



City Hall, Council Chambers
401 S. Johnstone Avenue
Bartlesville, OK 74003

**NOTICE OF SPECIAL MEETING
OF THE
BARTLESVILLE CITY COUNCIL**

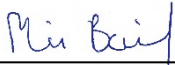
**Monday, March 19, 2018
7:00 p.m.**

**Mayor Dale Copeland
918-338-4282**

AGENDA

- 1. Call to order the business meeting of the Bartlesville City Council by Mayor Copeland.**
- 2. Roll Call and Establishment of a Quorum.**
- 3. The Invocation will be provided by Father John O'Neill, St. John Catholic Church.**
- 4. Citizens to be heard.**
- 5. City Council Announcements and Proclamations.**
- 6. Authorities, Boards, Commissions and Committee Openings**
 - a. One opening on the Bartlesville Library Trust Authority
 - b. One opening on the Park Board
 - c. One opening on the Bartlesville Redevelopment Trust Authority
 - d. One opening on the Street and Traffic Committee
- 7. Consent Docket**
 - a. Approval of Minutes**
 - i. The Regular Meeting Minutes of March 5, 2018.
 - b. Approval of Appointments, Reappointments and Ratifications to Authorities, Boards, Commissions and Committees**
 - i. Appointment of Josh Malloy to serve a three-year term on the Street and Traffic Committee at the recommendation of Councilman Dorsey.
 - ii. Appointment of Ms. Preethi Chaparala to a three-year term on the White Rose Cemetery Board at the recommendation of Mayor Copeland.
 - iii. Appointment of Mr. Ken Harris to fill an unexpired term on the White Rose Cemetery Board at the recommendation of Mayor Copeland.
 - iv. Appointment of Mr. Gary Reheis and Ms. Adrene Linehan to three year appointments on the Adams Municipal Golf Course Operating Committee at the recommendation of Mayor Copeland.
 - c. Approval of Resolutions**
 - i. A resolution amending the budget of the City of Bartlesville, Oklahoma for Fiscal Year 2017-2018 appropriating unanticipated revenue for the General Fund.
 - ii. A resolution amending the budget of the City of Bartlesville, Oklahoma for Fiscal Year 2017-2018 to appropriate unbudgeted fund balance to pay additional amounts related to employee bonuses for police and general employees.
 - d. Receipt of Financials**
 - i. Interim Financial Statement for seven months ended January 31, 2018.
- 8. Discuss and take action to approve an Agreement between the City of Bartlesville and Kutak Rock LLP for special disclosure counsel services in connection with the issuance of general obligation bonds of the City.**
- 9. City Manager and Staff Reports.**
- 10. City Council Comments and Inquiries.**
- 11. Adjournment.**

The Notice of Meeting and Agenda was received and filed in the Office of the City Clerk and posted in prominent public view at City Hall at 5:00 p.m. on Thursday, March 15, 2018.



**Michael Bailey, City Clerk
Administrative Director/CFO**



by Elaine Banes, Deputy City Clerk

All discussion items are subject to possible action by the City Council. Agenda items requiring a public hearing as required by law will be so noted. The City Council may at their discretion change the order of the business agenda items. City of Bartlesville encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least one working day prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive this rule if signing is not the necessary accommodation.



City Hall, Council Chambers
401 S. Johnstone Avenue
Bartlesville, OK 74003

MINUTES OF THE REGULAR MEETING OF THE BARTLESVILLE CITY COUNCIL

Monday, March 5, 2018
7 p.m.

Mayor Dale Copeland
918-338-4282

MINUTES

(Notice of Meeting was posted December 15, 2017 and the Agenda was posted at 5:00 p.m. March 1, 2018.)

City Council Members Present: Mayor Dale Copeland, Vice Mayor John J. Kane, Jim Curd, Jr., Alan Gentges and Trevor Dorsey.

City staff present: Mike Bailey, Acting City Manager, Administrative Director/CFO; Jerry Maddux, City Attorney, Lisa Beeman, Community Development Director; Micah Siemers, Director of Engineering; Fire Chief John Banks; Keith Henry, Director of Public Works; IAFF President Josiah Rovenstine; Former IAFF President David Taylor; Kelli Williams, Chief Communications Officer; and Elaine Banes, Executive Assistant.

1. **Mayor Copeland called the business meeting of the Bartlesville City Council to order at 7:29 p.m. following the Bartlesville/Washington Council Council Special Meeting that started at 6:30 p.m.**
2. **Roll call was conducted and a quorum established.**
3. **The invocation was provided by Tosha Hollopeter, Bartlesville First Church.**
4. **Citizens to be heard.**

There were no citizens to be heard.

5. **City Council Announcements and Proclamations.**

There were no announcements or proclamations.

6. **Authorities, Boards, Commissions and Committee Openings**
 - Two openings on the Adams Golf Club Operating Committee
 - One opening on the Bartlesville Redevelopment Trust Authority
 - One opening on the Park Board
 - Two openings on the Street and Traffic Committee
 - One opening on the White Rose Cemetery Board

Mayor Copeland read the openings and encouraged citizens to volunteer on City Committees. Applications can be found at www.cityofbartlesville.org or at City Hall in the City Manager's Office.

7. **Consent Docket**

- a. **Approval of Minutes**

- i. The Special Meeting Minutes of February 20, 2018.

- b. **Approval and/or Ratification of Appointments and Reappointments to Authorities, Boards, Commissions and Committees**

- i. Appointment of Mr. Matt Bretz to a three-year term on the City Planning Commission at the recommendation of Vice Mayor Kane.
- ii. Appointment of Ms. Andrea Nightingale to serve the remainder of Trevor Dorsey's term on the City Planning Commission at the recommendation of Vice Mayor Kane.
- iii. Reappointment of Ms. Billie Roane and Mr. Charlie Bowerman to additional three year terms on the Bartlesville Area History Museum Trust Authority at the recommendation of Councilman Dorsey.

c. Approval of Agreements and/or Contracts

- i. Approval of a professional services agreement with Meshek & Associates, LLC for engineering services associated with the Downtown East Storm Sewer Improvements Project.
- ii. Approval of Amendment No. 3 to the Professional Services Agreement with CEC for Airport Consulting Services.
- iii. Approval of a professional services contract with CEC Corporation for engineering services associated with the Price Road Rehabilitation Project.
- iv. Approval of a ground lease to allow construction of a cellular tower by KCD Towers, LLC.

d. Approval of Nomination to OMAG Board

- i. Approval of the nomination of Michael Bailey to the OMAG Board of Trustees and authorize the Mayor to sign the nomination form.

e. Receipt of Annual Report

- i. Bartlesville Fire Department 2017 Year-End Report

Mayor Copeland read the consent docket in its entirety.

Vice Mayor Kane moved to approve the remainder of the consent docket, seconded by Mr. Dorsey.

Ayes: Mr. Dorsey, Mr. Gentges, Mr. Curd, Vice Mayor Kane, Mayor Copeland
 Nays: None
 Motion: Passed

8. Discuss and take action to award Bid 2017-2018-017 for (Two) New Commercial Front Deck Mowers. Presented by Mr. Curd.

Mr. Curd moved to award the bid to P&K Equipment of Bartlesville in the amount of \$42,250.48, seconded by Mr. Gentges.

Ayes: Mr. Gentges, Mr. Curd, Vice Mayor Kane, Mr. Dorsey, Mayor Copeland
 Nays: None
 Motion: Passed

9. Discuss and take action to approve a Memorandum of Understanding with Dewberry Architects for Change Order #2 for the Public Safety Complex. Presented by Micah Siemers, Director of Engineering.

Mr. Siemers provided the history of the project, the construction amount to Crossland Construction and the specifics of Change Order No. 1 in December of 2016. Included in Change Order No. 1 was an additional \$20,000 in contingency to finish the project, and coupled with some return on some of the changes would allow completion of the project with no further change orders. When staff moved into the new buildings in March of 2017 there was \$10,123.80 remaining in contingency. However, one month after moving in to the buildings, police and fire users noticed a high level of humidity in various portions of the buildings, particularly in the fire bunk room and detective's area at the police building. Since that time, City staff, Dewberry, Crossland, subcontractors and sub consultants have gone through an extensive process to identify the cause of the high humidity. Mr. Siemers listed the

tests, re-test, modifications and re-work, all of which did not resolve the high humidity levels as of August 2017. After all of the investigations and collection of humidity readings by City staff before and after each modification to the system, it has been determined that some of the HVAC equipment will need to be replaced with equipment better suited for removing humidity. Specifics of the equipment needed was provided.

Mr. Siemers continued that once Dewberry, Lee & Browne (mechanical engineer), and Crossland came up with their proposed solution with input and coordination with City staff, staff worked with them to determine who would be funding these modifications as the City had already paid for installation of equipment that should have worked properly. The outcome is that Dewberry will be paying for the exhaust modifications to the police building and Lee & Browne will be paying for replacement of the HVAC unit at the fire building. The mechanical subcontractor will be covering adjustments and balancing in both buildings to the design criteria Lee & Bowne has required. He explained that since the City's contract is with Crossland, the City will be billed for the improvements to ensure there are issues down the road with warranty work. The exhaust fan will cost \$3,224.01 and the reheat unit will cost \$16,300.00, totaling \$19,524.01 for the revised scope of work, which unfortunately exceeds the remaining contingency of 410,124.80. Thus, the need for Change Order No. 2 for \$9,399.21.

Mr. Siemers reported that at the request of City staff, Dewberry provided the memorandum of understanding explaining that the City of Bartlesville will approve the change order to contract with Crossland to complete the revisions and the completed work will be billed to the City. The City will then bill Dewberry and Lee & Browne who will pay for the work. The memorandum also states that if continued humidity issues persist at both buildings, it will require further investigation of both the HVAC system and buildings and could possibly require additional equipment modifications. Staff will continue to monitor the humidity levels this spring and summer in close coordination with Dewberry and Crossland to determine if additional modifications are needed. A brief discussion with Council about the issues ensued.

Mr. Curd moved to approve the Memorandum of Understanding as presented, seconded by Vice Mayor Kane.

Ayes: Mr. Curd, Vice Mayor Kane, Mr. Dorsey, Mr. Gentges, Mayor Copeland
Nays: None
Motion: Passed

10. Discuss and take action on Change Order No. 2 for the Public Safety Complex Project. Presented by Micah Siemers, Director of Engineering.

Mr. Siemers stated that the staff report for this item is nearly identical as it related to and was reported on in Item 9.

Mr. Gentges moved to approve Change Order No. 2 to the contract with Crossland Construction in the amount of \$9,399.21, seconded by Mr. Dorsey.

Ayes: Vice Mayor Kane, Mr. Dorsey, Mr. Gentges, Mr. Curd, Mayor Copeland
Nays: None
Motion: Passed

11. New Business

There was no new business.

12. City Manager and Staff Reports.

Mr. Bailey encouraged citizens to vote in the G.O. Bond election tomorrow.

13. City Council Comments and Inquiries.

Mr. Curd shared that being involved in the campaign for the G.O. Bond election has been a great experience, adding that many great projects are before the citizens to approve.

Mr. Gentges shared that tomorrow democracy will be seen at its best, and that he is hoping for a big turnout.

Mayor Copeland added that city staff had put in a lot of time and effort to bring the projects forward, so he encouraged citizens to take a few minutes to get out and vote.

14. There being no further business to discuss, Mayor Copeland adjourned the meeting at 7:59 p.m.

Dale W. Copeland, Mayor

Mike Bailey, City Clerk
Administrative Director/CFO

Elaine Banes

From: Trevor <trevordale@sbcglobal.net>
Sent: Monday, March 05, 2018 2:14 PM
To: Kim D. Toulouse
Cc: Elaine Banes; Micah Siemers
Subject: Re: Recommendation for Street/Traffic Committee Member

Kim,

I approve and please have it added to the agenda.

Thank you,

Trevor

Sent from my iPhone

On Mar 5, 2018, at 1:51 PM, Kim D. Toulouse <kdtoulou@cityofbartlesville.org> wrote:

Hi Trevor,

Attached is an application and recommendation from Micah Siemers to have Josh Malloy serve on the Street/Traffic Committee. If you approve, we'll have Elaine get it on the next council agenda. Thanks!

Kim Toulouse
Engineering Department
City of Bartlesville
918-338-4251
918-338-4259 fax

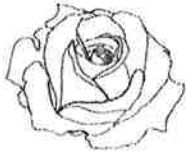
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<Josh Malloy application.pdf>

<Josh Malloy appointment-Street-Traffic Committee.pdf>



White Rose Cemetery

March 5, 2018

To: Mayor Copeland & City Council Members

From: Keith Henry, Director of Public Works

Dear Mayor Copeland and City Council Members:

Ms. Preethi Chaparala has applied to become board member of the White Rose Cemetery Board. I recommend her appointment. She has been a professional funeral director and works fulltime in the funeral business. She is passionate about preserving places of historical significance. She has a vested interest in the White Rose Cemetery and is anxious to become a board member.

The White Rose Cemetery Board terms are in 3-year increments with 6 years as the maximum.

I have attached a copy of his application for review.

Thank you for your consideration.

Sincerely,

Keith Henry, Director of Public Works
White Rose Cemetery Board

Elaine Banes

From: ian@bitbrilliant.com
Sent: Friday, November 10, 2017 10:39 AM *Rec'd.*
To: Elaine Banes
Subject: New submission from Application for City Boards, Commissions, Committees & Trust Authorities

*cc: Shellie McGill
Keith Henry
Derise Groff
Barbara Mamma*

Please check the ones you wish to serve on:

- Library Board
- White Rose Cemetery Board

Name

Preethi Chaparala

Address

724 Crestland Drive
Bartlesville, Oklahoma 74006
[Map It](#)

Home Phone

(347) 755-5552

Work Phone

(918) 333-4300

Cell Phone

(347) 755-5552

Email

oklahomaundertaker@gmail.com

Ward Number

5

What in your background qualifies you for service on the committees chosen (volunteer work, education, employment)?

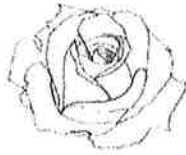
Regarding the White Rose Cemetery Board, I am a professional funeral director and work full time in the funeral business. When I lived in New York, I was a patron at Greenwood Cemetery in Brooklyn, NY. I am passionate about preserving places of historical significance as well as making sure cemeteries are taken care of. As far as the library goes, I'm an avid reader and very passionate about the importance of libraries to every community.

Tell us about your previous community involvement and the duration of your involvement.

I've done a lot of volunteering over the years for the homeless, disadvantaged children, and taking care of animals. Furthermore, my profession as a funeral director is defined by community involvement.

What would you like to see this board, commission, committee or authority accomplish?

I'd like to see some events at the cemetery to raise money, promote awareness of the cemetery as a place rich in history, and to maintain the cemetery grounds for families of loved ones who are buried there. Regarding the library, I would like to be involved in fund raising and maintaining the beautiful library we have here in Bartlesville.



White Rose Cemetery

March 13, 2018

To: Mayor Copeland & City Council Members

From: Keith Henry, Director of Public Works

Dear Mayor Copeland and City Council Members:

Mr. Kenneth Harris has applied to become board member of the White Rose Cemetery Board. I recommend his appointment. He has been a lifelong resident of Bartlesville. He has served as former member and chairman of the Bartlesville Traffic Committee and is president of the Oldies 'n Goodies Car Club. Also, he is a former chairman of the Doenges Stadium Renovation Committee. He has a vested interest in the White Rose Cemetery and is anxious to become a board member.

The White Rose Cemetery Board terms are in 3-year increments with 6 years as the maximum.

I have attached a copy of his application for review.

Thank you for your consideration.

Sincerely,

Keith Henry, Director of Public Works
White Rose Cemetery Board

Elaine Banes

From: ian@bitbrilliant.com
Sent: Thursday, February 22, 2018 11:48 AM
To: Elaine Banes
Subject: New submission from Application for City Boards, Commissions, Committees & Trust Authorities

Please check the ones you wish to serve on:

- White Rose Cemetery Board

Name

Kenneth Harris

Address

369 S. E. Rockwood Avenue
Bartlesville, Oklahoma 74006
[Map It](#)

Cell Phone

(918) 440-2677

Email

kwh1950@gmail.com

What in your background qualifies you for service on the committees chosen (volunteer work, education, employment)?

Former member and chairman of the Bartlesville Traffic Committee. Current President of the Oldies 'n Goodies Car Club. Former chairman of the Doenges Stadium Renovation Committee. Retired employee of Phillips Petroleum Company. Lifelong resident of the city of Bartlesville.

Tell us about your previous community involvement and the duration of your involvement.

See above.

What would you like to see this board, commission, committee or authority accomplish?

Continue the improvements to this historic and beautiful cemetery.

Elaine Banes

From: Dale Copeland <Copeland4Bville@aol.com>
Sent: Wednesday, March 14, 2018 10:04 AM
To: Elaine Banes
Cc: Jimmy T. Howe; Mike L. Bailey; Ed E. Gordon
Subject: Adams Municipal Golf Course Operating Committee Appointments

Elaine,

At present we have two openings on the Adams Municipal Golf Course Operating Committee. Please add my recommendation on an appropriate City Council Agenda for council consideration and approval of Mr. Gary Reheis and Ms. Adrene Linehan to fill these openings.

Thanks,

--

Dale Copeland
Mayor
Ward 1 Council Representative
City of Bartlesville

CITY OF BARTLESVILLE
APPLICATION FOR CITY BOARDS, COMMISSIONS,
COMMITTEES AND TRUST AUTHORITIES

√ - Please check the ones you wish to serve on:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Adams Municipal Golf Course Committee | <input type="checkbox"/> Community Center Trust Authority |
| <input type="checkbox"/> Ambulance Commission | <input type="checkbox"/> Construction and Fire Code Appeals Board |
| <input type="checkbox"/> Bartlesville Adult Center Trust Authority | <input type="checkbox"/> Library Board |
| <input type="checkbox"/> Bartlesville Development Authority | <input type="checkbox"/> Park Board |
| <input type="checkbox"/> Bartlesville History Museum Trust Authority | <input type="checkbox"/> Sewer System Improvement Oversight Committee |
| <input type="checkbox"/> Bartlesville Library Trust Authority | <input type="checkbox"/> Stadium Operating Committee |
| <input type="checkbox"/> Bartlesville Redevelopment Trust Authority | <input type="checkbox"/> Street and Traffic Committee |
| <input type="checkbox"/> Bartlesville Water Resources Committee | <input type="checkbox"/> Tax Incentive District Review Committee |
| <input type="checkbox"/> City Board of Adjustment | <input type="checkbox"/> Tree Sub-Committee of the Park Board |
| <input type="checkbox"/> City Planning Commission | <input type="checkbox"/> White Rose Cemetery Board |

NAME: Adrene Linehan

HOME PHONE:

ADDRESS: 792 Brookhollow LN
PHONE: _____

WORK

CITY/STATE/ZIP: Bartlesville, OK 74006

CELL PHONE: 918.914.2746

EMAIL ADDRESS: adrene.linehan@hotmail.com

WARD NO:

What in your background qualifies you for service on the committees chosen (volunteer work, education, employment)?

20 years as a golfer, 32 years with ConocoPhillips, some in business units, BS in Business, small business owner in the past.

Tell us about your previous community involvement and the duration of your involvement:

What would you like to see this board, commission, committee or authority accomplish?

Promote, maintain, improve Adams Golf Course as it is
important asset to the community.

Signature: Adrene Linahan

Date Applied: 4/12/2016

Please mail or deliver to: City of Bartlesville
City Manager's Office
401 S. Johnstone Ave.
Bartlesville, OK 74003



**For anything additional, please
attach.**

Elaine Banes

From: ian@bitbrilliant.com
Sent: Tuesday, February 27, 2018 1:02 PM
To: Elaine Banes
Subject: New submission from Application for City Boards, Commissions, Committees & Trust Authorities

Please check the ones you wish to serve on:

- Adams Municipal Golf Course Committee

Name

GARY REHEIS

Address

6230 QUAIL RIDGE RD
BARTLESVILLE, OK 74006
[Map It](#)

Home Phone

(918) 333-0454

Cell Phone

(918) 284-4462

Email

GMREHEI@HOTMAIL.COM

Ward Number

5

What in your background qualifies you for service on the committees chosen (volunteer work, education, employment)?

BS MATH/PHYSICS FROM WICHITA STATE U. RETIRED FROM PPCO AFTER 35 YEARS AS I.T. INFRASTRUCTURE MANAGER RESPONSIBLE FOR 175 EMPLOYEES AND \$180 MM BUDGET. CURRENTLY PRESIDENT OF ASMGA (ADAMS SENIORS) AND SECRETARY/TREASURER OF AMGA. VOLUNTEER DRIVER FOR AGAPE FOOD FOR KIDS. LEADS A GROUP OF VOLUNTEERS THAT DOES TREE TRIMMING, WEED TRIMMING, YARDAGE MARKERS, ETC FOR THE COURSE. MAINTAINS THE BEAUTY OF THE POND AND AREA AROUND #16.

Tell us about your previous community involvement and the duration of your involvement.

SERVED ON THE ADAMS OPERATING COMMITTEE FOR 2 TERMS AND WAS ELECTED CHAIRMAN.

What would you like to see this board, commission, committee or authority accomplish?

I HAVE PLAYED AT ADAMS SINCE 1966 AND HAVE SEEN THE FACILITY GROW TO ONE OF THE FINEST PUBLIC COURSES IN THE AREA. I WANT THE COURSE TO CONTINUE TO IMPROVE AND HOST MORE TOURNAMENTS. THE GREENS ARE 54 YEARS OLD AND WE NEED A PLAN TO REPLACE THEM. WE NEED TO CONTINUE OUR YOUTH PROGRAMS AND ENCOURAGE FAMILIES TO USE THESE FACILITIES. ADAMS IS A WONDERFUL ASSET AND I WANT TO HELP IT STAY THAT WAY WITH A CONTINUOUS IMPROVEMENT AND MAINTENANCE PLAN.

RESOLUTION _____

A RESOLUTION AMENDING THE BUDGET OF THE CITY OF BARTLESVILLE, OKLAHOMA FOR FISCAL YEAR 2017–2018, APPROPRIATING UNANTICIPATED REVENUE FOR THE GENERAL FUND.

WHEREAS, THE City of Bartlesville has unbudgeted revenue in excess of \$4,759 for repairs to damages to city property; and

WHEREAS, the City of Bartlesville needs to appropriate \$4,759 of these revenues prior to their expenditure;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA that:

The Street Dept (328) of the General Fund (101) shall be increased as follows:

General Supplies (53310)	\$ 3,545
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The Park Dept (431) of the General Fund (101) shall be increased as follows:

General Supplies (53310)	\$ 1,214
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APPROVED BY THE CITY COUNCIL AND SIGNED BY THE MAYOR OF THE CITY OF BARTLESVILLE THIS 19th DAY OF MARCH, 2018.

Mayor

Attest:

City Clerk

RESOLUTION _____

A RESOLUTION AMENDING THE BUDGET OF THE CITY OF BARTLESVILLE, OKLAHOMA FOR FISCAL YEAR 2017–2018 TO APPROPRIATE UNBUDGETED FUND BALANCE TO PAY ADDITIONAL AMOUNTS RELATED TO EMPLOYEE BONUSES FOR POLICE AND GENERAL EMPLOYEES.

WHEREAS, the City Council appropriated funds to pay a \$500 bonus to all eligible City employees in the Fiscal Year 2017-18 budget; and

WHEREAS, the City Council recently came to termS with the Bartlesville Fraternal Order of Police for the Fiscal Year 2017-18 contract; and

WHEREAS, that contract called for a bonus of \$541.42 to be paid to all FOP members instead of the originally authorized \$500 bonus; and

WHEREAS, the City wishes to extend this increased bonus amount to all eligible City employees; and

WHEREAS, it is necessary to appropriate these funds prior to their expenditure; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA that the following funds, departments, and line items be increased as follows:

Fund	Department	Account	Amount
General Fund:	Administration:	Salaries	248.52
		FICA	19.02
		DB Retirement	24.84
	Accounting and Finance:	Salaries	621.30
		FICA	47.55
		DB Retirement	62.10
	Legal:	Salaries	82.84
		FICA	6.34
		DB Retirement	8.28
	Building and Neighborhood Services:	Salaries	289.94
		FICA	22.19
		DB Retirement	28.98
	Building Maintenance:	Salaries	165.68
		FICA	12.68
		DB Retirement	16.56
	Community Development:	Salaries	124.26
		FICA	9.51
		DB Retirement	12.42
	Tech Services:	Salaries	165.68
		FICA	12.68
		DB Retirement	16.56
	Engineering:	Salaries	248.52
		FICA	19.02
		DB Retirement	24.84
	Fleet Maintenance:	Salaries	165.68
		FICA	12.68
		DB Retirement	16.56
	Fire:	Salaries	2,899.40
		FICA	47.18
		DB Retirement	8.28
		Pension	394.32
	Police:	Salaries	2,899.40
		FICA	221.90
DB Retirement		37.26	
Street:	Salaries	621.30	
	FICA	47.55	
	DB Retirement	62.10	
Library:	Salaries	579.88	
	FICA	44.38	
	DB Retirement	57.96	
History Museum:	Salaries	124.26	
	FICA	9.51	
	DB Retirement	12.42	
Park & Rec:	Salaries	745.56	
	FICA	57.06	
	DB Retirement	74.52	

Fund	Department	Account	Amount
E-911:	Emergency Dispatch:	Salaries	579.88
		FICA	44.38
		DB Retirement	57.96
Wastewater:	Wastewater Maintenance:	Salaries	372.78
		FICA	28.53
		DB Retirement	37.26
Water:	Water Plant:	Salaries	579.88
		FICA	44.38
		DB Retirement	57.96
	Water Administration:	Salaries	82.84
		FICA	6.34
		DB Retirement	8.28
	Water Distribution:	Salaries	704.14
		FICA	53.89
		DB Retirement	70.38
Sanitation:	Sanitation:	Salaries	1,076.92
		FICA	82.42
		DB Retirement	107.64
Golf:	Golf:	Salaries	124.26
		FICA	9.51
		DB Retirement	12.42

APPROVED BY THE CITY COUNCIL AND SIGNED BY THE MAYOR OF THE CITY OF BARTLESVILLE THIS 19TH DAY OF MARCH 2018.

Mayor

Attest:

City Clerk



**REPORT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For The Seven Months Ended January 31, 2018

CITY COUNCIL

Ward 1 - Dale Copeland, Mayor

Ward 2 - John Kane, Vice Mayor

Ward 3 - Jim Curd

Ward 4 - Alan Gentges

Ward 5 - Trevor Dorsey

City Manager
Ed Gordon

Prepared by:

Mike Bailey
Administrative Director/CFO

Jason Muninger
Internal Services Supervisor

Alicia Shelton
Accountant

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HIGHLIGHTS

MAJOR FUNDS:

GENERAL FUND

WASTEWATER OPERATING/BMA WASTEWATER FUNDS

WATER OPERATING/BMA WATER FUNDS

SANITATION

OTHER FUNDS:

REVENUE BUDGET STATUS

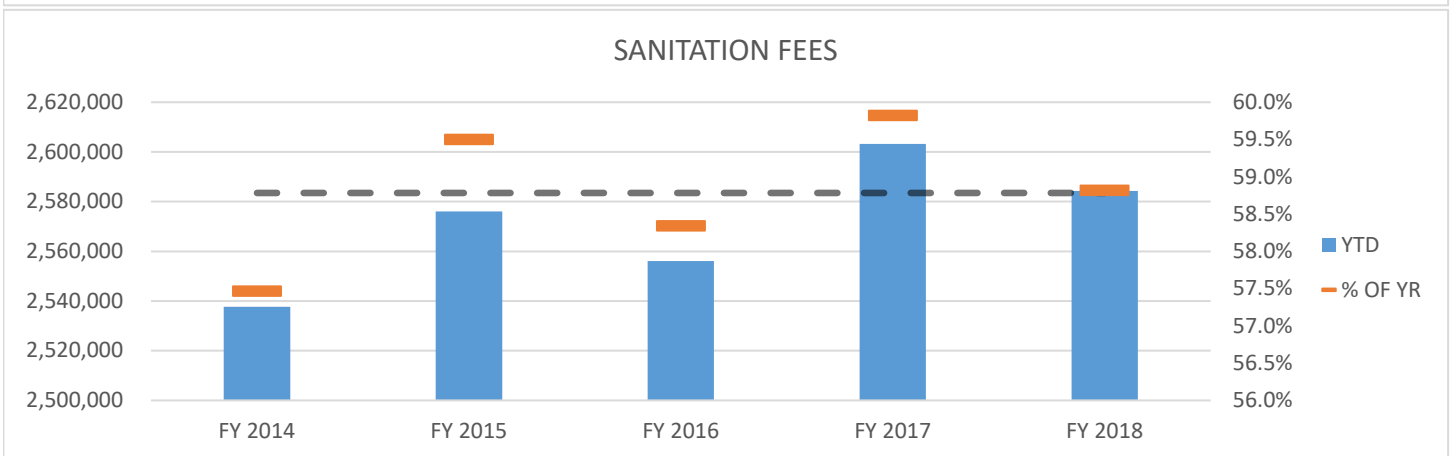
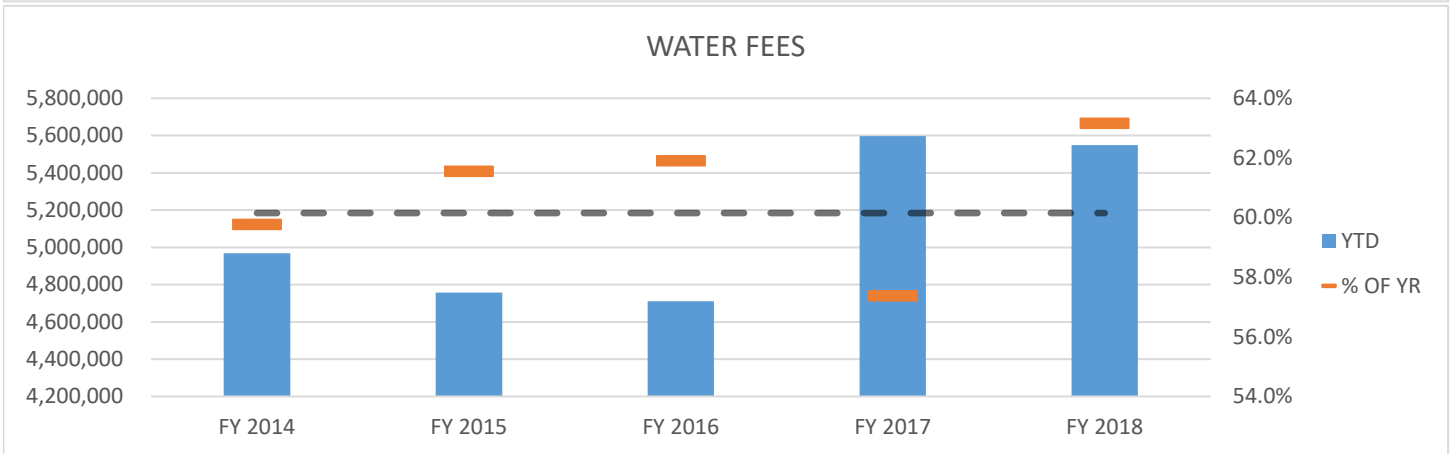
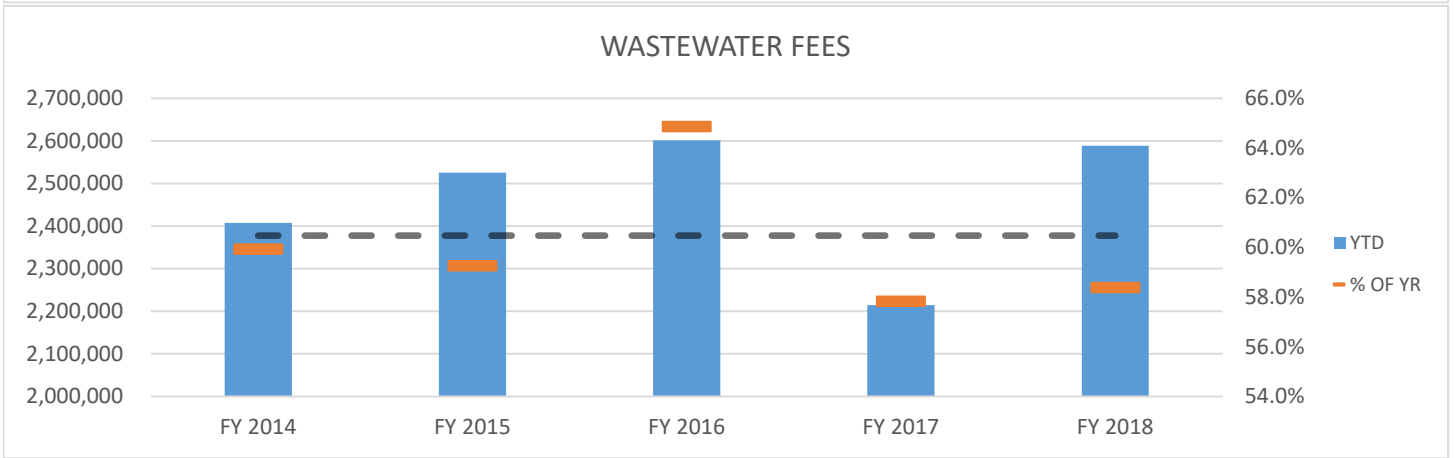
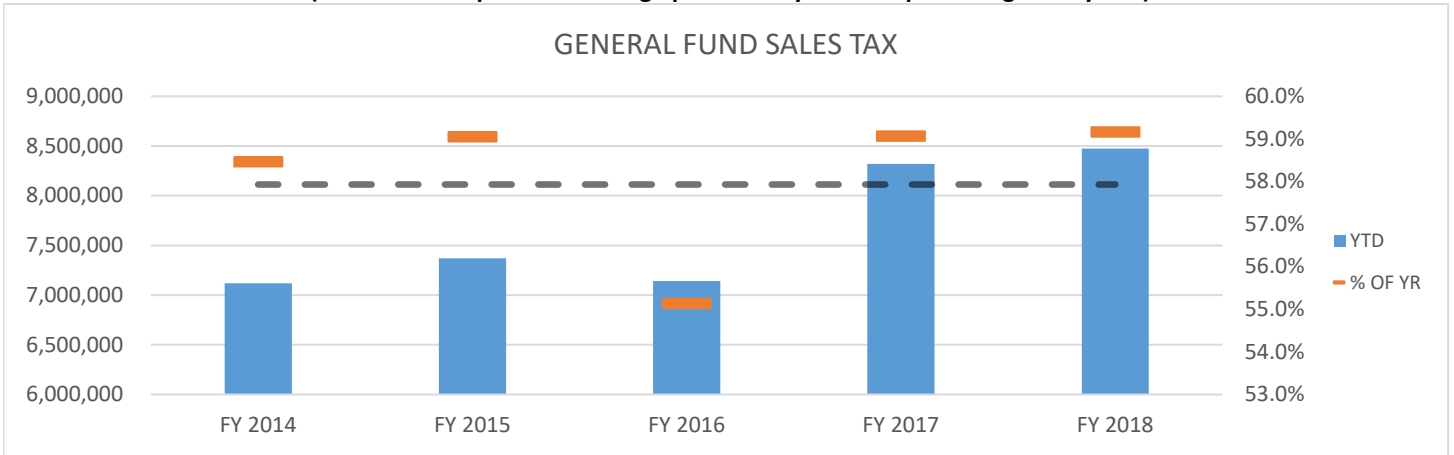
EXPENDITURE BUDGET STATUS

CHANGE IN FUND BALANCE

EXPLANATORY MEMO

FINANCIAL STATEMENT REVENUE HIGHLIGHTS

(Dashed line represents average percent of year for 4 preceding fiscal years)



GENERAL FUND

Statement of Revenue, Expenditures, and Changes in Fund Balances

58% of Year Lapsed

	<u>2017-18 Fiscal Year</u>						<u>2016-17 Fiscal Year</u>	
	<u>Total Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Encum</u>	<u>YTD Total</u>	<u>% of Budget</u>	<u>YTD Total</u>	<u>% Total Year</u>
Revenue:								
Sales Tax	\$ 14,325,496	\$ 8,356,539	\$ 8,447,708	\$ (48,009)	\$ 8,399,699	58.6%	\$ 8,320,014	59.1%
Gross Receipt Tax	1,377,000	803,250	844,529	-	844,529	61.3%	782,674	56.0%
Licenses and Permits	216,700	126,408	209,927	-	209,927	96.9%	174,688	75.2%
Intergovernmental	651,700	380,158	389,927	-	389,927	59.8%	383,629	59.0%
Charges for Services	388,000	226,333	210,629	-	210,629	54.3%	227,948	58.8%
Court Costs	143,900	83,942	69,487	-	69,487	48.3%	81,309	59.3%
Police/Traffic Fines	415,200	242,200	225,983	-	225,983	54.4%	223,422	54.1%
Parking Fines	113,600	66,267	45,225	-	45,225	39.8%	63,110	64.5%
Other Fines	36,200	21,117	23,884	-	23,884	66.0%	21,220	52.2%
Investment Income	40,000	23,333	63,235	-	63,235	158.1%	42,982	53.0%
Miscellaneous Income	231,200	134,867	339,189	-	339,189	146.7%	249,977	74.2%
Transfers In	3,929,639	2,292,289	2,295,489	-	2,295,489	58.4%	2,072,436	58.3%
Total	\$ 21,868,635	\$ 12,756,703	\$ 13,165,212	\$ (48,009)	\$ 13,117,203	60.0%	\$ 12,643,409	59.0%
Expenditures:								
General Government	\$ 5,781,666	\$ 3,372,639	\$ 3,368,229	\$ 255,503	\$ 3,623,732	62.7%	\$ 3,682,163	66.0%
Public Safety	10,893,090	6,354,303	6,321,274	99,589	6,420,863	58.9%	6,130,162	57.4%
Street	1,448,310	844,848	843,590	(11,821)	831,769	57.4%	750,575	56.3%
Culture and Recreation	2,650,392	1,546,062	1,516,751	27,379	1,544,130	58.3%	1,444,966	57.4%
Transfers Out	1,514,738	883,597	883,588	-	883,588	58.3%	1,108,744	58.3%
Reserves	859,994	501,663	-	-	-	0.0%	-	N.A.
Total	\$ 23,148,190	\$ 13,503,112	\$ 12,933,432	\$ 370,650	\$ 13,304,082	57.5%	\$ 13,116,610	59.6%
Changes in Fund Balance:								
Fund Balance 7/1			\$ 1,801,499					
Net Revenue (Expense)			231,780					
Ending Fund Balance			\$ 2,033,279					

COMBINED WASTEWATER OPERATING & BMA WASTEWATER FUNDS
Statement of Revenue, Expenditures, and Changes in Fund Balances

58% of Year Lapsed

	<u>2017-18 Fiscal Year</u>					<u>% of Budget</u>	<u>2016-17 Fiscal Year</u>	
	<u>Total Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Encum</u>	<u>YTD Total</u>		<u>YTD Total</u>	<u>% Total Year</u>
Revenue:								
Wastewater Fees	\$ 4,440,000	\$ 2,590,000	\$ 2,592,800	\$ -	\$ 2,592,800	58.4%	\$ 2,218,619	57.8%
Investment Income	-	-	-	-	-	N.A.	300	75.4%
Debt Proceeds	-	-	-	-	-	N.A.	-	N.A.
Miscellaneous	<u>50,000</u>	<u>29,167</u>	<u>45,962</u>	<u>-</u>	<u>45,962</u>	91.9%	<u>61,040</u>	90.1%
Total	<u>\$ 4,490,000</u>	<u>\$ 2,619,167</u>	<u>\$ 2,638,762</u>	<u>\$ -</u>	<u>\$ 2,638,762</u>	58.8%	<u>\$ 2,279,959</u>	58.4%
Expenditures:								
Wastewater Plant	\$ 2,341,118	\$ 1,365,652	\$ 1,367,022	\$ 915,604	\$ 2,282,626	97.5%	\$ 2,231,806	97.9%
Wastewater Maint	830,707	484,579	472,867	(6,477)	466,390	56.1%	437,021	57.5%
BMA Expenses	29,500	17,208	1,087	-	1,087	3.7%	14,303	100.0%
Transfers Out	1,153,134	672,662	672,659	-	672,659	58.3%	700,020	58.3%
Reserves	<u>83,868</u>	<u>48,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.0%	<u>-</u>	N.A.
Total	<u>\$ 4,438,327</u>	<u>\$ 2,589,024</u>	<u>\$ 2,513,635</u>	<u>\$ 909,127</u>	<u>\$ 3,422,762</u>	77.1%	<u>\$ 3,383,150</u>	79.5%
Changes in Fund Balance:								
Fund Balance 7/1			\$ 57,079					
Net Revenue (Expense)			<u>125,127</u>					
Ending Fund Balance			<u>\$ 182,206</u>					

COMBINED WATER OPERATING & BMA WATER FUNDS
Statement of Revenue, Expenditures, and Changes in Fund Balances

58% of Year Lapsed

	<u>2017-18 Fiscal Year</u>					% of Budget	<u>2016-17 Fiscal Year</u>	
	Total Budget	YTD Budget	YTD Actual	YTD Encum	YTD Total		YTD Total	% Total Year
Revenue:								
Water Fees	\$ 9,113,000	\$ 5,315,917	\$ 5,792,163	\$ -	\$ 5,792,163	63.6%	\$ 5,793,308	63.5%
Investment Income	-	-	531	-	531	N.A.	1,938	76.8%
Debt Proceeds	-	-	-	-	-	N.A.	-	N.A.
Miscellaneous	400	233	6,008	-	6,008	1502.0%	1,964	19.9%
Total	<u>\$ 9,113,400</u>	<u>\$ 5,316,150</u>	<u>\$ 5,798,702</u>	<u>\$ -</u>	<u>\$ 5,798,702</u>	63.6%	<u>\$ 5,797,210</u>	63.5%
Expenditures:								
Water Plant	\$ 2,936,934	\$ 1,713,212	\$ 1,379,252	\$ 28,844	\$ 1,408,096	47.9%	\$ 1,634,962	63.2%
Water Administration	321,988	187,826	179,842	16,756	196,598	61.1%	171,664	61.1%
Water Distribution	1,462,436	853,088	776,272	(25,293)	750,979	51.4%	809,551	63.8%
BMA Expenses	3,030,000	1,767,500	1,248,752	-	1,248,752	41.2%	1,469,353	49.5%
Transfers Out	1,823,206	1,063,537	1,063,536	-	1,063,536	58.3%	973,033	58.3%
Reserves	174,389	101,727	-	-	-	0.0%	-	N.A.
Total	<u>\$ 9,748,953</u>	<u>\$ 5,686,890</u>	<u>\$ 4,647,654</u>	<u>\$ 20,307</u>	<u>\$ 4,667,961</u>	47.9%	<u>\$ 5,058,563</u>	57.7%
Changes in Fund Balance:								
Fund Balance 7/1			\$ 1,350,502					
Net Revenue (Expense)			<u>1,151,048</u>					
Ending Fund Balance			<u>\$ 2,501,550</u>					

SANITATION FUND

Statement of Revenue, Expenditures, and Changes in Fund Balances

58% of Year Lapsed

	<u>2017-18 Fiscal Year</u>					% of Budget	<u>2016-17 Fiscal Year</u>	
	Total Budget	YTD Budget	YTD Actual	YTD Encum	YTD Total		YTD Total	% Total Year
Revenue:								
Collection Fees	\$ 4,393,707	\$ 2,562,996	\$ 2,584,341	\$ -	\$ 2,584,341	58.8%	\$ 2,603,173	58.6%
Investment Income	-	-	5,427	-	5,427	N.A.	4,348	55.6%
Miscellaneous	<u>166,110</u>	<u>96,898</u>	<u>22,253</u>	<u>-</u>	<u>22,253</u>	13.4%	<u>24,508</u>	53.2%
Total	<u>\$ 4,559,817</u>	<u>\$ 2,659,894</u>	<u>\$ 2,612,021</u>	<u>\$ -</u>	<u>\$ 2,612,021</u>	57.3%	<u>\$ 2,632,029</u>	58.6%
Expenditures:								
Sanitation	\$ 2,857,072	\$ 1,666,625	\$ 1,540,950	\$ 394,338	\$ 1,935,288	67.7%	\$ 1,597,734	60.3%
Transfers Out	1,998,839	1,165,989	1,165,989	-	1,165,989	58.3%	1,096,446	83.8%
Reserves	<u>126,347</u>	<u>73,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.0%	<u>-</u>	N.A.
Total	<u>\$ 4,982,258</u>	<u>\$ 2,906,316</u>	<u>\$ 2,706,939</u>	<u>\$ 394,338</u>	<u>\$ 3,101,277</u>	62.2%	<u>\$ 2,694,180</u>	68.1%
Changes in Fund Balance:								
Fund Balance 7/1			\$ 1,517,273					
Net Revenue (Expense)			<u>(94,918)</u>					
Ending Fund Balance			<u>\$ 1,422,355</u>					

ALL OTHER FUNDS

Revenue Budget Report - Budget Basis

58% of Year Lapsed

	Budget	Actuals	Percent of Budget
Special Revenue Funds:			
Economic Development Fund	1,562,462	934,898	60%
E-911 Fund	979,868	596,074	61%
Special Library Fund	114,900	110,335	96%
Special Museum Fund	39,208	13,637	35%
Municipal Airport Fund	-	12,501	N/A
Harshfield Library Donation Fund	-	4,436	N/A
Restricted Revenue Fund	448	27,316	6097%
Golf Course Memorial Fund	-	1,211	N/A
Justice Assistance Grant Fund	-	227	N/A
Neighborhood Park Fund	-	47	N/A
Cemetery Care Fund	2,800	1,481	53%
Memorial Stadium Operating Fund	-	64	N/A
Debt Service Fund	3,372,147	3,059,661	91%
Capital Project Funds:			
Sales Tax Capital Improvement Fund	2,702,924	1,601,508	59%
Park Capital Improvement Fund	-	-	N/A
Wastewater Capital Improvement Fund	-	26,109	N/A
Wastewater Regulatory Capital Fund	150,000	11,823	8%
City Hall Capital Improvement Fund	18,504	12,286	66%
Storm Drainage Capital Improvement Fund	-	36,103	N/A
Community Development Block Grant Fund	-	11,500	N/A
2008B G.O. Bond Fund	-	1	N/A
2009 G.O. Bond Fund	-	103	N/A
2010 G.O. Bond Fund	-	2	N/A
2012 G.O. Bond Fund	-	736	N/A
2014 G.O. Bond Fund	-	5,752	N/A
2014B G.O. Bond Fund	-	1,427	N/A
2015 G.O. Bond Fund	-	10,869	N/A
Proprietary Funds:			
Adams Golf Course Operating Fund	470,772	286,853	61%
Sooner Pool Operating Fund	44,393	26,017	59%
Frontier Pool Operating Fund	58,446	34,202	59%
Internal Service Funds:			
Worker's Compensation Fund	169,167	99,705	59%
Health Insurance Fund	2,658,054	1,582,547	60%
Auto Collision Insurance Fund	39,379	23,502	60%
Stabilization Reserve Fund	729,622	425,612	58%
Capital Improvement Reserve Fund	4,275,567	2,419,045	57%
Mausoleum Trust Fund	-	45	N/A

ALL OTHER FUNDS

Expenditure Budget Report - Budget Basis

58% of Year Lapsed

	Budget	Actuals	Percent of Budget
Special Revenue Funds:			
Economic Development Fund	2,345,561	982,000	42%
E-911 Fund	1,003,492	587,289	59%
Special Library Fund	178,900	145,041	81%
Special Museum Fund	33,371	17,722	53%
Municipal Airport Fund	160,367	-	0%
Harshfield Library Donation Fund	774,844	22,636	3%
Restricted Revenue Fund	319,214	107,453	34%
Golf Course Memorial Fund	21,832	17,433	80%
Justice Assistance Grant Fund	36,380	-	0%
Neighborhood Park Fund	8,181	-	0%
Cemetery Care Fund	2,800	-	0%
Memorial Stadium Operating Fund	14,171	8,266	58%
 Debt Service Fund	 3,814,700	 2,508,836	 66%
 Capital Project Funds:			
Sales Tax Capital Improvement Fund	4,447,299	1,178,001	26%
Park Capital Improvement Fund	-	-	N/A
Wastewater Capital Improvement Fund	146,288	68,548	47%
Wastewater Regulatory Capital Fund	1,512,865	409,572	27%
City Hall Capital Improvement Fund	46,750	17,799	38%
Storm Drainage Capital Improvement Fund	72,290	4,110	6%
Community Development Block Grant Fund	-	-	N/A
2008B G.O. Bond Fund	107	-	0%
2009 G.O. Bond Fund	15,524	15,524	100%
2010 G.O. Bond Fund	492	-	0%
2012 G.O. Bond Fund	98,070	7,914	8%
2014 G.O. Bond Fund	229,874	(54,569)	-24%
2014B G.O. Bond Fund	124,540	-	0%
2015 G.O. Bond Fund	2,009,318	6,616	0%
 Proprietary Funds:			
Adams Golf Course Operating Fund	478,099	297,034	62%
Sooner Pool Operating Fund	46,308	34,722	75%
Frontier Pool Operating Fund	58,446	46,573	80%
 Internal Service Funds:			
Worker's Compensation Fund	475,000	133,834	28%
Health Insurance Fund	3,918,500	1,973,440	50%
Auto Collision Insurance Fund	248,293	1,693	1%
Stabilization Reserve Fund	5,998,580	-	0%
Capital Improvement Reserve Fund	5,084,980	876,223	17%
 Mausoleum Trust Fund	 7,920	 -	 0%

ALL OTHER FUNDS

Fund Balance Report - Modified Cash Basis

58% of Year Lapsed

	Beginning of Year	Change	Current
Special Revenue Funds:			
Economic Development Fund	759,362	184,197	943,559
E-911 Fund	56,313	21,066	77,379
Special Library Fund	305,538	28,323	333,861
Special Museum Fund	127,806	(4,085)	123,721
Municipal Airport Fund	308,685	12,501	321,186
Harshfield Library Donation Fund	791,766	(19,900)	771,866
Restricted Revenue Fund	322,967	(75,814)	247,153
Golf Course Memorial Fund	22,969	(14,238)	8,731
Justice Assistance Grant Fund	39,847	227	40,074
Neighborhood Park Fund	8,181	47	8,228
Cemetery Care Fund	320	1,481	1,801
Memorial Stadium Operating Fund	16,199	(8,202)	7,997
 Debt Service Fund	 2,850,467	 550,825	 3,401,292
 Capital Project Funds:			
Sales Tax Capital Improvement Fund	2,451,822	77,875	2,529,697
Park Capital Improvement Fund	-	-	-
Wastewater Capital Improvement Fund	214,131	16,525	230,656
Wastewater Regulatory Capital Fund	2,658,620	(1,071,770)	1,586,850
City Hall Capital Improvement Fund	115,210	(83,825)	31,385
Storm Drainage Capital Improvement Fund	89,334	31,993	121,327
Community Development Block Grant Fund	2,676	11,500	14,176
2008B G.O. Bond Fund	87	1	88
2009 G.O. Bond Fund	17,981	103	18,084
2010 G.O. Bond Fund	406	2	408
2012 G.O. Bond Fund	135,166	(7,178)	127,988
2014 G.O. Bond Fund	1,453,412	(681,214)	772,198
2014B G.O. Bond Fund	250,056	1,427	251,483
2015 G.O. Bond Fund	1,907,741	4,253	1,911,994
 Proprietary Funds:			
Adams Golf Course Operating Fund	64,810	11,645	76,455
Sooner Pool Operating Fund	36,052	(10,649)	25,403
Frontier Pool Operating Fund	44,519	(13,325)	31,194
 Internal Service Funds:			
Worker's Compensation Fund	243,579	(6,676)	236,903
Health Insurance Fund	984,724	(340,710)	644,014
Auto Collision Insurance Fund	190,141	21,809	211,950
Stabilization Reserve Fund	5,268,958	425,612	5,694,570
Capital Improvement Reserve Fund	4,994,768	1,563,345	6,558,113
 Mausoleum Trust Fund	 7,937	 45	 7,982



ACCOUNTING AND FINANCE

MEMORANDUM

FROM: Mike Bailey, Administrative Director/CFO

SUBJECT: Financial Statement Explanatory Memo

GENERAL INFORMATION

The purpose of this memo is to provide some insight as to the construction of the attached financial statements and to provide some guidance as to their use.

The format of the attached financial statements is intended to highlight our most important revenue sources, provide sufficient detail on major operating funds, and provide a high level overview of all other funds. The level of detail presented is sufficient to assist the City Council in conducting their fiduciary obligations to the City without creating a voluminous document that made the execution of that duty more difficult.

This document provides three different types of analyses for the Council's use. The first is an analysis of revenue vs budgeted expectations. This allows the Council to see how the City's revenues are performing and to have a better idea if operational adjustments are necessary.

The second analysis compares expenditures to budget. This allows the Council to ensure that the budgetary plan that was set out for the City is being followed and that Staff is making the necessary modifications along the way.

The final analysis shows the fund balance for each fund of the City. This is essentially the "cash" balance for most funds. However, some funds include short term receivables and payables depending on the nature of their operation. With very few exceptions, all funds must maintain positive fund balance by law. Any exceptions will be noted where they occur.

These analyses are presented in the final manner:

Highlights:

The Highlights section presents a 5 year snap shot of the performance of the City's 4 most important revenue sources. Each bar represents the actual amounts earned in each year through the period of the report. Each dash represents the percent of the year's revenue that had been earned through that period. The current fiscal year will always represent the percent of the budget that has been earned, while all previous fiscal years will always represent the percent of the actual amount earned. This analysis highlights and compares not only amounts earned, but gives a better picture of how much should have been earned in order to meet budget for the year.

Major Operating Funds:

The City's major operating funds are presented in greater detail than the remainder of the City's funds. These funds include the General, Wastewater Operating, BMA – Wastewater, Water Operating, BMA – Water, and Sanitation. Due to the interrelated nature of the Wastewater Operating/BMA – Wastewater and the Water Operating/BMA – Water funds, these have been combined into Wastewater Combined and Water Combined funds. This should provide a better picture of the overall financial condition of these operating segments by combining revenues, operating expenses, and financing activities in a single report.

Other Funds:

All other funds of the City are reported at a high level. These funds are often created for a limited purpose, limited duration, and frequently contain only a one-time revenue source. This high level overview will provide Council with sufficient information for a summary review. Any additional information that is required after that review is available.

These condensed financial statement should provide sufficient information for the City Council to perform its fiduciary responsibility while simplifying the process. All supplementary, detailed information is available for the Council's use at any time upon request. Additionally, any other funds that the Council chooses to classify as a Major Operating fund can be added to that section to provide greater detail in the future.

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WICHITA

March 15, 2018

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City of Bartlesville, Oklahoma
401 South Johnstone Avenue
Bartlesville, Oklahoma 74003

\$10,750,000
City of Bartlesville, Oklahoma
Combined Purpose General Obligation Bonds
Series 2018A

Ladies and Gentlemen:

On behalf of Kutak Rock LLP (“**Kutak Rock**”), thank you for the opportunity to serve as special disclosure counsel to the City of Bartlesville, Oklahoma (the “**City**”) with respect to the above-captioned bonds (the “**Bonds**”). Pursuant to your request, this letter sets forth our understanding as to the limited scope of our representation of the City and the fees and expenses to be charged to the City for our legal work.

In connection with the issuance and delivery of the Bonds, Kutak Rock will assist in the preparation or legal review of (a) the preliminary official statement and the final official statement or any other offering document relating to the Bonds (collectively referred to hereafter as the “**Offering Document**”) and (b) the continuing disclosure undertaking. Kutak Rock will review and comment on the operative bond documents, authorizations, certificates, and other documents included in the official transcript relating to the Bonds. Kutak Rock will coordinate with the City and its municipal advisor in preparing and will assist the City in reviewing the information presented in the Offering Document (excluding any financial statements, forecasts, market analyses, information regarding the Depository Trust Company, schedules, assumptions and other financial, statistical, demographic and economic data contained therein, whether historical or forward-looking). Kutak Rock will advise the City as to certain federal securities laws matters, including the rules of the Municipal Securities Rulemaking Board and the application of Securities and Exchange Commission Rule 15c2-12 (the “**Rule**”). Kutak Rock will perform such due diligence inquiries and investigations, as we deem necessary to issue a 10b-5 opinion for the Bond financing to the City. Due diligence may include making requests for information, participation in conferences with officials or representatives of the City with respect to the payment of debt service on the Bonds and the review of documents, certificates and opinions. Subject to the completion of proceedings to our satisfaction, Kutak Rock will deliver to the City an opinion reciting our assistance with the preparation and review of the

March 15, 2018

Page 2

Offering Document and addressing (i) federal securities law “10b-5” matters in a customary form with appropriate exclusions, and (ii) the correctness of the undertaking entered into by the City as required by the Rule, all in accordance with Kutak Rock guidelines. We will not deliver an opinion, and will rely on the opinion of bond counsel, with respect to the validity and the due execution, delivery and authentication of the Bonds issued and with respect to any exclusion from State of Oklahoma and federal income taxes of the interest on the Bonds.

We will also consult with the City about its policies and procedures relating to its approach to primary and secondary market disclosure.

The City shall pay Kutak Rock after the issuance of the Bonds, upon presentment of a statement for fees and expenses by Kutak Rock to the City. The total fees and expenses for Kutak Rock will not exceed \$15,000. The City will pay such fees and expenses of Kutak Rock from the proceeds of the Bonds. Payment of our fees related to this matter shall be contingent on the issuance of the Bonds.

Our services are limited as set forth herein and would not include representation in any legal action challenging the validity of the transaction contemplated by this letter or the provision of any bond counsel or tax counsel services. If we are required or requested to perform any additional or extraordinary services not contemplated in this letter (e.g., delivery of extraordinary legal opinions, etc.), we would propose to request additional compensation for such additional services performed, the amount of which would be subject to your approval and the approval of the City. No such additional compensation would be payable unless specifically authorized by you in writing.

If the fee arrangement set forth above is satisfactory to you, please execute the enclosed copy of this letter and return it to me for our files. Please do not hesitate to contact me with any questions you may have.

Very truly yours,



Frederic H. Marienthal

Enclosure

Approved as of the date first written above:

By: _____

Name: _____

Title: _____