33.71%
1980	49,559	2.79%
1990	52,267	5.46%
2000	54,088	3.48%
2010	54,371	0.50%

Population is taken from US Census conducted every 10 years.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

New Construction
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>		<u>Total Construction</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
2006-07	245	\$ 49,578,946	\$ 618	\$ 33,434,637	\$ 83,013,583
2007-08	251	44,469,520	537	29,373,333	73,842,853
2008-09	264	28,032,074	504	29,169,569	57,201,643
2009-10	184	11,614,006	457	18,846,251	30,460,257
2010-11	98	14,052,174	203	23,937,338	37,989,512
2011-12	28	97,003,650	237	20,332,200	117,335,850
2012-13	27	54,561,650	120	19,020,411	73,582,061
2013-14	8	6,398,000	69	11,878,466	18,276,466
2014-15	15	6,748,210	103	16,365,722	23,113,932
2015-16	26	69,362,500	126	23,727,017	93,089,517

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

Miscellaneous Statistics
June 30, 2016

Date of Incorporation	1943
Form of government	Council-manager
Square miles in city limits	28
Miles of streets	565 Lane miles

Education

Number of primary schools	8
Number of secondary schools	3
Number of High schools	2
Number of colleges	1

Police Protection

Number of officers	94
--------------------	----

Fire Protection

Number of stations	6
Number of headquarters	1
Number of personnel per shift	24
	25

Public Works

Water storage capacity (millions of gallons)	9.5
Miles of water lines	300.5
Miles of sanitary sewer lines	281.4

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016

Miscellaneous Statistics, Continued
June 30, 2016

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>	<u>Full Time Hotel/Conference Center</u>
2006-07	503	-
2007-08	499	-
2008-09	499	-
2009-10	502	60
2010-11	494	62
2011-12	493	62
2012-13	491	-
2013-14	489	-
2014-15	477	-
2015-16	472	-

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2016**

Miscellaneous Statistics, Continued
June 30, 2016

City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Annual Usage</u>	<u>Average Daily Usage</u>
2006-07	2,021,890,000	5,539,425
2007-08	1,863,117,000	5,104,430
2008-09	1,931,741,887	5,292,444
2009-10	1,910,755,000	5,234,945
2010-11	1,953,204,878	5,351,246
2011-12	2,025,176,197	5,548,428
2012-13	1,902,831,000	5,213,236
2013-14	1,699,549,985	4,656,301
2014-15	1,604,378,570	4,395,558
2015-16	1,778,171,000	4,857,417

City of Midwest City, Oklahoma

Report to the City Council
December 28, 2016





RSM US LLP

531 Couch Drive
Oklahoma City, Oklahoma

T +1 405 239 7961
F +1 405 235 0042

www.rsmus.com

December 28, 2016

City Council and Management
City of Midwest City, Oklahoma

We are pleased to present this report related to our audit of the basic financial statements of the City of Midwest City (the City) for the year ended June 30, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City of Midwest City.

RSM US LLP

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Contents

Required communications	1-2
Summary of significant accounting estimates	3-4
Summary of uncorrected misstatements	5
Exhibit A—Significant written communications between our firm and the City	
Representation letter	
Report required by <i>Government Auditing Standards</i>	

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated June 27, 2016. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year.</p> <p>Statement No. 72 <i>Fair Value Measurement and Application</i>, is effective for fiscal years beginning after June 15, 2015. This Statement defines fair value, provides measurement techniques and approaches, establishes a hierarchy of inputs to valuation techniques, and describes what should be reported at fair value and what should be disclosed about fair value measurements. The implementation of this standard resulted in additional disclosures in the financial statements.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.</p>

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	Uncorrected misstatements are summarized in the attached Summary of Uncorrected Misstatements.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.
Consultations With Other Accountants	Except for consulting services provided by Crawford & Associates, we are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	We have separately issued a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with <i>Government Auditing Standards</i> .
Significant Written Communications Between Management and Our Firm	Copies of material written communications between our firm and the management of the City, including the representation letter provided to us by management, are attached as Exhibit A.

**The City of Midwest City
Summary of Significant Accounting Estimates
Year Ended June 30, 2016**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's June 30, 2016, basic financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Net Pension Liability (NPL) Assumptions	The City records a liability for the net pension liability associated with the Oklahoma Firefighters Pension and Retirement Plan, the Oklahoma Police Pension and Retirement System, and the City of Enid Retirement Plan, along with corresponding deferred inflows and outflows.	The Police and Fire Pension Systems and the City for its single-employer plan, engages the services of certified actuaries to compute the liability based on information provided by the respective pension systems and the City, including mortality rates, discount rates and inflation rates. These actuary reports are made available to the City, and City management reviews the actuarial results.	We tested the payroll information submitted to the Plans, obtained the actuarial report and audited pension allocation schedules. We had an internal actuarial specialist review the significant assumptions and conclusions used by the Plans. We concluded that the estimates are reasonable.
Fair Value of Investments	Investments are stated at fair value based on quoted market prices or other measures based on types of investments.	Fair value is determined by custodian bank and provided to the City monthly.	We tested the information underlying management's estimates. We used an independent pricing service and based on our procedures, we conclude that management's estimates are reasonable.
Depreciable Life of Capital Assets	The depreciable life of capital assets is set at the estimated useful life of the related asset.	The determination is made at the time the asset is placed into service and involves various judgments and assumptions, including the estimated useful life and prior experience.	We scanned the estimated useful lives assigned to current year additions by management. We believe the estimates are reasonable.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Other Postemployment Benefit Plan Assumptions	Liabilities are reported in the government-wide and proprietary fund financial statements for the difference between annually required contributions and the actual contributions made by the City.	The City relies on the actuarial computed Net Other Postemployment Benefit Obligation based on data provided by the City of Midwest City turnover, retirement age, wages and mortality. These factors and the actuary assumptions are based upon historical and general market data, and are reviewed by management.	We analyzed the City's methodology, obtained actuarial calculation reports and concluded that the estimates are reasonable.
Incurred But Not Reported Workers Compensation Liability	Losses related to worker's compensation claims should be recognized in the period in which the underlying event occurs. An IBNR claim should be recognized as a liability if it is probable both 1) that the claim will be asserted and 2) that the claim, once asserted, will prevail.	Management relies on an actuary to determine the liability and uses the actuarially generated loss run report to record the year end estimate for incurred but not reported claims.	We reviewed the current year estimate and performed a lookback at the prior year estimate and compared that to an independent estimate calculated by RSM. Based on the testing performed, the estimates appeared reasonable.
Allowance for Doubtful Accounts related to Account Receivable (Utility Billings and Court Fines)	Accounts receivable balances must be recorded at their collectable balance. Any receivables that may be uncollectable should have an allowance for doubtful accounts recorded against the receivable balance.	The City calculates the allowance by reviewing historical collections for each type of accounts receivable and booking an allowance related to the accounts receivable based on that collection percentage.	We recalculated management's estimate of the allowance based on an independently formed expectation. Additionally, we performed a look-back at the amounts recorded in the allowance in the prior year and compared those amounts to the actual collection experience for the accounts receivable outstanding in the prior year. Based on the testing performed, the estimates appeared reasonable.

**The City of Midwest City
Summary of Uncorrected Misstatements
Year Ended June 30, 2016**

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the financial position, results of operations, and cash flows and to the related basic financial statement disclosures. Following is a summary of those differences.

Opinion Unit: Governmental Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Non-reversed opening equity misstatements	\$ -	\$ -	\$ 96,143	\$ 122,827	(26,684)
To record judgemental misstatement related to potential adverse legal outcomes	-	(600,000)	-	-	600,000
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years.	-	(347,514)	-	-	347,514
	<u>\$ -</u>	<u>\$ (947,514)</u>	<u>96,143</u>	<u>\$ 122,827</u>	<u>\$ 920,830</u>
Current year effect on net position			1,043,657		
Total			<u>\$ 1,139,800</u>		

Opinion Unit: Business Type Activities

Description	Effect - Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Non-reversed opening equity misstatements	\$ -	\$ -	\$ 771,825	\$ -	(771,825)
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (1)	-	(45,704)	-	-	45,704
To record known misstatements related to estimated sick leave payouts for employees between 5-10 years. (2)	-	(37,026)	-	-	37,026
Projected Misstatement: To record misstatement related to non-accrual of accounts payable.(2)	-	(23,405)	-	-	23,405
	<u>\$ -</u>	<u>\$ (106,135)</u>	<u>771,825</u>	<u>\$ -</u>	<u>\$ (665,690)</u>
Current year effect on net position			(665,690)		
Total			<u>\$ 106,135</u>		

- (1) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$45,704.
The net effect on ending net position is \$45,704.
- (2) Aggregate Non-Major Opinion Unit - Total current year effect is \$37,026.
The net effect on ending net position is \$37,026
- (3) Midwest City Municipal Authority Opinion Unit - Total current year effect is \$23,405.
The net effect on ending net position is \$23,405.

Exhibit A—Significant Written Communications Between Management and Our Firm

MIDWEST CITY TREE BOARD

July 12, 2016

CHARLES J. JOHNSON BUILDING -12:00 NOON CONFERENCE ROOM

MEMBERS PRESENT: Glenn Goldschlager, Chair Person
Lou Atkinson
Grace Sullivan
Margie Humdy
Sherry Beard
Bob Davis

MEMBERS ABSENT: Sherri Anderson

STAFF PRESENT: Doug Williams, Supervisor
Mary Kuettel, Secretary

Glenn called the meeting to order at 12:00 noon.

Lou moved to approve the April 12th minutes, seconded by Grace. All voted aye.

New Matters – Update on Grants

Margie checked into the possibility of a grant from the Water Resources Board & there were not any available at this time. Doug reported that we received the Hospital Grant for the two islands on Parklawn.

Report from Staff on Tree Maintenance

Doug reported the City is watering at least once a week and sometimes twice.

Budget Report

There was only one activity in the budget. The dues to Keep Oklahoma Beautiful were paid.

Grace made a motion to adjourn, seconded by Lou. All voted aye.

The next meeting will be Tuesday, October 11, 2016.

Glenn Goldschlager
Chair Person

MIDWEST CITY TREE BOARD

October 11, 2016

CHARLES J JOHNSON BUILDING – 12:00 NOON

CONFERENCE

Due to lack of quorum, there was not an October 11, 2016 meeting.



MUNICIPAL AUTHORITY

AGENDA



MIDWEST CITY MUNICIPAL AUTHORITY AGENDA
City Hall, Midwest City Council Chambers, 100 N. Midwest Boulevard

January 24, 2017 - 7:01 PM

Special Assistance requests – tcoplen@midwestcityok.org or 739-1002. (Please provide no less than 24 hours' notice) Special assistance request during a meeting call 739-1388.

A. CALL TO ORDER.

B. CONSENT AGENDA. These items are placed on the Consent Agenda so that trustees of the Midwest City Municipal Authority, by unanimous consent, can approve routine agenda items by one motion. If any item proposed on the Consent Agenda does not meet with approval of all trustees, or members of the audience wish to discuss an item, that item will be removed and heard in regular order.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 10, 2017, as submitted. (Secretary - S. Hancock)
2. Discussion and consideration of accepting the report on the current financial condition of the Sheraton Midwest City Hotel at the Reed Center for the period ending December 31, 2016. (City Manager - T. Lyon)
3. Discussion and consideration of declaring one (1) Range Servant ball dispenser, serial #08GL1003, one (1) Range Servant golf ball picker, serial #SL90 and one (1) Husky 33 gallon air compressor model 516-051, serial #20110058425 from the John Conrad Golf Course surplus property and authorizing their disposal by sealed bid or auction. (Public Works - V. Sullivan)
4. Discussion and consideration of declaring one thousand (1,000) cubic yards of compost from the Wastewater Department surplus property and authorizing its disposal by sale at a cost of \$20.00 per cubic yard loaded, or delivered within 25 miles at a cost of \$100.00 plus the cost of the compost. (Public Works - R. Paul Streets)

C. NEW BUSINESS/PUBLIC DISCUSSION.

D. ADJOURNMENT.



CONSENT AGENDA



Notice of regular meetings for staff briefings for the Midwest City Municipal Authority was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE REGULAR STAFF BRIEFING FOR
MIDWEST CITY MUNICIPAL AUTHORITY TRUSTEES**

January 10, 2017 – 6:00 p.m.

This regular meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none. Trustee Daniel McClure Jr., Ward 1, resigned as of January 1, 2017.

Chairman Dukes called the meeting to order at 6:37 p.m.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the Municipal Authority agenda for January 10, 2017. Staff briefed the Trustees on various agenda items, and the Trustees sought clarification and discussed individual agenda items with staff. Public Works Director Vaughn Sullivan asked the Trustees to strike Consent Agenda item five.

Chairman Dukes closed the meeting at 6:43 p.m.

ATTEST:

MATTHEW D. DUKES, II, Chairman

SARA HANCOCK, Secretary

Notice of regular Midwest City Municipal Authority meetings was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on Midwest City's website, accessible to the public for at least 24 hours in advance of the meeting.

MINUTES OF THE REGULAR MIDWEST CITY MUNICIPAL AUTHORITY MEETING

January 10, 2017 - 7:01 p.m.

This regular meeting was held in the Midwest City Council Chambers, 100 North Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none. Trustee Daniel McClure Jr., Ward 1, resigned as of January 1, 2017. Chairman Dukes called the meeting to order at 8:43 p.m.

Consent Agenda. Motion was made by Dawkins, seconded by Reed, to approve the items on the consent agenda, as submitted, except for item five.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of December 13, 2016, as submitted.
2. Discussion and consideration of supplemental budget adjustment to the following fund for FY 2016-2017, increase: Utilities Capital Outlay Fund, revenue/Transfers In (14) \$4,944.
3. Discussion and consideration of accepting the report on the current financial condition of the Sheraton Midwest City Hotel at the Reed Center for the period ending November 30, 2016.
4. Discussion and consideration of re-awarding the bid for the Reed Center carpet project and entering into a contract with Caddell & Co., LLC to remove and dispose of the existing carpet and padding and installing new padding and carpet in the theater room, corridors and common space of the Reed Center for a total project cost in the amount of a unit price of \$9.35.
5. **Discussion and consideration of renewing the Cityworks License Agreement contract, without modification, for FY 2017-18 with Azteca Systems, Inc. a Utah corporation in the amount of \$60,000.00.** No action was taken on this item.

Voting aye: Dawkins, Byrne, Reed, Allen, Moore, and Mayor Dukes. Nay: none. Absent: none. Motion carried.

New Business/Public Discussion. There was no new business or public discussion.

Adjournment. Chairman Dukes adjourned the meeting at 8:44 p.m.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary



THE CITY OF
MIDWEST CITY

MEMORANDUM

TO: Honorable Chairman and Trustees
Midwest City Municipal Authority

FROM: Tim Lyon, Assistant City Manager

DATE: January 24, 2017

RE: Discussion and consideration of accepting the report on the current financial condition of the Sheraton Midwest City Hotel at the Reed Center for the period ending December 31, 2016.

This item is on the agenda at the request of the Authority. Attached to this memorandum is information concerning the status of the Sheraton Midwest City Hotel at the Reed Center.

Any time you have a question concerning the conference center and hotel, please feel free to contact me at 739-1201.

Tim L. Lyon

Tim Lyon
Assistant City Manager

Attachment (1)

SHERATON MIDWEST CITY HOTEL AT THE REED CENTER

Fiscal Year 2016-2017	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Revenue												
Budgeted (MTD)	456,340	456,340	456,340	456,340	456,340	456,340						
Actual (MTD)	430,970	420,241	481,316	571,284	465,481	270,078						
Budgeted (YTD)	456,340	912,680	1,369,020	1,825,360	2,281,700	2,738,040						
Actual (YTD)	430,970	851,211	1,332,527	1,903,811	2,369,292	2,639,370						
Expenses												
Budgeted (MTD)	452,385	454,833	452,880	458,476	453,217	449,274						
Actual (MTD)	422,001	445,980	446,293	514,505	467,175	374,710						
Budgeted (YTD)	452,385	907,218	1,360,098	1,818,574	2,271,791	2,721,065						
Actual (YTD)	422,001	867,982	1,314,275	1,828,780	2,295,955	2,670,665						
Revenue vs. Expenses												
Budgeted (MTD)	3,955	1,507	3,460	(2,136)	3,123	7,066						
Actual (MTD)	8,969	(25,740)	35,022	56,779	(1,694)	(104,632)						
Budgeted (YTD)	3,955	5,462	8,922	6,786	9,909	16,975						
Actual (YTD)	8,969	(16,771)	18,252	75,031	73,337	(31,295)						
Key Indicators												
Hotel Room Revenue	268,993	216,282	265,640	252,315	256,155	116,079						
Food and Banquet Revenue	105,613	220,229	183,624	266,797	175,240	184,013						

Fiscal Year 2015-2016	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Revenue												
Budgeted (MTD)	415,653	654,459	469,101	625,953	517,137	406,643	385,258	516,383	615,828	574,553	502,540	417,056
Actual (MTD)	368,618	555,622	398,995	602,341	466,410	278,641	327,078	477,464	523,016	593,390	405,609	366,136
Budgeted (YTD)	415,653	1,070,112	1,539,213	2,165,166	2,682,303	3,088,946	3,474,204	3,990,587	4,606,415	5,180,968	5,683,508	6,100,564
Actual (YTD)	368,618	924,240	1,323,235	1,925,576	2,391,986	2,670,627	2,997,705	2,475,169	3,998,185	4,591,575	4,997,183	5,363,319
Expenses												
Budgeted (MTD)	484,903	555,499	488,849	558,297	506,550	470,492	468,588	491,614	562,689	567,092	492,597	483,163
Actual (MTD)	467,394	527,910	464,834	527,746	483,374	467,189	413,287	483,039	499,838	564,893	428,981	443,108
Budgeted (YTD)	484,903	1,041,022	1,529,871	2,088,168	2,594,718	3,065,210	3,533,798	4,025,412	4,588,101	5,155,193	5,647,790	6,130,953
Actual (YTD)	467,394	995,304	1,460,138	1,987,884	2,471,258	2,938,447	3,351,734	3,834,773	4,334,611	4,899,504	5,328,485	5,771,593
Revenue vs. Expenses												
Budgeted (MTD)	(69,250)	97,960	(19,748)	67,656	10,587	(63,849)	(83,330)	24,769	53,139	7,461	9,943	(66,107)
Actual (MTD)	(98,776)	27,712	(65,839)	74,595	(16,964)	(188,548)	(86,209)	(5,575)	23,178	28,497	(23,373)	(76,972)
Budgeted (YTD)	(69,250)	29,090	9,342	76,998	87,585	23,736	(59,594)	(34,825)	18,314	25,775	35,718	(30,389)
Actual (YTD)	(98,776)	(71,064)	(136,903)	(62,308)	(79,272)	(267,820)	(354,029)	(359,604)	(336,426)	(307,929)	(331,302)	(408,274)



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memorandum

TO: Honorable Chairman and Trustees, Midwest City Municipal Authority

FROM: Vaughn K. Sullivan, Public Works Director

DATE: January 24, 2017

SUBJECT: Discussion and consideration of declaring one (1) Range Servant ball dispenser, serial #08GL1003, one (1) Range Servant golf ball picker, serial #SL90 and one (1) Husky 33 gallon air compressor model 516-051, serial #20110058425 from the John Conrad Golf Course surplus property and authorizing their disposal by sealed bid or auction.

The equipment listed has been removed from service. There are no other operational applications available within the City.

- (1) One (1) Range Servant ball dispenser, serial #08GL100
- (2) One (1) Range Servant golf ball picker, serial #SL90
- (3) One (1) Husky 33 gallon air compressor model 516-051, serial #20110058425

Staff recommends approval.

Vaughn K. Sullivan
Public Works Director



Public Works Administration
Vaughn Sullivan, Director
vsullivan@midwestcityok.org
R. Paul Streets, Assistant Director
rstreets@midwestcityok.org
8730 S.E. 15th Street,
Midwest City, Oklahoma 73110
O: 405-739-1060 /Fax: 405-739-1090

Memo

To: Honorable Chairman and Trustees
Midwest City Municipal Authority

From: **R. Paul Streets, Assistant Public Works Director**

Date: January 24, 2017

Subject: Discussion and consideration of declaring one thousand (1,000) cubic yards of compost from the Wastewater Department surplus property and authorizing its disposal by sale at a cost of \$20.00 per cubic yard loaded, or delivered within 25 miles at a cost of \$100.00 plus the cost of the compost.

The 1,000 cubic yards of compost will be disposed of by sale at a cost of \$20.00 per cubic yard loaded, this is based on fair market pricing. Customers will have a delivery option available within a 25 mile radius at a cost of \$100.00 per load plus the cost of the compost, this cost is based on market pricing. This compost material has been removed from inventory.

Staff recommends approval.

R. Paul Streets
Assistant Public Works Director



NEW BUSINESS/
PUBLIC DISCUSSION





HOSPITAL AUTHORITY
AGENDA



MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY AGENDA

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

January 24, 2017 - 7:02 PM

Special Assistance requests – tcoplen@midwestcityok.org or 739-1002. (Please provide no less than 24 hours' notice) Special assistance request during a meeting call 739-1388.

A. CALL TO ORDER.

B. CONSENT AGENDA. These items are placed on the Consent Agenda so that trustees of the Midwest City Memorial Hospital Authority, by unanimous consent, can approve routine agenda items by one motion. If any item proposed does not meet with approval of all trustees, or members of the audience wish to discuss an item, that item will be removed and heard in regular order.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of January 10, 2017, as submitted. (Secretary - S. Hancock)
2. Discussion and consideration of authorizing the rezoning of a portion of the Midwest City Memorial Hospital Authority's property located on SE 12th Street described as a tract of land lying in the Southwest Quarter (SW/4) of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, City of Midwest City, Oklahoma County, Oklahoma, and being more particularly described as follows: Commencing at the southwest corner of the said Southwest Quarter of Section 4; thence north along the West line of said Southwest Quarter, a distance of 1320 feet; thence east, parallel with the South line of said Southwest Quarter, a distance of 848.5 feet to the point of beginning ("POB"); thence continuing east, parallel with the south line of said Southwest Quarter, a distance of 330 feet; thence south, parallel with the west line of said Southwest Quarter, a distance of 660 feet; thence west parallel with the South line of said Southwest Quarter, a distance of 330 feet; thence north, parallel to the West line of said Southwest Quarter, a distance of 660 feet to the POB; LESS AND ACCEPT the northernmost 25.00 feet, which is reserved for Road purposes. (also known as 5800 SE 12th ST, 5812 SE 12th ST and 5820 SE 12th ST); and authorizing Robert Stearns to make the zoning amendment application for the described property and to take all actions necessary or appropriate to amend the zoning of the described property. (Economic Development – R. Coleman)

C. DISCUSSION ITEM.

1. Discussion and consideration of action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives. (Secretary - S. Hancock)

D. NEW BUSINESS/PUBLIC DISCUSSION.

E. EXECUTIVE SESSION.

1. Discussion and consideration of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(10), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City; and 2) in open session, authorizing the general manager/administrator to take action based on the discussion in executive session. (City Manager - G. Henson)

F. ADJOURNMENT.



CONSENT AGENDA



Notice of regular meetings for staff briefings for the Midwest City Memorial Hospital Authority was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City of Midwest City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE REGULAR STAFF BRIEFING FOR
MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY**

January 10, 2017 – 6:00 p.m.

This regular meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none. Trustee Daniel McClure Jr., Ward 1, resigned as of January 1, 2017.

Chairman Dukes called the meeting to order at 6:43 p.m.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the Hospital Authority agenda for January 10, 2017. Staff briefed the councilmembers on various agenda items, and the councilmembers sought clarification and discussed individual agenda items with staff.

Chairman Dukes closed the meeting at 6:45 p.m.

ATTEST:

MATTHEW D. DUKES, II, Chairman

SARA HANCOCK, Secretary

Notice of regular Midwest City Memorial Hospital Authority meetings was filed for the calendar year with the City Clerk of Midwest City and copies of the agenda for this meeting were posted at City Hall and on the City of Midwest City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE REGULAR MIDWEST CITY
MEMORIAL HOSPITAL AUTHORITY MEETING**

January 10, 2017 - 7:02 p.m.

This regular meeting was held in the Midwest City Council Chambers, 100 North Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma. The following members were present: Chairman Matt Dukes; Trustees Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none. Trustee Daniel McClure Jr., Ward 1, resigned as of January 1, 2017. Chairman Dukes called the meeting to order at 7:18 p.m.

Consent Agenda. Motion was made by Dawkins, seconded by Reed, to approve the Consent Agenda, as submitted.

1. Discussion and consideration of approving the minutes of the staff briefing and regular meeting of December 13, 2016, as submitted.
2. Discussion and consideration of approving the minutes of the special meetings of December 8, 2016, December 20, 2016, and December 22, 2016, as submitted.
3. Discussion and consideration of approving a contract with Riggs, Abney, Turpen, Orbison & Lewis, P.C, Oklahoma City, OK, for special counsel services relative to the consideration and possible establishment of the Sooner Rose Tax Increment Finance District.

Voting aye: Byrne, Dawkins, Reed, Allen, Moore, and Chairman Dukes. Nay: none. Absent: none. Motion carried.

Discussion Item.

1. **Discussion and consideration of action to reallocate assets, change fund managers or make changes in the Statement of investment Policy, Guidelines and Objectives.** No action was taken.

New Business/Public Discussion. There was no new business or public discussion.

Adjournment. There being no further business, Chairman Dukes adjourned the meeting at 8:45 p.m.

ATTEST:

MATTHEW D. DUKES, II, Chairman

SARA HANCOCK, Secretary



Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1207 - Fax (405) 739-1208
E-mail: ghenson@midwestcityok.org

J. Guy Henson
General Manager/
Administrator

Trustees

Matthew D. Dukes II
Susan Eads
Pat Byrne
Rick Dawkins
M. Sean Reed
Christine Allen
Jeff Moore

Board of Grantors

Sherry Beaird
John Cauffiel
Marcia Conner
Pam Dimski
Dara McGlamery
Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

MEMORANDUM

TO: Honorable Chairman and Trustees

FROM: J. Guy Henson General Manager / Administrator

DATE: January 24, 2017

SUBJECT: Discussion and consideration of authorizing the rezoning of a portion of the Midwest City Memorial Hospital Authority's property located on SE 12th Street described as a tract of land lying in the Southwest Quarter (SW/4) of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, City of Midwest City, Oklahoma County, Oklahoma, and being more particularly described as follows: Commencing at the southwest corner of the said Southwest Quarter of Section 4; thence north along the West line of said Southwest Quarter, a distance of 1320 feet; thence east, parallel with the South line of said Southwest Quarter, a distance of 848.5 feet to the point of beginning ("POB"); thence continuing east, parallel with the south line of said Southwest Quarter, a distance of 330 feet; thence south, parallel with the west line of said Southwest Quarter, a distance of 660 feet; thence west parallel with the South line of said Southwest Quarter, a distance of 330 feet; thence north, parallel to the West line of said Southwest Quarter, a distance of 660 feet to the POB; LESS AND ACCEPT the northernmost 25.00 feet, which is reserved for Road purposes. (also known as 5800 SE 12th ST, 5812 SE 12th ST and 5820 SE 12th ST); and authorizing Robert Stearns to make the zoning amendment application for the described property and to take all actions necessary or appropriate to amend the zoning of the described property.

A portion of the Midwest City Memorial Hospital Authority's ("Authority") property on SE 12th Street will need to be included in the zoning amendment to extend the Sooner Rose Shopping Center development located at the NE corner of SE 15th Street and Sooner Road. The subject site represents part of the Authority's participation in the potential redevelopment of that site. Approval of this item will provide Robert Stearns of Sooner Investment the authorization to act on the Authority's behalf to rezone the property. Staff recommends approval.

J. GUY HENSON
General Manager / Administrator



SE 12th Street

SUBJECT SITE
5800 - 5820 SE 12th Street

S Sooner Road

Buena Vista Avenue

SE 15th Street

495 ft



DISCUSSION ITEM





Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1204 FAX (405) 739-1208 TDD (405) 739-1359

J. Guy Henson
*General Manager/
Administrator*

Trustees

Matt Dukes
Vacant
Pat Byrne
Rick Dawkins
Sean Reed
Christine Allen
Jeff Moore

Board of Grantors

Sherry Beaird
John Cauffiel
Marcia Conner
Pam Dimski
Dara McGlamery
Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

MEMORANDUM

TO: Honorable Chairman and Trustees
Midwest City Memorial Hospital Authority

FROM: Sara Hancock, Secretary

DATE: January 24, 2017

SUBJECT: Discussion and consideration of 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, asked staff to put this item on each agenda in the event the Hospital Authority's investments need to be reallocated, an investment fund manager needs to be changed or changes need to be made to the Statement of Investment Policy on short notice.

Action is at the discretion of the Authority.

Sara Hancock

Sara Hancock, Secretary



NEW BUSINESS/
PUBLIC DISCUSSION





EXECUTIVE SESSION





Midwest City Memorial Hospital Authority

100 North Midwest Boulevard
Midwest City, Oklahoma 73110
(405) 739-1207 - Fax (405) 739-1208
E-mail: GHenson@MidwestCityOK.org

J. Guy Henson
*General
Manager/
Administrator*

Trustees

Matt Dukes
Vacant
Pat Byrne
Rick Dawkins
Sean Reed
Christine Allen
Jeff Moore

Board of Grantors

Sherry Beard
John Cauffiel
Marcia Conner
Pam Dimski
Dara McGlamery
Joyce Jackson
Charles McDade
Nancy Rice
Sheila Rose

MEMORANDUM

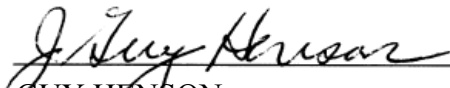
TO: Honorable Chairman and Trustees

FROM: J. Guy Henson, General Manager/Administrator

DATE: January 24, 2016

SUBJECT: Discussion and consideration of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(10), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City; and 2) in open session, authorizing the general manager/administrator to take action based on the discussion in executive session.

Appropriate information will be provided in executive session.



J. GUY HENSON
General Manager/Administrator