

**PUBLIC NOTICE OF THE MEETING OF THE
OWASSO CITY COUNCIL**

Council Chambers, Old Central Building
109 N Birch, Owasso, OK 74055
Regular Meeting
Tuesday, December 20, 2016 - 6:30 pm

RECEIVED
DEC 18 2016 *DW*
City Clerk's Office

1. **Call to Order**
Mayor Lyndell Dunn
2. **Invocation**
Pastor John-David Meissner of New Heights Church
3. **Flag Salute**
4. **Roll Call**
5. **Presentation of the Employee of the Year**
Warren Lehr
6. **Citizen request to address the Council**

Kathryn Helton requested the opportunity to address the Council regarding the grass island located in the cul-de-sac adjacent to her driveway at 8925 N 119 E Avenue.

7. **Consideration and appropriate action relating to a request for approval of the Consent Agenda. (All matters listed under "Consent" are considered by the City Council to be routine and will be enacted by one motion. Any Councilor may, however, remove an item from the Consent Agenda by request. A motion to adopt the Consent Agenda is non-debatable.)**
 - A. Approve minutes
 - December 6, 2016, Regular Meeting
 - December 13, 2016, Regular Meeting
 - B. Approve claims
 - C. Accept public infrastructure including a concrete approach, sidewalk and fire hydrant/water line including all appurtenances at Owasso Industrial Park Phase IV, located at 200 E 5th Avenue
 - D. Approve the Second Amended Interlocal Agreement of the Regional E-911 Board to include the City of Broken Arrow, Oklahoma as a participating jurisdiction, and other related provisions
 - E. Approve and authorize the Mayor to execute the following "Agreement for Urban Engineering Services" (Engineers Agreement):
 - Khoury Engineering, Inc., for a water main, fire hydrants and sidewalks for the Mowery Lofts, located at the intersection of W 1st Street and N Main Street.
 - Olsson Associates, for water main, driveway and culverts for Lifepoint Church, located at 10857 E 116 St N
 - Cowan Group Engineering, for entry pavement within the right-of-way, storm sewer manhole, water line improvements and sidewalk for Home 2 Suites, located at 8882 N Garnett Rd

8. **Consideration and appropriate action relating to items removed from the Consent Agenda**

PUBLIC HEARING

- 9. The City Council will conduct a public hearing for the purpose of giving members of the public an opportunity to be heard prior to any vote on the proposed Owasso Redbud District Project Plan, including Increment District No. 1, City of Owasso**

Bronce Stephenson

Emily Pomeroy, Center for Economic Development Law

- 10. Consideration and appropriate action relating to Ordinance 1093, approving and adopting the Owasso Redbud District Project Plan pursuant to the Oklahoma Local Development Act; designating and adopting project area and increment district boundaries; establishing a date for the creation of Increment District No. 1, City of Owasso; adopting certain findings; authorizing the City of Owasso to carry out and administer the project plan; establishing a tax apportionment fund; declaring apportioned funds to be special funds of the City of Owasso or the Owasso Public Works Authority; authorizing the use of increment revenues for the payment of certain project costs; authorizing the Owasso Public Works Authority to carry out certain provisions of the project plan; ratifying and confirming the actions, recommendations and findings of the review committee and the Owasso Planning Commission; directing continuing apportionment; providing for severability; and declaring an emergency**

Bronce Stephenson

Staff recommends approval of Ordinance 1093.

Staff further recommends approval of the attachment of an emergency clause making the Ordinance effective immediately.

- 11. Consideration and appropriate action relating to the final plat for Glover Owasso located at 10505 N Owasso Expressway**

Bronce Stephenson

Staff recommends approval of the Final Plat for Glover Owasso.

- 12. Consideration and appropriate action relating to the final plat for Lifepoint Church located at 10857 E 116 St N**

Bronce Stephenson

Staff recommends approval of the Final Plat for Lifepoint Church.

- 13. Consideration and appropriate action relating to an agreement for Congestion Mitigation and Air Quality Funds (CMAQ)**

Roger Stevens

Staff recommends approval of an agreement with the Indian Nation Council of Governments (INCOG) for the Congestion Mitigation and Air Quality Grant in the amount of \$55,114 for the purchase of two CNG/Bi-Fuel Pick-up Trucks.

- 14. Consideration and appropriate action relating to Resolution 2016-25, authorizing the submission of an application to the Oklahoma Department of Transportation requesting federal funding assistance through the Surface Transportation Program for the E 106 St N and N 129 E Ave Intersection Improvements**

Dwayne Henderson

Staff recommends approval of Resolution 2016-25.

15. Consideration and appropriate action relating to the award of a bid for infrastructure improvements (clearing and earthwork) for the Owasso Dog Park, an Excess Vision 2025 fund project

Dwayne Henderson

Staff recommends award of a contract to J.E. Dirt Wurx LLC, of Wagoner, Oklahoma for a total contract amount of \$245,815.55 and authorization for the Mayor to execute the contract.

16. Consideration and appropriate action relating to the Fire Station No. 1 Parking Lot Replacement Project

Chris Garrett

Staff recommends approval of the project and authorization to purchase construction materials in an amount not to exceed \$62,000.

17. Consideration and appropriate action relating to the Mayor's appointment to fill vacancies on boards and commissions

Mayor Dunn

18. Consideration and appropriate action relating to a request for an executive session for the purpose of discussing litigation styled, *Patrick D. Ross vs. City of Owasso, CV-2013-00898, District Court of Tulsa County*, such executive session provided for in O.S. 25, Section 307 (B)(4)

Mayor Dunn

19. Consideration and appropriate action relating to Resolution 2016-26, a resolution finding that the investigative report concerning former City Manager Rodney Ray should be kept confidential as a personnel record of the City of Owasso and providing direction for other confidential personnel records.

David Weatherford

20. Report from City Manager

21. Report from City Attorney

22. Report from City Councilors

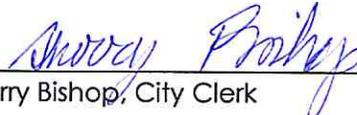
23. Official Notices to Council (documents for acknowledgment or information only, no discussion or action will be taken)

- Payroll Payment Report – Pay Period Ending Date 12/10/16
- Health Care Self-Insurance Claims – dated as of 12/15/16
- Monthly Budget Status Report - November 2016
- Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2016
- Red Flag Rule Identity Theft Prevention Program - Annual Report dated November 2016
- DEQ Permit No. SL000072161023 for the construction of 1,586 linear feet of twelve (12) inch PVC sewer line, 3,724 linear feet of eight (8) inch PVC sewer line, and all appurtenances to serve the Morrow Place Residential Phase I, Tulsa County, Oklahoma

24. New Business (New Business is any item of business which could not have been foreseen at the time of posting of the agenda)

25. Adjournment

Notice of Public Meeting filed in the office of the City Clerk and the Agenda posted at City Hall, 200 S Main St, at 6:00 pm on Friday, December 16, 2016.



Sherry Bishop, City Clerk



TO: Honorable Mayor and City Council
City of Owasso

FROM: Juliann M. Stevens
Deputy City Clerk

SUBJECT: Citizen Request to Address the City Council

DATE: December 16, 2016

BACKGROUND:

In an email dated December 13, 2016, Kathryn Helton requested to address the City Council regarding the grass island located in the cul-de-sac adjacent to her driveway at 8925 N 119 E Avenue.

An item has been placed on the December 20, 2016 City Council agenda to accommodate Ms. Helton's request.

ATTACHMENT:

E-mail correspondence dated December 13, 2016

From: [Kathryn Helton](#)
To: [Stevens, Julie](#)
Subject: City Council Meeting Request
Date: Tuesday, December 13, 2016 3:36:26 PM
Attachments: [20161213_151906.jpg](#)

HKathryn Julie Stevens,

I'm Kathryn Helton 8925 N. 119th E.Ave Owasso, OK 74055-2083 918-906-3726.

I am requesting to speak at a City Council meeting.

The problem is a City Park in front of my home on a Cul-de-sac. I would be curious to know how many cul-de-sacs in the city of Owasso have a park in the middle of the cul-de-sac? This is a constant problem. The city of Owasso owns it. The city of Owasso I know for the past 3 years has never mowed it. All it is is a parking problem. Due to the fact it's a park in the middle of a cul-de-sac.

My proposal to the city of Owasso is to completely remove the park and put asphalt down. I was told by somebody at the city this summer at that Park was not even on the plans when Three Lakes 3 was built. I do know what a grandfather clause is. Over the years of knowing this property in the city not taking care of it why not just get rid of it? Look forward to hearing from You, Kathryn Helton

OWASSO CITY COUNCIL

MINUTES OF REGULAR MEETING Tuesday, December 6, 2016

The Owasso City Council met in regular session on Tuesday, December 6, 2016, in the Council Chambers at Old Central, 109 N Birch, Owasso, Oklahoma per the Notice of Public Meeting and Agenda filed in the office of the City Clerk and posted at City Hall, 200 S Main St, at 6:00 pm on Friday, December 2, 2016.

1. Call to Order

Mayor Lyndell Dunn called the meeting to order at 6:30 pm.

2. Invocation

The invocation was offered by Pastor Bruce McCarty of Owasso First Assembly.

3. Flag Salute

Councilor Doug Bonebrake led the flag salute.

4. Roll Call

Present	Absent
Mayor – Lyndell Dunn	None
Vice-Mayor – Chris Kelley	
Councilor – Doug Bonebrake	
Councilor – Bill Bush	
Councilor – Jeri Moberly	

A quorum was declared present.

Staff:

City Manager - Warren Lehr
City Attorney - Julie Lombardi

Mayor Dunn recognized Boy Scout, Greg Hahn, from Troop #84 of Owasso.

5. Presentation of the Character Trait of Generosity

Kathy Curtis, Character Council Member, presented the Character Trait of Generosity for the month of December.

6. Consideration and appropriate action relating to a request for approval of the Consent Agenda. (All matters listed under "Consent" are considered by the City Council to be routine and will be enacted by one motion. Any Councilor may, however, remove an item from the Consent Agenda by request. A motion to adopt the Consent Agenda is non-debatable.)

- A. Approve minutes
 - November 15, 2016, Regular Meeting
- B. Approve claims
- C. Accept the Justice Assistance Grant, authorize the execution of award documents, and approve a budget amendment in the General Fund, increasing the estimated revenue and increasing the appropriation for expenditures by \$7,300 in the Police department
- D. Approve Capital Improvement Agreements with the Board of County Commissioners of Tulsa County relating to the Vision Authority Resolution for the disbursement of Excess Vision 2025 Sales Tax and authorize the Mayor to execute the following agreements:
 - 76 St N & Main Improvement Project– Amended
 - Heart Healthy 5K Trail Project– Amended
 - Expansion of Rayola Splash Pad Project– Amended
 - Event Facilities – Sports Park Project #1 (4-Plex Lighting) – Amended

- Event Facilities - Sports Park Project #2 (Parking Lot Improvements)
- Sports Complex Feature Splash Pad Project
- Dog Park Project

Ms. Moberly moved, seconded by Mr. Bonebrake to approve the Consent Agenda with claims totaling \$554,397.30.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

7. Consideration and appropriate action relating to items removed from the Consent Agenda

None

8. Consideration and appropriate action relating to a donation and a budget amendment

Scott Chambless presented the item recommending acceptance of the donation from Owasso First Assembly and approval of a budget amendment in the Police Department, Half-Penny Sales Tax Fund, increasing the estimated revenue and the appropriation for expenditures by \$2,600. Scott Chambless presented Pastor Bruce McCarty of Owasso First Assembly and expressed appreciation for the donation.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

PUBLIC HEARING

9. The City Council will conduct a public hearing for the purpose of providing information, including an analysis of potential positive or negative impacts, and answering questions regarding the proposed Owasso Redbud District Project Plan and Increment District No. 1, City of Owasso

Bronce Stephenson along with Emily Pomeroy, Center for Economic Development Law presented the item. The Mayor opened the Public Hearing for comment. There were no comments or questions from the audience.

10. Announcement of Public Hearing - December 20, 2016, is the date of the second public hearing for the purpose of giving members of the public an opportunity to be heard prior to any vote on the proposed Owasso Redbud District Project Plan, including Increment District No. 1, City of Owasso

Mayor Dunn read the announcement.

11. Consideration and appropriate action relating to an agreement for design and construction administration for the Owasso Police Headquarters renovation project

Jason Woodruff along with Scott Chambless presented the item recommending approval of an architectural and engineering agreement with Police Facility Design Group of Kansas City, Missouri, for the Owasso Police Headquarters renovation project in an amount not to exceed \$230,570.24 plus reimbursable expenses not to exceed \$20,190.00 and authorization for the City Manager to execute the agreement.

There were no comments from the audience. After discussion, Mr. Bush moved, seconded by Mr. Bonebrake to approve the agreement and authorize the City Manager to execute the agreement as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

12. Consideration and appropriate action relating to Ordinance 1091, closing to the public use a utility easement located at 11503 E 76 St N (Braum's Ice Cream & Dairy Store #156)

Karl Fritschen presented the item recommending approval of Ordinance 1091.

There were no comments from the audience. After discussion, Mr. Bonebrake moved, seconded by Ms. Moberly to approve Ordinance 1091, as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

13. Consideration and appropriate action relating to Ordinance 1092, closing to the public use a sanitary sewer easement located near 12805 E 67 St N (Hickory Creek II)

Karl Fritschen presented the item recommending approval of Ordinance 1092.

There were no comments from the audience. Dr. Kelley moved, seconded by Ms. Moberly to approve Ordinance 1092, as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

14. Consideration and appropriate action relating to budget amendments in the General Fund and Vision Tax Fund

Linda Jones presented the item recommending approval of a budget amendment in the General Fund increasing the estimated revenues (transfers in) and increasing the appropriation for expenditures (transfers out) in the amount of \$407,400 and a budget amendment in the Vision Tax Fund increasing the estimated revenues (transfers in) and increasing the appropriation for expenditures (transfers out) in the amount of \$407,400.

There were no comments from the audience. After discussion, Mr. Bush moved, seconded by Dr. Kelley to approve the budget amendments as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

15. Consideration and appropriate action relating to an agreement for engineering services for the E 116 St N Roadway Improvements (Mingo Rd to Garnett Rd)

Roger Stevens presented the item recommending approval of an Agreement for Engineering Services with Garver, LLC of Tulsa, Oklahoma in the amount of \$359,200 and authorization for the Mayor to execute the agreement.

There were no comments from the audience. After discussion, Mr. Bonebrake moved, seconded by Dr. Kelley to approve the agreement in the amount of \$359,200 with Garver, LLC, and authorize the Mayor to execute the agreement as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

16. Consideration and appropriate action relating to Resolution 2016-23, amending the list of Capital Improvement Projects eligible for funding from the Capital Improvements Fund to include E 106 St N and N 129 E Ave Intersection Improvements

Teresa Willson presented the item recommending approval of Resolution 2016-23.

There were no comments from the audience. Mr. Bush moved, seconded by Ms. Moberly to approve Resolution 2016-23, as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

17. Consideration and appropriate action relating to Resolution 2016-24, authorizing the filing and prosecution of a condemnation action to obtain the property located at 120 E 2nd St, Owasso, Oklahoma from the property owner, Ron Detherow

Julie Lombardi presented the item recommending approval of Resolution 2016-24.

There were no comments from the audience. After discussion, Mr. Bush moved, seconded by Ms. Moberly to approve Resolution 2016-24, as recommended.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried: 5-0

18. Report from City Manager

Roger Stevens presented the Monthly Public Works Project Status Report. Mr. Lehr announced Holly Trolley will be operating weekends through December 17, 2016, and the Owasso Parade will be Saturday, December 10, 2016, at 9:00 am.

19. Report from City Attorney

None

20. Report from City Councilors

None

21. Official Notices to Council (documents for acknowledgment or information only, no discussion or action will be taken)

- Payroll Payment Reports – Pay Period Ending Dates 11/12/16 and 11/26/16
- Health Care Self-Insurance Claims – dated as of 12/1/16

22. New Business (New Business is any item of business which could not have been foreseen at the time of posting of the agenda)

None

23. Adjournment

Mr. Bonebrake moved, seconded by Mr. Bush to adjourn the meeting.

YEA: Bonebrake, Bush, Kelley, Moberly, Dunn

NAY: None

Motion carried 5-0 and the meeting adjourned at 7:52 pm.

Lyndell Dunn, Mayor

Lisa Wilson, Minute Clerk

OWASSO CITY COUNCIL, OPWA & OPGA

MINUTES OF JOINT REGULAR MEETING Tuesday, December 13, 2016

The Owasso City Council, Owasso Public Works Authority, and Owasso Public Golf Authority met in a joint regular meeting on Tuesday, December 13, 2016, in the Council Chambers at Old Central, 109 N Birch Street, Owasso, Oklahoma per the Notice of Public Meeting and Agenda filed in the office of the City Clerk and posted at City Hall, 200 S Main, at 6:00 pm on Friday, December 9, 2016.

1. Call to Order

Mayor/Chair Lyndell Dunn called the meeting to order at 6:00 pm.

Present	Absent
Mayor/Chair – Lyndell Dunn	None
Vice-Mayor/Vice-Chair – Chris Kelley	
Councilor/Trustee – Doug Bonebrake	
Councilor/Trustee – Bill Bush	
Councilor/Trustee – Jeri Moberly	

A quorum was declared present.

2. Discussion relating to the proposed Owasso Redbud District Project Plan and Increment District No. 1

Bronce Stephenson and Emily Pomeroy, Center for Economic Development Law presented the item and discussion was held. It was further explained that the second public hearing would be held on December 20, 2016 followed by an item on the Council agenda for consideration and action of an Ordinance, to include an emergency clause.

3. Presentation and discussion relating to the Annual Audit for fiscal year ended June 30, 2016 and report from the Audit Committee Chair, John Manning

Linda Jones presented the item and introduced Guy Nightingale, Audit Committee member and Ron Conner, C.P.A. and Jake Winkler, C.P.A. of RSM US, LLP (formerly McGladrey). Mr. Nightingale presented the Audit Committee Report for Mr. Manning. Ron Conner presented the annual audit and financial statements. Discussion was held. It was further explained that the December 20, 2016 Official Notices agenda item would include the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2016.

4. Presentation and discussion relating to the Festival Park design

Larry Langford presented the item and introduced GH2 Architects. Discussion was held. It was further explained that an item would be placed on the January work session for additional discussion.

5. Discussion relating to Community Development items

- A. Final Plat – Glover Owasso (10505 N Owasso Expressway)
- B. Final Plat – Life Point Church (10857 E 116 St N)

Bronce Stephenson presented the items 5A and 5B and discussion was held. It was further explained that both items would be placed on the December 20, 2016 Council agenda for consideration and action.

6. Discussion relating to Second Amended E-911 Interlocal Agreement

Sherry Bishop presented the item and discussion was held. It was further explained that an item would be placed on the December 20, 2016 Council consent agenda for consideration and action.

7. Discussion relating to Board & Committee vacancies

Juliann Stevens presented the item and discussion was held. Mayor Dunn requested input from the Council regarding possible appointments to the Capital Improvements Committee and Planning Commission. It was further explained that an item would be placed on the December 20, 2016 Council agenda for consideration and action.

8. Discussion relating to City Manager items

Warren Lehr

- Monthly sales tax report
- City Manager report

Linda Jones presented the monthly sales tax report and discussion was held. Mr. Lehr reported on the City's annual Christmas Parade; the City Council filings for Ward 3 and Ward 4; and that the December 20, 2016 Official Notices agenda item will include the Red Flag Rule Identity Theft Prevention Program - Annual Report dated November 2016.

9. City Council/Trustee comments and inquiries

Mayor Dunn reported on upcoming legislative initiatives discussed during the December INCOG Board meeting. Councilor Bonebrake inquired about the city's plan of action should the sales tax collections continue not to meet budget projections.

10. Adjournment

The meeting adjourned at 8:07 pm.

Juliann M. Stevens, Deputy City Clerk

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
GENERAL	AEP/PSO	STREET LIGHTS	7.05
TOTAL GENERAL			7.05
MUNICIPAL COURT	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	129.99
	YOUTH SERVICES OF TULSA	YOUTH SERVICES	3,125.00
	YOUTH SERVICES OF TULSA	YOUTH SERVICES	3,125.00
TOTAL MUNICIPAL COURT			6,379.99
MANAGERIAL	JPMORGAN CHASE BANK	PIKE PASS FEES	21.20
	JPMORGAN CHASE BANK	EMPLOYEE RECOGNITION	50.00
	JPMORGAN CHASE BANK	SAMSClub-SUPPLIES	14.98
	JPMORGAN CHASE BANK	WORKSESSION EXPENSE	100.00
	JPMORGAN CHASE BANK	WORKSESSION EXPENSE	100.00
	JPMORGAN CHASE BANK	OK BAR ASSOC-ANNUAL DUES	275.00
	JPMORGAN CHASE BANK	EMPLOYEE RECOGNITION	65.00
	JPMORGAN CHASE BANK	CUTTER & BUCK-JACKETS	516.70
	JPMORGAN CHASE BANK	EMPLOYEE RECOGNITION	50.00
	JPMORGAN CHASE BANK	EMPLOYEE RECOGNITION	50.00
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	102.83
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	32.30
TOTAL MANAGERIAL			1,378.01
FINANCE	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	20.71
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	84.00
	GOVERNMENT FINANCE OFFICERS ASSOC	MEMBERSHIP DUES	250.00
	BLUE RIBBON FORMS, INC	LASER CHECK STOCK	325.66
TOTAL FINANCE			680.37
HUMAN RESOURCES	JPMORGAN CHASE BANK	ICIMS-APPLICANT TRK SYS	110.25
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	5.66
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	16.48
	JPMORGAN CHASE BANK	MEETING EXPENSE	52.65
	TULSA EMERGENCY MEDICAL CENTER	DRUG TESTS RANDOM AND PRE	590.00
	AMERICANCHECKED, INC ATTN: BILLING	PRE-EMP BACKGROUND CHECKS	17.50
	TULSA WORLD	ADVERTISING	3,913.00
	GREENWOOD PERFORMANCE SYSTEMS INC	ACM COACHING	250.00
TOTAL HUMAN RESOURCES			4,955.54
HR - CHARACTER INITIATIVE	JPMORGAN CHASE BANK	ADMIRAL EXP-SUPPLIES	201.30
TOTAL HR - CHARACTER INITIATIVE			201.30
GENERAL GOVERNMENT	JPMORGAN CHASE BANK	ADMIRAL EXP-SUPPLIES	119.96

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
GENERAL GOVERNMENT...	AEP/PSO	ELECTRIC USE	2,291.18
	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	400.28
	AMERICANCHECKED, INC ATTN: BILLING	BACKGROUND SCREENING	121.35
	DAVID L. WEATHERFORD	GENERAL MATTERS	36.00
	JPMORGAN CHASE BANK	AMERICAN WASTE-REFUSE	81.32
	AT&T	CONSOLIDATED PHONE BILL	616.34
	AT&T	LONG DISTANCE PHONE BILL	28.83
TOTAL GENERAL GOVERNMENT			3,695.26
COMMUNITY DEVELOPMENT	VERIZON WIRELESS	WIRELESS CONNECTION	155.51
	JPMORGAN CHASE BANK	AMAZON-BOOKS	93.56
	JPMORGAN CHASE BANK	AMAZON-BOOKS	116.08
	KENNETH LIVINGSTON	CODE ENFORCEMENT MOWING	150.00
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	61.40
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	94.22
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	415.58
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	135.97
TOTAL COMMUNITY DEVELOPMENT			1,222.32
TIF	CENTER FOR ECONOMIC DEVELOPMENT	LEGAL CONSULTING SERVICES	7,515.90
	CENTER FOR ECONOMIC DEVELOPMENT	LEGAL CONSULTING SERVICES	12,552.90
TOTAL TIF			20,068.80
ENGINEERING	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	280.00
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	62.28
	CITY GARAGE	VEHICLE PARTS PURCH - NOV	14.64
	UNITED STATES CELLULAR CORPORATION	PW CELL PHONES	39.92
	GRAPHIC RESOURCES & REPRODUCTION	PLOTTER REPAIR	1,259.55
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	17.71
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	17.71
	VERIZON WIRELESS	WIRELESS CONNECTION	29.65
TOTAL ENGINEERING			1,721.46
INFORMATION TECHNOLOGY	VERIZON WIRELESS	WIRELESS CONNECTION	149.68
	AT&T	CONSOLIDATED PHONE BILL	21.16
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	74.16
TOTAL INFORMATION TECHNOLOGY			245.00
SUPPORT SERVICES	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	881.50
	CITY GARAGE	VEHICLE PARTS PURCH - NOV	418.97
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	93.55
	JPMORGAN CHASE BANK	SAMSCLUB-TAX CREDIT	-22.54

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
SUPPORT SERVICES...	AT&T	CONSOLIDATED PHONE BILL	42.32
	VERIZON WIRELESS	WIRELESS CONNECTION	29.65
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	12.78
	JPMORGAN CHASE BANK	SAMSCLUB-SUPPLIES	660.08
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	39.33
	UNIFIRST HOLDINGS LP	UNIFORM RENTAL FEES	13.27
	UNIFIRST HOLDINGS LP	UNIFORM RENTAL FEES	13.27
	UNIFIRST HOLDINGS LP	UNIFORM RENTAL FEES	13.27
	JPMORGAN CHASE BANK	HEATWAVE-PLUMBING PART	122.40
	JPMORGAN CHASE BANK	LOCKE SUPPLY-BALLASTS	80.75
	JPMORGAN CHASE BANK	JOHNSTONE-CAPACITOR	5.41
	JPMORGAN CHASE BANK	ASSOC PARTS-BLOWER MOTOR	344.17
	JPMORGAN CHASE BANK	FEDEX-SHIPPING	34.50
	JPMORGAN CHASE BANK	ADMIRAL EXP-SUPPLIES	29.99
	JPMORGAN CHASE BANK	MURPHY-HAND WASH SOAP	58.44
	JPMORGAN CHASE BANK	LOCKE-THERMOCOUPLE	6.07
	TOTAL SUPPORT SERVICES		
CEMETERY	AEP/PSO	ELECTRIC USE	22.19
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	7.41
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	7.41
	VERDIGRIS VALLEY ELECTRIC COOP	CEMETERY ELECTRIC	36.89
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	63.38
TOTAL CEMETERY			137.28
POLICE COMMUNICATIONS	AT&T	CONSOLIDATED PHONE BILL	259.15
	DEPARTMENT OF PUBLIC SAFETY	OLETS FEE	450.00
	AEP/PSO	ELECTRIC USE	256.47
	JPMORGAN CHASE BANK	AMAZON-SUPPLIES	14.43
	JPMORGAN CHASE BANK	SAMS-PRISONER BOARD	115.76
	JPMORGAN CHASE BANK	SERENITY-PET CREMATION	165.00
TOTAL POLICE COMMUNICATIONS			1,260.81
ANIMAL CONTROL	JPMORGAN CHASE BANK	HOME DEPOT-SUPPLIES	12.88
	JPMORGAN CHASE BANK	HOME DEPOT-SUPPLIES	55.36
	JPMORGAN CHASE BANK	HOME DEPOT-SUPPLIES	10.88
	JPMORGAN CHASE BANK	HOBBY LOBBY-SUPPLIES	13.96
	JPMORGAN CHASE BANK	WALMART-SUPPLIES	177.07
	JPMORGAN CHASE BANK	WALMART-SUPPLIES	13.85
	AEP/PSO	ELECTRIC USE	181.24
	ANNE K. KARN	STERLIZATION SERVICES	455.00
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	6.91
	AT&T	CONSOLIDATED PHONE BILL	25.83

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
ANIMAL CONTROL...	VERIZON WIRELESS	WIRELESS CONNECTION	80.02
	AT&T	LONG DISTANCE PHONE BILL	0.76
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	98.93
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	279.75
TOTAL ANIMAL CONTROL			1,412.44
EMERGENCY PREPAREDNESS	AT&T	LONG DISTANCE PHONE BILL	0.35
	VERIZON WIRELESS	WIRELESS CONNECTION	29.65
	AT&T	CONSOLIDATED PHONE BILL	14.63
	VERDIGRIS VALLEY ELECTRIC COOP	ELECTRIC BILL STORM SIREN	31.50
	VERDIGRIS VALLEY ELECTRIC COOP	ELECTRIC BILL STORM SIREN	27.05
	VERDIGRIS VALLEY ELECTRIC COOP	ELECTRIC BILL STORM SIREN	31.58
	AEP/PSO	ELECTRIC USE	97.88
TOTAL EMERGENCY PREPAREDNESS			232.64
STORMWATER	JPMORGAN CHASE BANK	GELCO-SAFETY BOOTS	161.99
	JPMORGAN CHASE BANK	ATWOOD-POLY BLADE/OIL	123.84
	JPMORGAN CHASE BANK	OREILLY-CHAINSAW FILE	7.99
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	200.27
	SPIRIT LANDSCAPE MANAGEMENT LLC	MONTHLY LANDSCAPE MAINTEN	410.00
	SPIRIT LANDSCAPE MANAGEMENT LLC	MONTHLY LANDSCAPE MAINTEN	216.25
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	35.10
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	23.77
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	35.10
	VERIZON WIRELESS	WIRELESS CONNECTION	69.66
	JPMORGAN CHASE BANK	LOWES-TRASH BAGS	18.96
	JPMORGAN CHASE BANK	LOWES-MATERIALS	42.50
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	2,109.25
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	604.22
CITY GARAGE	VEHICLE PARTS PURCH - NOV	14.64	
TOTAL STORMWATER			4,073.54
PARKS	CITY GARAGE	VEHICLE PARTS PURCH - NOV	286.84
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	381.57
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	1,052.25
	AT&T	LONG DISTANCE PHONE BILL	1.65
	VERIZON WIRELESS	WIRELESS CONNECTION	29.65
	AT&T	CONSOLIDATED PHONE BILL	33.61
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	42.41
	UNIFIRST HOLDINGS LP	PARKS UNIFORMS	23.96
	CITY OF OWASSO	PARKS WATER	3.44
	CITY OF OWASSO	PARKS WATER	44.72
	ANDREA SMITH	PARKS JANITORIAL	587.50

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
PARKS...	JPMORGAN CHASE BANK	ATWOOD-SUPPLIES	38.97
	JPMORGAN CHASE BANK	WALMART-SUPPLIES	9.94
	JPMORGAN CHASE BANK	CORNERSTONE-SUPPLIES	62.17
	AEP/PSO	ELECTRIC USE	2,007.64
	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	45.56
TOTAL PARKS			4,651.88
CULTURE AND RECREATION	JPMORGAN CHASE BANK	HOBBY LOBBY-DECOR	54.82
TOTAL CULTURE AND RECREATION			54.82
COMMUNITY CENTER	JPMORGAN CHASE BANK	QUIT BUGGIN-PEST CONTROL	95.00
	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	267.15
	AEP/PSO	ELECTRIC USE	737.40
	JPMORGAN CHASE BANK	OFFICE DEPOT-LABEL MAKER	29.99
	JPMORGAN CHASE BANK	MYSREVENT-CHECK IN SYSTEM	125.00
	JPMORGAN CHASE BANK	MYSREVENT-CHECK IN SYSTEM	125.00
	FELKINS ENTERPRISES, LLC	MAGNETS	36.90
	DAVCO MECHANICAL CONTRACTORS, INC	HEAT AND AIR REPAIR	398.11
	DRAKE SYSTEMS INC	MONTHLY COPIER LEASE	193.58
	GRAND GATEWAY ECO. DEV. ASSC.	NOVEMBER SENIOR FARES	230.00
	AT&T	CONSOLIDATED PHONE BILL	40.45
	AT&T	LONG DISTANCE PHONE BILL	1.19
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	20.45
	JPMORGAN CHASE BANK	LOWES-BATTERIES/THEMO	104.94
	JPMORGAN CHASE BANK	AMAZON-SUPPLIES	90.43
	JPMORGAN CHASE BANK	AMAZON-SUPPLIES	33.76
TOTAL COMMUNITY CENTER			2,529.35
COMMUNITY CTR DONATIONS	JPMORGAN CHASE BANK	HOBBY LOBBY-CLASS SUPPLIE	7.98
TOTAL COMMUNITY CTR DONATIONS			7.98
HISTORICAL MUSEUM	AEP/PSO	ELECTRIC USE	74.96
	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	104.28
	AT&T	LONG DISTANCE PHONE BILL	0.37
	AT&T	CONSOLIDATED PHONE BILL	14.63
TOTAL HISTORICAL MUSEUM			194.24
ECONOMIC DEV	VERIZON WIRELESS	WIRELESS CONNECTION	29.65
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	69.25
TOTAL ECONOMIC DEV			98.90

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
FUND GRAND TOTAL			58,086.16
AMBULANCE SERVICE	THERESA ADAMS	AMBULANCE REFUND	100.00
	MARY KEARBAY	AMBULANCE REFUND	1,355.00
	DEBORA HUNT	AMBULANCE REFUND	100.00
	COMMUNITY CARE	AMBULANCE REFUND	1,364.00
	COMMUNITY CARE	AMBULANCE REFUND	1,428.50
TOTAL AMBULANCE SERVICE			4,347.50
AMBULANCE	JPMORGAN CHASE BANK	BOUND TREE-SUPPLIES	507.50
	JPMORGAN CHASE BANK	ARROW INTL-SUPPLIES	1,108.19
	JPMORGAN CHASE BANK	SO ANESTHESIA-SUPPLIES	273.01
	JPMORGAN CHASE BANK	QUADMED-SUPPLIES	1,049.20
	JPMORGAN CHASE BANK	QUADMED-SUPPLIES	1,785.00
	VERIZON WIRELESS	WIRELESS CONNECTION	238.65
	JPMORGAN CHASE BANK	FULLERTON WELD-SUPPLIES	61.50
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	766.58
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	1,738.21
	CITY GARAGE	VEHICLE PARTS PURCH - NOV	106.26
TOTAL AMBULANCE			7,634.10
FUND GRAND TOTAL			11,981.60
E911 COMMUNICATIONS	JPMORGAN CHASE BANK	TOTAL RADIO-MAINT CONTRCT	410.00
	AT&T	E911 MAPPING SVCS - DEC	355.35
TOTAL E911 COMMUNICATIONS			765.35
FUND GRAND TOTAL			765.35
JUVENILE COURT - JV COUR	YOUTH SERVICES OF TULSA	YOUTH SERVICES	1,000.00
	YOUTH SERVICES OF TULSA	YOUTH SERVICES	1,000.00
TOTAL JUVENILE COURT - JV COURT			2,000.00
FUND GRAND TOTAL			2,000.00
HOTEL TAX - ECON DEV	AEP/PSO	ELECTRIC USE	22.19
	GOVERNOR'S ECONOMIC DEVELOPMENT	REGISTRATION FEE FOR DALL	125.00
TOTAL HOTEL TAX - ECON DEV			147.19
STRONG NEIGHBORHOODS	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	75.83
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	51.20

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
STRONG NEIGHBORHOODS..	JPMORGAN CHASE BANK	PHILLIPS-FUEL	36.60
	JPMORGAN CHASE BANK	PIKE PASS FEES	16.05
TOTAL STRONG NEIGHBORHOODS			179.68
OSNI GRANTS	JPMORGAN CHASE BANK	DIRECTPROM-LITTER BAGS	199.99
TOTAL OSNI GRANTS			199.99
FUND GRAND TOTAL			526.86
STORMWATER - STORMWATER	PRECISION LAWN CARE OF TULSA, LLC	MAINTENANCE SERVICE	1,200.00
	LOT MAINTENANCE OF OKLAHOMA, INC.	REGIONAL DETENTION POND	823.02
	VERIZON WIRELESS	WIRELESS CONNECTION	40.01
	TWIN CITIES READY MIX, INC	CONCRETE	307.50
	TWIN CITIES READY MIX, INC	CONCRETE	1,230.00
	TWIN CITIES READY MIX, INC	CONCRETE	563.75
	AEP/PSO	ELECTRIC USE	440.23
TOTAL STORMWATER - STORMWATER			4,604.51
BROOKFIELD CROSSING	RONALD LEE	ROW ACQUISITION-LEE	3,133.60
	JOEY TUCKER	ROW ACQUISITION-TUCKER	3,133.60
TOTAL BROOKFIELD CROSSING			6,267.20
3 LAKES CHNL/ATOR HEIGHT	MAGNUM CONSTRUCTION INC	THREE LAKES CHANNEL/ATOR	93,420.46
TOTAL 3 LAKES CHNL/ATOR HEIGHTS			93,420.46
FUND GRAND TOTAL			104,292.17
SALES TAX FUND-FIRE	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	642.82
	JPMORGAN CHASE BANK	SAMS OFFROAD-MAINT/PARTS	69.95
	AEP/PSO	ELECTRIC USE	2,662.97
	JPMORGAN CHASE BANK	INDUSTRIAL SPLICING-PARTS	42.72
	JPMORGAN CHASE BANK	ADVANCE AUTO-SUPPLIES	13.29
	JPMORGAN CHASE BANK	SAMSCLUB-SUPPLIES	194.43
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	8.98
	JPMORGAN CHASE BANK	DELTA RIGGING-PARTS	4.93
	JPMORGAN CHASE BANK	NFPA-BOOKS	215.95
	JPMORGAN CHASE BANK	NFPA-DUES	175.00
	JPMORGAN CHASE BANK	TULSA AUTO SPRING-PARTS	415.65
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	8.72
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	9.97
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	20.18
	JPMORGAN CHASE BANK	WALMART-SUPPLIES	53.77

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount	
SALES TAX FUND-FIRE...	PRECISION LAWN CARE OF TULSA, LLC	MAINTENANCE SERVICE	250.00	
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	44.17	
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	14.99	
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	11.00	
	JPMORGAN CHASE BANK	TRAVEL EXPENSE	15.60	
	VERIZON WIRELESS	WIRELESS CONNECTION	785.83	
	AT&T	CONSOLIDATED PHONE BILL	199.33	
	JPMORGAN CHASE BANK	PIKE PASS FEES	49.65	
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	19.22	
	JPMORGAN CHASE BANK	TRAINING EXPENSE	10.82	
	JPMORGAN CHASE BANK	TRAINING EXPENSE	10.82	
	AT&T	LONG DISTANCE PHONE BILL	5.48	
	JPMORGAN CHASE BANK	COPIER LEASE	440.17	
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	1,403.85	
	CITY GARAGE	VEHICLE PARTS PURCH - NOV	337.11	
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	1,725.91	
	TOTAL SALES TAX FUND-FIRE			9,863.28
	FUND GRAND TOTAL			9,863.28
	SALES TAX FUND-POLICE	CITY GARAGE	VEHICLE PARTS PURCH - NOV	2,097.98
AT&T		LONG DISTANCE PHONE BILL	28.83	
AT&T		CONSOLIDATED PHONE BILL	578.24	
VERIZON WIRELESS		WIRELESS CONNECTION	847.71	
JPMORGAN CHASE BANK		GALLS-BALLISTIC HELMETS	2,373.03	
DRAKE SYSTEMS INC		COPIER LEASE	456.44	
JPMORGAN CHASE BANK		HAMBRICK FERG-T-STAT	596.00	
JPMORGAN CHASE BANK		MURPHY-HAND WASH SOAP	58.44	
JPMORGAN CHASE BANK		PETSMART-K9 SUPPLIES	12.99	
JPMORGAN CHASE BANK		AMAZON-SUPPLIES	9.99	
JPMORGAN CHASE BANK		SOUTHERN AG-K9 SUPPLIES	134.04	
JPMORGAN CHASE BANK		LODGING EXPENSE	438.74	
JPMORGAN CHASE BANK		AMAZON-SUPPLIES	225.00	
JPMORGAN CHASE BANK		SAMSCLUB-SUPPLIES	294.28	
JPMORGAN CHASE BANK		TASER INTL-MAGAZINES	237.48	
JPMORGAN CHASE BANK		LOWES-SUPPLIES	5.68	
JPMORGAN CHASE BANK		PATRIOTARMO-UNIF ITEM	270.00	
CITY GARAGE		LABOR/OVERHEAD - DEC, 201	11,537.00	
FLEETCOR TECHNOLOGIES		FUELMAN EXP - NOV, 2016	5,383.67	
JPMORGAN CHASE BANK		OFFICE DEPOT-SUPPLIES	148.54	
JPMORGAN CHASE BANK		BEST BUY-SUPPLIES	94.98	
JPMORGAN CHASE BANK		GT DISTRIB-SUPPLIES	187.76	
JPMORGAN CHASE BANK		LOWES-REFUND	-5.68	
JPMORGAN CHASE BANK		WALMART-SUPPLIES	32.94	

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
SALES TAX FUND-POLICE...	AEP/PSO	ELECTRIC USE	2,864.23
	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	255.91
TOTAL SALES TAX FUND-POLICE			29,164.22
FUND GRAND TOTAL			29,164.22
SALES TAX FUND-STREETS	AEP/PSO	ELECTRIC USE	1,616.38
	ROADSAFE TRAFFIC SYSTEMS, INC	FY 15-16 STRIPING PROJECT	30,030.44
	JPMORGAN CHASE BANK	LOWES-PARTS	2.76
	JPMORGAN CHASE BANK	ATWOOD-WINTERWEAR	39.99
	JPMORGAN CHASE BANK	ATWOOD-WINTERWEAR	39.99
	JPMORGAN CHASE BANK	ATWOODS-BOOTS	146.98
	JPMORGAN CHASE BANK	ATWOOD-ANTIFREEZE	8.97
	JPMORGAN CHASE BANK	LOWES-SUPPLIES	6.76
	AMERICAN ELECTRIC POWER	MAIN STREET LIGHTING	1,000.00
	AMERICAN ELECTRIC POWER	SILVER CREEK LIGHTING	513.00
	TWIN CITIES READY MIX, INC	STREET REPAIR	1,491.00
	JPMORGAN CHASE BANK	DIESEL POWER-HARNES	84.47
	JPMORGAN CHASE BANK	DRYSDALES-WINTER BIBS	99.99
	AEP/PSO	STREET LIGHTS	6,484.91
	JPMORGAN CHASE BANK	OREILLY-STARTING FLUID	56.87
	TULSA EMERGENCY MEDICAL CENTER	HEP VACCINES FOR JACOB	149.00
	JPMORGAN CHASE BANK	LOWES-MATERIALS	38.71
	JPMORGAN CHASE BANK	ALL WHEEL DRIVE-CABLE	144.00
	JPMORGAN CHASE BANK	ATWOODS-BOOTS	129.99
	JPMORGAN CHASE BANK	ATWOODS-BOOTS	129.99
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	23.78
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	86.86
	ANCHOR STONE COMPANY	ASPHALT	53.42
	TULSA COUNTY HIGHWAY CONSTRUCTION	SIGNS	309.20
	TWIN CITIES READY MIX, INC	CONCRETE	100.00
	BLUE ENERGY FUELS, LLC	CNG FUEL PURCH - DEC, 201	182.82
	TULSA COUNTY HIGHWAY CONSTRUCTION	SIGN REPLACEMENT PROJECT	2,073.10
	TULSA COUNTY HIGHWAY CONSTRUCTION	SIGN REPLACEMENT PROJECT	591.00
	APAC-OKLAHOMA, INC.	STREET REPAIR	96.33
	APAC-OKLAHOMA, INC.	ASPHALT FOR POTHOLE	42.51
	TWIN CITIES READY MIX, INC	STREET REPAIR	1,456.00
	TWIN CITIES READY MIX, INC	STREET REPAIR	256.25
	TWIN CITIES READY MIX, INC	STREET REPAIR	1,066.00
	TWIN CITIES READY MIX, INC	STREET REPAIR	960.00
	SIGNALTEK INC	TRAFFIC CONTROL MAINTENAN	1,858.28
	SIGNALTEK INC	TRAFFIC CONTROL MAINTENAN	1,191.25
	SIGNALTEK INC	TRAFFIC CONTROL MAINTENAN	4,069.91
	SIGNALTEK INC	TRAFFIC CONTROL MAINTENAN	1,577.98

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
SALES TAX FUND-STREETS...	VERIZON WIRELESS	WIRELESS CONNECTION	80.02
	UNIFIRST HOLDINGS LP	UNIFORM CLEANING	46.59
	VERDIGRIS VALLEY ELECTRIC COOP	CHAMPIONS STREET LIGHTING	37.58
	JPMORGAN CHASE BANK	VANCE BROTHERS-TACK OIL	35.00
	VERDIGRIS VALLEY ELECTRIC COOP	SECURITY LIGHT	7.13
	JPMORGAN CHASE BANK	BROWNSCO-JOINT	54.00
	JPMORGAN CHASE BANK	AMER EQUIP-AIRFLO REBUILD	1,913.16
	CITY GARAGE	VEHICLE PARTS PURCH - NOV	388.74
	FLEETCOR TECHNOLOGIES	FUELMAN EXP - NOV, 2016	436.31
	CITY GARAGE	LABOR/OVERHEAD - DEC, 201	2,672.50
	TWIN CITIES READY MIX, INC	SIDEWALK REPAIR	106.50
TOTAL SALES TAX FUND-STREETS			63,986.42
STREET REHAB FY16	LOWRY CONSTRUCTION SERVICES	FY 15-16 STREET REHAB PRO	77,874.64
TOTAL STREET REHAB FY16			77,874.64
FUND GRAND TOTAL			141,861.06
CI - FBO BUILDING	BKL INCORPORATED	ARCHITECTURAL/ENGINEERING	450.00
TOTAL CI - FBO BUILDING			450.00
GARNETT RD WIDE 106TH-11	MC CLELLAND CONSULTING ENGINEERS INC	ENGINEERING SERVICES	30,620.00
	FELKINS ENTERPRISES, LLC	SIGNAGE - GARNETT WIDENIN	200.00
TOTAL GARNETT RD WIDE 106TH-116			30,820.00
106/145TH INTERSECT IMP	FELKINS ENTERPRISES, LLC	SIGNAGE - GARNETT WIDENIN	200.00
	POE, LTD	ENGINEERING DESIGN SERVIC	14,617.40
TOTAL 106/145TH INTERSECT IMP			14,817.40
FUND GRAND TOTAL			46,087.40
CITY GARAGE	ONEOK, INC OKLAHOMA NATURAL GAS	NATURAL GAS USAGE	201.86
	AEP/PSO	ELECTRIC USE	339.74
	JPMORGAN CHASE BANK	JIM GLOVER-REPAIR	769.02
	JPMORGAN CHASE BANK	FULLERTON-WELDING GAS	56.45
	JPMORGAN CHASE BANK	LENOX-TOWING	75.00
	JPMORGAN CHASE BANK	BUMP2BUMP-PARTS RESALE	157.79
	JPMORGAN CHASE BANK	BUMP2BUMP-PARTS RESALE	36.40
	JPMORGAN CHASE BANK	AMERIFLEX-VEHICLE PARTS	113.10
	JPMORGAN CHASE BANK	TATE BOYS-ALIGNMENT	79.95
	JPMORGAN CHASE BANK	B & M WAREHOUSE-PARTS	1,009.80
	JPMORGAN CHASE BANK	B & M WAREHOUSE-PARTS	330.00

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount	
CITY GARAGE...	JPMORGAN CHASE BANK	UNITED FORD-SHIPPING	30.00	
	JPMORGAN CHASE BANK	UNITED FORD-PART RESALE	98.46	
	JPMORGAN CHASE BANK	UNITED FORD-PARTS RESALE	443.66	
	JPMORGAN CHASE BANK	UNITED FORD-PART RESALE	105.28	
	JPMORGAN CHASE BANK	UNITED FORD-PARTS RESALE	3,108.84	
	JPMORGAN CHASE BANK	UNITED FORD-PARTS RESALE	53.86	
	JPMORGAN CHASE BANK	LENOX-TOWING	65.00	
	JPMORGAN CHASE BANK	CLASSIC CHEV-BRAKE PARTS	322.00	
	JPMORGAN CHASE BANK	CLASSIC CHEVY-PARTS	654.34	
	JPMORGAN CHASE BANK	CLASSIC CHEVY-PARTS	116.89	
	JPMORGAN CHASE BANK	CLASSIC CHEVY-FUEL PUMP	225.53	
	JPMORGAN CHASE BANK	UNITED FORD-PARTS	381.83	
	JPMORGAN CHASE BANK	B & M EXHAUST-MUFFLER	54.46	
	JPMORGAN CHASE BANK	KUBOTA-EXHAUST PARTS	161.33	
	UNIFIRST HOLDINGS LP	UNIFORM RENTAL FEES	28.36	
	UNIFIRST HOLDINGS LP	UNIFORM RENTAL FEES	28.36	
	GIL SAURER DBA PHOENIX RECYCLING	USED OIL FILTER RECYCLING	55.00	
	JPMORGAN CHASE BANK	FOSTERS-PAINT DRIVER DOOR	297.50	
	JPMORGAN CHASE BANK	AMERIFLEX-HYDR HOSE	31.25	
	JPMORGAN CHASE BANK	OFFICE DEPOT-SUPPLIES	6.39	
	JPMORGAN CHASE BANK	FASTENAL-BOLTS	4.19	
	AT&T	LONG DISTANCE PHONE BILL	5.13	
	AT&T	CONSOLIDATED PHONE BILL	25.83	
	JPMORGAN CHASE BANK	OFFICE DEPOT-CREDIT	-13.29	
	JPMORGAN CHASE BANK	MALCHI AUTO-LIFT REPAIR	1,040.00	
	JPMORGAN CHASE BANK	BUMP2BUMP-PARTS RESALE	372.34	
	TOTAL CITY GARAGE			10,871.65
	FUND GRAND TOTAL			10,871.65
WORKERS' COMP SELF-INS	UNITED SAFETY & CLAIMS INC	BPO WORKERS COMP TPA ADMI	1,658.33	
	CITY OF OWASSO IMPREST ACCOUNT	WORKERS COMP CLAIMS EXPEN	323.00	
	CITY OF OWASSO IMPREST ACCOUNT	WORKERS COMP CLAIMS EXPEN	6,081.99	
TOTAL WORKERS' COMP SELF-INS			8,063.32	
FUND GRAND TOTAL			8,063.32	
GEN LIAB-PROP SELF INS	NEWTON, O'CONNOR, TURNER & KETCHUM	LEGAL-CODY MATHEWS	331.50	
	NEWTON, O'CONNOR, TURNER & KETCHUM	LEGAL-MIKE DENTON	440.68	
	NEWTON, O'CONNOR, TURNER & KETCHUM	LEGAL-GENERAL MATTERS	255.00	
TOTAL GEN LIAB-PROP SELF INS			1,027.18	

Claims List

12/20/2016

Budget Unit Title	Vendor Name	Payable Description	Payment Amount
FUND GRAND TOTAL			1,027.18
CITY GRAND TOTAL			\$424,590.25

CITY OF OWASSO
 HEALTHCARE SELF INSURANCE FUND
 CLAIMS PAID PER AUTHORIZATION OF ORDINANCE #789 AS OF 12/15/16

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
AETNA	HEALTHCARE MEDICAL SERVICE	33,285.57
	HEALTHCARE MEDICAL SERVICE	36,401.15
	HEALTHCARE MEDICAL SERVICE	26,971.79
	HEALTHCARE MEDICAL SERVICE	34,843.74
	HEALTHCARE MEDICAL SERVICE	13,388.66
	HEALTHCARE DEPT TOTAL	<u>144,890.91</u>
DELTA DENTAL	DENTAL MEDICAL SERVICE	2,844.66
	DENTAL MEDICAL SERVICE	5,201.48
	DENTAL MEDICAL SERVICE	4,045.86
	ADMIN FEES	2,626.83
	DENTAL DEPT TOTAL	<u>14,718.83</u>
VSP	VISION MEDICAL SERVICES	2,187.99
	ADMIN FEES	1,100.60
	VISION DEPT TOTAL	<u>3,288.59</u>
	HEALTHCARE SELF INSURANCE FUND TOTAL	<u><u>162,898.33</u></u>



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Earl Farris
Project Administrator

SUBJECT: Acceptance of Infrastructure Improvements at Owasso Industrial Park Phase IV

DATE: December 16, 2016

BACKGROUND:

The subject commercial development is located at 200 E 5th Avenue. Public infrastructure includes construction of a concrete approach, sidewalk and installation of a fire hydrant including all appurtenances.

FINAL INSPECTIONS:

Final inspections for the infrastructure component were completed in December 2016 by the Public Works Department. All standards for acceptance have been met. Additionally, the construction contractor and design engineer have supplied the necessary two-year maintenance bond and required as-built drawings.

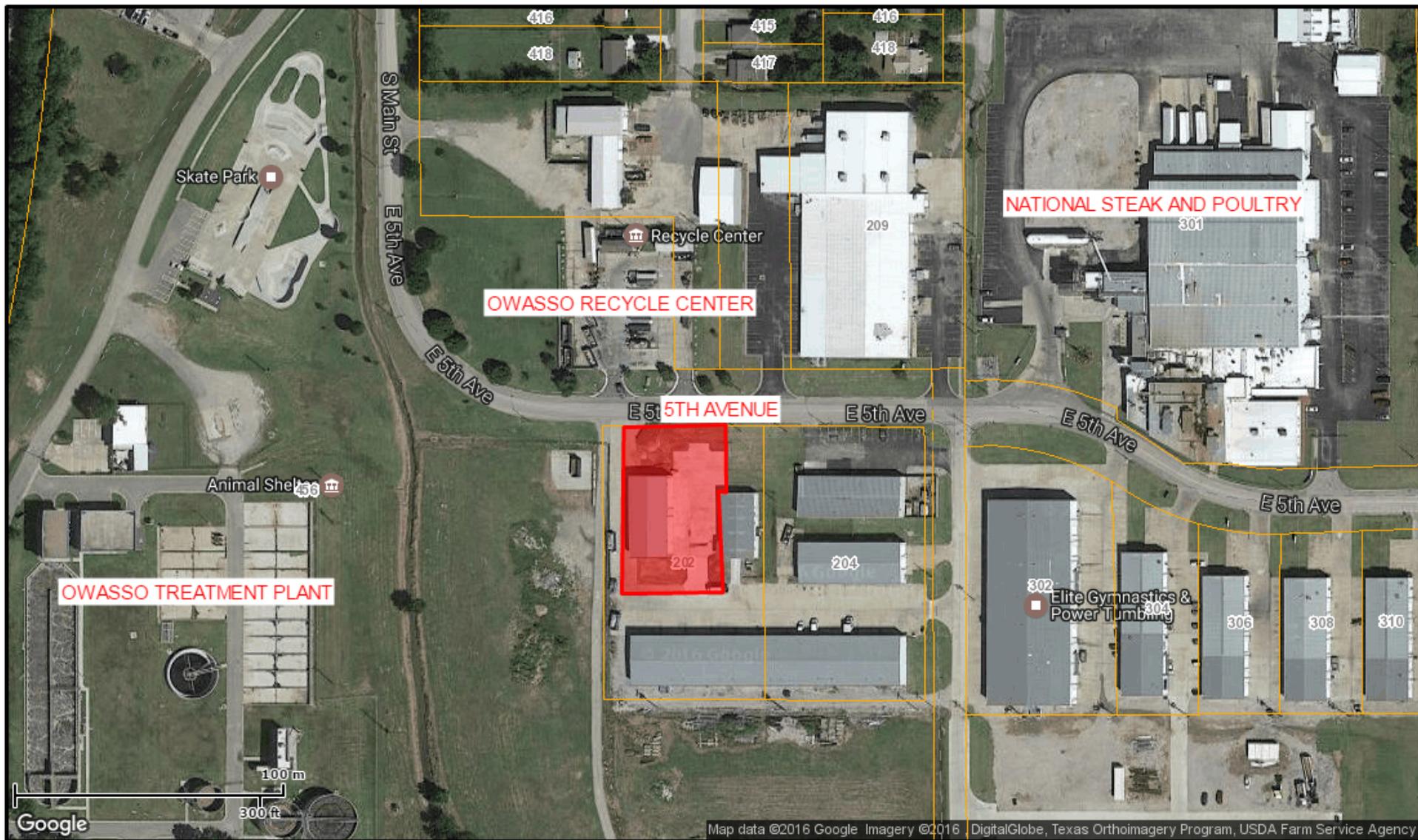
RECOMMENDATION:

Staff recommends acceptance of public infrastructure including a concrete approach, sidewalk and fire hydrant including all appurtenances at Owasso Industrial Park Phase IV.

ATTACHMENTS:

Location Map
City Attorney bond approval letter & copy of bonds

OIP IV



1" = 188 ft	LOCATION MAP	12/08/2016		
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This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Owasso Public staff for the most up-to-date information.

Farris, Earl

From: Lombardi, Julie
Sent: Monday, November 21, 2016 5:23 PM
To: Hancock, Brandon
Cc: Farris, Earl
Subject: RE: Owasso Industrial Park IV

Brandon,

I have reviewed the maintenance bond for the Waterline and Concrete Approach to serve the Owasso Industrial Park, Phase IV, at your request. The Attorney-in-Fact signature is authorized, the surety is licensed to do business in OK, and the amount of the bond is well within the surety's \$2,004,000 underwriting limitation. Therefore, the bond is approved.

Julie Lombardi

Julie Trout Lombardi
City Attorney
200 S Main St
PO Box 180
Owasso, Oklahoma 74055
918.376-1511(o) 918.376-1599 (f)

From: Hancock, Brandon
Sent: Monday, November 21, 2016 9:41 AM
To: Lombardi, Julie; Farris, Earl (efarris@CityOfOwasso.com)
Subject: Owasso Industrial Park IV

Julie-

Please review the attached bond and reply to this email with your findings.

Thanks in advance for your assistance.

Brandon Hancock, CPII
Infrastructure Inspector
Owasso Public Works
office: 918 272-4959
fax: 918 272-4996
cell: 918 693-0373
bhancock@cityofowasso.com



Maintenance Bond
PRIVATELY FINANCED PUBLIC IMPROVEMENTS

Bond No: GR35866

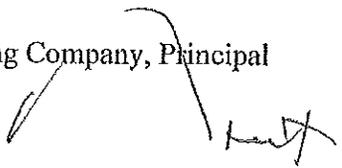
KNOW ALL MEN BY THESE PRESENTS, That we Developer's Paving Company as Principal (Developer and/or Contractor), and Granite Re, Inc. as Surety, are held and firmly bound unto the City of Owasso, Oklahoma, as Obligee, in the penal sum of Eight Thousand, Sixty-Seven Dollars and 20/100***** (\$8,067.20) to which payment will and truly to be made, we do bind ourselves, and each of our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

WHEREAS, the Principal will furnish a bond conditioned to guarantee, for the period of TWO YEARS after final approval of the Waterline and Concrete Approach to Serve Owasso Industrial Park, Phase IV, a privately financed public improvement, and acceptance of such by the City Council of the City of Owasso, Oklahoma, against all defects in workmanship and materials which may become apparent in such privately financed public improvement during said period.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that the Principal and/or Surety shall indemnify the Obligee for all loss that the Obligee may sustain by reason of any defective materials or workmanship in the privately financed public improvement which may become apparent during the said period.

SIGNED, SEALED, AND DATED: November 16, 2016

Developer's Paving Company, Principal

BY:  _____

Granite Re, Inc., Surety

BY:  _____, Attorney-in-Fact
Amy Lambert

Owasso Industrial Park Phase IV
Waterline and Concrete Approach

Description	Units	Unit Price	Extended Price
Concrete Approach	1 Ea	\$ 3,496.68	\$ 3,496.68
Fire Hydrant	1 Ea	\$ 3,192.43	\$ 3,192.43
8"x6" Tapping Sleeve w/ Valve	1 Ea	\$ 1,378.09	\$ 1,378.09
			\$ 8,067.20



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Larry White
Director, Support Services

SUBJECT: Second Amended E-911 Interlocal Agreement

DATE: December 16, 2016

BACKGROUND:

In 1989, the City of Owasso, together with the surrounding communities of the Tulsa Metropolitan Area, executed the first "Interlocal Agreement" with Southwestern Bell Telephone and established "Enhanced" 911 Emergency Telephone service. The "Enhanced" 911 service provided the location of the emergency in a matter of seconds, thus enabling emergency personnel to have the exact location of the call.

A new Interlocal Agreement dated June 19, 2006, was executed by the participating jurisdictions. This agreement provided for the restructuring of the Regional 911 Board. This resulted from changes in jurisdictions purchasing new 911 equipment and services to become Phase 2 compliant, which allowed each jurisdiction the ability to locate wireless calls.

In 2009, the Regional 911 Board voted to add the City of Bixby to the list of Members to the Interlocal Agreement. The Board also voted to change the date for the adoption of a budget resolution from April 1 to March 1 each year in order to facilitate the budgeting process in each jurisdiction. The First Amended Interlocal Agreement was executed by the participating jurisdictions in 2009.

SECOND AMENDED INTERLOCAL AGREEMENT:

On September 17, 2016, the Regional 911 Board voted to add the City of Broken Arrow to the list of Members to the Interlocal Agreement in order to better facilitate the delivery of Enhanced 911 services throughout the Tulsa Metropolitan Area. The Second Amended Interlocal Agreement includes the addition of the City of Broken Arrow.

It further provides the method for allocation of costs for the joint funding of the Enhanced 911 Emergency Telephone service will be determined in the Annual Budget adopted by the Board based on population calculations provided by INCOG. All parties participating in the Board will share proportionally in the cost of the 911 network. Other charges not related to the network are further specified as to the share of those charges to be paid by the Members.

Each Member jurisdiction has been requested to approve the Second Amended Interlocal Agreement. The First Amended Interlocal Agreement will be replaced in its entirety.

RECOMMENDATION:

Staff recommends City Council approval of the Second Amended Interlocal Agreement.

ATTACHMENT:

Second Amended Interlocal Agreement

**SECOND AMENDED
INTERLOCAL AGREEMENT**

The Interlocal Agreement creating the Regional 9-1-1 Board was approved by the Attorney General on June 19, 2006. In 2009, this agreement was first amended to include Bixby as a member and to make certain changes to the cost allocation and annual budget deadlines.

On September 7, 2016, the Regional 9-1-1 Board voted to include Broken Arrow, Oklahoma as a member. The cost allocation formula for both Broken Arrow and Rogers County is amended here to reflect the agreement of all the parties.

In consideration of mutual promises herein contained, the First Amended Interlocal Agreement is hereby amended by striking the entire agreement and substituting the following:

THIS AGREEMENT is entered into by and between the following parties:

City of Bixby	City of Owasso
City of Broken Arrow	City of Sand Springs
City of Claremore	City of Sapulpa
City of Collinsville	City of Skiatook
City of Glenpool	City of Tulsa
City of Jenks	Rogers County

(hereafter "Members")

WHEREAS pursuant to 74 O.S. §1001 et seq., the Members are authorized to enter into an Interlocal Agreement for the purpose of jointly cooperating for their mutual advantage; and

WHEREAS the Members desire to share in the costs of 911 related equipment, networking and database services in order to save money and enhance interoperability in case of a mass emergency,

THEREFORE, in consideration of the mutual obligations and benefits described herein, the parties hereby enter into this Agreement as follows.

I. REGIONAL 911 BOARD CREATED

A. There is hereby created by this Agreement a Board to be known as the Regional 911 Board, (Board) consisting of duly appointed representatives from each of the Members. The Board shall have the powers and duties outlined

below. Quorum, voting procedures, representation on the Board, attendance, minutes of the meeting, officers, terms of office, committees, and all other operational issues shall be specifically regulated in the by-laws of the Board, which must be approved by the Board by a majority vote of the Members. A representative of the Indian Nations Council of Governments (INCOG) shall be a nonvoting member of the Board.

B. The Board shall designate the time and place of all meetings, which shall be held no less frequently than quarterly and which shall be conducted in compliance with the Oklahoma Open Meetings Act.

II. PURPOSE

A. The purpose of the Regional 911 Board shall be to cooperate in the efficient administration of all 911 related duties in the jurisdictions represented by the Members. The Board shall procure 911 equipment and services in order to receive and to correctly route 911 calls to the appropriate jurisdiction. Costs for the purchase and on-going use of that equipment and services shall be shared among the Members in the manner more specifically set out below.

B. Each Member, not the Board, will be responsible for the daily operation of its 911 center, the delivery of 911 services, and interacting with vendors regarding equipment or service problems in its 911 center.

C. The Members may also share administrative, monitoring, mapping, addressing, database maintenance, training or other functions as the Board recommends from time to time, in a manner more specifically set out in a memorandum of understanding.

D. The Board may also share information, on legislative police and best practices with its Members, jurisdictions that subcontract with Members for 911 services, and representatives of other jurisdictions attending Board meetings.

III. PAYMENT OF COSTS

A. Each Member shall pay its share of equipment and other agreed-to costs in the manner set out in the Annual Budget adopted by the Board.

B. Members agree to make monthly payments to the Board, c/o INCOG, for its share of the total costs of maintaining the regional 9-1-1 system as calculated by the annual budget. Payments shall be mailed or delivered to the authorized notice address for the Board.

C. The Board will revise its population calculations, cost sharing proportions and cost allocation formula annually, using population estimates provided by INCOG.

D. Nothing in this Agreement imposes or implies any duty for any Member to indemnify the Board or any other Member or to contribute more than its agreed upon share as outlined in this Agreement or in a memorandum of understanding entered into by the Members.

IV. MEMORANDA OF UNDERSTANDING

The Members may, from time to time, agree to share other 911-related duties including, but not limited to contract administration, contract monitoring, mapping, addressing, training or other administrative duties. The Board may recommend memoranda of understanding setting forth the additional duties, the proposed proportional cost and terms for cost sharing, however, no Member shall be obligated to participate in or to pay for additional duties until it has approved each memorandum of understanding and its governing body has appropriated sufficient funds to pay the additional costs.

V. BUDGETING

On or before March 1, the Board shall adopt by resolution a proposed budget for the upcoming fiscal year. The budget shall include revised population estimates for the upcoming year, an itemization of annual equipment costs, an itemization of each jurisdiction's proportional share of the equipment costs, a detailed explanation for any and all additional costs to be shared during the upcoming fiscal year, and the proportional share of those costs attributable to each jurisdiction.

As of the date of this agreement, the Board has agreed that all parties share proportionally in the cost of the 9-1-1 network, which enables the regional interoperability between the parties. All parties with the exception of Broken Arrow and Rogers County also share proportionally in other 9-1-1 related costs including equipment, database, end office trunks, selective routing, Phase II and other charges not related to the network. Broken Arrow and Rogers County each pay 100 percent of those charges that are attributable to each of their 9-1-1 centers.

VI. DUTIES OF THE BOARD

A. The duties of the Board shall include the following:

1. Procure 911 equipment and services.
2. Enter into contracts with vendors for the delivery of 911 equipment or services.
3. Monitor contract performance by vendors.
4. Regularly provide information on performance by vendors, equipment and services.

5. Calculate and review cost allocations to assure fair and accurate distribution of costs among Members.
6. Resolve all disputes among Members regarding cost allocations.
7. Facilitate sharing of 911 functions among Members.
8. Enter into contracts with non-member jurisdictions for the sharing of 911 network facilities and equipment.
9. Recommend any memoranda of understanding prior to approval by the Members.
10. Review all requests to participate in the Regional 911 Board by other jurisdictions and make recommendations to the Members regarding the approval of such requests.
11. Adopt by-laws consistent with this Agreement. Adopt policies and procedures as directed by the Members.
12. Share 911 information, monitor and propose legislative initiatives and share best practices among Members and non-member jurisdictions that attend Board meetings.
13. Perform other tasks consistent with the purpose and intent of this Agreement and any memoranda of understanding entered into by the Members.

VII. PROPERTY ACQUISITION/HOLDING

The parties agree that no real property shall be acquired jointly during the course of this Agreement. Personal property that is acquired during the term of this Agreement and any renewals thereof shall be the property of the Regional 911 Board. The Board may own, maintain, upgrade, sell, lease, alter or dispose of the personal property at any time by action of the Board. Any property owned by the Board at the time of dissolution of the Board or upon termination of this Agreement shall become the property of the Members and former Members in undivided shares equal to the proportion of cost paid for the property by each Member and former Member as compared to the total cost paid by all Members and former Members.

VIII. DURATION/TERMINATION

A. This Agreement will become effective from the date of approval or deemed approval by the Attorney General (Effective Date) and will continue until June 30, 2017 (Initial Term). This Agreement shall be automatically renewed by each Member for one-year periods commencing on July 1 of each year and continuing until June 30 of the following year subject to the following conditions:

1. Renewal of this Agreement for each Member is subject to the Member's annual appropriation of sufficient funds for the Member's fiscal year (July 1 to June 30) to pay the costs allocated to the Member for that fiscal year. In the event that a Member does not appropriate or budget

sufficient funds to pay its allocated share of costs for a fiscal year under this Agreement, the Agreement will not be renewed by the Member.

2. A Member must deliver written notice to terminate or not to renew its membership in the Regional 911 Board to the Board in an open meeting at least sixty days prior to the end of the fiscal year. Termination of all obligations for the terminating or nonrenewing Member will occur on the last day of the fiscal year in which the notice was received, provided that the provisions of the next paragraph are met.

3. Should a Member elect to terminate or not to renew its membership, the Board, in cooperation with the terminating or nonrenewing Member and any equipment vendors with which the Board has contracted for the purchase of equipment, will value the cost remaining to be paid for the purchase of equipment. The terminating or nonrenewing Member shall, subject to appropriation of funds by its governing body, pay its share of that cost to the Board.

B. Termination of membership in the Regional 911 Board will not alter any contractual rights or obligations a Member may have with a vendor.

IX. ADDITION OF MEMBERS/ DISSOLUTION OF BOARD

A. New members of the Regional 911 Board may be added by a majority vote of the current Members. New members shall pay the share of costs of the regional 9-1-1 system in an amount to be determined by the Board. Such proportional cost may include an adjustment to compensate existing and former Members for previous costs paid. This Agreement may be amended to add Members as the need arises.

B. This Agreement may be terminated and the Regional 911 Board may be dissolved by a majority vote of its Members.

X. NOTICE

A. Any notice to be given under this Agreement will be deemed given on the date of personal delivery or upon the date of mailing if mailed by certified mail, return receipt requested, with proper postage thereon, to a Member at the address indicated below the signature of each Member and to the Board at the following address:

REGIONAL 911 BOARD
c/o INCOG
2 W. 2nd Suite 800
TULSA, OK 74103

B. The authorized notice address for the Board or a Member may be changed by giving written notice to the Board and all Members.

XI. ADDITIONAL TERMS

This Agreement may be executed in parts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Upon execution of the parts, duplicate signature pages shall be sent to INCOG. INCOG shall compile the original, forward it to the Attorney General's office for approval and distribute fully executed copies to each Member.

APPROVED this ___ day of _____, 2016.

(title)_____
(jurisdiction)_____

ATTEST

Secretary
(seal)

Contact Person and Address for
Notices required under this Agreement

(person)

(address)



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Daniel Dearing
Sr. Civil Engineer

SUBJECT: Acceptance of Urban Engineering Agreement

DATE: December 16, 2016

BACKGROUND:

On May 17, 2005, the *Engineering Design Criteria, Construction Standards and Standard Details* for any and all developments, projects, and infrastructure improvements within the City of Owasso were adopted by the City Council. Documents required as a result of that adoption include two different agreements, one which must be submitted by the developer and one which must be submitted by the developer's engineer. The agreements are as follows:

ENGINEER AGREEMENT:

The agreement required to be submitted by the developer's engineer is titled "Agreement for Urban Engineering Services" (Section 0114.1(B)). This agreement requires the engineer to list all improvements associated with the proposed development, attest that all designs will be in compliance with City standards (outlined in the design criteria), pay all fees associated with the plan review, attest that he/she is a Registered Professional Engineer in the State of Oklahoma, and attest that he/she maintains Professional Liability Insurance in limits directly correlated to the cost of the project specified in the attached agreement. The liability insurance to project cost ratio schedule is as follows:

<u>Project Cost</u>	<u>Professional Liability Insurance</u>
Less than \$500,000	\$ 250,000
\$500,000 - \$1,000,000	\$ 500,000
Greater than \$1,000,000	\$1,000,000

DEVELOPER AGREEMENT:

The agreement required to be submitted by the developer is titled "Agreement Guaranteeing Installation of Improvements" (Section 0114.1(C)). This agreement requires the developer to submit engineering drawings for the proposed improvements, provide oversight of his/her construction contractor to assure compliance with the approved plans, and submit "as-built" drawings upon completion of the construction of improvements.

The Mayor's signature is required on the "Agreement for Urban Engineering Services" (Engineer Agreement), and therefore Council approval is needed.

RECOMMENDATION:

Staff recommends approval and authorization for the Mayor to execute the following "Agreement for Urban Engineering Services" (Engineers Agreement):

- Khoury Engineering, Inc., for water main, fire hydrants and sidewalks for Mowery Lofts.
- Olsson Associates, for water main, driveway and culverts for Lifepoint Church.
- Cowan Group Engineering, for entry pavement within the right-of-way, storm sewer manhole, water line improvements and sidewalk for Home 2 Suites.

ATTACHMENTS:

"Agreement for Urban Engineering Services" – Khoury Engineering, Inc., for water main, fire hydrants and sidewalks for Mowery Lofts.

"Agreement for Urban Engineering Services" – Olsson Associates, Inc., for water main, driveway and culverts for Lifepoint Church.

"Agreement for Urban Engineering Services" - Cowan Group Engineering, for entry pavement within the right-of-way, storm sewer manhole, water line improvements and sidewalk for Home 2 Suites.

AGREEMENT FOR URBAN ENGINEERING SERVICES

THIS AGREEMENT, entered into by and between the CITY OF OWASSO,

OKLAHOMA, a municipal corporation, hereinafter called "City" and

Khoury Engineering, Inc. hereinafter called "Design Engineer".

WITNESSETH:

WHEREAS, the Design Engineer has been employed by the Owner/Developer/Subdivider of the herein described real property to prepare all project plans and specifications and to provide certain engineering services during the construction of the hereinafter sometimes referred to as the "Project", upon easements and rights-of-ways to be owned or controlled by the City; and

WHEREAS, the Design Engineer is desirous of obtaining the review (and approval) of the plans and specifications for said project by the City of Owasso Public Works Department; and

WHEREAS, the City is willing to review the plans and specifications prepared by the Design Engineer under the hereinafter described terms and conditions.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the hereinafter set forth promises and covenants, the parties hereto mutually agree as follows, to-wit;

1. The Improvements to be designed by the Design Engineer (pursuant to this Contract)

shall generally consist of the following types of improvements

Water Main Replacement, fire hydrants and sidewalks within

the right-of-way to serve Mowery Lofts.

which shall be located on the following described tract of land:

See Attached

2. The Design Engineer shall, in conformity with the provisions of the City's Standard Specifications for Urban Engineering Services, including the City's current Design Criteria, which are hereby incorporated and made a part of this Contract by reference, prepare project plans, specifications, and other engineering documents as may be necessary for the proper construction of the project improvement, and shall perform all construction layout surveys, and staking and periodic general construction supervision on the project improvements as they are constructed by the Owner and his Contractor.
3. The City shall review (and approve) the project plans, specifications, and other engineering documents for the construction of the project improvements prepared and submitted to the City by the Design Engineer.
4. The Design Engineer shall compensate the City for reviewing (and approving) plans and specifications for the project at the rate of One Hundred Dollars (\$100.00) for each plan sheet submitted (other than plan sheet Standard Drawings of the City of Owasso or of the Oklahoma Department of Transportation), except that the minimum charge for each project shall be One Hundred-fifty Dollars (\$150.00). Payment shall be due and payable upon presentation of the plans and specifications for the project for review by the City. PFPI plan review and permit fees are waived for governmental entities. No fees shall be collected by the City of Owasso on any public work or improvement

performed by or for any city, county, state, or federal governmental entity; provided however, that this exemption shall not constitute waiver of any ordinance requiring the issuance of such permits, and it shall apply only to such permits issued directly to the governmental entity involved.

5. The Design Engineer hereby covenants that he/she is a Registered Professional Engineer in the State of Oklahoma at the time of execution of this Contract, and should the Design Engineer cease to be a Registered Professional Engineer prior to completing performance of the terms and conditions of this Contract, the Design Engineer shall immediately notify the City and shall engage a Registered Professional Engineer acceptable to the City to complete performance of the promises and covenants contained herein.
6. The Design Engineer further covenants and agrees that he/she maintains and is covered by Professional Liability Insurance in limits of not less than those indicated in the following schedule:

<u>Project Cost</u>	<u>Professional Liability Insurance</u>
Less than \$500,000	\$250,000
\$500,000 - \$1,000,000	\$500,000
Greater than \$1,000,000	\$1,000,000

(Project Costs to be as defined in Section I of the attached Specifications for Urban Engineering Services) and that he/she will maintain same in continuous force and effect for a period of not less than three years from and after final acceptance of the project herein.

7. The Design Engineer further covenants and agrees to comply with Section I, Section II and Section III of the attached Standard Specifications for Urban Engineering Services and that these specifications become a part this contract.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives on the dates set for the below.

Executed by the City of Owasso, Oklahoma, on the ___ day of _____, 20__.

Executed by the Design Engineer on the 18 day of October 2016.

CITY OF OWASSO, OKLAHOMA
a municipal corporation

BY _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED:



Public Works Director

DESIGN ENGINEER



Design Engineer

BY President

Title

ATTEST:



Secretary

LEGAL DESCRIPTION – MOWERY LOFTS

LOT ONE (1), TWO (2), THREE (3) AND PART OF LOT FOUR (4) DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH LINE OF THE SAID LOT 4 A DISTANCE OF 49 FEET WEST OF THE NORTHEAST CORNER OF SUCH LOT; THENCE SOUTH AND PARALLEL TO THE EAST LINE OF SUCH LOT A DISTANCE OF 62 FEET; THENCE EAST AND PARALLEL TO THE NORTH LINE OF SUCH LOT A DISTANCE OF 24 FEET; THENCE SOUTH AND PARALLEL TO THE EAST LINE OF SUCH LOT A DISTANCE OF 78 FEET TO THE SOUTH LINE OF SUCH LOT; THENCE EAST ALONG THE SOUTH LINE OF SUCH LOT A DISTANCE OF 25 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH ALONG THE EAST LINE OF LOT 4 A DISTANCE OF 140 FEET TO THE NORTHEAST CORNER THEREOF, THENCE WEST ALONG THE NORTH LINE OF SUCH LOT A DISTANCE OF 49 FEET TO THE POINT OF BEGINNING, ALL IN BLOCK TWENTY-TWO (22), ORIGINAL TOWN OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE RECORDED PLAT NO. A-520.

AGREEMENT FOR URBAN ENGINEERING SERVICES

THIS AGREEMENT, entered into by and between the CITY OF OWASSO,

OKLAHOMA, a municipal corporation, hereinafter called "City" and

Olsson Associates hereinafter called "Design Engineer".

WITNESSETH:

WHEREAS, the Design Engineer has been employed by the Owner/Developer/Subdivider of the herein described real property to prepare all project plans and specifications and to provide certain engineering services during the construction of the hereinafter sometimes referred to as the "Project", upon easements and rights-of-ways to be owned or controlled by the City; and

WHEREAS, the Design Engineer is desirous of obtaining the review (and approval) of the plans and specifications for said project by the City of Owasso Public Works Department; and

WHEREAS, the City is willing to review the plans and specifications prepared by the Design Engineer under the hereinafter described terms and conditions.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the hereinafter set forth promises and covenants, the parties hereto mutually agree as follows, to-wit;

1. The Improvements to be designed by the Design Engineer (pursuant to this Contract)

shall generally consist of the following types of improvements

The civil engineering scope for public items includes a driveway, public waterline

and culverts under the drive.

which shall be located on the following described tract of land:

Please see attached for legal description.

2. The Design Engineer shall, in conformity with the provisions of the City's Standard Specifications for Urban Engineering Services, including the City's current Design Criteria, which are hereby incorporated and made a part of this Contract by reference, prepare project plans, specifications, and other engineering documents as may be necessary for the proper construction of the project improvement, and shall perform all construction layout surveys, and staking and periodic general construction supervision on the project improvements as they are constructed by the Owner and his Contractor.
3. The City shall review (and approve) the project plans, specifications, and other engineering documents for the construction of the project improvements prepared and submitted to the City by the Design Engineer.
4. The Design Engineer shall compensate the City for reviewing (and approving) plans and specifications for the project at the rate of One Hundred Dollars (\$100.00) for each plan sheet submitted (other than plan sheet Standard Drawings of the City of Owasso or of the Oklahoma Department of Transportation), except that the minimum charge for each project shall be One Hundred-fifty Dollars (\$150.00). Payment shall be due and payable upon presentation of the plans and specifications for the project for review by the City. PFPI plan review and permit fees are waived for governmental entities. No fees shall be collected by the City of Owasso on any public work or improvement

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives on the dates set for the below.

Executed by the City of Owasso, Oklahoma, on the ____ day of _____, 20__.

Executed by the Design Engineer on the 9th day of December 2016

CITY OF OWASSO, OKLAHOMA
a municipal corporation

BY _____
Mayor

ATTEST:

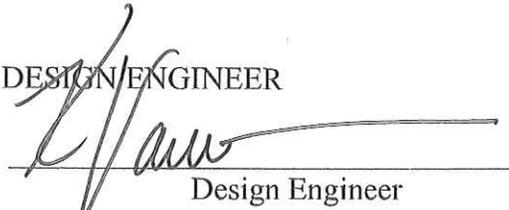
City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED:


Public Works Director

DESIGN/ENGINEER
 12/9/2016
Design Engineer

BY Lewis Vengura / TULSA OFFICE MANAGER
Title

ATTEST:
 12-09-2016
Secretary

Lifepoint Church

LEGAL DESCRIPTION

A TRACT OF LAND IN SECTION SIX (6), TOWNSHIP TWENTY-ONE (21) NORTH, RANGE FOURTEEN (14) EAST OF THE INDIAN BASE AND MERIDIAN, TULSA COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE U.S. GOVERNMENT SURVEY THEREOF, DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE/4) OF THE SAID SECTION SIX (6); THENCE EASTERLY ALONG THE SOUTH SECTION LINE OF THE SAID SECTION SIX (6), A DISTANCE OF 470.42 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°9'06" EAST A DISTANCE OF 660.0 FEET; THENCE SOUTH 89°50'54" EAST A DISTANCE OF 330.0 FEET; THENCE SOUTH 00°09'06" WEST TO THE SOUTH SECTION LINE OF THE SAID SECTION SIX (6); THENCE WESTERLY ALONG THE SAID SOUTH SECTION LINE TO THE POINT OF BEGINNING.

AGREEMENT FOR URBAN ENGINEERING SERVICES

THIS AGREEMENT, entered into by and between the CITY OF OWASSO,

OKLAHOMA, a municipal corporation, hereinafter called "City" and

COWAN GROUP ENGINEERING hereinafter called "Design Engineer".

WITNESSETH:

WHEREAS, the Design Engineer has been employed by the Owner/Developer/Subdivider of the herein described real property to prepare all project plans and specifications and to provide certain engineering services during the construction of the hereinafter sometimes referred to as the "Project", upon easements and rights-of-ways to be owned or controlled by the City; and

WHEREAS, the Design Engineer is desirous of obtaining the review (and approval) of the plans and specifications for said project by the City of Owasso Public Works Department; and

WHEREAS, the City is willing to review the plans and specifications prepared by the Design Engineer under the hereinafter described terms and conditions.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the hereinafter set forth promises and covenants, the parties hereto mutually agree as follows, to-wit;

1. The Improvements to be designed by the Design Engineer (pursuant to this Contract)

shall generally consist of the following types of improvements

Home 2 Suites by Hilton: Commercial entry
pavement w/in the ROW, connection to
existing storm sewer manhole, waterline
improvements, and public sidewalk.

which shall be located on the following described tract of land:

Section 19 (SE/4); T-21-N; R-14-E

8882 N. GARNETT ROAD

2. The Design Engineer shall, in conformity with the provisions of the City's Standard Specifications for Urban Engineering Services, including the City's current Design Criteria, which are hereby incorporated and made a part of this Contract by reference, prepare project plans, specifications, and other engineering documents as may be necessary for the proper construction of the project improvement, and shall perform all construction layout surveys, and staking and periodic general construction supervision on the project improvements as they are constructed by the Owner and his Contractor.
3. The City shall review (and approve) the project plans, specifications, and other engineering documents for the construction of the project improvements prepared and submitted to the City by the Design Engineer.
4. The Design Engineer shall compensate the City for reviewing (and approving) plans and specifications for the project at the rate of One Hundred Dollars (\$100.00) for each plan sheet submitted (other than plan sheet Standard Drawings of the City of Owasso or of the Oklahoma Department of Transportation), except that the minimum charge for each project shall be One Hundred-fifty Dollars (\$150.00). Payment shall be due and payable upon presentation of the plans and specifications for the project for review by the City. PFPI plan review and permit fees are waived for governmental entities. No fees shall be collected by the City of Owasso on any public work or improvement

performed by or for any city, county, state, or federal governmental entity; provided however, that this exemption shall not constitute waiver of any ordinance requiring the issuance of such permits, and it shall apply only to such permits issued directly to the governmental entity involved.

5. The Design Engineer hereby covenants that he/she is a Registered Professional Engineer in the State of Oklahoma at the time of execution of this Contract, and should the Design Engineer cease to be a Registered Professional Engineer prior to completing performance of the terms and conditions of this Contract, the Design Engineer shall immediately notify the City and shall engage a Registered Professional Engineer acceptable to the City to complete performance of the promises and covenants contained herein.
6. The Design Engineer further covenants and agrees that he/she maintains and is covered by Professional Liability Insurance in limits of not less than those indicated in the following schedule:

<u>Project Cost</u>	<u>Professional Liability Insurance</u>
Less than \$500,000	\$250,000
\$500,000 - \$1,000,000	\$500,000
Greater than \$1,000,000	\$1,000,000

(Project Costs to be as defined in Section I of the attached Specifications for Urban Engineering Services) and that he/she will maintain same in continuous force and effect for a period of not less than three years from and after final acceptance of the project herein.

7. The Design Engineer further covenants and agrees to comply with Section I, Section II and Section III of the attached Standard Specifications for Urban Engineering Services and that these specifications become a part this contract.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives on the dates set for the below.

Executed by the City of Owasso, Oklahoma, on the ___ day of _____, 20__.

Executed by the Design Engineer on the 17 day of November 2016.

CITY OF OWASSO, OKLAHOMA
a municipal corporation

BY _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED:

Roger Strawn
Public Works Director

DESIGN ENGINEER

COWAN GROUP ENGINEERING, LLC
Design Engineer

BY [Signature]
Title operations manager

ATTEST:

[Signature]
Secretary Pub. Engr.



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Bronce L. Stephenson, MPA
Director of Community Development

SUBJECT: Public Hearing - Owasso Redbud District Project Plan and Increment District No. 1

DATE: December 16, 2016

PUBLIC HEARING:

The City Council is holding the second of the two required Public Hearings on the possible creation of a Tax Increment Financing (TIF) District in the downtown Owasso Redbud District area. The primary purpose of the first hearing was to provide information and to answer questions. The purpose of the second public hearing shall be to give interested persons the opportunity to express their views on the proposed plan.

TAX INCREMENT FINANCING:

The Oklahoma Constitution authorizes the development or redevelopment of areas determined by a city, town, or county to be unproductive, undeveloped, underdeveloped, or blighted. The Local Development Act provides tools to be used in cases where investment, development, and economic growth in an area are difficult but possible if the Act is used.

One of the Act's tools is tax increment financing (TIF), which allows a city, town or county to direct the apportionment of an increment of certain local taxes and fees to finance public project costs in order to stimulate development in an area (the TIF district and the project area).

The increment is (a) the portion of ad valorem taxes produced by the increased value of the property in the TIF district, measured from the date the ordinance creating the district is passed, and/or (b) the portion of sales taxes collected each year that are generated by the projects in the TIF district, as determined by a formula approved by the governing body.

The TIF district is established by the development and approval of a project plan, which specifies the project area, the boundaries of the increment district, the objectives for the project area, the activities to be carried out in furtherance of those objectives, and the costs.

BACKGROUND:

For many months, the City of Owasso has looked into the development of a Tax Increment Financing District covering the downtown Owasso Redbud District area. Staff enlisted the help of the Center for Economic Development Law (CEDL) to assist with the possible creation of a TIF District. CEDL has assisted staff in ensuring that all statutory requirements have been met, and has provided professional expertise in the area of TIF development and implementation.

As part of the analysis of a potential TIF, a parcel-by-parcel analysis of the TIF area was performed. This analysis tries to determine the potential development that could take place on each parcel and a timeline of when the development could take place. Staff ensured that very conservative estimates were used when creating the TIF documents.

The TIF and its possible creation were discussed by the City Council at the August, September, October and November Council work sessions. A TIF District was also discussed by the Owasso Economic Development Authority during their August & November meetings. The Owasso Planning Commission discussed TIF at their September, October and November regular meetings.

TIMELINE:

Oklahoma State Statutes define a specific process for the creation of a TIF District. The following outlines the process and target date for the creation of the TIF:

Steps for Considering and Creating a TIF District:

1. Governing Body Initiation of Process.

- a. Governing body resolution establishes the review committee and appoints its representative.
- b. The Review Committee consists of:
 1. A representative of the governing body, to serve as chairperson;
 2. A representative of the planning commission, if applicable;
 3. A representative designated by each taxing jurisdiction within the proposed TIF district whose ad valorem taxes might be impacted by the project; and
 4. Three members (at least one of whom represents the business community) representing the public at-large and selected by the other Review Committee members from a list of seven names submitted by the chairperson of the committee.

2. Review Committee Consideration.

- a. Committee elects at-large members.
- b. Committee studies proposed project and makes findings on eligibility of proposed project area and TIF district.
- c. Committee makes findings on financial impacts of proposed project upon affected taxing jurisdictions and business activities in the proposed TIF district.
- d. Committee makes a recommendation regarding approval of proposed project and creation of TIF district.

3. Planning Commission Review.

- a. Planning commission determines whether proposed project plan conforms with comprehensive (master) plan, if applicable.
- b. Planning commission makes a recommendation regarding approval of proposed project plan.

4. Governing Body Consideration and Approval.

- a. Governing body must hold two public hearings before adoption of a project plan – one to provide information, including an analysis of potential impacts, and to answer questions, and a second to give interested persons the opportunity to express their views on the proposed project plan.
- b. Governing body considers the findings and recommendation of the review committee and the resolution and recommendation of the planning commission, if applicable.

- c. Governing body makes final determination that the proposed TIF district meets the eligibility criteria of the statute, including that the project area is an enterprise area, a historic preservation area, or a reinvestment area.
- d. Governing body makes finding that the improvement of the area is likely to enhance the value of other real property in the area and to promote the general public interest.
- e. Governing body adopts ordinance (or resolution) approving the project and establishing the TIF district.

TIF REVIEW COMMITTEE:

On September 20, City Council approved Resolution 2016-15 creating the TIF Review Committee. The Review Committee consisted of the following members:

CITY OF OWASSO REPRESENTATIVES:

- **Owasso City Council** –Lyndell Dunn, Mayor
- **Owasso Planning Commission** – David Vines, Commissioner

TAXING JURISDICTIONS:

- **Owasso Public Schools** – Dr. Clark Ogilvie, Superintendent
- **TulsaTech** – Deidre Howard, Director of Finance
- **Tulsa Community College** – Sean Weins, VP of Administration
- **Tulsa City/County Health Department** – Reggie Ivey, COO
- **Tulsa City/County Library** – Gail Morris, CFO
- **Tulsa County** – John Smaligo, Commissioner

AT-LARGE:

- **At Large 1 (Retail/Business Representative)** – Heather Manuel, Urban Owasso
- **At Large 2** – Nick Kila, Edward Jones
- **At Large 3** – Dr. Jason Drake, Drake Chiropractic

The Review Committee, per Oklahoma State Statute, is tasked with making findings as to the eligibility of the TIF; making a recommendation on the proposed Project Plan; and making findings as to the Financial Impact of the taxing jurisdictions.

After three meetings, the Review Committee voted unanimously (11-0) to recommend approval of the Owasso Redbud District Project Plan and Increment District No. 1.

PLANNING COMMISSION:

The Owasso Planning Commission held a public hearing at a Special Meeting on November 21, 2016. The Planning Commission voted unanimously (4-0) to recommend approval of Owasso Redbud District Project Plan and Increment District No. 1, finding that the proposed TIF District is in compliance with the GrOwasso 2030 Land Use Master Plan.

The TIF information has been placed on the City of Owasso website for public viewing and notice of the two required public hearings has been posted and published in the public notice section of the Tulsa World and the Owasso Reporter.

TIF ELIGIBILITY:

In order to establish a tax increment finance district, Section 856(B)(4)(a) of the Act requires that the governing body adopt an ordinance that contains a finding that the Project Area or Increment District meets one of the following criteria: (1) is a reinvestment area, (2) is a historic preservation area, (3) is an enterprise area, or (4) is a combination of the areas specified in divisions (1), (2) and (3) of this subparagraph. Please reference the attached "Eligibility Report."

A large part of the Project Area and Increment District is an enterprise area. All of the Project Area and Increment District is a reinvestment area. Therefore, consistent with the Act's requirements, the Project Area and Increment District is eligible for the establishment of a tax increment district.

FINANCIAL IMPACT:

The ad valorem tax revenue generated from the base assessed value of property within the increment district is distributed to the taxing jurisdictions according to each jurisdiction's levy. Throughout the life of the project, the base revenue will continue to flow to the taxing jurisdictions. In the event of a general reassessment of property values within the increment district, the ad valorem tax revenue received by the taxing jurisdictions will be proportionately adjusted. To this extent, the taxing jurisdictions are not affected by the implementation of tax increment financing through ad valorem apportionment.

Once development of the property within the increment district occurs, the market value increases, and so the assessed value of that property also increases. The difference between the ad valorem tax revenue produced by this increased value and that produced by the base assessed value—the incremental increase or increment—is apportioned (i.e. allotted) to an apportionment fund that is used to pay the eligible public costs of the project either directly or through the issuance of bonds.

This apportionment of ad valorem tax increments will continue for the lesser of a period of 25 fiscal years from the date of approval or until all eligible public costs are paid. Once the tax apportionment period expires, the revenue from the increased assessed value of property within the increment district will be divided among the taxing jurisdictions, in addition to the revenue from the base assessed value that these entities will have continued to receive.

The proposed project will have a positive long-term financial benefit for the Owasso community, affected taxing jurisdictions, and business activities. Correspondingly, no appreciable adverse impact is likely to result from the project for the taxing jurisdictions or business activities within the Project Area. The impact of anticipated development on the provision of governmental services is balanced by the public improvements and infrastructure component in the Project Plan, which addresses public costs associated with the project and minimizes the burden of providing additional government services.

PROJECT PLAN:

The Owasso Redbud District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and is referred to here as the "Project Plan." The project is being undertaken by the City of Owasso, Oklahoma ("City") to develop the area surrounding Main Street, known as the Redbud District, achieve the City's development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base.

At the heart of this project is the creation of the Redbud District as a special and unique place within Owasso, a place to live, work, shop, and play. Beginning with the Downtown Master Plan in 2001, the City has prioritized the revival of its Main Street and surrounding area. Since that time, through several planning documents, including approval of the Downtown Overlay District promoting smart development in the area, and robust branding, the Redbud District is ripe for its transformation. The City, through this Project Plan, is continuing its effort to revive its downtown and make the Redbud District a destination area for residents and visitors.

The effort to create such a place requires public assistance to stimulate private development. This Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks but can achieve only by means of the financing tools available under the Oklahoma Local Development Act, including tax increment financing.

An increment district provides funding for public sector costs to stimulate private development and provide improvements to and beautification of the area to create the dense, high-quality development that the City contemplates. The project will be financed from a combination of public and private sources, including apportionment of ad valorem and sales tax increments from Increment District No. 1, City of Owasso.

RECOMMENDATION:

Staff recommends the City Council hold the second public hearing to provide information and to give interested persons the opportunity to express their views on the Owasso Redbud District Project Plan and Increment District No. 1.

ATTACHMENTS:

- Proposed TIF Adoption Schedule
- Eligibility Report
- Project Plan Recommended by Review Committee & Planning Commission
- Financial Impacts Report
- Planning Commission Resolution 2016-02
- Findings and Recommendation of the TIF Review Committee
- Memo from CEDL to OEDA regarding impact of TIF on Owasso Public Schools

OWASSO REDBUD DISTRICT PROJECT

Proposed Adoption Schedule

September							October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

November							December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

DATE	EVENT
September 20, 2016	City Council resolution declaring intent to consider Project Plan and appointing Review Committee
September 29, 2016	Letters to affected taxing jurisdictions requesting Review Committee member selections
October 25, 2016	Post Agenda of Review Committee first meeting
October 27, 2016	Review Committee first meeting
November 1, 2016	Post Agenda of Review Committee second meeting
November 3, 2016	Review Committee second meeting
November 10, 2016	Economic Development Authority meeting
November 15, 2016	Post Agenda of Review Committee third meeting
November 17, 2016	Review Committee third meeting
November 21, 2016	Planning Commission meeting – resolution re: conformance with

DRAFT 11-4-16
Subject to review and update

Comprehensive Plan

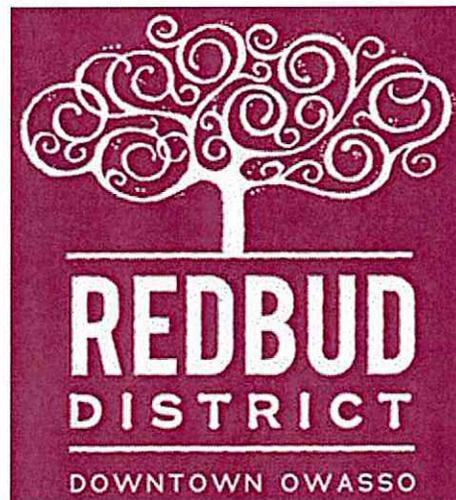
November 21, 2016	Newspaper publication and website posting of notice of public hearings; Project Plan and Economic Impacts Report on City Website and at City Clerk's office
November 21, 2016	Notice of Hearings Mailed/Emailed to Registrants
December 6, 2016	City Council First Public Hearing of Ordinance Establishing TIF
December 20, 2016	City Council Second Public Hearing of Ordinance Establishing TIF
December 22, 2016	Request for determination of Base Assessed Value by County Assessor; request for determination of sales tax base
December 22, 2016	Notice to Oklahoma Tax Commission and Oklahoma Department of Commerce
Spring, 2017	Notice to School District of opportunity to protest Base Assessed Value (send immediately after County Assessor certifies Base Assessed Value)

**OWASSO REDBUD DISTRICT PROJECT PLAN
INCREMENT DISTRICT NO. 1, CITY OF OWASSO**

ELIGIBILITY REPORT

PREPARED BY:

THE CITY OF OWASSO, OKLAHOMA



WITH THE ASSISTANCE OF:

**CENTER FOR ECONOMIC DEVELOPMENT LAW
301 North Harvey, Suite 100
Oklahoma City, Oklahoma 73102
(405) 232-4606
econlaw@econlaw.com**

OWASSO REDBUD DISTRICT PROJECT PLAN ELIGIBILITY REPORT

I. DESCRIPTION OF PROJECT

The Owasso Redbud District Project Plan ("Project Plan") is being undertaken by the City of Owasso, Oklahoma ("City") in order to develop the area surrounding Main Street, known as the Redbud District, achieve the City's development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. At the heart of the project is the creation of the Redbud District as a special and unique place within Owasso, a place to live, work, shop, and play. Such a goal requires public assistance to stimulate private development. The Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks but can achieve only by means of the financing tools available under the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.* ("Act").

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The boundaries of the Project Area and Increment District are the same and are generally located within the following boundaries: beginning at the western terminus of North Carlsbad Street, east along West 3rd Street to the east side of North Atlanta Street, north one lot, then east one lot, then north to West 4th Street, then east along West 4th Street to North Main Street, south to one lot north of West 3rd Street, then east along West 3rd Street to one lot before Cedar Street, south to East 2nd Street, then east along East 2nd Street to the west Owasso Expressway service road, then south along Owasso Expressway to East 71st Street, west generally along East 71st Street to South Main Street, north to West 5th Avenue, west to North Mingo Road, north along Mingo Road to West 2nd Avenue (E 76th St N), east along West 2nd Avenue to the western side of the Owasso Sertoma Center, north to the railroad tracks, then across the railroad tracks back to North Carlsbad Street and West 3rd Street.

The Project Area and Increment District boundaries are depicted on Exhibit A. The Project Area and Increment District boundaries are described on Exhibit B.

III. ELIGIBILITY OF PROJECT AREA AND INCREMENT DISTRICT

In order to establish a tax increment finance district, Section 856(B)(4)(a) of the Act requires that the governing body adopt an ordinance that contains a finding that the Project Area or Increment District meets one of the following criteria: (1) is a reinvestment area, (2) is a historic preservation area, (3) is an enterprise area, or (4) is a combination of the areas specified in divisions (1), (2) and (3) of this subparagraph. The Project Area qualifies as a combination of areas.

A. Enterprise Area. A large portion of the Project Area and Increment District qualifies as an enterprise area under the Act. Such portion has been designated as an Enterprise Zone by the Oklahoma Department of Commerce. Therefore, it meets the relevant grounds for eligibility as an enterprise area. Sections 853(5) and (6) of the Act define an "enterprise area" as "an enterprise zone as designed by the Department of Commerce pursuant to the provisions of Section 690.3 of this title or as designated by the federal government." A current map of Oklahoma Department of Commerce Enterprise Zones in the Project Area and Increment District is attached as Exhibit C.

B. Reinvestment Area. The Project Area and Increment District also qualifies as a reinvestment area under the Act. 62 O.S. §853(17) defines “reinvestment area” as:

any area located within the limits of a city, town or county requiring public improvements, including but not limited to transportation-related projects identified by any transportation authority pursuant to Section 1370.7 of Title 68 of the Oklahoma Statutes, to reverse economic stagnation or decline, to serve as a catalyst for retaining or expanding employment, to attract major investment in the area or to preserve or enhance the tax base or in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is detrimental to the public health, safety, morals or welfare. Such an area may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. Such an area includes a blighted area as defined in Section 38-101 of Title 11 of the Oklahoma Statutes at the time of approval of the project plan.

The Project Area and Increment District qualifies as a reinvestment area because it lies in an area requiring public improvements to reverse economic stagnation and attract investment. The condition and capacity of water and sewer lines in the Project Area cannot withstand additional development. The utilities are inadequate and require upgrade to support the City’s objectives. The poor condition of streets and alleys, as well as a lack of public parking, negatively impact the ability to attract investment and expand employment in the area.

C. Eligibility. A large part of the Project Area and Increment District is an enterprise area. All of the Project Area and Increment District is a reinvestment area. Therefore, consistent with the Act’s requirements, the Project Area and Increment District is eligible for the establishment of a tax increment district.

IV. EXHIBITS

- A. Project Area and Increment District Boundaries Map
- B. Project Area and Increment District Legal Description
- C. Partial Project Area and Increment District Enterprise Zone Map

Exhibit A

Project Area and Increment District No.1 Boundaries

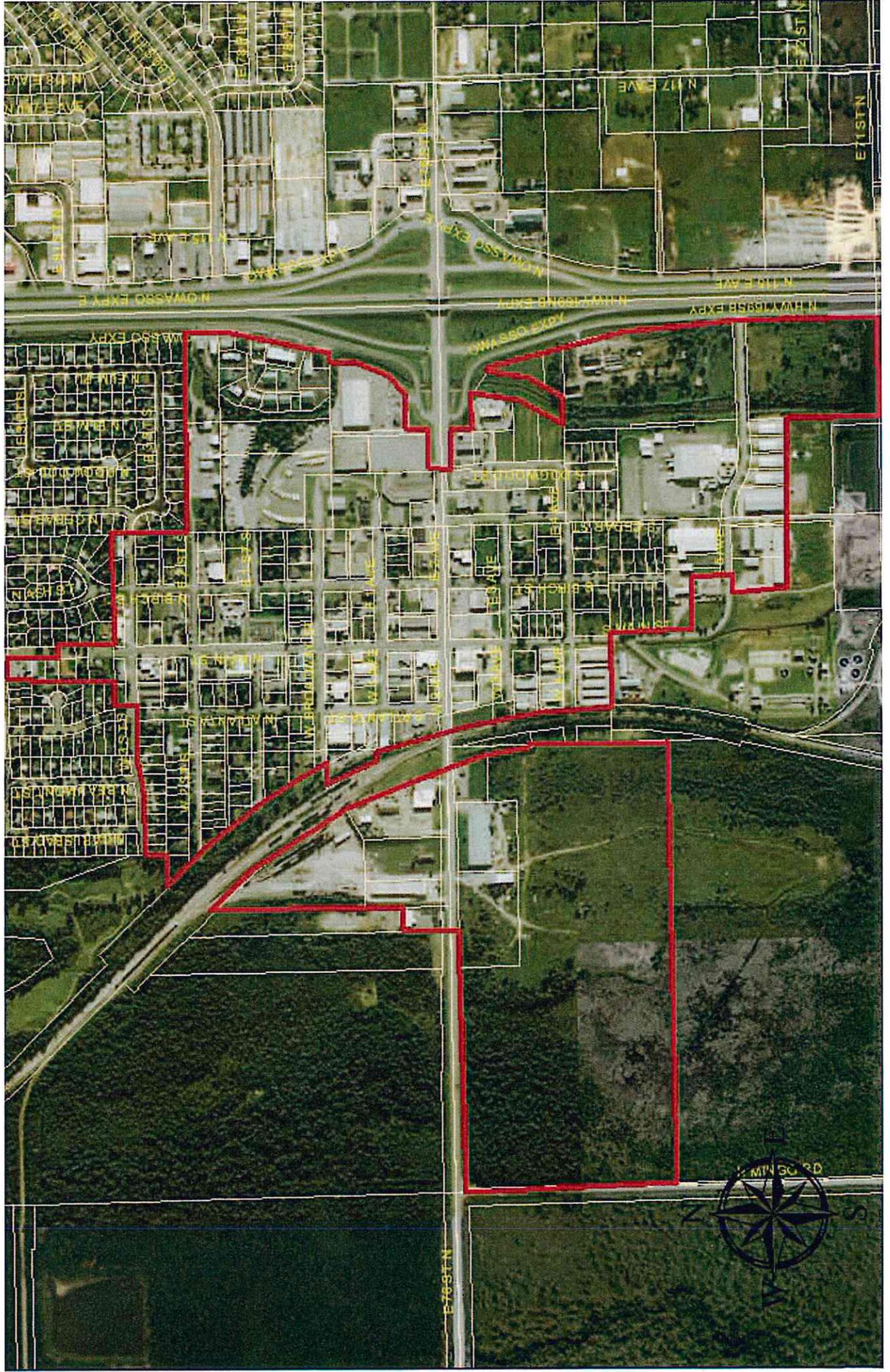


Exhibit B

Project Area and Increment District No. 1 Boundaries Legal Description

Beginning at the southeast corner of Lot 6, Block 1 of the Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along said south lot line a distance of 57 feet, thence north along said lot line a distance of 283 feet, Thence west along south lot of said lot a distance of 490 feet, Thence north along said lot line a distance of 24 feet, Thence west along said lot line a distance of 41 feet, Thence north along said lot line a distance of 240.2 feet to the northwest corner of said Lot 6, Thence to a point 17.45 feet north and 50.26 feet west of northwest corner of said Lot 6, Thence west a distance of 393.5 feet to a point 149.63 feet south of the southwest corner of Lot 1, Block 1 of Owasso Industrial Parks Phase IV, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 332.1 feet to the Northwest corner of said Lot 1, Block 1, Thence east a distance of 87.7 feet to a point on the north lot line of said Lot 1, Block 1, Thence north a distance of 255 feet to a point 165 feet south and 310 feet east of the southwest corner of Lot 5, Block 1 of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 310 feet to a point 165 feet south of said Lot 5, Block 1, Thence north a distance of 495 feet to the northwest corner of Lot 1, Block 1, of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 457.07 feet to the southwest corner of Lot 4, Block 34, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, also a point on the east right-of-way line of the Southern Kansas Oklahoma Railroad right-of-way, Thence north along said railroad right-of way a distance of 994.2 feet, Thence continuing north along said railroad right-of-way a distance of 385.2 feet, Thence north a distance of 55 feet along the quarter section line to a point on the east right-of-way of said railroad, thence northwest along said railroad right-of-way a distance of 95.2 feet, Thence west a distance of 35.7 feet along said railroad right-of-way, Thence northwest along said railroad right-of-way a distance of 331.4 feet, Thence east a distance of 141.8 feet to a point on the east right-of-way of said railroad, also a point on the south right-of-way of West Broadway Street, Thence northwest along said railroad right-of-way a distance of 1213.8 feet to the to the northwest corner of Lot 11, Block 8, of Greenlees, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east along said north line of said subdivision a distance of 202.94 feet to the southwest corner of Lot 10, Block 5, of Starlane, a subdivision in the City of Owasso, Tulsa county, Oklahoma, Thence north along the west line of said Lot 10 a distance of 125 feet to the northwest corner of said Lot 10, also a point on the south right-of-way of West Third Street North, a street in the City of Owasso, Thence east along said right-of-way a distance of 885.1 feet to the northwest corner of Lot 4, Block 6, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north along the east right-of-way of North Atlanta Street West a distance of 138.1 feet to the northwest corner of Lot 2, Block 3 of the said

subdivision, Thence east a distance of 162.1 feet to the southeast corner of Lot 16, Block 2, of Crestview Estates, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 150 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence east 5 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence north 340.4 feet to the northeast corner of Lot 9, Block 2 of said subdivision, Thence east 18.73 feet to the southeast corner of Lot 1, Block 2 of said subdivision, Thence north along the east line of said Lot 1 a distance of 139.07 feet to the northeast corner of said lot, also a point on the south right-of-way line of West Fourth Street North, a street in the City of Owasso, Thence east along said south right-of-way line a distance of 121.2 to a point on the west right-of-way line of North Main Street, a street in the City of Owasso, Thence south along said west right-of-way line a distance of 305 feet, Thence east a distance of 75 feet to a point on the east right-of-way line of North Main Street, a street in the City of Owasso, Thence south along the said east right-of-way line a distance of 5 feet, Thence west 75 feet to a point on the west right-of-way of said street, Thence south along the said west right-of-way a distance of 95 feet, Thence east along said west right-of-way a distance of 5 feet, Thence south along said west right-of-way a distance of 80.38 feet, Thence east a distance of 70 feet to a point on the said east right-of-way line, Thence south along said east right-of-way a distance of 150 feet, also a point on the north line of Lot 2, Block 2, of Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance 653.2 feet to the northeast corner of Lot 1, Block 1 of said subdivision, Thence south a distance of 453.85 feet to the southwest corner of Lot 13, Block 6, of Wilawood, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance of 1,190.2 feet to the southeast corner of Lot 15, Block 5 of said subdivision, also a point on the west right-of-way of the Mingo Valley Expressway, Thence south along said right-of-way a distance of 210 feet to northeast corner of Lot 1, Block 1, Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along east line of said Lot 1 a distance of 75.5 feet, Thence southwest a distance of 604.82 feet to the southeast corner of Lot 6, Block 1, of Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along the south line of said Lot 6, a distance of 47.58 feet, Thence south along the right-of-way of Mingo Valley Expressway a distance of 161.4 feet, thence southwest along said right-of-way a distance of 235.4 feet, thence southwest along said right-of-way a distance 159.1 feet, Thence west along said right-of-way a distance of 208.3 feet, Thence south along said right-of-way a distance of 113.2 feet, Thence west 247.8 feet along said right-of-way to the southwest corner of Safeway, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south 110.56 feet to the northeast corner of Lot 1, Block 1, Dogwood Center, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along said lot east line a distance of 37.5 feet, Thence east a distance of 257 feet to the northeast corner of Lot 1, Block 2, Owasso Business Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along the east line of said lot a distance of 125 feet,

Thence east along the north line of said lot a distance of 200 feet to the northeast corner of said Lot 1, Thence southwest a distance of 247.06 feet to the southeast corner of said Lot 1, Thence continuing southwest a distance of 42.94 feet to a point on the east line of Lot 4, Block 2, of said subdivision, Thence southwest a distance of 303.51 feet to the southeast corner of Lot 5, Block 2 of said subdivision, Thence east a distance of 163.68 feet to the southwest corner of Lot 2, Block 3, of said subdivision, Thence northeast a distance of 246.55 feet to a point on the west line of Lot 1, Block 3, of said subdivision, Thence north a distance of 250.56 feet to the northwest corner of said Lot 1, Thence southeast a distance of 35.49 feet to the northeast corner of said Lot 1, Thence southeast a distance of 455.7 feet to the southeast corner of Lot 2, Block 3 of said subdivision, also a point on the west right-of-way line of Mingo Valley Expressway, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 93.2 feet, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 225.1 feet, Thence south along west right-of-way of Mingo Valley Expressway a distance of 796.9 feet to a point on the south right-of-way line of Fifth Avenue, a street in the City of Owasso, Thence south along the west right-of-way of Mingo Valley Expressway a distance of 786.60 feet, Thence west a distance of 586.68 feet to the southeast corner of Lot 6, Block 1, Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, the Point of Beginning, containing 207 acres, more or less.

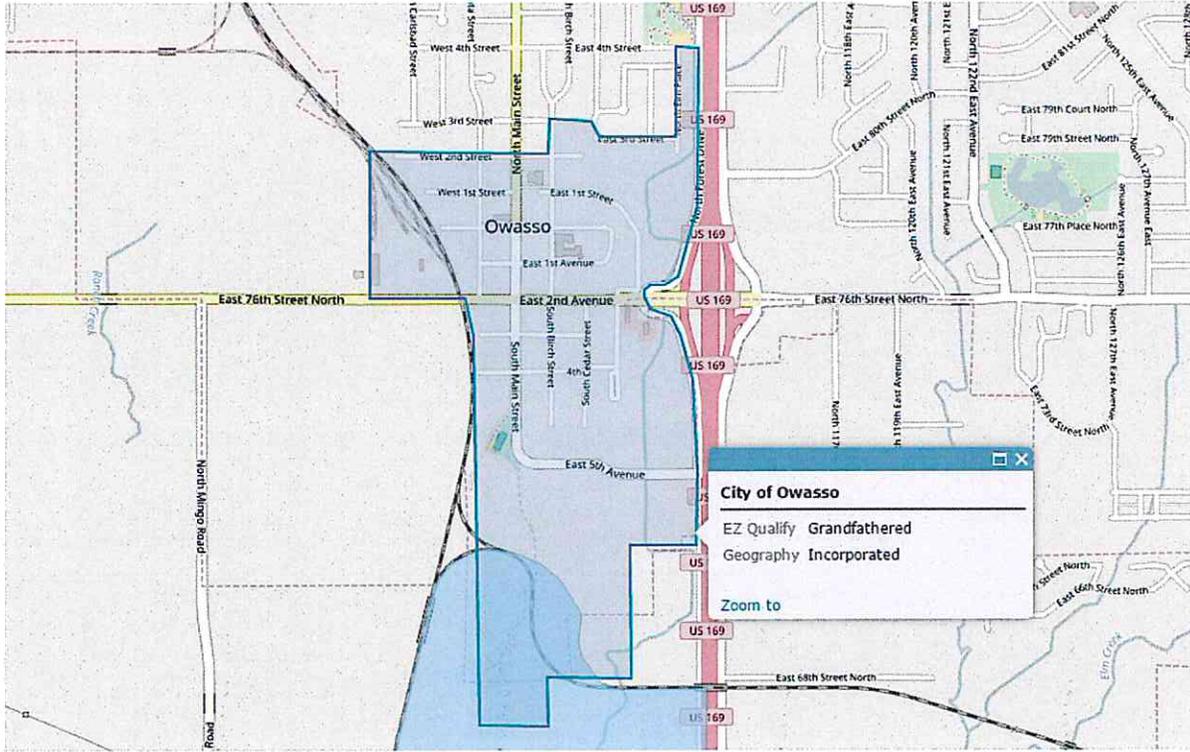
And

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along the west line of said Lot 1 a distance of 1150.6 feet to the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, the Point of Beginning, containing 94 acres, more or less.

Exhibit C

Enterprise Zone Designation

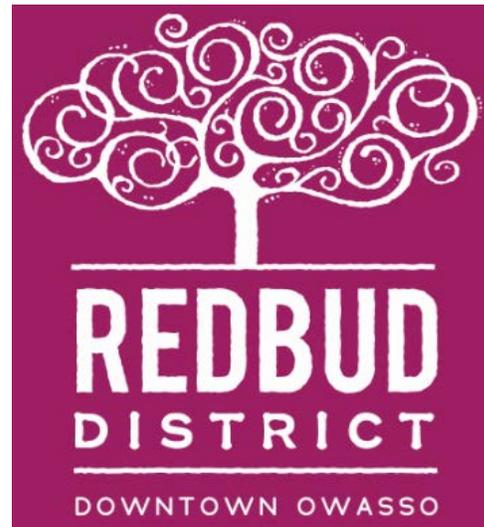


Adopted _____

OWASSO REDBUD DISTRICT PROJECT PLAN
INCREMENT DISTRICT NO. 1, CITY OF OWASSO

PREPARED BY:

THE CITY OF OWASSO, OKLAHOMA



WITH THE ASSISTANCE OF:

CENTER FOR ECONOMIC DEVELOPMENT LAW
301 North Harvey, Suite 100
Oklahoma City, Oklahoma 73102
(405) 232-4606
econlaw@econlaw.com

OWASSO REDBUD DISTRICT PROJECT PLAN

I. INTRODUCTION

The Owasso Redbud District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and is referred to here as the “Project Plan.” The project is being undertaken by the City of Owasso, Oklahoma (“City”) to develop the area surrounding Main Street, known as the Redbud District, achieve the City’s development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. At the heart of this project is the creation of the Redbud District as a special and unique place within Owasso, a place to live, work, shop, and play. Beginning with the Downtown Master Plan in 2001, the City has prioritized the revival of its Main Street and surrounding area. Since that time, through several planning documents, including approval of the Downtown Overlay District promoting smart development in the area, and robust branding, the Redbud District is ripe for its transformation. The City, through this Project Plan, is continuing its effort to revive its downtown and make the Redbud District a destination area for residents and visitors.

The effort to create such a place requires public assistance to stimulate private development. This Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks but can achieve only by means of the financing tools available under the Oklahoma Local Development Act, including tax increment financing. An increment district provides funding for public sector costs to stimulate private development and provide improvements to and beautification of the area to create the dense, high-quality development that the City contemplates. The project will be financed from a combination of public and private sources, including apportionment of ad valorem and sales tax increments from Increment District No. 1, City of Owasso.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The Project Area is the area in which project activities will take place and is generally located within the following boundaries: beginning at the western terminus of North Carlsbad Street, east along West 3rd Street to the east side of North Atlanta Street, north one lot, then east one lot, then north to West 4th Street, then east along West 4th Street to North Main Street, south to one lot north of West 3rd Street, then east along West 3rd Street to one lot before Cedar Street, south to East 2nd Street, then east along East 2nd Street to the west Owasso Expressway service road, then south along Owasso Expressway to East 71st Street, west generally along East 71st Street to South Main Street, north to West 5th Avenue, west to North Mingo Road, north along Mingo Road to West 2nd Avenue (E 76th St N), east along West 2nd Avenue to the western side of the Owasso Sertoma Center, north to the railroad tracks, then across the railroad tracks back to North Carlsbad Street and West 3rd Street.

The Increment District is designated Increment District No. 1, City of Owasso, and is the area from which the increment is generated. Increment District No. 1 is the same area as the Project Area. The Project Area and Increment District No. 1 boundaries are depicted on Exhibit A. The Project Area and Increment District No. 1 boundaries are described on Exhibit B.

III. ELIGIBILITY OF PROJECT AREA

Most of the Project Area is an enterprise area, as defined by the Oklahoma Local Development Act. It lies within an enterprise zone, designated by the Oklahoma Department of Commerce to be a disadvantaged portion of the City of Owasso. All of the Project Area is a reinvestment area, as defined by the Oklahoma Local Development Act. Public improvements are required to reverse economic stagnation or decline, to serve as a catalyst for expanding employment, to attract investment, and to preserve and enhance the tax base.

Investment, development, and economic growth in the area are difficult, but possible if the provisions of the Oklahoma Local Development Act are used. The Project Area is unproductive, undeveloped, underdeveloped, or blighted within the meaning of Article 10, §6C of the Oklahoma Constitution, and suffers from conditions inhibiting development.

IV. OBJECTIVES

The principal objectives of the project and Increment District No. 1 are:

- A. To achieve development goals and objectives for the Redbud District contained in the Downtown Master Plan, the Downtown Overlay District Plan, and the GrOwasso 2030 Land Use Master Plan.
- B. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the project and the apportionment of incremental ad valorem and sales tax revenues.
- C. To support the creation of attractive, high-quality, and viable mixed-use developments to draw residents and visitors.
- D. Where appropriate, to support the development, improvement, and/or expansion of light industry to increase employment.
- E. To encourage existing property and business owners in the Redbud District to invest and to attract new investment and business to the Project Area.
- F. To provide start-up and incubator space to new and expanding businesses and to promote small-business-friendly opportunities for innovation and collaboration in the Project Area.
- G. To stimulate and promote the Redbud District as a walkable, vibrant destination.
- H. To provide a public benefit through the construction of public infrastructure and improvements to allow for the development of the area.

V. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist principally of the following:

- A. Project planning, design and approval.
- B. Public infrastructure improvements.
- C. Development of mixed-use projects, as well as retail, restaurant, residential, and office projects.
- D. Enhancement of existing businesses and encouragement of new businesses.
- E. Creation of start-up and incubator spaces for new and expanding businesses.

VI. ESTABLISHMENT OF INCREMENT DISTRICT NO. 1, CITY OF OWASSO

A. This Project Plan creates Increment District No. 1, City of Owasso, an ad valorem and sales tax increment district.

B. The sales tax increment is a portion of the City's sales taxes generated within Increment District No. 1, to be determined by a formula to be approved by resolution of the Owasso City Council in accordance with the Oklahoma Local Development Act.

C. The ad valorem increment is the ad valorem revenue in excess of the revenue generated by the base assessed value of Increment District No. 1 (as determined by the Tulsa County Assessor in accordance with the Oklahoma Local Development Act), i.e., the new revenue attributable to increases in the value of property within Increment District No. 1.

D. The ad valorem and sales tax increment may be used to pay Project Costs authorized by Section VIII of this Project Plan for a period not to exceed twenty-five (25) fiscal years from the effective date of Increment District No. 1, as provided by law, or the period required for payment of the Project Costs authorized by Section VIII, whichever is less. During the period of apportionment, the tax apportionment fund (1) shall be available to pay Project Costs under Section VIII, (2) shall constitute special funds of the City, or, at the direction of the City, the Owasso Public Works Authority, a public trust, or another public entity designated by the City, and (3) shall not be subject to annual appropriation as a part of the general fund of the City.

VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. The City is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Oklahoma Local Development Act, 62 O.S. §854.

B. The Owasso Public Works Authority (OPWA), or another public entity designated by the City pursuant to Section VI, is authorized and designated to carry out implementation actions for the project, including all necessary, appropriate, and supportive steps pursuant to development agreements with private developers. Such public entity is also authorized and designated to carry out those provisions of the project related to issuance of bonds or notes as provided in Sections 854(B) and 863 of the Oklahoma Local Development Act, subject to approval of the governing body of the City of any

specific notes or bonds. OPWA is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Oklahoma Local Development Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854. As a public entity designated by the City, OPWA or another public entity designated by the City is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) pledge revenues from current and future fiscal years to repayment; (3) incur Project Costs pursuant to Section VIII of this Project Plan; (4) provide funds to or reimburse the City for the payment of Project Costs and other costs incurred in support of the implementation of the project; and (5) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them. Project Costs shall mean (a) the public costs authorized to be paid pursuant to Section VIII of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section VIII, which may be authorized without amendment to this Project Plan.

C. The City Manager, Warren Lehr, or his successor in office shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan.

VIII. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT NO. 1, CITY OF OWASSO

A. The Project Costs will be financed by the apportionment of ad valorem and sales tax increments from Increment District No. 1. The Project Costs categories are:

Assistance in Development Financing	\$ 13,800,000.00
Public Infrastructure, Facilities, and Improvements	\$ 3,000,000.00
Implementation and Administration	\$ 200,000.00
TOTAL Project Costs	\$ 17,000,000.00

Plus any financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

B. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned tax increments may be approved by the City at any time. The provisions of this Section VIII are not a limitation on Project Costs to be financed by other than apportioned tax increments.

C. Assistance in Development Financing will be provided only for projects that are determined, in the City's and/or OPWA's discretion: (1) to meet the City's approved development goals and objectives for the Project Area, as expressed from time to time in the City's plans and policies, and (2) to provide adequate consideration and public benefit in return for the public investment.

IX. FINANCING PLAN AND REVENUE SOURCES

A. Financing Plan.

Some public improvements, in anticipation of private investment, will be funded by the City from sources other than apportioned tax increments, which may be reimbursed once increment is generated by the development within Increment District No. 1.

Private developers within the Project Area may be required to construct the necessary improvements for specific projects at their initial expense. The financing of private developments will be provided by private equity and private financing. Most Project Costs incurred in connection with the implementation of the Project Plan will be financed on a pay-as-you-go basis.

B. Financing Authorizations.

Without assistance, development of this type and on this scale within the Project Area would not occur. The implementation of the Project Plan shall be financed in accordance with financial authorizations, authorized from time to time by the City.

C. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section VIII are the incremental ad valorem and sales tax revenues attributable to investment and development within Increment District No. 1.

D. Financial Reports and Audits.

The development activities undertaken by the City, pursuant to this Project Plan, shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

E. Other Necessary and Supporting Costs.

OPWA or another public entity designated by the City pursuant to Section VI, is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the project and the construction of improvements therein in addition to Project Costs to be financed pursuant to Section VIII.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

A. Private and Public Investments Expected from the project and Increment District No. 1.

The total private investment in the Project Area if fully realized is estimated to exceed \$100,000,000.00. Private investment in Increment District No. 1 is expected to consist of new mixed-use developments, expansion of existing businesses, creation of new businesses, development of new retail, restaurant, residential, and office projects, and light industrial development (where appropriate). Public investment will include public infrastructure improvements and assistance in development financing to support private investment and enhance new and existing businesses.

B. Public Revenue Estimated to Accrue from the Project and Increment District No. 1.

The estimated incremental increases in tax revenue, which will serve as the revenue source for financing the Project Costs authorized by Section VIII, is the public revenue directly attributable to the project described herein. Both the City and the State will experience increases in tax revenues that are not a part of Increment District No. 1. Ad valorem taxing entities will experience additional revenues from increasing values within the surrounding area but outside of Increment District No. 1.

Incremental sales tax revenues are estimated to range between \$35,000 and \$75,000 annually. Incremental ad valorem revenues are estimated to range between \$280,000 and \$1,350,000 annually. Total incremental revenues estimated to be generated over the 25-year lifespan of Increment District No. 1 range between \$18,000,000 and \$25,000,000.

The developments anticipated by the project will not result in a measurable increase in demand for services by or in costs to the affected taxing entities. The economic benefits of the project for the affected taxing jurisdictions indicate positive financial impacts for the entire community. The aggregate impacts from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

XI. LAND USE

Existing uses and conditions of real property in Increment District No. 1 are shown on the attached Exhibit C. A map showing the proposed improvements to and proposed uses of the real property in Increment District No. 1 is attached Exhibit D. Implementation of the Project Plan requires no changes to the GrOwasso 2030 Land Use Master Plan or zoning. The Project Plan complies with the objectives and priorities of the GrOwasso 2030 Land Use Master Plan.

Exhibit A

Project Area and Increment District No.1 Boundaries

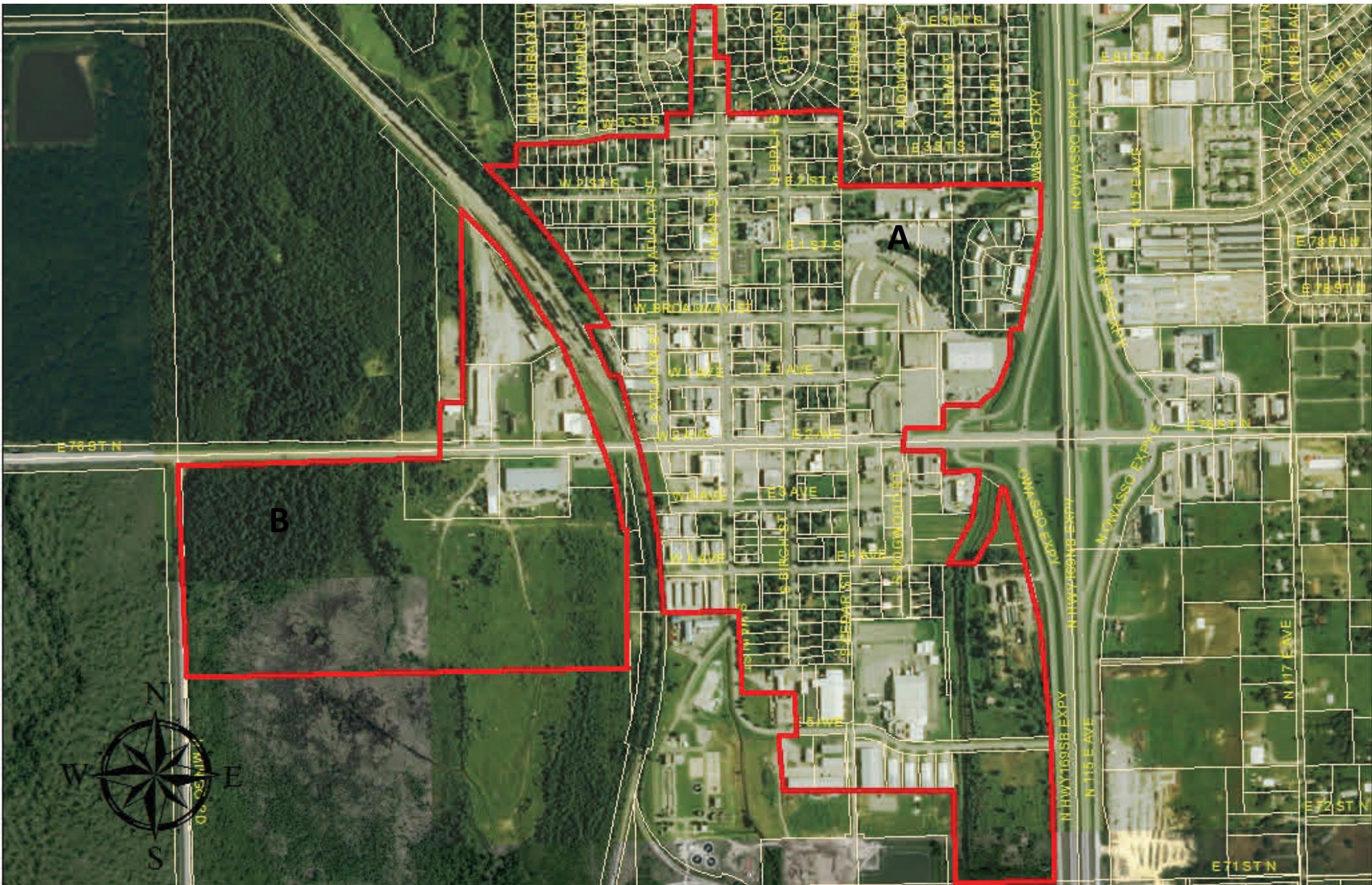


Exhibit B

Project Area and Increment District No. 1 Boundaries Legal Description

Section A

Beginning at the southeast corner of Lot 6, Block 1 of the Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along said south lot line a distance of 57 feet, thence north along said lot line a distance of 283 feet, Thence west along south lot of said lot a distance of 490 feet, Thence north along said lot line a distance of 24 feet, Thence west along said lot line a distance of 41 feet, Thence north along said lot line a distance of 240.2 feet to the northwest corner of said Lot 6, Thence to a point 17.45 feet north and 50.26 feet west of northwest corner of said Lot 6, Thence west a distance of 393.5 feet to a point 149.63 feet south of the southwest corner of Lot 1, Block 1 of Owasso Industrial Parks Phase IV, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 332.1 feet to the Northwest corner of said Lot 1, Block 1, Thence east a distance of 87.7 feet to a point on the north lot line of said Lot 1, Block 1, Thence north a distance of 255 feet to a point 165 feet south and 310 feet east of the southwest corner of Lot 5, Block 1 of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 310 feet to a point 165 feet south of said Lot 5, Block 1, Thence north a distance of 495 feet to the northwest corner of Lot 1, Block 1, of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 457.07 feet to the southwest corner of Lot 4, Block 34, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, also a point on the east right-of-way line of the Southern Kansas Oklahoma Railroad right-of-way, Thence north along said railroad right-of way a distance of 994.2 feet, Thence continuing north along said railroad right-of-way a distance of 385.2 feet, Thence north a distance of 55 feet along the quarter section line to a point on the east right-of-way of said railroad, thence northwest along said railroad right-of-way a distance of 95.2 feet, Thence west a distance of 35.7 feet along said railroad right-of-way, Thence northwest along said railroad right-of-way a distance of 331.4 feet, Thence east a distance of 141.8 feet to a point on the east right-of-way of said railroad, also a point on the south right-of-way of West Broadway Street, Thence northwest along said railroad right-of-way a distance of 1213.8 feet to the to the northwest corner of Lot 11, Block 8, of Greenlees, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east along said north line of said subdivision a distance of 202.94 feet to the southwest corner of Lot 10, Block 5, of Starlane, a subdivision in the City of Owasso, Tulsa county, Oklahoma, Thence north along the west line of said Lot 10 a distance of 125 feet to the northwest corner of said Lot 10, also a point on the south right-of-way of West Third Street North, a street in the City of Owasso, Thence east along said right-of-way a distance of 885.1 feet to the northwest corner of Lot 4, Block 6, Owasso Original Town, a subdivision in the City of

Owasso, Tulsa County, Oklahoma, Thence north along the east right-of-way of North Atlanta Street West a distance of 138.1 feet to the northwest corner of Lot 2, Block 3 of the said subdivision, Thence east a distance of 162.1 feet to the southeast corner of Lot 16, Block 2, of Crestview Estates, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 150 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence east 5 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence north 340.4 feet to the northeast corner of Lot 9, Block 2 of said subdivision, Thence east 18.73 feet to the southeast corner of Lot 1, Block 2 of said subdivision, Thence north along the east line of said Lot 1 a distance of 139.07 feet to the northeast corner of said lot, also a point on the south right-of-way line of West Fourth Street North, a street in the City of Owasso, Thence east along said south right-of-way line a distance of 121.2 to a point on the west right-of-way line of North Main Street, a street in the City of Owasso, Thence south along said west right-of-way line a distance of 305 feet, Thence east a distance of 75 feet to a point on the east right-of-way line of North Main Street, a street in the City of Owasso, Thence south along the said east right-of-way line a distance of 5 feet, Thence west 75 feet to a point on the west right-of-way of said street, Thence south along the said west right-of-way a distance of 95 feet, Thence east along said west right-of-way a distance of 5 feet, Thence south along said west right-of-way a distance of 80.38 feet, Thence east a distance of 70 feet to a point on the said east right-of-way line, Thence south along said east right-of-way a distance of 150 feet, also a point on the north line of Lot 2, Block 2, of Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance 653.2 feet to the northeast corner of Lot 1, Block 1 of said subdivision, Thence south a distance of 453.85 feet to the southwest corner of Lot 13, Block 6, of Wilawood, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance of 1,190.2 feet to the southeast corner of Lot 15, Block 5 of said subdivision, also a point on the west right-of-way of the Mingo Valley Expressway, Thence south along said right-of-way a distance of 210 feet to northeast corner of Lot 1, Block 1, Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along east line of said Lot 1 a distance of 75.5 feet, Thence southwest a distance of 604.82 feet to the southeast corner of Lot 6, Block 1, of Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along the south line of said Lot 6, a distance of 47.58 feet, Thence south along the right-of-way of Mingo Valley Expressway a distance of 161.4 feet, thence southwest along said right-of-way a distance of 235.4 feet, thence southwest along said right-of-way a distance 159.1 feet, Thence west along said right-of-way a distance of 208.3 feet, Thence south along said right-of-way a distance of 113.2 feet, Thence west 247.8 feet along said right-of-way to the southwest corner of Safeway, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south 110.56 feet to the northeast corner of Lot 1, Block 1, Dogwood Center, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along said lot east line a distance of 37.5 feet, Thence east a distance of 257 feet to the

northeast corner of Lot 1, Block 2, Owasso Business Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along the east line of said lot a distance of 125 feet, Thence east along the north line of said lot a distance of 200 feet to the northeast corner of said Lot 1, Thence southwest a distance of 247.06 feet to the southeast corner of said Lot 1, Thence continuing southwest a distance of 42.94 feet to a point on the east line of Lot 4, Block 2, of said subdivision, Thence southwest a distance of 303.51 feet to the southeast corner of Lot 5, Block 2 of said subdivision, Thence east a distance of 163.68 feet to the southwest corner of Lot 2, Block 3, of said subdivision, Thence northeast a distance of 246.55 feet to a point on the west line of Lot 1, Block 3, of said subdivision, Thence north a distance of 250.56 feet to the northwest corner of said Lot 1, Thence southeast a distance of 35.49 feet to the northeast corner of said Lot 1, Thence southeast a distance of 455.7 feet to the southeast corner of Lot 2, Block 3 of said subdivision, also a point on the west right-of-way line of Mingo Valley Expressway, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 93.2 feet, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 225.1 feet, Thence south along west right-of-way of Mingo Valley Expressway a distance of 796.9 feet to a point on the south right-of-way line of Fifth Avenue, a street in the City of Owasso, Thence south along the west right-of-way of Mingo Valley Expressway a distance of 786.60 feet, Thence west a distance of 586.68 feet to the southeast corner of Lot 6, Block 1, Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, the Point of Beginning, containing 207 acres, more or less.

And

Section B

Beginning at the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence southeast along said lot line a distance of 974.78 feet, Thence continuing southeast along the Southern Kansas Oklahoma railroad right-of-way a distance 619.4 feet to a point on the north right-of-way of East 76th Street North, a street in the City of Owasso, Thence continuing southeast along the said railroad right-of-way a distance of 88.7 feet to a point on the south right-of-way of East 76th Street North, Thence continuing southeast along the said railroad right-of-way a distance of 510.6 feet, thence east along said railroad right-of-way a distance of 19.6 feet to the east line of the N/2 NW/4 of Section 31, T-21-N, R-13-E, Thence south a distance of 785.3 feet to the SE corner of said N/2 NW/4, Thence west along the south line of said N/2 NW/4 a distance of 2,633.6 feet to a point on the east right-of-way of North Mingo Road, a street in Tulsa County, Thence north along said east right-of-way of North Mingo Road a distance of 1261.4 feet to a point on the south right-of-way of East 76th Street North, Thence east along said south right-of-way line a distance of 1318.1 feet, Thence north along said south right-of-way line a distance of 10.00 feet, Thence

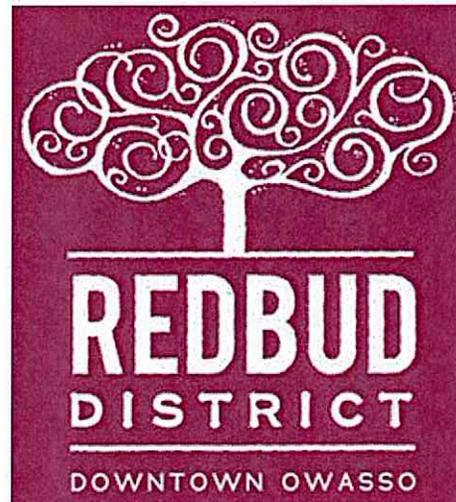
east along said south right-of-way line a distance of 215.0 feet, Thence north a distance of 300 feet, Thence east a distance of 148 feet to a point on the west line of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north along the west line of said Lot 1 a distance of 1150.6 feet to the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, the Point of Beginning, containing 94 acres, more or less.

**OWASSO REDBUD DISTRICT PROJECT PLAN
INCREMENT DISTRICT NO. 1, CITY OF OWASSO**

FINANCIAL IMPACTS REPORT

PREPARED BY:

THE CITY OF OWASSO, OKLAHOMA



WITH THE ASSISTANCE OF:

**CENTER FOR ECONOMIC DEVELOPMENT LAW
301 North Harvey, Suite 100
Oklahoma City, Oklahoma 73102
(405) 232-4606
econlaw@econlaw.com**

OWASSO REDBUD DISTRICT PROJECT PLAN FINANCIAL IMPACTS REPORT

I. HOW TAX INCREMENT FINANCING WORKS

Under the mechanism of tax increment financing, two geographic areas are defined. The first is the project area. This is the area in which project expenditures may be made. The second geographic area is the increment district. This is the area from which the tax increment will be generated. The project area and increment district may or may not be co-extensive. The value of property within the increment district is determined upon approval of the project plan. This becomes the base assessed value of all taxable property within the increment district. The ad valorem tax revenue generated from this base assessed value of property within the increment district is distributed to the taxing jurisdictions according to each jurisdiction's levy. Throughout the life of the project, the base revenue will continue to flow to the taxing jurisdictions. In the event of a general reassessment of property values within the increment district, the ad valorem tax revenue received by the taxing jurisdictions will be proportionately adjusted. To this extent, the taxing jurisdictions are not affected by the implementation of tax increment financing through ad valorem apportionment.

Once development of the property within the increment district occurs, the market value increases, and so the assessed value of that property also increases. The difference between the ad valorem tax revenue produced by this increased value and that produced by the base assessed value—the incremental increase or increment—is apportioned (i.e. allotted) to an apportionment fund that is used to pay the eligible public costs of the project either directly or through the issuance of bonds. This apportionment of ad valorem tax increments will continue for the lesser of a period of 25 fiscal years from the date of approval or until all eligible public costs are paid. Once the tax apportionment period expires, the revenue from the increased assessed value of property within the increment district will be divided among the taxing jurisdictions, in addition to the revenue from the base assessed value that these entities will have continued to receive.

II. THE PROPOSED PROJECT

The proposed Owasso Redbud District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, et seq., and is referred to here as the "Project Plan."

The boundaries of the proposed Project Area and Increment District No. 1, City of Owasso ("Increment District") are the same and are generally located within the following boundaries: beginning at the western terminus of North Carlsbad Street, east along West 3rd Street to the east side of North Atlanta Street, north one lot, then east one lot, then north to West 4th Street, then east along West 4th Street to North Main Street, south to one lot north of West 3rd Street, then east along West 3rd Street to one lot before Cedar Street, south to East 2nd Street, then east along East 2nd Street to the west Owasso Expressway service road, then south along Owasso Expressway to East 71st Street, west generally along East 71st Street to South Main Street, north to West 5th Avenue, west to North Mingo Road, north along Mingo Road to West 2nd Avenue (E 76th St N), east along West 2nd Avenue to the western side of the Owasso Sertoma Center, north to the railroad tracks, then across the railroad tracks back to North Carlsbad Street and West 3rd Street.

The Project Plan anticipates private investment in the Project Area to exceed \$100 million over a period of 25 years. Development will consist of a range of commercial, residential (single family and multifamily), mixed-use, and where appropriate, industrial. This new development is estimated to increase market and assessed values for property within the Increment District, which, in turn, will result in annual ad valorem tax revenues (“ad valorem increments”) of approximately \$280,000 in the near term and 1,350,000 over the long term. Additionally, increases in City sales tax revenue (“sales tax increments”) are estimated to be approximately \$35,000 annually in the near term and \$75,000 over the long term. Total incremental revenues estimated to be generated over the life of the Increment District range between \$18,000,000 and \$25,000,000.

The projections are based upon the impacts of the total \$100 million in private taxable investment. Projects such as those contemplated by the Project Plan have both direct and indirect economic benefits. They have design and construction impacts, which are generally one-time impacts. They also have continued annual impacts after completion.

III. IMPACTS AND EFFECTS ON TAXING JURISDICTIONS

A. Overall Financial Impacts upon the Affected Taxing Jurisdictions. Under the Project Plan, all incremental revenues will be apportioned to the apportionment fund for use by the Owasso Public Works Authority, or another public entity designated by the City, to pay for authorized project costs. Once the Increment District terminates, the increments shall be distributed pursuant to ad valorem and sales tax statutes.

The benefits of projected development under this project will be significant for the affected taxing jurisdictions and for the greater community. The actual increase in demand for services, if any, will be limited for those taxing jurisdictions, with potential increases in demand discussed in Section III, B herein.

The Increment District at present contains a number of vacant, underperforming, or tax exempt parcels that generate very little or no ad valorem tax and sales tax revenues. The current assessed value within the Increment District at the time of project approval will continue as the basis for allocating the tax revenue to the taxing jurisdictions during the life of the project. Since funding rates for bonded indebtedness are calculated using the base assessed value within the Increment District, repayment of bonded indebtedness will not be affected.

Concentrated and continuous stimulation of the development of the area, as contemplated by the Project Plan, will result in a greatly-enhanced ad valorem tax base, from which all of the affected taxing jurisdictions will benefit. In addition, the benefits of new employment in the community will result in benefits to the affected taxing jurisdictions. Finally, the generation of sales taxes in this underperforming area will benefit the City.

B. Specific Effects from the \$100 Million Private Growth.

1. *Owasso Public Schools.* Owasso Public Schools will experience little to no measurable negative impact as a result of the project because much of the development will be stimulated by public assistance and investment in the area (e.g., the construction and development of new adjacent public or private infrastructure, and the provision of development financing assistance as prescribed in the Project Plan). Owasso Public Schools has several facilities

in the Project Area that improved public infrastructure will enhance. The value of property owned by Owasso Public Schools will increase due to development throughout the Project Area.

The residential portion of development may generate, over time, a small increase in demand for services from Owasso Public Schools, although the type of residential development will likely be more in demand by non-child households. Residential development in a mixed-use, medium density environment often appeals to a younger and near-retirement demographic.

Owasso Public Schools will experience a positive fiscal impact from the project. Currently, Owasso Public Schools is collecting an estimated \$47,000 annually in ad valorem revenues from within the Increment District when accounting for state school aid offsets. Upon termination of the Increment District, it is estimated that annual ad valorem revenues of \$220,000, generated by increased development due to the project, will flow to Owasso Public Schools, based on current millage rates and accounting for state school aid offsets.

2. *Tulsa County.* No specific measurable demand for increased services upon Tulsa County is anticipated to result from this project.

3. *Tulsa Health Department.* The Tulsa Health Department is positively affected by new employment that the project will generate. The promotion of the Project Area as a highly walkable, mixed-use district will support public health initiatives of the Tulsa Health Department.

4. *Tulsa City-County Library.* The Tulsa-City County Library serves the entire metropolitan area, including a branch in the Project Area. Public infrastructure improvements in the surrounding area will positively affect the branch. Also, due to its location within the Project Area, residential and mixed-use development will contribute to the most immediate, day-to-day clientele for this facility. Commercial and industrial development should not affect this facility outside of increased exposure.

5. *Tulsa Technology Center.* The Tulsa Technology Center has a branch in Owasso, but the campus is not adjacent to the Project Area. Therefore, the development should have minimal impact on demand for services, although complementary job training opportunities, including, but not limited to, culinary arts training in restaurants in the Project Area, may be utilized.

6. *Tulsa Community College.* Impacts to the Tulsa Community College from the project should be similar to those of the Tulsa Technology Center, with minimal impact on demand for services, although complementary job training opportunities may be utilized depending on the nature of the commercial and residential development.

7. *City of Owasso.* The creation of mixed-use development in the Increment District will generate new sales taxes for the City. The proposed developments are not expected to significantly pull sales away from existing retailers within the City outside of the Increment District because they will occupy different positions within the marketplace, including boutique shops and restaurants that do not currently exist within the City. Also, the project will generate significant development and investment in an underserved and underdeveloped part of the City, thus having additional desired and positive impacts on the City.

IV. IMPACTS ON BUSINESS ACTIVITIES

Isolating the specific impacts of the Increment District on the greater community is difficult, but through correlation of demands for residential and commercial space within the Increment District, a meaningful calculation of effects on business activities is possible. Residential and commercial developments reflect corresponding growth in economic demands for a spectrum of business activities in the retail, commercial, office and industrial categories.

As public and private development occurs, construction will result in temporary jobs and completion of development projects will result in permanent jobs, particularly in commercial, industrial and mixed-used developments. The development of an estimated 200 residential units in the Project Area will result in additional household income of \$13,110,000¹. The increased presence of individuals living and working in the Project Area will further stimulate demand for development, establishing a well-rounded mixed-use district. Further, the increased presence of individuals will increase the opportunity of potential customers for new and existing businesses in the Project Area.

V. CONCLUSION

The projected project will have a positive long-term financial benefit for the Owasso community, affected taxing jurisdictions, and business activities. Correspondingly, no appreciable adverse impact is likely to result from the project for the taxing jurisdictions or business activities within the Project Area. The impact of anticipated development on the provision of governmental services is balanced by the public improvements and infrastructure component in the Project Plan, which addresses public costs associated with the project and minimizes the burden of providing additional government services.

¹ Median Family Income (2014 ACS Census Estimate) = \$65,550

**OWASSO PLANNING COMMISSION
RESOLUTION NO. 2016-02**

**RESOLUTION DETERMINING THAT THE OWASSO REDBUD DISTRICT
PROJECT PLAN IS IN CONFORMANCE WITH THE GROWASSO 2030 LAND
USE MASTER PLAN AND RECOMMENDING TO THE CITY OF OWASSO
APPROVAL AND ADOPTION OF THE OWASSO REDBUD DISTRICT
PROJECT PLAN**

WHEREAS, it is an objective of the City of Owasso, Oklahoma ("City"), to promote economic development within its boundaries in order to attract investment, enhance the tax base, stimulate economic growth, and improve the quality of life in and around the City; and

WHEREAS, the City envisions the development of its Redbud District as a new destination area within the City, consisting of infill development with commercial, residential, office, industrial, and mixed-use components, as well as improved streetscapes and pedestrian accessibility ("Project"); and

WHEREAS, the Project will promote the public good, general welfare, economic security, and prosperity of the City and its inhabitants; and

WHEREAS, the Owasso Redbud District Project Plan ("Project Plan") is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*; and

WHEREAS, the provisions of the Oklahoma Local Development Act provide procedures for approval of a project to develop a qualified area such as the project area; and

WHEREAS, the Owasso Redbud District Project Review Committee, including a representative of the Owasso Planning Commission, has recommended the approval of the Project Plan after finding the project eligible and determining that the Project Plan will make a positive impact on affected taxing jurisdictions and business activities within the increment district; and

WHEREAS, the Owasso Planning Commission has reviewed the GrOwasso 2030 Land Use Master Plan and the Project Plan; and

WHEREAS, the Project Plan is appropriate and desirable in order to support efforts to achieve the objectives of the GrOwasso 2030 Land Use Master Plan; and

WHEREAS, the Owasso Planning Commission finds it appropriate and desirable to recommend to the City Council of the City that it approve and adopt the Project Plan.

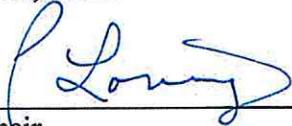
NOW, THEREFORE, BE IT RESOLVED BY THE OWASSO PLANNING COMMISSION THAT:

Section One: The Owasso Redbud District Project Plan is hereby declared to be in conformance with the GrOwasso 2030 Land Use Master Plan.

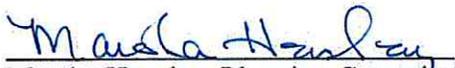
Section Two: The Owasso Redbud District Project Plan is determined to be desirable.

Section Three: Recommendation is hereby made to the City Council of the City of Owasso that it approve and adopt the Owasso Redbud District Project Plan.

PASSED AND APPROVED this 21st day of November, 2016.



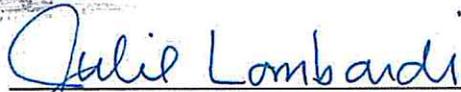
Chair



Marsha Hensley, Planning Commission Clerk



APPROVED AS TO FORM:



Julie Lombardi, City Attorney

**FINDINGS AND RECOMMENDATION OF
THE OWASSO REDBUD DISTRICT PROJECT
REVIEW COMMITTEE**

After review of the proposed Owasso Redbud District Project Plan ("Project Plan"), the proposed establishment of ad valorem and sales tax Increment District No. 1, City of Owasso, and such other information as deemed relevant, the Owasso Redbud District Project Review Committee ("Review Committee") makes the following findings and recommendation:

A. Findings Regarding Eligibility of the Proposed Project Area and Increment District

1. The proposed Project Area and the proposed Increment District No. 1, City of Owasso ("Increment District"), are partially within a state designated enterprise zone and therefore meet the definition of an "enterprise area" under the Local Development Act (62 O.S. § 853(5)).
2. The proposed Project Area and the proposed Increment District No. 1, City of Owasso ("Increment District"), meet the definition of an "reinvestment area" under the Local Development Act (62 O.S. § 853(17)).
3. The level of investment, development, and economic growth desired by the City of Owasso is difficult, but possible, within the proposed Project Area and Increment District if the provisions of the Local Development Act are utilized.
4. Tax increment financing is a necessary component in stimulating reinvestment in the proposed Project Area and Increment District.
5. Tax increment financing will be used to supplement and not supplant or replace normal public functions and services in the proposed Project Area and Increment District.
6. Tax increment financing will be used in conjunction with existing programs and efforts and other locally implemented economic development efforts.
7. The Project Plan emphasizes conservation, preservation, and rehabilitation.

B. Findings Regarding Financial Impact on the Affected Taxing Jurisdictions and Business Activities Within the Proposed Project Area and Increment District

1. As described in Section X of the Project Plan, the anticipated private development will generate tax increments sufficient to pay a substantial portion of the authorized project costs of the project proposed by the Project Plan. Without the Project Plan and Increment District, the development described in the Project Plan and the resulting increases in tax revenues would not occur.

2. The development anticipated by the project will not result in a measurable increase in demand for services by or in costs to the affected taxing jurisdictions.
3. The public revenue anticipated to result from the development described in the Project Plan includes increased tax revenue beyond the revenues being apportioned to pay project costs authorized by the Project Plan.
4. The economic benefits of the Project Plan for the affected taxing jurisdictions and the community as a whole offset the adverse financial impacts, if any, of the Project Plan on the affected taxing jurisdictions.
5. The aggregate impacts on the affected taxing jurisdictions and on business activities from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV of the Project Plan.

Resolution Recommending Approval

NOW, WHEREAS, the Review Committee has reviewed the proposed Project Plan and Increment District; and

WHEREAS, the findings of the Review Committee demonstrate that the proposed Project Area and Increment District meet the conditions for eligibility; and

WHEREAS, the findings of the Review Committee demonstrate that the financial impacts on the affected taxing jurisdictions and business activities from implementation of the Project Plan are positive; and

WHEREAS, the findings of the Review Committee demonstrate that approval of the Project Plan by the City of Owasso is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Owasso Redbud District Project Review Committee that approval of the proposed Owasso Redbud District Project Plan, including creation of the proposed ad valorem and sales tax Increment District No. 1, City of Owasso, is hereby recommended.

ADOPTED by the Owasso Redbud District Project Review Committee this 17 day of November, 2016, and **SIGNED** by its Chair.

APPROVED:


Lyndell Dunn, Chair

I, Juliann M. Stevens, Acting Secretary of the Owasso Redbud District Project Review Committee, certify that the foregoing resolution was duly adopted at a special meeting of the Owasso Redbud District Project Review Committee, held at City Hall in Owasso, Oklahoma, on the 17th day of November, 2016; that said meeting was held in accordance with the Open Meeting Act of the State of Oklahoma; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said resolution was adopted by a majority of those present.


Juliann M. Stevens, Acting Secretary

The 2015 assessed value of real property within the Increment District is approximately \$4,498,480. This represents 1.6% of the total assessed value within the OPS district for property located in Tulsa County (\$280,178,368), and an estimated less than 1.1% when including OPS district property located in Rogers County.

Current Revenues and Projected Revenues

Currently, OPS is collecting approximately \$317,881 annually in ad valorem revenues, from within the Increment District, which, when state school aid offsets are accounted for, amounts to approximately \$47,531 annually. These revenues will continue to flow to OPS through the life of the Increment District. Upon termination, which is anticipated to occur during Year 20, OPS will experience a significant increase in annual ad valorem revenues generated by increased development. Based on projected development, when the Increment District ends, OPS will collect approximately \$1,492,919 annually in ad valorem revenues from within the Increment District, which, when state school aid offsets are accounted for, amounts to approximately \$223,228 annually. Table 1 shows the projected tax increment generation, projected end of the TIF, and associated revenues to OPS.

Table 1: TIF Tax Increment Generation Projections & Revenue to Owasso Public Schools

Projection Model	2016	2017	2018	Projected End of TIF Term		2040	
				2035	2036		
Year	1	2	3	20	21	25	
Existing Ad Valorem	\$ 495,292	\$ 495,292	\$ 495,292	\$ 495,292	\$ 495,292	\$ 495,292	
New Ad Valorem	\$ 495,292	\$ 495,292	\$ 506,327	\$ 1,830,835	\$ 1,830,835	\$ 1,830,835	
Increment	\$ -	\$ -	\$ 11,035	\$ 1,335,543	\$ 1,335,543	\$ 1,335,543	
Cumulative Increment	\$ -	\$ -	\$ 11,035	\$ 15,395,131	\$ 16,730,675	\$ 22,072,847	
Sales Tax	\$ -	\$ -	\$ 15,000	\$ 67,722	\$ 67,722	\$ 67,722	
Total Tax Generation	\$ -	\$ -	\$ 37,070	\$ 16,798,397	\$ 18,133,940	\$ 23,476,112	
Revenue to Owasso Public Schools							New Annual Revenue
School Sinking	\$ 113,001.09	\$ 113,001.09	\$ 113,001.09	\$ 113,001.09	\$ 113,001.09	\$ 113,001.09	\$ 530,706.97
School Building Fund	\$ 23,343.59	\$ 23,343.59	\$ 23,343.59	\$ 23,343.59	\$ 23,343.59	\$ 23,343.59	\$ 109,632.61
School ADA	\$ 18,130.94	\$ 18,130.94	\$ 18,130.94	\$ 18,130.94	\$ 18,130.94	\$ 18,130.94	\$ 85,151.54
School Countywide General	\$ 163,405.11	\$ 163,405.11	\$ 163,405.11	\$ 163,405.11	\$ 163,405.11	\$ 163,405.11	\$ 767,428.24
TOTAL	\$ 317,880.74	\$ 317,880.74	\$ 317,880.74	\$ 317,880.74	\$ 317,880.74	\$ 317,880.74	\$ 1,492,919.35
Net Benefit Per Operational Ad Valorem Dollar Received*	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Net Benefit - Revenue	\$ 47,530.94	\$ 47,530.94	\$ 47,530.94	\$ 47,530.94	\$ 47,530.94	\$ 47,530.94	\$ 223,227.93

*Accounts for State School Aid Offsets

Also, important to the discussion of OPS funding, the state school aid formula reduces the amount of state aid OPS receives and a certain amount of the ad valorem revenue OPS receives. Sinking fund levies by their nature are not available for OPS's general operating revenues. The attached Table 2 shows a summary of OPS mill levies. The foundation aid portion of the state school aid formula charges OPS for its ad valorem taxes collected by its 15.45-mill levy (as adjusted) enacted pursuant to Article X, Section 9(c) of the Oklahoma Constitution and for 75% of its allocation from the countywide school levy. The state school aid formula's salary incentive aid effectively offsets an additional 20 mills. Thus, the state school aid offsets effectively reduce OPS's operational mill levy from 45.21 to approximately 6.76. That means OPS has a net positive benefit—in terms of increased operational revenue—

of only \$0.15 for every \$1.00 in ad valorem revenue it receives. The Increment District will not impact the state school aid offsets.

Sinking Fund Levies

The sinking fund levy is determined following the approval of bond issues in order to yield enough funds to pay the principal and interest on the bonds. For each bond issuance, the number of mills levied will vary in terms of the size of the bond, the term on the bond, and the interest rate. This method of determination does not change should the Increment District be created. If the Increment District is established, the value of the property within the Increment District as of the date the Increment District is created (the base assessed value) is still available to calculate the sinking fund levy. Increases in property values in the Increment District will not be used in calculating the sinking fund levy. The ability of OPS to issue debt will not be impacted. The base assessed value within the Increment District as well as property values outside of the Increment District will be used to calculate the sinking fund levy and ensure enough funds for OPS to pay its current and future bonded indebtedness.

Conclusion

Relative to the size of the OPS district, the Increment District covers a small geographic area. Likewise, the assessed value of property in the Increment District is relatively small because the area has seen little economic development activity. The creation of the Increment District is an effort to reverse economic stagnation and increase the value of property in the Increment District and surrounding area, resulting in additional ad valorem revenues for the affected taxing jurisdictions. The creation of the Increment District will not reduce OPS's ability to collect sufficient funds to pay its current debt or issue new debt.

We appreciate your interest in the process of the consideration of the Owasso Redbud District Project Plan and Increment District, notably for its impact on OPS. If we can address additional questions, please do not hesitate to contact us.

Table 2: Owasso Public Schools Mill Levy Summary

General Fund Levies	Art. X, § 9(a)	5.15
	Art. X, § 9(c)	15.45
	Art. X, § 9(d)(1)	10.30
	Art. X, § 9(d)	5.15
	TOTAL	36.05
Building Fund Levy		5.16
Countywide School Levy		4.00
Operational Mill Levy²		45.21
Net Effective Mill Levy--Real³		6.76
Net Benefit Per Operational Ad Valorem Dollar Received--Real		\$0.15

1. Assumptions:

- a. Approximates the effective value of the Countywide School Levy.
- b. Assumes full adjusted allowable millage levies.

2. "Operational Mill Levy" (excludes sinking fund) = (General Fund Levies) + (Building Fund Levies) + (Countywide School Levy)

3. "Net Effective Mill Levy--Real" = [Operational Mill Levy] - [Foundation Aid State School Aid Offset] - [Salary Incentive Aid State School Aid Offset]; Net Effective Mill Levy--Real = [(General Fund Levies) + (Building Fund Levies) + (Countywide School Levy)] - [(Art. X § 9(c) Levy) + (75% of Countywide School Levy)] - [20-mill Salary Incentive Aid offset]

4. "Net Effective Mill Levy--Personal" = [Operational Mill Levy] - [79% of Foundation Aid State School Aid Offset] - [79% of Salary Incentive Aid State School Aid Offset]; Net Effective Mill Levy--Personal = [(General Fund Levies) + (Building Fund Levies) + (Countywide School Levy)] - [79% of ((Art. 9(c) Levy) + {75% of Countywide School Levy})] - [79% of 20-mill Salary Incentive Aid Offset]

5. School districts receive the benefit of their full operational mill levies once ad valorem taxes collected from their Art. X SSS 9(c) levy and 75% of their allocation of the countywide school levy meet or exceed the district's gross Foundation Aid amount in the state school aid calculation; assumes district has no land earnings and no chargeable gross production, motor vehicle, or REA tax revenues.

6. Assumes district has no land earnings and no gross production, motor vehicle, or REA tax revenues chargeable in the state aid formula.



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Bronce L. Stephenson, MPA
Director of Community Development

SUBJECT: Ordinance 1093 – Approving Owasso Redbud District Project Plan and Creating
Increment District No. 1

DATE: December 16, 2016

PUBLIC HEARING:

On December 6, the City Council held the first of two required Public Hearings on the possible creation of a Tax Increment Financing (TIF) District in the downtown Owasso Redbud District area. The primary purpose of the first hearing was to provide information and to answer questions. The purpose of the second public hearing is to give interested persons the opportunity to express their views on the proposed plan.

PROPOSED ORDINANCE:

The Council is asked to take action on an ordinance approving the creation of Increment District No. 1. The proposed ordinance would:

- Adopt and approve the Project Plan,
- Ratify and confirm the recommendations and findings of the Review Committee and the Planning Commission,
- Create and name the Increment District,
- Define the boundaries of the Project Area and of the Increment District No. 1, and
- Approve authorizations for the City, the OPWA and the City Manager to implement the Project Plan.

Council is also being asked to approve an emergency clause for the ordinance so the creation of the TIF would become effective during calendar 2016.

At subsequent meetings, the Council will be asked to work with staff and consultants from Center for Economic Development Law (CEDL) to develop a more in-depth policy document that would outline the specifics of how the TIF funds could be spent and how the Assistance in Development Financing would be allotted.

This proposed timeline would approve TIF District before the end of the 2016 calendar year, but would allow the Council adequate time to create a policy document that would guide future TIF decisions.

The Owasso Planning Commission voted unanimously to recommend approval of the Project Plan and the Creation of Increment District No. 1.

The TIF Review Committee voted unanimously (11-0) to recommend approval of the Owasso Redbud District Project Plan and Increment District No. 1.

RECOMMENDATION:

Staff recommends approval of Ordinance 1093, adopting the Project Plan and creating Increment District No. 1.

Additionally, staff recommends the Council vote to declare an emergency, making the Ordinance effective immediately.

ATTACHMENTS:

Ordinance 1093
Project Plan

CITY OF OWASSO, OKLAHOMA
ORDINANCE 1093

AN ORDINANCE RELATING TO PART 12, PLANNING, ZONING AND DEVELOPMENT, CHAPTER 5, TAX INCREMENT FINANCING DISTRICTS, SECTION 12-501, OWASSO REDBUD DISTRICT – INCREMENT DISTRICT NO. 1, APPROVING AND ADOPTING THE OWASSO REDBUD DISTRICT PROJECT PLAN PURSUANT TO THE OKLAHOMA LOCAL DEVELOPMENT ACT; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; ESTABLISHING A DATE FOR THE CREATION OF INCREMENT DISTRICT NO. 1, CITY OF OWASSO; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF OWASSO TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; ESTABLISHING A TAX APPORTIONMENT FUND; DECLARING APPORTIONED FUNDS TO BE SPECIAL FUNDS OF THE CITY OF OWASSO OR THE OWASSO PUBLIC WORKS AUTHORITY; AUTHORIZING THE USE OF INCREMENT REVENUES FOR THE PAYMENT OF CERTAIN PROJECT COSTS; AUTHORIZING THE OWASSO PUBLIC WORKS AUTHORITY TO CARRY OUT CERTAIN PROVISIONS OF THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE OWASSO PLANNING COMMISSION; DIRECTING CONTINUING APPORTIONMENT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY

THIS ORDINANCE ENACTS AND CODIFIES PART 12, CHAPTER 5, SECTION 12-501, OF THE OWASSO CODE OF ORDINANCES.

WHEREAS, the City of Owasso, Oklahoma (“City”) has prepared the proposed Owasso Redbud District Project Plan (“Project Plan”) in accordance with the Oklahoma Local Development Act, 62 O.S. §850, *et seq.* (“Act”); and

WHEREAS, the purpose of the Project Plan is to help the City achieve its development objectives by authorizing the appropriate and necessary public support and assistance for the development and enhancement of the area surrounding Main Street, known as the Redbud District, as a special and unique place within Owasso, a place to live, work, shop, and play (“Project”); and

WHEREAS, the Project Plan supports the City’s efforts to achieve its development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base, thereby making possible investment that would be difficult without the adoption of the Project Plan and the apportionment of incremental ad valorem and sales tax revenues; and

WHEREAS, the Owasso Redbud District Project Review Committee (“Review Committee”), comprised of a representative of the City, a representative of the Owasso Planning Commission (“Planning Commission”), representatives of each of the affected taxing jurisdictions

(including Tulsa County, Owasso Public Schools, Tulsa City-County Library, Tulsa City-County Health Department, Tulsa Community College, and Tulsa Technology Center) and three members of the public at large, one of whom is a retailer or a representative of a retail organization, has reviewed the Project Plan; and

WHEREAS, the Review Committee has reviewed the proposed Project Area and the proposed ad valorem and sales tax Increment District No. 1, the City of Owasso (as defined in Section 6 of this ordinance) (“Increment District No. 1”), in accordance with the criteria specified in the Act and has determined that Increment District No. 1 is eligible for designation as an increment district and for development under the Act and that the financial impacts on the affected taxing jurisdictions and business activities from implementation of the Project Plan are positive; and

WHEREAS, the Review Committee has adopted its findings and recommends to the City Council the approval of the Project Plan, including Increment District No. 1; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms to the GrOwasso 2030 Land Use Master Plan and is desirable; and

WHEREAS, the Planning Commission has adopted a resolution recommending to the City Council the approval of the Project Plan, including Increment District No. 1; and

WHEREAS, part of the Project Area, including Increment District No. 1, is within a state designated enterprise zone and therefore meets the definition of an enterprise area as defined by the Act; and

WHEREAS, the Project Area, including Increment District No. 1, meets the definition of a reinvestment area as defined by the Act; and

WHEREAS, the projected investment and development are difficult, but possible, within the Project Area and Increment District No. 1 if the Project Plan is adopted and implemented; and

WHEREAS, tax increment financing is a necessary component in generating economic development in the Project Area and Increment District No. 1; and

WHEREAS, the apportioned increment revenues derived from Increment District No. 1 will be used to finance eligible project costs contained in Section VIII of the Project Plan; and

WHEREAS, the establishment of the Increment District No. 1 will work in conjunction with existing programs and other locally implemented economic development efforts in order to encourage economic development in the Project Area; and

WHEREAS, the Project is expected to generate substantial new investment within Increment District No. 1 and to stimulate additional indirect economic benefits outside of Increment District No. 1 which would not occur without the Project; and

WHEREAS, the Project Plan provides tools which will supplement and not supplant or replace normal public functions and services; and

WHEREAS, the boundaries of the Increment District No. 1 do not dissect any similar area nor create an unfair competitive advantage; and

WHEREAS, maximum effort has been made to allow full public knowledge and participation in the application of the Act in the review and approval of the Project Plan; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the Project Plan, as prescribed by the Act, the Oklahoma Open Meetings Act, 25 O.S. §301, *et seq.*, and other applicable law; and

WHEREAS, pursuant to said notice, all persons present were given an opportunity to be heard for and against the Project Plan; and

WHEREAS, the City has the right, pursuant to the Act, to make minor amendments to the Project Plan; and

WHEREAS, the Owasso Public Works Authority, a public trust, is authorized and designated to carry out certain provisions of the Project Plan, pursuant to the Act; and

WHEREAS, the City deems it appropriate and desirable and in the best interest of the City and its citizens to adopt and approve the Project Plan, including the establishment of Increment District No. 1.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OWASSO, OKLAHOMA THAT TO WIT:

SECTION ONE (1): Part 12, Planning, Zoning and Development, Chapter 5, Tax Increment Financing Districts, Section 12-501, Owasso Redbud District – Increment District No. 1, of the Code of Ordinances of the City of Owasso, Oklahoma, shall be adopted as follows:

SECTION 12-501 OWASSO REDBUD DISTRICT-INCREMENT DISTRICT NO. 1

1. In order to develop the eligible Project Area, the City elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Act, which authorize the use of local taxes for specific public investments and assistance in development financing, and which provide for the direction of apportionment of local taxes to plan, finance, and carry out development of unproductive, undeveloped, underdeveloped, or blighted areas as determined by the governing body of a city, town or county.

2. The Project Plan is hereby adopted and approved, as recommended by the Owasso Planning Commission and the Review Committee. As used herein “Owasso Redbud District Project Plan” or “Project Plan” shall mean the document dated December 20, 2016, and comprised of one cover

sheet, six pages of text, four exhibits labeled Exhibits A, B, C, and D, and titled “Owasso Redbud District Project Plan.”

3. The membership of the Review Committee and all actions taken and all recommendations and findings made in connection with the Project Plan by the Review Committee and the Owasso Planning Commission are hereby ratified and confirmed.

4. For identification purposes, the name of the increment district, which is an ad valorem and sales tax increment district, shall be Increment District No. 1, City of Owasso.

5. Increment District No. 1 is hereby created as of the date of the adoption of this ordinance.

6. The boundaries of the Project Area and the boundaries of Increment District No. 1 are shown on Exhibit A of the Project Plan and are hereby designated and adopted as follows:

Project Area and Increment District No. 1
Legal Description

Section A

Beginning at the southeast corner of Lot 6, Block 1 of the Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along said south lot line a distance of 57 feet, thence north along said lot line a distance of 283 feet, Thence west along south lot of said lot a distance of 490 feet, Thence north along said lot line a distance of 24 feet, Thence west along said lot line a distance of 41 feet, Thence north along said lot line a distance of 240.2 feet to the northwest corner of said Lot 6, Thence to a point 17.45 feet north and 50.26 feet west of northwest corner of said Lot 6, Thence west a distance of 393.5 feet to a point 149.63 feet south of the southwest corner of Lot 1, Block 1 of Owasso Industrial Parks Phase IV, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 332.1 feet to the Northwest corner of said Lot 1, Block 1, Thence east a distance of 87.7 feet to a point on the north lot line of said Lot 1, Block 1, Thence north a distance of 255 feet to a point 165 feet south and 310 feet east of the southwest corner of Lot 5, Block 1 of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 310 feet to a point 165 feet south of said Lot 5, Block 1, Thence north a distance of 495 feet to the northwest corner of Lot 1, Block 1, of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 457.07 feet to the southwest corner of Lot 4, Block 34, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, also a point on the east right-of-way line of the Southern Kansas Oklahoma Railroad right-of-way, Thence north along said railroad right-of way a distance of 994.2 feet, Thence continuing north along said railroad right-of-way a distance of 385.2 feet, Thence north a distance of 55 feet along the quarter section line to a point on the east right-of-way of said railroad, thence northwest along said railroad right-of-way a distance of 95.2 feet, Thence west a distance of 35.7 feet along said railroad right-of-way, Thence northwest along said railroad right-of-way a distance of 331.4 feet, Thence east a distance of 141.8 feet to a point on the east right-of-way of said railroad, also a point on the south right-of-way of West Broadway Street, Thence northwest along said railroad right-of-way a distance of 1213.8 feet to the to the northwest corner of Lot 11, Block 8, of Greenlees, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east along said north line of said subdivision a distance of 202.94 feet to the southwest corner of Lot 10, Block 5, of

Starlane, a subdivision in the City of Owasso, Tulsa county, Oklahoma, Thence north along the west line of said Lot 10 a distance of 125 feet to the northwest corner of said Lot 10, also a point on the south right-of-way of West Third Street North, a street in the City of Owasso, Thence east along said right-of-way a distance of 885.1 feet to the northwest corner of Lot 4, Block 6, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north along the east right-of-way of North Atlanta Street West a distance of 138.1 feet to the northwest corner of Lot 2, Block 3 of the said subdivision, Thence east a distance of 162.1 feet to the southeast corner of Lot 16, Block 2, of Crestview Estates, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 150 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence east 5 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence north 340.4 feet to the northeast corner of Lot 9, Block 2 of said subdivision, Thence east 18.73 feet to the southeast corner of Lot 1, Block 2 of said subdivision, Thence north along the east line of said Lot 1 a distance of 139.07 feet to the northeast corner of said lot, also a point on the south right-of-way line of West Fourth Street North, a street in the City of Owasso, Thence east along said south right-of-way line a distance of 121.2 to a point on the west right-of-way line of North Main Street, a street in the City of Owasso, Thence south along said west right-of-way line a distance of 305 feet, Thence east a distance of 75 feet to a point on the east right-of-way line of North Main Street, a street in the City of Owasso, Thence south along the said east right-of-way line a distance of 5 feet, Thence west 75 feet to a point on the west right-of-way of said street, Thence south along the said west right-of-way a distance of 95 feet, Thence east along said west right-of-way a distance of 5 feet, Thence south along said west right-of-way a distance of 80.38 feet, Thence east a distance of 70 feet to a point on the said east right-of-way line, Thence south along said east right-of-way a distance of 150 feet, also a point on the north line of Lot 2, Block 2, of Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance 653.2 feet to the northeast corner of Lot 1, Block 1 of said subdivision, Thence south a distance of 453.85 feet to the southwest corner of Lot 13, Block 6, of Wilawood, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance of 1,190.2 feet to the southeast corner of Lot 15, Block 5 of said subdivision, also a point on the west right-of-way of the Mingo Valley Expressway, Thence south along said right-of-way a distance of 210 feet to northeast corner of Lot 1, Block 1, Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along east line of said Lot 1 a distance of 75.5 feet, Thence southwest a distance of 604.82 feet to the southeast corner of Lot 6, Block 1, of Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along the south line of said Lot 6, a distance of 47.58 feet, Thence south along the right-of-way of Mingo Valley Expressway a distance of 161.4 feet, thence southwest along said right-of-way a distance of 235.4 feet, thence southwest along said right-of-way a distance 159.1 feet, Thence west along said right-of-way a distance of 208.3 feet, Thence south along said right-of-way a distance of 113.2 feet, Thence west 247.8 feet along said right-of-way to the southwest corner of Safeway, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south 110.56 feet to the northeast corner of Lot 1, Block 1, Dogwood Center, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along said lot east line a distance of 37.5 feet, Thence east a distance of 257 feet to the northeast corner of Lot 1, Block 2, Owasso Business Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along the east line of said lot a distance of 125 feet, Thence east along the north line of said lot a distance of 200 feet to the northeast corner of said Lot 1, Thence southwest a distance of 247.06 feet to the southeast corner of said Lot 1, Thence continuing southwest a distance of 42.94 feet to a point on the east line of Lot 4, Block 2, of said subdivision, Thence southwest a distance of 303.51 feet to the southeast corner of Lot 5, Block

2 of said subdivision, Thence east a distance of 163.68 feet to the southwest corner of Lot 2, Block 3, of said subdivision, Thence northeast a distance of 246.55 feet to a point on the west line of Lot 1, Block 3, of said subdivision, Thence north a distance of 250.56 feet to the northwest corner of said Lot 1, Thence southeast a distance of 35.49 feet to the northeast corner of said Lot 1, Thence southeast a distance of 455.7 feet to the southeast corner of Lot 2, Block 3 of said subdivision, also a point on the west right-of-way line of Mingo Valley Expressway, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 93.2 feet, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 225.1 feet, Thence south along west right-of-way of Mingo Valley Expressway a distance of 796.9 feet to a point on the south right-of-way line of Fifth Avenue, a street in the City of Owasso, Thence south along the west right-of-way of Mingo Valley Expressway a distance of 786.60 feet, Thence west a distance of 586.68 feet to the southeast corner of Lot 6, Block 1, Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, the Point of Beginning, containing 207 acres, more or less.

And

Section B

Beginning at the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence southeast along said lot line a distance of 974.78 feet, Thence continuing southeast along the Southern Kansas Oklahoma railroad right-of-way a distance 619.4 feet to a point on the north right-of-way of East 76th Street North, a street in the City of Owasso, Thence continuing southeast along the said railroad right-of-way a distance of 88.7 feet to a point on the south right-of-way of East 76th Street North, Thence continuing southeast along the said railroad right-of-way a distance of 510.6 feet, thence east along said railroad right-of-way a distance of 19.6 feet to the east line of the N/2 NW/4 of Section 31, T-21-N, R-13-E, Thence south a distance of 785.3 feet to the SE corner of said N/2 NW/4, Thence west along the south line of said N/2 NW/4 a distance of 2,633.6 feet to a point on the east right-of-way of North Mingo Road, a street in Tulsa County, Thence north along said east right-of-way of North Mingo Road a distance of 1261.4 feet to a point on the south right-of-way of East 76th Street North, Thence east along said south right-of-way line a distance of 1318.1 feet, Thence north along said south right-of-way line a distance of 10.00 feet, Thence east along said south right-of-way line a distance of 215.0 feet, Thence north a distance of 300 feet, Thence east a distance of 148 feet to a point on the west line of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north along the west line of said Lot 1 a distance of 1150.6 feet to the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, the Point of Beginning, containing 94 acres, more or less.

7. The City Council hereby finds and determines:
 - A. That part of the Project Area, including Increment District No. 1, is within an enterprise area as defined by the Act;
 - B. That the Project Area, including Increment District No. 1, is a reinvestment area as defined by the Act;

- C. That the financial impacts of the Project Plan and Project on the affected taxing jurisdictions and business activities within Increment District No. 1 are positive and that the economic benefits for the community as a whole offset any adverse impacts;
 - D. That the improvement of the Project Area is likely to enhance the value of other real property in the area and to promote the general public interest;
 - E. That the Project Plan complies with the guidelines of 62 O.S. §852, including specifically paragraphs 1 and 2;
 - F. That the aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to the Act, does not exceed 35% of the total net assessed value of the taxable property within the City;
 - G. That the aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to the Act, does not exceed 25% of the total net assessed value of any affected school districts located within the City;
 - H. That the land within all increment districts within the City does not exceed 25% of the total land area of the City; and
 - I. That the Project Plan is feasible and conforms to the GrOwasso 2030 Land Use Master Plan.
8. The following Project and Increment District No. 1 authorizations are hereby approved:
- A. The City is designated as the principal entity responsible for implementation and is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, and the City reserves the power to make minor amendments to the Project Plan in accordance with Section 858(D) of the Act. Changes in project costs incurred pursuant to Section VIII(B) of the Project Plan (those not to be financed with apportioned tax increments) do not require an amendment; and
 - B. The Owasso Public Works Authority, a public trust with the City as its sole beneficiary, shall have the authority to carry out certain provisions of the Project Plan, including the authority to: (1) issue tax apportionment bonds or notes, or both; (2) pledge revenues from current and future fiscal years to repayment; (3) incur Project Costs pursuant to Section VIII of the Project Plan; (4) provide funds to or reimburse the City for the payment of project costs and other costs incurred in support of the implementation of the Project; and (5) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; and
 - C. The City Manager, Warren Lehr, or his successor in office shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan.

9. The sales tax increment is a portion of the City's sales taxes generated within Increment District No. 1, to be determined by a formula to be approved by resolution of the City Council in accordance with the Act. The ad valorem increment is the ad valorem revenue in excess of the revenue generated by the base assessed value of Increment District No. 1 (as determined by the Tulsa County Assessor in accordance with the Act), i.e., the new revenue attributable to increases in the value of property within Increment District No. 1.

10. The increment of the taxes generated by Increment District No. 1 may be used to pay project costs authorized by Section VIII of the Project Plan for a period not to exceed twenty-five (25) years from the effective date of Increment District No. 1, as provided by law, or the period required for payment of the project costs authorized by Section VIII of the Project Plan, whichever is less.

11. During the period of apportionment, the tax apportionment fund (a) shall be available to pay project costs under Section VIII of the Project Plan, (b) shall constitute special funds of the City or, at the direction of the City, the Owasso Public Works Authority, a public trust, and (c) shall not be subject to annual appropriation as a part of the general fund of the City.

12. Pursuant to Section 6C of Article X of the Constitution of the State of Oklahoma and the Act, the direction of apportionment shall continue beyond the current fiscal year for the duration of Increment District No. 1 or the period required for the payment of project costs authorized by the Project Plan, whichever is less.

13. The Project Plan is hereby determined to be desirable and is approved.

SECTION TWO (2): REPEALER

All ordinances or parts of ordinances, in conflict with this ordinance are hereby repealed to the extent of the conflict only.

SECTION THREE (3): SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this ordinance.

SECTION FOUR (4): EMERGENCY CLAUSE

It being immediately necessary for the preservation of the peace, health, safety, and public good of the City of Owasso, and the citizens thereof, that the provisions of this ordinance take effect and be put into full force and effect, an emergency is declared to exist by reason whereof this ordinance shall take effect immediately and be put in full force and effect from and after the date of its enactment, as provided by law.

SECTION FIVE (5): CODIFICATION

This ordinance shall be codified in Part 12, Chapter 5, Section 12-501.

PASSED by the City Council of Owasso, Oklahoma on the ____ day of December, 2016, with the Emergency Clause voted on and approved separately.

Lyndell Dunn, Mayor

Sherry Bishop, City Clerk

(SEAL)

APPROVED AS TO FORM:

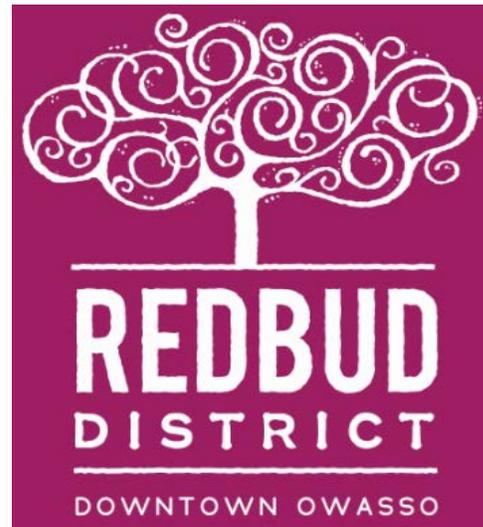
Julie Lombardi, City Attorney

Adopted _____

OWASSO REDBUD DISTRICT PROJECT PLAN
INCREMENT DISTRICT NO. 1, CITY OF OWASSO

PREPARED BY:

THE CITY OF OWASSO, OKLAHOMA



WITH THE ASSISTANCE OF:

CENTER FOR ECONOMIC DEVELOPMENT LAW
301 North Harvey, Suite 100
Oklahoma City, Oklahoma 73102
(405) 232-4606
econlaw@econlaw.com

OWASSO REDBUD DISTRICT PROJECT PLAN

I. INTRODUCTION

The Owasso Redbud District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and is referred to here as the “Project Plan.” The project is being undertaken by the City of Owasso, Oklahoma (“City”) to develop the area surrounding Main Street, known as the Redbud District, achieve the City’s development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. At the heart of this project is the creation of the Redbud District as a special and unique place within Owasso, a place to live, work, shop, and play. Beginning with the Downtown Master Plan in 2001, the City has prioritized the revival of its Main Street and surrounding area. Since that time, through several planning documents, including approval of the Downtown Overlay District promoting smart development in the area, and robust branding, the Redbud District is ripe for its transformation. The City, through this Project Plan, is continuing its effort to revive its downtown and make the Redbud District a destination area for residents and visitors.

The effort to create such a place requires public assistance to stimulate private development. This Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks but can achieve only by means of the financing tools available under the Oklahoma Local Development Act, including tax increment financing. An increment district provides funding for public sector costs to stimulate private development and provide improvements to and beautification of the area to create the dense, high-quality development that the City contemplates. The project will be financed from a combination of public and private sources, including apportionment of ad valorem and sales tax increments from Increment District No. 1, City of Owasso.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The Project Area is the area in which project activities will take place and is generally located within the following boundaries: beginning at the western terminus of North Carlsbad Street, east along West 3rd Street to the east side of North Atlanta Street, north one lot, then east one lot, then north to West 4th Street, then east along West 4th Street to North Main Street, south to one lot north of West 3rd Street, then east along West 3rd Street to one lot before Cedar Street, south to East 2nd Street, then east along East 2nd Street to the west Owasso Expressway service road, then south along Owasso Expressway to East 71st Street, west generally along East 71st Street to South Main Street, north to West 5th Avenue, west to North Mingo Road, north along Mingo Road to West 2nd Avenue (E 76th St N), east along West 2nd Avenue to the western side of the Owasso Sertoma Center, north to the railroad tracks, then across the railroad tracks back to North Carlsbad Street and West 3rd Street.

The Increment District is designated Increment District No. 1, City of Owasso, and is the area from which the increment is generated. Increment District No. 1 is the same area as the Project Area. The Project Area and Increment District No. 1 boundaries are depicted on Exhibit A. The Project Area and Increment District No. 1 boundaries are described on Exhibit B.

III. ELIGIBILITY OF PROJECT AREA

Most of the Project Area is an enterprise area, as defined by the Oklahoma Local Development Act. It lies within an enterprise zone, designated by the Oklahoma Department of Commerce to be a disadvantaged portion of the City of Owasso. All of the Project Area is a reinvestment area, as defined by the Oklahoma Local Development Act. Public improvements are required to reverse economic stagnation or decline, to serve as a catalyst for expanding employment, to attract investment, and to preserve and enhance the tax base.

Investment, development, and economic growth in the area are difficult, but possible if the provisions of the Oklahoma Local Development Act are used. The Project Area is unproductive, undeveloped, underdeveloped, or blighted within the meaning of Article 10, §6C of the Oklahoma Constitution, and suffers from conditions inhibiting development.

IV. OBJECTIVES

The principal objectives of the project and Increment District No. 1 are:

- A. To achieve development goals and objectives for the Redbud District contained in the Downtown Master Plan, the Downtown Overlay District Plan, and the GrOwasso 2030 Land Use Master Plan.
- B. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the project and the apportionment of incremental ad valorem and sales tax revenues.
- C. To support the creation of attractive, high-quality, and viable mixed-use developments to draw residents and visitors.
- D. Where appropriate, to support the development, improvement, and/or expansion of light industry to increase employment.
- E. To encourage existing property and business owners in the Redbud District to invest and to attract new investment and business to the Project Area.
- F. To provide start-up and incubator space to new and expanding businesses and to promote small-business-friendly opportunities for innovation and collaboration in the Project Area.
- G. To stimulate and promote the Redbud District as a walkable, vibrant destination.
- H. To provide a public benefit through the construction of public infrastructure and improvements to allow for the development of the area.

V. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist principally of the following:

- A. Project planning, design and approval.
- B. Public infrastructure improvements.
- C. Development of mixed-use projects, as well as retail, restaurant, residential, and office projects.
- D. Enhancement of existing businesses and encouragement of new businesses.
- E. Creation of start-up and incubator spaces for new and expanding businesses.

VI. ESTABLISHMENT OF INCREMENT DISTRICT NO. 1, CITY OF OWASSO

A. This Project Plan creates Increment District No. 1, City of Owasso, an ad valorem and sales tax increment district.

B. The sales tax increment is a portion of the City's sales taxes generated within Increment District No. 1, to be determined by a formula to be approved by resolution of the Owasso City Council in accordance with the Oklahoma Local Development Act.

C. The ad valorem increment is the ad valorem revenue in excess of the revenue generated by the base assessed value of Increment District No. 1 (as determined by the Tulsa County Assessor in accordance with the Oklahoma Local Development Act), i.e., the new revenue attributable to increases in the value of property within Increment District No. 1.

D. The ad valorem and sales tax increment may be used to pay Project Costs authorized by Section VIII of this Project Plan for a period not to exceed twenty-five (25) fiscal years from the effective date of Increment District No. 1, as provided by law, or the period required for payment of the Project Costs authorized by Section VIII, whichever is less. During the period of apportionment, the tax apportionment fund (1) shall be available to pay Project Costs under Section VIII, (2) shall constitute special funds of the City, or, at the direction of the City, the Owasso Public Works Authority, a public trust, or another public entity designated by the City, and (3) shall not be subject to annual appropriation as a part of the general fund of the City.

VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. The City is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Oklahoma Local Development Act, 62 O.S. §854.

B. The Owasso Public Works Authority (OPWA), or another public entity designated by the City pursuant to Section VI, is authorized and designated to carry out implementation actions for the project, including all necessary, appropriate, and supportive steps pursuant to development agreements with private developers. Such public entity is also authorized and designated to carry out those provisions of the project related to issuance of bonds or notes as provided in Sections 854(B) and 863 of the Oklahoma Local Development Act, subject to approval of the governing body of the City of any

specific notes or bonds. OPWA is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Oklahoma Local Development Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854. As a public entity designated by the City, OPWA or another public entity designated by the City is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) pledge revenues from current and future fiscal years to repayment; (3) incur Project Costs pursuant to Section VIII of this Project Plan; (4) provide funds to or reimburse the City for the payment of Project Costs and other costs incurred in support of the implementation of the project; and (5) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them. Project Costs shall mean (a) the public costs authorized to be paid pursuant to Section VIII of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section VIII, which may be authorized without amendment to this Project Plan.

C. The City Manager, Warren Lehr, or his successor in office shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan.

VIII. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT NO. 1, CITY OF OWASSO

A. The Project Costs will be financed by the apportionment of ad valorem and sales tax increments from Increment District No. 1. The Project Costs categories are:

Assistance in Development Financing	\$ 13,800,000.00
Public Infrastructure, Facilities, and Improvements	\$ 3,000,000.00
Implementation and Administration	\$ 200,000.00
TOTAL Project Costs	\$ 17,000,000.00

Plus any financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

B. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned tax increments may be approved by the City at any time. The provisions of this Section VIII are not a limitation on Project Costs to be financed by other than apportioned tax increments.

C. Assistance in Development Financing will be provided only for projects that are determined, in the City's and/or OPWA's discretion: (1) to meet the City's approved development goals and objectives for the Project Area, as expressed from time to time in the City's plans and policies, and (2) to provide adequate consideration and public benefit in return for the public investment.

IX. FINANCING PLAN AND REVENUE SOURCES

A. Financing Plan.

Some public improvements, in anticipation of private investment, will be funded by the City from sources other than apportioned tax increments, which may be reimbursed once increment is generated by the development within Increment District No. 1.

Private developers within the Project Area may be required to construct the necessary improvements for specific projects at their initial expense. The financing of private developments will be provided by private equity and private financing. Most Project Costs incurred in connection with the implementation of the Project Plan will be financed on a pay-as-you-go basis.

B. Financing Authorizations.

Without assistance, development of this type and on this scale within the Project Area would not occur. The implementation of the Project Plan shall be financed in accordance with financial authorizations, authorized from time to time by the City.

C. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section VIII are the incremental ad valorem and sales tax revenues attributable to investment and development within Increment District No. 1.

D. Financial Reports and Audits.

The development activities undertaken by the City, pursuant to this Project Plan, shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

E. Other Necessary and Supporting Costs.

OPWA or another public entity designated by the City pursuant to Section VI, is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the project and the construction of improvements therein in addition to Project Costs to be financed pursuant to Section VIII.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

A. Private and Public Investments Expected from the project and Increment District No. 1.

The total private investment in the Project Area if fully realized is estimated to exceed \$100,000,000.00. Private investment in Increment District No. 1 is expected to consist of new mixed-use developments, expansion of existing businesses, creation of new businesses, development of new retail, restaurant, residential, and office projects, and light industrial development (where appropriate). Public investment will include public infrastructure improvements and assistance in development financing to support private investment and enhance new and existing businesses.

B. Public Revenue Estimated to Accrue from the Project and Increment District No. 1.

The estimated incremental increases in tax revenue, which will serve as the revenue source for financing the Project Costs authorized by Section VIII, is the public revenue directly attributable to the project described herein. Both the City and the State will experience increases in tax revenues that are not a part of Increment District No. 1. Ad valorem taxing entities will experience additional revenues from increasing values within the surrounding area but outside of Increment District No. 1.

Incremental sales tax revenues are estimated to range between \$35,000 and \$75,000 annually. Incremental ad valorem revenues are estimated to range between \$280,000 and \$1,350,000 annually. Total incremental revenues estimated to be generated over the 25-year lifespan of Increment District No. 1 range between \$18,000,000 and \$25,000,000.

The developments anticipated by the project will not result in a measurable increase in demand for services by or in costs to the affected taxing entities. The economic benefits of the project for the affected taxing jurisdictions indicate positive financial impacts for the entire community. The aggregate impacts from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

XI. LAND USE

Existing uses and conditions of real property in Increment District No. 1 are shown on the attached Exhibit C. A map showing the proposed improvements to and proposed uses of the real property in Increment District No. 1 is attached Exhibit D. Implementation of the Project Plan requires no changes to the GrOwasso 2030 Land Use Master Plan or zoning. The Project Plan complies with the objectives and priorities of the GrOwasso 2030 Land Use Master Plan.

Exhibit A

Project Area and Increment District No.1 Boundaries

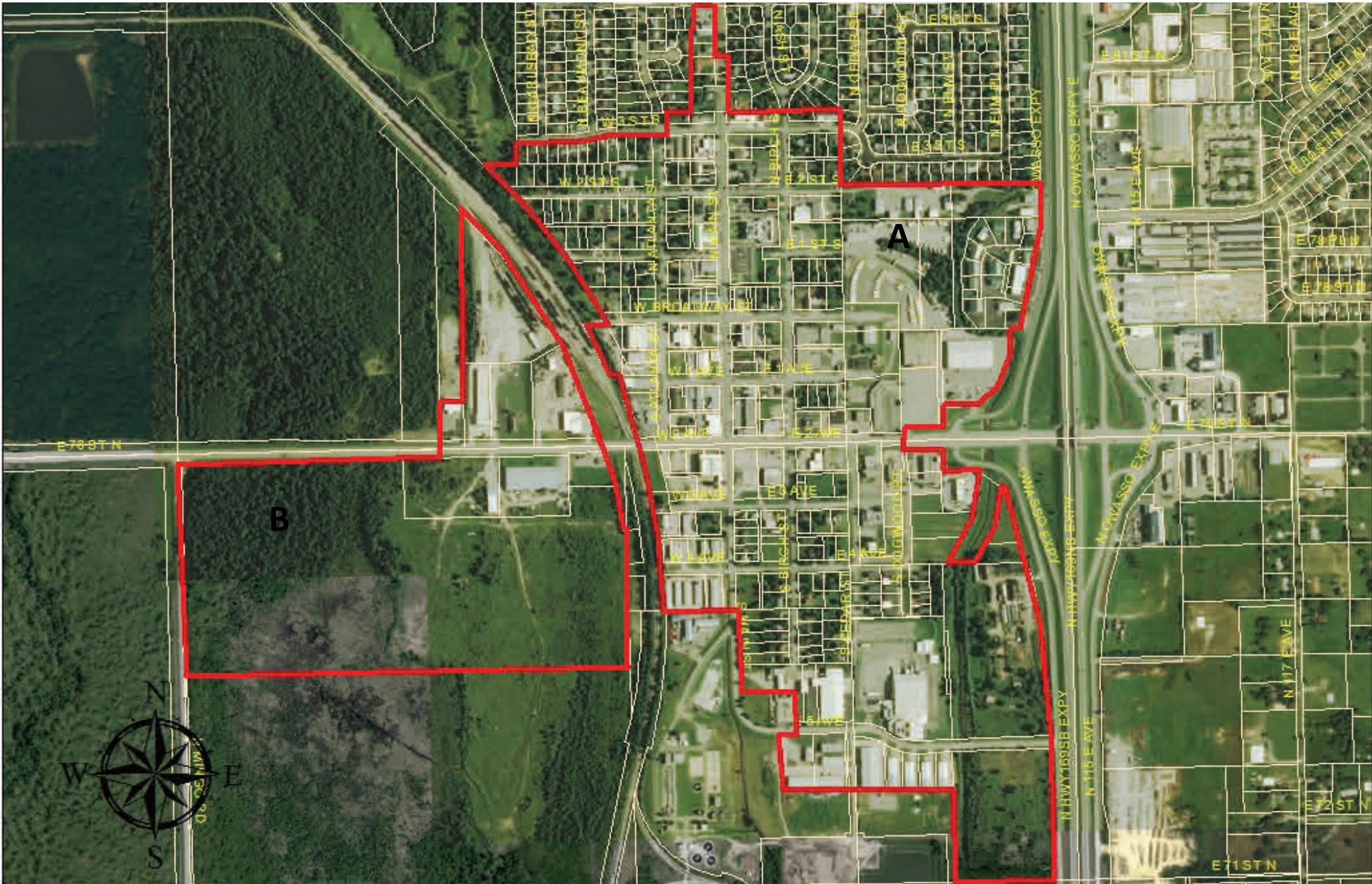


Exhibit B

Project Area and Increment District No. 1 Boundaries Legal Description

Section A

Beginning at the southeast corner of Lot 6, Block 1 of the Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along said south lot line a distance of 57 feet, thence north along said lot line a distance of 283 feet, Thence west along south lot of said lot a distance of 490 feet, Thence north along said lot line a distance of 24 feet, Thence west along said lot line a distance of 41 feet, Thence north along said lot line a distance of 240.2 feet to the northwest corner of said Lot 6, Thence to a point 17.45 feet north and 50.26 feet west of northwest corner of said Lot 6, Thence west a distance of 393.5 feet to a point 149.63 feet south of the southwest corner of Lot 1, Block 1 of Owasso Industrial Parks Phase IV, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 332.1 feet to the Northwest corner of said Lot 1, Block 1, Thence east a distance of 87.7 feet to a point on the north lot line of said Lot 1, Block 1, Thence north a distance of 255 feet to a point 165 feet south and 310 feet east of the southwest corner of Lot 5, Block 1 of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 310 feet to a point 165 feet south of said Lot 5, Block 1, Thence north a distance of 495 feet to the northwest corner of Lot 1, Block 1, of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 457.07 feet to the southwest corner of Lot 4, Block 34, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, also a point on the east right-of-way line of the Southern Kansas Oklahoma Railroad right-of-way, Thence north along said railroad right-of way a distance of 994.2 feet, Thence continuing north along said railroad right-of-way a distance of 385.2 feet, Thence north a distance of 55 feet along the quarter section line to a point on the east right-of-way of said railroad, thence northwest along said railroad right-of-way a distance of 95.2 feet, Thence west a distance of 35.7 feet along said railroad right-of-way, Thence northwest along said railroad right-of-way a distance of 331.4 feet, Thence east a distance of 141.8 feet to a point on the east right-of-way of said railroad, also a point on the south right-of-way of West Broadway Street, Thence northwest along said railroad right-of-way a distance of 1213.8 feet to the to the northwest corner of Lot 11, Block 8, of Greenlees, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east along said north line of said subdivision a distance of 202.94 feet to the southwest corner of Lot 10, Block 5, of Starlane, a subdivision in the City of Owasso, Tulsa county, Oklahoma, Thence north along the west line of said Lot 10 a distance of 125 feet to the northwest corner of said Lot 10, also a point on the south right-of-way of West Third Street North, a street in the City of Owasso, Thence east along said right-of-way a distance of 885.1 feet to the northwest corner of Lot 4, Block 6, Owasso Original Town, a subdivision in the City of

Owasso, Tulsa County, Oklahoma, Thence north along the east right-of-way of North Atlanta Street West a distance of 138.1 feet to the northwest corner of Lot 2, Block 3 of the said subdivision, Thence east a distance of 162.1 feet to the southeast corner of Lot 16, Block 2, of Crestview Estates, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 150 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence east 5 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence north 340.4 feet to the northeast corner of Lot 9, Block 2 of said subdivision, Thence east 18.73 feet to the southeast corner of Lot 1, Block 2 of said subdivision, Thence north along the east line of said Lot 1 a distance of 139.07 feet to the northeast corner of said lot, also a point on the south right-of-way line of West Fourth Street North, a street in the City of Owasso, Thence east along said south right-of-way line a distance of 121.2 to a point on the west right-of-way line of North Main Street, a street in the City of Owasso, Thence south along said west right-of-way line a distance of 305 feet, Thence east a distance of 75 feet to a point on the east right-of-way line of North Main Street, a street in the City of Owasso, Thence south along the said east right-of-way line a distance of 5 feet, Thence west 75 feet to a point on the west right-of-way of said street, Thence south along the said west right-of-way a distance of 95 feet, Thence east along said west right-of-way a distance of 5 feet, Thence south along said west right-of-way a distance of 80.38 feet, Thence east a distance of 70 feet to a point on the said east right-of-way line, Thence south along said east right-of-way a distance of 150 feet, also a point on the north line of Lot 2, Block 2, of Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance 653.2 feet to the northeast corner of Lot 1, Block 1 of said subdivision, Thence south a distance of 453.85 feet to the southwest corner of Lot 13, Block 6, of Wilawood, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance of 1,190.2 feet to the southeast corner of Lot 15, Block 5 of said subdivision, also a point on the west right-of-way of the Mingo Valley Expressway, Thence south along said right-of-way a distance of 210 feet to northeast corner of Lot 1, Block 1, Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along east line of said Lot 1 a distance of 75.5 feet, Thence southwest a distance of 604.82 feet to the southeast corner of Lot 6, Block 1, of Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along the south line of said Lot 6, a distance of 47.58 feet, Thence south along the right-of-way of Mingo Valley Expressway a distance of 161.4 feet, thence southwest along said right-of-way a distance of 235.4 feet, thence southwest along said right-of-way a distance 159.1 feet, Thence west along said right-of-way a distance of 208.3 feet, Thence south along said right-of-way a distance of 113.2 feet, Thence west 247.8 feet along said right-of-way to the southwest corner of Safeway, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south 110.56 feet to the northeast corner of Lot 1, Block 1, Dogwood Center, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along said lot east line a distance of 37.5 feet, Thence east a distance of 257 feet to the

northeast corner of Lot 1, Block 2, Owasso Business Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along the east line of said lot a distance of 125 feet, Thence east along the north line of said lot a distance of 200 feet to the northeast corner of said Lot 1, Thence southwest a distance of 247.06 feet to the southeast corner of said Lot 1, Thence continuing southwest a distance of 42.94 feet to a point on the east line of Lot 4, Block 2, of said subdivision, Thence southwest a distance of 303.51 feet to the southeast corner of Lot 5, Block 2 of said subdivision, Thence east a distance of 163.68 feet to the southwest corner of Lot 2, Block 3, of said subdivision, Thence northeast a distance of 246.55 feet to a point on the west line of Lot 1, Block 3, of said subdivision, Thence north a distance of 250.56 feet to the northwest corner of said Lot 1, Thence southeast a distance of 35.49 feet to the northeast corner of said Lot 1, Thence southeast a distance of 455.7 feet to the southeast corner of Lot 2, Block 3 of said subdivision, also a point on the west right-of-way line of Mingo Valley Expressway, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 93.2 feet, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 225.1 feet, Thence south along west right-of-way of Mingo Valley Expressway a distance of 796.9 feet to a point on the south right-of-way line of Fifth Avenue, a street in the City of Owasso, Thence south along the west right-of-way of Mingo Valley Expressway a distance of 786.60 feet, Thence west a distance of 586.68 feet to the southeast corner of Lot 6, Block 1, Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, the Point of Beginning, containing 207 acres, more or less.

And

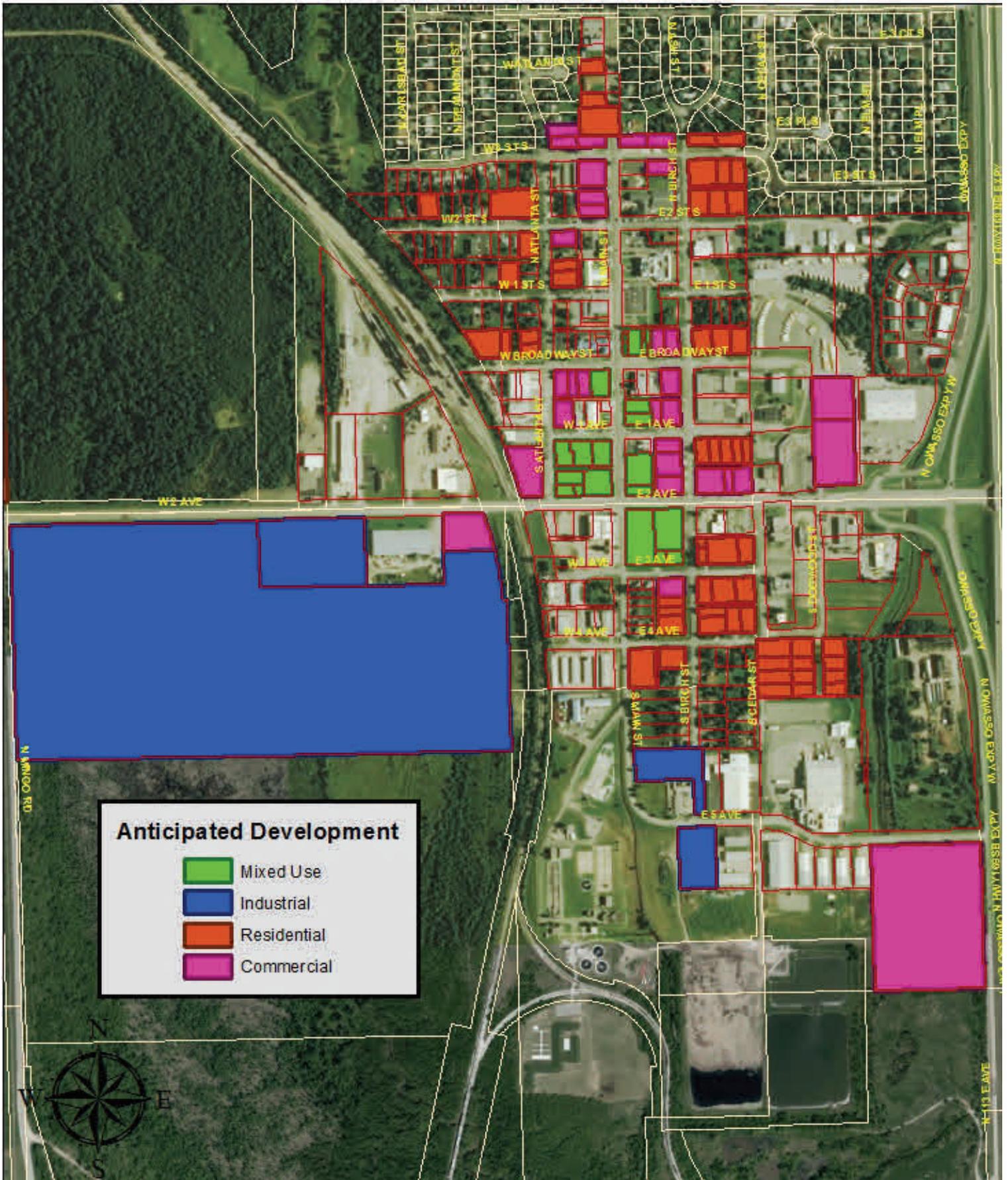
Section B

Beginning at the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence southeast along said lot line a distance of 974.78 feet, Thence continuing southeast along the Southern Kansas Oklahoma railroad right-of-way a distance 619.4 feet to a point on the north right-of-way of East 76th Street North, a street in the City of Owasso, Thence continuing southeast along the said railroad right-of-way a distance of 88.7 feet to a point on the south right-of-way of East 76th Street North, Thence continuing southeast along the said railroad right-of-way a distance of 510.6 feet, thence east along said railroad right-of-way a distance of 19.6 feet to the east line of the N/2 NW/4 of Section 31, T-21-N, R-13-E, Thence south a distance of 785.3 feet to the SE corner of said N/2 NW/4, Thence west along the south line of said N/2 NW/4 a distance of 2,633.6 feet to a point on the east right-of-way of North Mingo Road, a street in Tulsa County, Thence north along said east right-of-way of North Mingo Road a distance of 1261.4 feet to a point on the south right-of-way of East 76th Street North, Thence east along said south right-of-way line a distance of 1318.1 feet, Thence north along said south right-of-way line a distance of 10.00 feet, Thence

east along said south right-of-way line a distance of 215.0 feet, Thence north a distance of 300 feet, Thence east a distance of 148 feet to a point on the west line of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north along the west line of said Lot 1 a distance of 1150.6 feet to the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, the Point of Beginning, containing 94 acres, more or less.

Exhibit D

Proposed Improvements and Uses





TO: The Honorable Mayor and City Council
City of Owasso

FROM: Bronce L. Stephenson, MPA
Director of Community Development

SUBJECT: Final Plat – Glover Owasso

DATE: December 16, 2016

BACKGROUND:

The City of Owasso received an application for review and approval of a one (1) lot, one (1) block Final Plat for Glover Owasso. The subject property is located on the east side of the US-169 Service Road at 10505 N Owasso Expressway. The subject property is approximately 5.00 acres in size, and is currently zoned CS (Commercial Shopping). A Specific Use Permit (SUP 16-03) for Glover Coffee Creek Dealership was approved by City Council for this property on September 13, 2016.

SURROUNDING ZONING AND LAND USE:

Direction	Zoning	Use	Land Use Plan	Jurisdiction
North	CS (Commercial Shopping) PUD-18	Undeveloped	Commercial	City of Owasso
South	CS (Commercial Shopping) PUD -18	Undeveloped	Commercial	City of Owasso
East	RS-3 (Residential Single Family) PUD -18	Stormwater Detention/Residential	Transitional	City of Owasso
West	AG (Agriculture)	US-169	Public	City of Owasso

SUBJECT PROPERTY/PROJECT DATA:

Property Size	5.00 acres
Current Zoning	SUP 16-03 - CS (Commercial Shopping)
Proposed Use	Commercial
Lots/Blocks	1 Lot, 1 Block
Number of Reserve Areas	N/A
Within PUD?	PUD 18
Within Overlay District?	US-169 Overlay
Water Provider	Washington County Rural Water District #3
Applicable Paybacks	Storm siren fee of \$35/acre, Elm Creek Sewer Payback of \$1,580/acre
Streets (public or private)	N/A

ANALYSIS:

The Final Plat indicates two (2) 26' access points along the US-169 Service Road. Perimeter and interior utility easements are shown on the plat that will allow utility companies adequate access to serve the development. Any development that occurs on the subject property must adhere to all subdivision, zoning, and engineering requirements including but not limited to paved streets, landscaping, and sidewalks.

PLANNING COMMISSION:

The Planning Commission reviewed this item at their meeting on December 12, 2016, voting 3-0 to recommend approval of the Final Plat.

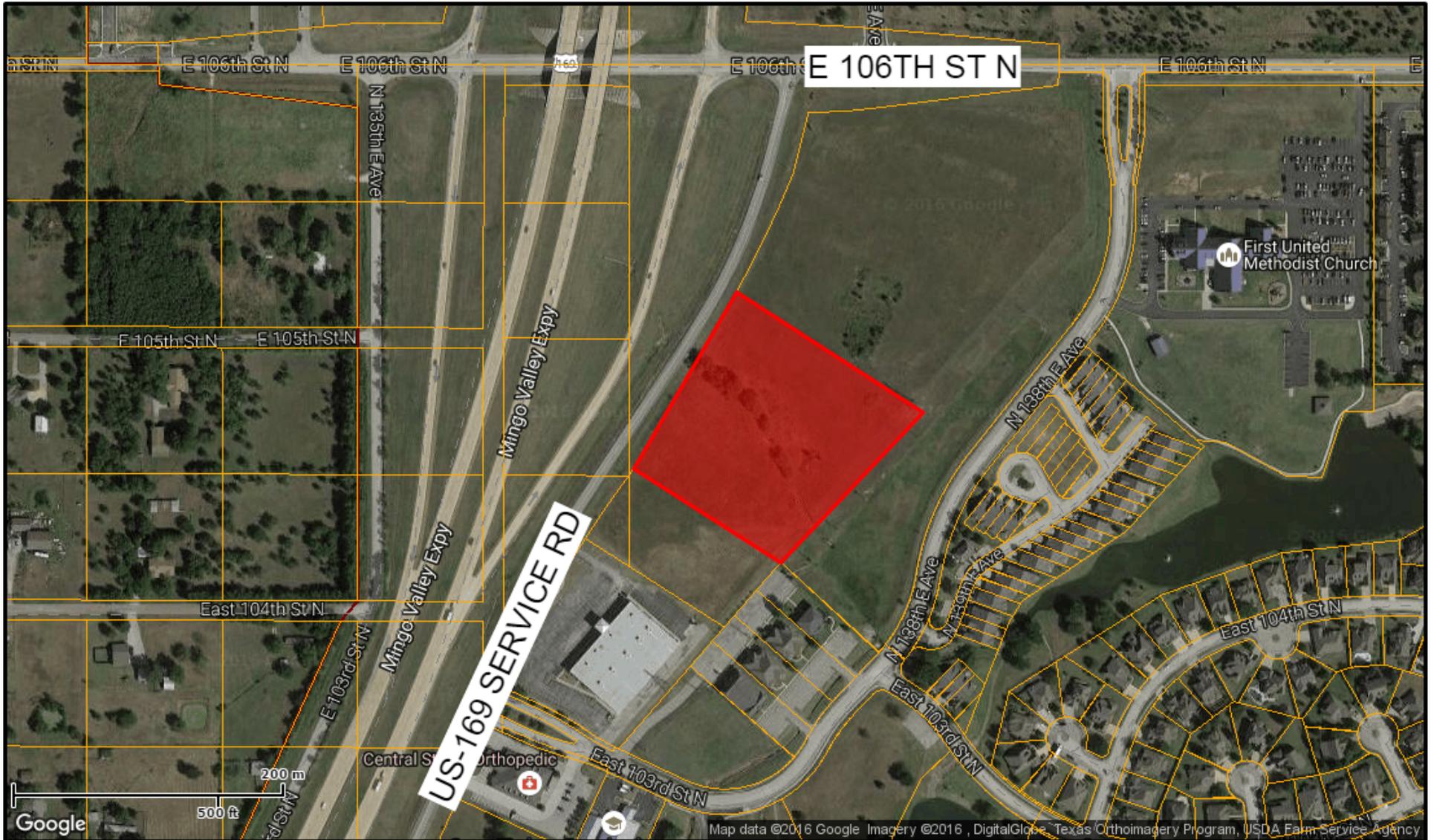
RECOMMENDATION:

Staff recommends approval of the Final Plat for Glover Owasso.

ATTACHMENTS:

Aerial Map
Final Plat, Glover Owasso

Glover Owasso



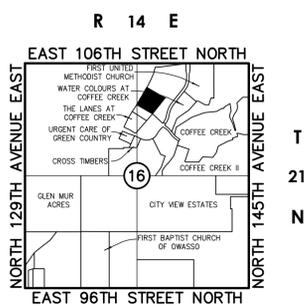
1" = 376 ft	Final Plat	11/15/2016		
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This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Owasso Public staff for the most up-to-date information.

Final Plat

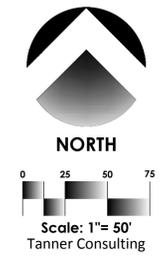
Glover Owasso

PART OF THE NORTHEAST QUARTER (NE/4) OF SECTION SIXTEEN (16)
TOWNSHIP TWENTY-ONE (21) NORTH, RANGE FOURTEEN (14) EAST, OF THE INDIAN MERIDIAN
A SUBDIVISION WITHIN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA



Location Map
Scale: 1"= 2000'

SUBDIVISION CONTAINS:
ONE (1) LOT
IN ONE (1) BLOCK
GROSS SUBDIVISION AREA: 5.000 ACRES



LEGEND

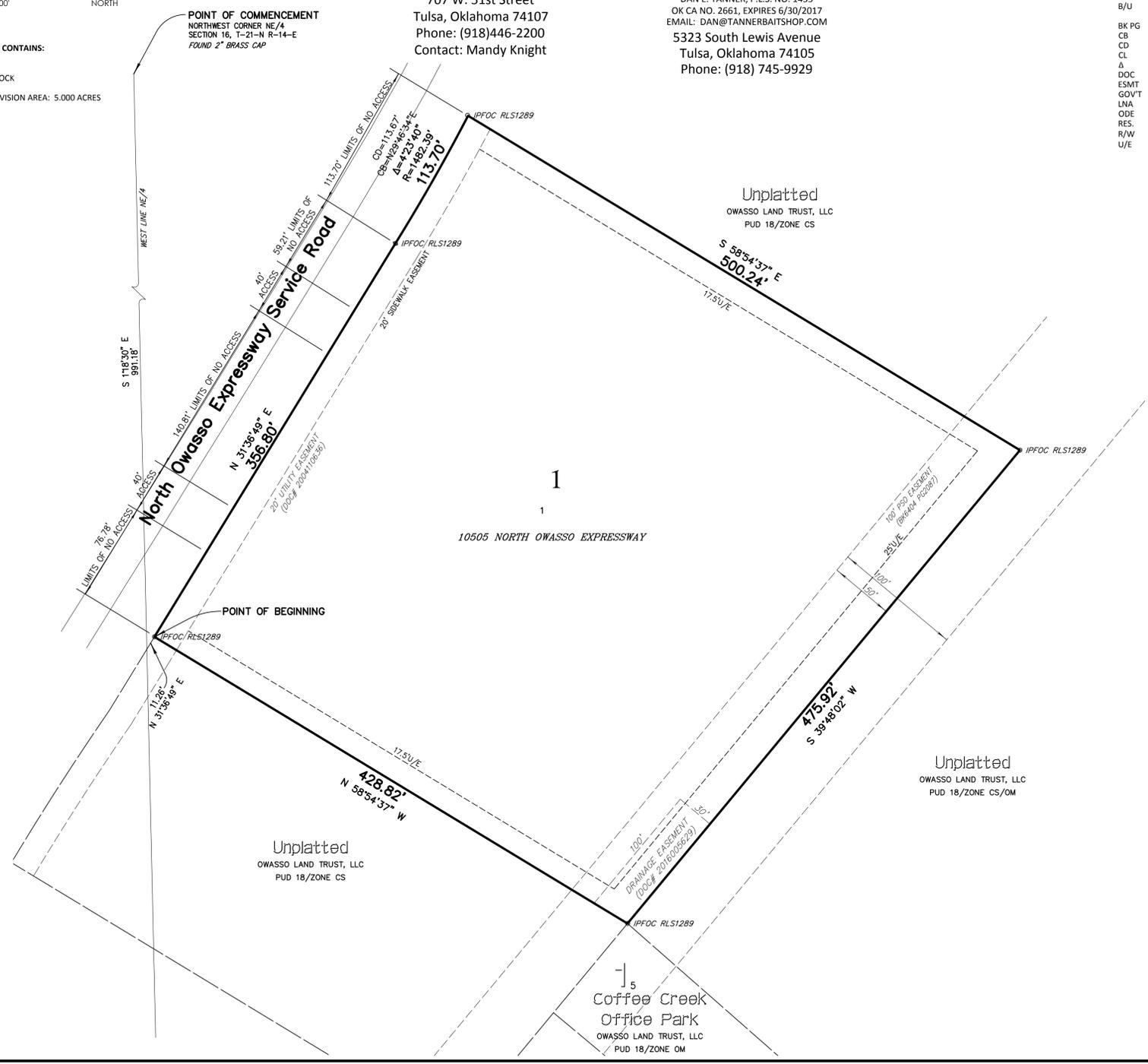
B/L	BUILDING LINE
B/U	BUILDING LINE & UTILITY EASEMENT
BK PG	BOOK & PAGE
CB	CHORD BEARING
CD	CHORD DISTANCE
CL	CENTERLINE
Δ	DELTA ANGLE
DOC	DOCUMENT
ESMT	EASEMENT
GOVT	GOVERNMENT
LNA	LIMITS OF NO ACCESS
ODE	OVERLAND DRAINAGE EASEMENT
RES.	RESERVE
R/W	RIGHT-OF-WAY
U/E	UTILITY EASEMENT

OWNER:
Glover Real Estate Lawton, LLC
707 W. 51st Street
Tulsa, Oklahoma 74107
Phone: (918)446-2200
Contact: Mandy Knight

SURVEYOR/ENGINEER:
Tanner Consulting, L.L.C.
DAN E. TANNER, P.L.S. NO. 1435
OK CA NO. 2661, EXPIRES 6/30/2017
EMAIL: DAN@TANNERBAITSHOP.COM
5323 South Lewis Avenue
Tulsa, Oklahoma 74105
Phone: (918) 745-9929

Notes:

- THIS PLAT MEETS THE OKLAHOMA MINIMUM STANDARDS FOR THE PRACTICE OF LAND SURVEYING AS ADOPTED BY THE OKLAHOMA STATE BOARD OF LICENSURE FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.
- ALL PROPERTY CORNERS ARE SET 3/8" IRON REBAR WITH YELLOW CAP STAMPED "TANNER RLS 1435" UNLESS OTHERWISE NOTED.
- THE BEARINGS SHOWN HEREON ARE BASED UPON THE OKLAHOMA STATE PLANE COORDINATE SYSTEM, NORTH ZONE (3501), NORTH AMERICAN DATUM 1983 (NAD83); SAID BEARINGS ARE BASED LOCALLY UPON FIELD-OBSERVED TIES TO THE FOLLOWING MONUMENTS:
 - (a) FOUND 2" BRASS CAP AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER (NE/4) OF SECTION 16;
 - (b) FOUND 1" IRON PIN AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE/4) OF SECTION 16;
 THE BEARING BETWEEN SAID MONUMENTS BEING SOUTH 1°18'30" EAST.
- ADDRESSES SHOWN ON THIS PLAT ARE ACCURATE AT THE TIME THE PLAT WAS FILED. ADDRESSES ARE SUBJECT TO CHANGE AND SHOULD NEVER BE RELIED ON IN PLACE OF THE LEGAL DESCRIPTION.
- ACCESS AT THE TIME OF PLAT WAS PROVIDED BY NORTH OWASSO EXPRESSWAY, BEING A PUBLIC ROAD.
- ZONING AT THE TIME OF PLAT WAS SPECIFIC USE PERMIT SUP16-03 AND PUD-18 WITH UNDERLYING ZONING CS; SURROUNDING ZONING AS SHOWN (SOURCE: CITY OF OWASSO).
- STORMWATER DETENTION PROVIDED OFF SITE PER RECIPROCAL EASEMENT AGREEMENT WITH COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED AT DOCUMENT # _____ OF THE RECORDS OF COUNTY CLERK, TULSA COUNTY, OKLAHOMA.



Final Plat Glover Owasso

PART OF THE NORTHEAST QUARTER (NE/4) OF SECTION SIXTEEN (16)
TOWNSHIP TWENTY-ONE (21) NORTH, RANGE FOURTEEN (14) EAST, OF THE INDIAN MERIDIAN
A SUBDIVISION WITHIN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA

DEED OF DEDICATION & RESTRICTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

THAT GLOVER REAL ESTATE LAWTON, LLC, (HEREINAFTER THE "OWNER/DEVELOPER"), IS THE OWNER OF THE FOLLOWING-DESCRIBED REAL PROPERTY SITUATED IN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA, TO-WIT:

A TRACT OF LAND LOCATED IN THE NORTHEAST QUARTER (NE/4) OF SECTION SIXTEEN (16) OF TOWNSHIP TWENTY-ONE (21) NORTH AND RANGE FOURTEEN (14) EAST OF THE INDIAN BASE AND MERIDIAN (I.B.&M.), ACCORDING TO THE U.S. GOVERNMENT SURVEY THEREOF, TULSA COUNTY, STATE OF OKLAHOMA; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NW CORNER OF THE NE/4 OF SEC. 16, T-21N, R-14-E, I.B.&M.; THENCE S 01°18'30" E ALONG THE WEST LINE OF SAID NE/4 A DISTANCE OF 991.18 FEET TO THE PRESENT RIGHT-OF-WAY OF U.S. HIGHWAY 169; THENCE N 31°36'49" E ALONG SAID PRESENT RIGHT-OF-WAY A DISTANCE OF 11.26 FEET TO THE POINT OF BEGINNING; THENCE N 31°36'49" E ALONG SAID PRESENT RIGHT-OF-WAY A DISTANCE OF 356.80 FEET; THENCE ALONG SAID PRESENT RIGHT-OF-WAY BEING ON A CURVE TO THE LEFT HAVING A RADIUS OF 1482.39 FEET, A CENTRAL ANGLE OF 04°23'40", A CHORD LENGTH OF 113.67 FEET, A CHORD BEARING OF N 29°46'34" E, FOR A DISTANCE OF 113.70 FEET; THENCE S 58°54'37" E A DISTANCE OF 500.24 FEET; THENCE S 39°48'02" W A DISTANCE OF 475.92 FEET; THENCE N 58°54'37" W A DISTANCE OF 428.82 FEET TO THE POINT OF BEGINNING, AND CONTAINING 5.00 ACRES, MORE OR LESS.

AND THE OWNER HAS CAUSED THE ABOVE-DESCRIBED LAND TO BE SURVEYED, STAKED, PLATTED, DEDICATED, ACCESS RIGHTS RESERVED AND SUBDIVIDED INTO ONE (1) LOT IN ONE (1) BLOCK IN CONFORMITY WITH THE ACCOMPANYING PLAT AND SURVEY (HEREINAFTER THE "PLAT") AND HAS ENTITLED AND DESIGNATED THE SUBDIVISION AS "GLOVER OWASSO", A SUBDIVISION WITHIN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA (HEREINAFTER THE "SUBDIVISION" OR "GLOVER OWASSO").

SECTION I. EASEMENTS AND UTILITIES

A. PUBLIC UTILITY EASEMENTS.

THE OWNER/DEVELOPER DOES HEREBY DEDICATE FOR PUBLIC USE THE UTILITY EASEMENTS AS DEPICTED ON THE PLAT AS "U/E" OR "UTILITY EASEMENT" FOR THE SEVERAL PURPOSES OF CONSTRUCTION, MAINTAINING, OPERATING, REPAIRING, REPLACING, AND/OR REMOVING ANY AND ALL PUBLIC UTILITIES, INCLUDING STORM SEWERS, SANITARY SEWERS, TELEPHONE AND COMMUNICATION LINES, ELECTRIC POWER LINES AND TRANSFORMERS, GAS LINES, WATER LINES, AND CABLE TELEVISION LINES, TOGETHER WITH ALL VALVES, METERS AND EQUIPMENT FOR EACH OF SUCH FACILITIES AND OTHER APPURTENANCES THERETO, WITH THE RIGHTS OF INGRESS AND EGRESS TO AND UPON THE UTILITY EASEMENTS FOR THE USES AND PURPOSES AFORESAID, TOGETHER WITH SIMILAR EASEMENT RIGHTS IN THE PUBLIC STREETS, PROVIDED HOWEVER, THAT THE OWNER/DEVELOPER HEREBY RESERVES THE RIGHT TO CONSTRUCT AND MAINTAIN WATER LINES AND SEWER LINES WITHIN THE UTILITY EASEMENTS FOR THE PURPOSE OF FURNISHING WATER AND/OR SEWER SERVICE TO AREAS WITHIN OR OUTSIDE THE PLAT AND THE OWNER/DEVELOPER FURTHER RESERVES THE RIGHT TO CONSTRUCT AND MAINTAIN, WITHIN THE UTILITY EASEMENTS, PARKING AREAS, LANDSCAPING, SCREENING FENCES AND WALLS AND OTHER NONOBSTRUCTING IMPROVEMENTS.

B. WATER AND SEWER SERVICE.

- THE OWNER OF THE LOT SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE PUBLIC WATER AND SEWER MAINS LOCATED ON THE LOT.
- WITHIN THE DEPICTED UTILITY EASEMENT AREAS, THE ALTERATION OF GRADE IN EXCESS OF 3 INCHES FROM THE CONTOURS EXISTING UPON THE COMPLETION OF THE INSTALLATION OF A PUBLIC WATER MAIN, OR ANY CONSTRUCTION ACTIVITY WHICH MAY INTERFERE WITH PUBLIC WATER MAINS, SHALL BE PROHIBITED. SAID ALTERATION OF GRADE RESTRICTIONS SHALL BE LIMITED TO EASEMENT AREAS. WITHIN THE UTILITY EASEMENTS, IF THE GROUND ELEVATIONS ARE ALTERED FROM THE CONTOURS EXISTING UPON THE COMPLETION OF THE INSTALLATION OF A PUBLIC WATER MAIN, ALL GROUND LEVEL APPURTENANCES, INCLUDING VALVE BOXES AND FIRE HYDRANTS, SHALL BE ADJUSTED TO THE ALTERED GROUND ELEVATIONS BY THE OWNER OF THE LOT OR AT ITS ELECTION, WASHINGTON COUNTY RURAL WATER DISTRICT (RWD) NO. 3 MAY MAKE SUCH ADJUSTMENT AT THE LOT OWNER'S EXPENSE.
- WITHIN THE DEPICTED UTILITY EASEMENT AREAS, THE ALTERATION OF GRADE IN EXCESS OF 3 FEET FROM THE CONTOURS EXISTING UPON THE COMPLETION OF THE INSTALLATION OF A PUBLIC SEWER MAIN, OR ANY CONSTRUCTION ACTIVITY WHICH MAY INTERFERE WITH PUBLIC SEWER MAINS, SHALL BE PROHIBITED. WITHIN THE UTILITY EASEMENTS, IF THE GROUND ELEVATIONS ARE ALTERED FROM THE CONTOURS EXISTING UPON THE COMPLETION OF THE INSTALLATION OF A PUBLIC SEWER MAIN, ALL GROUND LEVEL APPURTENANCES, INCLUDING MANHOLES, SHALL BE ADJUSTED TO THE ALTERED GROUND ELEVATIONS BY THE OWNER OF THE LOT OR AT ITS ELECTION, THE CITY OF OWASSO, OKLAHOMA MAY MAKE SUCH ADJUSTMENT AT THE LOT OWNER'S EXPENSE.

4. WASHINGTON COUNTY RURAL WATER DISTRICT (RWD) NO. 3 SHALL BE RESPONSIBLE FOR ORDINARY MAINTENANCE OF ITS FACILITIES, BUT THE OWNER OF EACH LOT WILL PAY FOR DAMAGE OR RELOCATION OF SUCH FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER OR SUCH OWNER'S AGENTS OR CONTRACTORS.

5. THE CITY OF OWASSO OR ITS SUCCESSORS SHALL BE RESPONSIBLE FOR ORDINARY MAINTENANCE OF PUBLIC SEWER MAINS, BUT THE OWNER SHALL PAY FOR DAMAGE OR RELOCATION OF SUCH FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER OR SUCH OWNER'S AGENTS OR CONTRACTORS.

6. WASHINGTON COUNTY RWD NO. 3 SHALL HAVE THE RIGHT TO ACCESS WITH ITS EQUIPMENT ALL UTILITY EASEMENTS DEPICTED ON THE ACCOMPANYING PLAT OR OTHERWISE PROVIDED FOR IN THIS DEED OF DEDICATION FOR THE PURPOSE OF INSTALLING, MAINTAINING, REMOVING OR REPLACING ANY PORTION OF ITS UNDERGROUND WATER FACILITIES.

7. THE CITY OF OWASSO OR ITS SUCCESSORS SHALL AT ALL TIMES HAVE RIGHT OF ACCESS WITH THEIR EQUIPMENT TO ALL UTILITY EASEMENTS DEPICTED ON THE ACCOMPANYING PLAT OR OTHERWISE PROVIDED FOR IN THIS DEED OF DEDICATION FOR THE PURPOSE OF INSTALLING, MAINTAINING, REMOVING OR REPLACING ANY PORTION OF ITS UNDERGROUND SEWER FACILITIES.

8. THE FOREGOING COVENANTS SET FORTH IN THIS SUBSECTION B SHALL BE ENFORCEABLE BY WASHINGTON COUNTY RWD NO. 3 AND THE CITY OF OWASSO, OR THEIR RESPECTIVE SUCCESSORS, AND THE OWNER OF THE LOT AGREES TO BE BOUND HEREBY.

C. UNDERGROUND SERVICE.

1. OVERHEAD LINES FOR THE SUPPLY OF ELECTRIC, TELEPHONE AND CABLE TELEVISION SERVICES MAY BE LOCATED WITHIN THE PUBLIC STREET RIGHT-OF-WAY ADJACENT TO THE SUBDIVISION AND THE PERIMETER UTILITY EASEMENTS. STREET LIGHT POLES OR STANDARDS MAY BE SERVED BY UNDERGROUND CABLE THROUGHOUT THE SUBDIVISION AND, EXCEPT AS PROVIDED IN THE IMMEDIATELY-PRECEDING SENTENCE, ALL SUPPLY LINES INCLUDING ELECTRIC, TELEPHONE, CABLE TELEVISION AND GAS LINES SHALL BE LOCATED UNDERGROUND IN THE EASEMENT WAYS DEDICATED FOR GENERAL UTILITY SERVICES AND IN THE RIGHTS-OF-WAY OF THE PUBLIC STREETS AS DEPICTED ON THE ACCOMPANYING PLAT. SERVICE PEDESTALS AND TRANSFORMERS, AS SOURCES OF SUPPLY AT SECONDARY VOLTAGES, MAY ALSO BE LOCATED IN THE EASEMENT WAYS.

2. UNDERGROUND SERVICE CABLES AND GAS SERVICE LINES TO ALL STRUCTURES WHICH MAY BE LOCATED WITHIN THE SUBDIVISION MAY BE RUN FROM THE NEAREST GAS MAIN, SERVICE PEDESTAL OR TRANSFORMER TO THE POINT OF USAGE DETERMINED BY THE LOCATION AND CONSTRUCTION OF SUCH STRUCTURE AS MAY BE LOCATED UPON THE LOT. PROVIDED THAT, UPON THE INSTALLATION OF A SERVICE CABLE OR GAS SERVICE LINE TO A PARTICULAR STRUCTURE, THE SUPPLIER OF SERVICE SHALL THEREAFTER BE DEEMED TO HAVE A DEFINITIVE, PERMANENT, EFFECTIVE AND NON-EXCLUSIVE RIGHT-OF-WAY EASEMENT ON THE LOT, COVERING A 5 FOOT STRIP EXTENDING 2.5 FEET ON EACH SIDE OF THE SERVICE CABLE OR LINE EXTENDING FROM THE GAS MAIN, SERVICE PEDESTAL OR TRANSFORMER TO THE SERVICE ENTRANCE ON THE STRUCTURE.

3. THE SUPPLIER OF ELECTRIC, TELEPHONE, CABLE TELEVISION AND GAS SERVICES, THROUGH ITS AGENTS AND EMPLOYEES, SHALL AT ALL TIMES HAVE THE RIGHT OF ACCESS TO ALL EASEMENT WAYS SHOWN ON THE PLAT OR OTHERWISE PROVIDED FOR IN THIS DEED OF DEDICATION FOR THE PURPOSE OF INSTALLING, MAINTAINING, REMOVING OR REPLACING ANY PORTION OF THE UNDERGROUND ELECTRIC, TELEPHONE, CABLE TELEVISION OR GAS FACILITIES INSTALLED BY THE SUPPLIER OF THE UTILITY SERVICE.

4. THE LOT OWNER SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE UNDERGROUND SERVICE FACILITIES LOCATED ON THE LOT AND SHALL PREVENT THE ALTERATION OF GRADE OR ANY CONSTRUCTION ACTIVITY WHICH WOULD INTERFERE WITH THE ELECTRIC, TELEPHONE, CABLE TELEVISION OR GAS FACILITIES. EACH SUPPLIER OF SERVICE SHALL BE RESPONSIBLE FOR ORDINARY MAINTENANCE OF UNDERGROUND FACILITIES, BUT THE LOT OWNER SHALL PAY FOR DAMAGE OR RELOCATION OF SUCH FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER OR OWNER'S AGENTS OR CONTRACTORS.

5. THE FOREGOING COVENANTS SET FORTH IN THIS PARAGRAPH C SHALL BE ENFORCEABLE BY EACH SUPPLIER OF THE ELECTRIC, TELEPHONE, CABLE TELEVISION OR GAS SERVICE AND THE OWNER OF THE LOT AGREES TO BE BOUND HEREBY.

D. GAS SERVICE.

1. THE SUPPLIER OF GAS SERVICE, THROUGH ITS AGENTS AND EMPLOYEES, SHALL AT ALL TIMES HAVE THE RIGHT OF ACCESS TO ALL SUCH EASEMENTS SHOWN ON THE PLAT OR AS PROVIDED FOR IN THIS DEED OF DEDICATION FOR THE PURPOSE OF INSTALLING, REMOVING, REPAIRING, OR REPLACING ANY PORTION OF THE FACILITIES INSTALLED BY THE SUPPLIER OF GAS SERVICE.

2. THE OWNER OF THE LOT SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE UNDERGROUND GAS FACILITIES LOCATED IN THEIR LOT AND SHALL PREVENT THE ALTERATION OF GRADE, OR ANY OTHER CONSTRUCTION ACTIVITY WHICH WOULD

INTERFERE WITH THE GAS SERVICE. THE SUPPLIER OF THE GAS SERVICE SHALL BE RESPONSIBLE FOR THE ORDINARY MAINTENANCE OF SAID FACILITIES, BUT THE OWNER SHALL PAY FOR DAMAGE OR RELOCATION OF FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER, OR ITS AGENTS OR CONTRACTORS.

3. THE FOREGOING COVENANTS SET FORTH IN THIS PARAGRAPH D SHALL BE ENFORCEABLE BY THE SUPPLIER OF THE GAS SERVICE AND THE OWNER OF THE LOT AGREES TO BE BOUND HEREBY.

E. PAVING AND LANDSCAPING WITHIN EASEMENTS.

THE OWNER OF THE LOT SHALL BE RESPONSIBLE FOR REPAIR OF DAMAGE TO THE LANDSCAPING AND PAVING OCCASIONED BY THE NECESSARY INSTALLATION OF OR MAINTENANCE TO THE UNDERGROUND WATER, SEWER, STORM WATER, GAS, COMMUNICATION, CABLE TELEVISION, OR ELECTRIC FACILITIES WITHIN THE EASEMENTS DEPICTED ON THE ACCOMPANYING PLAT, PROVIDED HOWEVER, THAT THE CITY OF OWASSO, OR THE SUPPLIER OF THE UTILITY SERVICE SHALL USE REASONABLE CARE IN THE PERFORMANCE OF SUCH ACTIVITIES. NO LOT OWNER SHALL PLANT ANY TREES OR SHRUBBERY IN DEDICATED UTILITY EASEMENTS OR RIGHT-OF-WAY WHICH WOULD POTENTIALLY ENDANGER, THREATEN OR HARM ANY WATER UTILITIES LOCATED WITHIN SAID EASEMENTS OR RIGHTS-OF-WAY. IF IT IS DETERMINED THAT ANY TREES OR SHRUBBERY LOCATED WITHIN SAID EASEMENTS OR RIGHTS-OF-WAY ARE DAMAGING OR ENDANGERING UTILITIES IN SAID EASEMENTS OR RIGHTS-OF-WAY, THE DISTRICT SHALL HAVE THE RIGHT TO REMOVE SAID TREES OR SHRUBBERY UPON FIVE (5) DAYS NOTICE THEREOF AT THE LOT OWNER'S EXPENSE, OR WITHIN SUCH TIME THE LOT OWNER MAY REMOVE SAME.

F. LIMITS OF NO ACCESS.

THE OWNER HEREBY RELINQUISHES RIGHTS OF INGRESS AND EGRESS TO AND FROM THE ABOVE-DESCRIBED PROPERTY TO AND FROM NORTH OWASSO EXPRESSWAY SERVICE ROAD WITHIN THE BOUNDS DESIGNATED AS "LIMITS OF NO ACCESS" OR "L.N.A." ON THE PLAT, EXCEPT AS MAY HEREAFTER BE RELEASED, ALTERED OR AMENDED BY THE CITY OF OWASSO, OKLAHOMA OR ITS SUCCESSORS, OR AS IS OTHERWISE PROVIDED BY THE STATUTES OR LAWS OF THE STATE OF OKLAHOMA PERTAINING THERETO.

G. SIDEWALK EASEMENT.

A SIDEWALK EASEMENT, AS DEPICTED ON THE ACCOMPANYING PLAT, IS HEREBY ESTABLISHED AND GRANTED TO THE CITY OF OWASSO, OKLAHOMA, FOR THE PURPOSES OF PERMITTING THE CONSTRUCTION AND MAINTENANCE OF A PUBLIC SIDEWALK AND PEDESTRIAN ACCESS TO AND FROM THE SUBDIVISION. SIDEWALKS SHALL BE MAINTAINED ACCORDING TO THE REQUIREMENTS OF THE CITY OF OWASSO FOR PUBLIC SIDEWALKS.

SECTION II. ENFORCEMENT, DURATION, AMENDMENT AND SEVERABILITY

A. ENFORCEMENT.

THE RESTRICTIONS HEREIN SET FORTH ARE COVENANTS TO RUN WITH THE LAND AND SHALL BE BINDING UPON THE OWNER/DEVELOPER, ITS SUCCESSORS AND ASSIGNS. WITHIN THE PROVISIONS OF SECTION I. EASEMENTS AND UTILITIES ARE SET FORTH CERTAIN COVENANTS AND THE ENFORCEMENT RIGHTS PERTAINING THERETO, WHETHER OR NOT SPECIFICALLY THEREIN SO STATED SHALL INURE TO THE BENEFIT OF AND SHALL BE ENFORCEABLE BY THE CITY OF OWASSO, OKLAHOMA.

B. DURATION.

THESE RESTRICTIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAW, SHALL BE PERPETUAL BUT IN ANY EVENT SHALL BE IN FORCE AND EFFECT FOR A TERM OF NOT LESS THAN THIRTY (30) YEARS FROM THE DATE OF THE RECORDING OF THIS DEED OF DEDICATION UNLESS TERMINATED OR AMENDED AS HEREAFTER PROVIDED.

C. AMENDMENT.

THE COVENANTS CONTAINED WITHIN SECTION I. EASEMENTS AND UTILITIES MAY BE AMENDED OR TERMINATED AT ANY TIME BY A WRITTEN INSTRUMENT SIGNED AND ACKNOWLEDGED BY THE OWNER OF THE LAND TO WHICH THE AMENDMENT OR TERMINATION IS TO BE APPLICABLE AND APPROVED BY THE OWASSO PLANNING COMMISSION, OR ITS SUCCESSORS AND THE CITY OF OWASSO, OKLAHOMA. THE PROVISIONS OF ANY INSTRUMENT AMENDING OR TERMINATING COVENANTS AS ABOVE SET FORTH SHALL BE EFFECTIVE FROM AND AFTER THE DATE IT IS PROPERLY RECORDED.

D. SEVERABILITY.

INVALIDATION OF ANY RESTRICTION SET FORTH HEREIN, OR ANY PART THEREOF, BY AN ORDER, JUDGMENT, OR DECREE OF ANY COURT, OR OTHERWISE, SHALL NOT INVALIDATE OR AFFECT ANY OF THE OTHER RESTRICTIONS OR ANY PART THEREOF AS SET FORTH HEREIN, WHICH SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, THE UNDERSIGNED OWNER, HAS EXECUTED THIS INSTRUMENT THIS ____ DAY OF _____, 2016.

GLOVER REAL ESTATE LAWTON, LLC
MANAGER: JIM GLOVER

STATE OF OKLAHOMA)
) SS.
COUNTY OF _____)

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 2016, BY _____, TO ME KNOWN AS THE IDENTICAL PERSON WHO SUBSCRIBED THE NAME OF GLOVER REAL ESTATE LAWTON, LLC TO THE FOREGOING INSTRUMENT AS ITS _____, AS HIS/HER FREE AND VOLUNTARY ACT AND DEED AND AS THE FREE AND VOLUNTARY ACT AND DEED OF SUCH CORPORATION FOR THE USES AND PURPOSES SET FORTH.

GIVEN UNDER MY HAND AND SEAL THE DAY AND YEAR LAST ABOVE WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY

CERTIFICATE OF SURVEY

I, DAN E. TANNER, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF OKLAHOMA, DO HEREBY CERTIFY THAT I HAVE CAREFULLY AND ACCURATELY SURVEYED, SUBDIVIDED, AND PLATTED THE TRACT OF LAND DESCRIBED ABOVE, AND THAT THE ACCOMPANYING PLAT DESIGNATED HEREIN AS "GLOVER OWASSO", A SUBDIVISION WITHIN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA, IS A TRUE REPRESENTATION OF THE SURVEY MADE ON THE GROUND USING GENERALLY ACCEPTED PRACTICES AND MEETS OR EXCEEDS THE OKLAHOMA MINIMUM TECHNICAL STANDARDS FOR THE PRACTICE OF LAND SURVEYING.



DAN E. TANNER
LICENSED PROFESSIONAL
LAND SURVEYOR
OKLAHOMA NO. 1435

STATE OF OKLAHOMA)
) SS
COUNTY OF TULSA)

BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON ____ DAY OF _____, 2016, PERSONALLY APPEARED TO ME DAN E. TANNER, KNOWN TO BE THE IDENTICAL PERSON WHO SUBSCRIBED HIS NAME AS LICENSED LAND SURVEYOR TO THE FOREGOING CERTIFICATE, AS HIS FREE AND VOLUNTARY ACT AND DEED, FOR THE USES AND PURPOSES THEREIN SET FORTH.

GIVEN UNDER MY HAND AND SEAL THE DAY AND YEAR LAST ABOVE WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY

CERTIFICATE OF FINAL PLAT APPROVAL

I HEREBY CERTIFY THAT THIS PLAT WAS APPROVED BY THE OWASSO CITY COUNCIL ON THIS ____ DAY OF _____, 2016.

BY: _____
LYNDELL DUNN, MAYOR

THIS APPROVAL IS VOID IF THE ABOVE SIGNATURE IS NOT ENDORSED BY THE CITY CLERK.

BY: _____
SHERRY BISHOP, CITY CLERK



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Bronce L. Stephenson, MPA
Director of Community Development

SUBJECT: Final Plat – Lifepoint Church

DATE: December 16, 2016

BACKGROUND:

The City of Owasso received an application for review and approval of a one (1) lot, one (1) block Final Plat for Lifepoint Church. The subject property is located on the north side of E 116th St N approximately ¼ mile east of the railroad track crossing at 10857 E 116th St N. This property is approximately 4.99 acres in size, and is currently zoned AG (Agriculture) and received approval from the Board of Adjustment in November 2010 for a Special Exception (OBOA 10-05) to allow for a church building.

SURROUNDING ZONING AND LAND USE:

Direction	Zoning	Use	Land Use Plan	Jurisdiction
North	RS-3 (Residential Single-Family High Density)	Residential	Residential	City of Owasso
South	CS/AG (Commercial Shopping/Agriculture)	Undeveloped/Agriculture	Transitional	City of Owasso
East	RS-3 (Residential Single-Family High Density)	Residential	Residential	City of Owasso
West	RS-3 (Residential Single-Family High Density)	Stormwater Detention/Undeveloped	Transitional	City of Owasso

SUBJECT PROPERTY/PROJECT DATA:

Property Size	4.99 acres
Current Zoning	AG (Agriculture)
Proposed Use	Church
Lots/Blocks	1 Lot, 1 Block
Number of Reserve Areas	N/A
Within PUD?	N/A
Within Overlay District?	N/A
Water Provider	City of Owasso
Applicable Paybacks	Storm siren fee of \$35/acre; Ranch Creek Sanitary Sewer \$610.33/acre
Streets (public or private)	N/A

ANALYSIS:

A final plat has been submitted for Lifepoint Church. The final plat shows one 40' access point and dedicates 60' of right-of-way along E 116th St N. Perimeter and interior utility easements are shown on the plat that will allow utility companies adequate access to serve the development. A stormwater detention easement is indicated in the northern portion of the property to accommodate stormwater generated from the development. Any development that occurs on the subject property must adhere to all subdivision, zoning, and engineering requirements including but not limited to paved streets, landscaping, and sidewalks.

PLANNING COMMISSION:

The Planning Commission reviewed this item at their meeting on December 12, 2016, voting 3-0 to recommend approval of the Final Plat.

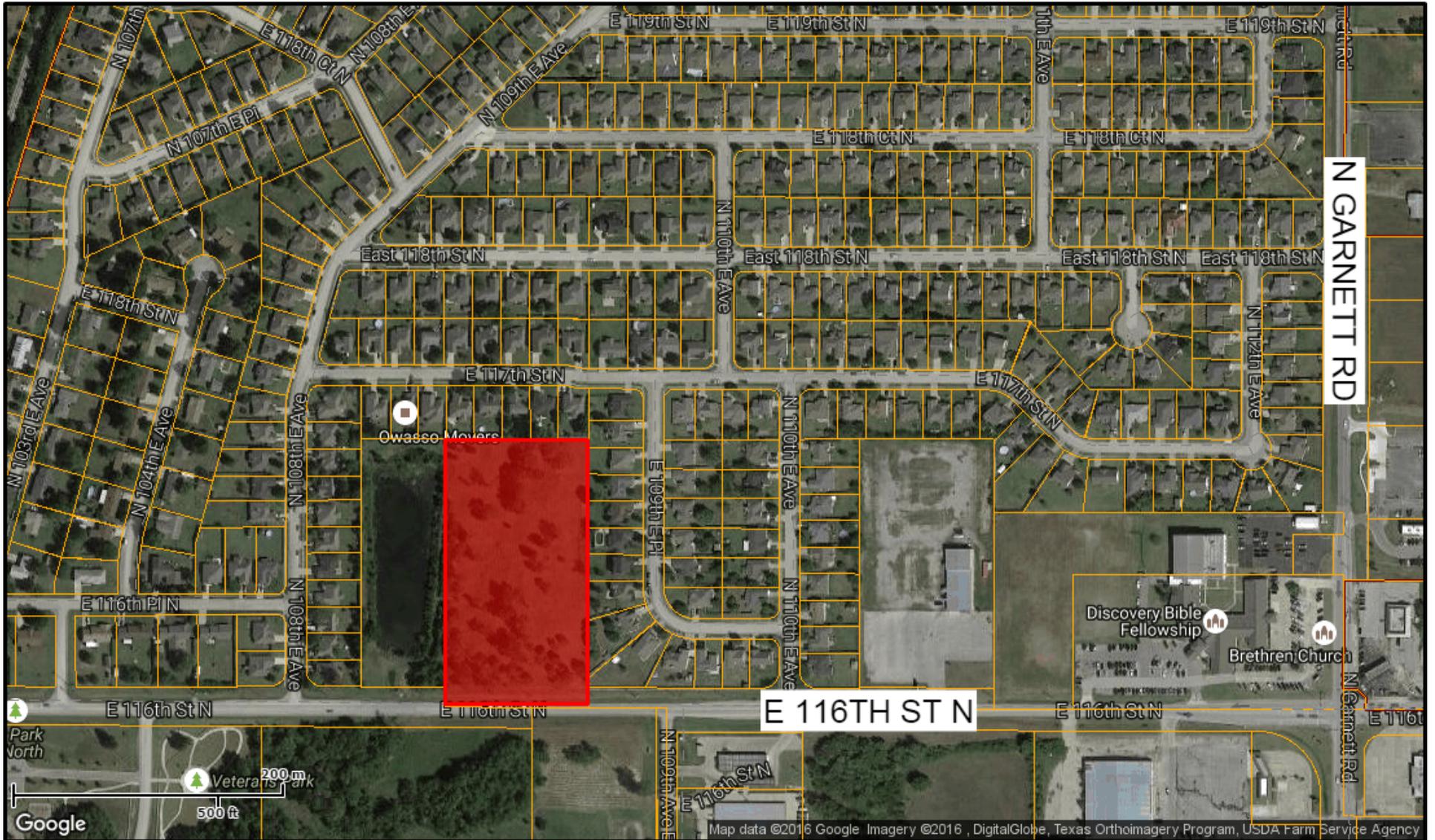
RECOMMENDATION:

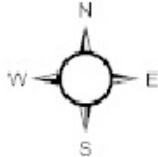
Staff recommends approval of the Final Plat for Lifepoint Church.

ATTACHMENTS:

Aerial Map
Final Plat, Lifepoint Church

Lifepoint Church



1" = 376 ft	Final Plat	11/15/2016		
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This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Owasso Public staff for the most up-to-date information.

PLAT NO.

FINAL PLAT
CERTIFICATE OF APPROVAL

I hereby certify that this plat was approved
by the Owasso Planning Commission on

CITY OF OWASSO PLANNING OFFICIAL

This approval is void if this plat is not filed
in the Office of the County Clerk on or
before

APPROVED _____ by the Council
of the City of Owasso, Oklahoma.

Mayor

Attest: City Clerk

Approved: City Attorney

FINAL PLAT LIFEPPOINT

LOT 1, BLOCK 1, A SUBDIVISION OF THE CITY OF OWASSO, TULSA COUNTY, OKLAHOMA.

OWNER:
LIFEPPOINT BAPTIST CHURCH

11226 N. GARNETT ROAD
OWASSO, OK 74055
PHONE (918) 408-5072
E-MAIL: DOUGWGREGG@GMAIL.COM

ENGINEER:
IMPACT ENGINEERING AND PLANNING, PLC
KEVIN VANOVER, P.E. NO. 20876
OK C.A. No. 5798, EXPIRES 06/30/2017

109 N. BIRCH STREET, SUITE 200
OWASSO, OK 74055
PHONE (918) 376-4294
E-MAIL: KVANOVER@IMPACT-ENG.NET

SURVEYOR:
ATLAS LAND OFFICE, LLC
ALBERT JONES III, P.L.S. NO. 1580
OK C.A. No. 6752, EXPIRES 06/30/2016

202 SOUTH MAIN STREET
WAGONER, OK 74467
PHONE (918) 485-9987
E-MAIL: AJ@ATLASLANDOFFICE.COM

PLAT LEGEND

- EXISTING PROPERTY LINE
- PROPOSED PROPERTY LINE
- PROPOSED EASEMENT LINE
- EXISTING EASEMENT LINE

1

PROPOSED BLOCK NUMBER

1

PROPOSED LOT NUMBER

CURVE INFORMATION					
CURVE #	LENGTH	DELTA	RADIUS	CHORD	BEARING
C1	145.78'	174.2"	47.9'	95.77'	N 83°24'33" E

LEGAL DESCRIPTION:

A TRACT OF LAND IN SECTION SIX (6), TOWNSHIP TWENTY-ONE (21) NORTH, RANGE FOURTEEN (14) EAST OF THE INDIAN BASE AND MERIDIAN, TULSA COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE U.S. GOVERNMENT SURVEY THEREOF, DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE/4) OF THE SAID SECTION SIX (6); THENCE EASTERLY ALONG THE SOUTH SECTION LINE OF THE SAID SECTION SIX (6), A DISTANCE OF 470.42 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°9'06" EAST A DISTANCE OF 660.0 FEET; THENCE SOUTH 89°50'54" EAST A DISTANCE OF 330.0 FEET; THENCE SOUTH 00°09'06" WEST TO THE SOUTH SECTION LINE OF THE SAID SECTION SIX (6); THENCE WESTERLY ALONG THE SAID SOUTH SECTION LINE TO THE POINT OF BEGINNING.

STATE OF OKLAHOMA }
COUNTY OF TULSA } SS.

I, PAT KEY, Tulsa County Clerk, in and for the County and State above named, do hereby certify that the foregoing is a true and correct copy of a like instrument now on file in my office.

Dated the ____ day of _____, 2016

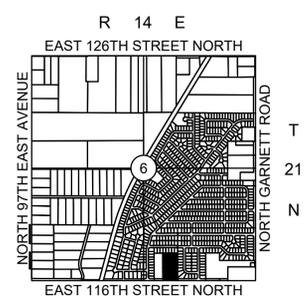
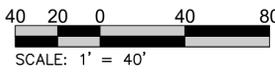
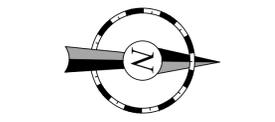
PAT KEY, Tulsa County Clerk

Deputy

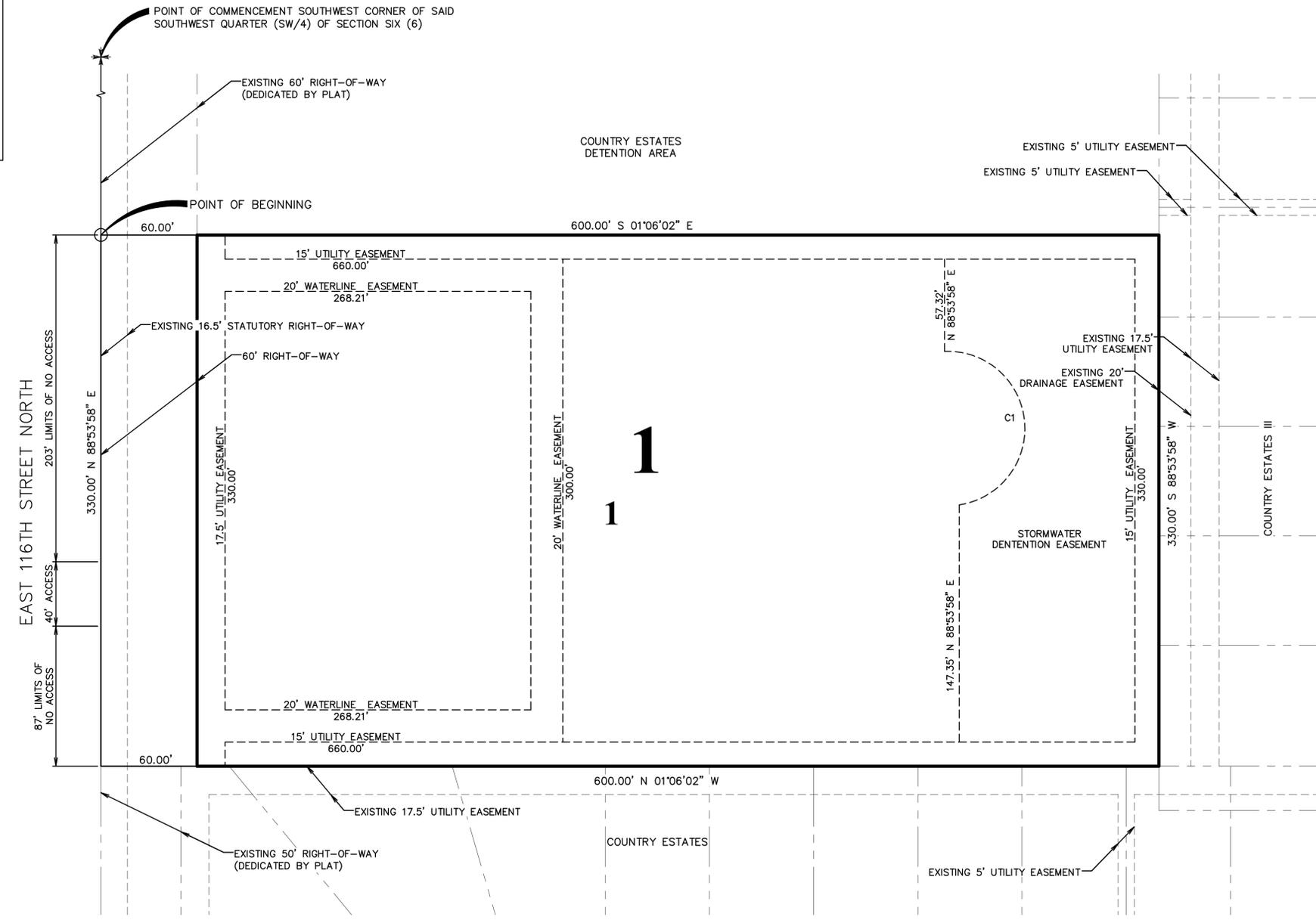
3/8" I.P. w/Cap at ALL boundary corners.

BASIS OF BEARINGS:
NON-ASTRONOMICAL GRID BEARINGS OF THE OKLAHOMA STATE PLAN COORDINATE SYSTEM - ZONE NORTH.

ADS BENCHMARK #126
3" C.O.E. BRASS CAP, SET IN A CONCRETE POST, FLUSH, STAMPED "126", SET NEAR SECTION CORNER 5,6,7,8, T.21.N, R.14.E, S.W. OF 116TH ST. N, AND GARNETT ROAD. ELEV = 699.048' (NAVD 1988)



Location Map
SCALE: 1"=2000'



SUBDIVISION CONTAINS
1 LOT IN 1 BLOCK

GROSS SUBDIVISION AREA: 4.99 ACRES
DATE OF PREPARATION: NOVEMBER 14, 2016

FINAL PLAT LIFEPPOINT

LOT 1, BLOCK 1, A SUBDIVISION OF THE CITY OF OWASSO, TULSA COUNTY, OKLAHOMA.

DEED OF DEDICATION

KNOW ALL MEN BY THESE PRESENTS:

THAT LIFEPOINT CHURCH, HEREINAFTER SOMETIMES CALLED "OWNER", IS THE OWNER IN FEE SIMPLE OF THE FOLLOWING DESCRIBED REAL ESTATE SITUATED IN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA, TO-WIT:

A TRACT OF LAND IN SECTION SIX (6), TOWNSHIP TWENTY-ONE (21) NORTH RANGE FOURTEEN (14) EAST OF THE INDIAN BASE MERIDIAN, TULSA COUNTY, STATE OF OKLAHOMA ACCORDING TO THE U.S. GOVERNMENT SURVEY THEREOF, DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE/4) OF THE SAID SECTION SIX (6); THENCE EASTERLY ALONG THE SOUTH SECTION LINE OF THE SAID SECTION SIX (6), A DISTANCE OF 470.42 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°09'06" EAST A DISTANCE OF 660.0 FEET; THENCE SOUTH 89°50'34" EAST A DISTANCE OF 330.0 FEET; THENCE SOUTH 00°09'06" WEST TO THE SOUTH SECTION LINE OF THE SAID SECTION SIX (6); THENCE WESTERLY ALONG THE SAID SOUTH SECTION LINE TO THE POINT OF BEGINNING.

THE OWNER HAS CAUSED THE SAME TO BE SURVEYED, STAKED, AND PLATTED AS SHOWN BY THE ACCOMPANYING PLAT AND SURVEY THEREOF, AND WHICH PLAT IS MADE A PART HEREOF; AND THE OWNER HAS GIVEN TO SAID PLAT THE NAME OF "LIFEPPOINT", AN ADDITION TO THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA, (WHENEVER THE WORD "ADDITION" APPEARS HEREIN THE SAME SHALL CONCLUSIVELY BE DEEMED TO MEAN "LIFEPPOINT" UNLESS THE CONTEXT CLEARLY DICTATES OTHERWISE. LIKEWISE WHEREVER THE WORD "CITY" APPEARS HEREIN THE SAME SHALL CONCLUSIVELY BE DEEMED TO MEAN THE CITY OF OWASSO, TULSA COUNTY, STATE OF OKLAHOMA, UNLESS THE CONTEXT CLEARLY DICTATES OTHERWISE.) NOW, THEREFORE, THE OWNER, FOR THE PURPOSE OF PROVIDING FOR THE ORDERLY DEVELOPMENT OF THE ADDITION, AND FOR THE PURPOSE OF INSURING ADEQUATE RESTRICTIONS FOR THE MUTUAL BENEFIT OF THE OWNER, ITS SUCCESSORS, GRANTEEES AND ASSIGNS, THE BENEFICIARIES OF THE COVENANTS SET FORTH IN SECTION 1 BELOW, WITH RESPECT TO SUCH COVENANTS ONLY, DOES HEREBY IMPOSE THE FOLLOWING RESTRICTIONS AND COVENANTS, WHICH SHALL BE COVENANTS RUNNING WITH THE LAND AND WHICH SHALL BE ENFORCEABLE BY THE OWNER OR OWNERS OF ANY PROPERTY WITHIN THE ADDITION AND BY THE BENEFICIARIES OF THE COVENANTS SET FORTH IN SECTION 1 BELOW, WITH RESPECT TO SUCH COVENANTS ONLY.

SECTION 1. PUBLIC STREETS AND UTILITY EASEMENTS

1.0 THE OWNER DOES HEREBY DEDICATE TO THE PUBLIC THE STREET RIGHTS-OF-WAY AS DEPICTED ON THE ACCOMPANYING PLAT. ADDITIONALLY, THE OWNER DOES HEREBY DEDICATE TO THE PUBLIC THE UTILITY EASEMENTS DESIGNATED AS 1/2" OR UTILITY EASEMENT FOR THE SEVERAL PURPOSES OF CONSTRUCTING, MAINTAINING, OPERATING, REPAIRING, REPLACING, AND/OR REMOVING ANY AND ALL PUBLIC UTILITIES, INCLUDING STORM SEWERS, SANITARY SEWERS, TELEPHONE AND COMMUNICATION LINES, ELECTRIC POWER LINES AND TRANSFORMERS, GAS LINES, WATER LINES AND CABLE TELEVISION LINES, TOGETHER WITH ALL FITTINGS, INCLUDING THE POLES, WIRES, CONDUITS, PIPES, VALVES, METERS, MANHOLES AND EQUIPMENT FOR EACH OF SUCH FACILITIES AND ANY OTHER APPURTENANCES THERETO, WITH THE RIGHTS OF INGRESS AND EGRESS TO AND UPON THE UTILITY EASEMENTS FOR THE USES AND PURPOSES AFORESAID, PROVIDED HOWEVER, THE OWNER HEREBY RESERVES THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE, LAY AND RELAY WATER LINES AND SEWER LINES, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR SUCH CONSTRUCTION, MAINTENANCE, OPERATION, LAYING AND RELAYING OVER, ACROSS AND ALONG ALL OF THE UTILITY EASEMENTS DEPICTED ON THE PLAT, FOR THE PURPOSE OF FURNISHING WATER AND/OR SEWER SERVICES TO THE AREA INCLUDED IN THE PLAT. THE OWNER HEREBY IMPOSES A RESTRICTIVE COVENANT, WHICH COVENANT SHALL BE BINDING ON EACH LOT OWNER AND SHALL BE ENFORCEABLE BY THE CITY OF OWASSO, OKLAHOMA, AND BY THE SUPPLIER OF ANY AFFECTED UTILITY SERVICE, THAT WITHIN THE UTILITY EASEMENTS DEPICTED ON THE ACCOMPANYING PLAT NO BUILDING, STRUCTURE OR OTHER ABOVE OR BELOW GROUND OBSTRUCTION THAT INTERFERES WITH THE ABOVE SET FORTH USES AND PURPOSES OF AN EASEMENT SHALL BE PLACED, ERRECTED, INSTALLED OR MAINTAINED, PROVIDED HOWEVER, NOTHING HEREIN SHALL BE DEEMED TO PROHIBIT DRIVES, PARKING AREAS, CURBING, LANDSCAPING AND CUSTOMARY SCREENING FENCES THAT DO NOT CONSTITUTE AN OBSTRUCTION.

1.1 WATER AND SANITARY SEWER SERVICE

1.1.1 THE OWNER OF THE LOT SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE PUBLIC WATER MAINS, SANITARY SEWER MAINS, AND STORM SEWERS LOCATED ON HIS LOT.

1.1.2 WITHIN THE UTILITY EASEMENT, RESTRICTED WATERLINE, SANITARY SEWER, STORM SEWER AND DRAINAGE EASEMENT AREAS DEPICTED ON THE ACCOMPANYING PLAT, THE ALTERATION OF GRADE FROM THE CONTOURS EXISTING UPON THE COMPLETION OF THE INSTALLATION OF A PUBLIC WATER MAIN, SANITARY SEWER MAIN, OR STORM SEWER OR ANY CONSTRUCTION ACTIVITY THAT WOULD INTERFERE WITH PUBLIC WATER MAINS, SANITARY SEWER MAINS, AND STORM SEWERS SHALL BE PROHIBITED.

1.1.3 THE CITY OF OWASSO, OKLAHOMA, OR ITS SUCCESSORS, SHALL BE RESPONSIBLE FOR ORDINARY MAINTENANCE OF PUBLIC WATER MAINS, PUBLIC SANITARY SEWER MAINS, AND PUBLIC STORM SEWERS BUT THE OWNER SHALL PAY FOR DAMAGE OR RELOCATION OF SUCH FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER, HIS AGENTS OR CONTRACTORS. THE CITY OF OWASSO ASSUMES NO MAINTENANCE OF ANY PRIVATE DRAINAGE SYSTEMS INCLUDING THE OWNERS PRIVATE STORMWATER DETENTION FACILITY CONTROL STRUCTURES.

1.1.4 THE CITY OF OWASSO, OKLAHOMA, OR ITS SUCCESSORS, SHALL AT ALL TIMES HAVE RIGHT OF ACCESS TO ALL EASEMENTS DEPICTED ON THE ACCOMPANYING PLAT, OR OTHERWISE PROVIDED FOR IN THIS DEED OF DEDICATION, FOR THE PURPOSE OF INSTALLING, MAINTAINING, REMOVING OR REPLACING ANY PORTION OF UNDERGROUND WATER, SANITARY SEWER, OR STORM SEWER FACILITIES.

1.1.5 THE FOREGOING COVENANTS SET FORTH IN THE ABOVE PARAGRAPHS SHALL BE ENFORCEABLE BY THE CITY OF OWASSO, OKLAHOMA, OR ITS SUCCESSORS, AND THE OWNER OF THE LOT AGREES TO BE BOUND.

1.2 PAVING AND LANDSCAPING WITHIN EASEMENTS

1.2.1 THE OWNER OF THE LOTS SHALL BE RESPONSIBLE FOR THE REPAIR AND REPLACEMENT OF ANY LANDSCAPING AND PAVING WITHIN THE UTILITY EASEMENTS ON THE LOT, IN THE EVENT THAT IT IS NECESSARY TO REPAIR ANY UNDERGROUND WATER, SANITARY SEWER, STORM SEWER, ELECTRIC, NATURAL GAS, CABLE TELEVISION OR TELEPHONE SERVICE.

1.3 RESERVATION OF RIGHTS AND COVENANT AS TO OBSTRUCTIONS

THE OWNER/DEVELOPER HEREBY RESERVES THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE, LAY AND RE-LAY WATER LINES AND SEWER LINES, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR SUCH CONSTRUCTION, MAINTENANCE, OPERATION, LAYING AND RE-LAYING OVER, ACROSS AND ALONG ALL OF THE UTILITY EASEMENTS DEPICTED ON THE PLAT, FOR THE PURPOSE OF FURNISHING WATER AND/OR SEWER SERVICES TO THE AREA INCLUDED IN THE PLAT AND TO AREAS OUTSIDE OF THE PLAT. THE OWNER/DEVELOPER HEREBY IMPOSES A RESTRICTIVE COVENANT, WHICH COVENANT SHALL BE BINDING ON EACH LOT OWNER AND SHALL BE ENFORCEABLE BY THE CITY OF OWASSO, OKLAHOMA, AND BY THE SUPPLIER OF ANY AFFECTED UTILITY SERVICE, THAT WITHIN THE UTILITY EASEMENTS DEPICTED ON THE ACCOMPANYING PLAT NO BUILDING, STRUCTURE OR OTHER ABOVE OR BELOW GROUND OBSTRUCTION SHALL BE PLACED, ERRECTED, INSTALLED OR MAINTAINED, PROVIDED HOWEVER, NOTHING HEREIN SHALL BE DEEMED TO PROHIBIT DRIVES, PARKING AREAS, CURBING AND LANDSCAPING, THAT DO NOT CONSTITUTE AN OBSTRUCTION.

1.4 CERTIFICATE OF OCCUPANCY RESTRICTIONS

NO CERTIFICATE OF OCCUPANCY WILL BE ISSUED BY THE CITY UNTIL AFTER COMPLETION OF THE ENTIRE DEVELOPMENT AND ITS FORMAL ACCEPTANCE BY THE CITY. ANY AND ALL CONSTRUCTION PURSUANT TO SUCH A BUILDING PERMIT BUT PRIOR TO THE CITY'S FORMAL ACCEPTANCE OF THE ENTIRE DEVELOPMENT WILL BE AT THE OF CONTRACTOR/BUILDER- INVESTOR'S OWN RISK.

1.5 UTILITY EASEMENT DEDICATION

THE DEDICATION OF STREET RIGHTS-OF-WAY AND UTILITY EASEMENTS TO THE PUBLIC, CONTAINED IN THIS SECTION 1, SHALL NOT TAKE EFFECT UNTIL THE FILING BY THE CITY OF OWASSO, OKLAHOMA (ON BEHALF OF THE PUBLIC) IN THE TULSA COUNTY CLERK'S OFFICE OF A SEPARATE INSTRUMENT ENTITLED "FORMAL ACCEPTANCE" OR SIMILAR WORDING, FORMALLY ACCEPTING THE DEDICATIONS AND INFRASTRUCTURE. HOWEVER, THE RIGHTS AND USES OUTLINED HEREIN NECESSARY FOR THE INSTALLATION BY PRIVATE UTILITIES OF THEIR FACILITIES, I.E., ELECTRIC, GAS, TELEPHONE AND COMMUNICATION, ET. AL., EXCLUSIVE OF THOSE OWNED BY THE CITY OF OWASSO, SHALL BE IN EFFECT TO ALLOW ACCESS FOR SURVEYING, EXCAVATING FOR, CONSTRUCTION, OPERATING, AND MAINTAINING SUCH FACILITIES UNTIL THE CITY FILES ITS FORMAL ACCEPTANCE AND THESE RIGHTS AND USES ARE SUBSUMED BY THE PUBLIC DEDICATION.

1.6 OVERHEAD AND UNDERGROUND SERVICE

1.6.1 OVERHEAD LINES FOR THE SUPPLY OF ELECTRIC, TELEPHONE AND CABLE TELEVISION SERVICES MAY BE LOCATED WITHIN THE PERIMETER EASEMENTS OF THE SUBDIVISION, STREET LIGHT POLES OR STANDARDS MAY BE SERVED BY OVERHEAD LINE OR UNDERGROUND CABLE AND ELSEWHERE THROUGHOUT THE SUBDIVISION. ALL SUPPLY LINES INCLUDING ELECTRIC, TELEPHONE, CABLE TELEVISION AND GAS LINES SHALL BE LOCATED UNDERGROUND IN THE EASEMENT WAYS DEDICATED FOR GENERAL UTILITY SERVICES AND IN THE RIGHTS-OF-WAY OF THE PUBLIC STREETS AS DEPICTED ON THE ACCOMPANYING PLAT. SERVICE PEDESTALS AND TRANSFORMERS, AS SOURCES OF SUPPLY AT SECONDARY VOLTAGES, MAY ALSO BE LOCATED IN THE EASEMENT WAYS.

1.6.2 UNDERGROUND SERVICE CABLES AND GAS SERVICE LINES TO ALL STRUCTURES WHICH ARE LOCATED WITHIN THE SUBDIVISION MAY BE RUN FROM THE NEAREST GAS MAIN, SERVICE PEDESTAL OR TRANSFORMER TO THE POINT OF USAGE DETERMINED BY THE LOCATION AND CONSTRUCTION OF SUCH STRUCTURE AS MAY BE LOCATED UPON THE LOT, PROVIDED THAT UPON THE INSTALLATION OF A SERVICE CABLE OR GAS SERVICE LINE TO A PARTICULAR STRUCTURE, THE SUPPLIER OF SERVICE SHALL THEREAFTER BE DEEMED TO HAVE A DEFINITIVE, PERMANENT, EFFECTIVE AND NONEXCLUSIVE RIGHT-OF-WAY EASEMENT ON THE LOT, COVERING A 5 FOOT STRIP EXTENDING 2.5 FEET ON EACH SIDE OF THE SERVICE CABLE OR LINE EXTENDING FROM THE GAS MAIN, SERVICE PEDESTAL OR TRANSFORMER TO THE SERVICE ENTRANCE ON THE STRUCTURE.

1.6.3 THE SUPPLIER OF ELECTRIC, TELEPHONE, CABLE TELEVISION AND GAS SERVICES, THROUGH ITS AGENTS AND EMPLOYEES, SHALL AT ALL TIMES HAVE THE RIGHT OF ACCESS TO ALL EASEMENT WAYS SHOWN ON THE PLAT OR OTHERWISE PROVIDED FOR IN THIS DEED OF DEDICATION FOR THE PURPOSE OF INSTALLING, MAINTAINING, REMOVING OR REPLACING ANY PORTION OF THE UNDERGROUND ELECTRIC, TELEPHONE, CABLE TELEVISION OR GAS FACILITIES INSTALLED BY THE SUPPLIER OF THE UTILITY SERVICE.

1.6.4 THE OWNER OF THE LOT SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE UNDERGROUND SERVICE FACILITIES LOCATED ON HIS LOT AND SHALL PREVENT THE ALTERATION OF GRADE OR ANY CONSTRUCTION ACTIVITY WHICH WOULD INTERFERE WITH THE ELECTRIC, TELEPHONE, CABLE TELEVISION OR GAS FACILITIES. EACH SUPPLIER OF SERVICE SHALL BE RESPONSIBLE FOR ORDINARY MAINTENANCE OF UNDERGROUND FACILITIES, BUT THE OWNER SHALL PAY FOR DAMAGE OR RELOCATION OF SUCH FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER OR HIS AGENTS OR CONTRACTORS.

1.6.5 THE FOREGOING COVENANTS SET FORTH IN THIS SECTION 1 SHALL BE ENFORCEABLE BY EACH SUPPLIER OF THE ELECTRIC, TELEPHONE, CABLE TELEVISION OR GAS SERVICE AND THE OWNER OF THE LOT AGREES TO BE BOUND HEREBY.

1.7 GAS SERVICE

1.7.1 THE SUPPLIER OF GAS SERVICE THROUGH ITS AGENTS AND EMPLOYEES SHALL AT ALL TIMES HAVE THE RIGHT OF ACCESS TO ALL SUCH EASEMENTS SHOWN ON THE PLAT OR AS PROVIDED FOR IN THIS CERTIFICATE OF DEDICATION FOR THE PURPOSE OF INSTALLING, REMOVING, REPAIRING, OR REPLACING ANY PORTION OF THE FACILITIES INSTALLED BY THE SUPPLIER OF GAS SERVICE.

1.7.2 THE OWNER OF THE LOT SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE UNDERGROUND GAS FACILITIES LOCATED IN THEIR LOT AND SHALL PREVENT THE ALTERATION, GRADE, OR ANY OTHER CONSTRUCTION ACTIVITY THAT WOULD INTERFERE WITH THE GAS SERVICE. THE SUPPLIER OF THE GAS SERVICE SHALL BE RESPONSIBLE FOR THE ORDINARY MAINTENANCE OF SAID FACILITIES, BUT THE OWNER SHALL PAY FOR DAMAGE OR RELOCATION OF FACILITIES CAUSED OR NECESSITATED BY ACTS OF THE OWNER, OR ITS AGENTS OR CONTRACTORS.

1.7.3 THE FOREGOING COVENANTS SET FORTH IN THIS PARAGRAPH SHALL BE ENFORCEABLE BY THE SUPPLIER OF THE GAS SERVICE AND THE OWNER OF THE LOT AGREES TO BE BOUND HEREBY.

1.8 SANITARY SEWER EASEMENT

1.8.1 THE OWNER/DEVELOPER DOES HEREBY DEDICATE FOR PUBLIC USE PERPETUAL EASEMENTS ON, OVER, AND ACROSS THOSE AREAS DEPICTED ON THE ACCOMPANYING PLAT AS "SANITARY SEWER EASEMENT" FOR THE PURPOSES OF CONSTRUCTING, MAINTAINING, OPERATING, REPAIRING, REPLACING, AND/OR REMOVING SANITARY SEWER LINES TOGETHER WITH ALL FITTINGS INCLUDING THE PIPES, MANHOLES, LAMPHOLES AND EQUIPMENT AND OTHER APPURTENANCES THERETO TOGETHER WITH RIGHTS OF INGRESS AND EGRESS TO AND UPON THE EASEMENT FOR THE USES AND PURPOSES AFORESAID.

1.9 RESTRICTED WATERLINE EASEMENT

THE OWNER/DEVELOPER DOES HEREBY DEDICATE FOR PUBLIC USE PERPETUAL EASEMENTS ON, OVER, AND ACROSS THOSE AREAS DEPICTED ON THE ACCOMPANYING PLAT AS "RESTRICTED WATERLINE EASEMENT" (R/W/E") FOR THE PURPOSES OF CONSTRUCTING, MAINTAINING, OPERATING, REPAIRING, REPLACING, AND/OR REMOVING WATERLINES TOGETHER WITH ALL FITTINGS INCLUDING THE PIPES, VALVES, METERS AND EQUIPMENT AND OTHER APPURTENANCES THERETO TOGETHER WITH RIGHTS OF INGRESS AND EGRESS TO AND UPON THE EASEMENT FOR THE USES AND PURPOSES AFORESAID.

1.10 LOT SURFACE DRAINAGE

EACH LOT SHALL RECEIVE AND DRAIN IN AN UNOBSTRUCTED MANNER, THE STORM AND SURFACE WATERS FROM LOTS AND DRAINAGE AREAS OF HIGHER ELEVATION AND FROM PUBLIC STREETS AND EASEMENTS. NO LOT OWNER SHALL CONSTRUCT OR PERMIT TO BE CONSTRUCTED ANY FENCING OR OTHER OBSTRUCTIONS WHICH WOULD IMPAIR THE DRAINAGE OF STORM AND SURFACE WATERS OVER AND ACROSS HIS LOT. THE FOREGOING COVENANTS SET FORTH IN THIS PARAGRAPH 1.10 SHALL BE ENFORCEABLE BY ANY AFFECTED LOT OWNER AND BY THE CITY OF OWASSO, OKLAHOMA.

1.11 STORMWATER DETENTION EASEMENT

1.11.1 THE OWNER DOES HEREBY DEDICATE TO THE CITY OF OWASSO, OKLAHOMA FOR PUBLIC USE (SUBJECT TO EASEMENTS OF RECORD) A PERPETUAL EASEMENT ON, OVER, AND ACROSS THE PROPERTY DESIGNATED AND SHOWN ON THE ACCOMPANYING PLAT AS DETENTION EASEMENT FOR THE PURPOSES OF PERMITTING THE FLOW, CONVEYANCE, RETENTION, DETENTION AND DISCHARGE OF STORMWATER RUNOFF FROM THE ADDITION.

1.11.2 DETENTION, RETENTION AND OTHER DRAINAGE FACILITIES CONSTRUCTED WITHIN SAID EASEMENT AREA SHALL BE IN ACCORDANCE WITH STANDARDS AND SPECIFICATIONS APPROVED BY THE CITY OF OWASSO, OKLAHOMA.

1.11.3 NO FENCE, WALL, BUILDING, OR OTHER OBSTRUCTION MAY BE PLACED OR MAINTAINED IN THE DETENTION EASEMENT AREA NOR SHALL THERE BE ANY ALTERATION OF THE GRADES OR CONTOURS IN SUCH EASEMENT AREA UNLESS APPROVED BY THE DEPARTMENT OF PUBLIC WORKS OF THE CITY OF OWASSO.

1.11.4 DETENTION, RETENTION, AND OTHER DRAINAGE FACILITIES SHALL BE MAINTAINED BY THE OWNER, TO THE EXTENT NECESSARY TO ACHIEVE THE INTENDED DRAINAGE, RETENTION, AND DETENTION FUNCTIONS INCLUDING REPAIR OF APPURTENANCES AND REMOVAL OF OBSTRUCTIONS AND SILTATION. SAID DETENTION FACILITIES SHALL BE MAINTAINED BY THE OWNER IN ACCORDANCE TO THE FOLLOWING STANDARDS:

- A. GRASS AREAS SHALL BE MOWED (IN SEASON) AT REGULAR INTERVALS OF LESS THAN FOUR WEEKS.
- B. CONCRETE APPURTENANCES SHALL BE MAINTAINED IN GOOD CONDITION AND REPLACED IF DAMAGED.
- C. THE DETENTION EASEMENT AREA SHALL BE KEPT FREE OF DEBRIS.
- D. CLEANING OF SILTATION AND VEGETATION FROM CONCRETE CHANNEL SHALL BE PERFORMED TWICE YEARLY.

1.11.5 LANDSCAPING APPROVED BY THE CITY OF OWASSO SHALL BE ALLOWED WITHIN DETENTION EASEMENT.

1.11.6 IN THE EVENT THE OWNER SHOULD FAIL TO PROPERLY MAINTAIN THE DETENTION, RETENTION, AND OTHER DRAINAGE FACILITIES OR, IN THE EVENT OF THE PLACEMENT OF AN OBSTRUCTION WITHIN, OR THE ALTERATION OF THE GRADE OR CONTOUR THEREIN, THE CITY OF OWASSO, OKLAHOMA, OR ITS DESIGNATED CONTRACTOR MAY ENTER AND PERFORM MAINTENANCE NECESSARY TO THE ACHIEVEMENT OF THE INTENDED DRAINAGE FUNCTIONS AND MAY REMOVE ANY OBSTRUCTION OR CORRECT ANY ALTERATION OF GRADE OR CONTOUR, AND THE COST THEREOF SHALL BE PAID BY THE OWNER. IN THE EVENT THE OWNER FAILS TO PAY THE COST OF MAINTENANCE AFTER COMPLETION OF THE MAINTENANCE AND RECEIPT OF A STATEMENT OF COSTS, THE CITY OF OWASSO, OKLAHOMA, MAY FILE OF RECORD A COPY OF THE STATEMENT OF COSTS, AND THEREAFTER THE COSTS SHALL BE A LIEN AGAINST THE PROPERTY. A LIEN ESTABLISHED AS ABOVE PROVIDED MAY BE FORECLOSED BY THE CITY OF OWASSO, OKLAHOMA.

1.12 ROOF DRAIN REQUIREMENTS

THE OWNER/DEVELOPER HEREBY IMPOSES A RESTRICTIVE COVENANT, WHICH COVENANT SHALL BE BINDING ON EACH AFFECTED LOT OWNER AND SHALL BE ENFORCEABLE BY THE CITY OF OWASSO, OKLAHOMA, THAT THE BUILDINGS CONSTRUCTED IN THE ADDITION SHALL HAVE ROOF DRAINS DESIGNED AND CONSTRUCTED TO DISCHARGE STORMWATER RUNOFF TO THE ON-SITE STORMWATER DETENTION/RETENTION FACILITY OR APPROVED PATH OF DISCHARGE TO A CITY OF OWASSO CONVEYANCE SYSTEM.

1.13 SIDEWALKS

SIDEWALKS ARE REQUIRED ALONG STREETS DESIGNATED BY AND IN ACCORDANCE WITH SUBDIVISION REGULATIONS. REQUIRED SIDEWALKS SHALL BE CONSTRUCTED IN CONFORMANCE WITH CITY OF OWASSO ENGINEERING DESIGN STANDARDS. THE OWNER/DEVELOPER SHALL CONSTRUCT REQUIRED SIDEWALKS ALONG ALL STREET FRONTAGES.

IN WITNESS WHEREOF, "OWNER" HAS CAUSED THESE PRESENTS TO BE EXECUTED THIS _____ DAY OF _____, 2016.

LIFEPPOINT BAPTIST CHURCH

BY: _____

DOUG W. GREGG

STATE OF _____)
) SS.
COUNTY OF _____)

BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS _____ DAY OF _____, 2016, PERSONALLY APPEARED _____ TO ME KNOWN TO BE IDENTICAL PERSON WHO SUBSCRIBED THE NAME OF THE MAKER THEREOF TO THE FOREGOING INSTRUMENT, AS ITS _____ AND ACKNOWLEDGED TO ME THAT EXECUTED THE SAME AS _____ FREE AND VOLUNTARY ACT AND DEED AND AS THE FREE AND VOLUNTARY ACT AND DEED OF SUCH COMPANY FOR THE USES AND PURPOSES THEREIN SET FORTH.

GIVEN UNDER MY HAND AND SEAL THE DAY AND YEAR LAST ABOVE WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC

I, ALBERT JONES III, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF OKLAHOMA, DO HEREBY CERTIFY THAT I HAVE CAREFULLY AND ACCURATELY SURVEYED, SUBDIVIDED, AND PLATTED THE TRACT OF LAND HEREIN DESCRIBED ABOVE, AND THAT THE ACCOMPANYING PLAT IS A TRUE REPRESENTATION OF A SURVEY MADE ON THE GROUND USING GENERALLY ACCEPTED PRACTICES, AND MEETS OR EXCEEDS THE OKLAHOMA MINIMUM STANDARDS FOR THE PRACTICE OF LAND SURVEYING.

WITNESS MY HAND AND SEAL THIS _____ DAY OF _____, 2016.

BY: _____
ALBERT JONES III, P.L.S. NO. 1560
REGISTERED LAND SURVEYOR

STATE OF _____)
) SS.
COUNTY OF _____)

BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS _____ DAY OF _____, 2016, PERSONALLY APPEARED _____ TO ME KNOWN TO BE IDENTICAL PERSON WHO SUBSCRIBED THE NAME OF THE MAKER THEREOF TO THE FOREGOING INSTRUMENT, AS ITS _____ AND ACKNOWLEDGED TO ME THAT EXECUTED THE SAME AS _____ FREE AND VOLUNTARY ACT AND DEED AND AS THE FREE AND VOLUNTARY ACT AND DEED OF SUCH COMPANY FOR THE USES AND PURPOSES THEREIN SET FORTH.

GIVEN UNDER MY HAND AND SEAL THE DAY AND YEAR LAST ABOVE WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC

DATE OF PREPARATION: NOVEMBER 14, 2016

LIFEPPOINT
SHEET 2 OF 2



TO: The Honorable Mayor and City Council
City of Owasso

FROM: Roger Stevens
Public Works Director

SUBJECT: Congestion Mitigation and Air Quality Funds (CMAQ)
Agreement Between INCOG and City of Owasso

DATE: December 16, 2016

BACKGROUND:

The City of Owasso submitted an application on August 1, 2016, for the Congestion Mitigation and Air Quality (CMAQ) grant money available through INCOG's Public Fleet Conversion project.

The City applied for this grant to assist with the purchase of two CNG/Bi-Fuel pickup trucks and one CNG/Bi-Fuel car. The funding breakdown was 80% federal funds in the amount of \$81,513.60 with a 20% local match or \$20,378.40. On August 24, 2016, INCOG and Tulsa Area Cities informed staff a partial amount would be awarded to the City of Owasso in the amount of \$55,114.00 with a 20% local match or at least \$11,023.00.

Based on the pre-approved amount, staff has chosen to recommend approval of grant funding for two CNG/Bi-Fuel trucks.

AGREEMENT:

Below are highlights of the proposed agreement between INCOG and City of Owasso:

- This agreement will become effective as of the date of execution by all parties and will expire on December 1, 2017;
- Grantee agrees to maintain odometer readings, fuel consumption records, maintenance records, and written documentation of all other costs associated with the vehicle. These records will be forwarded to INCOG annually for the first three years;
- Grantee agrees to remove or scrap two vehicles from its fleet and supply proof of removal.

FUNDING:

It is important to mention, the 20% local match or \$11,023.00 was not included in the FY 2016-2017 budget. Therefore, the funds required for the city's match will be proposed in the FY 2017-2018 budget.

RECOMMENDATION:

Staff recommends approval of an agreement between INCOG and City of Owasso for Congestion Mitigation and Air Quality Grant Funds.

ATTACHMENTS:

INCOG Correspondence – Dated August 24, 2016
Agreement Between INCOG and City of Owasso



Regional Partners — Regional Solutions

2 West Second Street Suite 800 | Tulsa, OK 74103 | 918.584.7526 | www.INCOG.org

August 24, 2016

Roger Stevens
City of Owasso
301 W 2nd Ave
Owasso OK, 74055

Dear Roger,

INCOG and Tulsa Area Clean Cities are pleased to inform you that City of Owasso has been awarded Congestion Mitigation and Air Quality (CMAQ) funding in the amount of \$55,114 for the purchase two CNG/Bi-Fuel pick up trucks under our 2016 Request for Proposals for CMAQ Alternative Fuel and Idle Reduction Projects. Please remember that the local match of 20% of the project costs as you outlined in your application is still required.

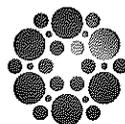
The City of Owasso did not receive the full amount of \$81,514 as requested in the application because the sedan was only eligible to receive 80% of the incremental costs associated with CNG conversion. This combined with requests totaling substantially more than available funds, meant that we were unable to fund the sedan. If you have any questions about this, I am happy to provide you with more information.

This letter does not serve as authorization to begin work on this project. A contract will be forthcoming in the next month. Should you need a contract sooner, please contact us and we will do our best to accommodate your request. We look forward to working with you on this project. If you need assistance in selecting equipment or project implementation, please contact us as we are here to help make this project a success.

Best,

A handwritten signature in cursive script, appearing to read "Adriane Jaynes".

Adriane Jaynes
Energy Programs and Clean Cities Coordinator
INCOG
918-579-9494
ajaynes@incog.org



TULSA AREA
CLEAN CITIES

Agreement Cover Sheet

INCOG PROJECT NUMBER: 112415

CFDA NUMBER: 20.205

TIME OF PERFORMANCE: Date of contract execution through December 1, 2017

AGREEMENT AMOUNT: not to exceed \$55,114

FUNDING SOURCE: Congestion Mitigation and Air Quality Funds (CMAQ)

Parties:

Indian Nations Council of Governments
2 W 2nd St, Ste 800
Tulsa, OK 74103

Contacts:

Program Coordinator:

Adriane Jaynes
Energy Programs Coordinator
(918) 579-9494
ajaynes@incog.org

Daniel Jeffries
Energy Programs Specialist
(918) 579-9434
djeffries@incog.org

PERFORMING PARTY

City of Owasso
Parks, Community Development, & Management
301 W 2nd Ave
City of Owasso, OK 74055

Roger Stevens

Agreement between INCOG & City of Owasso

This Agreement is entered into by and between the Indian Nations Council of Governments (INCOG) and City of Owasso (Grantee).

In consideration of mutual promises herein contained, INCOG and Grantee agree and contract as follows:

Grantee Duties

Grantee agrees to purchase, on or before December 1, 2017 two CNG/Bi-Fuel pick up trucks, one for Parks and one for Public Works, for which INCOG will reimburse the City a maximum of \$55,114 as set forth below. The City agrees to provide a match of at least \$11,023, or 20% of the total anticipated project cost. The total amount of this project including the match is anticipated to be \$66,137.

Grantee agrees to utilize the purchased equipment in its operations; evaluate the use of CNG in its fleet, using criteria and records developed by Grantee; and to report its evaluation to INCOG annually beginning six months after the date of this agreement and continuing yearly thereafter for three years.

Grantee agrees to maintain odometer readings, fuel consumption records, maintenance records, and written documentation of all other costs associated with the vehicle. These records will be forwarded to INCOG annually, beginning six months after the date of vehicle purchase, and continuing each year thereafter for the next three years.

Grantee agrees to bear all expenses related to the use and maintenance of the vehicle, including but not limited to repairs, license tag, and fuel.

For projects involving vehicle purchase(s), Grantee agrees to remove or scrap vehicles from its fleet and supply proof of removal from fleet and/or scrappage of vehicle(s). The number of scrapped or removed vehicles must be at least equivalent to the number acquired using CMAQ funds.

For projects involving a vehicle conversion, re-power, or upfit, the EPA emissions certification for each conversion, upfit, and/or engine re-power, the project must comply with all state and federal laws and Grantee agrees to provide a copy of the EPA emissions certification for each conversion, upfit, and/or engine re-power completed with these funds.

In addition, Grantee agrees to visibly mark the vehicle in such a way that promotes alternative fuels and the Tulsa Area Clean Cities Program, and provide photos showing the method of marking the project.

Invoicing & Payment

Grantee will provide INCOG proof of the purchase, including the bill of sale and manufacturer's invoice. Grantee will comply with invoicing procedures in Attachment A or B,

which are attached and incorporated by reference, which outlines the procedures to receive payment(s) under this contract.

Such requests shall include sufficient documentation to support reimbursement of the expenditure such as invoices, receipts, purchase orders, titles, EPA certificate of conformance, photos documenting vehicle scrappage or removal, and sinage. INCOG staff will review the reimbursement request for compliance with the grant's scope, terms, and conditions. If questions arise regarding some portion of the reimbursement request, INCOG staff will contact the Contractor for additional documentation.

INCOG reserves the right to reject invoices not in compliance with its rules or format. INCOG shall remit payment within 60 days of the receipt of an approved invoice, or upon receipt of monies from ODOT.

Payment shall be made to Contractor upon the receipt of an invoice. Contractor shall maintain records and accounts that properly document the basis for receipts and disbursements of all funds under this contract. All such records shall be available to INCOG upon reasonable notice.

Within 60 days the receipt of the completed and approved reimbursement request with appropriate documentation, or upon receipt of reimbursement from Oklahoma Department of Transportation, INCOG agrees to reimburse grantee an amount not to exceed \$55114, for the Purchase 2 CNG/Bi-Fuel pick up trucks and 1 CNG/Bi-Fuel Sedan for Parks, Community Development, & Management.

Department of Transportation Requirements

Grantee agrees to comply with all procurement procedures required by state and local laws and regulations, and all procurements must conform to applicable Federal procurement laws and Code of Federal Regulation No. 49, Part 18, Subpart C, No. 1836.

Grantee agrees that as a condition of receiving any federal financial assistance from the Department of Transportation, it will comply with the National Environmental Protection Act, Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-et seq., and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, "Nondiscrimination of Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964".

Availability of Funds

These funds are made available to INCOG through the Congestion Mitigation and Air Quality Program (CMAQ), administered by the Oklahoma Department of Transportation (ODOT). INCOG will pay Grantee only from monies made available to INCOG from ODOT.

These funds will be available only for a limited time period, beginning the effective date of this agreement and ending December 1, 2017. If Grantee is unable to comply with the duties listed above by December 1, 2017, INCOG may choose to unilaterally modify this contract to extend the deadline, or funds may no longer be available for this project.

Effective Period of Agreement

This agreement will become effective as the date of execution by all parties and will expire on December 1, 2017. If Grantee is unable to comply with the duties listed above by December 1, 2017, INCOG may choose to unilaterally issue a modification of this contract to extend the deadline, or funds may no longer be available for this project.

Reimbursement requests must be submitted no later than 15 days of the ending date of this agreement, which is December 1, 2017, unless a contract extension is approved by INCOG.

Auditing, Disallowed Costs

Grantee shall maintain records and accounts that properly document the basis for receipts and disbursements of all funds under this contract. All such records shall be made available to INCOG upon reasonable notice to Grantee.

INCOG reserves the right to request and audit of contract funds. If an audit is required, Grantee shall cooperate fully with an auditor of INCOG's choice, including the State Auditor and Inspector.

Americans with Disabilities Act Compliance

Contractor shall take the necessary actions to ensure its facilities and employment practices are in compliance with the requirements of the Americans with Disabilities Act. Contractor agrees that its program or activity will comply with the requirements of the ADA. Any costs of such compliance will be the responsibility of Contractor. Under no circumstances will Contractor conduct any activity, which it deems to not be in compliance with the ADA.

Notice Regarding the Purchase of American-Made Equipment and Products-Sense of Congress

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.

Indemnification

To the extent allowable by law, the Contractor shall save and hold harmless INCOG, its agents, officers and employees from any and all claims, losses suits, damages, judgments, expenses, costs, including attorney fees, and charges of every kind and nature, both legal and otherwise, whether direct or indirect, by reason of injuries or loss suffered by any person or damages to property caused by the Contractor in the performance of this Agreement.

This contract sets forth the entire understanding of the parties and shall be interpreted and construed under the laws of the State of Oklahoma. It shall become effective as the first date on which all parties have signed it.

Agreed to this _____ Day of _____, 2016

Contract End Date: December 1, 2017

X

Indian Nations Council of Governments
Chair of the Board

X

Recipient
Mayor

Attachment A: Vehicle Purchase Reimbursement Form

Please email the reimbursement request to ajaynes@incog.org with the subject line "grantee name" CMAQ Reimbursement.

Grantee Name is seeking \$dollar amount in reimbursement for the purchase of Items Purchased. Per our Agreement with INCOG the Grantee Name paid \$dollar amount and provided a match of percent% or \$ dollar amount.

The following vehicle(s) was/were purchased: (fill in all that apply)

Make:	Model or series:
Year:	Color:
VIN #:	Style:
Odometer reading:	Title #:

In order to receive reimbursement from INCOG the following should be provided with this reimbursement request:

- Copy of Bill of Sale
- Copy of Check Issued
- Copy of Title for Vehicle (if applicable)
- Copy of the EPA emissions certification for each conversion, upfit, and/or engine repower (if applicable)
- Proof of removal from fleet and/or scrappage of vehicle(s), as applicable.
- Digital photo file(s) of the project displaying required labeling and signage promoting alternative fuels or clean fuel vehicle technology, and clean air.

The undersigned, of lawful age, being first duly sworn, on oath says that this invoice or claim is true and correct. Affiant further states that the (work, services, or materials) as shown by this invoice or claim have been (completed or supplied) in accordance with the plans, specifications, orders, or requests furnished the affiant.

Date signed:
Name:
Signature:

Name and address for check remittance:

Attachment B: Equipment Purchase Reimbursement Form

Please email reimbursement request to ajaynes@incog.org with the subject line "grantee name" CMAQ reimbursement.

Reimbursement for Congestion Mitigation Air Quality (CMAQ) Funds

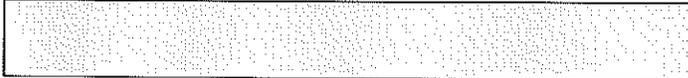
Grantee Name is seeking \$dollar amount in reimbursement for the purchase of Items Purchased. Per our Agreement with INCOG the Grantee Name paid \$dollar amount and provided a match of percent% or \$ dollar amount.

The following equipment was purchased: (fill in all that apply)

Manufacturer:	Model or series:
Year:	Title #:
Serial #:	
Brief description of equipment:	

In order to receive reimbursement from INCOG the following will be provided with this reimbursement request:

- Copy of Vendor's Invoice
- Copy of Check Issued and Paid
- Copy of Bill of Sale or Purchase Order
- Copy of the EPA emissions certification for each conversion, upfit, and/or engine repower (if applicable)
- Photo(s) of the project displaying required labeling and signage promoting alternative fuels or clean fuel vehicle technology, and clean air.

Date signed:
Name:
Signature:

Name and address for check remittance:



TO: The Honorable Mayor and Council
City Of Owasso

From: H. Dwayne Henderson, P.E.
City Engineer

Subject: Resolution 2016-25 Application for STP Funds
106th Street North/North 129th East Avenue Intersection Improvements

Date: December 16, 2016

BACKGROUND:

The intersection at 106th Street North/129th East Avenue is owned and maintained by Tulsa County. It is currently one of the most heavily traveled unimproved intersections in the Owasso area. Traffic counts in this area are tabulated below along with the projected counts for 2020 from 2016 Traffic Counts.

Location	Daily Traffic Volume (Vehicles per day 2016 ADT)*	Daily Traffic Volume (Vehicles per day 2014 ADT)**	Projected Daily Traffic Volume (Vehicles per day 2020 ADT)
129th East Avenue, south of 106th Street North	6,702	6,700	7,254
129th East Avenue, north of 106th Street North	6,342	4,400	6,864
106th Street North, east of 129th East Avenue	7,465	6,300	8,080
106th Street North, west of 129th East Avenue	6,151	5,900	6,658

* - Post Rejoice Christian School Opening

** - Prior to Rejoice Christian School Opening

The intersection has increased in activity as the growth of Owasso has continued north. However, the traffic most assuredly will increase significantly more with the construction of the Rejoice Christian School Campus and the new Wal-Mart Neighborhood Market to the north and 200 new apartment units to the south.

In 2016, Tulsa County and the City of Owasso agreed that the project was needed to expand the intersection. We agreed to share costs for the engineering design for the project, right-of-way and eventually the utility relocation, as we did for the East 116th Street North/North 129th East Ave Project.

Staff has prepared a conceptual plan and preliminary design report that will be submitted to INCOG for FY 2016-17 Surface Transportation Program (STP) funds. These funds are made available on an annual basis by the Federal Highway Administration (FHWA), through the Oklahoma Department of Transportation (ODOT), for the implementation of eligible transportation improvements in the Tulsa Urbanized Area.

INCOG administers the grant funding and has established a selection process for the distribution of STP funds. Priority funding is given to projects that meet federal regulations and help advance the Regional Transportation Plan through safety improvements and to projects that reduce traffic congestion. Proposed projects are evaluated for eligibility and priority based on a 100-point rating system. On December 2, 2016, INCOG solicited for STP funding applications with a submittal deadline of January 31, 2017.

PROPOSED RESOLUTION FOR CONSTRUCTION PHASE:

Similar to the process utilized in obtaining federal funding assistance for the East 116th Street North and North 129th East Ave Intersection Improvements, a resolution is necessary in order to complete the application process. The 2016-17 application will request federal funding assistance for the construction of the roadway improvements. If this project is selected in the Spring of 2016, the funding for construction will be targeted in FY 2021 or sooner, depending on funding availability.

CONCEPTUAL DESIGN SUMMARY:

Both East 106th Street North and North 129th East Avenue are considered secondary arterials in Owasso. The intersection is a heavily used roadway that conveys residential, commercial and school traffic in the area, as well as commuter traffic to and from Owasso. Based on the projected needs for the intersection as the school became fully developed, the engineer for the school mentioned a future need for signals at this intersection.

The proposed lane configuration is a 5-lane roadway section including 2-lanes in each direction with left turn lanes to expedite left turning movements. The projected right turning movements warrant right-turn lanes for west bound traffic turning north and east bound traffic turning south toward the commercial area and hospital. Also included are sidewalks on each side of the intersection. Based on the conceptual design, the anticipated cost for construction of the proposed roadway improvements is \$1,800,000. Construction administration (testing, inspection and administration of pay applications) is equal to 8% of the construction fee.

Tulsa County has agreed that paying for 50% of Phase I (engineering design, right-of-way and utility relocations) locally and requesting ODOT funding to contribute to Phase II (construction) would allow us the best chance of obtaining funding. ODOT funding for this project would be through the Surface Transportation Program, which would fund 80% of eligible construction costs, while the local government funds 20%.

Based upon this information, the following is an estimate of the cost distribution:

Project Segment	Estimate (\$ x1000)	ODOT Portion (\$ x1000)	City of Owasso/Tulsa County Shared Portion (\$ x1000)
Construction	\$1.800	\$1.440	\$0.360
Administration	\$0.200	\$0.160	\$0.040
Utility Relocation	\$0.600	\$0.000	\$0.600
Right-of-way	\$0.850	\$0.000	\$0.850
Engineering	\$0.200	\$0.000	\$0.200
Total Project Cost	\$3.650	\$1.600	\$2.050

RECOMMENDATION:

Staff recommends approval and authorization of the Mayor to execute a resolution requesting ODOT to consider the construction phase of the East 106th Street North and North 129th East Ave as a candidate for federal funding assistance through the Surface Transportation Program.

ATTACHMENTS:

Resolution 2016-25
Location Map

**CITY OF OWASSO, OKLAHOMA
RESOLUTION 2016-25**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OWASSO, OKLAHOMA,
AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FUNDING BETWEEN THE
CITY OF OWASSO AND THE OKLAHOMA DEPARTMENT OF TRANSPORTATION FOR THE
EAST 106TH STREET NORTH AND NORTH 129TH EAST AVENUE INTERSECTION
IMPROVEMENTS**

WHEREAS, Surface Transportation Program Urbanized Area funds have been made available for transportation improvements within the Tulsa Transportation Management Area; and

WHEREAS, The City of Owasso has selected a project described as follows: East 106th Street North and North 129th East Avenue Intersection Improvement Project; and the selected project is consistent with the local comprehensive plan, including applicable Major Street and Highway Plan Element, and the Regional Transportation Plan; and

WHEREAS, the engineer's preliminary estimate of cost is \$1,800,000 and Federal participation under the terms of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) relating to Surface Transportation Program Urbanized Area funds are hereby requested for funding of 80% of the project cost, and the City of Owasso proposes to match funds for the 20% balance of the project costs; and

WHEREAS, the City of Owasso will arrange a qualified ENGINEER licensed in the state of Oklahoma to furnish professional services in the preparation of detailed plans, specifications and estimates; and

WHEREAS, the City of Owasso agrees to provide for satisfactory maintenance after completion, and to furnish the necessary right-of-way clear and unobstructed; and

WHEREAS, the City of Owasso has required matching funds available and further agrees to deposit with the Oklahoma Department of Transportation said matching funds within thirty (30) days after approval by the Federal Highway Administration.

NOW, THEREFORE, BE IT RESOLVED: That the Indian Nations Council of Governments is hereby requested to program the East 106th Street North and North 129th East Avenue Intersection Improvement Project into the Transportation Improvement Program for the Tulsa Transportation Management Area; that upon inclusion in the Transportation Improvement Program, the Oklahoma Transportation Commission is hereby requested to concur in the programming and selection of this project and to submit the same to the Federal Highway Administration for its approval; and that the Mayor is authorized and directed to execute the above described agreement on behalf of the City of Owasso.

ADOPTED this 20th day of December, 2016.

Attest:

Lyndell Dunn, Mayor

Sherry Bishop, City Clerk

Approved As To Form:

Julie Lombardi, City Attorney



TO: The Honorable Mayor and City Council
City of Owasso

FROM: H. Dwayne Henderson, P.E.
City Engineer

SUBJECT: 2016 Dog Park Grading
Contract Bid Award

DATE: December 16, 2016

BACKGROUND:

The City of Owasso Vision 2025 projects were centered on quality of life projects. One of the projects in the funding package included the construction of a new dog park at McCarty Park. The proposed 2 acre dog park is sited on property donated by the Larkin Bailey Foundation and would be adjacent to the football fields.

Since the site would be constructed in the floodplain of Ranch Creek, staff designed the site to be raised to an elevation above the 25-year flood. This elevation should keep the site above standing water of the floodplain.

This contract is for the clearing of the site, earthwork to elevate the site, construction of swale to drain the site to Ranch Creek, extending an aggregate driveway and parking lot for future paving by Tulsa County. A sewer service line relocation and two casings installed under the parking lot for a new water line and lighting are included. Lastly, the site will be seeded and sodded to prevent damage to the site until the final finish work can be completed.

ADVERTISING FOR BIDS:

Advertisements for bids were published on November 2 and November 9, 2016, in accordance with state law and a mandatory pre-bid meeting was held at Owasso Public Works on November 17, 2016, with six (6) contractors in attendance. The bid opening was held on November 30, 2016, at Owasso Public Works.

BID OPENING:

Five (5) bidders submitted bids on this project. The bid results are included in the following Table:

Bidder	Bid
J.E. Dirt Wurx LLC	\$245,815.55
Ground Level, LLC	\$297,605.00
Barnes Construction	\$366,686.40
Lowry Construction	\$370,170.83
Bret Barnhart Excavating	\$405,792.00
Engineer's Estimate	\$406,594.81

The low bidder was J.E. Dirt Wurx LLC, of Wagoner, Oklahoma. The Base Bid is lower than the engineering estimate and budget of \$300,000.00.

FUNDING:

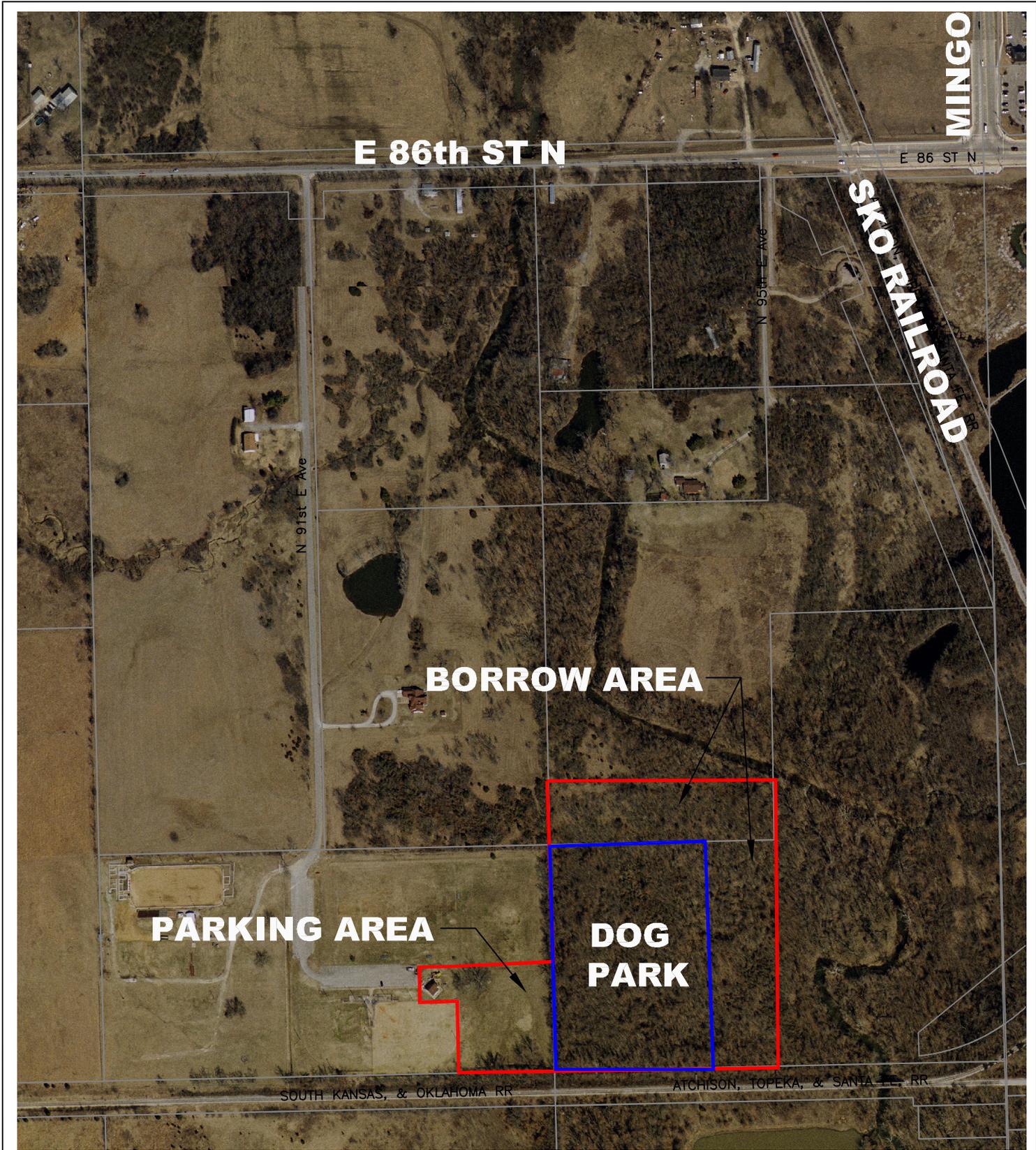
Funds are available from Vision 2025 Funds.

RECOMMENDATION:

Staff recommends approval to award a construction contract to J.E. Dirt Wurx LLC, of Wagoner, Oklahoma for a total contract amount of \$245,815.55 and authorization for the Mayor to execute the contract.

ATTACHMENT:

- Site Map
- Contract Agreement



DOG PARK

12/2016

CITY OF OWASSO

Legend

 PROJECT LOCATION



North

200 S. Main Street
P.O. Box 180
Owasso, OK 74055

918.376.1500

THIS MAP IS FOR INFORMATION PURPOSE ONLY AND IS NOT INTENDED TO REPRESENT AN ACCURATE AND TRUE SCALE. USE OF THIS MAP IS WITHOUT WARRANTY OR REPRESENTATION BY CITY OF OWASSO OF ITS ACCURACY.

SECTION 00300

AGREEMENT

THIS AGREEMENT is dated as of the 20th day of December, 2016, by and between The City of Owasso (hereinafter called OWNER) and J.E. Dirt Wurx LLC. (hereinafter called CONTRACTOR). OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1. WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

**2016 OWASSO DOG PARK CLEARING AND GENERAL EARTHWORK PROJECT.
CITY OF OWASSO, OKLAHOMA**

The project for which the Work under the contract documents may be the whole or only a part, is described as follows:

Clearing, grubbing, grading for a new dog park and parking lot

ARTICLE 2. ENGINEER

The project has been assigned to the Project Manager or his/her duly authorized representative, who is hereinafter called ENGINEER and who will assume all duties and responsibilities and will have the rights and authority assigned to ENGINEER in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 3. CONTRACT TIME

3.1 The Work will be substantially completed within **sixty (60)** calendar days from the date of Notice to Proceed; and completed and ready for final payment in accordance with the General Conditions within **ninety (90)** calendar days from the date of Notice to Proceed, which will be on or before _____, _____.

3.2 Liquidated Damages. OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not substantially complete within the time specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by OWNER, if the Work is any such proof. OWNER and CONTRACTOR agree that

as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER One Thousand Dollars (\$1000.00) for each consecutive calendar day that expires after the time specified in paragraph 3.1 for substantial completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse or fail to complete the remaining Work within the time specified in paragraph 3.1 for completion and readiness for final payment or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER One Thousand Dollars (\$1000.00) for each consecutive calendar day that expires after the time specified in paragraph 3.1 for completion and readiness for final payment.

ARTICLE 4. CONTRACT PRICE

4.1 OWNER shall pay CONTRACTOR for performance of the Work in accordance with the Contract Documents in current funds the amount agreed upon in CONTRACTOR'S bid.

4.2 CONTRACTOR understands that the estimated quantities are not guaranteed and that the determination of actual quantities and their classification is to be made by the OWNER at the time of application for payment.

4.3 Contract Amount: **Two-hundred forty-five thousand, eight-hundred fifteen and 55/100 dollars (\$245.815.55)**

ARTICLE 5. PAYMENT PROCEDURES

CONTRACTOR shall submit Applications for Payment in accordance with the General Conditions on the Pay Estimate Forms included as Exhibit "A" to this Agreement. Applications for Payment will be processed by OWNER as provided in the General Conditions.

5.1 Progress Payments. OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment in accordance with the City of Owasso's Payment Schedule included as Exhibit "B" to this Agreement during construction as provided below. All progress payments will be on the basis of the progress of the Work.

5.1.1 Progress payments shall not exceed an amount equal to 90% of the WORK completed until such time as CONTRACTOR shall complete in excess of fifty percent (50%) of the contract amount.

5.1.2 Upon completion in excess of fifty percent (50%) of the total contract amount, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 95% of the Contract Price, less such amounts as OWNER shall determine in accordance with the General Conditions, provided that OWNER has determined that satisfactory progress is being made, and upon approval by the Surety.

5.2 Final Payment. Upon final completion and acceptance of the Work in accordance with the General Conditions, OWNER shall pay the Contract Price.

ARTICLE 6. CONTRACTOR'S REPRESENTATIONS

In order to induce OWNER to enter into this Agreement, CONTRACTOR makes the following representations:

6.1 CONTRACTOR has familiarized himself/herself with the nature and extent of Contract Documents, Work, locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.

6.2 CONTRACTOR has studied carefully all reports or explorations and tests of subsurface conditions at or contiguous to the site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site (except underground facilities) which have been identified in the Supplementary Conditions as provided in the General Conditions. Contractor accepts the determination set forth in the General Conditions of the extent of the "technical data" contained in such reports and drawings upon which Contractor is entitled to rely. Contractor acknowledges that such reports and drawings are not Contract Documents and may not be complete for Contractor's purposes. Contractor acknowledges that Owner and Engineer do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to underground facilities at or continuous to the site. Contractor has obtained and carefully studied (or assume responsibility for having done so) all such additional supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and underground facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto. Contractor does not consider that any additional examinations, investigations, explorations, tests, studies, or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.

6.3 CONTRACTOR has made or caused to be made examinations, investigations, tests and studies of such reports and related data in addition to those referred to in paragraph 6.2 as (s)he deems necessary for the performance of the Work at the Contract price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, tests, reports or similar data are or will be required by CONTRACTOR for such purposes.

6.4 CONTRACTOR has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumes responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports, studies or similar information or data in respect of said Underground Facilities are or will be required by CONTRACTOR in order to perform and furnish the Work at the Contract Price within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including the General Conditions.

6.5 CONTRACTOR has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.

6.6 CONTRACTOR has given OWNER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents, and the written resolution thereof by OWNER is acceptable to CONTRACTOR.

6.7 CONTRACTOR has obligated himself/herself to the OWNER to be responsible for the workmanship, labor and materials used in the project for one (1) year after the project has been accepted by the OWNER.

6.8 CONTRACTOR understands that (s)he will be exempt from all sales tax on materials and other items necessary for the completion of the project. The OWNER has issued him a Certification of Tax Exempt Project enclosed as Exhibit "C" of this Agreement.

ARTICLE 7. CONTRACT DOCUMENTS

The Contract Documents which comprise the entire agreement between OWNER and CONTRACTOR are attached to this Agreement, made a part hereof, and consist of the following:

- 7.1 This Agreement (pages 1 to 6 inclusive).
- 7.2 Exhibits "A", "B", "C" and "D" to this Agreement.
- 7.3 Advertisement for Bids (Section 00100).
- 7.4 Requirements for Bidders (Section 00110).
- 7.5 Instructions to Bidders (Section 00120).
- 7.6 Bid (Section 00200).
- 7.7 Bid Bond (Section 00210).
- 7.8 Bid Affidavits (Section 00220).
- 7.9 Statement of Bidders Qualifications (Section 00230).
- 7.10 Certificate of Non-Discrimination (Section 00240).
- 7.11 Performance Bond (Section 00410).
- 7.12 Maintenance Bond (Section 00420).
- 7.13 Statutory payment Bond (Section 00430).
- 7.14 Notice of Award (Section 00510).
- 7.15 Notice to Proceed (Section 00520).

- 7.16 Change Order (Section 00600).
- 7.17 General Conditions (Section 00700).
- 7.18 Project Specifications (Section 00800).
- 7.19 Special Provisions (Section 00900).
- 7.20 Project Drawings, consisting of **Sheets 1 to 11**, inclusive, and Standard Drawings.
- 7.21 Addendum Numbers ___ to ___, inclusive.
- 7.22 Documentation submitted by CONTRACTOR prior to Notice of Award (pages ___ to ___ inclusive).
- 7.23 Any Modification, including Change Orders, duly delivered after execution of Agreement.

There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be altered, amended or repealed by a Modification (as defined in the General Conditions).

ARTICLE 8. MISCELLANEOUS

8.1 Terms used in this Agreement which are defined in the General Conditions shall have the meanings indicated in the General Conditions.

8.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law) and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

8.3 OWNER and CONTRACTOR each binds himself/herself, his/her partners, successors, assigns, and legal representatives to the other party hereto, his/her partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

8.3 The Agreement (or remaining portions thereof) should continue in effect, be valid and binding upon both parties even if a provision or part of the Contract Documents should be held void or unenforceable by law.

IN WITNESS WHEREOF, the parties hereby have signed this Agreement in duplicate. One counterpart has been delivered to CONTRACTOR, the other belongs to OWNER. All portions of the Contract Documents have been signed by OWNER and CONTRACTOR.

This Agreement will be effective on December 20, 2016.

OWNER: City of Owasso

CONTRACTOR: J.E. Dirt Wurx LLC

By _____
Lyndell Dunn, Mayor

By _____

(SEAL)

(SEAL)

ATTEST:

Title

Title

Address for giving notices:



TO: Honorable Mayor and City Council
City of Owasso

FROM: Christopher A. Garrett
Fire Chief

SUBJECT: Fire Station No. 1 Parking Lot

DATE: December 16, 2016

BACKGROUND:

This year's budget included funding for the replacement of the Fire Station No. 1, south apparatus drive and parking lot concrete pavement. The original pavement was installed with the building in 1994. Since that time, approximately ten percent of the pavement has been replaced due to its deteriorating condition. The remaining original pavement is now in very poor condition and is in need of replacement.

The replacement process includes removal of the existing concrete, installation of a stable base, installation of reinforcing rebar, and new concrete curbing and pavement.

PROCESS:

In the past, the Fire Department has coordinated with the Public Works Department to replace or repair the driveways at Fire Stations Nos. 1 and 2. The Public Works Department provides engineering, project management, and all of the labor for these projects. By utilizing in-house labor, staff is able to maximize the overall efficiency of the project.

Some site preparation has been conducted, from which it has been determined that the original pavement did not have any base foundation for support, nor was any reinforcing rebar installed. As the replacement will include these items as part of the standard design, staff is confident that the life span of the new concrete will far exceed what the fire department experienced with the original construction.

COST/FUNDING:

The Public Works Department has estimated that the cost for the construction materials is approximately \$62,000. The Fire Department has included funding for this project in the FY17 Budget as part of its annual capital purchasing strategy.

RECOMMENDATION:

Staff recommends City Council approve the project and authorize the purchase of construction materials for the replacement of the Fire Station No. 1 parking lot in an amount not to exceed \$62,000.

**CITY OF OWASSO, OKLAHOMA
RESOLUTION 2016-26**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OWASSO, OKLAHOMA FINDING THAT THE INVESTIGATIVE REPORT CONCERNING FORMER CITY MANAGER RODNEY RAY SHOULD BE KEPT CONFIDENTIAL AS A PERSONNEL RECORD OF THE CITY OF OWASSO AND PROVIDING DIRECTION FOR OTHER CONFIDENTIAL PERSONNEL RECORDS.

WHEREAS, the City of Owasso, Oklahoma, has been named in a lawsuit, CV-2013-00898, Patrick D. Ross v. City of Owasso, wherein a number of claims have been made challenging actions taken by the elected officials of the City;

WHEREAS, the sole remaining issue to be resolved in the lawsuit concerns the open records request of Mr. Ross for the public release of the investigative report of former City Manager Rodney Ray;

WHEREAS, the District Court of Tulsa County and the Oklahoma Court of Appeals have now both found that the investigative report is a confidential personnel record of the City;

WHEREAS, the Oklahoma Court of Appeals has specifically remanded the case to the Owasso City Council for the City Council to determine whether, in its discretion, the confidential record should be made public;

WHEREAS, approval of this resolution is in the best interest of the residents of the City of Owasso.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Owasso, Oklahoma, as follows:

- a. The City Council finds that the confidential employment records of Rodney Ray, including specifically the investigative report, should remain confidential as personnel records of the City and should not be made public;
- b. The City Council further finds that all confidential personnel records of employees who report directly to the City Council should be maintained as confidential personnel records and should not be publicly disclosed without an affirmative vote to do so by the City Council or by a signed release by the employee directing the public disclosure of their confidential personnel records;
- c. For all employees of the City who are appointed by the City Manager, the City Manager is authorized to establish those procedures that are necessary to protect the confidential nature of personnel records, and only to release records in accordance with state law, the policies of the City, and/or the consent of employee, all as determined within the sole discretion of the City Manager.

Approved this 20th day of December, 2016.

Lyndell Dunn, Mayor

ATTEST: _____
Sherry Bishop, City Clerk

Approved as to Form: _____
Julie Lombardi, City Attorney

CITY OF OWASSO
GENERAL FUND
PAYROLL PAYMENT REPORT
PAY PERIOD ENDING 12/10/16

<u>Department</u>	<u>Payroll Expenses</u>	<u>Total Expenses</u>
Municipal Court	6,021.39	8,575.60
Managerial	22,943.41	31,839.52
Finance	16,252.80	24,373.81
Human Resources	9,265.94	14,796.79
Community Development	17,152.48	26,627.48
Engineering	19,007.38	28,269.00
Information Systems	14,636.23	21,980.97
Support Services	8,364.66	12,567.44
Cemetery	1,214.95	1,845.67
Police Grant Overtime	2,041.20	2,068.41
Central Dispatch	20,733.15	34,951.51
Animal Control	3,974.68	5,795.87
Emergency Preparedness	1,431.18	2,134.39
Stormwater/ROW Maint.	9,789.86	14,975.44
Park Maintenance	9,296.16	14,088.40
Culture/Recreation	5,226.76	8,455.98
Community-Senior Center	4,154.51	5,827.07
Historical Museum	664.40	745.98
Economic Development	3,496.85	4,565.65
<u>General Fund Total</u>	<u>175,667.99</u>	<u>264,484.98</u>
<u>Garage Fund Total</u>	<u>7,068.82</u>	<u>10,936.67</u>
<u>Ambulance Fund Total</u>	<u>553.85</u>	<u>621.86</u>
<u>Fire Fund 37 Total</u>	<u>147,344.65</u>	<u>220,783.04</u>
<u>Police Fund 38 Total</u>	<u>145,990.40</u>	<u>220,835.61</u>
<u>Streets Fund 39 Total</u>	<u>13,810.81</u>	<u>22,309.06</u>
<u>Stormwater Fund 27 Total</u>		<u>-</u>
<u>Worker's Compensation Total</u>	<u>2,555.60</u>	<u>3,601.44</u>
<u>Strong Neighborhoods Total</u>	<u>4,056.34</u>	<u>5,824.55</u>

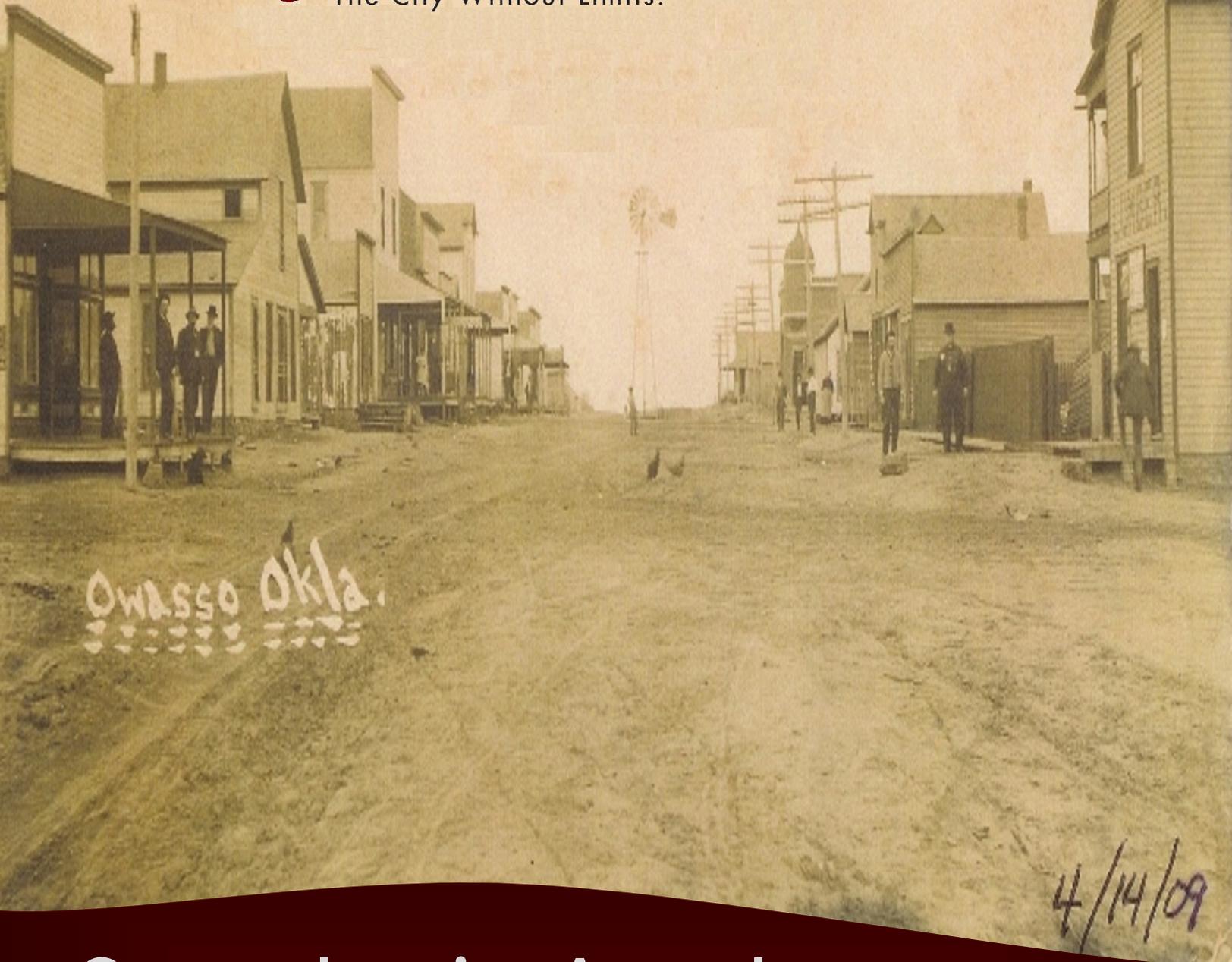
CITY OF OWASSO
 HEALTHCARE SELF INSURANCE FUND
 CLAIMS PAID PER AUTHORIZATION OF ORDINANCE #789 AS OF 12/15/16

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
AETNA	HEALTHCARE MEDICAL SERVICE	33,285.57
	HEALTHCARE MEDICAL SERVICE	36,401.15
	HEALTHCARE MEDICAL SERVICE	26,971.79
	HEALTHCARE MEDICAL SERVICE	34,843.74
	HEALTHCARE MEDICAL SERVICE	13,388.66
	HEALTHCARE DEPT TOTAL	<u>144,890.91</u>
DELTA DENTAL	DENTAL MEDICAL SERVICE	2,844.66
	DENTAL MEDICAL SERVICE	5,201.48
	DENTAL MEDICAL SERVICE	4,045.86
	ADMIN FEES	2,626.83
	DENTAL DEPT TOTAL	<u>14,718.83</u>
VSP	VISION MEDICAL SERVICES	2,187.99
	ADMIN FEES	1,100.60
	VISION DEPT TOTAL	<u>3,288.59</u>
	HEALTHCARE SELF INSURANCE FUND TOTAL	<u><u>162,898.33</u></u>

CITY OF OWASSO
GENERAL FUND & HALF-PENNY SALES TAX
FISCAL YEAR 2016-2017
Budgetary Basis
Statement of Revenues & Expenditures
As of November 30, 2016

	<u>MONTH TO-DATE</u>	<u>YEAR TO-DATE</u>	<u>BUDGET</u>	<u>PERCENT OF BUDGET</u>
REVENUES:				
Taxes	\$ 2,534,320	\$ 12,668,101	\$ 31,574,550	40.12%
Licenses & permits	15,231	70,173	255,700	27.44%
Intergovernmental	75,622	428,323	1,090,856	39.26%
Charges for services	34,789	230,296	531,165	43.36%
Fines & forfeits	33,046	283,985	695,750	40.82%
Other	16,215	76,049	104,322	72.90%
TOTAL REVENUES	<u>\$ 2,709,223</u>	<u>\$ 13,756,926</u>	<u>\$ 34,252,343</u>	40.16%
EXPENDITURES:				
Personal services	\$ (1,377,456)	\$ (6,620,779)	\$ (18,779,121)	35.26%
Materials & supplies	(71,554)	(380,052)	(1,195,200)	31.80%
Other services	(285,182)	(976,658)	(2,437,020)	40.08%
Capital outlay	(373,215)	(690,085)	(3,694,023)	18.68%
TOTAL EXPENDITURES	<u>\$ (2,107,407)</u>	<u>\$ (8,667,574)</u>	<u>\$ (26,105,364)</u>	33.20%
REVENUES OVER EXPENDITURES	<u>\$ 601,816</u>	<u>\$ 5,089,351</u>	<u>\$ 8,146,979</u>	
TRANSFERS IN (OUT):				
Transfers in - Sales Tax	\$ 1,248,028	\$ 6,338,035	\$ 15,725,000	40.31%
Transfers out - RAN Financing	(169,966)	(169,966)	(169,967)	0.00%
Transfers out	(2,018,688)	(10,070,806)	(25,824,649)	39.00%
TOTAL TRANSFERS	<u>\$ (940,627)</u>	<u>\$ (3,902,738)</u>	<u>\$ (10,269,616)</u>	38.00%
NET CHANGE IN FUND BALANCE	<u>\$ (338,811)</u>	<u>\$ 1,186,614</u>	<u>\$ (2,122,637)</u>	
ENCUMBRANCES OUTSTANDING		\$ (931,596)		
FUND BALANCE (Budgetary Basis)				
Beginning Balance		5,910,949	3,544,741	
Ending Balance		<u>\$ 6,165,967</u>	<u>\$ 1,422,104</u>	

OWASSO
The City Without Limits.



Comprehensive Annual Financial Report

City of Owasso, Oklahoma
Year Ended June 30, 2016



Comprehensive Annual Financial Report

**City of Owasso, Oklahoma
Year Ended June 30, 2016**

City Manager
Warren Lehr

Assistant City Manager
Sherry Bishop

PREPARED BY:

Director of Finance
Linda Jones

Assistant Director of Finance
Jennifer Newman

**CITY OF OWASSO, OKLAHOMA
 COMPREHNSIVE ANNUAL FINANCIAL REPORT
 Year ended June 30, 2016**

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**CITY OF OWASSO, OKLAHOMA
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**CITY OF OWASSO, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year ended June 30, 2016**

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INTRODUCTORY SECTION



DEPARTMENT OF FINANCE
200 South Main
Owasso, Oklahoma 74055

November 30, 2016

Honorable Mayor, City Council, and Citizens of the City of Owasso, Oklahoma:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Owasso, Oklahoma (the City) for the year ended June 30, 2016. The CAFR is provided to give full disclosure of the financial position and fiscal activities of the City and its Trust Authorities.

City management is responsible for both the accuracy of the presented data and the completeness and fairness of presentations, including all disclosures. We believe the data, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. The CAFR has been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) based upon a comprehensive framework of internal control that it has established for this purpose. The objective of a system of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Oklahoma state law, municipalities are required to publish a complete set of audited financial statements. This report fulfills that requirement for the year ended June 30, 2016. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

INDEPENDENT AUDITOR'S REPORT

The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants, RSM US LLP. After examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation, the independent firm concluded that there was a reasonable basis to render an unmodified opinion on the financial statements of each opinion unit that collectively comprise the City's basic financial statements, concluding that the basic financial statements are fairly presented in conformity with the accounting principles generally accepted in the United States of America (U.S. GAAP). The independent auditor's report can be found on the pages prior to the MD&A in the Financial Section of this CAFR.

Grant awards did not meet the threshold required for audit under the provisions of the Single Audit Act of 1996, as amended in the OMB Uniform Grant Guidance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF OWASSO

The City of Owasso is located approximately 15 miles northeast of Tulsa, Oklahoma. The northeastern part of Oklahoma is often called "Green Country" due to its wooded terrain in the rolling Ozark foothills. It has an elevation of 700 feet above sea level. The average daily temperature is 61 degrees and the average annual rainfall is 39 inches. With its temperate climate, the City experiences all four seasons of the year. The City of Owasso is known as the "City of Character." Each month a positive character trait is displayed on banners in the community and is presented and discussed at City Council, City staff meetings, and various community meetings.

The City was originally settled in 1881 in Indian Territory, incorporated in 1904 and was chartered as a city in 1972. Owasso's population is projected based on the Census to be 35,969 people in 2016, representing a 3% increase over 2015. Owasso's municipal boundaries contain portions of Tulsa and Rogers Counties, with approximately 90% of the City's population residing in Tulsa County.

Under a Council-Manager form of government, the City Manager, serving as the chief executive of the City, is responsible for City operations. The City Council, the legislative branch of the government, consists of five members. All five Council members are elected at large. However, four Council members represent a distinct geographic district, and one represents the City at large.

MISSION, VISION, VALUES

Public service is about removing the obstacles standing in the way of people celebrating their lives. To achieve this we must provide quality services that better the lives of the citizens of Owasso.

Our vision is to create a community where governmental services are dependable, efficient, and provided with excellence; where public servants are empowered to remove obstacles for citizens; and where departments are interdependent, united in a common purpose, creative, responsible, committed to positive change, focused on results, responsive to needs, and passionate about the individual's role to make a difference.

Our core values are integrity, accountability, respectfulness, creativity, excellence, and responsiveness.

SERVICES

The City provides a full range of basic municipal services, including police and fire protection, ambulance service, street construction, parks, neighborhood revitalization, land use regulation, and other infrastructure, recreational activities, and cultural events.

The following services are provided through an array of legally separate entities incorporated into this report as component units:

<u>Service</u>	<u>Enterprise Fund</u>
Water, sewer, and refuse	Owasso Public Works Authority
Golf	Owasso Public Golf Authority
Economic Development	Owasso Economic Development Authority

BUDGETARY PROCESS AND CONTROLS

The City Manager prepares the annual proposed budget and presents it by May 1st to the City Council. The Council reviews, refines, changes, and adopts it according to the policies and priorities it wishes to see implemented. Governmental funds with legal annually appropriated budgets are as follows:

General Fund	<u>Capital Project Funds:</u>
<u>Special Revenue Funds:</u>	Ambulance Capital Fund
Half-Penny Sales Tax Fund	Public Safety Capital Fund
Ambulance Service Fund	Park Development Fund
E-911 Fund	Capital Improvement Grants Fund
Cemetery Fund	Capital Improvements Fund
Emergency Siren Fund	<u>Debt Service Fund:</u>
Juvenile Court Fund	Sinking Fund
Hotel Tax Fund	
Stormwater Management Fund	

The City maintains a system of budgetary controls with the objective of maintaining compliance with the City Charter and the Oklahoma Municipal Budget Act. The legal level of budgetary control is the level at which expenditures cannot exceed appropriations. The level of control is by department within a fund and also by project for capital funds. Expenditures categories are personal services, materials and supplies, other services, debt service, and capital outlay. Expenditures are cash outlays plus encumbrances. Encumbrances not liquidated within 90 days of year end are closed and re-appropriated by Council for the following year.

THE LOCAL ECONOMY AND FACTORS AFFECTING ECONOMIC CONDITIONS

Revenue Outlook

Owasso's economic outlook is positive based on both increased tax revenues and area employment. Sales and Use tax collections for FY2016 increased by \$4,740,434, or 19.11%, totaling \$29,549,687 compared to \$24,809,253 in FY2015.

The FY2016 increase is attributable to additional retailers such as Academy Sports, which draw shoppers from outside the City, general growth in residents, and an additional half-penny sales tax beginning April 1, 2015. Citizens voted in 2015 the new half-penny sales tax to fund increases to streets, fire, and police. Citizens also voted in January 2016 a seven-year .55 cent increase in sales tax effective January 1, 2017, to fund specified street projects. This increase starts as the existing .6 cent Tulsa County Vision 2025 sales tax expires.

While the recent recession halted the double digit growth in sales tax revenues which had become the norm in Owasso, the City was fortunate to experience stability and, in most years, modest growth while many municipalities across the country realized declines in resources. With this year's double digit increase in sales and use tax, the City of Owasso has been fortunate to avoid the sales tax decline experienced across most of the state. Retail, restaurants, and hospitality have all experienced an increase this past year, and construction of a seventh hotel has begun.

Water rates were increased for the 2015 and 2016 fiscal year budgets due to 7% annual rate increases from the City of Tulsa which provides water to the City of Owasso.

The City has also been awarded \$6.7 million in Tulsa County Vision 2025 sales tax funds which were budgeted in FY16 for numerous park improvements, construction of a downtown festival marketplace, and two intersection improvements. Most of these projects are in design and are expected to begin construction in FY17.

The City of Owasso leadership, staff, and Economic Development team have prepared a strategic plan that will take our City far into the future. The City seeks to lay the foundation for a future in which Owasso attracts both residents and jobs, encourages sustainable living practices, and provides an array of amenities to those who live and work in the area.

Community Outlook:

Owasso's retail sector is among the strongest in the state ranking 4th in 2015. Owasso's population continues to grow but is slowing to a 3% range due to the indirect impact of lower oil prices on the State as a whole. The lack of an oil and gas presence in Owasso has insulated the City from much of the state-wide slowdown. The Owasso housing market continues to grow with an ongoing shift toward multi-family units. An apartment complex is currently under construction near downtown, and two multi-functional buildings are being planned in the core downtown "Redbud" district.

From July 2015 through June 2016, there were 243 new single family residential permits with a total construction value of \$49,324,936. The number of residential permits issued in fiscal year 2016 increased by 2% over the past fiscal year. There were 9 commercial permits issued in fiscal year 2016 with a total construction value of \$6,368,000. Last fiscal year 18 commercial permits were issued. Fiscal year 2015 had the second highest increase in commercial permits since 2008.

Roughly two-thirds of Owasso residents are employed outside the City. Employment of local residents is expected to grow 2% in 2016 reflecting a slowdown from previous years. However, the average income of Owasso residents has risen to over \$40,000 a year. Furthermore, Owasso's unemployment rate for residents edged below 3% in early 2016 and remains roughly one percentage point below the rate for the region and state.

Roughly two thirds of Owasso jobs are filled with non-residents. The local job base has increased steadily across all wage levels since 2013 but has increased at the fastest rate among jobs paying more than \$40,000 a year which have more than doubled since 2004. Owasso jobs are expected to increase by 3.2% in 2016 with nearly all the new jobs occurring in the services sector.

BOND RATINGS

The City of Owasso has no outstanding General Obligation debt and, therefore, has not been bond rated in recent years.

LONG-TERM FINANCIAL PLANNING

The City utilizes a five-year Capital Improvement Program (CIP) and utilizes a citizen-involved CIP committee who makes recommendations to Council on funding priorities.

CAPITAL IMPROVEMENTS PLAN (CIP)

The Capital Improvement Committee was established in 1988 under Ordinance No. 395. The purpose of the committee is to develop, prioritize, and recommend the capital improvement needs of the City, creating a more planned process than had existed before it was established. Since that time, the City has developed and adopted several infrastructure master plans that help provide insight into the present and future needs of the City. The committee is comprised of 2 City Council members; 1 Owasso Economic Development Authority representative; 1 Planning Commissioner; 6 citizens at large; the City Manager; the Assistant City Manager; and the Finance Director. The Committee meets quarterly to discuss and plan for the City's capital needs primarily in Streets, Water, Sewer, Storm water, Facilities, and Parks. However, capital needs extend beyond infrastructure and may include large equipment purchases that exceed the City's ability to provide through General and Half-Penny Funds revenues.

The process of adding projects to the list eligible for capital improvement funding is as follows (established by Resolution 2003-14):

Recommendation approved by the Capital Improvement Committee
Public Hearing at Owasso City Council Meeting
Consideration and action by the Owasso City Council (at least 2 weeks following the public hearing)

Additional information on history and process can be found at
<http://cityofowasso.com/DocumentCenter/View/1045>
Current list of projects eligible for Capital Improvement funds
<http://weblink.cityofowasso.com/WebLink8/0/doc/189147/Page1.aspx>

DEBT

The City has no General Obligation debt outstanding. All current financing has been provided via the Owasso Public Works Authority.

FINANCIAL POLICIES

The City has established an operating reserve in the General Fund to provide for revenue shortfalls or to meet unexpected increases in service delivery costs. Because the Half-Penny Sales Tax fund approved in 2016 is also utilized for operational activities such as Police and Fire, the Council now sets the combined General and Half-Penny Sales Tax funds' reserves to be between 10% and 15% of their combined revenues. For 2015-16, Council set the budgeted combined ending reserves at 13% of the General Fund and Half-Penny Sales Tax appropriated revenues.

By City Ordinance, utility rates are evaluated and updated annually to ensure long-term viability.

The City of Owasso's investment policy is to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the City and comply with all state statutes governing the investment of public funds. The following investments are authorized by policy:

- Obligations of the United States government, its agencies and instrumentalities;
- Collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations and credit unions located in this state, or fully insured certificates of deposit at banks, savings banks, savings and loan associations and credit unions located out of state;
- Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association or a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed ten percent (10%) of the surplus funds of the city or county which may be invested pursuant to this section.
- Prime bankers' acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed 270 days' maturity.
- Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation.
- Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs a through e of this subsection; and
- Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of those items and those restrictions specified in paragraphs a through f of this subsection.

MAJOR INITIATIVES

The City completed several projects which provide enhancements for the general public. Funded by Tulsa County Vision 2025 sales tax revenues, the City was able to provide infrastructure improvements essential to attracting a major sporting goods retailer. Vision 2025 funds further enabled the City to add lighting to the Sports Park and expand the Splash Pad at Rayola Park.

Other Vision 2025 projects which were initiated this year include the following:

- Paved parking at the Owasso Sports Complex
- New Festival Park
- Redbud District (Main Street) intersection improvements
- Trail system expansion

- Dog Park
- Skate Park

MAJOR TAX REVENUES

The City of Owasso collects a 2% sales tax for general operations.

Pursuant to Ordinance No. 763, the City levies a 1% sales tax for the purpose of providing revenues to finance or fund capital projects and related costs to include debt service on obligations issued to finance capital projects.

City of Owasso voters approved an increase in sales tax from 3% to 3.5% in January 2015. The additional half penny is restricted for police, fire, and streets. The additional revenue will be used to hire additional police officers, add a new fire station, and nearly double the number of street miles renovated each year.

In January 2016 the City of Owasso voters also approved an increase in sales tax from 3.5% to 4.05% effective for seven years starting January 2017 to be used exclusively for street improvements. This increase will occur at the same time a 0.6% Vision 2025 Tulsa County sales tax will expire.

The City has for many years utilized sales tax abatements to incentivize major retailers to locate in Owasso. As a result of the increases in retail property, Owasso's sales tax revenues have been growing at one of the highest rates in the State.

Ad Valorem taxes are assessed and collected to fund judgments of \$25,000 or more. This is not a significant source of revenue for the City.

The City also collects a 2% Franchise tax on utilities, a 5% hotel tax, and state-shared revenues taxed on telephones, alcoholic beverages, tobacco, and gasoline.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department. Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report. We would like to express our appreciation to all who assisted in this effort.

We express our appreciation and acknowledge the thorough, professional, and timely manner in which our independent auditor, RSM US, LLP, conducted the audit.

Finally, we acknowledge the City Council who has consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.



Linda Jones,
Director of Finance



Jennifer Newman,
Assistant Director of Finance

CITY OF OWASSO, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

June 30, 2016

CITY COUNCIL MEMBERS

Lyndell Dunn, Mayor

Dr. Chris Kelley, Vice Mayor

Bill Bush

Doug Bonebrake

Jeri Moberly

CITY MANAGER

Warren Lehr

ASSISTANT CITY MANAGER

Sherry Bishop

DIRECTOR OF FINANCE

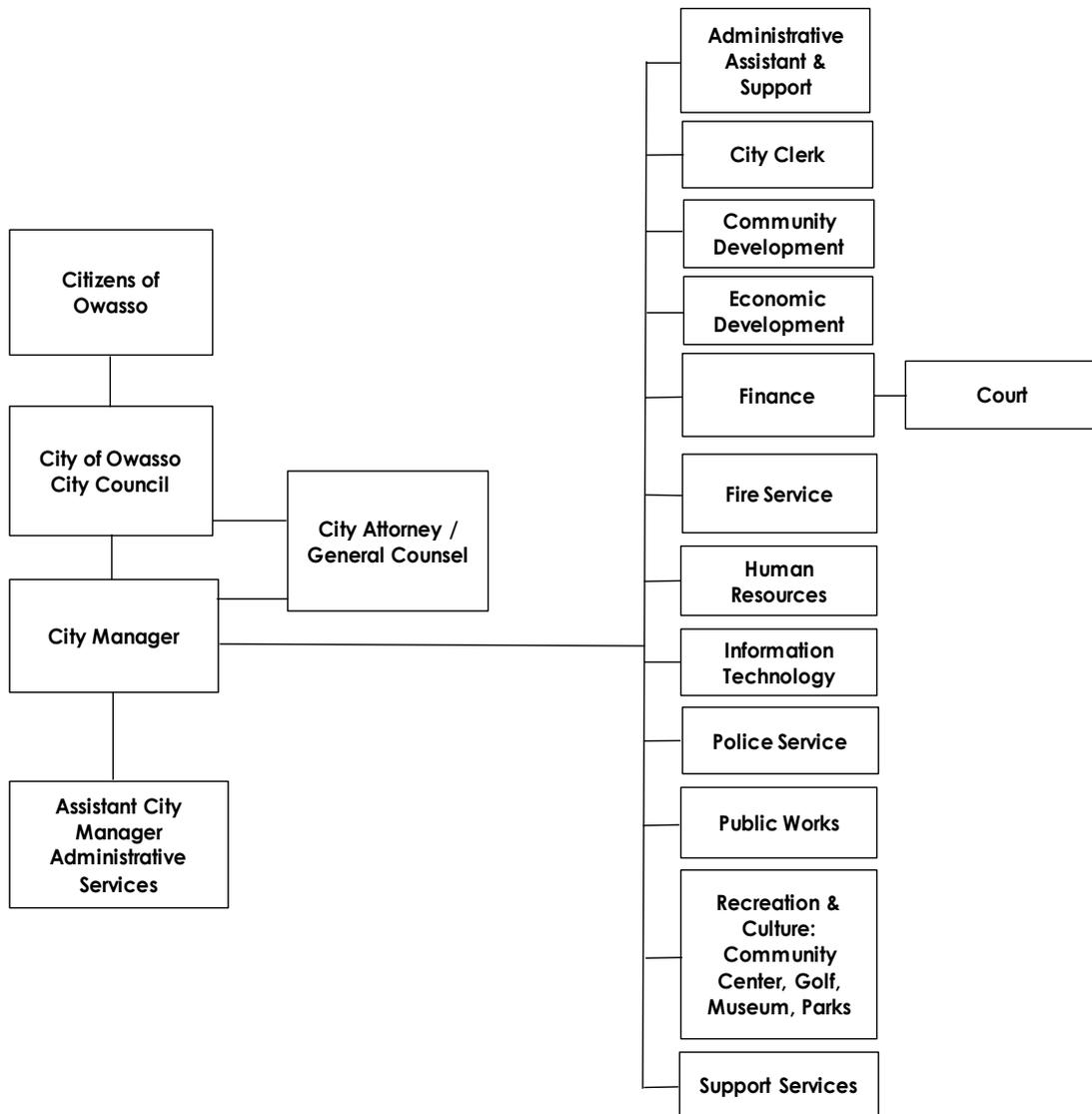
Linda Jones

ASSISTANT DIRECTOR OF FINANCE

Jennifer Newman



ORGANIZATION CHART



FINANCIAL SECTION



RSM US LLP

Independent Auditor's Report

Honorable Mayor and City Council
City of Owasso
Owasso, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Owasso, 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.

Opinion

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Owasso, 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 and half-penny 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 introductory and statistical sections 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 dated November 29, 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
November 29, 2016

Independent Auditor's Report

Honorable Mayor and City Council
City of Owasso
Owasso, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Owasso, 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. 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.

Opinion

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Owasso, 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 and half-penny 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 introductory and statistical sections 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.

The information in the Introductory Section and the Statistical Section has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

RSM US LLP

Oklahoma City, Oklahoma
November 29, 2016

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

Our discussion and analysis of the City of Owasso's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL AND ACTIVITY HIGHLIGHTS

- For the fiscal year ended June 30, 2016, the City's total net position increased by \$17.4 million or 12.71% from the prior year. This was due primarily to contributed infrastructure capital and increased sales and use tax revenues resulting from an increase in the sales tax rate and a growing community and new retailers.
- During the year, the City's expenses for governmental activities totaled \$27.5 million and were funded by program revenues of \$14.9 million and further funded with taxes and other general revenues (net of transfers) that totaled \$28.6 million.
- Total program expenses in the City's business-type activities (utilities and golf course) exceeded revenues by approximately \$2.1 million. This decrease in net position was due primarily to depreciation. The trust authority recognized the need to increase revenues to eliminate the operating loss and adopted a rate structure with 5% to 6% annual rate increases for five-years beginning 10-1-16. These increases will enable the City to address infrastructure needed over the next five years to address a growing population.
- At June 30, 2016, the General Fund reported a total fund balance of \$5.7 million which is an increase of 13.63% from the prior year due primarily to increased sales and use taxes.
- For budgetary reporting purposes, the General Fund reported total resources equal to 100.4% of budget, and expenditures which were \$0.4 million or 1.15% below budget. Expenditures fell below budget largely due to capital purchases not made prior to year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Owasso (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for three categories of activities--governmental, business type, and discretely presented component units. The government-wide financial statements present the complete financial picture of the City from the economic resources management focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt.)

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

REPORTING THE CITY AS A WHOLE--Continued

The Statement of Net Position and the Statement of Activities—Continued

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

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities - The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation, and golf course activities are reported here.

Discretely-presented component units - These account for the activities of the City's reporting entity that do not meet the criteria for blending. The activities of the Owasso Economic Development Authority are presented here.

The financial Statements also include notes that explain some of the information in the statements and provide more detailed data.

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental funds - Most of the City's basic services are reported in governmental funds. Governmental fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net position. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

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

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

NET POSITION

The City's combined net position increased from \$136.6 million to \$153.9 million between fiscal years 2015 and 2016 primarily due to contributed capital, the increase in sales tax rate from 3% to 3.5%, growth in sales subject to sales and use tax (due to new retailers and increased residences) and a reduction in debt outstanding. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$15.9 million while business-type activities increased \$1.4 million. Both FY15 and FY16 reflect negative unrestricted net assets due to implementation of GASB 68 which requires a reflection of the City's \$13.6 million net pension liability in the Statement of Net Position. A comparative, condensed presentation of net position follows (*reported in thousands*).

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>		<u>Total</u> <u>Percentage</u> <u>Change</u>
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
Current and other assets	\$ 19,534	\$ 22,655	\$ 4,059	\$ 3,669	\$ 23,593	\$ 26,324	11.6%
Capital assets, net	<u>93,777</u>	<u>104,480</u>	<u>71,767</u>	<u>70,256</u>	<u>165,544</u>	<u>174,736</u>	5.6%
Total assets	<u>\$ 113,311</u>	<u>\$ 127,135</u>	<u>\$ 75,826</u>	<u>\$ 73,925</u>	<u>\$ 189,137</u>	<u>\$ 201,060</u>	6.3%
Deferred outflows of resources	\$ 1,474	\$ 3,424	\$ 171	\$ 167	\$ 1,645	\$ 3,591	118.3%
Long-term debt outstanding	15,783	16,772	30,905	27,549	46,688	44,321	-5.1%
Other liabilities	<u>1,821</u>	<u>2,679</u>	<u>1,832</u>	<u>1,980</u>	<u>3,653</u>	<u>4,659</u>	27.5%
Total liabilities	<u>\$ 17,604</u>	<u>\$ 19,451</u>	<u>\$ 32,737</u>	<u>\$ 29,529</u>	<u>\$ 50,341</u>	<u>\$ 48,980</u>	-2.7%
Deferred inflows of resources	\$ 3,641	\$ 1,622	\$ 238	\$ 132	\$ 3,879	\$ 1,754	-54.8%
Net Assets							
Net investment in capital assets	93,777	104,330	41,943	44,329	135,720	148,659	9.5%
Restricted	8,464	10,690	2,318	2,093	10,782	12,783	18.6%
Unrestricted	<u>(8,700)</u>	<u>(5,533)</u>	<u>(1,240)</u>	<u>(1,992)</u>	<u>(9,940)</u>	<u>(7,525)</u>	-24.3%
Total net assets	<u>\$ 93,541</u>	<u>\$ 109,487</u>	<u>\$ 43,021</u>	<u>\$ 44,430</u>	<u>\$ 136,562</u>	<u>\$ 153,917</u>	12.7%

A significant portion of net assets (97.6%) consists of net investment in capital assets, e.g., land, building, improvements, equipment, net of related debt. The City uses the capital assets to provide services to citizens; consequently, capital assets are not available for future spending.

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

CHANGES IN NET POSITION

For the year ended June 30, 2016, the change in net position of the primary government (reported in thousands) is shown below. Note that the increase to the net position of Governmental Activities is due primarily to capital contributions and an increase to both sales and use tax revenues as a result of the increase in the rate and growth in the number of retailers and shoppers. Hotel taxes are down due to the change in the Ordinance reducing the number of days of stay for exemption from 90 to 30 days. The decrease in general government and increase in public works is primarily due to reclassification of engineering and cemetery functions to public works. The increase in net position of Business-Type Activities is primarily due to capital contributions of infrastructure.

CITY OF OWASSO
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2015-2016
	2015	2016	2015	2016	2015	2016	
EXPENSES							
General government	\$ 5,128	\$ 4,192	\$ -	\$ -	\$ 5,128	\$ 4,192	-18.3%
Public safety	13,901	15,492	-	-	13,901	15,492	11.4%
Community Develop*	n/a	693	-	-	n/a	693	100.0%
Culture and recreation	1,129	1,250	-	-	1,129	1,250	10.7%
Economic development	328	324	-	-	328	324	-1.2%
Public works	4,698	5,599	-	-	4,698	5,599	19.2%
Stormwater**	983	n/a	-	-	983	n/a	-100.0%
Water	-	-	6,382	7,470	6,382	7,470	17.0%
Sewer	-	-	4,953	5,088	4,953	5,088	2.7%
Sanitation	-	-	1,541	1,588	1,541	1,588	3.0%
Recycle center	-	-	167	115	167	115	-31.1%
Golf	-	-	1,143	1,283	1,143	1,283	12.2%
TOTAL EXPENSES	26,167	27,550	14,186	15,544	40,353	43,094	6.8%
PROGRAM REVENUES							
Charges for services	\$ 4,205	\$ 4,552	\$ 11,549	\$ 12,395	\$ 15,754	\$ 16,947	7.6%
Operating grants and contributions	1,753	3,446	-	-	1,753	3,446	96.6%
Capital grants and contributions	1,042	6,889	526	1,102	1,568	7,991	409.6%
Total program revenues	7,000	14,887	12,075	13,497	19,075	28,384	48.8%
NET REVENUES (EXPENSES)	(19,167)	(12,663)	(2,111)	(2,047)	(21,278)	(14,710)	-30.9%
General revenues							
Sales taxes	\$ 23,840	\$ 28,421	\$ -	\$ -	\$ 23,840	\$ 28,421	19.2%
Use taxes	969	1,129	-	-	969	1,129	16.5%
Franchise and public service taxes	1,237	1,202	-	-	1,237	1,202	-2.8%
Hotel taxes	412	402	-	-	412	402	-2.4%
Intergovernmental	543	601	-	-	543	601	10.7%
Investment income	30	29	22	22	52	51	-1.1%
Miscellaneous	251	259	-	-	251	259	3.2%
TOTAL GENERAL REVENUES	27,282	32,043	22	22	27,304	32,065	17.4%
Changes before transfers	8,115	19,380	(2,089)	(2,025)	6,026	17,355	188.0%
Transfers	(3,777)	(3,434)	3,777	3,434	-	-	0.0%
CHANGE IN NET POSITION	4,339	15,946	1,688	1,409	6,026	17,355	
NET POSITION, BEGINNING	89,202	93,541	41,333	43,021	130,535	136,562	4.6%
NET POSITION, ENDING	\$ 93,541	\$ 109,487	\$ 43,021	\$ 44,430	\$ 136,562	\$ 153,917	12.7%

*Community Development was formally included in the General Government category.

**Stormwater is now included in the Public Works category.

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

Governmental Fund Balances

Governmental Fund Balances (Reported in Thousands)
As of June 30 Year End

<u>Governmental Funds</u>	<u>2015</u>	<u>2016</u>	<u>Change in Fund Balance</u>
General	\$ 5,044	\$ 5,732	\$ 688
Half-Penny Sales Tax	828	3,024	2,196
Capital Improvements	6,627	6,363	(265)
Other Governmental	3,032	3,325	294
Total Governmental Fund Balances	<u>\$15,531</u>	<u>\$18,444</u>	<u>\$2,913</u>

Major Fund Budgetary Statement Highlights

General Fund – The original FY 2016 budget included a conservative 4.7% increase in tax revenues. Actual tax revenues were 7% over the previous year, and final budget was modified to reflect the realized increase. Because the General fund sales tax rate was flat, the increase was due primarily to increases in taxable sales due to new retailers, increased area employment, and increases in housing/residents. Increases in expenditures were primarily due to increased labor costs for both cost-of-living increases and merit pay. The budget also included increased staff in inspections, parks, dispatch, stormwater, and community development. The ending fund balance on a budgetary basis was 16.3% of FY 2017 revenues. The City's targeted General fund balance is 15%.

Half-Penny Fund – In January 2015, voters approved a 0.5% sales tax restricted for police services, fire services, and street projects. In the Half-Penny fund, police funded 7 new officers and financed the purchase of 14 new police cars through a Revenue Anticipation Note in the Owasso Public Works Authority. The Fire department purchased land for the construction of a fourth fire station, fire administrative offices, and a fire/police training facility. The street department engineered street rehabilitation. However, a construction contract was not awarded by yearend thus contributing to an increased fund balance.

Capital Improvements fund – Expenditures fell below budget primarily due to delays in construction dictated by federal requirements, i.e. environmental studies and property condemnation for rights-of-way purchases. Delayed expenditures resulted in an increased fund balance.

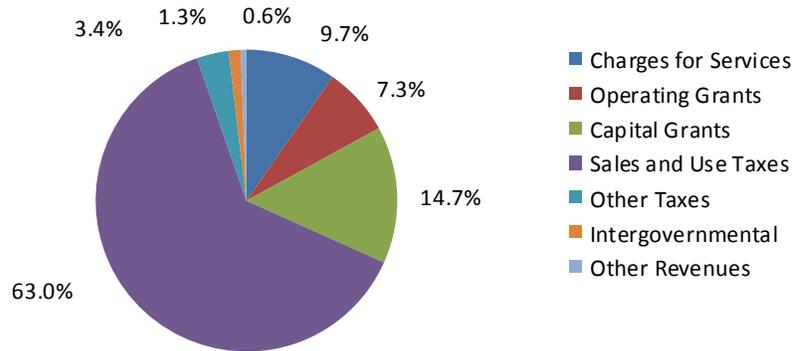
**Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016**

GOVERNMENTAL ACTIVITIES

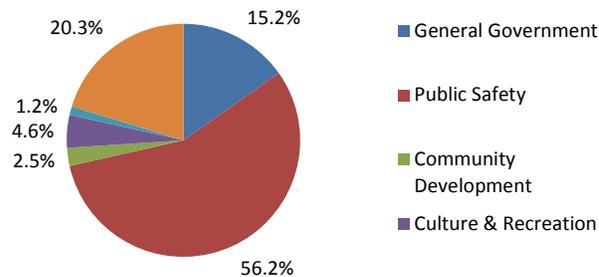
To aid in the understanding of the Statement of Activities on page 2, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended June 30, 2016, the City's governmental activities revenues were funded as follows:

Governmental Activities Sources



Governmental Activities Uses



**Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016**

GOVERNMENTAL ACTIVITIES--Continued

Uses of governmental activities in 2016 were as follows:

For the year ended June 30, 2016, expenses for governmental activities totaled \$27,550,184. Governmental transfers to business-type activities equaled \$3,434,485. Close to \$3 million of the transfers were to fund debt payments for City capital projects such as streets and payback agreements with retailers for reimbursement of infrastructure improvements. The remaining \$0.55 million represents the subsidy of the Municipal golf course. Of the total expenses, taxpayers and other general revenues funded \$32,043,646. Grants and other contributions that directly benefited programs funded \$8,909,897, and charges for services totaled \$4,557,678.

	Charges for Services, Capital and Operating Grants	Total Expense of Services	Net Revenue (Expense) of Services
General government	\$ 4,659,883	\$ 4,191,820	\$ 468,063
Public safety	5,942,451	15,491,968	(9,549,517)
Community development	19,402	693,688	(674,286)
Culture and recreation	778,995	1,249,808	(470,813)
Economic development	10,055	323,521	(313,466)
Public works	3,476,122	5,599,379	(2,123,257)
TOTAL	\$ 14,886,908	\$ 27,550,184	\$ (12,663,276)

BUSINESS-TYPE ACTIVITIES

Net Revenue (Expense) of Business-Type Activities for the year ended June 30, 2016 was as follows:

	Charges for Services, Capital and Operating Grants	Total Expense of Services	Net Revenue (Expense) of Services
Water	\$ 6,864,174	\$ 7,470,264	\$ (606,091)
Wastewater	4,001,749	5,087,913	(1,086,164)
Sanitation	1,910,293	1,588,344	321,949
Recycle center	23,149	115,026	(91,877)
Golf course	697,626	1,283,311	(585,685)
TOTAL	\$ 13,496,991	\$ 15,544,858	\$ (2,047,868)

In reviewing the business-type activities net revenue (expense), it should be noted that total water and wastewater activities reported a combined net loss of \$1,692,699 for the year ended June 30, 2016. It is important to note that weather for FY2016 was particularly wet. Precipitation affects net revenues and expenses in the following ways:

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

BUSINESS-TYPE ACTIVITIES--Continued

- Precipitation reduces the amount of water residents purchase from the City for lawns and gardens thereby reducing water revenue.
- Wastewater is billed based on water usage. Therefore, reduced water usage also reduces wastewater revenue.
- Excessive precipitation drains into the wastewater system increasing processing costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2016, the City had \$174,735,936 invested in capital assets, net of depreciation. (See table below). This represents a net increase of \$9,191,534 or 5.6% over last year. Significant capital assets added this year include \$2 million for emergency radios for public safety personnel, \$1.7 million for street improvements, \$0.6 million for a new fire pumper truck, \$2.7 million for the remodel of a former bank building for use as the new City Hall, \$0.6 million for the purchase of 16 new police cars, \$0.7 million for park improvements, and \$0.35 million for stormwater projects.

City of Owasso Capital Assets						
(Net of accumulated depreciation)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Land	\$ 8,921,267	\$ 12,922,461	\$ 322,519	\$ 322,519	\$ 9,243,786	\$ 13,244,980
Buildings	8,129,212	7,826,369	1,211,521	1,130,195	9,340,733	8,956,564
Improvements	7,444,974	7,323,650	1,674,054	1,579,316	9,119,028	8,902,966
Utilities	-	-	66,951,623	65,450,861	66,951,623	65,450,861
Machinery & Equipment	3,264,989	4,530,229	1,583,100	1,742,908	4,848,089	6,273,137
Infrastructure	53,832,458	53,733,684	-	-	53,832,458	53,733,684
Construction in Progress	12,184,153	18,143,326	24,532	30,418	12,208,685	18,173,744
Totals	<u>\$ 93,777,053</u>	<u>\$ 104,479,719</u>	<u>\$ 71,767,349</u>	<u>\$ 70,256,217</u>	<u>\$ 165,544,402</u>	<u>\$ 174,735,936</u>

See Note 3.E to the financial statements for more detail on the City's capital assets and changes therein.

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION--Continued

Long-Term Debt

At year-end, the City had \$44,321,165 in long-term debt outstanding which represents a \$2,376,120, or (5.1%), decrease from the prior year. In current year, OPWA issued a Revenue Anticipation Note for \$330,000 for the purchase of police vehicles. The reduction is primarily due to principal payments on existing debt. The City's long-term debt by type of debt is as follows:

	Governmental		Business-Type		Total		Percentage
	Activities		Activities				Change
	2015	2016	2015	2016	2015	2016	2015-2016
Accrued absences	\$ 1,139,169	\$ 1,380,487	\$ 79,186	\$ 80,486	\$ 1,218,355	\$ 1,460,973	19.91%
Net OPEB obligation	667,315	798,502	157,651	167,034	824,966	965,536	17.04%
Claims liability	1,161,300	945,542	-	575,358	1,161,300	1,520,900	30.97%
Net Pension liability	12,814,854	13,647,291	-	9,519	12,814,854	13,656,810	6.57%
Capital Lease	-	-	249,422	196,038	-	196,038	100.00%
Deposits subject to refund	-	-	574,360	593,595	574,360	593,595	3.35%
Notes payable, net	-	-	21,591,979	19,669,794	21,591,979	19,669,794	-8.90%
Revenue notes payable	-	-	8,252,519	6,257,519	8,252,519	6,257,519	-24.17%
TOTALS	\$ 15,782,638	\$ 16,771,822	\$ 30,905,117	\$ 27,549,343	\$ 46,687,755	\$ 44,321,165	-5.07%

See Note 3.F. to the financial statements for more detailed information on the City's long-term debt and changes therein.

NEXT YEAR'S BUDGET AND RATES

The budget for fiscal year 2016-2017 was adopted by the City of Owasso City Council on June 21, 2016 and went into effect on July 1, 2016. It included a 3% increase in sales tax collections from the 3 cent General Sales tax and from the new Half-Penny sales tax restricted for streets, fire, and police. The budget furthermore included an additional \$1.5 million for the 55/100ths Vision Recapture sales tax starting January 1, 2017. Cost-of-living increases for all City employees were also incorporated into the FY17 budget, as well as, merit increases for civilian staff. The budget further includes a \$450,000 transfer to the Owasso Public Golf Authority for the purpose of subsidizing the operation and reducing the accumulated deficit. The General fund transfer, along with the payoff of golf course debt, is expected to enable the City to eliminate the accumulated golf course deficit by 2026. While General fund budgetary information is included in this report, persons interested in more in-depth budgetary information can find the full budget document at www.cityofowasso.com/304/finance.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors a general overview of the City's finances and show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's office at 200 S. Main, P. O. Box 180, Owasso, Oklahoma 74055-0180 or phone (918)376-1500.



BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 14,608,762	\$ 1,709,059	\$ 16,317,821	\$ 9,079
Restricted Cash	-	1,771,091	1,771,091	-
Other assets	421,614	285,281	706,895	-
Interest receivable	-	17,992	17,992	-
Accounts receivable, net of allowance	656,010	951,412	1,607,422	-
Court fine receivable, net of allowance	78,683	-	78,683	-
Other receivables	580,683	166,315	746,998	-
Internal balances	1,888,309	(1,888,309)	-	-
Due from other governments	4,396,812	-	4,396,812	-
Prepaid items	24,615	24,978	49,593	-
Inventory	-	80,791	80,791	-
Lease receivable	-	550,000	550,000	-
Capital assets:				
Land and construction in progress	31,065,787	352,937	31,418,724	-
Other capital assets, net of depreciation	73,413,932	69,903,280	143,317,212	-
TOTAL ASSETS	127,135,208	73,924,826	201,060,034	9,079
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on debt refunding	-	11,277	11,277	-
Deferred charges - pension	3,424,117	155,460	3,579,577	-
LIABILITIES				
Accounts payable	1,622,387	519,009	2,141,396	-
Accrued payroll liabilities	797,282	151,941	949,223	-
Accrued interest payable	-	181,984	181,984	-
Retainage payable	150,119	-	150,119	-
Due to other governments	6,158	-	6,158	-
Due to bondholders	18,989	-	18,989	-
Other liabilities	84,010	1,127,205	1,211,215	-
Long-term liabilities, including pension liability:				
Due within one year	1,140,294	4,650,047	5,790,341	-
Due in more than one year	15,631,528	22,899,296	38,530,824	-
TOTAL LIABILITIES	19,450,766	29,529,483	48,980,249	-
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on debt refunding	-	10,898	10,898	-
Deferred inflows - pension	1,435,212	7,754	1,442,966	-
Deferred inflow - ad valorem	186,510	113,490	300,000	-
NET POSITION				
Net investment in capital assets	104,329,600	44,329,283	148,658,883	-
Restricted for:				
Debt service	-	2,092,886	2,092,886	-
General government	146,081	-	146,081	-
Public safety	1,549,147	-	1,549,147	-
Highways and streets	12,541	-	12,541	-
Culture and recreation	837,591	-	837,591	-
Economic development	11,232	-	11,232	-
Stormwater	39,419	-	39,419	-
Capital projects	6,362,565	-	6,362,565	-
Other purposes	1,731,182	-	1,731,182	-
Unrestricted	(5,532,521)	(1,992,231)	(7,524,752)	9,079
TOTAL NET POSITION	\$ 109,486,837	\$ 44,429,938	\$ 153,916,775	\$ 9,079

See accompanying notes to the basic financial statements.

STATEMENT OF ACTIVITIES

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grant and Contributions	Capital Grants and Contributions	Primary Government		Total	Economic Development Authority
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 4,191,820	\$ 655,283	\$ 3,806	\$ 4,000,794	\$ 468,063	\$ -	\$ 468,063	\$ -
Public safety	15,491,968	2,885,417	3,057,034	-	(9,549,517)	-	(9,549,517)	-
Community Development	693,688	19,402	-	-	(674,286)	-	(674,286)	-
Culture and recreation	1,249,808	112,221	-	666,774	(470,813)	-	(470,813)	-
Economic development	323,521	10,055	-	-	(313,466)	-	(313,466)	-
Public Works	5,599,379	869,955	385,081	2,221,086	(2,123,257)	-	(2,123,257)	-
TOTAL GOVERNMENTAL ACTIVITIES	27,550,184	4,552,333	3,445,921	6,888,654	(12,663,276)	-	(12,663,276)	-
Business-type activities:								
Water	7,470,264	5,762,675	-	1,101,499	-	(606,091)	(606,091)	-
Wastewater	5,087,913	4,001,749	-	-	-	(1,086,164)	(1,086,164)	-
Sanitation	1,588,344	1,910,293	-	-	-	321,949	321,949	-
Recycle center	115,026	23,149	-	-	-	(91,877)	(91,877)	-
Golf	1,283,311	697,626	-	-	-	(585,685)	(585,685)	-
TOTAL BUSINESS-TYPE ACTIVITIES	15,544,858	12,395,492	-	1,101,499	-	(2,047,868)	(2,047,868)	-
Total primary government	\$ 43,095,042	\$ 16,947,825	\$ 3,445,921	\$ 7,990,153	(12,663,276)	(2,047,868)	(14,711,144)	-
Component Unit:								
Economic Development	\$ -	\$ -	\$ -	\$ -	-	-	-	-
General Revenues:								
Taxes:								
Sales taxes					28,421,084	-	28,421,084	-
Use taxes					1,128,603	-	1,128,603	-
Franchise and public service taxes					1,201,773	-	1,201,773	-
Hotel taxes					401,791	-	401,791	-
Intergovernmental					601,312	-	601,312	-
Investment income					29,631	21,868	51,499	8
Miscellaneous					259,452	-	259,452	-
Transfers-internal activity					(3,434,485)	3,434,485	(0)	-
Total general revenues and transfers					28,609,161	3,456,353	32,065,514	8
Change in net position					15,945,885	1,408,486	17,354,370	8
Net position-beginning of year					93,540,953	43,021,452	136,562,405	9,071
Net position-end of year					\$ 109,486,837	\$ 44,429,938	\$ 153,916,775	\$ 9,079

See accompanying notes to the basic financial statements.

BALANCE SHEET--GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	General	Half-Penny Sales Tax Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,784,280	\$ 3,117,744	\$ 5,582,591	\$ 3,139,852	\$ 13,624,467
Other assets	59,734	92,925	166,451	72,852	391,962
Receivables:					
Accounts receivable, net of allowance	-	-	-	656,010	656,010
Due from other funds	713,338	-	1,038,681	-	1,752,019
Due from other governments	3,359,991	517,431	-	519,390	4,396,812
Court fines receivable, net of allowance	78,683	-	-	-	78,683
Other receivables	171,202	-	159,671	-	330,873
Advances to other funds	1,542,236	-	-	-	1,542,236
TOTAL ASSETS	\$ 7,709,464	\$ 3,728,100	\$ 6,947,394	\$ 4,388,104	\$ 22,773,062
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 384,476	\$ 203,438	\$ 457,035	\$ 493,305	\$ 1,538,254
Accrued payroll liabilities	285,457	495,280	-	7,080	787,817
Due to other funds	1,149,331	4,890	-	265,523	1,419,744
Due to other governments	6,158	-	-	-	6,158
Deposits payable	18,989	-	-	-	18,989
Retainage payable	-	-	127,794	22,325	150,119
Unearned revenue	8,126	-	-	-	8,126
Other liabilities	75,882	-	-	-	75,882
TOTAL LIABILITIES	1,928,419	703,608	584,829	788,233	4,005,089
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - charges for services	49,752	-	-	274,524	324,276
FUND BALANCE					
Nonspendable - advances to other funds	1,542,236	-	-	-	1,542,236
Restricted for:					
Culture and recreation	-	-	-	814,237	814,237
Public safety	9,633	1,343,505	-	196,009	1,549,147
Capital projects	-	-	6,362,565	-	6,362,565
Other	-	1,680,987	-	50,195	1,731,182
Committed:					
Public safety	-	-	-	941,562	941,562
Culture and recreation	-	-	-	231,978	231,978
Stormwater management	-	-	-	1,091,366	1,091,366
Capital projects	-	-	-	-	-
Assigned:					
Homeowners' Association	-	-	-	-	-
FY16 re-appropriated encumbrances	322,394	-	-	-	322,394
Unassigned	3,857,030	-	-	-	3,857,030
TOTAL FUND BALANCES	5,731,293	3,024,492	6,362,565	3,325,347	18,443,697
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,709,464	\$ 3,728,100	\$ 6,947,394	\$ 4,388,104	\$ 22,773,062

(Continued)

See accompanying notes to the basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

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

Total fund balances- governmental funds	\$ 18,443,697
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 \$58,486,117, and net of capital assets of Internal Service Funds of \$164,763	104,314,956
Certain assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:	
Accounts receivable	324,276
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	
Net position of the Internal Service Fund	276,999
Internal service fund interfund balance resulting from net revenues reported in business-type activities	(49,841)
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Accrued compensated absences, net of Internal Service Funds of \$5,978	(1,374,510)
Net OPEB obligation, net of Internal Service Funds of \$8,148	(790,354)
Net Pension Liability	(13,647,291)
Deferred inflows of resources related to pensions	(1,435,212)
Deferred outflows of resources related to pensions	3,424,117
Net position of governmental activities	\$ 109,486,837
	<u>(Concluded)</u>

See accompanying notes to the basic financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	General Fund	Half-Penny Sales Tax Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 26,700,574	\$ 4,050,886	\$ -	\$ 401,791	\$ 31,153,251
Intergovernmental	997,501	5,000	-	1,020,697	2,023,198
Charges for services	520,624	-	-	2,605,438	3,126,062
Fines and forfeitures	762,656	2,735	-	7,559	772,950
Licenses and permits	235,119	-	159,671	79,581	474,371
Investment income	8,393	6,475	-	6,071	20,939
Miscellaneous	91,365	30,354	-	137,547	259,266
TOTAL REVENUES	29,316,232	4,095,450	159,671	4,258,684	37,830,037
EXPENDITURES					
Current:					
General government	3,798,461	-	-	134,187	3,932,648
Public safety	10,889,847	1,517,361	-	1,570,347	13,977,555
Community Development	700,733	-	-	-	700,733
Culture and recreation	838,979	-	-	-	838,979
Economic development	127,051	-	-	198,393	325,444
Public Works	1,058,141	752,354	-	93,686	1,904,181
Capital outlay	481,865	1,095,703	6,517,239	1,708,472	9,803,279
TOTAL EXPENDITURES	17,895,077	3,365,418	6,517,239	3,705,085	31,482,819
Excess (deficiency) of revenues over expenditures	11,421,155	730,032	(6,357,568)	553,599	6,347,218
OTHER FINANCING SOURCES (USES)					
Transfers in	15,322,948	1,466,320	6,092,667	-	22,881,935
Transfers out	(26,056,518)	-	-	(259,902)	(26,316,420)
TOTAL OTHER FINANCING SOURCES (USES)	(10,733,570)	1,466,320	6,092,667	(259,902)	(3,434,485)
NET CHANGE IN FUND BALANCES	687,585	2,196,352	(264,901)	293,697	2,912,733
FUND BALANCE - BEGINNING OF YEAR	5,043,708	828,140	6,627,466	3,031,650	15,530,964
FUND BALANCE - END OF YEAR	<u>\$ 5,731,293</u>	<u>\$ 3,024,492</u>	<u>\$ 6,362,565</u>	<u>\$ 3,325,347</u>	<u>\$ 18,443,697</u>

(Continued)

See accompanying notes to the basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities:

Net change in fund balances- total governmental funds \$ 2,912,733

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 and amortization expense
to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	9,830,620
Depreciation expense	(5,141,020)
Gain (Loss) on disposal of capital assets	<u>(50,370)</u>
	4,639,230

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

Contributed assets	6,074,270
Pension revenues net of expenses	2,664,330
Deferred inflow	<u>1,087</u>
	8,739,687

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

Accrued compensated absences	(241,946)
Net other post-employment benefit obligation (asset)	<u>(130,381)</u>
	(372,327)

Internal service funds are used by management to charge the costs of
certain activities, such as insurance, to individual funds. The assets and
liabilities of the internal service fund is included in governmental activities
in the Statement of Net Position.

Total change in net position of the internal service fund	76,402
Net revenues of internal service funds reported in business-type activities	<u>(49,841)</u>
	26,561

Change in net position of governmental activities \$ 15,945,884
(Concluded)

See accompanying notes to the basic financial statements.

STATEMENT OF NET POSITION--PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 26,350	\$ 4,390	\$ 30,740	\$ 1,583,232
Other assets	267,238	-	267,238	47,695
Restricted cash and cash equivalents	1,771,091	-	1,771,091	-
Accounts receivable, net of allowance	951,412	-	951,412	-
Other receivables	-	14,307	14,307	401,818
Due from other funds	1,024,358	-	1,024,358	22,194
Due from other governments	-	-	-	-
Prepaid items	10,000	-	10,000	39,593
Inventory	-	80,791	80,791	-
TOTAL CURRENT ASSETS	4,050,449	99,488	4,149,937	2,094,532
NONCURRENT ASSETS				
Restricted Assets:				
Cash and cash equivalents	1,079,382	-	1,079,382	-
Interest receivable	17,992	-	17,992	-
Lease purchase receivable from other governments	550,000	-	550,000	-
Due from other funds	1,474,077	-	1,474,077	-
Land and construction in progress	352,937	-	352,937	-
Other depreciable capital assets, net	69,493,586	409,694	69,903,280	164,763
TOTAL NONCURRENT ASSETS	72,967,974	409,694	73,377,668	164,763
TOTAL ASSETS	\$ 77,018,423	\$ 509,182	\$ 77,527,605	\$ 2,259,295
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on debt refunding	\$ 11,277	\$ -	\$ 11,277	\$ -
Deferred charges - pension	\$ 124,707	\$ 27,100	\$ 151,807	\$ 9,657
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	\$ 422,446	\$ 45,370	\$ 467,816	\$ 135,325
Accrued payroll liabilities	103,683	42,499	146,182	15,224
Interest payable	181,984	-	181,984	-
Contracts and retainage payable	-	-	-	-
Due to other funds	1,047,038	100,000	1,147,038	-
Other liabilities	1,079,244	47,961	1,127,205	-
Current portion of noncurrent liabilities:				
Capital lease obligation	-	55,145	55,145	-
Deposits subject to refund	127,357	-	127,357	-
Notes payable	1,979,068	-	1,979,068	-
Revenue note payable	2,138,366	-	2,138,366	-
Net OPEB obligation	24,434	5,923	30,357	1,481
Incurred but not reported claims	-	-	-	745,241
Accrued compensated absences	30,484	7,345	37,829	2,810
TOTAL CURRENT LIABILITIES	7,134,104	304,243	7,438,347	900,081
NONCURRENT LIABILITIES				
Capital lease obligation	-	140,894	140,894	-
Deposits subject to refund	466,238	-	466,238	-
Due to other funds	-	3,248,101	3,248,101	-
Notes payable, net	17,690,726	-	17,690,726	-
Revenue note payable	4,119,153	-	4,119,153	-
Pension liability	8,131	1,267	9,398	321
Net OPEB obligation	110,008	26,669	136,677	6,667
Incurred but not reported claims	-	-	-	775,659
Accrued compensated absence	34,376	8,282	42,658	3,168
TOTAL NONCURRENT LIABILITIES	22,428,632	3,425,213	25,853,845	785,815
TOTAL LIABILITIES	\$ 29,562,736	\$ 3,729,456	\$ 33,292,192	\$ 1,685,896
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on debt refunding	\$ 10,898	\$ -	\$ 10,898	\$ -
Deferred inflow - pension	\$ 4,581	\$ 2,919	\$ 7,500	\$ 671
Deferred inflow - ad valorem	\$ -	\$ -	\$ -	\$ 300,000
NET POSITION				
Net investment in capital assets	\$ 43,919,589	\$ 409,694	\$ 44,329,283	\$ 164,763
Restricted for:				
Debt service	2,092,886	-	2,092,886	-
Unrestricted	1,563,716	(3,605,788)	(2,042,072)	117,622
TOTAL NET POSITION	\$ 47,576,191	\$ (3,196,094)	\$ 44,380,097	\$ 282,385
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				
			49,841	
Total net position per Government-Wide financial statements			\$ 44,429,938	

See accompanying notes to the basic financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION--PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
OPERATING REVENUES				
Charges for services:				
Water	\$ 5,515,781	\$ -	\$ 5,515,781	\$ -
Wastewater	3,982,260	-	3,982,260	-
Sanitation	1,854,603	-	1,854,603	-
Penalties/late charges	243,203	-	243,203	-
Golf	-	708,076	708,076	-
Recycle	23,149	-	23,149	-
Internal service charges for services	-	-	-	6,502,468
Other	21,392	-	21,392	43,049
TOTAL OPERATING REVENUES	11,640,388	708,076	12,348,464	6,545,517
OPERATING EXPENSES				
Utility billing	409,439	-	409,439	-
Administration	805,018	-	805,018	952,495
Water	4,468,841	-	4,468,841	-
Wastewater treatment plant	1,244,245	-	1,244,245	-
Wastewater collection	631,484	-	631,484	-
Refuse collections	1,001,042	-	1,001,042	-
Recycle center	79,524	-	79,524	-
Golf	-	1,150,353	1,150,353	-
Claims expense	-	-	-	5,141,078
City garage	-	-	-	376,220
Depreciation	3,038,858	132,958	3,171,816	10,834
Other	1,795,592	-	1,795,592	-
TOTAL OPERATING EXPENSES	13,474,043	1,283,311	14,757,354	6,480,627
OPERATING INCOME (LOSS)	(1,833,655)	(575,235)	(2,408,890)	64,890
NONOPERATING REVENUES (EXPENSES)				
Investment income	19,054	-	19,054	11,512
Interest expense and amortization of bond issue costs	(787,503)	-	(787,503)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(768,449)	-	(768,449)	11,512
Net income (loss) before contributions and transfers	(2,602,104)	(575,235)	(3,177,339)	76,402
Capital contributions	1,101,499	-	1,101,499	-
Transfers in- pledged as security for debt	24,370,198	-	24,370,198	-
Transfers in- unpledged	259,902	550,000	809,902	-
Transfers out	(21,745,615)	-	(21,745,615)	-
CHANGE IN NET POSITION	1,383,880	(25,235)	1,358,645	76,402
NET POSITION - BEGINNING	46,192,311	(3,170,859)	43,021,452	205,983
NET POSITION - ENDING	\$ 47,576,191	\$ (3,196,094)	\$ 44,380,097	\$ 282,385
Change in net position per above			1,358,645	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds is reported with business-type activities			49,841	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			\$ 1,408,486	

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS--PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,493,389	\$ 705,076	\$ 12,198,465	\$ 6,502,468
Payments to suppliers	(5,808,072)	(353,973)	(6,162,045)	(5,961,202)
Payments to employees	(2,734,400)	(789,340)	(3,523,740)	(377,116)
Receipts of customer meter deposits	146,592	-	146,592	-
Customer meter deposits refunded or applied	(127,357)	-	(127,357)	-
Other receipts (payments)	(1,254,875)	(58,984)	(1,313,859)	436,399
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,715,277	(497,221)	1,218,056	600,549
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	24,630,100	550,000	25,180,100	-
Transfers to other funds	(21,745,615)	-	(21,745,615)	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,884,485	550,000	3,434,485	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the issuance of debt	330,000	-	330,000	-
Capital lease	-	(53,383)	(53,383)	-
Purchases of capital assets	(561,841)	-	(561,841)	-
Principal paid on capital debt	(4,247,185)	-	(4,247,185)	-
Interest paid on capital debt	(831,600)	-	(831,600)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(5,310,626)	(53,383)	(5,364,009)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	(22,367)	-	(22,367)	(11,298)
Repayment of lease purchase receivable	170,000	-	170,000	-
Investment income received	24,612	-	24,612	11,512
NET CASH PROVIDED BY INVESTING ACTIVITIES	172,245	-	172,245	214
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(538,619)	(604)	(539,223)	600,763
BALANCES - BEGINNING OF YEAR	<u>3,415,442</u>	<u>4,994</u>	<u>3,420,436</u>	<u>982,469</u>
BALANCES - END OF YEAR	<u>\$ 2,876,823</u>	<u>\$ 4,390</u>	<u>\$ 2,881,213</u>	<u>\$ 1,583,232</u>

(Continued)

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS--PROPRIETARY FUNDS--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,833,655)	\$ (575,235)	\$ (2,408,890)	\$ 64,889
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	3,038,858	132,958	3,171,816	10,834
Loss on disposal of capital assets	2,656	-	2,656	-
Change in assets and liabilities:				
Accounts receivables, net	(102,459)	-	(102,459)	-
Other receivables	-	(3,001)	(3,001)	(174,105)
Inventory	-	(345)	(345)	-
Due from other funds	460,315	-	460,315	88,417
Due from other governments	-	-	-	300,000
Net OPEB obligation	6,077	3,306	9,383	806
Net pension liability	(52,536)	(10,667)	(63,203)	(4,000)
Accounts payable	57,509	1,172	58,681	(45,941)
Accrued payroll liabilities	15,830	6,564	22,394	676
Estimated liability for claims	-	-	-	359,600
Customer meter deposits payable	19,235	-	19,235	-
Due to other funds	25,074	(48,317)	(23,243)	-
Other liabilities	77,622	(4,208)	73,414	-
Accrued compensated absences	750	551	1,301	(627)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,715,276</u>	<u>\$ (497,222)</u>	<u>\$ 1,218,054</u>	<u>\$ 600,549</u>
NONCASH ACTIVITIES				
Contributed capital assets	<u>\$ 1,101,499</u>	<u>\$ -</u>	<u>\$ 1,101,499</u>	<u>\$ -</u>
Long-term debt refunded through issuance of new debt	<u>\$ 2,915,000</u>	<u>\$ -</u>	<u>\$ 2,915,000</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - current	\$ 26,350	\$ 4,390	\$ 30,740	\$ 1,583,232
Cash and cash equivalents - restricted current	1,771,091	-	1,771,091	-
Cash and cash equivalents - restricted noncurrent	<u>1,079,382</u>	<u>-</u>	<u>1,079,382</u>	<u>-</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 2,876,823</u>	<u>\$ 4,390</u>	<u>\$ 2,881,213</u>	<u>\$ 1,583,232</u>

(Concluded)

See accompanying notes to the basic financial statements.

**NOTES
TO BASIC
FINANCIAL
STATEMENTS**

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF OWASSO, OKLAHOMA

June 30, 2016

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June 30, 2016

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared as required by generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

1. A--Financial Reporting Entity

The City of Owasso is organized under the laws of the State of Oklahoma and is governed by a five-member elected board. As required by generally accepted accounting principles (GAAP), these financial statements present the primary government and its component units. Blended component units, although legally separate entities, are in substance part of the government's operations.

The City's financial reporting entity is comprised of the following:

Primary government:	City of Owasso
Blended Component Units:	Owasso Public Works Authority Owasso Public Golf Authority
Discretely Presented Component Unit:	Owasso Economic Development Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, and includes all component units for which the City is financially accountable.

Each of these component units is a Public Trust 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 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 of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

Blended Component Units: Blended component units are entities that meet the component unit criteria described above and are, in substance, part of the City's operations, even though they are legally separate entities. These component units' funds are blended into those of the City's by appropriate fund category to comprise the primary government presentation.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1. A--Financial Reporting Entity--Continued

The component units that are blended into the primary governments' fund categories are presented below:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Included Funds</u>
Owasso Public Works Authority	Created January 10, 1973, to finance, develop, and operate the water, wastewater, and refuse disposal facilities. The current City Council serves as entire governing body (Trustees) of the OPWA, and management of the City has operational responsibility for the OPWA. Any issuances of debt would require a three-quarters approval of the City Council.	OPWA Enterprise Fund
Owasso Public Golf Authority	Created August 8, 1989, to acquire, construct, own, maintain, equip, operate, and conduct a golf course and incidental facilities. The current City Council serves as entire governing body (Trustees) of OPGA, and management of the City has operational responsibility for the OPGA. Any issuances of debt would require a three-quarters approval of the City Council.	OPGA Enterprise Fund

Discretely Presented Component Units: Discretely presented component units are separate legal entities whose governing body (in majority) is appointed by the Mayor or City Council, but these entities do not meet the criteria for blending. Since these component units are not as closely associated with the primary government as are blended component units, they are reported in discretely presented columns on the government-wide financial statements labeled "Component Units." The City has one component unit that is discretely presented in the City's report as described below:

Owasso Economic Development Authority (OEDA)	Created October 21, 1987, to promote and encourage development of industry and commerce on behalf of the City. The OEDA governing body is comprised of seven members: one council member of the Beneficiary, one board member of the Chamber of Commerce, and five appointed members. Any issuances of debt would require a two-thirds approval of the City Council.
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The discretely presented and the blended component units of the City do not issue separately audited financial statements.

June 30, 2016

1.B--Basis of Presentation

Government-Wide Financial Statements: The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c) A fund that does not meet the criteria of (a) and (b) but which management has determined is of such significance to be reported as a major fund.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS:

General Fund: The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.B--Basis of Presentation--Continued

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted or committed to expenditure for certain purposes. The reporting entity includes the following special revenue funds:

<u>Funds</u>	<u>Brief Description</u>
Ambulance Service Fund	Accounts for the revenue received from ambulance subscriptions and billings. Allocated revenue is 85% of receipts for ambulance billings and subscriptions.
Emergency Siren Fund	Accounts for the per acre fees received when new subdivisions are platted as required by subdivision regulations. Funds are used for the acquisition and/or purchase of emergency sirens.
Cemetery Care Fund	Accounts for 12.5% of revenue from cemetery service fees (lot sales and interments). These funds may only be used for capital improvements to the cemetery.
Emergency 911 Fund	Accounts for the revenue received from the emergency service fee on telephone bills. Funds are used to pay monthly service charges for the 911 system. Remaining funds may be used for any other emergency communications need.
Juvenile Court Fund	Accounts for fines generated as a result of prosecution of juveniles under the "Agreement for Municipal Court Jurisdiction Concerning Juveniles." Funds are used for local programs that address problems of juvenile crime.
Hotel Tax Fund	Accounts for a 3% hotel tax to be used in economic development and promotion of tourism and a 2% hotel tax designated to fund the Owasso Strong Neighborhoods Initiative.
Stormwater Management Fund	Established by ordinance to account for revenues derived from the storm water system service charge. Funds are used for expenses attributable to storm water management services.
Half-Penny Sales Tax Fund	Accounts for half-penny sales tax revenue. Funds are restricted to operational or capital expenditures for Police, Fire, and Streets functions. Fire and Police each receive 35% of the revenue and Streets receives 30% of the revenue.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.B--Basis of Presentation--Continued

Capital Project Funds: Capital Project Funds are used to account for resources restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

<u>Funds</u>	<u>Brief Description</u>
Capital Improvement Fund	Accounts for the funds remaining from the one-cent capital improvements sales tax after payment of principal and interest on debt to fund capital projects. The expenditure items in this budget are based on priorities and recommendations established by the capital improvements committee and approved by the City Council.
Ambulance Capital Fund	Accounts for the fifteen percent (15%) of revenue from ambulance billings and subscriptions. Expenditures are for ambulance capital outlay for ambulance service.
Public Safety Capital Fund	Accounts for 41.4% of the revenue received from ambulance subscriptions billed prior to April 1, 2015. Expenditures are for capital outlay for the fire and police departments.
Capital Project Grant Fund	Accounts for grant revenue from state and federal grants. Funds are used for capital improvements as specified in grant contracts.
Park Development Fund	Accounts for revenue received from building permit charges required by ordinance as in-lieu-of payments in subdivisions that do not donate park property. Funds are used for improvements to and development of the park system.

Debt Service Fund: The debt service fund accounts for ad-valorem taxes levied by the City for use in retiring judgments and their related interest expense. Issuance of General Obligation debt requires voter approval. The City neither has any outstanding General Obligation debt nor voter approval to issue General Obligation debt.

Proprietary Funds: Proprietary funds include both 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 and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues and expenses, such as charges for services and costs, and depreciation on capital assets, result from exchange transactions associated with the principal activity of the fund. Non-operating revenues and expenses of the proprietary funds include such items as investment earnings, interest expense and subsidies. The reporting entity includes the following enterprise funds and internal service funds:

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.B--Basis of Presentation--Continued

Enterprise Funds:

<u>Funds</u>	<u>Brief Description</u>
Owasso Public Works Authority	Accounts for activities of the public trust in providing water, wastewater and refuse disposal services to the public.
Owasso Public Golf Authority	Accounts for activities of the public trust in providing recreational golf activities to the public.

Internal Service Funds:

<u>Funds</u>	<u>Brief Description</u>
City Garage Fund	Accounts for the financing of goods and services provided by one department to other departments of the City. The city garage bills for vehicle parts and services used by other departments.
General Liability / and Property Self-Insurance	Accounts for the funds reserved for payments of expenses of property claims and for collision repairs to city vehicles. The City carries only liability insurance on City vehicles.
Worker's Comp Self-Insurance	Accounts for the funds reserved for the payment of expenses and administration for workers' compensation benefits for all City employees. Expenditures from this fund are approved by the City Council but, by ordinance, are not subject to limitations on spending amounts as are other City purchases.
Healthcare Self-Insurance	Accounts for the funds reserved for the payment of expenses and administration for healthcare benefits for all City employees. The Plan is administered by a third-party administrator.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.B--Basis of Presentation--Continued

Major and Non-Major Funds: The funds are further classified as major or non-major as follows:

Major Funds

General Fund
Capital Improvement Fund
Half-Penny Sales Tax Fund

Enterprise Funds:

Owasso Public Works
Authority

Owasso Public Golf
Authority

Non-Major Funds

Special Revenue Funds:

Ambulance Service Fund
Emergency Siren Fund
Cemetery Care Fund
Emergency 911 Fund
Juvenile Court Fund
Hotel Tax Fund
Stormwater Management Fund

Capital Project Funds:

Ambulance Capital Fund
Public Safety Capital Fund
Capital Projects Grants Fund
Park Development Fund

Debt Service Fund

Internal Service Funds:

City Garage Fund
General Liability / Property
Self-Insurance Fund
Workers' Comp Self-Insurance Fund
Health Care Self-Insurance Fund

1.C--Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus: On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item 2, below.

June 30, 2016

1.C--Measurement Focus and Basis of Accounting--Continued

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental fund types and similar component units utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. Proprietary fund types and similar component units utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting: In the government-wide statement of net position and statement of activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (defined by the City as 60 days after year end) to pay current liabilities. Sales and use taxes, franchise taxes, hotel taxes, court fines, and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and capital leases are reported as other financing sources.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset is used.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents: Cash and cash equivalents include all demand, savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less at the date of purchase.

Restricted Cash: Includes revenue bond and promissory note trust account investments in open-ended mutual fund shares reported at the funds' amortized cost.

Other Assets: Other assets consist of Owasso Public Works Authority purchase of the revenue anticipation notes. The amounts recorded represent the amounts owed on the revenue anticipation notes plus any related accrued interest.

Receivables: Material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are reported as deferred inflows of resources at the fund level. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level.

Material receivables in proprietary funds 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 for governmental and proprietary funds are based upon historical trends and the periodic aging of accounts receivable.

Inventories: The City has chosen to record consumable materials and supplies as expenditures in the governmental funds at the time of purchase, and year-end inventory on-hand is not material; therefore, no balances for inventory on-hand are reported on the balance sheet for such funds. However, in the Owasso Public Golf Authority, the golf pro shop and food/beverage inventory is recorded as an asset when purchased and expensed when consumed. Such inventory is valued at the lower of cost or market. No inventory is kept on hand for the Owasso Public Works Authority.

Capital Assets: The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

Capital Asset--Continued:

Government-Wide and Proprietary Fund Statements: In the government-wide and proprietary fund financial statements, property, plant, and equipment are accounted for as capital assets. The City's capitalization threshold is \$5,000. All interest expense paid on debt for construction in progress is capitalized. For FYE 2016, there was no interest capitalized in Owasso Public Works Authority. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002 are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the assets or extend the assets' useful lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an operating expense in the Government Wide and proprietary fund financial statements and an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follow:

Buildings	50 years
Other improvements	10-50 years
Infrastructure	15-50 years
Equipment and vehicles	5-10 years

Governmental Fund Financial Statements: In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Restricted Assets: Restricted assets include current assets of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to revenue bond and promissory note trustee accounts restricted for debt service and deposits held for refund.

Unearned Revenue: Revenue received prior to being earned is recorded as unearned revenue. Currently, the City's unearned revenue consists of golf course gift certificates outstanding and sales of patron cards for which cash was received during the current fiscal year but the service/goods were not yet used for their intended purpose.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

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

Government-Wide Statements: All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund, and component unit resources are reported as liabilities incurred. The long-term debt consists primarily of accrued compensated absences; capital leases payable, notes payable, and revenue bonds payable. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Fund Financial Statements: Long-term debt of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds and premiums are reported as other financing sources. Discounts are reported as other financing uses. Bond issuance costs are expensed as incurred, and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences: After a six-month probationary period, all regular full-time and part-time employees are granted vacation benefits in amounts from 80 hours to 160 hours per year depending upon tenure with the City, with a maximum accumulation of 200 hours. After a twelve-month probationary period, police officers are granted vacation benefits in amounts from 96 hours to 216 hours per year depending upon tenure with the City, with a maximum accumulation of 500 hours. Firefighters accrue 144 vacation hours a year during the first year of employment; after a twelve-month probationary period, firefighters are granted vacation benefits in amounts from 264 hours to 384 hours per year depending upon tenure with the City, with a maximum accumulation of 504 hours. All vacation benefits accumulate pro rata on a monthly basis. Accumulated vacation leave vests, and the City is obligated to make payment even if the employee terminates.

Regular full-time and part-time employees accrue 96 hours of sick leave per year up to a maximum of 1,000 hours. Police officers accrue 111 hours of sick leave per year up to a maximum of 1,105 hours. Firefighters accrue 216 hours of sick leave per year up to a maximum of 1,440 hours. Sick leave benefits accumulate pro rata on a monthly basis. However, sick leave is not paid upon termination.

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary, fiduciary, and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial 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 as such will not be recognized as an outflow of resources (expense/expenditure) until then. Both the entity-wide and proprietary fund statements of net position include the following items that are reported as a deferred outflow of resources: deferred charges on the pension liability and deferred charges on debt refundings. A deferred charge on debt 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.

In addition to liabilities, the statement of financial position 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 so will not be recognized as an inflow of resources (revenue) until that time. Both the entity-wide and proprietary fund statements of net position include the deferred gain on debt refunding and the deferred gain on pension as items that are reported as deferred inflows. A deferred gain 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.

Deferred outflow/inflow of resources occur in relation to pension obligations when contributions are made subsequent to the measurement date, when investment earnings come in higher or lower than anticipated, when there is a change in the City's proportionate share, when there is a change in assumptions, and when experience varies from actuarial assumptions.

The governmental fund balance sheet also includes unavailable revenue, which is reported as a deferred inflow of resources only under the modified accrual basis of accounting. The unavailable revenue from charges for services, such as court fines and ambulance receivable not collected within sixty days of fiscal year-end, is deferred and recognized as an inflow of resources until the period in which the amounts become available.

June 30, 2016

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

Equity Classifications:

Government-Wide and Proprietary Fund Financial Statements: Equity is classified as net position and 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 unspent bond proceeds and the outstanding balances of any bond, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.
- b) Restricted net position - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy first to use restricted resources prior to the use of unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Governmental Fund Financial Statements: Governmental fund equity is classified as fund balance. Fund balances of the government funds are classified as follows:

- a) Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- b) Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision making authority (ordinance).
- c) Assigned - Includes fund balance amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be stipulated either through the governing body or by the City Manager to whom the authority has been given by City council action. As of June 30, 2016, the assigned balance includes amounts received by a Homeowners' Association and encumbrances not liquidated by yearend.
- d) Unassigned - Includes the residual balance of the general fund that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that can have positive unassigned balance.

June 30, 2016

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 and balances, 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 receivables 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 as interfund transfers in the fund financial statements 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 (the City, OPWA, and OPGA) and the discretely-presented component unit (the Owasso Economic Development Authority) are reported as if they were external transactions.

Fund Financial Statements: Interfund activity, if any, within and among the governmental, proprietary, and fiduciary 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. Interfund loans with repayment periods longer than one year are considered long term advances while the current portion of interfund payables are repayable within one year.
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.

June 30, 2016

1. F--Revenues, Expenditures, and Expenses

Sales Tax: In January 2015, citizens of Owasso voted to increase the 3 percent sales tax to 3.5 percent effective April 1, 2015. The additional half penny is restricted by Ordinance to spending on police, fire, and street functions. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Oklahoma Tax Commission. The original 3 percent sales tax is recorded as revenue within the General Fund. The additional half-penny tax is recorded as revenue within the Half-Penny Sales Tax Fund. Upon receipt the General Fund distributes the 3 percent recognized by the fund:

- 3 cents transferred to the OPWA as required by revenue bond indentures; with
 - 1 cent used to retire principal and interest on OPWA debt and the 96th St. N./129th E. Ave. infrastructure payback agreement with any remaining sales tax transferred to Capital Improvement Fund, followed by
 - 2 cents less all other infrastructure payback agreements is transferred back to the General Fund from the OPWA for operations

Sales tax resulting from sales occurring prior to yearend and received by the City after yearend has been accrued and is included under the caption *Due from Other Governments* because they represent taxes on sales occurring during the reporting period.

In January 2016, citizens of Owasso voted to increase the 3.5 percent sales tax to 4.05 percent effective January 1, 2017. The additional 0.55 percent will be restricted to street capital projects.

Property Tax: Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. At the present time, the City only collects property taxes levied by the county for court-assessed judgments.

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

General government	Cemetery lot sales and internments, zoning fees, other fees, licenses, and permits
Public safety	Fine and forfeiture revenue, court costs and fees, police and fire reports; operating and capital grants include U.S. Department of Justice and Federal Emergency Management Agency grants
Highways and streets	Surcharge for streets; operating and capital grants, and contributions from the U.S. Department of Housing and Urban Development, motor fuel and commercial vehicle revenues, and capital contributions from outside sources
Culture and recreation	Park development fees and community center user fees
Economic development	Surcharge for economic development

June 30, 2016

1. F--Revenues, Expenditures, and Expenses--Continued

Stormwater Stormwater system service charges

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Expenditures/Expenses: In the government-wide statement of activities, 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 proprietary fund financial statements, expenses are reported by object or activity.

1.G--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.H--Pensions

For purposes of measuring the net pension asset, 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), Oklahoma Police Pension & Retirement System (OPPRS), and Oklahoma Municipal Retirement Fund (OMRF), and additions to/deductions from OFPRS, OPPRS and OMRF's fiduciary net position have been determined on the same basis as they are reported by OFPRS, OPPRS and OMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by these funds are reported at fair value.

1.I--New Accounting Pronouncements

The City adopted the following new accounting pronouncement during the year ended June 30, 2016:

- *Statement No. 72 Fair Value Measurement and Application*, 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 had no material impact on the City as the City does not carry any investments that were impacted by this standard.

June 30, 2016

1.1--New Accounting Pronouncements—Continued

- *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* is effective for fiscal years beginning after June 15, 2016. This Statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement 68 (generally, plans not administered through trusts) as well as for the assets accumulated for purposes of providing those pensions. It also clarifies the application of certain provisions of Statements 67 and 68. The implementation of this standard had no material impact on the City.
- *Statement No. 76 Hierarchy of GAAP for State and Local Governments*, is effective for fiscal periods beginning after June 15, 2015. This Statement simplifies the GAAP hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment of a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this standard had no material impact on the City.
- *Statement No. 82 Pension Issues*, addresses the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviation from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of pension payments made by employers to satisfy employee (plan member) contribution requirements. Though required for fiscal years beginning after June 15, 2016, the City elected to implement early and apply to the June 30, 2016, Comprehensive Annual Financial Report. The implementation of this standard had no material impact on the City.

NOTE 2--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. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

2.A--Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, or certain letters of credit.

As required by 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2016.

June 30, 2016

2.A--Deposits and Investments Laws and Regulations – continued

Investments of the City are limited by state law to the following:

- a) Direct obligations of the U.S. Government, its agencies, and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged. Agency securities are not explicitly guaranteed by the U.S. Government, however, there is an implicit guarantee on these securities.
- b) Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c) With certain limitations, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper, and repurchase agreements with certain limitations.
- d) County, municipal, or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
- e) Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f) Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts created under O.S. Title 60, are restricted by policy to the above noted investment limitations.

2.B--Debt Restrictions and Covenants

General Long-Term Debt: As required by the Oklahoma State Constitution, the City, (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2016, no such debt was incurred by the City.

Revenue Bond and Promissory Note Debt: The various bond and note indentures relating to the revenue bond and promissory note issuances of the OPWA contain a number of restrictions or covenants that are financial related.

These include covenants, such as a required flow of funds through special accounts, required reserve account balances, and revenue bond debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the OPWA's level of compliance thereon as of June 30, 2016.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

2.B--Debt Restrictions and Covenants - continued

Requirement	Level of Compliance
a. Reserve Account Requirement	
1. 1999B OWRB Note Payable: Balance to be \$38,000	Balance in account at June 30, 2016 is \$38,004
2. 2001B OWRB Note Payable: Balance to be \$125,500	Balance in account at June 30, 2016 is \$125,529
3. 2001C OWRB Note Payable: Balance to be \$68,000	Balance in account at June 30, 2016 is \$68,016
4. 2006 OWRB Note Payable: Balance to be \$386,500	Balance in account at June 30, 2016 is \$386,590
5. 2010 OWRB Note Payable: Balance to be \$65,500	Balance in account at June 30, 2016 is \$65,552
6. 2012A OWRB Note Payable: Balance to be \$100,500	Balance in account at June 30, 2016 is \$104,121
7. 2013 DW OWRB Note Payable: Balance to be \$125,500	Balance in account at June 30, 2016 is \$291,570
b. Revenue Bond Coverage:	
1. Net operating revenue for OPWA and OPGA plus pledged sales tax must generate an amount annually equal to 125% of annual principal and interest requirements on the 1999A, 1999B, 2001A, 2001B, 2001C, 2002A, 2006, 2009B, 2009C, 2010, 2011, 2012A, and 2013 SRF OWRB Notes and the & 2013 Utility and Sales Tax Revenue Note.	Net revenues available, including sales tax transferred, amounted to \$18,760,776. The annual principal and interest on the bonds and any subordinate debt amounted to \$3,948,560. Actual coverage was 475%.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

2.C--Fund Equity/Net Position Restrictions

Deficit Prohibition: 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). For the year ended June 30, 2016, the City had no deficit fund balances.

NOTE 3--DETAIL NOTES--TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A--Deposit and Investment Risks

Primary Government: The City, including its blended component units, held the following deposits and investments at June 30, 2016:

	<u>Carrying Value</u>	<u>Amortized Cost</u>	<u>Credit Rating</u>	<u>Maturity Date</u>
Deposits				
Demand deposits	\$ 15,832,034			
Total Deposits	<u>15,832,034</u>			
Investments				
Money Market Mutual Funds				
Federated Government Obligations				Less than one year
Tax-Managed Fund	<u>2,256,879</u>		AAAm	
Total Investments	<u>2,256,879</u>			
Total Deposits and Investments	<u>\$ 18,088,913</u>			
Reconciliation to Statement of Net Assets				
Cash and cash equivalents	\$ 18,088,913			
	<u>\$ 18,088,913</u>			

Amounts shown as investments above are classified as cash equivalents in the Statement of Net Position. These money market investments are measured at amortized cost as opposed to their fair value as they have maturity dates of less than one year.

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.

June 30, 2016

3.A--Deposit and Investment Risks - Continued

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 least at a level of 100% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma. As required by federal 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

The bank balances of the City's deposits totaled \$15,705,741 at June 30, 2016. The difference between the carrying amount of deposits and the bank balance is due to outstanding checks and deposits. As of June 30, 2016, the City was not exposed to custodial credit risk due to uninsured and uncollateralized deposits.

Investment Credit Risk: The City's investment policy limits investments to those allowed in state law applicable to municipalities. These investment limitations are described in Note 2.A. Credit risk is the risk that an issuer or other counterparty 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 explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

As noted in the schedule of deposits and investments above, at June 30, 2016, the City's investments in the money market fund was rated AAAM by Standard and Poor's.

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 discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

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. At June 30, 2016, the City had no concentration of credit risk as defined above.

Discreet Component Units: Total bank deposits of \$9,079 of the discretely presented component unit were insured with Federal Deposit Insurance Corporation Insurance. Total carrying value of the deposits was \$9,079.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.B--Accounts Receivable

Accounts receivable outstanding at June 30, 2016 consist of the following:

	Governmental Activities			
	Utility Billing	Fire and Emergency Service Billings	Hotel Taxes Due	Total
Accounts receivable	\$ 80,228	\$ 1,113,801	\$ 36,060	\$ 1,230,089
Allowance for uncollectible accounts	-	(574,079)	-	(574,079)
Accounts receivables, net	<u>\$ 80,228</u>	<u>\$ 539,722</u>	<u>\$ 36,060</u>	<u>\$ 656,010</u>

	Business-Type Activities		
	Utility Billing	Golf Billing	Total
Accounts receivable	\$ 1,517,104	\$ -	\$ 1,517,104
Allowance for uncollectible accounts	(565,692)	-	(565,692)
Accounts receivables, net	<u>\$ 951,412</u>	<u>\$ -</u>	<u>\$ 951,412</u>

3.C--Other Receivables

Other receivable outstanding at June 30, 2016 consist of the following:

	Governmental Activities			
	Advalorem Taxes	Sewer Assessment	Franchise Fees	Total
Other receivables	\$ 249,810	\$ 159,671	\$ 171,202	\$ 580,683
Allowance for uncollectible accounts	-	-	-	-
Accounts receivables, net	<u>\$ 249,810</u>	<u>\$ 159,671</u>	<u>\$ 171,202</u>	<u>\$ 580,683</u>

	Business-Type Activities		
	Advalorem Taxes	Golf Misc & Deposits	Total
Other receivables	\$ 152,008	\$ 14,307	\$ 166,315
Allowance for uncollectible accounts	-	-	-
Accounts receivables, net	<u>\$ 152,008</u>	<u>\$ 14,307</u>	<u>\$ 166,315</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.D--Leasehold Receivables

During the year ended June 30, 2007, the City, through the Owasso Public Works Authority, entered into a lease purchase agreement with the Board of Education of Independent School District No. 9 (Owasso Public Schools) to acquire land owned by the City. Under the terms of the agreement, Owasso Public Schools agrees to pay to the City annual rental payments for the use of the land, and upon receipt of the annual payment, the City will transfer title equal to 1/12th of the tracts of land to Owasso Public Schools. The agreement is dated as of December 1, 2006, and the annual payments are due each August 15, beginning August 15, 2007, and commencing through August 15, 2018.

The minimum lease payments due under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 175,000	\$ 21,588	\$ 196,588
2018	185,000	14,719	199,719
2019	190,000	7,458	197,458
Total	<u>\$ 550,000</u>	<u>\$ 43,764</u>	<u>\$ 593,764</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.E--Restricted Assets

The amounts reported as restricted assets of the business-type activities are comprised of cash and investments held by the trustee bank on behalf of the Public Trusts (Authorities) related to their required revenue bond and promissory note accounts as described in Note 2.B and deposits held for refund.

The restricted assets as of June 30, 2016 were as follows:

<u>Restricted Cash and Cash Equivalents</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Accrued Interest</u>
1999B Promissory Note Accounts:			
Debt Service Account	\$ 33,408	\$ -	\$ -
Reserve Account	-	38,004	-
2001B Promissory Note Accounts:			
Debt Service Account	110,157	-	-
Reserve Account	-	125,529	-
2001C Promissory Note Accounts:			
Debt Service Account	59,630	-	-
Reserve Account	-	68,016	-
2006 Promissory Note Account			
Debt Service Account	25	-	-
2006 Revenue Note Trustee Accounts			
Reserve Fund	-	386,590	-
2008 f Revenue Note Trustee Accounts			
Debt Service Account	100,312	-	-
2009B Revenue Note			
Debt Service Account	223,890	-	-
2009C Revenue Note Account:			
Debt Service Account	70,133	-	-
2010 Promissory Note			
Debt Service Account	59,130	-	-
Reserve Account	-	65,552	-
2011 Promissory Note Accounts:			
Debt Service Account	57,513	-	-
2012A Promissory Note Accounts:			
Debt Service Account	275,384	-	-
Reserve Account	-	104,121	-
2013 DW Promissory Note Accounts:			
Debt Service Account	86,398	-	-
Reserve Account	-	291,570	-
2013 RC Promissory Note Accounts:			
Debt Service Account	101,516	-	-
Accrued interest receivable (all accounts)	-	-	17,992
Deposits held for refund	593,595	-	-
TOTAL RESTRICTED ASSETS	<u>\$ 1,771,091</u>	<u>\$ 1,079,382</u>	<u>\$ 17,992</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.F--Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	July 1, 2015	Additions	Disposals/ Reductions	June 30, 2016
Governmental activities:				
Non-depreciable:				
Land	\$ 8,921,267	\$ 4,001,194	\$ -	\$ 12,922,461
Construction in-progress	<u>12,184,153</u>	<u>7,821,955</u>	<u>(1,862,782)</u>	<u>18,143,326</u>
Total non-depreciable assets at historical cost	<u>21,105,420</u>	<u>11,823,149</u>	<u>(1,862,782)</u>	<u>31,065,787</u>
Depreciable:				
Buildings	11,312,406	20,301	-	11,332,707
Improvements	11,011,046	407,115	-	11,418,161
Machinery and equipment	11,126,101	2,127,236	(637,018)	12,616,319
Infrastructure	<u>93,344,551</u>	<u>3,389,871</u>	<u>-</u>	<u>96,734,422</u>
Total depreciable assets at historical cost	<u>126,794,104</u>	<u>5,944,523</u>	<u>(637,018)</u>	<u>132,101,609</u>
Less: accumulated depreciation:				
Buildings	(3,183,194)	(323,145)	-	(3,506,339)
Improvements	(3,566,072)	(528,439)	-	(4,094,511)
Machinery and equipment	(7,861,112)	(811,628)	586,648	(8,086,092)
Infrastructure	<u>(39,512,093)</u>	<u>(3,488,642)</u>	<u>-</u>	<u>(43,000,735)</u>
Total accumulated depreciation	<u>(54,122,471)</u>	<u>(5,151,854)</u>	<u>586,648</u>	<u>(58,687,677)</u>
Net depreciable assets	<u>72,671,634</u>	<u>792,669</u>	<u>(50,370)</u>	<u>73,413,932</u>
Governmental activities capital assets, net	<u>\$ 93,777,053</u>	<u>\$ 12,615,818</u>	<u>\$ (1,913,152)</u>	<u>\$ 104,479,719</u>
Business-type activities:				
Non-depreciable:				
Land	\$ 322,519	\$ -	\$ -	\$ 322,519
Construction-in-progress	<u>24,532</u>	<u>27,168</u>	<u>(21,282)</u>	<u>30,418</u>
Total non-depreciable assets at historical cost	<u>347,051</u>	<u>27,168</u>	<u>(21,282)</u>	<u>352,937</u>
Depreciable:				
Buildings	2,798,411	13,335	-	2,811,746
Improvements	3,580,157	-	-	3,580,157
Machinery and equipment	4,202,033	556,060	(41,736)	4,716,357
Infrastructure	<u>98,716,117</u>	<u>1,122,780</u>	<u>-</u>	<u>99,838,897</u>
Total depreciable assets at historical cost	<u>109,296,718</u>	<u>1,692,175</u>	<u>(41,736)</u>	<u>110,947,157</u>
Less: accumulated depreciation:				
Buildings	(1,586,890)	(94,660)	-	(1,681,550)
Improvements	(1,906,103)	(94,737)	-	(2,000,840)
Machinery and equipment	(2,618,933)	(358,875)	4,359	(2,973,449)
Infrastructure	<u>(31,764,494)</u>	<u>(2,623,544)</u>	<u>-</u>	<u>(34,388,038)</u>
Total accumulated depreciation	<u>(37,876,420)</u>	<u>(3,171,816)</u>	<u>4,359</u>	<u>(41,043,877)</u>
Net depreciable assets	<u>71,420,298</u>	<u>(1,479,641)</u>	<u>(37,377)</u>	<u>69,903,280</u>
Business-type activities capital assets, net	<u>\$ 71,767,349</u>	<u>\$ (1,452,473)</u>	<u>\$ (58,659)</u>	<u>\$ 70,256,217</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.F--Capital Assets--Continued

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charged to governmental activities:

General government	\$ 292,882
Public safety	696,821
Community development	5,496
Culture and recreation	422,027
Economic development	3,371
Public works	<u>3,720,423</u>
Sub-total	5,141,020

In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets	<u>10,834</u>
Total Governmental Activities Depreciation Expense	<u>\$ 5,151,854</u>

Depreciation expense charged to business-type activities:

Water	\$ 1,012,019
Refuse	164,358
Wastewater	1,857,608
Recycle center	4,873
Golf course	<u>132,958</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 3,171,816</u>

On December 17, 2014, OPGA entered into a lease-purchase agreement with VGM Financial Services, a division of TCF National Bank for mowers to be used at the Bailey Ranch Golf Course. The lease was recorded as a capital lease with the addition of machinery in the amount of \$279,772, an interest rate of 3.25% and a term of 60 months. Payment for principal and interest are due monthly. The net book value of the assets acquired under this agreement are \$195,840 as of June 30, 2016.

The minimum lease payments due under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 55,145	\$ 5,555	\$ 60,699
2018	56,964	3,736	60,699
2019	58,843	1,856	60,699
2020	25,087	204	25,291
Total	<u>\$ 196,039</u>	<u>\$ 11,351</u>	<u>\$ 207,389</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.G--Long Term Debt

Business-Type Activities Long-Term Debt: As of June 30, 2016, the long-term debt payable from enterprise fund resources consisted of the following:

Enterprise Funds

Notes Payable:

1999A OWRB Note Payable, dated June 30, 1999, original amount of \$931,610 with an administration fee of 0.5%, semiannual installments of principal and administration fee, final maturity August 15, 2018.	\$ 119,437
1999B OWRB Note Payable, dated June 30, 1999, original amount of \$570,000 with fixed serial interest rates, ranging between .695% to 3.795%, annual installments of principal and semi-annual interest, final maturity September 1, 2019.	158,300
2001A OWRB Note Payable, dated June 27, 2001, original amount of \$1,029,535 with an administration fee of 0.5%, semiannual installments of principal and administration fee, final maturity February 15, 2021.	257,384
2001B OWRB Note Payable, dated June 27, 2001, original amount of \$1,805,000 with fixed serial interest rates, ranging between .695% to 3.795%, annual installments of principal and semi-annual interest, final maturity September 1, 2019.	523,300
2001C OWRB Note Payable, dated June 27, 2001, original amount of \$1,005,000 with fixed serial interest rates, ranging between .695% to 3.795%, annual installments of principal and semi-annual interest, final maturity September 1, 2019.	283,400
2002A OWRB Note Payable, dated December 30, 2002, original amount of \$886,418 with an administration fee of 0.5%, semiannual installments of principal and administration fee, final maturity August 15, 2022.	288,086
2006 Promissory Note Payable, Afor land, dated December 14, 2006, original amount of \$1,865,000 with an interest rate of 3.925%; annual installments of principal and interest; final maturity September 1, 2018	550,000
2009B OWRB Note Payable, dated December 8, 2009, original amount of \$10,795,000 with an interest rate of 2.28% plus administration fee of 0.5%; semiannual installments of principal, interest and administration fee; final maturity September 15, 2031	8,384,427
2009C OWRB Note Payable, dated December 8, 2009, original amount of \$4,510,000 with an interest rate of 2.25% plus administration fee of 0.5%; semiannual installments of principal, interest and administration fee; final maturity March 15, 2031	3,416,787
2010 OWRB Note Payable, dated June 16, 2010, original amount of \$655,000 with fixed serial interest rates, ranging between .50% to 5%, annual installments of principal and semi-annual interest; final maturity October 1, 2019	315,000
2011 Interim Series OWRB Note Payable, dated November 17, 2011, original amount of \$3,115,000 with an interest rate of 2.11% plus administration fee of 0.5%; semiannual installments of principal, interest and administration fee; final maturity September 15, 2032.	2,293,895
2012 OWRB Note Payable, dated March 1, 2012, original amount of \$1,005,000 with fixed serial interest rates, ranging between .65% to 2.4% annual installments of principal and semi-annual interest, final maturity October 1, 2016.	375,000
2013 Series CWSRF Promissory Note, dated December 2013, original amount not to exceed \$3,425,000, fixed interest rate of 1.78% plus admin. fee of 0.5% semiannual installments of principal and interest, final maturity March 15, 2026	<u>2,704,778</u>
Total Notes Payable	<u>\$ 19,669,794</u>
Current portion	\$ 1,979,068
Non-current portion	<u>17,690,726</u>
Total notes payable	<u>\$ 19,669,794</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.G--Long Term Debt--Continued

Business-Type Activities Long-Term Debt, Continued:

Enterprise Funds, Continued

Revenue Notes Payable:

Series 2006 Utility System and Sales Tax Revenue Note Payable dated November 27, 2006, issued by Owasso Public Works Authority, secured by pledge of sales tax and utility system revenues, original amount of \$3,865,000 with an annual interest rate of 3.8%, annual principal payments varying from \$300,000 to \$420,000 due each July 1 with final maturity July 1, 2017, proceeds of note used to currently refund the Series 1996 Revenue Bonds	\$ 420,000
Series 2008 Sales Tax Revenue Note Payable dated December 1, 2008, issued by Owasso Public Works Authority, secured by pledge of sales tax revenues only, original amount of \$7,680,000 with an annual interest rate of 4.60%, semiannual principal payments varying from \$100,000 to \$585,000 due each June 1 and December 1 with final maturity December 1, 2018	2,795,000
Revenue Note Payable dated August 21, 2007, issued by Owasso Public Works Authority, original amount not to exceed \$3,500,000 with an annual interest rate of 4%, semiannual principal payments varying from \$80,000 to \$122,519 with final maturity on September 1, 2017. This note was purchased as cash equivalents by the City of Owasso.	372,519
Revenue Note Payable dated October 2, 2015, issued by Owasso Public Works Authority, original amount not to exceed \$330,000 with an annual interest rate of 2%, semiannual principal payments between \$163,366 and \$166,634 with final maturity on November 1, 2017. This note was purchased as cash equivalents by the City of Owasso.	330,000
2013 Utility System and Sales Tax Revenue Note, dated December 2013, original amount of \$2,915,000 fixed interest rate of 1.52%, semiannual installments of principal and interest, final maturity Oct. 1, 2018. Proceeds used to refund Series 2006 Drinking Water State Revolving Fund note on March 15, 2014 call.	<u>2,340,000</u>
Total Revenue Notes Payable	<u>\$ 6,257,519</u>
Current portion	2,138,366
Noncurrent portion	<u>4,119,153</u>
Total Revenue Notes Payable	<u>\$ 6,257,519</u>

Changes in Long-Term Debt: The following is a summary of changes in long-term debt, excluding Internal Service Funds, for the year ended June 30, 2016:

	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>
	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2016</u>	<u>One Year</u>
Governmental Activities:					
Net OPEB obligation	\$ 667,315	\$ 145,121	\$ (13,934)	\$ 798,502	\$ 141,863
Accrued compensated absences	1,139,169	1,314,130	(1,072,812)	1,380,487	535,115
Risk management claims liability	1,161,300	2,474,606	(2,690,364)	945,542	463,316
Net pension liability	<u>12,157,238</u>	<u>3,150,149</u>	<u>(1,660,096)</u>	<u>13,647,291</u>	<u>-</u>
Total Governmental Activities	<u>\$ 15,125,022</u>	<u>\$ 7,084,006</u>	<u>\$ (5,437,206)</u>	<u>\$ 16,771,822</u>	<u>\$ 1,140,294</u>
Business-Type Activities:					
Revenue notes payable	\$ 8,252,519	\$ 330,000	\$ (2,325,000)	\$ 6,257,519	\$ 2,138,366
Notes payable	21,591,979	-	(1,922,185)	19,669,794	1,979,068
Deposits subject to refund	574,360	146,592	(127,357)	593,595	127,357
Capital lease payable	249,422	-	(53,384)	196,038	55,145
Net pension liability (asset)	(158,668)	168,187	-	9,519	-
Risk management claims liability	-	2,431,239	(1,855,881)	575,358	281,925
Net OPEB obligation	157,651	30,357	(20,974)	167,034	30,357
Accrued compensated absences	<u>79,186</u>	<u>101,532</u>	<u>(100,232)</u>	<u>80,486</u>	<u>37,829</u>
Total Business Type Activities	<u>\$ 30,746,449</u>	<u>\$ 3,207,907</u>	<u>\$ (6,405,013)</u>	<u>\$ 27,549,343</u>	<u>\$ 4,650,047</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.G--Long Term Debt—Continued

Debt Service Requirements to Maturity - Primary Government: The annual debt service requirements to maturity for long-term debt as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	Business-Type Activities			
	<u>Revenue Note Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,138,366	\$ 180,815	\$ 1,979,068	\$ 518,624
2018	2,864,153	99,325	1,645,395	469,936
2019	1,255,000	18,547	1,668,546	423,099
2020	-	-	1,496,440	375,615
2021	-	-	1,185,920	339,477
2022-2026	-	-	5,971,921	1,239,304
2027-2031	-	-	5,139,409	482,438
2032-2033	-	-	583,095	10,586
	<u>\$ 6,257,519</u>	<u>\$ 298,687</u>	<u>\$ 19,669,794</u>	<u>\$ 3,859,079</u>

Pledged Revenues: The City has pledged proceeds from a 2% sales tax, along with revenues from water, wastewater, sanitation, and golf, to repay the 1999A, 1999B, 2001A, 2001B, 2001C, 2002A, 2009B, 2009C, 2010, 2011, 2012A, and 2013 SRF OWRB notes payable and the 2006, and 2013 sales tax revenue notes. The notes are payable through 2033 and were used to finance various OPWA projects. The total principal and interest payable for the remainder of the term of the notes is \$23,528,873. Pledged revenue received in the current year totaled \$28,550,722. Debt service payments of \$3,409,863, for the current year were 12% of pledged revenue.

The City has also pledged proceeds from a 1% sales tax to repay the 2008 sales tax revenue notes. The note is payable through 2019 and was used to finance an OPWA project. The total principal and interest payable for the remainder of the term of the note is \$2,990,730. Pledged revenue received in the current year totaled \$8,123,400. Debt service payments of \$1,195,483 for the current year were 15% of pledged revenue.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.H--Interfund Balances and Activities

Interfund balances are created due to negative shares of pooled c payables at June 30, 2016 consist of the following:ash, sales tax per debt indentures, capital improvements, debt service, and garage billings. Interfund receivables and payables at June 30, 2016 consist of the following:

Due from						
Due To	Total	General Fund	Half-Penny Fund	Nonmajor Gov'l Funds	OPWA	OPGA
Governmental Funds:						
Major Funds						
General Fund	713,338	-	-	257,473	-	455,865
Half-Penny Fund	-	-	-	-	-	-
Capital Improvements Fund	1,038,681	-	-	-	1,038,681	-
Nonmajor Funds						
Total Government Funds	<u>1,752,019</u>	<u>-</u>	<u>-</u>	<u>257,473</u>	<u>1,038,681</u>	<u>455,865</u>
Enterprise Funds:						
OPWA	2,498,435	1,148,435	-	-	-	1,350,000
OPGA	-	-	-	-	-	-
Total Enterprise Funds	<u>2,498,435</u>	<u>1,148,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350,000</u>
Internal Service Funds						
City Garage	14,518	896	4,890	375	8,357	-
Self-Insurance Funds	7,676	-	-	7,676	-	-
Total Internal Service Funds	<u>22,193</u>	<u>896</u>	<u>4,890</u>	<u>8,051</u>	<u>8,357</u>	<u>-</u>
Advance To						
Advance From	Total	General Fund	Half-Penny Fund	Nonmajor Gov'l Funds	OPWA	OPGA
Governmental Funds:						
Major Funds						
General Fund	\$ 1,542,236	\$ -	\$ -	\$ -	\$ -	\$ 1,542,236
Total Primary Government						
	<u>\$ 5,814,883</u>	<u>\$ 1,149,331</u>	<u>\$ 4,890</u>	<u>\$ 265,524</u>	<u>\$ 1,047,038</u>	<u>\$ 3,348,101</u>

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

3.H--Interfund Balances and Activities- Continued

Interfund transfers are performed to subsidize Owasso Public Golf Authority operations, for pledged sales tax per debt indentures, for general fund sales taxes due to streets, for capital improvements, and for debt service. Interfund transfers for the year ended June 30, 2016 consist of the following:

Transfers To	Transfers From			
	Total	General Fund	Nonmajor Gov't Funds	OPWA
Governmental Funds:				
Major Funds				
General Fund	15,322,949	-	-	15,322,949
Half-Penny Fund	1,466,320	1,136,320	-	330,000
Capital Improvements Fund	6,092,666	-	-	6,092,666
Nonmajor Funds	-	-	-	-
Total Government Funds	<u>22,881,935</u>	<u>1,136,320</u>	<u>-</u>	<u>21,745,615</u>
Enterprise Funds:				
OPWA	24,630,099	24,370,198	259,902	-
OPGA	550,000	550,000	-	-
Total Enterprise Funds	<u>25,180,099</u>	<u>24,920,198</u>	<u>259,902</u>	<u>-</u>
Total Primary Government	<u>\$ 48,062,034</u>	<u>\$ 26,056,518</u>	<u>\$ 259,902</u>	<u>\$ 21,745,615</u>

NOTE 4--OTHER NOTES

4.A--Employee Pension and Other Benefit Plans

The City participates in four employee pension systems as follows:

Name of Plan/System	Type of Plan
Oklahoma Police Pension and Retirement System	Cost-Sharing Multiple Employers' Public Employee Retirement System – Defined Benefit Plan
Oklahoma Firefighters' Pension and Retirement System	Cost-Sharing Multiple Employers' Public Employee Retirement System – Defined Benefit Plan
Oklahoma Municipal Retirement Fund	Agent Multiple Employer Defined Benefit Plan
Oklahoma Municipal Retirement Fund	Agent Multiple Employer Defined Contribution Plan

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Firefighters Pension & Retirement System (FPRS)

Plan description - The City of Owasso, as the employer, participates in the Firefighters Pension & Retirement System—a cost-sharing multiple-employer defined benefit pension plan administered

by the Oklahoma Firefighters Pension and Retirement System (FPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, 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 completed 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 completed 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-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.

FPRS 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. FY16 contributions to the pension plan from the

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Firefighters Pension & Retirement System—Continued

City were \$523,936. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,192,798, which is reflected as revenue in the entity wide statements. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$13,580,895 for its proportionate share of the FPRS 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 July 1, 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 1.2795166% percent.

For the year ended June 30, 2016, the City recognized a pension expense of \$1,214,914. 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 268,316	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,012,359
Changes in proportion and differences between City contributions and proportionate share of contributions	325,475	-
State non-employer contributions subsequent to measurement date	1,048,586	-
City contributions subsequent to the measurement date	523,936	-
Total	<u>\$ 2,166,313</u>	<u>\$ 1,012,359</u>

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Firefighters Pension & Retirement System—Continued

The \$523,936 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. Deferred outflows of resources 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 June 30, 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:

Year ended June 30:	Change in Net Pension Liability
2016	\$ (255,414)
2017	(255,414)
2018	(255,414)
2019	242,522
2020	85,380
Thereafter	19,772
Total	<u>\$ (418,568)</u>

Actuarial Assumptions -The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

- Inflation: 3%
- Salary increases: Half of the dollar amount of a 3% assumed increase in base pay for retirees with 20 years of service as of May 26, 1983. No annual increase for other members.
- Investment rate of return: 7.5% net of pension plan investment expenses.

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.

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Firefighters Pension & Retirement System—Continued

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%	9.94%
Real estate	10%	7.47%
Other assets	13%	6.25%

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 City 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:

	1% Decrease (-6.5%)	Current Discount Rate (7.5%)	1% Increase (-8.5%)
Employer's net pension liability \$	17,633,370	\$ 13,580,895	\$ 10,182,069

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Firefighters Pension & Retirement System—Continued

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 .

Oklahoma Police Pension and Retirement System (OPPRS)

Plan description - The City of Owasso, 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). The plan covers substantially all persons employed as full-time police officers working more than 25 hours per week or any person undergoing police training to become a permanent police officer with a police department of a participating Oklahoma employer or State agency, with ages not less than 21 nor more than 45 when accepted for membership. The System is a component unit of the State of Oklahoma. Supervisory authority for the management and operation of the Plan is the Board, which acts as a fiduciary for investment of the funds and the application of Plan interpretations. The FY14 Comprehensive Annual Financial Report of the Plan was audited by Finley and Cook, PLLC, and the FY14 Actuarial report prepared by Buck Consultants, along with the employer allocations, Net Pension Liability, Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense were also audited by Finley and Cook, PLLC. 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.

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Police Pension and Retirement System—Continued

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.

OPPRS Contributions - The contribution requirements of the Plan are at an established rate determined by the Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% of their annual pay. *Municipalities* are required to contribute 13%, of the employees' annual pay. FY16 contributions to the pension plan from the City were \$408,029. The State of Oklahoma also made on-behalf contributions to OPRRS in the amount of \$467,298, which is reflected as revenue in the entity wide statements. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2016, the City reported a net asset of \$43,179 for its proportionate share of the OPRRS net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2015. The City's proportion of the net pension asset 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 1.058981 percent.

CITY OF OWASSO, OKLAHOMA

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued**Oklahoma Police Pension and Retirement System—Continued**

For the year ended June 30, 2016, the City recognized a pension expense of \$189,524. 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 238,764
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments		166,151
Changes in proportion and differences between City contributions and proportionate share of contributions	132,861	-
State non-employer contributions subsequent to measurement date	376,092	-
City contributions subsequent to the measurement date	408,029	-
Total	<u>\$ 916,982</u>	<u>\$ 404,915</u>

The \$408,029 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. Deferred outflows of resources 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 June 30, 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:

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Police Pension and Retirement System—Continued

Year ended June 30:	Change in Net Pension Liability
2016	\$ (148,601)
2017	(148,601)
2018	(148,600)
2019	170,339
2020	3,409
Thereafter	-
Total	<u>\$ (272,054)</u>

Actuarial Assumptions -The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Mortality Rates:	<p>Active participants and nondisabled pensioners – RP-2000 Mortality Table projected to 2016 by Scale AA.</p> <p>Active employees (pre-retirement) RP-2000 Blue Collar healthy Combined table with age set back 4 years with fully generational improvement using scale AA.</p> <p>Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.</p> <p>Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully Generational improvement using scale AA.</p>

The expected remaining service life of members was 5.83 years with 85% assumed to be married, and males assumed to be three years older than females. The future ad hoc cost-of-living increases are 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Police Pension and Retirement System—Continued

regular police officer, based on an increase in base salary of 3%. The deferred benefits are assumed at age 50, or the date at which the participant would have achieved 20 years of service, if later.

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>Long-Term Expected Real Rate of Return</u>
Fixed income	2.24%
Domestic equity	4.87%
International equity	7.68%
Real estate	5.47%
Private Equity	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.

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Police Pension and Retirement System—Continued

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate -The following presents the net pension asset of the City 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:

	1% Decrease (-6.5%)	Current Discount Rate (7.5%)	1% Increase (-8.5%)
Employer's net pension liability (asset)	\$ 2,594,516	\$ 43,179	\$ (2,107,775)

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 Municipal Retirement Fund-Defined Benefit Plan

Plan Description - Effective July 1, 1972, the City began contributing to the City of Owasso and Owasso Public Works Authority Plan and Trust in the form of The Oklahoma Municipal Retirement System Master Defined Benefit Plan and Trust (OMRF) an agent multiple employer-defined benefit plan, for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The City currently participated in the AA OMRF plan. Administration of the City's individual plan rests with the City Council. The overall operations of OMRF are supervised by a nine-member Board of Trustees elected by the participating municipalities. JP Morgan Chase Bank, N.A. of Oklahoma City acts as administrator and securities custodian. OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 100 N. Broadway, Oklahoma City, Oklahoma 73102.

Summary of Significant Accounting Policies – For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Municipal Retirement Fund—Continued

Eligibility Factors and Benefit Provisions –

<u>Provisions</u>	<u>OMRF Plan</u>
a. Eligible to Participate	All regular, full-time employees except police, firefighters, and other employees covered under an approved system.
b. Period Required to Vest	5 years of credited service
c. Eligibility for Distribution	<ul style="list-style-type: none"> - Normal retirement at age 65 with 5 years of service or age 62 with 30 years of service - Early retirement at age 55 with 5 years of service - Disability retirement upon disability with 5 years of service - Death benefit with 5 years of service
d. Benefit Determination Base	Final average salary-the average of the five highest consecutive annual salaries out of the last 10 calendar years of service.
e. Benefit Determination Methods:	
- Normal Retirement	2.625% of final average salary multiplied by credited years of service.
- Early Retirement	The accrued benefit payable starting at a normal retirement age, or the accrued benefit reduced by 5% per year for commencement prior to retirement age
- Disability Retirement	Same as normal retirement
- Death Benefit	50% of employee's accrued benefit, but terminate upon spouse re-marriage.
- Prior to 5 Years Service	Return of employee contributions with accrued interest.
f. Benefit Authorization	Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title 11, Section 48- 101-102
g. Form of Benefit Payments	Normal form is a 60-month certain and life thereafter basis.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Municipal Retirement Fund-Defined Benefit Plan - Continued

Employees Covered by Benefit Terms –

Active Employees	126
Deferred Vested Former Employees	15
Retirees or Retiree Beneficiaries	33
Disabled Participants	<u>3</u>
Total	<u>177</u>

Contribution Requirements – The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 7.09% of covered payroll. Employees are required to contribute 4.26% percent of their annual pay. FY16 contributions to the pension plan from the City were \$441,601.

Actuarial Assumptions -

<u>Date of Last Actuarial Valuation</u>	<u>January 1, 2015</u>
a. Actuarial Cost Method	Entry age normal cost method
b. Rate of Return on Investments	7.75%
c. Projected Salary Increase	Ranges between 4% and 7.42%
d. Post Retirement Cost-of-Living Increase	N/A
e. Inflation Rate	3% inflation included in projected salary increase.
f. Mortality Table	UP 1994, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are added during the first 5 years: Year 1: 215 Year 2: 140 Year 3: 95 Year 4: 65 Year 5: 40
j. Date of last experience study	September 2012 for fiscal years 2007 through 2011

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Municipal Retirement Fund-Defined Benefit Plan - Continued

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% since the plan's fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

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 (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of June 30, 2015, are summarized in the following table:

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	5.40%	1.35%
Small/mid cap stocks Russell 2500	10%	7.50%	0.75%
Long/short equity MSCI ACWI	10%	6.10%	0.61%
International stocks MSCI EAFE	20%	5.10%	1.02%
Fixed income bonds Barclay's Capital Aggregate	30%	2.60%	0.78%
Real estate NCREIF	5%	4.80%	0.24%
Cash equivalents 3 month treasury	0%	0.00%	0.00%
	100%		
		Average Real Return	4.75%
		Inflation	3.00%
		Long-term expected return	7.75%

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Municipal Retirement Fund-Defined Benefit Plan - Continued

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2015 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. The following table reports the components of changes in net pension liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balance at July 1, 2015	\$ 11,898,236	\$ 12,412,191	\$ (513,955)
Changes for the year:			
Service cost	605,712		605,712
Interest cost	906,999		906,999
Differences between expected and actual experience	45,301		45,301
Contributions - employer (participating cities)		428,631	(428,631)
Contributions - employee		255,463	(255,463)
Net investment income		353,284	(353,284)
Benefit payments, including refunds	(397,469)	(397,469)	-
Administrative expense		(26,057)	26,057
Other			-
Net Changes	1,160,543	613,852	546,691
Balance at June 30, 2016	\$ 13,058,779	\$ 13,026,043	\$ 32,736

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the City calculated using the discount rate of 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (-6.75%)	Current Discount Rate (7.75%)	1% Increase (-8.75%)
Employer's net pension liability (asset)	\$ 2,025,290	\$ 32,736	\$ (1,587,328)

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued**Oklahoma Municipal Retirement Fund-Defined Benefit Plan – Continued**

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2016, the City reported a net pension liability of \$32,736 for the OMRF pension. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2015. For the year ended June 30, 2016, the City recognized pension expense of \$236,013. 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 38,489	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	25,692
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	457,793	-
Total	<u>\$ 496,282</u>	<u>\$ 25,692</u>

The \$441,601 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, 2016. Deferred outflows of resources 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 6.65 years as of June 30, 2015. 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 deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Oklahoma Municipal Retirement Fund-Defined Benefit Plan - Continued

<u>Year ended June 30:</u>	<u>Change in Net Pension Liability</u>
2016	\$ (45,018)
2017	(45,018)
2018	(45,018)
2019	136,610
2020	6,812
Thereafter	4,429
Total	<u>\$ 12,797</u>

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 OMRF; which can be located at www.okmrf.org.

City of Owasso Plan and Trust (OMRF)

Plan Description - The City has also provided a defined contribution plan and trust known as the City of Owasso Plan and Trust in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JP Morgan Chase Bank, N.A. The defined contribution plan is available to all full-time employees. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon hire, and may make contributions to the plan.

OMRF Contributions - Based upon employee contributions, the City's contributions vary from 0%-1% of covered payroll. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 40% after two years and then 20% per year for the next three years. The employee is fully vested after 5 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to the City. The authority to establish and amend the provisions of the plan rests with the City Council.

For the year ended June 30, 2016, the following amounts related to the defined contribution plan:

Employee contributions	\$147,311
City contributions	\$ 75,059

June 30, 2016

4.A--Employee Pension and Other Benefit Plans—Continued

Other plans available to all City employees

Employees have the option to make additional contributions to an ICMARC administered tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 457.

4.B--Other Post-Employment Benefits

Plan Description - The City provides medical insurance benefits to eligible retired employees until age 65. As of June 30, 2016, there were 214 active employees receiving health insurance benefits and 3 retirees receiving insurance benefits. The plan is a single-employer post-employment benefit plan that does not issue a stand-alone financial report, nor is it included in the financial report of another entity.

Funding Policy - contribution requirements are established and may be amended by the City Council.

Annual OPEB Cost - The annual OPEB cost and net obligation for 2016 is as follows:

Annual required contribution	\$ 186,912
Interest on net OPEB obligation	27,376
Adjustment to annual required contribution	<u>(38,809)</u>
Annual OPEB cost	175,479
Contribution made	<u>(34,910)</u>
Increase in net OPEB obligation	140,569
Net OPEB obligation at beginning of year	<u>824,967</u>
Net OPEB obligation at end of year	<u>\$ 965,536</u>
OPEB Obligation included in the financial statements as follows:	
Governmental Activities	\$ 798,502
Business-Type Activities	<u>167,034</u>
	<u>\$ 965,536</u>

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. For the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return and an annual healthcare cost inflationary increase of 6% grading to 5% for FY 2019 and later.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

4.B--Other Post-Employment Benefits - Continued

Trend Information:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2014	\$ 148,108	14%	\$ 684,398
2015	\$ 175,478	20%	\$ 824,967
2016	\$ 175,478	20%	\$ 965,536

Funded Status and Funding Progress - The funded status of the plan as of the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 1,581,245
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,581,245</u>
Funded ration (actuarial value of plan assets/ AAL)	0%
Covered payroll (active plan members)	\$ 12,415,696
UAAL as a percentage of covered payroll	12.74%

The period used to determine amortization costs for the Unfunded Actuarial Accrued Liability is a level period for 30 years on an open basis. The Valuation date is July 1, 2014.

Actuarial valuation of an ongoing plan involves 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

June 30, 2016

4.C--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; employees' health and life; and natural disasters. The City manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk of Loss Retained
General Liability: - Torts - Errors and omissions - Police liability - Vehicle	Self-insured effective November 2003.	Entire risk of loss retained in self-insurance fund.
Physical Property: - Theft - Damage to assets - Natural disasters	Property is fully insured by commercial carrier.	\$25,000 deductible
Workers' Compensation: - Employee injuries	Self-insured within limits of Oklahoma workers' compensation laws.	Specific retention of \$750,000 per accident or disease with employer liability of \$1,000,000 per accident or disease.
Health: - Medical - Dental - Vision	Self-insured effective July 2004	Stop loss of \$100,000 per employee per plan year. Third party administrator is AETNA.

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 Government Accounting Standards Board (GASB) Statement 10, which requires state and local governmental entities, other than public entity risk pools, to report an estimated loss from a claim as an expenditure/expense and as a liability if both of these conditions are met:

- a. Information available before the financial statements are issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. It is implicit in this condition that it must be probable that one or more future events will also occur, confirming the fact of the loss.
- b. The amount of the loss can be reasonably estimated.

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

CITY OF OWASSO, OKLAHOMA

June 30, 2016

4.C--Risk Management - Continued

For the risk management internal service self-insurance funds, changes in the claims liability for the City from July 1, 2014 to June 30, 2016 are as follows:

	Workers' Compensations	General Liability / Property	Healthcare	Total Internal Service
Claims liability and related payables, June 30, 2014	\$ 823,000	\$ -	\$ 306,900	\$ 1,129,900
Claims incurred and changes in estimates	128,478	111,401	3,695,554	3,935,433
Claims paid	<u>(177,478)</u>	<u>(36,401)</u>	<u>(3,690,154)</u>	<u>(3,904,033)</u>
Claims liability and related payables, June 30, 2015	774,000	75,000	312,300	1,161,300
Claims incurred and changes in estimates	457,088	427,802	4,008,770	4,893,660
Claims paid	<u>(349,088)</u>	<u>(202,802)</u>	<u>(3,982,170)</u>	<u>(4,534,060)</u>
Claims liability and related payables, June 30, 2016	<u>\$ 882,000</u>	<u>\$ 300,000</u>	<u>\$ 338,900</u>	<u>\$ 1,520,900</u>

The City has elected to retain significant retained earnings in the internal service self-insurance funds as a reserve for catastrophes.

The City maintains a stop-loss policy for plans to limit risk associated with the self-insured plans. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have exceeded insurance coverage for the current year or prior year.

4.D--Commitments and Contingencies

Commitments: The City of Owasso and OPWA Trust Authority, under the auspices of Title 62, Chapter 9 of the Oklahoma Statutes, have economic development sales tax abatement agreements (payback agreements), with six entities for rebate of all or a portion of the three-cent General fund sales tax generated on sales at the properties identified by the respective agreements. All six agreements required the construction and operation of a new business within the City limits. Five of the entities were further required to fund City infrastructure as outlined in the agreement. In return, all six became eligible for a refund of all or a portion of sales tax revenue generated at their respective places of business up to a maximum reimbursement amount as outlined in the agreements. Some of the agreements expire after a period of time, whether or not the business has reached the maximum rebate amount specified in the agreement or has been reimbursed for any of the cost of infrastructure. All obligations of the City for infrastructure improvements in relation to the agreements have been met. A breakdown of tax abatements by recipient is prohibited by State statute due to required confidentiality of sales tax collections by vendor.

The City has various construction contracts at year-end. A substantial amount of these commitments are for infrastructure and are financed through payback agreements. At June 30, 2016, the City had some significant outstanding commitments on contracts in excess of \$1,000,000. The total contract amounts were approximately \$20.2 million, and the remaining balance on those contracts totaled approximately \$6.6 million, of which \$4.5 million is related to the payback agreements, as of June 30, 2016.

June 30, 2016

4.D--Commitments and Contingencies – Continued

Contingencies:

Grant Program Involvement: In the normal course of operations, the 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. Any liability of 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.

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 accrual 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. This statutory taxing ability is not available to the City's public trusts (Authorities). As of June 30, 2016, the City has established a sinking fund for judgments against it in the amount of \$101,817

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.

4.E--Subsequent Events

Leasehold Receivables - A lease purchase agreement with the Board of Education of Independent School District No. 9 (Owasso Public Schools) to acquire land owned by the City was paid off on July 15, 2016 in advance of the August 2018 due date. Due to the prepayment penalty, the total paid at that time was \$596,774.

Capital Leases – On August 16, 2016, Council approved a capital lease between Owasso Public Golf Authority and EZGO Textron for utility carts for a total of \$73,600. The lease was signed September 27, 2016. It is a 60 month lease bearing an interest rate of 3.85% and matures on October 27, 2021.

Debt - On November 1, 2016, City Council of the City of Owasso approved OPWA's issuance of a sales tax revenue note in the amount of \$21,265,000 bearing an interest rate of 2% and maturing on December 1, 2026. Note proceeds are to fund a fourth fire station, fire administrative offices, and a fire and police training facility. Proceeds will further fund stormwater and street projects.

Pensions - Subsequent to the actuarial valuation date used by the plan, the Society of Actuaries issued updated mortality scales and mortality improvement scales; MP2014 and MP-15. It is expected these scales may increase the total pension liability by 4 percent to 8 percent unless the plans experience indicates otherwise. The City has not been provided the impact of these scales but believes the updated scales, if determined appropriate for the plan, will have a material impact on the City's net pension liability.

June 30, 2016

NOTE 5--FUTURE ACCOUNTING PRONOUNCEMENTS

The GASB has issued several new accounting pronouncements, which will be effective to the City 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:

Fiscal Year Ended June 30, 2016

- *Statement No. 74 Financial Reporting for Postemployment Benefit Plans other than Pension Plans is effective for fiscal years beginning after June 15, 2016. This statement replaces Statement 43 and makes financial reporting for other postemployment benefit (OPEB) plans similar to the pension plans standards from Statement 67. The City does not believe this pronouncement will have any significant impact on its net position.*
- *Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits other than Pensions is effective for fiscal years beginning after June 15, 2017. This Statement replaces Statement 45 and makes accounting and financial reporting for other postemployment benefits (OPEB) by employers similar to the pension standards in Statement 68. The Statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expenses/expenditures by employers who provide OPEB. Although the City has not quantified the effects of Statement Nos. 74 and 75, the City believes this statement could have a significant impact on its net position.*
- *Statement No. 77 Tax Abatement Disclosures is effective for fiscal periods beginning after December 15, 2015. This Statement defines tax abatements and provides disclosure principles that are designed to provide information to the public about the tax abatements and how they affect the government's financial position, results of operations and ability to raise resources in the future. The City does not believe this pronouncement will have a material impact on its net position.*
- *Statement No. 78 Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans is effective for fiscal periods beginning after December 15, 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The City does not believe this pronouncement will have a material impact on its net position.*
- *Statement No. 81, Irrevocable Split-Interest Agreements is effective for fiscal periods beginning after December 15, 2016. The objective of this Statement is 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. The City does not believe this pronouncement will have a material impact on its net position.*

**REQUIRED
SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION PLAN FUNDING PROGRESS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

OMRF Agent Multiple Employer Defined Benefit Pension Plan- Schedule of Funding Progress

Required Supplementary Information- Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	(1) Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	(2) Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
1/1/2007	5,998,573	6,328,244	329,671	94.8%	4,309,308	7.7%
1/1/2008	6,809,993	7,087,779	277,786	96.1%	4,462,389	6.2%
1/1/2009	6,931,144	7,862,597	931,453	88.2%	5,212,213	17.9%
1/1/2010	7,607,668	8,796,026	1,188,358	86.5%	5,229,822	22.7%
1/1/2011	8,449,766	9,539,179	1,089,413	88.6%	5,033,749	21.6%
1/1/2012	9,166,922	10,403,820	1,236,898	88.1%	5,235,723	23.6%
1/1/2013	10,022,110	10,956,894	934,784	91.5%	5,060,133	18.5%
1/1/2014	11,045,256	11,727,762	682,506	94.2%	5,381,173	12.7%
1/1/2015	11,713,762	12,318,006	604,244	95.1%	5,653,136	10.7%
1/1/2016	12,971,147	13,518,850	547,703	95.9%	5,955,951	9.2%

(1) Actuarial accrued liability determined under the entry age normal cost method.

(2) Covered Payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year and not the actual covered payroll during the fiscal year.

See independent auditor's report as it relates to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OTHER POST-EMPLOYMENT BENEFIT OBLIGATION PROGRESS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

Other Post-Employment Benefit Obligation

Required Supplementary Information- Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	(1) Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	(2) Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
7/1/2010	\$ -	\$ 1,286,240	\$ 1,286,240	0.0%	\$ 8,870,000	14.5%
7/1/2012	\$ -	\$ 1,292,726	\$ 1,292,726	0.0%	\$ 11,108,421	11.6%
7/1/2014	\$ -	\$ 1,581,245	\$ 1,581,245	0.0%	\$ 12,415,696	12.7%

- (1) Actuarial accrued liability determined under the projected unit credit cost method.
- (2) Covered Payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year and not the actual covered payroll during the fiscal year.
- (3) As permitted by GASB Statement No. 45, the City obtains an actuarial valuation every two (2) years.

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

OKLAHOMA MUNICIPAL RETIREMENT FUND - DEFINED BENEFIT PLAN

For the Current and prior year *

	<u>2015</u>	<u>2016</u>
Total pension liability:		
Service cost	\$ 534,626	\$ 605,712
Interest cost	872,238	906,999
Differences between expected and actual experience	-	45,301
Benefit Payments, including refunds	(449,007)	(397,469)
Other	<u>2</u>	<u>-</u>
Net change in total pension liability	957,859	1,160,543
Total pension liability - beginning	<u>10,940,377</u>	<u>11,898,236</u>
Total pension liability - ending (a)	<u>\$ 11,898,236</u>	<u>\$ 13,058,779</u>
Plan fiduciary net position:		
Contributions - employer	\$ 403,770	\$ 428,631
Contributions - employee	235,624	255,463
Net investment income	1,741,201	353,284
Benefit payments, including refunds of employee contributions	(449,007)	(397,469)
Administrative expense	(25,772)	(26,057)
Net change in plan fiduciary net position	1,905,816	613,852
Plan fiduciary net position - beginning	<u>10,506,375</u>	<u>12,412,191</u>
Plan fiduciary net position - ending (b)	<u>\$ 12,412,191</u>	<u>\$ 13,026,043</u>
Plan's net pension (asset) liability - ending (a) - (b)	<u>\$ (513,955)</u>	<u>\$ 32,736</u>

* Information for prior years is unavailable

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF T PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	1.246158%	1.279517%
City's proportionate share of the net pension liability	\$ 12,814,854	\$ 13,580,895
City's covered-employee payroll	\$ 3,585,381	\$ 3,639,341
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	357%	373%
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 current fiscal year and prior year are presented because 10-year data is not yet available.

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CONTRIBUTIONS

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
Statutorially required contribution	\$ 471,993	\$ 509,508
Contributions in relation to the statutorially required contribution	<u>471,993</u>	<u>509,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 3,585,381	\$ 3,639,341
Contributions as a percentage of covered-employee payroll	13.16%	14.00%

Notes to Schedule:

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

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

For the fiscal year ended June 30, 2016

The information presented in the required supplementary schedule was determined as part of the June 30, 2015 and 2014 actuarial valuations.

Actuarial valuation:

Frequency	Annual
Cost Method	Entry age actuarial
Amortization	The amortization method uses a level percentage of payroll over a open 30-year period.
Assumptions:	
Long-term rate of return	7.5% per year
Salary increases	3.0% per year
Inflation rate	3.0% per year
Retirement age	Normal retirement age is 50, or the date at which the participant would achieve 22 years of service, if later
Mortality	RP-200 Blue Collar Healthy Combined, with generational mortality improvement using Scale AA

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability (asset)	0.8979%	1.0590%
City's proportionate share of the net pension liability (asset)	\$ (302,327)	\$ 43,179
City's covered-employee payroll	\$ 3,062,347	\$ 3,039,381
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(9.87%)	-(1.42%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	99.82%

Notes to Schedule:

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

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
Statutorially required contribution	\$ 350,280	\$ 395,119
Contributions in relation to the statutorially required contribution	<u>350,280</u>	<u>395,119</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 3,062,347	\$ 3,039,381
Contributions as a percentage of covered-employee payroll	11.44%	13.00%

Notes to Schedule:

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

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

For the fiscal year ended June 30, 2016

The information presented in the required supplementary schedule was determined as part of the June 30, 2015 and 2014 actuarial valuations.

Actuarial valuation:

Frequency	Annual
Cost Method	Entry age actuarial
Amortization	The amortization method uses a level percentage of payroll over a closed 20-year period.
Assumptions:	
Long-term rate of return	7.5% per year
Salary increases	3% per year
Inflation rate	3.0% per year
Retirement age	Normal retirement age is 50, or the date at which the participant would achieve twenty years of service, if later
Mortality	RP-200 Blue Collar Healthy Combined, with age set back four years as well as other adjustments based on different membership groups

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA MUNICIPAL RETIREMENT FUND

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
City's proportionate share of the net pension liability (asset)	\$ (513,957)	\$ 32,736
City's covered-employee payroll	\$ 5,653,136	\$ 6,109,491
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(9.09%)	-(0.54%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	1.04%	99.75%

Notes to Schedule:

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

See independent auditor's report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA MUNICIPAL RETIREMENT FUND

For the fiscal year ended June 30, 2016

The information presented in the required supplementary schedule was determined as part of the June 30, 2015 and 2014 actuarial valuations.

Actuarial valuation:

Frequency	Annual
Cost Method	Entry age normal
Amortization	The amortization method uses a level percentage of payroll over a closed 30-year period.
Assumptions:	
Long-term rate of return	7.75% per year
Salary increases	4% per year
Inflation rate	3.0% per year
Retirement age	Normal retirement age is 65 with 5 or more years of vesting service or age 62 with 30 or more years of vesting service.
Mortality	UP 1994 with project mortality improvement based on employee's year of birth

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 2,476,051	\$ 2,766,757	\$ 2,766,757	\$ -
Resources (Inflows):				
	2,476,051	2,766,757	2,766,757	-
TAXES				
Sales Tax	23,500,000	24,314,606	24,314,606	0
Use Tax	937,600	937,600	1,123,336	185,736
Franchise Tax	1,232,400	1,232,400	1,209,150	(23,250)
TOTAL TAXES	<u>25,670,000</u>	<u>26,484,606</u>	<u>26,647,092</u>	<u>162,486</u>
INTERGOVERNMENTAL				
Alcoholic beverage tax	55,500	55,500	57,437	1,937
Commercial vehicle	250,000	250,000	245,720	(4,280)
Gas excise tax	59,000	59,000	63,595	4,595
Cigarette/tobacco tax	255,100	255,100	339,208	84,108
Grant and other intergovernmental revenue	200,000	360,872	291,428	(69,444)
TOTAL INTERGOVERNMENTAL	<u>819,600</u>	<u>980,472</u>	<u>997,388</u>	<u>16,916</u>
CHARGES FOR SERVICES				
Surcharge for economic development	9,900	9,900	10,162	262
Surcharge for streets	139,500	139,500	139,688	188
Rents, fees, and other charges	166,355	166,355	185,774	19,419
OPWA Administrative Overhead	185,000	185,000	185,000	-
TOTAL CHARGES FOR SERVICES	<u>500,755</u>	<u>500,755</u>	<u>520,623</u>	<u>19,868</u>
FINES AND FORFEITURES	742,250	742,250	744,415	2,165
BUILDINGS AND OTHER				
LICENSES AND PERMITS	257,800	257,800	235,120	(22,680)
INVESTMENT INCOME	10,000	10,000	8,393	(1,607)
MISCELLANEOUS	71,550	85,458	91,365	5,907
OTHER FINANCING SOURCES				
Transfers from other funds	15,251,007	15,251,007	15,257,041	6,034
TOTAL OTHER FINANCING SOURCES	<u>15,251,007</u>	<u>15,251,007</u>	<u>15,257,041</u>	<u>6,034</u>
Total Resources (inflows)	<u>43,322,962</u>	<u>44,312,348</u>	<u>44,501,437</u>	<u>189,089</u>
Amount available for appropriation	<u>\$ 45,799,013</u>	<u>\$ 47,079,105</u>	<u>\$ 47,268,194</u>	<u>\$ 189,089</u>

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
GENERAL GOVERNMENT				
CITY MANAGER				
Personal services	\$ 786,237	\$ 785,308	\$ 785,308	\$ 0
Materials and supplies	4,100	4,855	1,309	3,546
Other services and charges	22,537	26,677	26,277	400
Capital outlay	-	-	-	-
TOTAL CITY MANAGER	812,874	816,840	812,894	3,946
FINANCE				
Personal services	617,804	614,320	614,319	1
Materials and supplies	3,705	6,330	4,777	1,553
Other services and charges	60,337	60,287	56,581	3,706
Capital outlay	1,275	1,275	311	964
TOTAL FINANCE	683,121	682,212	675,988	6,224
MUNICIPAL COURT				
Personal services	196,534	202,221	202,221	0
Materials and supplies	4,455	4,542	2,353	2,189
Other services and charges	55,645	59,593	54,487	5,106
Capital outlay	850	1,750	1,698	52
TOTAL MUNICIPAL COURT	257,484	268,106	260,760	7,346
INFORMATION TECHNOLOGY				
Personal services	530,567	533,871	533,870	1
Materials and supplies	3,000	3,000	2,116	884
Other services and charges	156,574	160,374	158,910	1,464
Capital outlay	198,400	211,400	110,722	100,678
TOTAL INFORMATION SYSTEMS	888,541	908,645	805,619	103,026

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
GENERAL GOVERNMENT				
Personal services	-	-	-	-
Materials and supplies	23,000	19,243	19,243	-
Other services and charges	400,500	526,139	526,139	-
Capital outlay	-	-	-	-
TOTAL GENERAL GOVERNMENT	<u>423,500</u>	<u>545,382</u>	<u>545,382</u>	-
SUPPORT SERVICES				
Personal services	322,249	291,118	291,118	-
Materials and supplies	29,060	32,760	23,939	8,821
Other services and charges	53,552	56,552	55,174	1,378
Capital outlay	<u>44,700</u>	<u>79,925</u>	<u>77,089</u>	<u>2,836</u>
TOTAL SUPPORT SERVICES	<u>449,561</u>	<u>460,355</u>	<u>447,321</u>	<u>13,034</u>
HUMAN RESOURCES				
Personal services	352,933	349,243	349,242	1
Materials and supplies	12,400	12,400	12,099	301
Other services and charges	89,300	81,377	69,969	11,408
Capital outlay	-	910	903	7
TOTAL HUMAN RESOURCES	<u>454,633</u>	<u>443,930</u>	<u>432,213</u>	<u>11,717</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 3,969,714</u>	<u>\$ 4,125,470</u>	<u>\$ 3,980,177</u>	<u>\$ 145,293</u>

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):				
PUBLIC SAFETY				
POLICE SERVICES				
Personal services	\$ 5,291,345	\$ 5,400,225	\$ 5,388,682	\$ 11,543
Materials and supplies	-	16,557	5,920	10,637
Other services and charges	-	-	-	-
Capital outlay	-	24,432	16,371	8,061
TOTAL POLICE SERVICES	5,291,345	5,441,215	5,410,973	30,241
POLICE COMMUNICATIONS				
Personal services	823,013	760,980	760,980	-
Materials and supplies	5,800	5,800	3,892	1,908
Other services and charges	38,450	37,131	33,953	3,178
Capital outlay	21,500	26,780	26,404	376
TOTAL POLICE COMMUNICATIONS	888,763	830,691	825,228	5,463
ANIMAL CONTROL				
Personal services	140,686	130,882	130,882	-
Materials and supplies	18,150	19,650	16,620	3,030
Other services and charges	24,617	23,617	16,973	6,644
Capital outlay	32,500	43,880	43,818	62
TOTAL ANIMAL CONTROL	215,953	218,029	208,293	9,736
FIRE SERVICES				
Personal services	4,354,313	4,454,313	4,454,313	-
Materials and supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
TOTAL FIRE SERVICES	4,354,313	4,454,313	4,454,313	-
EMERGENCY MANAGEMENT OPERATIONS				
Personal services	64,136	64,388	64,388	-
Materials and supplies	2,000	2,000	734	1,266
Other services and charges	12,170	12,170	11,391	779
Capital outlay	3,000	12,000	4,702	7,298
TOTAL EMERGENCY MANAGEMENT OPERATIONS	81,306	90,558	81,215	9,343
TOTAL PUBLIC SAFETY	\$ 10,831,680	\$ 11,034,806	\$ 10,980,022	\$ 54,783

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):				
PUBLIC WORKS				
ENGINEERING				
Personal services	610,859	612,045	612,045	-
Materials and supplies	18,600	17,431	10,791	6,640
Other services and charges	32,897	39,197	28,906	10,291
Capital outlay	5,050	16,003	9,189	6,814
TOTAL ENGINEERING	667,406	684,676	660,931	23,744
CEMETERY				
Personal services	44,292	46,182	46,181	1
Materials and supplies	10,320	10,525	10,335	190
Other services and charges	9,150	12,150	2,575	9,575
Capital outlay	10,700	12,600	1,404	11,196
TOTAL CEMETERY	74,462	81,457	60,494	20,963
STORMWATER				
Personal services	387,347	226,729	226,728	1
Materials and supplies	88,660	73,357	71,297	2,060
Other services and charges	60,246	60,246	49,003	11,243
Capital outlay	29,150	97,425	85,405	12,020
TOTAL STORM WATER	\$ 565,403	\$ 457,757	\$ 432,433	\$ 25,324
TOTAL PUBLIC WORKS	\$ 1,307,271	\$ 1,223,890	\$ 1,153,858	\$ 70,031

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
CULTURE AND RECREATION				
Personal services	\$ 206,893	\$ 209,537	\$ 209,537	\$ -
Materials and supplies	4,600	4,600	296	4,304
Other services and charges	27,050	27,050	16,273	10,777
Capital outlay	-	-	-	-
TOTAL CULTURE AND RECREATION	238,543	241,187	226,107	15,080
COMMUNITY CENTER				
Personal services	172,685	162,544	162,544	-
Materials and supplies	15,580	18,156	17,091	1,064
Other services and charges	31,488	65,009	29,780	35,229
Capital outlay	16,000	45,143	36,872	8,271
TOTAL COMMUNITY CENTER	235,753	290,852	246,287	44,564
PARK MAINTENANCE				
Personal services	328,956	270,700	270,700	-
Materials and supplies	76,292	88,792	45,121	43,671
Other services and charges	80,466	84,366	67,812	16,554
Capital outlay	15,000	28,500	24,614	3,886
TOTAL PARK MAINTENANCE	500,714	472,358	408,247	64,111
HISTORICAL MUSEUM				
Personal services	19,120	18,652	18,652	-
Materials and supplies	650	650	124	526
Other services and charges	8,500	9,100	3,046	6,054
Capital outlay	2,000	3,000	-	3,000
TOTAL HISTORICAL MUSEUM	30,270	31,402	21,821	9,581
TOTAL CULTURE AND RECREATION	\$ 1,005,280	\$ 1,035,799	\$ 902,462	\$ 133,336
ECONOMIC DEVELOPMENT				
Personal services	113,348	114,074	114,074	-
Materials and supplies	2,200	2,688	976	1,712
Other services and charges	15,496	21,679	11,963	9,716
Capital outlay	150	158	158	-
TOTAL ECONOMIC DEVELOPMENT	131,194	138,599	127,170	11,428
COMMUNITY DEVELOPMENT				
Personal services	630,016	633,641	633,641	-
Materials and supplies	12,700	12,165	12,164	1
Other services and charges	50,004	54,736	54,735	1
Capital outlay	31,500	36,331	36,331	-
TOTAL COMMUNITY DEVELOPMENT	724,220	736,873	736,871	2
OTHER FINANCING USES				
Transfers to other funds	23,850,000	26,000,926	26,000,926	-
TOTAL OTHER FINANCING USES	23,850,000	26,000,926	26,000,926	-
Total Charges to Appropriations	\$ 41,819,359	\$ 44,296,362	\$ 43,881,487	\$ 414,875
Ending Budgetary Fund Balance	\$ 3,979,654	\$ 2,782,743	\$ 3,386,707	\$ 603,965

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

Reconciliation of the General Fund Balance Sheet to the Budgetary
Comparison Schedule - General Fund

Fund balance - general fund	\$ 5,731,293
Receivables not recognized for budgetary basis	
Sales Tax Receivable	(3,241,884)
Taxes Receivable	(73,642)
Franchise Tax Rec	(171,202)
Court Fines Rec net of uncoll	(78,683)
CNG Rec	-
Plus receipts not recognized as revenue for GAAP	57,878
Plus GAAP expenditure accruals not recognized for budgetary basis	<u>1,162,948</u>
Fund balance - budgetary basis	<u>\$ 3,386,708</u>
	(Concluded)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- HALF-PENNY FUND

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 342,372	\$ 326,069	\$ 326,069	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>342,372</u>	<u>326,069</u>	<u>326,069</u>	<u>-</u>
SALES TAX	3,916,666	3,916,666	4,035,527	118,861
MISCELLANEOUS	-	35,755	42,229	6,475
INVESTMENT INCOME	-	-	2,333	2,333
OTHER FINANCING SOURCES				
Transfers from other funds	-	330,000	1,466,320	1,136,320
TOTAL OTHER FINANCING SOURCES	-	330,000	1,466,320	1,136,320
Total Resources (inflows)	<u>3,916,666</u>	<u>4,282,421</u>	<u>5,546,409</u>	<u>1,263,989</u>
Amount available for appropriation	<u>\$ 4,259,038</u>	<u>\$ 4,608,490</u>	<u>\$ 5,872,478</u>	<u>\$ 1,263,989</u>
Charges to Appropriations (Outflows):				
Personal Services	1,425,573	1,355,598	983,090	372,508
Materials & Supplies	696,472	730,883	650,407	80,475
Other Services	728,214	688,284	618,109	70,175
Capital Outlay	1,995,745	1,507,479	1,096,657	410,822
Total Departmental Expenditures	4,846,004	4,282,244	3,348,263	933,981
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	-	-	-	-
Total Charges to Appropriations	<u>\$ 4,846,004</u>	<u>\$ 4,282,244</u>	<u>\$ 3,348,263</u>	<u>\$ 933,981</u>
Ending Budgetary Fund Balance	<u>\$ (586,966)</u>	<u>\$ 326,246</u>	<u>\$ 2,524,216</u>	<u>\$ 2,197,970</u>

(Continued)

See independent auditor's report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- HALF-PENNY--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

Reconciliation of the General Fund Balance Sheet to the Budgetary
Comparison Schedule - General Fund

Fund balance - half-penny fund	\$	3,024,492
Receivables not recognized for budgetary basis		
Sales Tax Receivable		(517,431)
Plus receipts not recognized as revenue for GAAP		-
Plus GAAP expenditure accruals not recognized for budgetary basis	\$	<u>17,155</u>
Fund balance - budgetary basis	\$	<u>2,524,216</u>
		(Concluded)

See independent auditor's report as it relates to required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEUDLE**

CITY OF OWASSO

JUNE 30, 2016

Budgetary Accounting: The annual operating budgets are prepared and presented on a budgetary basis of accounting, which differs from the modified accrual basis. Under the budgetary basis, certain revenues are recognized when received rather than when measurable and available.

Per City Ordinance, the City utilizes encumbrance accounting during the year on a limited basis for certain purchase orders and other commitments for the expenditure of funds which are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at year-end; therefore, encumbrances outstanding at year-end are not considered expenditures for budgetary purposes, as the City will provide for supplemental appropriations in the following budget year.

Budget Law: The City prepares its annual operating budget under the provisions of the Municipal Budget Act of 1979 (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. The adopted budget is filed with the Office of State Auditor and Inspector within 30 days of the start of the year.

All funds of the City with revenues and expenditures are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

All supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

In accordance with Title 60 of the Oklahoma State Statutes, the OPWA, the OPGA, and the OEDA are required to prepare an annual budget and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of the budget, or definition of a legal level of control.

See independent auditor's report as it relates to required supplementary information.

**OTHER
SUPPLEMENTARY
INFORMATION**

**NONMAJOR
GOVERNMENTAL
FUNDS**

Nonmajor Governmental Funds

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted or committed to expenditure for certain purposes. The reporting entity includes the following special revenue funds:

- Ambulance Service Fund - Accounts for the revenue received from ambulance subscriptions and billings. Allocated revenue is 85% of receipts for ambulance billings and subscriptions.
- Emergency Siren Fund - Accounts for the per acre fees received when new subdivisions are platted as required by subdivision regulations. Funds are used for the acquisition and/or purchase of emergency sirens.
- Cemetery Care Fund - Accounts for 12.5% of revenue from cemetery service fees (lot sales and interments). These funds may only be used for capital improvements to the cemetery.
- Emergency 911 Fund - Accounts for the revenue received from the emergency service fee on telephone bills. Funds are used to pay monthly service charges for the 911 system. Remaining funds may be used for any other emergency communications need.
- Juvenile Court Fund - Accounts for fines generated as a result of prosecution of juveniles under the "Agreement for Municipal Court Jurisdiction Concerning Juveniles." Funds are used for local programs that address problems of juvenile crime.
- Hotel Tax Fund - Accounts for a 3% hotel tax to be used in economic development and promotion of tourism and a 2% hotel tax designated to fund the Owasso Strong Neighborhoods Initiative.
- Stormwater Management Fund - Established by ordinance to account for revenues derived from the storm water system service charge. Funds are used for expenses attributable to storm water management services.

Capital Project Funds: Capital Project Funds are used to account for resources restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

- Ambulance Capital Fund - Accounts for the fifteen percent (15%) of revenue from ambulance billings and subscriptions. Expenditures are for ambulance capital outlay for ambulance service.
- Public Safety Capital Fund - Accounts for 41.4% of the revenue received from ambulance subscriptions billed prior to April 1, 2015. Expenditures are for capital outlay for the fire and police departments.
- Capital Project Grant Fund - Accounts for grant revenue from state and federal grants. Funds are used for capital improvements as specified in grant contracts.
- Park Development Fund - Accounts for revenue received from building permit charges required by ordinance as in-lieu-of payments in subdivisions that do not donate park property. Funds are used for improvements to and development of the park system.

Debt Service Fund: The debt service fund accounts for ad-valorem taxes levied by the City for use in retiring judgments and their related interest expense. Issuance of General Obligation debt requires voter approval. The City neither has any outstanding General Obligation debt nor voter approval to issue General Obligation debt.

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	SPECIAL REVENUE FUNDS						
	Ambulance Service Fund	Emergency 911 Fund	Cemetery Care Fund	Emergency Siren Fund	Juvenile Court Fund	Hotel Tax Fund	Stormwater Management Fund
ASSETS							
Cash and cash equivalents	\$ 412,769	\$ 180,291	\$ 2,325	\$ 24,039	\$ 46,154	\$ 764,946	\$ 1,005,684
Investments	12,307	5,376	69	716	1,377	22,799	29,986
Due from other governments	-	18,486	-	-	-	-	-
Accounts receivable, net	527,151	-	-	-	-	36,060	80,227
TOTAL ASSETS	\$ 952,227	\$ 204,153	\$ 2,394	\$ 24,755	\$ 47,531	\$ 823,805	\$ 1,115,897
LIABILITIES							
Accounts payable	\$ 56,431	\$ 8,144	\$ -	\$ -	\$ -	\$ 3,359	\$ 24,531
Accrued payroll liabilities	871	-	-	-	-	6,209	-
Due to other funds	375	-	-	-	-	-	-
Retainage	-	-	-	-	-	-	-
TOTAL LIABILITIES	57,677	8,144	-	-	-	9,568	24,531
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - charges for services	274,524	-	-	-	-	-	-
FUND EQUITY							
Fund Balances:							
Restricted	-	196,009	2,394	-	47,531	814,237	-
Committed	620,026	-	-	24,755	-	-	1,091,366
TOTAL FUND BALANCE	620,026	196,009	2,394	24,755	47,531	814,237	1,091,366
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 952,227	\$ 204,153	\$ 2,394	\$ 24,755	\$ 47,531	\$ 823,805	\$ 1,115,897

(Continued)

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	CAPITAL PROJECTS FUNDS					Nonmajor Governmental Fund Totals
	Ambulance Capital Fund	Public Safety Capital Fund	Park Development Fund	Capital Improvement Grants Fund	Debt Service Fund	
ASSETS						
Cash and cash equivalents	\$ 464,213	\$ -	\$ 231,978	\$ -	\$ 7,453	\$ 3,139,852
Investments	-	-	-	-	222	72,852
Due from other governments	-	-	-	500,634	270	519,390
Accounts receivable, net	12,572	-	-	-	-	656,010
TOTAL ASSETS	<u>\$ 476,785</u>	<u>\$ -</u>	<u>\$ 231,978</u>	<u>\$ 500,634</u>	<u>\$ 7,945</u>	<u>\$ 4,388,104</u>
LIABILITIES						
Accounts payable	\$ 180,004	\$ -	\$ -	\$ 220,836	\$ -	\$ 493,305
Accrued payroll liabilities	-	-	-	-	-	7,080
Due to other funds	-	-	-	257,473	7,675	265,523
Retainage	-	-	-	22,325	-	22,325
TOTAL LIABILITIES	<u>180,004</u>	<u>-</u>	<u>-</u>	<u>500,634</u>	<u>7,675</u>	<u>788,233</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - charges for services	-	-	-	-	-	274,524
FUND EQUITY						
Fund Balances:						
Restricted	-	-	-	-	270	1,060,441
Committed	296,781	-	231,978	-	-	2,264,906
TOTAL FUND BALANCE	<u>296,781</u>	<u>-</u>	<u>231,978</u>	<u>-</u>	<u>270</u>	<u>3,325,347</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 476,785</u>	<u>\$ -</u>	<u>\$ 231,978</u>	<u>\$ 500,634</u>	<u>\$ 7,945</u>	<u>\$ 4,388,104</u>

(Concluded)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	SPECIAL REVENUE FUNDS						
	Ambulance Service Fund	Emergency 911 Fund	Cemetery Care Fund	Emergency Siren Fund	Juvenile Court Fund	Hotel Tax Fund	Stormwater Management Fund
REVENUES							
Intergovernmental	\$ -	\$ 206,314	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	401,791	-
Charges for services	1,630,431	-	1,600	-	-	-	683,047
Fines and forfeitures	-	-	-	-	7,559	-	-
Licenses and permits	-	-	-	1,381	-	-	-
Investment income	500	406	11	50	89	1,405	2,291
Miscellaneous	3,529	-	-	-	-	230	-
TOTAL REVENUES	1,634,460	206,720	1,611	1,431	7,648	403,426	685,338
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	1,340,385	229,962	-	-	-	-	-
Economic development	-	-	-	-	-	198,393	-
Public Works	-	-	4,349	-	-	-	89,337
Capital outlay	-	-	-	-	-	-	440,038
Debt service - principal	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,340,385	229,962	4,349	-	-	198,393	529,375
Revenues over (under) expenditures	294,075	(23,242)	(2,738)	1,431	7,648	205,033	155,963
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(259,902)
Revenues and other sources over (under) expenditures and other uses	294,075	(23,242)	(2,738)	1,431	7,648	205,033	(103,939)
FUND BALANCE - BEGINNING OF YEAR	325,951	219,251	5,132	23,324	39,883	609,204	1,195,305
FUND BALANCE - END OF YEAR	\$ 620,026	\$ 196,009	\$ 2,394	\$ 24,755	\$ 47,531	\$ 814,237	\$ 1,091,366

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	CAPITAL PROJECTS FUNDS					Nonmajor Governmental Fund Totals
	Ambulance Capital Fund	Public Safety Capital Fund	Park Development Fund	Capital Projects Grants Fund	Debt Service Fund	
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 814,383	\$ -	\$ 1,020,697
Taxes	-	-	-	-	-	401,791
Charges for services	290,441	(81)	-	-	-	2,605,438
Fines and forfeitures	-	-	-	-	-	7,559
Licenses and permits	-	-	78,200	-	-	79,581
Investment income	637	222	454	-	6	6,071
Miscellaneous	-	-	-	-	133,788	137,547
TOTAL REVENUES	<u>291,078</u>	<u>141</u>	<u>78,654</u>	<u>814,383</u>	<u>133,794</u>	<u>4,258,684</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	134,187	134,187
Public safety	-	-	-	-	-	1,570,347
Economic development	-	-	-	-	-	198,393
Public Works	-	-	-	-	-	93,686
Capital outlay	208,402	214,768	30,881	814,383	-	1,708,472
Debt service - principal	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>208,402</u>	<u>214,768</u>	<u>30,881</u>	<u>814,383</u>	<u>134,187</u>	<u>3,705,085</u>
Revenues over (under) expenditures	82,676	(214,627)	47,773	-	(393)	553,599
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(259,902)
Revenues and other sources over (under) expenditures and other uses	82,676	(214,627)	47,773	-	(393)	293,697
FUND BALANCE - BEGINNING OF YEAR	<u>214,105</u>	<u>214,627</u>	<u>184,205</u>	<u>-</u>	<u>663.00</u>	<u>3,031,650</u>
FUND BALANCE - END OF YEAR	<u>\$ 296,781</u>	<u>\$ -</u>	<u>\$ 231,978</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 3,325,347</u>

(Concluded)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

AMBULANCE SERVICE FUND

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ -	\$ 59,374	\$ 59,374	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	-	59,374	59,374	-
CHARGES FOR SERVICES	1,348,300	1,348,300	1,644,381	296,081
MISCELLANEOUS	-	3,500	3,529	29
INVESTMENT INCOME	1,000	1,000	500	(500)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
Total Resources (inflows)	<u>1,349,300</u>	<u>1,352,800</u>	<u>1,648,410</u>	<u>295,610</u>
Amount available for appropriation	<u>\$ 1,349,300</u>	<u>\$ 1,412,174</u>	<u>\$ 1,707,784</u>	<u>\$ 295,610</u>
Charges to Appropriations (Outflows):				
Personal Services	949,582	949,582	947,403	2,179
Materials & Supplies	201,200	212,244	184,971	27,273
Other Services	198,518	211,565	207,716	3,849
Capital Outlay	-	-	-	-
Total Departmental Expenditures	1,349,300	1,373,391	1,340,091	33,300
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	-	-	-	-
Total Charges to Appropriations	<u>\$ 1,349,300</u>	<u>\$ 1,373,391</u>	<u>\$ 1,340,091</u>	<u>\$ 33,300</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 38,783</u>	<u>\$ 367,694</u>	<u>\$ 328,911</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

EMERGENCY-911 FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 122,552	\$ 202,204	\$ 202,204	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	122,552	202,204	202,204	-
CHARGES FOR SERVICES	204,000	204,000	204,874	874
INVESTMENT INCOME	500	500	406	(94)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
Total Resources (inflows)	<u>204,500</u>	<u>204,500</u>	<u>205,280</u>	<u>780</u>
Amount available for appropriation	<u>\$ 327,052</u>	<u>\$ 406,704</u>	<u>\$ 407,484</u>	<u>\$ 780</u>
Charges to Appropriations (Outflows):				
Personal Services	89,602	89,602	89,602	-
Materials & Supplies	-	-	-	-
Other Services	141,700	141,700	140,360	1,340
Capital Outlay	-	-	-	-
Total Departmental Expenditures	231,302	231,302	229,962	1,340
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	-	-	-	-
Total Charges to Appropriations	<u>\$ 231,302</u>	<u>\$ 231,302</u>	<u>\$ 229,962</u>	<u>\$ 1,340</u>
Ending Budgetary Fund Balance	<u>\$ 95,750</u>	<u>\$ 175,402</u>	<u>\$ 177,522</u>	<u>\$ 2,120</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

CEMETERY CARE FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 4,559	\$ 5,131	\$ 5,131	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>4,559</u>	<u>5,131</u>	<u>5,131</u>	<u>-</u>
CHARGES FOR SERVICES	800	800	1,600	800
INVESTMENT INCOME	14	14	11	(3)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>814</u>	<u>814</u>	<u>1,611</u>	<u>797</u>
Amount available for appropriation	<u>\$ 5,373</u>	<u>\$ 5,945</u>	<u>\$ 6,742</u>	<u>\$ 797</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	-	-	-	-
Capital Outlay	4,600	5,140	4,348	792
Total Departmental Expenditures	<u>4,600</u>	<u>5,140</u>	<u>4,348</u>	<u>792</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 4,600</u>	<u>\$ 5,140</u>	<u>\$ 4,348</u>	<u>\$ 792</u>
Ending Budgetary Fund Balance	<u>\$ 773</u>	<u>\$ 805</u>	<u>\$ 2,394</u>	<u>\$ 1,589</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

EMERGENCY SIREN FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 20,566	\$ 23,324	\$ 23,324	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>20,566</u>	<u>23,324</u>	<u>23,324</u>	<u>-</u>
CHARGES FOR SERVICES	5,000	5,000	1,382	(3,618)
INVESTMENT INCOME	50	50	50	(0)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>5,050</u>	<u>5,050</u>	<u>1,432</u>	<u>(3,618)</u>
Amount available for appropriation	<u>\$ 25,616</u>	<u>\$ 28,374</u>	<u>\$ 24,756</u>	<u>\$ (3,618)</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	24,000	24,000	-	24,000
Capital Outlay	-	-	-	-
Total Departmental Expenditures	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 24,000</u>
Ending Budgetary Fund Balance	<u>\$ 1,616</u>	<u>\$ 4,374</u>	<u>\$ 24,756</u>	<u>\$ 20,382</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

JUVENILE COURT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 31,679	\$ 39,882	\$ 39,882	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>31,679</u>	<u>39,882</u>	<u>39,882</u>	<u>-</u>
CHARGES FOR SERVICES	9,900	9,900	7,559	(2,341)
INVESTMENT INCOME	80	80	89	9
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>9,980</u>	<u>9,980</u>	<u>7,648</u>	<u>(2,332)</u>
Amount available for appropriation	<u>\$ 41,659</u>	<u>\$ 49,862</u>	<u>\$ 47,530</u>	<u>\$ (2,332)</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	28,000	28,000	-	28,000
Capital Outlay	-	-	-	-
Total Departmental Expenditures	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ -</u>	<u>\$ 28,000</u>
Ending Budgetary Fund Balance	<u>\$ 13,659</u>	<u>\$ 21,862</u>	<u>\$ 47,530</u>	<u>\$ 25,668</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

HOTEL TAX FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 497,867	\$ 569,960	\$ 569,960	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>497,867</u>	<u>569,960</u>	<u>569,960</u>	<u>-</u>
HOTEL TAX 3%	245,000	245,000	242,986	(2,014)
HOTEL TAX 2%	163,335	163,335	161,991	(1,344)
MISCELLANEOUS	-	-	230	230
INVESTMENT INCOME	1,200	1,430	1,405	(25)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>409,535</u>	<u>409,765</u>	<u>406,612</u>	<u>(3,153)</u>
Amount available for appropriation	<u>\$ 907,402</u>	<u>\$ 979,725</u>	<u>\$ 976,572</u>	<u>\$ (3,153)</u>
Charges to Appropriations (Outflows):				
ECONOMIC DEVELOPMENT				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	58,850	114,154	44,933	69,221
Capital Outlay	-	-	-	-
Total Departmental Expenditures	<u>58,850</u>	<u>114,154</u>	<u>44,933</u>	<u>69,221</u>
STRONG NEIGHBORHOOD INITIATIVE				
Personal Services	139,974	140,386	140,386	0
Materials & Supplies	2,000	2,000	1,241	759
Other Services	14,306	15,124	11,268	3,856
Capital Outlay	-	-	-	-
OSNI GRANTS	-	3,829	507	3,322
Total Departmental Expenditures	<u>156,280</u>	<u>161,339</u>	<u>153,402</u>	<u>7,936</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 215,130</u>	<u>\$ 275,493</u>	<u>\$ 198,336</u>	<u>\$ 77,157</u>
Ending Budgetary Fund Balance	<u>\$ 692,272</u>	<u>\$ 704,232</u>	<u>\$ 778,236</u>	<u>\$ 74,004</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

STORMWATER MANAGEMENT FUND

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 288,170	\$ 1,117,897	\$ 1,117,897	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>288,170</u>	<u>1,117,897</u>	<u>1,117,897</u>	<u>-</u>
CHARGES FOR SERVICES	692,900	692,900	680,227	(12,673)
INVESTMENT INCOME	2,500	2,500	2,291	(209)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>695,400</u>	<u>695,400</u>	<u>682,518</u>	<u>(12,882)</u>
Amount available for appropriation	<u>\$ 983,570</u>	<u>\$ 1,813,297</u>	<u>\$ 1,800,415</u>	<u>\$ (12,882)</u>
Charges to Appropriations (Outflows):				
Personal Services	77,460	95,661	-	95,661
Materials & Supplies	9,200	9,200	4,349	4,851
Other Services	173,340	561,049	217,484	343,565
Capital Outlay	448,695	982,281	307,022	675,259
Total Departmental Expenditures	<u>708,695</u>	<u>1,648,191</u>	<u>528,854</u>	<u>1,119,337</u>
Other Uses				
Transfers Out	265,735	265,735	259,902	5,833
Total Other Uses	<u>265,735</u>	<u>265,735</u>	<u>259,902</u>	<u>5,833</u>
Total Charges to Appropriations	<u>\$ 974,430</u>	<u>\$ 1,913,926</u>	<u>\$ 788,756</u>	<u>\$ 1,125,170</u>
Ending Budgetary Fund Balance	<u>\$ 9,140</u>	<u>\$ (100,629)</u>	<u>\$ 1,011,659</u>	<u>\$ 1,112,288</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

AMBULANCE CAPITAL FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 209,204	\$ 201,805	\$ 201,805	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>209,204</u>	<u>201,805</u>	<u>201,805</u>	<u>-</u>
CHARGES FOR SERVICES	240,800	240,800	290,169	49,369
INVESTMENT INCOME	600	600	637	37
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>241,400</u>	<u>241,400</u>	<u>290,806</u>	<u>49,406</u>
Amount available for appropriation	<u>\$ 450,604</u>	<u>\$ 443,205</u>	<u>\$ 492,611</u>	<u>\$ 49,406</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	-	-	-	-
Capital Outlay	<u>223,600</u>	<u>223,600</u>	<u>208,402</u>	<u>15,198</u>
Total Departmental Expenditures	<u>223,600</u>	<u>223,600</u>	<u>208,402</u>	<u>15,198</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 223,600</u>	<u>\$ 223,600</u>	<u>\$ 208,402</u>	<u>\$ 15,198</u>
Ending Budgetary Fund Balance	<u>\$ 227,004</u>	<u>\$ 219,605</u>	<u>\$ 284,209</u>	<u>\$ 64,604</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

PUBLIC SAFETY CAPITAL FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 226,770	\$ 209,510	\$ 209,510	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>226,770</u>	<u>209,510</u>	<u>209,510</u>	<u>-</u>
CHARGES FOR SERVICES	-	-	153	153
INVESTMENT INCOME	-	-	222	222
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>-</u>	<u>-</u>	<u>375</u>	<u>375</u>
Amount available for appropriation	<u>\$ 226,770</u>	<u>\$ 209,510</u>	<u>\$ 209,885</u>	<u>\$ 375</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	-	-	-	-
Capital Outlay - Police	-	-	-	-
Capital Outlay - Fire	<u>226,770</u>	<u>226,770</u>	<u>209,885</u>	<u>16,885</u>
Total Departmental Expenditures	<u>226,770</u>	<u>226,770</u>	<u>209,885</u>	<u>16,885</u>
Other Uses				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 226,770</u>	<u>\$ 226,770</u>	<u>\$ 209,885</u>	<u>\$ 16,885</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ (17,260)</u>	<u>\$ -</u>	<u>\$ 17,261</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

PARK DEVELOPMENT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 28,106	\$ 184,204	\$ 184,204	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>28,106</u>	<u>184,204</u>	<u>184,204</u>	<u>-</u>
LICENSES & PERMITS	90,000	90,000	78,200	(11,800)
INVESTMENT INCOME	750	750	455	(295)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (inflows)	<u>90,750</u>	<u>90,750</u>	<u>78,655</u>	<u>(12,095)</u>
Amount available for appropriation	<u>\$ 118,856</u>	<u>\$ 274,954</u>	<u>\$ 262,859</u>	<u>\$ (12,095)</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	-	30,881	30,881	-
Capital Outlay	-	124,918	-	124,918
Total Departmental Expenditures	<u>-</u>	<u>155,799</u>	<u>30,881</u>	<u>124,918</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ -</u>	<u>\$ 155,799</u>	<u>\$ 30,881</u>	<u>\$ 124,918</u>
Ending Budgetary Fund Balance	<u>\$ 118,856</u>	<u>\$ 119,155</u>	<u>\$ 231,978</u>	<u>\$ 112,823</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

CAPITAL PROJECTS GRANT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
INTERGOVERNMENTAL	6,989,666	7,111,352	814,383	(6,296,969)
INVESTMENT INCOME	-	-	-	-
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
Total Resources (inflows)	<u>6,989,666</u>	<u>7,111,352</u>	<u>814,383</u>	<u>(6,296,969)</u>
Amount available for appropriation	<u>\$ 6,989,666</u>	<u>\$ 7,111,352</u>	<u>\$ 814,383</u>	<u>\$ (6,296,969)</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	-	-	-	-
Capital Outlay	6,989,666	7,111,352	792,058	6,319,294
Total Departmental Expenditures	6,989,666	7,111,352	792,058	6,319,294
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	-	-	-	-
Total Charges to Appropriations	<u>\$ 6,989,666</u>	<u>\$ 7,111,352</u>	<u>\$ 792,058</u>	<u>\$ 6,319,294</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,325</u>	<u>\$ 22,325</u>

(Continued)

**MAJOR
CAPITAL
PROJECT
FUNDS**

Major Capital Project Funds

Capital Improvement Fund: Accounts for the funds remaining from the one-cent capital improvements sales tax after payment of principal and interest on debt to fund capital projects. The expenditure items in this budget are based on priorities and recommendations established by the capital improvements committee and approved by the City Council.

BUDGETARY COMPARISON SCHEDULE -- MAJOR CAPITAL PROJECT FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

CAPITAL IMPROVEMENTS FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 3,997	\$ 5,876,165	\$ 5,876,165	\$ -
Resources (Inflows):				
Add: Budget C/O	-	-	-	-
	<u>3,997</u>	<u>5,876,165</u>	<u>5,876,165</u>	<u>-</u>
CHARGES FOR SERVICES	-	-	-	-
INVESTMENT INCOME	-	-	-	-
OTHER FINANCING SOURCES				
Transfers from other funds	5,788,361	5,788,361	6,074,136	285,775
TOTAL OTHER FINANCING SOURCES	<u>5,788,361</u>	<u>5,788,361</u>	<u>6,074,136</u>	<u>285,775</u>
Total Resources (inflows)	<u>5,788,361</u>	<u>5,788,361</u>	<u>6,074,136</u>	<u>285,775</u>
Amount available for appropriation	<u>\$ 5,792,358</u>	<u>\$ 11,664,526</u>	<u>\$ 11,950,301</u>	<u>\$ 285,775</u>
Charges to Appropriations (Outflows):				
Personal Services	-	-	-	-
Materials & Supplies	-	-	-	-
Other Services	-	1,036,466	599,408	437,058
Capital Outlay	5,792,358	10,544,784	6,058,884	4,485,900
Total Departmental Expenditures	<u>5,792,358</u>	<u>11,581,250</u>	<u>6,658,292</u>	<u>4,922,958</u>
Other Uses				
Transfers Out	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>\$ 5,792,358</u>	<u>\$ 11,581,250</u>	<u>\$ 6,658,292</u>	<u>\$ 4,922,958</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 83,276</u>	<u>\$ 5,292,008</u>	<u>\$ 5,208,732</u>

(Concluded)

**INTERNAL
SERVICE
FUNDS**

Internal Service Funds

- City Garage Fund - Accounts for the financing of goods and services provided by one department to other departments of the City. The city garage bills for vehicle parts and services used by other departments.
- General Liability / and Property Self-Insurance - Accounts for the funds reserved for payments of expenses of property claims and for collision repairs to city vehicles. The City carries only liability insurance on City vehicles.
- Worker's Comp Self-Insurance - Accounts for the funds reserved for the payment of expenses and administration for workers' compensation benefits for all City employees. Expenditures from this fund are approved by the City Council but, by ordinance, are not subject to limitations on spending amounts as are other City purchases.
- Healthcare Self-Insurance - Accounts for the funds reserved for the payment of expenses and administration for healthcare benefits for all City employees. Plan is administered by a third-party administrator.

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	City Garage Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ (66,386)	\$ 496,657	\$ 244,386	\$ 908,575	\$ 1,583,232
Other assets	-	13,317	7,287	27,091	47,695
Other receivables	-	49,013	352,805	-	401,818
Due from other funds	14,518	4,336	3,340	-	22,194
Prepaid items	-	-	-	39,593	39,593
TOTAL CURRENT ASSETS	(51,868)	563,323	607,818	975,259	2,094,532
NONCURRENT ASSETS					
Other depreciable capital assets, net	164,763	-	-	-	164,763
TOTAL NONCURRENT ASSETS	164,763	-	-	-	164,763
TOTAL ASSETS	\$ 112,895	\$ 563,323	\$ 607,818	\$ 975,259	\$ 2,259,295
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges - pension	\$ 19,899	\$ 142	\$ -	\$ -	\$ 20,041
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable	\$ 17,240	\$ 85,944	\$ 15,711	\$ 16,430	\$ 135,325
Accrued payroll liabilities	7,986	7,238	-	-	15,224
Current portion of noncurrent liabilities:					
Net OPEB obligation	1,481	-	-	-	1,481
Incurred but not reported claims	-	432,180	147,000	166,061	745,241
Accrued compensated absences	2,810	-	-	-	2,810
TOTAL CURRENT LIABILITIES	29,517	525,362	162,711	182,491	900,081
NONCURRENT LIABILITIES					
Pension liability	185	136	-	-	321
Net OPEB obligation	6,667	-	-	-	6,667
Incurred but not reported claims	-	449,820	153,000	172,839	775,659
Accrued compensated absence	3,168	-	-	-	3,168
TOTAL NONCURRENT LIABILITIES	10,020	449,956	153,000	172,839	785,815
TOTAL LIABILITIES	\$ 39,537	\$ 975,318	\$ 315,711	\$ 355,330	\$ 1,685,896
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow - pension	\$ 11,100	\$ (45)	\$ -	\$ -	\$ 11,055
Deferred inflow - ad valorem	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
NET POSITION					
Net investment in capital assets	\$ 164,763	\$ -	\$ -	\$ -	\$ 164,763
Restricted for:					
Debt service	-	-	-	-	-
Unrestricted	(82,606)	(411,808)	(7,893)	619,929	117,622
TOTAL NET POSITION	\$ 82,157	\$ (411,808)	\$ (7,893)	\$ 619,929	\$ 282,385

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	City Garage Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
OPERATING REVENUES					
Charges for services:					
Internal service charges for services	543,139	489,377	400,000	5,069,952	6,502,468
Other	1,181	12,000	22,091	7,777	43,049
TOTAL OPERATING REVENUES	544,320	501,377	422,091	5,077,729	6,545,517
OPERATING EXPENSES					
Administration	-	175,063	42,138	735,294	952,495
Claims expense	-	678,898	427,802	4,034,378	5,141,078
City garage	376,220	-	-	-	376,220
Depreciation	10,834	-	-	-	10,834
TOTAL OPERATING EXPENSES	387,054	853,961	469,940	4,769,672	6,480,627
OPERATING INCOME (LOSS)	157,266	(352,584)	(47,849)	308,057	64,890
NONOPERATING REVENUES (EXPENSES)					
Investment income	-	5,500	4,320	1,692	11,512
TOTAL NONOPERATING REVENUES (EXPENSES)	-	5,500	4,320	1,692	11,512
Net income (loss) before contributions and transfers	157,266	(347,084)	(43,529)	309,749	76,402
Capital contributions	-	-	-	-	-
CHANGE IN NET POSITION	157,266	(347,084)	(43,529)	309,749	76,402
NET POSITION - BEGINNING	(75,109)	(64,724)	35,636	310,180	205,983
NET POSITION - ENDING	<u>\$ 82,157</u>	<u>\$ (411,808)</u>	<u>\$ (7,893)</u>	<u>\$ 619,929</u>	<u>\$ 282,385</u>

STATEMENT OF CASH FLOWS--INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	City Garage Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 543,139	\$ 489,377	\$ 400,000	\$ 5,069,952	\$ 6,502,468
Payments to suppliers	(180,699)	(446,898)	(540,281)	(4,793,324)	(5,961,202)
Payments to employees	(201,441)	(175,675)	-	-	(377,116)
Other receipts (payments)	(336)	9,186	419,772	7,777	436,399
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	160,663	(124,010)	279,491	284,405	600,549
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	-	3,789	(7,287)	(7,800)	(11,298)
Investment income received	-	5,500	4,320	1,692	11,512
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	9,289	(2,967)	(6,108)	214
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	160,663	(114,721)	276,524	278,297	600,763
BALANCES - BEGINNING OF YEAR	(227,049)	611,377	(32,138)	630,279	982,469
BALANCES - END OF YEAR	\$ (66,386)	\$ 496,656	\$ 244,386	\$ 908,576	\$ 1,583,232

(Continued)

STATEMENT OF CASH FLOWS--INTERNAL SERVICE FUNDS - Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	City Garage Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 157,266	\$ (343,509)	\$ (50,816)	\$ 301,949	64,890
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	10,833	-	-	-	10,833
Loss on disposal of capital assets	-	-	-	-	-
Change in assets and liabilities:					
Other receivables	-	67,668	(241,773)	-	(174,105)
Prepaid	-	-	-	-	-
Due from other funds	(6,501)	(2,763)	97,681	-	88,417
Due from other governments	-	-	300,000	-	300,000
Net OPEB obligation	806	-	-	-	806
Net pension asset (liability)	(3,949)	(51)	-	-	(4,000)
Accounts payable	1,541	56,338	(53,568)	(50,252)	(45,941)
Accrued payroll liabilities	1,294	(618)	-	-	676
Estimated liability for claims	-	108,000	225,000	26,600	359,600
Accrued compensated absences	(627)	-	-	-	(627)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 160,663</u>	<u>\$ (114,935)</u>	<u>\$ 276,524</u>	<u>\$ 278,297</u>	<u>\$ 600,549</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and cash equivalents - current	\$ (66,386)	\$ 496,656	\$ 244,386	\$ 908,576	\$ 1,583,232
Cash and cash equivalents - restricted current	-	-	-	-	-
Cash and cash equivalents - restricted noncurrent	-	-	-	-	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ (66,386)</u>	<u>\$ 496,656</u>	<u>\$ 244,386</u>	<u>\$ 908,576</u>	<u>\$ 1,583,232</u>
					(Concluded)

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**STATISTICAL
SECTION -
UNAUDITED**

CITY OF OWASSO, OKLAHOMA

STATISTICAL SECTION

This part of the City's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess all revenue sources and the government's most significant local revenue source, sales tax.

Debt Capacity

This schedule includes information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

This schedule contains service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF OWASSO, OKLAHOMA
NET POSITION BY COMPONENT
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>	<u>2016</u>
Governmental activities										
Net investment in capital assets	\$ 60,069	\$ 69,846	\$ 75,872	\$ 78,732	\$ 79,836	\$ 81,026	\$ 83,643	\$ 94,166	\$ 93,777	\$ 104,330
Restricted	1,695	1,570	2,353	2,539	3,891	3,509	3,849	4,396	8,464	10,690
Unrestricted	<u>7,355</u>	<u>11,956</u>	<u>10,023</u>	<u>6,380</u>	<u>5,119</u>	<u>5,215</u>	<u>5,115</u>	<u>5,994</u>	<u>(8,700)</u>	<u>(5,533)</u>
Net Position	<u>\$ 69,119</u>	<u>\$ 83,372</u>	<u>\$ 88,248</u>	<u>\$ 87,651</u>	<u>\$ 88,846</u>	<u>\$ 89,750</u>	<u>\$ 92,607</u>	<u>\$ 104,556</u>	<u>\$ 93,541</u>	<u>\$ 109,487</u>
Unrestricted as a Percent of Revenues	41.8%	37.8%	37.4%	33.7%	23.6%	22.6%	19.5%	15.3%	-28.5%	-13.1%
Business-type activities										
Net investment in capital assets	\$ 17,755	\$ 12,815	\$ 12,030	\$ 16,470	\$ 21,843	\$ 28,771	\$ 33,394	\$ 38,518	\$ 41,943	\$ 44,329
Restricted	1,955	2,420	2,349	2,439	2,453	2,364	2,334	2,942	2,318	2,093
Unrestricted	<u>3,424</u>	<u>2,446</u>	<u>1,855</u>	<u>2,528</u>	<u>1,892</u>	<u>1,690</u>	<u>146</u>	<u>(117)</u>	<u>(1,240)</u>	<u>(1,992)</u>
Net Position	<u>\$ 23,134</u>	<u>\$ 17,681</u>	<u>\$ 16,234</u>	<u>\$ 21,437</u>	<u>\$ 26,188</u>	<u>\$ 32,825</u>	<u>\$ 35,874</u>	<u>\$ 41,343</u>	<u>\$ 43,021</u>	<u>\$ 44,430</u>
Unrestricted as a Percent of Revenues	21.8%	55.7%	19.5%	16.0%	11.8%	8.9%	0.9%	-0.6%	-7.8%	-11.8%
Primary Government										
Net investment in capital assets	\$ 77,824	\$ 82,661	\$ 87,902	\$ 95,202	\$ 101,679	\$ 109,797	\$ 117,037	\$ 132,684	\$ 135,720	\$ 148,659
Restricted	3,650	3,990	4,702	4,978	6,344	5,873	6,183	7,338	10,782	12,783
Unrestricted	<u>10,779</u>	<u>14,402</u>	<u>11,878</u>	<u>8,908</u>	<u>7,011</u>	<u>6,905</u>	<u>5,261</u>	<u>5,877</u>	<u>(9,940)</u>	<u>(7,525)</u>
Net Position	<u>\$ 92,253</u>	<u>\$ 101,053</u>	<u>\$ 104,482</u>	<u>\$ 109,088</u>	<u>\$ 115,034</u>	<u>\$ 122,575</u>	<u>\$ 128,481</u>	<u>\$ 145,899</u>	<u>\$ 136,562</u>	<u>\$ 153,917</u>
Unrestricted as a Percent of Revenues	32.4%	40.0%	32.7%	25.6%	18.6%	16.4%	12.6%	9.9%	-21.4%	-12.7%

Source: Prior Fiscal Years' Financial Statements - Statement of Net Position

The level of total unrestricted net assets is an indication of the amount of unexpended and available resources the City has at a point in time to fund emergencies, shortfalls, or other unexpected needs.

*Implementation of GASB 68, Accounting and Financial Reporting For Pensions, resulted in the recording of a \$12.8 million net pension liability in the Governmental activities statements in FY 2015. Prior years have not been restated.

CITY OF OWASSO, OKLAHOMA
CHANGES IN NET POSITION
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012
Expenses						
Governmental Activities:						
General Government	\$ 4,073	\$ 4,991	\$ 5,042	\$ 4,393	\$ 3,845	\$ 4,286
Public safety	8,039	8,902	9,983	10,930	12,207	13,078
Highways and streets	2,740	2,022	2,208	2,435	2,633	2,892
Culture and recreation	1,049	830	891	849	798	918
Economic development	191	168	3,227	294	236	247
Stormwater	619	485	593	650	792	701
Total governmental activities expenses	<u>16,711</u>	<u>17,398</u>	<u>21,944</u>	<u>19,551</u>	<u>20,511</u>	<u>22,122</u>
Business-type activities:						
Water	4,474	4,459	4,633	4,863	5,277	6,217
Wastewater	2,817	2,773	3,055	3,191	3,186	3,240
Sanitation	1,255	1,283	1,902	1,368	1,360	1,375
Recycle center	240	253	267	337	292	354
Golf Course(s)	1,188	1,079	1,099	875	1,180	1,163
Interest Charges - governmental activities	-	-	-	-	-	-
Total business-type activities expenses	<u>9,974</u>	<u>9,847</u>	<u>10,956</u>	<u>10,634</u>	<u>11,295</u>	<u>12,349</u>
Total primary government expenses	<u>\$ 26,685</u>	<u>\$ 27,245</u>	<u>\$ 32,900</u>	<u>\$ 30,185</u>	<u>\$ 31,806</u>	<u>\$ 34,471</u>
Program Revenue						
Governmental activities:						
Charges for services						
General Government	\$ 302	\$ 341	\$ 434	\$ 436	\$ 429	\$ 435
Public safety	1,737	1,967	2,134	2,345	2,303	2,573
Highways and streets	118	110	127	128	130	132
Culture and recreation	41	98	101	114	92	99
Economic development	38	8	8	8	8	8
Stormwater	353	403	473	521	601	623
Operating grants and contributions	299	766	696	373	1,228	1,794
Capital grants and contributions	2,386	2,163	1,241	974	1,839	1,695
Total governmental activities program revenues	<u>5,274</u>	<u>5,856</u>	<u>5,214</u>	<u>4,899</u>	<u>6,630</u>	<u>7,359</u>
Business-type activities:						
Charges for services						
Water	3,761	3,936	4,172	4,379	4,702	5,316
Wastewater	2,417	2,733	3,121	3,277	3,304	3,166
Sanitation	1,090	1,282	1,517	1,611	1,649	1,713
Recycle center	61	61	45	52	61	55
Golf Course(s)	829	639	621	580	513	656
Operating grants and contributions	-	445	-	-	-	-
Capital grants and contributions	1,612	1,759	1,517	394	631	2,543
Total business-type activities program revenues	<u>9,756</u>	<u>10,855</u>	<u>10,993</u>	<u>10,293</u>	<u>10,860</u>	<u>13,449</u>
Total primary government program revenues	<u>\$ 15,030</u>	<u>\$ 16,711</u>	<u>\$ 16,207</u>	<u>\$ 15,192</u>	<u>\$ 17,490</u>	<u>\$ 20,808</u>
Net (expense) revenue:						
Governmental activities	(11,437)	(11,542)	(16,730)	(14,652)	(13,881)	(14,763)
Business-type activities	(218)	1,008	37	(341)	(436)	1,100
Total primary government net (expenses) revenue	<u>\$ (11,655)</u>	<u>\$ (10,534)</u>	<u>\$ (16,693)</u>	<u>\$ (14,993)</u>	<u>\$ (14,317)</u>	<u>\$ (13,663)</u>
General Revenues and Other Changes in Net Position						
Governmental activities						
Taxes						
Sales tax	\$ 15,592	\$ 16,735	\$ 17,422	\$ 17,205	\$ 17,603	\$ 18,470
Use tax	788	564	777	534	530	549
Franchise and public service taxes	728	809	979	919	1,024	1,129
Cigarette/tobacco tax **	224	236	236	242	255	266
Hotel taxes	67	94	151	218	267	294
Alcoholic beverage tax **	27	29	30	31	32	46
E-911 taxes **	189	194	210	191	195	205
Intergovernmental **	n/a	n/a	n/a	n/a	n/a	n/a
Investment income	426	375	160	82	74	48
Miscellaneous **	75	116	56	145	251	173
Transfers-internal activity	(5,775)	6,643	1,585	(5,511)	(5,155)	(5,513)
Total governmental activities	<u>12,341</u>	<u>25,795</u>	<u>21,606</u>	<u>14,056</u>	<u>15,076</u>	<u>15,667</u>
Business-type activities						
Investment income	148	182	101	32	31	23
Miscellaneous	4	-	-	-	-	-
Transfers-internal activity	5,775	(6,643)	(1,585)	5,511	5,155	5,513
Total business-type activities	<u>5,927</u>	<u>(6,461)</u>	<u>(1,484)</u>	<u>5,543</u>	<u>5,186</u>	<u>5,536</u>
Total primary government	<u>\$ 18,268</u>	<u>\$ 19,334</u>	<u>\$ 20,122</u>	<u>\$ 19,599</u>	<u>\$ 20,262</u>	<u>\$ 21,203</u>
Changes in Net Position						
Governmental activities	904	14,253	4,876	(596)	1,195	904
Business-type activities	5,709	(5,453)	(1,447)	5,202	4,751	6,636
Total primary government	<u>\$ 6,613</u>	<u>\$ 8,800</u>	<u>\$ 3,429</u>	<u>\$ 4,606</u>	<u>\$ 5,946</u>	<u>\$ 7,540</u>

(Continued)

Source: Prior Fiscal Years' Financial Statements - Statement of Activities
** Certain balances from the statements were combined for comparative purposes
*** For FY 2016 and on, the categories were adjusted for governmental activities

CITY OF OWASSO, OKLAHOMA
CHANGES IN NET POSITION - continued
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)

	2013	2014	2015		2016
Expenses				Expenses	
Governmental Activities:				Governmental Activities: ***	
General Government	\$ 4,952	\$ 5,019	\$ 5,128	General Government	\$ 4,192
Public safety	13,503	14,690	13,901	Public safety	15,492
Highways and streets	2,924	4,435	4,698	Community development	693
Culture and recreation	949	1,185	1,129	Culture and recreation	1,250
Economic development	324	835	328	Economic development	324
Stormwater	748	1,086	983	Public works	5,599
Total governmental activities expenses	<u>23,400</u>	<u>27,250</u>	<u>26,167</u>	Total governmental activities expenses	<u>27,550</u>
Business-type activities:				Business-type activities:	
Water	5,614	6,760	6,382	Water	7,470
Wastewater	3,319	4,809	4,954	Wastewater	5,088
Sanitation	1,333	1,613	1,541	Sanitation	1,588
Recycle center	361	220	167	Recycle center	115
Golf Course\	1,051	1,229	1,143	Golf Course\	1,283
Interest Charges - governmental activities	-	-	-	Interest Charges - governmental activities	-
Total business-type activities expenses	<u>11,680</u>	<u>14,631</u>	<u>14,187</u>	Total business-type activities expenses	<u>15,544</u>
Total primary government expenses	<u>\$ 35,080</u>	<u>\$ 41,881</u>	<u>\$ 40,354</u>	Total primary government expenses	<u>\$ 43,094</u>
Program Revenue				Program Revenue	
Governmental activities:				Governmental activities:	
Charges for services				Charges for services	
General Government	\$ 500	\$ 970	\$ 627	General Government	\$ 655
Public safety	2,496	2,962	2,667	Public safety	2,885
Highways and streets	134	137	138	Community development	19
Culture and recreation	104	111	106	Culture and recreation	112
Economic development	8	9	10	Economic development	11
Stormwater	662	674	657	Public works	870
Operating grants and contributions	2,060	1,754	1,753	Operating grants and contributions	3,446
Capital grants and contributions	1,786	12,850	1,042	Capital grants and contributions	6,889
Total governmental activities program revenues	<u>7,750</u>	<u>19,467</u>	<u>7,000</u>	Total governmental activities program revenues	<u>14,887</u>
Business-type activities:				Business-type activities:	
Charges for services				Charges for services	
Water	5,340	5,384	5,222	Water	5,763
Wastewater	3,468	3,720	3,750	Wastewater	4,002
Sanitation	1,752	1,789	1,823	Sanitation	1,910
Recycle center	33	35	29	Recycle center	23
Golf Course\	690	744	726	Golf Course\	697
Operating grants and contributions	-	-	-	Operating grants and contributions	-
Capital grants and contributions	710	3,787	526	Capital grants and contributions	1,101
Total business-type activities program revenues	<u>11,993</u>	<u>15,459</u>	<u>12,076</u>	Total business-type activities program revenues	<u>13,496</u>
Total primary government program revenues	<u>\$ 19,743</u>	<u>\$ 34,926</u>	<u>\$ 19,076</u>	Total primary government program revenues	<u>\$ 28,383</u>
Net (expense) revenue:				Net (expense) revenue:	
Governmental activities	(15,650)	(7,783)	(19,167)	Governmental activities	(12,663)
Business-type activities	313	828	(2,111)	Business-type activities	(2,048)
Total primary government net (expenses) revenue	<u>\$ (15,337)</u>	<u>\$ (6,955)</u>	<u>\$ (21,278)</u>	Total primary government net (expenses) revenue	<u>\$ (14,711)</u>
General Revenues and Other Changes in Net Position				General Revenues and Other Changes in Net Position	
Governmental activities				Governmental activities	
Taxes				Taxes	
Sales tax	\$ 19,321	\$ 21,254	\$ 23,841	Sales Tax	\$ 28,421
Use tax	708	800	968	Use tax	1,128
Franchise and public service taxes	1,032	1,235	1,389	Franchise and public service taxes	1,202
Cigarette/ tobacco tax **	245	247	276	Cigarette/ tobacco tax **	n/a
Hotel taxes	334	386	412	Hotel taxes	402
Alcoholic beverage tax **	51	54	57	Alcoholic beverage tax **	n/a
E-911 taxes **	217	216	210	E-911 taxes **	n/a
Intergovernmental **	n/a	n/a	n/a	Intergovernmental **	601
Investment income	40	34	40	Investment income	30
Miscellaneous **	175	130	99	Miscellaneous **	259
Transfers-internal activity	(3,615)	(4,624)	(3,777)	Transfers-internal activity	(3,434)
Total governmental activities	<u>18,508</u>	<u>19,732</u>	<u>23,505</u>	Total governmental activities	<u>28,609</u>
Business-type activities				Business-type activities	
Investment income	22	17	22	Investment income	22
Miscellaneous	-	-	-	Miscellaneous	-
Transfers-internal activity	3,615	4,624	3,777	Transfers-internal activity	3,434
Total business-type activities	<u>3,637</u>	<u>4,641</u>	<u>3,799</u>	Total business-type activities	<u>3,456</u>
Total primary government	<u>\$ 22,145</u>	<u>\$ 24,373</u>	<u>\$ 27,304</u>	Total primary government	<u>\$ 32,065</u>
Changes in Net Position				Changes in Net Position	
Governmental activities	2,858	11,949	4,338	Governmental activities	15,946
Business-type activities	3,950	5,462	1,688	Business-type activities	1,408
Total primary government	<u>\$ 6,808</u>	<u>\$ 17,418</u>	<u>\$ 6,026</u>	Total primary government	<u>\$ 17,354</u>

Source: Prior Fiscal Years' Financial Statements - Statement of Activities
** Certain balances from the statements were combined for comparative purposes
*** For FY 2016 and forward, the categories were adjusted for governmental activities

(Concluded)

CITY OF OWASSO, OKLAHOMA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
(LAST TEN YEARS)
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012
Revenues						
Taxes *	\$ 17,108	\$ 18,108	\$ 19,178	\$ 18,658	\$ 19,157	\$ 20,148
Intergovernmental *	933	1,319	1,323	1,054	2,375	3,356
Charges for services	1,619	1,807	2,275	2,535	2,684	2,858
Fines and forfeitures	716	670	672	781	811	734
Licenses and permits	290	379	323	335	234	250
Investment income	403	354	144	75	51	41
Miscellaneous *	75	116	115	146	268	173
Total Governmental Revenue	\$ 21,144	\$ 22,753	\$ 24,030	\$ 23,584	\$ 25,580	\$ 27,560
Expenditures						
Current:						
General government	\$ 3,484	\$ 4,458	\$ 4,093	\$ 4,218	\$ 4,023	\$ 4,212
Public safety	7,561	8,500	9,510	10,371	11,398	12,286
Highway and streets	479	495	567	631	584	653
Culture and recreation	551	624	658	589	532	629
Economic development	188	166	149	293	234	245
Stormwater	487	363	403	441	544	402
Capital outlay	5,526	9,946	7,514	4,911	3,068	3,948
Debt service - principal	-	-	-	-	-	23
Interest and fiscal charges	-	-	-	-	-	-
Contributions	-	-	3,076	-	-	-
Total Governmental Expenditures	\$ 18,276	\$ 24,552	\$ 25,970	\$ 21,454	\$ 20,383	\$ 22,398
Excess (deficiency) of revenues over expenditures	\$ 2,868	\$ (1,799)	\$ (1,940)	\$ 2,130	\$ 5,197	\$ 5,162
Other Financing Sources (Uses)						
Debt issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65
Transfers in	10,357	23,544	19,253	12,112	12,873	13,420
Transfers out	(16,132)	(16,901)	(17,668)	(17,623)	(18,028)	(18,932)
Total Other Financing Sources (Uses)	(5,775)	6,643	1,585	(5,511)	(5,155)	(5,447)
Net Change in Fund Balances	(2,907)	4,844	(355)	(3,381)	42	(285)
Fund Balance - Beginning of Year	12,056	9,149	13,993	13,637	10,256	10,298
Fund Balance - End of Year	\$ 9,149	\$ 13,993	\$ 13,638	\$ 10,256	\$ 10,298	\$ 10,013
Debt Service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%

(Continued)

**Source: Prior Fiscal Years' Financial Statements -
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**
* For FY 2016 and forward, the categories were adjusted for governmental activities

CITY OF OWASSO, OKLAHOMA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS - continued
(LAST TEN YEARS)
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2013	2014	2015		2016
Revenues					Revenues
Taxes *	\$ 21,060	\$ 23,157	\$ 26,046		\$ 31,154
Intergovernmental *	3,201	2,959	1,886		2,023
Charges for services	2,919	3,127	3,140		3,126
Fines and forfeitures	615	637	717		773
Licenses and permits	319	287	323		474
Investment income	35	30	20		21
Miscellaneous *	175	137	105		259
Total Governmental Revenue	\$ 28,324	\$ 30,334	\$ 32,237		\$ 37,830
Expenditures					Expenditures *
Current:					Current:
General government	\$ 4,342	\$ 4,603	\$ 4,805		\$ 3,933
Public safety	12,545	13,422	12,546		13,978
Highway and streets	698	790	1,236		701
Culture and recreation	638	701	764		839
Economic development	323	858	328		325
Stormwater	356	475	462		1,904
Capital outlay	5,224	3,961	4,267		9,803
Debt service - principal	21	-	-		-
Interest and fiscal charges	-	-	-		-
Contributions	-	-	-		-
Total Governmental Expenditures	\$ 24,147	\$ 24,810	\$ 24,408		\$ 31,483
Excess (deficiency) of revenues over expenditures	\$ 4,177	\$ 5,524	\$ 7,829		\$ 6,347
Other Financing Sources (Uses)					Other Financing Sources (Uses)
Debt issuance	\$ -	\$ -	\$ -		\$ -
Transfers in	16,285	17,150	20,056		22,882
Transfers out	(19,900)	(21,770)	(23,833)		(26,316)
Total Other Financing Sources (Uses)	(3,615)	(4,620)	(3,777)		(3,434)
Net Change in Fund Balances	562	904	4,052		2,913
Fund Balance - Beginning of Year	10,013	10,575	11,479		15,531
Fund Balance - End of Year	\$ 10,575	\$ 11,479	\$ 15,531		\$ 18,444
Debt Service as a percentage of noncapital expenditures	0.11%	0.00%	0.00%		0.00%

(Concluded)

**Source: Prior Fiscal Years' Financial Statements -
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
* For FY 2016 and forward, the categories were adjusted for governmental activities**

CITY OF OWASSO, OKLAHOMA
FUND BALANCE OF GOVERNMENTAL FUNDS
(LAST TEN YEARS)
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010		2011	2012	2013	2014	2015	2016
General Fund					General Fund						
Reserved for accrued compensated absences	\$ 477	\$ 556	\$ 653	\$ 730	Nonspendable - advance to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,542
Unreserved, reported in nonmajor:					Restricted for:						
Special revenue funds	-	-	-	-	Culture and recreation	-	-	-	-	-	-
Capital project funds	-	-	-	-	Public safety	-	-	-	-	9	10
Unreserved:					Capital projects	-	-	-	-	-	-
Designated for subsequent year budget	805	2,274	28	70	Other	71	-	-	-	4	-
Undesignated	3,862	1,939	4,044	2,720	Committed:						
					Public safety	-	-	-	-	-	-
					Culture and recreation	-	-	-	-	-	-
					Stormwater management	-	-	-	-	-	-
					Capital projects	-	-	-	-	-	-
					Assigned:						
					Homeowners' Association	-	-	-	-	-	-
					FY expenditures	-	129	411	412	641	322
					Unassigned	3,873	3,583	3,552	4,178	4,390	3,857
Total General Fund Balance	5,144	4,769	4,725	3,520	Total General Fund Balance	3,944	3,712	3,963	4,590	5,044	5,731
**Other Governmental Funds					Other Governmental Funds						
Reserved for accrued compensated absences	-	-	-	-	Restricted for:						
Unreserved, reported in nonmajor:					Culture and recreation	483	641	761	408	609	814
Special revenue funds	1,229	1,047	1,555	1,368	Public safety	138	244	297	270	839	1,540
Capital project funds	174	1,735	1,365	632	Capital projects	3,191	2,615	2,784	3,713	6,628	6,363
Unreserved:					Other	8	8	6	6	254	1,731
Designated for subsequent year budget	2,415	6,442	5,993	4,736	Committed:						
Undesignated	187	-	-	-	Public safety	449	427	338	287	349	942
					Culture and recreation	220	270	205	-	-	232
					Stormwater management	1,183	1,221	1,260	1,116	1,195	1,091
					Capital projects	682	875	961	1,089	613	-
					Assigned:						
					Homeowners' Association	-	-	-	-	-	-
					FY expenditures	-	-	-	-	-	-
					Unassigned	-	-	-	-	-	-
Total Fund Balance	4,005	9,224	8,913	6,736		6,354	6,301	6,612	6,889	10,487	12,713
Total Governmental Fund Balance	\$ 9,149	\$ 13,993	\$ 13,638	\$ 10,256		\$ 10,298	\$ 10,013	\$ 10,575	\$ 11,479	\$ 15,531	\$ 18,444

Source: Prior Fiscal Years' Financial Statements - Balance Sheet Governmental Funds

* GASB Statement 54 changed reporting requirements in FY 2011

** Includes the Capital Improvement Fund balance

**CITY OF OWASSO, OKLAHOMA
DIRECT AND OVERLAPPING
SALES TAX RATES - AVERAGE
(LAST TEN YEARS)**

YEAR	* City of Owasso	Tulsa County	Rogers County	State of Oklahoma	Total - Tulsa County	Total - Rogers County
2016	3.50%	0.917%	1.83%	4.50%	8.917%	9.83%
2015***	3.50%	0.917%	1.83%	4.50%	8.917%	9.83%
2014**	3.00%	0.917%	1.83%	4.50%	8.417%	9.33%
2013	3.00%	0.85%	1.75%	4.50%	8.35%	9.25%
2012	3.00%	0.85%	1.50%	4.50%	8.35%	9.00%
2011	3.00%	0.85%	1.50%	4.50%	8.35%	9.00%
2010	3.00%	1.02%	1.50%	4.50%	8.52%	9.00%
2009	3.00%	1.02%	1.50%	4.50%	8.52%	9.00%
2008	3.00%	1.02%	1.50%	4.50%	8.52%	9.00%
2007	3.00%	1.02%	1.50%	4.50%	8.52%	9.00%
2006	3.00%	1.02%	1.50%	4.50%	8.52%	9.00%

Sources: Oklahoma Tax Commission

*** There is a 1% processing/admin fee paid to the State of Oklahoma out of the city's revenue**

****Tulsa County increase became effective July 2014**

*****Half-Penny increase approved by voters began April 01, 2015**

**CITY OF OWASSO, OKLAHOMA
GOVERNMENTAL-ACTIVITIES
TAX REVENUES BY SOURCE
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)**

YEAR	Sales Tax	Use Tax	Franchise & Public Service Tax	Hotel Tax	Total
2016	\$ 28,421	\$ 1,129	\$ 1,202	\$ 402	\$ 31,154
2015	23,841	968	1,237	412	26,458
2014	21,254	800	1,235	386	23,675
2013	19,321	708	1,032	334	21,395
2012	18,470	549	1,129	294	20,442
2011	17,603	530	1,024	267	19,424
2010	17,205	534	919	218	18,876
2009	17,422	777	979	151	19,329
2008	16,735	564	809	94	18,202
2007	15,592	788	728	67	17,175

Source: Prior Fiscal Years' Financial Statements - Government Wide Statement of Activities

**CITY OF OWASSO, OKLAHOMA
PRINCIPAL SALES TAX REMITTERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2016**

NAICS CODE	Sales Tax Remitter	* 2016			** 2007		
		Amount Remitted	Revenue Base	Percentage of Total Revenue Base	Amount Remitted	Revenue Base	Percentage of Total Revenue Base
44-45	Retail Trade	\$ 19,949,261	\$ 223,721,666	70%	\$ 11,266,978	\$ 132,241,526	72%
72	Accommodation/Food Services	4,353,143	\$ 48,818,470	15%	1,702,773	19,985,599	14%
22	Utilities	1,035,549	\$ 11,613,200	4%	710,340	8,337,324	4%
42	Wholesale Trade	915,329	\$ 10,264,988	3%	581,559	6,825,810	3%
51	Information	550,600	\$ 6,174,722	2%	451,323	5,297,218	2%
	All Other	1,713,655	\$ 19,217,842	6%	924,062	10,845,798	5%
		<u>\$ 28,517,537.00</u>	<u>\$ 319,810,889.31</u>	100.00%	<u>\$ 15,637,035.00</u>	<u>\$ 183,533,274.65</u>	100.00%

Sources: Oklahoma Tax Commission

* Gross Amount Reported Prior to Pmt of 0.5% Retention to OTC

** Gross Amount Reported Prior to Pmt of 1% Retention to OTC

CITY OF OWASSO, OKLAHOMA
PROGRAM REVENUE BY FUNCTION/PROGRAM
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012
Program Revenue *						
Governmental activities:						
Charges for services						
General Government	\$ 302	\$ 341	\$ 434	\$ 436	\$ 429	\$ 435
Public safety	1,737	1,967	2,134	2,345	2,303	2,573
Highways and streets	118	110	127	128	130	132
Culture and recreation	41	98	101	114	92	99
Economic development	38	8	8	8	8	8
Stormwater	353	403	473	521	601	623
Operating grants and contributions	299	766	696	373	1,228	1,794
Capital grants and contributions	2,386	2,163	1,241	974	1,839	1,695
Total governmental activities program revenues	<u>\$ 5,274</u>	<u>\$ 5,856</u>	<u>\$ 5,214</u>	<u>\$ 4,899</u>	<u>\$ 6,630</u>	<u>\$ 7,359</u>
Business-type activities:						
Charges for services						
Water	\$ 3,761	\$ 3,936	\$ 4,172	\$ 4,379	\$ 4,702	\$ 5,316
Wastewater	2,417	2,733	3,121	3,277	3,304	3,166
Sanitation	1,090	1,282	1,517	1,611	1,649	1,713
Recycle center	47	61	45	52	61	55
Golf Course	829	639	621	580	513	656
Operating grants and contributions	-	445	-	-	-	-
Capital grants and contributions	1,612	1,759	1,517	394	631	2,543
Total business-type activities program revenues	<u>\$ 9,756</u>	<u>\$ 10,855</u>	<u>\$ 10,993</u>	<u>\$ 10,293</u>	<u>\$ 10,860</u>	<u>\$ 13,449</u>
Total primary government program revenues	<u>\$ 15,030</u>	<u>\$ 16,711</u>	<u>\$ 16,207</u>	<u>\$ 15,192</u>	<u>\$ 17,490</u>	<u>\$ 20,808</u>

(Continued)

Source: Prior Fiscal Years' Financial Statements - Statement of Activities

*** For FY 2016 and forward, the categories were adjusted for governmental activities**

CITY OF OWASSO, OKLAHOMA
PROGRAM REVENUE BY FUNCTION/PROGRAM - continued
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)

	2013	2014	2015		2016
Program Revenue *				Program Revenue *	
Governmental activities:				Governmental activities:	
Charges for services				Charges for services	
General Government	\$ 500	\$ 970	\$ 627	General Government	\$ 655
Public safety	2,496	2,962	2,667	Public safety	2,885
Highways and streets	134	137	138	Community development	19
Culture and recreation	104	111	106	Culture and recreation	112
Economic development	8	9	10	Economic development	11
Stormwater	662	674	657	Public works	870
Operating grants and contributions	2,060	1,754	1,753	Operating grants and contributions	3,446
Capital grants and contributions	<u>1,786</u>	<u>12,850</u>	<u>1,042</u>	Capital grants and contributions	<u>6,889</u>
Total governmental activities program revenues	<u>\$ 7,750</u>	<u>\$ 19,467</u>	<u>\$ 7,000</u>	Total governmental activities program revenues	<u>\$ 14,887</u>
Business-type activities:				Business-type activities:	
Charges for services				Charges for services	
Water	\$ 5,340	\$ 5,384	\$ 5,222	Water	\$ 5,763
Wastewater	3,468	3,720	3,750	Wastewater	4,002
Sanitation	1,752	1,789	1,823	Sanitation	1,910
Recycle center	33	35	29	Recycle center	23
Golf Course	690	744	726	Golf Course	697
Operating grants and contributions	-	-	-	Operating grants and contributions	-
Capital grants and contributions	<u>710</u>	<u>3,787</u>	<u>526</u>	Capital grants and contributions	<u>1,101</u>
Total business-type activities program revenues	<u>\$ 11,993</u>	<u>\$ 15,459</u>	<u>\$ 12,076</u>	Total business-type activities program revenues	<u>\$ 13,496</u>
Total primary government program revenues	<u>\$ 19,743</u>	<u>\$ 34,926</u>	<u>\$ 19,076</u>	Total primary government program revenues	<u>\$ 28,383</u>

(Concluded)

Source: Prior Fiscal Years' Financial Statements - Statement of Activities

*** For FY 2016 and forward, the categories were adjusted for governmental activities**

CITY OF OWASSO, OKLAHOMA
RATIO OF OUTSTANDING
DEBT TO REVENUE
LAST TEN YEARS
June 30, 2016

YEAR	Business Type Activities Debt									Total Government & Trust Authority Revenue	Net Outstanding Debt as Percentage of Revenue	Outstanding Debt as Percentage of Assets	Outstanding Debt per Capita	Outstanding Debt as a Percentage of Median Household Income	Total Government & Trust Assets
	Notes Payable	Revenue Bonds, Net	Revenue Notes, Net	Component Unit: Ltd Obligation Notes Payable	Component Unit Revenue Notes Payable	Total Outstanding Bond & Note Debt	Less Bond Reserves	Total Net Outstanding Debt							
2016	\$ 19,669,794	\$ -	\$ 6,257,519	\$ -	\$ -	\$ 25,927,313	\$ 2,850,473	\$ 23,076,840	\$ 59,024,548	39.1%	12.9%	\$ 668	Not Available	\$ 201,069,114	
2015	21,591,979	-	8,252,519	-	-	29,844,498	3,114,459	26,730,039	46,380,086	57.6%	15.8%	791	0.25%	189,145,344	
2014	22,553,577	-	10,857,519	-	-	33,411,096	3,748,143	29,662,953	59,799,381	49.6%	17.8%	913	0.22%	187,773,741	
2013	24,653,054	-	11,127,519	-	-	35,780,573	3,175,866	32,604,707	41,887,866	77.8%	20.9%	1,037	0.20%	170,909,526	
2012	25,303,889	-	14,887,519	-	-	40,191,408	3,212,409	36,978,999	42,011,370	88.0%	23.8%	1,193	0.16%	168,991,561	
2011	25,772,123	-	19,762,519	-	-	45,534,642	3,285,484	42,249,158	37,751,962	111.9%	27.4%	1,412	0.14%	166,348,498	
2010	16,874,661	-	24,935,519	-	-	41,810,180	3,191,195	38,618,985	34,790,692	111.0%	26.6%	1,338	0.16%	157,283,413	
2009	12,441,035	-	29,923,019	-	-	42,364,054	3,105,987	39,258,067	36,329,000	108.1%	27.8%	1,427	0.16%	152,320,505	
2008	13,322,884	-	26,834,341	-	-	40,157,225	3,190,699	36,966,526	36,044,922	102.6%	27.4%	1,417	0.17%	146,392,454	
2007	14,310,905	-	19,710,822	630,721	1,200,000	35,852,448	2,660,323	33,192,125	33,298,508	99.7%	27.1%	1,333	New Measure	132,352,640	

Source: City of Owasso audited annual financial statements

Note: No general obligation debt was outstanding during this ten year period.

**CITY OF OWASSO, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Years
(amounts expressed in thousands)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Assessed Valuation (1)	151,277	178,149	191,211	196,480	220,326	225,964	228,937	234,984	246,241	259,055
Debt Limit (2)	15,128	17,815	19,121	19,648	22,033	22,596	22,894	23,498	24,624	25,905
Total net debt subject to limit (3)	-	-	-	-	-	-	-	-	-	-
Total debt margin	<u>\$ 15,128</u>	<u>\$ 17,815</u>	<u>\$ 19,121</u>	<u>\$ 19,648</u>	<u>\$ 22,033</u>	<u>\$ 22,596</u>	<u>\$ 22,894</u>	<u>\$ 23,498</u>	<u>\$ 24,624</u>	<u>\$ 25,905</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0%</u>									

Source:

- (1) *Tulsa County Assessor & Rogers County Assessor - Net Assessed Valuation*
- (2) *Article 10, Section 26, Oklahoma Constitution - 10% of Net Assessed Valuation*
- (3) *Article 10, Section 27, Oklahoma Constitution - debt subject to limit*

**CITY OF OWASSO, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2016**

<u>Governmental Unit</u>	<u>Net Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable to City of Owasso (2)</u>	<u>Estimated Share Applicable to City of Owasso</u>
Debt repaid with property taxes			
Counties:			
Tulsa County	\$ 117,706,460	4.9%	5,720,534
Rogers County	-	2.7%	-
			5,720,534
Independent School District:			
Owasso (V-18)	35,225,000	100%	35,225,000
			35,225,000
City Direct Debt		100%	-
Total Direct and overlapping debt			\$ 40,945,534

Source: Tulsa County & Rogers County Assessor's Offices

(1) Net general bonded debt.

(2) Percentage based on net assessed value of property.

SCHEDULE OF DEBT SERVICE COVERAGE REQUIREMENTS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2016

	OPWA	Golf course	1999A, 1999B, 2001A, 2001B, 2001C, 2002A, 2006, 2007, 2009B, 2009C, 2010, 2011 2012A and 2013 SRF OWRB Loan Issues and the 2013 Utility & Sales Tax Note
Gross Revenue Available for Debt Service:			
Charges for services:			
Water charges	\$ 5,515,781	\$ -	\$ 5,515,781
Wastewater charges	3,982,260	-	3,982,260
Sanitation	1,854,603	-	1,854,603
Penalties	243,203	-	243,203
Golf course	-	708,076	708,076
Sales tax pledged and transferred	<u>16,246,799</u>	-	<u>16,246,799</u>
Total Gross Revenues Available	<u>27,842,646</u>	<u>708,076</u>	<u>28,550,722</u>
Operating Expenses:			
Administration	805,018	-	805,018
Utility billing	409,439	-	409,439
Water	4,468,841	-	4,468,841
Wastewater treatment plant and collection	1,875,729	-	1,875,729
Refuse	1,080,566	-	1,080,566
Golf course operations	-	<u>1,150,353</u>	<u>1,150,353</u>
Total Operating Expenses	<u>8,639,593</u>	<u>1,150,353</u>	<u>9,789,946</u>
Net Revenues Available for Debt Service	<u>\$ 19,203,053</u>	<u>\$ (442,277)</u>	<u>\$ 18,760,776</u>
Total Debt Service Requirements			<u>\$ 3,948,560</u>
Computed Coverage			<u>475%</u>
Coverage Requirement			<u>125%</u>

Note 1: The above gross revenue and operating expenses only include the activities of the Authorities related to water, wastewater, refuse services, and golf course operations (golf excluded on OWRB note issue coverage - see Note 3 below), excluding depreciation and bad debt expense.

Note 2: The coverage requirements on the OWRB notes are calculated using maximum annual debt service on these notes and any subordinate debt.

Note 3: Golf course revenues of the Owasso Public Golf Authority have been included as "Gross Revenue Available" for Debt Service in the 1999A, 1999B, 2001A, 2001B, 2001C, 2002A, 2006, 2007, 2009B, 2009C, 2010, 2011, 2012A and 2013 SRF OWRB Loan issues and the 2013 Utility & Sales tax note of the Owasso

**CITY OF OWASSO, OKLAHOMA
 PLEDGED REVENUE BOND COVERAGE
 Last Ten Years**

YEAR	Gross Revenue	Direct Expenses	Net OPWA Revenues for Debt Service	Debt Service Requirements	
				Total Debt Service	Coverage
2016	28,550,722	9,789,946	18,760,776	\$ 3,948,560	475.13%
2015	26,839,010	8,216,984	18,622,026	3,778,906	492.79%
2014	25,773,170	8,132,642	17,640,528	5,757,634	306.39%
2013	24,098,802	7,993,489	16,105,313	4,738,783	339.86%
2012	23,022,640	8,104,550	14,918,090	4,606,148	323.87%
2011	21,819,556	7,346,378	14,473,178	4,390,394	329.66%
2010	21,165,415	6,841,376	14,324,039	8,504,949	168.42%
2009	26,860,232	7,245,983	19,614,249	6,873,508	285.36%
2008	25,817,383	6,501,942	19,315,441	5,843,088	330.57%
2007	24,118,562	6,228,091	17,890,471	5,194,797	344.39%

Source: Prior Years' Financial Statements

Note: No General Fund debt was outstanding during the past 10 years.

**CITY OF OWASSO, OKLAHOMA
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 CHANGE IN POPULATION
 LAST TEN YEARS
 JUNE 30, 2016**

Year	Population *	Yearly Change	Median Age ***	Median Household Income ***
2015	34,542	2.28%	35.10	\$ 66,572
2014	33,773	4.00%	34.30	65,550
2013	32,473	3.28%	34.40	64,711
2012	31,441	1.41%	33.02	59,542
2011	31,003	3.64%	31.44	58,376
2010	29,915 **	3.64%	32.78	60,136
2009	28,865	4.94%	35.45	61,300
2008	27,505	5.41%	35.42	61,760
2007	26,094	4.80%	35.45	New Measure
2006	24,900	5.04%	35.09	New Measure

** Source: U.S. Bureau of Census - Estimate as of July 1st each year*

*** Actual amount from census*

**** Source: City of Owasso Economic Development Department*

**CITY OF OWASSO, OKLAHOMA
PRINCIPAL EMPLOYERS
LAST TEN YEARS
JUNE 30, 2016**

2015				2006			
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment	
American Airlines	7,000	1	20.27%	7,000	1	28.11%	
Macy's	5,000	2	14.48%	-		0.00%	
Whirlpool	1,600	3	4.63%	1,600	2	6.43%	
Verizon	1,500	4	4.34%	1,500	3	6.02%	
Nordam Group	1,500	5	4.34%	1,500	4	6.02%	
Owasso Public Schools	1,100	6	3.18%	1,100	5	4.42%	
Wal-Mart	550	7	1.59%	550	6	2.21%	
National Steak & Poultry	500	8	1.45%	500	7	2.01%	
Capital One	400	9	1.16%	400	8	1.61%	
City of Owasso	250	10	0.72%	200	9	0.80%	
Bama Foods	225	11	0.65%	225	10	0.90%	
Honeywell	215	12	0.62%	215	11	0.86%	
	19,840		57.44%	14,790		59.40%	

Data Notes:

Source: City of Owasso Economic Development Department, Owasso Chamber of Commerce, and published news reports

The City estimates that 85% of its employed residents commute outside of Owasso; and that over 65% of Owasso's employed residents work in managerial, financial, professional, administration, or sales fields (the average for Oklahoma as a whole is about 57%).

**CITY OF OWASSO, OKLAHOMA
BUILDING PERMIT HISTORY
LAST TEN YEARS
JUNE 30, 2016**

Year	Commercial Number	Commercial Value	Number of Building Permits Issued	Residential Value
2015	14	\$ 30,213,000	228	\$ 46,969,251
2014	12	21,178,000	270	36,257,454
2013	14	9,647,730	238	32,426,395
2012	7	17,301,000	224	28,308,306
2011	11	9,608,116	179	22,151,055
2010	10	45,670,347	246	34,805,960
2009	7	12,830,100	303	24,767,829
2008	20	20,771,125	267	27,364,316
2007	48	44,833,444	301	32,720,596
2006	43	36,793,029	336	36,120,105

Source: City of Owasso Community Development

**CITY OF OWASSO, OKLAHOMA
PUBLIC SCHOOL INFORMATION
LAST TEN YEARS
JUNE 30, 2016**

YEAR	Est. Enrollment Age 4-17	Number of Elementary Schools	Est. Percent of High School Graduates	School Report Card
2016	9,678	8	96.0%	B+
2015	9,651	8	98.0%	B
2014	9,578	8	98.0%	B
2013	9,445	8	95.0%	A
2012	9,324	8	93.0%	B *
2011	9,297	8	95.0%	New Measure
2010	9,106	8	94.0%	New Measure
2009	8,995	8	94.0%	New Measure
2008	8,688	7	88.0%	New Measure
2007	7,400	7	97.0%	New Measure

Source: Annual Statistical Reports submitted by the Owasso Public School district to the Oklahoma State Department of Education

*** (1st year A-F Adoption)**

**CITY OF OWASSO, OKLAHOMA
UNEMPLOYMENT RATE
LAST TEN YEARS
JUNE 30, 2016**

Year	Unemployment Rate - Owasso	Unemployment Rate - Oklahoma	Unemployment Rate - United States
2016	3.9%	5.10%	4.90%
2015	3.2%	4.30%	5.10%
2014	3.3%	4.30%	6.20%
2013	4.0%	5.20%	7.30%
2012	4.2%	5.20%	8.10%
2011	4.2%	5.50%	9.00%
2010	5.1%	6.60%	9.50%
2009 *	n/a	n/a	n/a
2008 *	n/a	n/a	n/a
2007 *	n/a	n/a	n/a

Source: Bureau of Labor Statistics

** Information not available*

CITY OF OWASSO, OKLAHOMA
SELECTED OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE YEARS

Function/Program	2012 **	2013	2014	2015	2016
Public Safety & Protection					
Police					
1. Number of Police Officers	48	48	49	55	57
2. Number of Police Officers per 1000 residents	1.55	1.53	1.51	1.63	1.65
3. Percent increase (decrease) in number of calls *	New Measure	New Measure	10.35%	9.48%	Not Available *
4. Percent increase (decrease) in number of crimes *	-8.19%	-12.42%	3.64%	-11.93%	Not Available *
Fire					
1. Number of Fire Stations	3	3	3	3	3
2. Number of Firefighters	54	54	54	54	55
3. Percent increase (decrease) in number of ambulance calls *	9.24%	3.11%	-2.71%	5.94%	Not Available *
4. Percent increase (decrease) in number of fire calls *	-18.20%	-6.74%	-18.59%	3.59%	Not Available *
Social and Economic Development					
Owasso Strong Neighborhood Initiative					
1. Neighborhood Grant Investment					
Grant Amount	\$ 3,459.95	\$ 3,950.00	\$ 5,319.86	\$ 5,707.54	\$ 7,918.50
Neighborhood Funding	6,345.26	6,028.37	13,302.93	15,356.46	23,460.08
Total Investment in Owasso Neighborhoods	<u>\$ 9,805.21</u>	<u>\$ 9,978.37</u>	<u>\$ 18,622.79</u>	<u>\$ 21,064.00</u>	<u>\$ 31,378.58</u>
2. Volunteer Program Volume/ # of People					
City Volunteer Program	466	227	373	285	322
Owasso Cares Program	207	382	449	509	385
Keep Owasso Clean Program	New Measure	New Measure	New Measure	218	288
Total Volunteer Program Volume	<u>673</u>	<u>609</u>	<u>822</u>	<u>1,012</u>	<u>995</u>
3. Volunteer Program Hours					
City Volunteer Program	1,547.00	836.75	2,016.50	511.10	815.30
Owasso Cares Program	621.00	1,140.00	1,348.00	1,620.00	1,348.00
Keep Owasso Clean Program	New Measure	New Measure	New Measure	446	536
Total Volunteer Program Hours	<u>2,168.00</u>	<u>1,976.75</u>	<u>3,364.50</u>	<u>2,576.60</u>	<u>2,699.30</u>
4. Volunteer Program Value					
City Volunteer Program	\$ 26,376.35	\$ 15,295.79	\$ 36,861.62	\$ 10,671.77	\$ 17,488.19
Owasso Cares Program	10,588.05	20,839.20	26,641.44	33,825.60	28,914.60
Keep Owasso Clean Program	New Measure	New Measure	New Measure	8,654.76	11,497.20
Total Volunteer Program Value	<u>\$ 36,964.40</u>	<u>\$ 36,134.99</u>	<u>\$ 63,503.06</u>	<u>\$ 53,152.13</u>	<u>\$ 57,899.99</u>

* Information gathered based on a calendar year

** Information prior to 2012 is not available

**CITY OF OWASSO, OKLAHOMA
CITY EMPLOYEES BY FUNCTION
LAST TEN YEARS**

DEPARTMENT	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
105 Municipal Court	4	3	3	3	3	3	3	3	3	3
110 Managerial	6	7	7	7	7	7	7	8	7	7
120 Finance	7	7	7	7	7	6 1/2	6 1/2	6 1/2	7	7
130 Human Resources	3 2/3	3 2/3	4 2/3	4 2/3	4 2/3	4 2/3	4 2/3	4 1/6	4 1/2	4 1/2
150 General Government	0	0	0	0	0	0	0	0	0	0
175 Information technology	4 1/3	4 1/3	4 1/3	4 1/3	4 1/3	4 1/3	4 1/3	5 1/3	5	5
181 Support Services	6	6 1/2	6 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	5
Total General Government	31	31 1/2	32 1/2	30 1/2	30 1/2	30	30	31 1/2	31	31 1/2
160 Community Development	7	7	7	6	6	6	6	6	6	7 1/2
Total Community Development	7	7	7	6	6	6	6	6	6	7 1/2
185 City Garage	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	3 1/2
Total City Garage	2 1/2	2 1/2	3 1/2							
190 Cemetery	0	0	0	0	0	0	0	0	0	1
170 Engineering	7	7	7	7	6	6	6	6 1/2	6 1/2	7 1/2
300 Streets	6 1/3	6 1/3	6 1/3	6 1/3	5 1/3	5 1/3	5 1/3	6 1/3	6 1/3	7 1/3
370 Stormwater *	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	9 1/3	8 1/3	9 1/3	9 1/3	8 1/3
Total Public Works	20 2/3	20 2/3	20 2/3	20 2/3	18 2/3	20 2/3	19 2/3	22 1/6	21 1/6	24 1/6
201 Police Services	47	48	51	53	50	50	52	51	52	61
215 Police Communications	10	10	11	11	12	13	13	13	13	14
221 Animal Control	3	3	3	2	2	2	2	2	2 1/2	2 1/2
250 Fire Services	44	44	46	48	48	54	54	54	54	55
255 Ambulance Services	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2
280 Emergency Preparedness	2	2	2	2	2	2	2	1	1	1
Total Public Safety	106 1/2	107 1/2	113 1/2	116 1/2	114 1/2	121 1/2	123 1/2	121 1/2	123	134
515 Parks	5 1/2	6 1/2	7	8	7	7	8	8	8	7
520 Culture & Recreation	0	0	0	0	0	0	0	0	0	2
550 Community Center	3	3	3	3	3	3	3	3	3 1/2	3 1/2
580 Historical Museum	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2
Total Culture and Recreation	9	10	10 1/2	11 1/2	10 1/2	10 1/2	11 1/2	11 1/2	12	13
710 Economic Development	1	1	1	2	1	1	1	1	1	1
720 Strong Neighborhoods	0	0	1	1	1	1	1	1	1 1/2	1 1/2
Total Economic Development	1	1	2	3	2	2	2	2	2 1/2	2 1/2
400 Administration	5	5	6	6	5	5	4 1/2	4 1/2	4 1/2	4 1/2
405 Utility Billing	3	4	4	4	4	4	4	4	4	4
420 Water Distribution	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	8 1/3	8 1/3	8 1/3
Total Water	15 1/3	16 1/3	17 1/3	17 1/3	16 1/3	16 1/3	15 5/6	16 5/6	16 5/6	16 5/6
450 Wastewater Treatment Plant	6 1/3	6 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3
455 Wastewater Collections	5 1/3	5 1/3	5 1/3	5 1/3	5 1/3	5 1/3	5 1/3	7 1/3	7 1/3	6 1/3
Total Wastewater	11 2/3	11 2/3	12 2/3	14 2/3	14 2/3	13 2/3				
480 Refuse Collections	7 1/3	8 1/3	8 1/3	8 1/3	8 1/3	8 1/3	8 1/3	8 1/3	8 1/3	8 1/3
Total Sanitation	7 1/3	8 1/3	8 1/3							
485 Recycle Center	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	2 1/2
Total Recycle Center	1 1/2	1 1/2	2 1/2							
600 Golf Pro Shop	3	4	4	3	2	2	2	2	2	3
605 Cart Operations	1	1	1	1	1	1	1	1	1	1
610 Course Maintenance	7	7	6	6	6	6	6	6	6	6
670 Food & Beverage	5	5	5	5	5	5	5	5	5	5
690 Administration	2	2	1 1/2	1	1	1	1 1/2	1 1/2	1 1/2	1 1/2
Total Golf Course	18	19	17 1/2	16	15	15	15 1/2	15 1/2	15 1/2	16 1/2
TOTAL EMPLOYEES	231 1/2	237	246	246 1/2	238 1/2	247	249	254	256	274

* This includes both the General Fund & Stormwater Fund Employees

Source: Prior years budget books

Fractions indicate split funding or part-time employees

**CITY OF OWASSO
UTILITY AUTHORITY
WATER AND SEWER RATES
(Last Ten Years)
(Residential - Inside City Limits)**

Year	CITY OF OWASSO RATES			
	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2016	\$ 11.94	\$ 5.46	\$ 7.47	\$ 3.25
2015	11.50	5.02	6.97	2.95
2014	11.29	4.81	6.97	2.95
2013	11.01	4.44	6.97	2.95
2012	10.84	4.27	6.97	2.55
2011	10.84	4.27	6.97	2.55
2010	10.54	3.97	6.83	2.50
2009	10.46	3.89	6.83	2.50
2008	9.18	3.89	5.08	2.50
2007	7.90	3.70	3.33	2.26

Source: City Ordinance

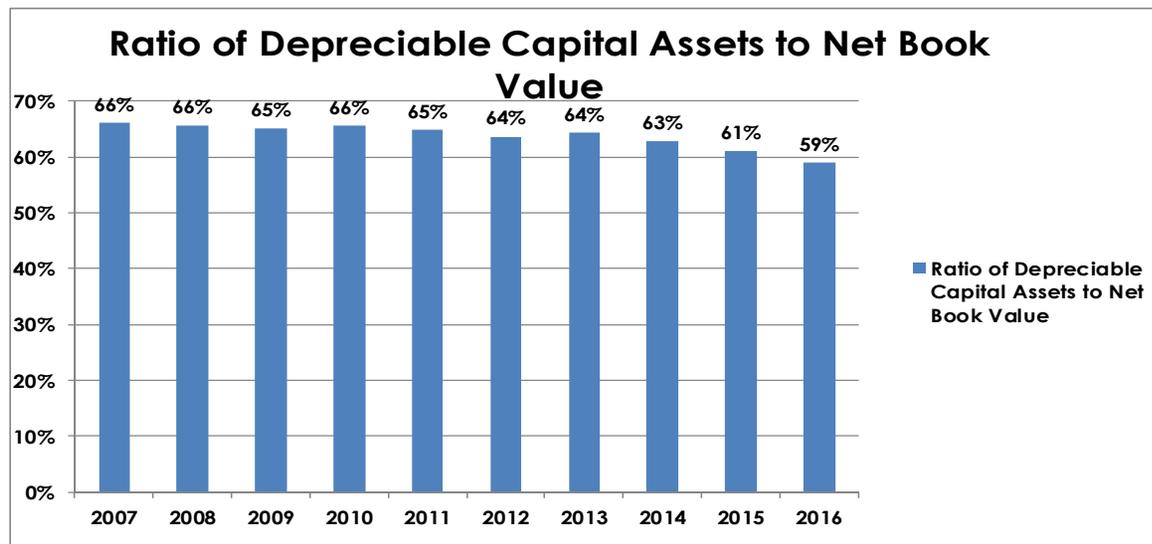
**CITY OF OWASSO
UTILITY AUTHORITY
WATER REVENUE BY CUSTOMER TYPE
(Last Ten Years)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Residential	\$ 2,560,542	\$ 2,701,118	\$ 2,850,367	\$ 2,940,841	\$ 3,148,744	\$ 3,524,593	\$ 3,521,324	\$ 3,534,658	\$ 3,377,415	\$ 3,706,866
Commercial	813,467	858,127	905,542	919,248	1,013,882	1,117,426	1,193,618	1,270,976	1,323,475	1,472,681
Other	161,398	170,259	179,666	187,594	233,119	285,396	347,516	284,487	247,846	336,234
Total	<u>\$ 3,535,406</u>	<u>\$ 3,729,503</u>	<u>\$ 3,935,576</u>	<u>\$ 4,047,684</u>	<u>\$ 4,395,745</u>	<u>\$ 4,927,414</u>	<u>\$ 5,062,458</u>	<u>\$ 5,090,121</u>	<u>\$ 4,948,736</u>	<u>\$ 5,515,781</u>

Source: City of Owasso Utility Billing Department

**CITY OF OWASSO, OKLAHOMA
CAPITAL ASSET CONDITION
(LAST TEN YEARS)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital Asset Cost	\$147,117,385	\$154,806,517	\$162,829,708	\$174,645,695	\$184,461,676	\$191,977,916	\$209,519,457	\$227,012,635	\$236,090,822	\$243,048,767
Accumulated Depreciation	49,945,755	53,067,930	56,654,178	60,122,428	64,787,726	69,743,475	74,877,280	84,132,412	91,998,891	99,731,555
Ratio of Depreciable Capital Assets to Net Book Value	66%	66%	65%	66%	65%	64%	64%	63%	61%	59%
Capital Asset Cost Land and CIP	\$97,171,630 (13,789,244)	\$101,738,587 (20,219,653)	\$106,175,530 (23,081,256)	\$114,523,267 (21,283,724)	\$119,673,950 (26,501,625)	\$122,234,441 (26,762,000)	\$134,642,177 (18,108,223)	\$142,880,223 (23,170,857)	\$144,091,931 (21,452,471)	\$143,317,212 (31,418,724)
	(\$13,789,244)	(\$20,219,653)	(\$23,081,256)	(\$21,283,724)	(\$26,501,625)	(\$26,762,000)	(\$18,108,223)	(\$23,170,857)	(\$21,452,471)	(\$31,418,724)
Total Liabilities	\$38,231,953	\$45,330,744	\$47,829,588	\$48,186,493	\$51,305,638	\$46,408,229	\$42,486,404	\$41,908,805	\$50,340,525	\$48,980,435
Due in more than one year	(30,390,339)	(34,116,477)	(35,892,914)	(36,923,059)	(41,084,877)	(37,080,346)	(33,086,353)	(31,011,202)	(41,307,393)	(38,531,014)
Current Liabilities	\$7,841,614	\$11,214,267	\$11,936,674	\$11,263,434	\$10,220,761	\$9,327,883	\$9,400,051	\$10,897,603	\$9,033,132	\$10,449,421



CITY OF OWASSO, OKLAHOMA
APPENDIX OF ABBREVIATIONS
(Occasionally used throughout this report)

AAL	... Actuarial Accrued Liability
City	...City of Owasso, Oklahoma
CDBG	... Community Development Block Grant
CFDA	... Catalog of Federal Domestic Assistance
CWSRF	... Clean Water State Revolving Fund
EMSA	... Emergency Medical Services Authority
FPRS	... Oklahoma Firefighter's Pension and Retirement System
GAAP	... Generally Accepted Accounting Principles
GASB	... Governmental Accounting Standards Board
GFOA	... The Government Finance Officers Association of the U.S. and Canada
GO	... General Obligation (bonds)
ICMA-RC	... 457 Deferred Compensation Plan
IRC	... Internal Revenue Code
MSA	... Metropolitan Statistical Area (of Tulsa)
OEDA	... Owasso Economic Development Authority
OKMRF	... Oklahoma Municipal Retirement Fund
OPEB	... Other Post Employment Benefits
OPGA	... Owasso Public Golf Authority
OPPRS	... Oklahoma Police Pension and Retirement System
OPWA	... Owasso Public Works Authority
OSNI	... Owasso Strong Neighborhood Initiative
OWRB	... Oklahoma Water Resources Board
RAN	... Revenue Anticipation Note
SRF	... State Revolving Fund
UAAL	... Unfunded Actuarial Accrued Liability



**Comprehensive Annual
Financial Report**

**City of Owasso, Oklahoma
Year Ended June 30, 2016**



TO: Council and Trustees
City Of Owasso, OPWA and OPGA

FROM: Linda Jones
Finance Director

SUBJECT: Annual Report - Red Flag Rule
Identity Theft Prevention

DATE: December 16, 2016

BACKGROUND:

On January 1, 2008, congressional legislation regarding The Red Flag Rule went into effect requiring all public utilities and all governmental agencies to have an identity theft plan in place by May 1, 2009.

In compliance with the new legislation, the City of Owasso, the Owasso Public Works Authority, and the Owasso Public Golf Authority adopted Resolution No. 2009-03 outlining the identity theft prevention program which includes the following:

- Procedures to identify patterns, practices, and specific forms of activity that indicate the possible existence of identity theft.
- Semi-annual performance of a risk assessment of all internal operations where identity theft is possible.
- Periodic revision of the program to reflect changes in risk.

Program administration requires:

- Governing Body to approve the written identity theft prevention program.
- Governing Body to designate a senior manager to oversee the implementation and administration of the program.
- Staff to receive formal training on the implementation of the program.

Ongoing Requirements:

- Complete a periodic review of the Program's operations.
- Conduct an Incident Review of all Red Flag events that occurred during the last 6 months to include actions taken to limit customer exposure and any preventive measures put in place.
- Write an Annual Report to the Governing Body to report findings and actions taken during the year.

ACTION:

This is the annual report and no action is needed.

ATTACHMENT:

Red Flag Annual Review dated November 2016

Red Flag Policy Annual Report

November 30, 2016

BACKGROUND:

Identity theft is a serious problem in the United States. To combat the problem, as part of the Fair and Accurate Credit Transactions Act of 2003 (the FACT Act), the Federal Trade Commission and several other federal agencies have issued rules requiring creditors (including municipalities under certain circumstances) to develop, adopt and implement written Identity Theft Prevention Programs. The Programs were required to be in place by May 1, 2009. The rules are often referred to as RED FLAG requirements and apply to financial institutions and municipalities that provide utility services and/or other services for which payment is made in arrears. It is the provision of services on a deferred payment basis that makes a municipality a "creditor" as defined under Red Flags.

ACTION TAKEN:

The City of Owasso adopted Resolution No. 2009-03 to help protect identity theft and fight theft of customer account information, and provide procedures that identify, detect, and respond to possible signals of identity theft known as Red Flags.

As a result, the following list of security enhancements are enforced to ensure the security of customer information:

- 1) Only allow for applications for service to be made in person;
- 2) Verify the identification of existing customers if they request information in person, via telephone, via facsimile, or via e-mail.
- 3) Verify identification of existing customers when requesting to transfer service, change account status, change mailing address, or to terminate service;
- 4) Verify proof of ownership/lease agreement;
- 5) Require proper identification when a customer presents a Credit or Debit Card for payment if the name is on the card is different from the name on the utility account.

ANNUAL REPORT:

Red Flag procedures were reviewed in November 2016. No breach of confidential customer personal identifying information or suspected identity theft was detected over the past year.



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

November 30, 2016

Mr. Roger Stevens, Public Works Director
City of Owasso
301 West 2nd Ave
Owasso, Oklahoma 74055

Re: Permit No. SL000072161023
Morrow Place Residential Phase I
Facility No. S-21310

Dear Mr. Stevens:

Enclosed is Permit No. SL000072161023 for the construction of 1,586 linear feet of twelve (12) inch PVC sewer line, 3,724 linear feet of eight (8) inch PVC sewer line, and all appurtenances to serve the Morrow Place Residential Phase I, Tulsa County, Oklahoma.

The project authorized by this permit should be constructed in accordance with the plans approved by this Department on November 30, 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 Owasso, 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 blue ink that reads "Qusay R. Kabariti".

Qusay Kabariti, P.E.
Construction Permit Section
Water Quality Division

QK/ER/RC/ag

Enclosure

c: Rick Austin, Regional Manager, DEQ
REGIONAL OFFICE AT TULSA
Brian K Kellogg, P.E., Kellogg Engineering, Inc.





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT No. SL000072161023

SEWER LINES

FACILITY No. S-21310

PERMIT TO CONSTRUCT

November 30, 2016

Pursuant to O.S. 27A 2-6-304, the City of Owasso is hereby granted this Tier I Permit to construct 1,586 linear feet of twelve (12) inch PVC sewer line, 3,724 linear feet of eight (8) inch PVC sewer line, and all appurtenances to serve the Morrow Place Residential Phase I, located in NW/4, of Section 4, T-21-N, R-14-E, Tulsa County, Oklahoma, in accordance with the plans approved November 30, 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 wherever water and sewer lines are constructed with spacing of 10 feet or less, sanitary protection will be provided in accordance with OAC 252:656-5-4(c)(3) of the standards for Water Pollution Control Facility Construction.
- 5) 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.
- 6) 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.





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT No. SL000072161023

SEWER LINES

FACILITY No. S-21310

PERMIT TO CONSTRUCT

- 7) 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.
- 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. 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 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.
- 13) That when it is impossible to obtain proper horizontal and vertical separation 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 using the ASTM air test procedure with no detectable leakage prior to backfilling, in accordance with the standards for Water Pollution Control Facility Construction OAC 252:656-5-4(c)(3).





SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

PERMIT No. SL000072161023

SEWER LINES

FACILITY No. S-21310

PERMIT TO CONSTRUCT

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.

A handwritten signature in blue ink, appearing to read 'Rocky Chen', is written over a horizontal line.

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

ER
ORC.

