



CITY OF MIDWEST CITY MEETINGS

FOR JANUARY 24, 2023

All Council/Authority/Commission meetings of the City of Midwest City (MWC) elected officials will be held in the Council Chamber located at 100 N. Midwest Blvd., Midwest City, OK 73110, Oklahoma County, Oklahoma, unless notified otherwise.

Regularly scheduled meetings of the elected officials of MWC will be streamed live and recorded on the MWC YouTube channel: [Bit.ly/CityofMidwestCity](https://bit.ly/CityofMidwestCity) with the recorded videos available there within 48 hours.

Special Assistance for a Meeting: Send request via email to tanderson@midwestcityok.org or call 405-739-1220 no less than 24 hours prior to the start of a meeting. If special assistance is needed during a meeting, call 739-1388.

Please note that the elected officials will informally gather at or after 5:00 PM in the City Manager's Conference room for dinner for evening meetings; however, no business will be discussed or acted upon. Meals will only be provided to the City Council and staff. Doors to the Council Chamber will be open to the public fifteen minutes prior to the start of a meeting.

For the purposes of all meetings of the MWC elected and/or appointed officials, the term "possible action" shall mean possible adoption, rejection, amendments, and/or postponements.

Pursuant to Midwest City Resolution 2022-50, the following rules of conduct and engagement are in effect for all meetings of the MWC elected and/or appointed officials:

1. Only residents of the City, and/or identifiable business doing business in or with the City, or where it is required by statute during public hearings may speak during a public meeting, unless by majority vote of the City Council, non-residents may be permitted to comment on agenda items that impact them. To verify this new requirement, speakers must state their name and City residential/business address or provide/present proof of residential/business address to the City Clerk before addressing the elected officials.
2. There will be a 4 (four) minute time restriction on each speaker, which can be extended by a vote of the City Council, only if it benefits and/or clarifies the discussion at hand. The City Clerk, or designee, will be the timekeeper and will notify the chair when time has expired.
3. The Mayor/Chair reserves the right to remove individuals from the audience if they become disorderly. If the Mayor/Chair asks a disruptive individual to leave and the individual refuses to leave, the meeting will be recessed and appropriate law enforcement action will be taken.
4. Agenda items requesting action of the elected officials shall include:
 - a. Presentation by City Staff and/or their invited guest speaker;
 - b. If a public hearing is required, questions and discussion by and between the elected officials, City Staff, and the public;
 - c. Questions and discussion by and between the elected officials and City Staff, invited guest speaker, and/or public during a public hearing; and
 - d. Motion and second by the elected officials.
 - e. If a motion is to be amended, the one who made the motion may agree and restate the motion with the amendment; however, if the maker of the motion does not agree to the amendment, the motion may be voted on as it stands.
 - f. Final discussion and possible action/amended motion by the elected officials.



CITY OF MIDWEST CITY COUNCIL AGENDA

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

January 24, 2023 – 6:00 PM

Presiding members: Mayor Matthew Dukes

Ward 1 Susan Eads

Ward 2 Pat Byrne

Ward 3 Megan Bain

Ward 4 Sean Reed

Ward 5 Sara Bana

Ward 6 Rick Favors

City Staff:

City Manager Tim Lyon

City Clerk Sara Hancock

City Attorney Don Maisch

A. CALL TO ORDER.

B. OPENING BUSINESS.

- Invocation by Assistant City Manager Vaughn Sullivan
- Pledge of Allegiance by Carl Albert High School ROTC Cadets
- Mayoral Proclamations: David Hudiburg
- Community-related announcements and comments

C. CONSENT AGENDA. These items are placed on the Consent Agenda so the Council, by unanimous consent, can approve routine agenda items by one motion. If any Council member requests to discuss an item(s) or if unanimous consent is not received, then the item or items will be removed and heard in regular order.

1. Discussion, consideration, and possible action of approving the January 10, 2023 meeting minutes. (City Clerk - S. Hancock)
2. Discussion, consideration and possible action of approving supplemental budget adjustments to the following funds for FY 2022-2023, increase: Disaster Relief Fund, expenditures/Disaster Relief (88) \$60,000. Police Capitalization Fund, expenditures/Police (62) \$84,000. Disaster Relief Fund, expenditures/Neighborhood Services (15) \$90,000. (Finance - T. Cromar)
3. Discussion, consideration and possible action of accepting and approving the financial audit of the City of Midwest City for the year ending June 30, 2022. (Finance - T. Cromar)
4. Discussion, consideration, and possible action to approve Change Order No. 2 with Shiloh Enterprises, Inc. for Midwest City permits in adding two (2) fire hydrants & associated pipe / fittings, four (4) surge suppressors, and asphalt removal & replacement at the Police and Fire Training center for the sum total of \$72,417.40. (Fire - B. Norton)

5. Discussion and consideration, including any possible amendment, to approve Change Order No. 3 with Shiloh Enterprises, Inc. for security cameras and wiring at the site of the Police and Fire Training Facility which increases the contract sum by \$73,439.69 with no additional days. (Fire - B. Norton)
6. Discussion, consideration, and possible action of approving amendment #2 to the contract with Poe and Associates, Inc. in an increase of \$50,000 for a total contract price of \$265,741 for the purposes of developing construction plans for the Midwest Boulevard resurfacing project. (Engineering & Construction Services - B. Bundy)
7. Discussion, consideration, and possible action of approving Change Order #03 for - \$29,205.53 with Oklahoma Department of Transportation for STPG-255B(554)AG, State Job Number 35192(04), Signal Upgrade Project. (Engineering & Construction Services - B. Bundy)
8. Discussion, consideration, and possible action of approving change order #12 amending the contract with Shiloh Enterprises, Inc. to construct the WP Bill Atkinson Park adding \$117,053.46 and 150 days of time to the contract. (Engineering & Construction Services - B. Bundy)
9. Discussion, consideration, and possible action of 1) declaring various obsolete computer equipment and other miscellaneous items of city property on the attached surplus list; and 2) authorizing their disposal by public auction, sealed bid or other means as necessary. (Information Technology - A. Stephenson)

D. DISCUSSION ITEMS.

1. (PC-2134) Public hearing with discussion, consideration, and possible action of approval of the proposed Preliminary Plat of the 29th Street Apartments for the property described as part of the Southwest Quarter (SW/4) of Section Twelve (12), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Midwest City, Oklahoma County, Oklahoma, located at 9309 SE 29th Street. (Community Development - B. Harless)
2. Discussion, consideration, and possible action of awarding the bid to and entering into a contract with Mid-America Golf & Landscape, Inc. DBA Mid-America Sports Construction for \$888,998 to construct the soccer complex project, a 2018 General Obligation Bond Project. City Council delegates the Mayor to sign and execute the contract. (Engineering & Construction Services - B. Bundy)

E. NEW BUSINESS/PUBLIC DISCUSSION. In accordance with State Statute Title 25 Section 311. Public bodies - Notice. A-9, the purpose of the "New Business" section is for action to be taken at any Council/Authority/Commission meeting for any matter not known about or which could not have been reasonably foreseen 24 hours prior to the public meeting. The purpose of the "Public Discussion" section of the Agenda is for members of the public to speak to the Council on any Subject not scheduled on the Regular Agenda. The Council shall make no decision or take any action, except to direct the City Manager to take action, or to schedule the matter for discussion at a later date. Pursuant to the Oklahoma Open Meeting Act, the Council will not engage in any discussion on the matter until that matter has been placed on an agenda for discussion. **THOSE ADDRESSING THE COUNCIL ARE REQUESTED TO STATE THEIR NAME AND ADDRESS PRIOR TO SPEAKING TO THE COUNCIL.**

- F. EXECUTIVE SESSION – Please Note: The Councilmembers will go into closed session and reconvene back into open session upstairs from the Chamber in the City Manager’s conference room on the second floor of City Hall, 100 N Midwest Blvd., MWC, 73110.
1. Discussion, consideration and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(11), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City at the Soldier Creek Industrial Park (N/2, Sec. 27, T12N, R02W, I.M.) less and except Lot 1; and 2) in open session, authorizing the City Manager/Administrator to take action as appropriate based on the discussion in executive session. (Economic Development - R. Coleman)
- G. FURTHER INFORMATION.
1. Review of the City Manager's Report for the month of December 2022. (Finance - T. Cromar)
 2. Monthly Residential and Commercial Building report for December 2022 Building Report. (Engineering & Construction Services—B.Bundy)
 3. Monthly report on the City of Midwest City Employees' Health Benefits Plan by the City Manager. (Human Resources - T. Bradley)
- H. ADJOURNMENT.



CONSENT AGENDA



Notice for the Midwest City Council meetings was filed for the calendar year with the City Clerk of Midwest City. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityok.org).

Midwest City Council Minutes

January 10, 2023

This meeting was held in Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Mayor Matt Dukes called the meeting to order at 6:00 PM with following members present:

Ward 1 Susan Eads	Ward 4 Sean Reed	City Manager Tim Lyon
Ward 2 Pat Byrne	Ward 5 Sara Bana	City Clerk Sara Hancock
Ward 3 Megan Bain	Ward 6 Rick Favors	City Attorney Don Maisch

OPENING BUSINESS. The Invocation was given by Assistant City Manager Vaughn Sullivan. The Pledge of Allegiance was led by Carl Albert High School ROTC Cadets Biggers and Cooper. The Mayor presented the Proclamation to Tiarra Mims. City Manager Tim Lyon made Community-related announcements.

CONSENT AGENDA. Eads made a motion to approve the consent agenda with the exception to pull Items 2 and 4, seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

1. Discussion, consideration, and possible action of approving the December 13, 2022 meeting minutes.
3. Discussion, consideration, and possible action to approve Change Order No. 4 with W.L. McNatt for masonry work above two door frames, a sink, and counter top at the Fire Department Headquarters which increases the contract sum by \$2,873.00 with no additional days.
5. Discussion, consideration, and possible action of approving Change Order #01 with the Oklahoma Department of Transportation for TAP-255D(326)AG, State Job Number 31433(04), Midwest Elementary School Connector for \$6,772.45.
6. Discussion, consideration, and possible action of approving Change Order #03 with the Oklahoma Department of Transportation for STP-255D(479)AG, State Job Number 33124(04), Reno Avenue resurfacing project for \$6,900.
7. Discussion, consideration, and possible action of ratifying, approving and entering into the FY 2023 Unified Planning Work Program (UPWP) contract between the Association of Central Oklahoma Governments and the City of Midwest City.
8. Discussion, consideration, and possible action, of the acceptance of maintenance bonds from H&H Plumbing and Utilities, Inc. in the amount of \$1,609.00 respectively.
9. Discussion, consideration, and possible action of making a matter of record Permit No. WL000055220812 from the State Department of Environmental Quality for the subdivision Timber Ridge Pointe, Section 5, Midwest City, Oklahoma.

10. Discussion, consideration, and possible action of making a matter of record Permit No. SL000055220813 from the State Department of Environmental Quality for the subdivision Timber Ridge Pointe, Section 5, Midwest City, Oklahoma.
 11. Discussion, consideration, and possible action of rejecting the bids received for the construction of the Joe B. Barnes Regional Park Pedestrian Bridge.
 12. Discussion, consideration and possible action to approve declaring multiple office items as surplus and authorizing disposal by public auction, sealed bid or destruction, if necessary.
 13. Discussion, consideration, and possible action of declaring (1) 2009 Chevrolet Impala and (1) 2005 Chevrolet Impala, and its contents, as surplus and authorizing disposal by public auction, sealed bid or other means necessary.
 14. Discussion, consideration, and possible action of declaring one hundred fifteen (115) firearms of various calibers as surplus and authorizing their disposal by trade-in towards future purchases with GT Distributors-Austin, Texas for a trade-in amount of \$19,200.00.
- 2. Discussion, consideration, and possible action of adopting a policy regarding naming and re-naming public parks, park areas, and park facilities owned and/or operated by the City of Midwest City.**

Sullivan addressed Council. After Staff and Council discussion, Bana made a motion to adopt, seconded by Reed. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

- 4. Discussion, consideration, and possible action of 1) the approval of and entering into the HOME Investment Partnerships Program (HOME) grant contract 2022 HOME 1711 between the City of Midwest City and Oklahoma Housing Finance Agency (OHFA) in the amount of \$200,000 for down payment and closing cost assistance in Midwest City and agreeing to provide \$50,000 in banked matching funds; and 2) authorization of the Mayor, City Manager, and/or his designee to enter into the necessary contracts and certifications to implement the grant program.**

Craft addressed Council. After Staff and Council discussion, Eads made a motion to approve, seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

DISCUSSION ITEMS.

- 1. (PC-2132) Public hearing with discussion, consideration, and possible action of approval of the Final Plat of The Curve, described as part of the Southwest Quarter (SW/4) of Section Eight (8), Township Eleven North (T11N), Range One West (R1W), of the Indian Meridian (I.M.), Midwest City, Oklahoma County, Oklahoma, located at 11004 SE 28th Street.**

Harless and Bundy addressed the Council. After Staff and Council discussion, Favors made a motion to approve the final plat, seconded by Reed. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

2. (PC-2133) Discussion, consideration, and possible action to approve an ordinance to redistrict from PUD, Planned Unit Development, governed by C-4, General Commercial District, to PUD, Planned Unit Development, governed by I-1, Light Industrial District, for the property described as part of the Northeast Quarter (NE/4) of Section Eleven (11), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma located at 2113 S. Douglas Boulevard.

Harless, Tom Strahorn of 1301 Pineridge Rd, and Jonathan Strahorn of 16427 SW 23 St addressed the Council. After Staff and Council had discussion, Bana made a motion to approve. Motion failed due to a lack of a second. Eads made a motion to deny the ordinance, seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Favors and Dukes. Nay: Bana. Motion Carried.

*Reed stepped away from his seat, but remained in Chamber.

3. (PC-2134) Public hearing with discussion, consideration, and possible action of approval of the proposed Preliminary Plat of the 29th Street Apartments for the property described as part of the Southwest Quarter (SW/4) of Section Twelve (12), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Midwest City, Oklahoma County, Oklahoma, located at 9309 SE 29th Street.

Eads made a motion to table until January 24, 2023 seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

4. Discussion, consideration and possible action, of 1) accepting and 2) adopting the Air Depot Corridor Plan by Catalyst Commercial.

Jason Claunch with Catalyst Commercial presented information. Coleman and Harless addressed the Council. After Staff and Council discussion, Byrne made motion to accept and adopt the plan, seconded by Eads. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

At 7:25 PM Council took a recess and returned at 7:36 PM.

5. Discussion, consideration and possible action including any amendments, of an update to a resolution declaring the structure(s) located at 1309 LLOYD DR a dilapidated building(s) as defined in MCO 9-2 and abatement accordingly to the Municipal Code.

Stroh and Greg Riddle of 8801 N Western Ave. addressed the council. After Staff and Council discussion, Reed made a motion to dismiss dilapidation proceedings, seconded by Eads. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

6. Discussion, consideration and possible action including any amendments, of an update to a resolution declaring the structure(s) located at 1401 MOORE AVE a dilapidated building(s) as defined in MCO 9-2 and abatement accordingly to the Municipal Code.

Stroh and Aubrey Long of 445 S Air Depot addressed the Council. Eads made a motion to give 30 days for homeowner to complete demolition, seconded by Reed. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

7. Discussion, consideration and possible action on amendments to the City Ordinances of the City of Midwest City, Chapter 38, Subdivision Regulations.

Harless addressed the Council and Make Zitzow of Johnson & Associates presented information. After Staff and Council discussion, Byrne made a motion to approve Ordinance 3502, seconded by Eads. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

NEW BUSINESS/PUBLIC DISCUSSION. There was no new business or public discussion.

ADJOURNMENT. There being no further business, Mayor Dukes adjourned the meeting at 8:02 PM.

ATTEST:

MATTEW D. DUKES II, Mayor

SARA HANCOCK, City Clerk



Finance Department
100 N. Midwest Boulevard
Midwest City, OK 73110
tcromar@midwestcity.org
Office: 405-739-1245
www.midwestcityok.org

TO: Honorable Mayor and City Council

FROM: Tiatia Cromar, Finance Director

DATE: January 24, 2023

SUBJECT: Discussion, consideration and possible action of approving supplemental budget adjustments to the following funds for FY 2022-2023, increase: Disaster Relief Fund, expenditures/Disaster Relief (88) \$60,000. Police Capitalization Fund, expenditures/Police (62) \$84,000. Disaster Relief Fund, expenditures/Neighborhood Services (15) \$90,000.

The first supplement is needed to budget replacement of storm siren which was destroyed by lightning and purchase of additional storm siren to be used as an emergency spare. The second supplement is needed to increase budget for equipment for vehicles due to increased cost of equipment since initial estimate. The third supplement is needed to increase contractual budget to meet estimated expense for property clean ups and demolitions to end of fiscal year.

Tiatia Cromar

Tiatia Cromar
Finance Director

SUPPLEMENTS
January 24, 2023

Fund DISASTER RELIEF (310)		BUDGET AMENDMENT FORM Fiscal Year 2022-2023			
		Estimated Revenue		Budget Appropriations	
<u>Dept Number</u>	<u>Department Name</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
88	Disaster Relief			60,000	
		<u>0</u>	<u>0</u>	<u>60,000</u>	<u>0</u>
Explanation: To budget replacement of storm siren which was destroyed by lightning and purchase of additional storm siren to be used as emergency spare. Funding to come from fund balance.					

Fund POLICE CAPITALIZATION (021)		BUDGET AMENDMENT FORM Fiscal Year 2022-2023			
		Estimated Revenue		Budget Appropriations	
<u>Dept Number</u>	<u>Department Name</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
62	Police			84,000	
		<u>0</u>	<u>0</u>	<u>84,000</u>	<u>0</u>
Explanation: Increase budget for Equipment for Vehicles Project due to increased cost of equipment since initial estimate. Funding to come from fund balance.					

Fund DISASTER RELIEF (310)		BUDGET AMENDMENT FORM Fiscal Year 2022-2023			
		Estimated Revenue		Budget Appropriations	
<u>Dept Number</u>	<u>Department Name</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
15	Neighborhood Services			90,000	
		<u>0</u>	<u>0</u>	<u>90,000</u>	<u>0</u>
Explanation: Increase Contractual budget to meet estimated expenses for property clean ups and demolitions to end of fiscal year. Funding to come from fund balance.					



Finance Department
100 N. Midwest Boulevard
Midwest City, OK 73110
tcromar@midwestcity.org
Office: 405-739-1245
www.midwestcityok.org

TO: Honorable Mayor and City Council

FROM: Tiatia Cromar, Finance Director

DATE: January 24, 2023

SUBJECT: Discussion, consideration and possible action of accepting and approving the financial audit of the City of Midwest City for the year ended June 30, 2022

The financial audit for the City of Midwest City for the year ended June 30, 2022 and the required communications by the auditor are attached.

Representatives from Arledge & Associates will be at the January 24, 2023 meeting to answer any questions you may have.

Tiatia Cromar
Finance Director



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

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CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

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**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Midwest City, Oklahoma

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

The financial statements of the City of Midwest City as of June 30, 2021, were audited by other auditors whose report was dated December 22, 2021 and expressed an unmodified opinion on those statements.

Change in Accounting Principle

As discussed in Note 1.C to the financial statements, in 2022 the City adopted new accounting guidance, GASB No. 87 *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the pension plan and other post-employment benefits funding schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 debt service coverage schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

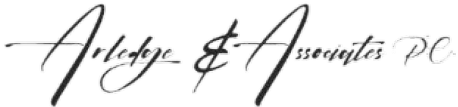
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, 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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.



Arledge & Associates, P.C.

Edmond, Oklahoma
December 21, 2022



**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

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MANAGEMENT DISCUSSION AND ANALYSIS

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2022

The City of Midwest City's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements beginning on page 18.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended June 30, 2022, by \$569,830,460 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$46,198,374, with the business type activities reporting a positive unrestricted net position of \$26,555,726. The unrestricted net position, when not in a deficit position, may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position increased by \$13,115,392 or 2.35% from the prior year. This was a result of an increase of \$1,934,092 in the governmental activities while the business-type activities had an increase of \$11,181,300. The detailed changes made from the Governmental Fund Statements to the Statement of Net Position can be found on page 22.
- Sales tax is the major source of revenue for governmental activities. Sales and use tax collections for fiscal year 2022 totaled \$51,034,793 compared to FY 2021 which totaled \$48,204,176. The total increase in sales and use tax collections was \$2,830,617. The increase in sales and use taxes is primarily the result of more consumer spending due to inflation. The City saw an increase in taxes from the retail and food services industries. A historical review of governmental activity revenues can be found in the statistical information section of the report.
- At the end of the fiscal year 2022, the unassigned fund balance of the General Fund was \$4,443,120 or 11.1% of General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City of Midwest City's basic financial statements. The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to the private-sector business.

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The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four elements reported as net position. Over time, increases or decreases in net position serve as a useful indicator on whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and fines and earned but not used vacation and sick leave as stated in City policy and union contracts). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used for Fund Financial Statements of the governmental funds.

In the Statement of Net Position and the Statement of Activities, the City is divided between two types of activities:

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, culture and recreation, health and welfare and economic development. Sales taxes and franchise taxes finance most of these activities as reflected on page 18.
- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, sanitation, and drainage), conference center/hotel, golf, trailer park and industrial park activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements on page 21 and 23 of this report.

CITY OF MIDWEST CITY, OKLAHOMA
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The City of Midwest City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Police, Fire, Economic Development Authority, Hospital Authority, and 2018 GO Bond CIP funds. Data from the debt service fund, 14 special revenue funds, and 8 capital project funds, all of which are considered to be governmental, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 81 of this report.

- **Proprietary funds.** The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are similar to the business-type activities that are reported in the Government-wide statements but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the risk management functions, health self-insurance fund, fleet services, surplus property activities and public works function. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Midwest City maintains one major enterprise fund. The City uses this fund to account for its water, sewer, sanitation, conference center/hotel, debt service, utility services, utility capital, customer deposits, golf and drainage operations. The fund provides the same type of information as the government-wide financial statements, only in more detail and includes some of the internal service fund-type activity. The City considers this enterprise fund activity to be a major fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2022, the City's combined net position is \$569,830,460, of which \$431,103,649 can be attributed to governmental activities and \$138,726,811 is attributed to business-type activities. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

The largest portion of the City's net position, \$395 million, reflects its net investment in capital assets (e.g., land, water rights, building, machinery and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net change in capital assets can be reviewed in Table 1 with key element changes shown in Table 3.

**CITY OF MIDWEST CITY, OKLAHOMA
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**TABLE 1
NET POSITION
(In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Current and other assets	\$ 351,997	\$ 322,206	9%	\$ 42,919	\$ 42,619	1%	\$ 394,916	\$ 364,825	8%
Capital assets	324,657	305,598	6%	154,336	148,420	4%	478,993	454,018	6%
Total assets	<u>676,654</u>	<u>627,804</u>	8%	<u>197,255</u>	<u>191,039</u>	3%	<u>873,909</u>	<u>818,843</u>	7%
Deferred outflow of resources	<u>17,561</u>	<u>18,280</u>	-4%	<u>4,614</u>	<u>3,141</u>	47%	<u>22,175</u>	<u>21,421</u>	4%
Long-term obligations outstanding	18,160	183,701	-90%	2,447	61,323	-96%	20,607	245,024	-92%
Other liabilities	170,860	26,364	548%	58,677	2,830	1973%	229,537	29,194	686%
Total liabilities	<u>189,020</u>	<u>210,065</u>	-10%	<u>61,124</u>	<u>64,153</u>	-5%	<u>250,144</u>	<u>274,218</u>	-9%
Deferred inflow of resources	<u>74,091</u>	<u>6,850</u>	982%	<u>2,018</u>	<u>2,481</u>	-19%	<u>76,109</u>	<u>9,331</u>	716%
Net position:									
Net investment in capital assets	284,352	280,915	1%	110,546	105,254	5%	394,898	386,169	2%
Restricted	192,950	196,782	-2%	1,625	1,608	1%	194,575	198,390	-2%
Unrestricted (deficit)	(46,198)	(48,528)	-5%	26,556	20,684	28%	(19,642)	(27,844)	-29%
Total net position	<u>\$ 431,104</u>	<u>\$ 429,169</u>	0%	<u>\$ 138,727</u>	<u>\$ 127,546</u>	9%	<u>\$ 569,831</u>	<u>\$ 556,715</u>	2%

Governmental activities increased the City's net position by \$1,934,092 or 0.45%. The business type activities increased the City's net position by \$11,181,300 or 8.77% for a net increase of \$13,115,392, or 2.36%. The key elements of these changes are contained in Table 2.

**TABLE 2
CHANGES IN NET POSITION
(In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Revenues:									
Program revenues:									
Charges for services	\$ 7,401	\$ 13,162	-44%	\$ 30,909	\$ 30,039	3%	\$ 38,310	\$ 43,201	-11%
Operating grants and contributions	5,044	16,967	-70%	26	-	100%	5,070	16,967	-70%
Capital grants and contributions	14,737	8	184113%	-	-	-	14,737	8	184113%
General revenues:									
Sales and use taxes	51,035	48,204	6%	-	-	-	51,035	48,204	6%
Other taxes	9,261	8,699	6%	-	-	-	9,261	8,699	6%
Other general revenue	(13,210)	36,370	-136%	208	750	-72%	(13,002)	37,120	-135%
Total revenues	<u>74,268</u>	<u>123,410</u>	-40%	<u>31,143</u>	<u>30,789</u>	1%	<u>105,411</u>	<u>154,199</u>	-32%
Program expenses:									
General government	6,895	26,791	-74%	-	-	-	6,895	26,791	-74%
Public safety	28,830	37,205	-23%	-	-	-	28,830	37,205	-23%
Streets	14,873	14,658	1%	-	-	-	14,873	14,658	1%
Cultural, parks and recreation	1,736	2,475	-30%	-	-	-	1,736	2,475	-30%
Health and welfare	767	507	51%	-	-	-	767	507	51%
Economic development	6,486	5,091	27%	-	-	-	6,486	5,091	27%
Interest expense	4,208	4,159	1%	-	-	-	4,208	4,159	1%
Water	-	-	-	7,582	7,453	2%	7,582	7,453	2%
Sewer	-	-	-	8,727	8,544	2%	8,727	8,544	2%
Sanitation	-	-	-	6,063	5,745	6%	6,063	5,745	6%
Drainage	-	-	-	909	716	27%	909	716	27%
Conference center	-	-	-	4,288	4,797	-11%	4,288	4,797	-11%
Other activities	-	-	-	932	887	5%	932	887	5%
Total expenses	<u>63,795</u>	<u>90,886</u>	-30%	<u>28,501</u>	<u>28,142</u>	1%	<u>92,296</u>	<u>119,028</u>	-22%
Excess (deficiency) before transfers	10,473	32,524	-68%	2,642	2,647	0%	13,115	35,171	-63%
Transfers	(8,539)	(3,762)	127%	8,539	3,762	127%	-	-	-
Increase in net position	<u>\$ 1,934</u>	<u>\$ 28,762</u>	93%	<u>\$ 11,181</u>	<u>\$ 6,409</u>	74%	<u>\$ 13,115</u>	<u>\$ 35,171</u>	-63%

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Governmental Activities. The revenues reflect a decrease over the prior year of \$48,785,871. This decrease is primarily the result of investment income decreased \$49,820,575 due to market downturn. City received \$4.4 million in CARES Act funding for coronavirus relief in FY2021 and \$6.2 million Federal Emergency Management Agency (FEMA) funding for ice storm in FY2022. City issued \$5,700,000 2022 General Obligation Bond Series for public safety capital improvement projects.

The most significant governmental activities expense was providing public safety with a cost of \$28,830,011. These expenses were funded by revenue collected from a variety of sources with the largest being a transfer from the General Fund to the Police and Fire Special Revenue Funds in the amount of \$21,312,593 and dedicated sales tax of \$12,812,286 for the fiscal year ended June 30, 2022.

Business-type Activities. Business-type revenue remained flat from the prior year. Other general income totaled \$207,769 in FY 2022 and \$749,899 in FY 2021. The largest portion of this decrease is attributed to more asset retirement in FY2021 than in FY2022.

Budgetary Highlights. For FY 2022, the General Fund revenue (including transfers) budget was amended by \$1,291,483 or 3.38% of the original budget of \$38,239,835. The actual revenue (including transfers) was more than the final budget projection by \$4,129,153, or 10.45%. The actual expenditures (including transfers) on a budgetary basis were \$40,683,837 compared to the final budget of \$42,632,595. General Fund actual expenditures (including transfers) on a budgetary basis were \$1,948,758 or 4.6% below final budget projections. See page 73 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by \$2,942,375, or 18.1%, of the original budget of \$16,235,829. The actual revenue (including transfers) was more than the final budget projection by \$1,047,491 or 5.46%. The revenue increase is attributed to sales tax coming in above projections for the year. The actual expenditures (including transfers) on a budgetary basis were \$17,735,420 compared to the final budget of \$19,102,407. Actual expenditures (including transfers) were \$1,366,987 or 7.15% below final budget projections.

The Fire Fund revenues (including transfers) budget was amended by \$1,752,160 or 13.61%. The actual revenue (including transfers) was more than the final budget projection by \$668,860 or 4.57%. The revenue increase is attributed to sales tax coming in above projections for the year. The actual expenditures (including transfers) on a budgetary basis were \$13,252,558 compared to the final budget of \$14,265,091. Actual expenditures (including transfers) were \$1,012,533 or 7.1% below projections.

The budget to actual comparisons for these funds can be found on pages 73-76 of the report.

Capital Assets. At the end of fiscal year 2022, the City had \$478,993,117 invested in a broad range of capital assets, including police and fire equipment, buildings, conference center and hotel, park facilities, roads, bridges, water and sewer facilities and distribution systems. This amount represents a net increase (including additions and deductions) of \$19,059,042 for the governmental activities. The City had total additions of \$32,539,140 and depreciation expense of \$14,027,581.

The business-type activities had a net increase of \$5,916,765. Table 3 reflects the net key elements that make up the capital assets by type and source.

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**TABLE 3
Capital Assets
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2022	2021	2022	2021	2022	2021
Land	\$ 39,950	\$ 39,950	\$ 2,617	\$ 2,622	\$ 42,567	\$ 42,572
Water rights	-	-	6,953	6,953	6,953	6,953
Construction in progress	26,666	23,357	12,280	7,388	38,946	30,745
Buildings	33,438	30,480	33,131	32,760	66,569	63,240
Machinery and equipment	23,271	22,534	15,968	15,054	39,239	37,588
Vehicles	13,364	12,770	11,084	11,208	24,448	23,978
Infrastructure	482,324	457,382	189,921	184,564	672,245	641,946
	<u>619,013</u>	<u>586,473</u>	<u>271,954</u>	<u>260,549</u>	<u>890,967</u>	<u>847,022</u>
Less: Depreciation	(294,356)	(280,876)	(117,617)	(112,129)	(411,973)	(393,005)
Totals	<u>\$ 324,657</u>	<u>\$ 305,597</u>	<u>\$ 154,337</u>	<u>\$ 148,420</u>	<u>\$ 478,994</u>	<u>\$ 454,017</u>

Additional information on the City's capital assets can be found on pages 46-48 of this report.

Debt Administration. At year end, the City had \$173,810,194 in long term debt outstanding compared to \$176,679,451 at the end of the prior fiscal year, a decrease of 1.62% as shown in Table 4. The City had one new bond issuances in FY 2022. General Obligation Bonds totaling \$5,700,000. See pages 50-54 for a more in-depth review of long-term debt.

**TABLE 4
Long-Term Debt
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 55,400	\$ 51,485	\$ -	\$ -	\$ 55,400	\$ 51,485
General obligation bonds premium	742	634	-	-	742	634
Notes payable (direct borrowing)	-	-	-	-	-	-
Accrued compensated absences	6,146	6,152	1,653	1,696	7,799	7,848
Revenue bonds	62,635	64,425	29,210	29,905	91,845	94,330
Revenue bonds premium	-	-	990	1,028	990	1,028
Note payable	-	-	15,360	19,670	15,360	19,670
Refundable deposits	90	103	1,584	1,582	1,674	1,685
	<u>90</u>	<u>103</u>	<u>1,584</u>	<u>1,582</u>	<u>1,674</u>	<u>1,685</u>
Totals	<u>\$ 125,013</u>	<u>\$ 122,799</u>	<u>\$ 48,797</u>	<u>\$ 53,881</u>	<u>\$ 173,810</u>	<u>\$ 176,680</u>

FACTORS AFFECTING FINANCIAL CONDITION

Over the past year, Midwest City resident's personal income has increased by 4.2% but buying power has diminished by 2.3% due to inflation. Though supply chain issues are fading away, many buyers are slow to finance large purchases because of rapidly escalating interest rates. These factors are expected to suppress consumer spending for durable goods beyond emergency purchases.

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Although Midwest City's household income is indistinguishable from many Oklahoma communities, the disproportionate number of government employees (24.1% of the total workforce) residing in Midwest City has kept it insulated from the economic peaks and valleys seen elsewhere. Midwest City's unemployment rate is also estimated to be 0.5% below the U.S. average. Because of these factors, there is no reason to expect significant swings in the local economy.

Tinker Air Force Base remains the largest single-site employer in the state, and the recent arrival of the KC-46 Pegasus tanker will help offset the departure of maintenance jobs lost to Boeing when half (15) of the E-3A AWACS airplanes stationed here leave in 2023.

Mathis Brother's Furniture store is forecasted to open March 2023 on the west side. Centrillum Proteins is scheduled to start construction of their new plant on the north side of town in January of 2023. These new additions will potentially bring new income to some of our most economically challenged areas.

Request for Information. This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws, regulations and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Midwest City, Finance Department, 100 N. Midwest Boulevard, Midwest City, Oklahoma 73110.

**CITY OF MIDWEST CITY, OKLAHOMA
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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
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Statement of Net Position– June 30, 2022

City of Midwest City
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 114,824,517	\$ 28,586,489	\$ 143,411,006
Cash and cash equivalents, restricted	21,846,726	5,069,039	26,915,765
Investments	94,590,165	4,575,000	99,165,165
Investments, restricted	2,996,385	-	2,996,385
Land held for economic development	3,439,804	-	3,439,804
Accounts receivable, net	3,314,731	4,311,590	7,626,321
Interest receivable	57,306	12,805	70,111
Other receivable	447,556	103,097	550,653
Inventory	152,117	276,759	428,876
Internal balances	234,522	(234,522)	-
Prepaid items	224	-	224
Due from other governments	12,438,080	-	12,438,080
Net pension asset	9,753,944	-	9,753,944
Lease receivable	46,199,778	-	46,199,778
Note receivable	41,675,541	-	41,675,541
Deposits held by others	25,300	-	25,300
Investments, non-current, restricted	-	218,544	218,544
Capital assets:			
Land, water rights, and construction in progress	66,616,158	21,849,505	88,465,663
Other capital assets, net of depreciation	258,040,428	132,487,026	390,527,454
Total assets	676,653,282	197,255,332	873,908,614
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	696,374	696,374
Deferred amount related to pensions	10,065,394	-	10,065,394
Deferred amount related to OPEB	7,496,078	3,917,552	11,413,630
Total deferred outflows	17,561,472	4,613,926	22,175,398
LIABILITIES			
Accounts payable and accrued liabilities	3,145,201	1,452,884	4,598,085
Wages payable	2,492,716	673,350	3,166,066
Judgment payable	-	-	-
Claims payable	2,099,360	-	2,099,360
Due to other governments	11,855	-	11,855
Accrued interest payable	1,052,884	321,143	1,374,027
Unearned revenue	9,358,239	-	9,358,239
Long-term liabilities:			
Due within one year	6,178,756	5,900,022	12,078,778
Due in more than one year	164,681,300	52,777,134	217,458,434
Total liabilities	189,020,311	61,124,533	250,144,844
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	22,568,970	-	22,568,970
Deferred amount related to property taxes	3,976,449	-	3,976,449
Deferred amount related to OPEB	1,527,634	1,324,127	2,851,761
Deferred amount related to leases	46,017,741	-	46,017,741
Deferred amount on refunding	-	693,787	693,787
Total deferred inflows	74,090,794	2,017,914	76,108,708
NET POSITION			
Net investment in capital assets	284,352,429	110,545,786	394,898,215
Restricted for:			
Debt service	1,759,029	1,625,299	3,384,328
Hospital	124,239,237	-	124,239,237
Capital improvements	9,982,479	-	9,982,479
Public Safety	34,726,603	-	34,726,603
Street operations	1,382,160	-	1,382,160
Culture and recreation	2,815,495	-	2,815,495
Economic Development	10,927,983	-	10,927,983
Other	7,116,608	-	7,116,608
Unrestricted (deficit)	(46,198,374)	26,555,726	(19,642,648)
Total net position	\$ 431,103,649	\$ 138,726,811	\$ 569,830,460

See accompanying notes to the basic financial statements.

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Statement of Activities –Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 6,895,422	\$ 1,347,705	\$ 1,399,446	\$ 5,260	\$ (4,143,011)	\$ -	\$ (4,143,011)
Public safety	28,830,011	1,795,239	1,808,961	45,749	(25,180,062)	-	(25,180,062)
Streets	14,872,859	592,602	530,726	13,998,723	249,192	-	249,192
Culture and recreation	1,736,200	428,041	49,508	687,482	(571,169)	-	(571,169)
Health and welfare	767,466	-	-	-	(767,466)	-	(767,466)
Economic development	6,485,958	3,237,496	1,255,758	-	(1,992,704)	-	(1,992,704)
Interest expense	4,207,963	-	-	-	(4,207,963)	-	(4,207,963)
Total governmental activities	63,795,879	7,401,083	5,044,399	14,737,214	(36,613,183)	-	(36,613,183)
Business-type activities:							
Water	7,581,686	8,841,881	-	-	-	1,260,195	1,260,195
Sewer	8,727,262	11,215,511	-	-	-	2,488,249	2,488,249
Sanitation	6,062,798	8,059,727	-	-	-	1,996,929	1,996,929
Drainage	908,597	505,098	-	-	-	(403,499)	(403,499)
Conference center	4,288,483	1,859,253	-	-	-	(2,429,230)	(2,429,230)
Golf	868,616	427,745	25,854	-	-	(415,017)	(415,017)
Industrial park	63,207	-	-	-	-	(63,207)	(63,207)
Total business-type activities	28,500,649	30,909,215	25,854	-	-	2,434,420	2,434,420
Total primary government	\$ 92,296,528	\$ 38,310,298	\$ 5,070,253	\$ 14,737,214	(36,613,183)	2,434,420	(34,178,763)
General revenues:							
Taxes:							
Sales and use taxes					51,034,793	-	51,034,793
Property tax					4,051,000	-	4,051,000
Payment in lieu of taxes					790,446	-	790,446
Franchise and public service taxes					2,815,310	-	2,815,310
Hotel/motel taxes					583,993	-	583,993
Intergovernmental revenue not restricted to specific programs					1,021,274	-	1,021,274
Investment income					(14,318,053)	(38,030)	(14,356,083)
Miscellaneous					1,107,623	245,799	1,353,422
Transfers - internal activity					(8,539,111)	8,539,111	-
Total general revenues and transfers					38,547,275	8,746,880	47,294,155
Change in net position					1,934,092	11,181,300	13,115,392
Net position - beginning					429,169,557	127,545,511	556,715,068
Net position - ending					\$ 431,103,649	\$ 138,726,811	\$ 569,830,460

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Governmental Funds Balance Sheet - June 30, 2022

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Economic Development Authority</u>	<u>Midwest City Hospital Authority</u>	<u>2018 GO Bond CIP</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 20,875,833	\$ 10,390,903	\$ 7,730,197	\$ 7,867,467	\$ 42,661,995	\$ 11,214,164	\$ 27,403,127	\$ 128,143,686
Investments	3,700,407	1,732,872	1,308,491	706,984	82,954,588	1,920,362	4,032,271	96,355,975
Land held for economic development	-	-	-	-	3,439,804	-	-	3,439,804
Receivables:								
Accounts receivable	2,193,959	57,086	2,450	229,550	82,450	-	561,092	3,126,587
Accrued interest receivable	11,498	5,104	3,458	2,300	1,636	6,247	23,551	53,794
Due from other funds	301,222	4,973,373	3,973,566	-	2,689	-	419,213	9,670,063
Deposits held by others	-	-	-	-	20,000	-	5,300	25,300
Prepaid items	224	-	-	-	-	-	-	224
Other receivable	14,701	24,996	17,311	-	-	-	-	57,008
Leases receivable	582,396	-	-	22,633,158	22,984,224	-	-	46,199,778
Due from other governments	5,068,143	931,715	722,887	-	-	-	5,715,335	12,438,080
Inventory	60,000	-	-	-	-	-	-	60,000
Advance to other funds	19,451	-	-	-	-	-	-	19,451
Total assets	<u>\$ 32,827,834</u>	<u>\$ 18,116,049</u>	<u>\$ 13,758,360</u>	<u>\$ 31,439,459</u>	<u>\$ 152,147,386</u>	<u>\$ 13,140,773</u>	<u>\$ 38,159,889</u>	<u>\$ 299,589,750</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 340,763	\$ 144,818	\$ 20,336	\$ 16,868	\$ 60,020	\$ 1,484,939	\$ 826,324	\$ 2,894,068
Wages payable	682,146	871,003	729,262	-	13,607	-	105,213	2,401,231
Unearned revenue	9,358,239	-	-	-	-	-	-	9,358,239
Refundable deposits - court	89,786	-	-	-	-	-	-	89,786
Due to other funds	8,823,285	-	-	-	-	-	882,843	9,706,128
Due to other governments	11,855	-	-	-	-	-	-	11,855
Advance from other funds	-	-	19,451	-	-	-	-	19,451
Total liabilities	<u>19,306,074</u>	<u>1,015,821</u>	<u>769,049</u>	<u>16,868</u>	<u>73,627</u>	<u>1,484,939</u>	<u>1,814,380</u>	<u>24,480,758</u>
Deferred inflows of resources:								
Deferred inflow - leases	577,263	-	-	22,497,315	22,943,163	-	-	46,017,741
Unavailable revenue	2,969,605	64,344	-	1,590	7,500	-	4,454,640	7,497,679
Total deferred inflows of resources	<u>3,546,868</u>	<u>64,344</u>	<u>-</u>	<u>22,498,905</u>	<u>22,950,663</u>	<u>-</u>	<u>4,454,640</u>	<u>53,515,420</u>
Fund balances:								
Nonspendable	99,204	-	-	-	3,459,804	-	5,300	3,564,308
Restricted	4,892,434	17,035,884	12,989,311	8,923,686	124,239,237	11,655,834	31,824,309	211,560,695
Committed	-	-	-	-	1,424,055	-	-	1,424,055
Assigned	540,134	-	-	-	-	-	61,260	601,394
Unassigned	4,443,120	-	-	-	-	-	-	4,443,120
Total fund balances	<u>9,974,892</u>	<u>17,035,884</u>	<u>12,989,311</u>	<u>8,923,686</u>	<u>129,123,096</u>	<u>11,655,834</u>	<u>31,890,869</u>	<u>221,593,572</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 32,827,834</u>	<u>\$ 18,116,049</u>	<u>\$ 13,758,360</u>	<u>\$ 31,439,459</u>	<u>\$ 152,147,386</u>	<u>\$ 13,140,773</u>	<u>\$ 38,159,889</u>	<u>\$ 299,589,750</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2022:

Fund balances of governmental funds	\$ 221,593,572
 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 \$292,926,824	323,935,848
Certain long-term assets are not available to pay for current fund liabilities and therefore, are either reported as deferred inflows of resources in the funds or not reported in the funds at all:	
Due from other governments	130,727
Other receivable, net of allowance	3,390,503
Note receivable	41,675,541
Net pension asset	9,753,944
	54,950,715
The net pension liability and the total OPEB liability and the pension and OPEB related deferred outflow and inflows are not due and payable from current financial resources and therefore, are not reported in these fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	
Net pension liability	(17,546,151)
Pension related deferred outflows	10,065,394
OPEB related deferred outflows	7,111,374
Pension related deferred inflows	(22,568,970)
Total OPEB liability	(27,205,088)
OPEB related deferred inflows	(1,343,497)
	(51,486,938)
Internal service funds are used by management to charge the cost of certain activities to individual funds. An allocation of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of amount allocated to business-type activities.	7,895,320
Certain other long-term liabilities are not due and payable from current financial resources and not reported in the funds:	
General obligation bonds payable	(55,400,000)
Bonds payable	(62,635,000)
Premium on debt	(741,600)
Accrued compensated absences	(5,969,960)
Accrued interest payable	(1,038,308)
	(125,784,868)
Net position of governmental activities	\$ 431,103,649

See accompanying notes to the basic financial statements

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2022

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Economic Development Authority</u>	<u>Midwest City Hospital Authority</u>	<u>2018 GO Bond CIP</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES								
Taxes	\$ 28,872,801	\$ 7,166,061	\$ 5,646,224	\$ -	\$ 790,446	\$ -	\$ 16,778,762	\$ 59,254,294
Intergovernmental	8,488,148	881,898	3,943,694	-	-	-	530,726	13,844,466
Charges for services	495,283	270,617	5,555	4,143,804	-	-	1,160,036	6,075,295
Fines and forfeitures	1,218,206	63,440	-	-	-	-	85,875	1,367,521
Licenses and permits	546,999	1,600	8,150	-	-	-	90,428	647,177
Investment income	(93,492)	(40,413)	(25,447)	320,479	(13,476,893)	(47,547)	(54,536)	(13,417,849)
Miscellaneous	612,588	68,326	25,406	16,281	737,534	-	118,657	1,578,792
Total revenues	<u>40,140,533</u>	<u>8,411,529</u>	<u>9,603,582</u>	<u>4,480,564</u>	<u>(11,948,913)</u>	<u>(47,547)</u>	<u>18,709,948</u>	<u>69,349,696</u>
EXPENDITURES								
Current:								
General government	4,396,708	-	-	-	12,022,316	242	1,945,882	18,365,148
Public safety	1,284,853	16,054,072	16,366,404	-	-	1,354	639,046	34,345,729
Streets	2,370,700	-	-	-	-	446	1,108,756	3,479,902
Culture and recreation	942,024	-	-	-	-	4,636	360,234	1,306,894
Health and welfare	585,241	-	-	-	-	-	-	585,241
Economic development	4,121,583	-	-	1,485,533	-	956	290,419	5,898,491
Capital outlay	141,194	1,238,099	147,004	-	328,630	15,062,963	6,739,688	23,657,578
Debt service:								
Principal retirement	-	-	-	965,000	-	-	2,610,000	3,575,000
Interest and fiscal charges	-	-	5,402	2,006,825	-	-	2,243,011	4,255,238
Total expenditures	<u>13,842,303</u>	<u>17,292,171</u>	<u>16,518,810</u>	<u>4,457,358</u>	<u>12,350,946</u>	<u>15,070,597</u>	<u>15,937,036</u>	<u>95,469,221</u>
Excess (deficiency) of revenues over expenditures	<u>26,298,230</u>	<u>(8,880,642)</u>	<u>(6,915,228)</u>	<u>23,206</u>	<u>(24,299,859)</u>	<u>(15,118,144)</u>	<u>2,772,912</u>	<u>(26,119,525)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from issuance of debt	-	-	-	-	-	-	5,700,000	5,700,000
Bond premium	-	-	-	-	-	-	137,324	137,324
Transfers in	12,508,641	11,883,020	9,672,986	-	3,066	236,048	3,466,748	37,770,509
Transfers out	(33,234,826)	-	(52,000)	-	(1,222,497)	(59,392)	(6,998,155)	(41,566,870)
Total other financing sources and uses	<u>(20,726,185)</u>	<u>11,883,020</u>	<u>9,620,986</u>	<u>-</u>	<u>(1,219,431)</u>	<u>176,656</u>	<u>2,305,917</u>	<u>2,040,963</u>
Net change in fund balances	5,572,045	3,002,378	2,705,758	23,206	(25,519,290)	(14,941,488)	5,078,829	(24,078,562)
Fund balances - beginning	4,402,847	14,033,506	10,283,553	8,900,480	154,642,386	26,597,322	26,812,040	245,672,134
Fund balances - ending	<u>\$ 9,974,892</u>	<u>\$ 17,035,884</u>	<u>\$ 12,989,311</u>	<u>\$ 8,923,686</u>	<u>\$ 129,123,096</u>	<u>\$ 11,655,834</u>	<u>\$ 31,890,869</u>	<u>\$ 221,593,572</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2022:

Net change in fund balances - total governmental funds: \$ (24,078,562)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	18,344,106
Capital asset donated	14,691,465
Gain (loss) on disposal of capital assets	(4,601)
Depreciation expense	(13,968,270)
	19,062,700

Repayment of debt principal is an expenditure and collections of notes receivables are a revenue in the governmental funds. However, the repayments reduce long-term liabilities or the long-term assets in the Statement of Net Position:

Notes receivable receipts	(977,500)
Premium on debt issuance	(137,324)
Amortization of premium	29,913
Debt proceeds	(5,700,000)
Bond payable principal payments	1,790,000
General obligation bond principal payments	1,785,000
	(3,209,911)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue	(6,503,393)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as an equal amount of expenditures in the governmental funds. These are the adjustments needed to expenditures in order to report them as their full-accrual counterparts at the government-wide level.

Other post employment benefits	(2,116,013)
Interest expense	17,362
Judgment expense	12,000,000
Pension expense	5,475,790
Accrued compensated absences	12,707
	15,389,846

Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues/expenses are reported in governmental activities on the Statement of Activities, net of amount allocated to business-type activities

	1,273,412
Change in net position of governmental activities	\$ 1,934,092

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Proprietary Funds Statement of Net Position - June 30, 2022

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 26,967,444	\$ 876,160	\$ 27,843,604	\$ 9,270,442
Cash and cash equivalents, restricted	5,069,039	-	5,069,039	-
Investments	4,313,960	141,264	4,455,224	1,350,351
Accounts receivable, net	4,290,921	-	4,290,921	578,692
Other receivable	123,766	-	123,766	-
Accrued interest receivable	12,805	-	12,805	3,512
Prepaid items	-	-	-	-
Inventory	276,759	-	276,759	92,117
Due from other funds	1,052,168	-	1,052,168	5,830
Total current assets	<u>42,106,862</u>	<u>1,017,424</u>	<u>43,124,286</u>	<u>11,300,944</u>
Non-current assets:				
Investments, restricted	218,544	-	218,544	-
Land, construction in progress, and water rights	21,177,649	671,856	21,849,505	-
Other capital assets, net	129,871,606	2,465,705	132,337,311	870,453
Total non-current assets	<u>151,267,799</u>	<u>3,137,561</u>	<u>154,405,360</u>	<u>870,453</u>
Total assets	<u>193,374,661</u>	<u>4,154,985</u>	<u>197,529,646</u>	<u>12,171,397</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	696,374	-	696,374	-
Deferred amount related to OPEB	3,637,024	-	3,637,024	665,232
	<u>4,333,398</u>	<u>-</u>	<u>4,333,398</u>	<u>665,232</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,446,896	-	1,446,896	287,314
Claims liability	-	-	-	907,060
Wages payable	609,511	-	609,511	139,707
Due to other funds	548,170	-	548,170	473,763
Accrued interest payable	321,143	-	321,143	-
Accrued compensated absences	496,481	-	496,481	119,770
Refundable deposits	164,686	-	164,686	-
Notes payable	147,968	-	147,968	-
Revenue bonds payable	5,030,000	-	5,030,000	-
Total current liabilities	<u>8,764,855</u>	<u>-</u>	<u>8,764,855</u>	<u>1,927,614</u>
Non-current liabilities:				
Accrued compensated absences	973,259	-	973,259	239,538
Claims liability	-	-	-	1,192,300
Total OPEB liability	9,138,991	-	9,138,991	1,836,788
Refundable deposits	1,419,662	-	1,419,662	-
Notes payable	2,097,347	-	2,097,347	-
Revenue bonds payable, net	38,285,137	-	38,285,137	-
Total non-current liabilities	<u>51,914,396</u>	<u>-</u>	<u>51,914,396</u>	<u>3,268,626</u>
Total liabilities	<u>60,679,251</u>	<u>-</u>	<u>60,679,251</u>	<u>5,196,240</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount related to OPEB	1,217,382	-	1,217,382	290,882
Deferred amount on refunding	693,787	-	693,787	-
	<u>1,911,169</u>	<u>-</u>	<u>1,911,169</u>	<u>290,882</u>
NET POSITION				
Net investment in capital assets	107,258,511	3,137,560	110,396,071	870,453
Restricted for debt service	1,625,299	-	1,625,299	-
Restricted for other purposes	85,598	216,134	301,732	-
Unrestricted	26,148,231	801,291	26,949,522	6,479,054
Total net position	<u>\$ 135,117,639</u>	<u>\$ 4,154,985</u>	<u>\$ 139,272,624</u>	<u>\$ 7,349,507</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances (545,813)

Total net position per Government-Wide financial statements \$ 138,726,811

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2022

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 30,873,745	\$ -	\$ 30,873,745	\$ 13,921,590
Fees, licenses and permits	21,020	-	21,020	-
Miscellaneous	39,138	-	39,138	682,214
Total operating revenues	<u>30,933,903</u>	<u>-</u>	<u>30,933,903</u>	<u>14,603,804</u>
OPERATING EXPENSES				
Personal services	11,043,183	-	11,043,183	2,332,931
Materials and supplies	4,030,854	-	4,030,854	2,598,151
Other services and charges	7,402,393	818	7,403,211	403,794
Insurance claims and expense	-	-	-	7,255,364
Depreciation and amortization	5,595,221	57,073	5,652,294	68,903
Total operating expenses	<u>28,071,651</u>	<u>57,891</u>	<u>28,129,542</u>	<u>12,659,143</u>
Operating income (loss)	<u>2,862,252</u>	<u>(57,891)</u>	<u>2,804,361</u>	<u>1,944,661</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	136,439	61,151	197,590	(28,740)
Interest expense and fiscal charges	(1,073,267)	-	(1,073,267)	-
Cain (loss) on asset retirement	76,312	(5,316)	70,996	-
Other non-operating revenue	-	-	-	-
Total non-operating revenue (expenses)	<u>(860,516)</u>	<u>55,835</u>	<u>(804,681)</u>	<u>(28,740)</u>
Income (loss) before contributions and transfers	<u>2,001,736</u>	<u>(2,056)</u>	<u>1,999,680</u>	<u>1,915,921</u>
Capital contributions	4,742,750	-	4,742,750	-
Transfers in	16,010,426	-	16,010,426	-
Transfers out	<u>(12,214,065)</u>	<u>-</u>	<u>(12,214,065)</u>	<u>-</u>
Change in net position	10,540,847	(2,056)	10,538,791	1,915,921
Total net position - beginning	124,576,792	4,157,041	128,733,833	5,433,586
Total net position - ending	<u>\$ 135,117,639</u>	<u>\$ 4,154,985</u>	<u>\$ 139,272,624</u>	<u>\$ 7,349,507</u>
Change in net position per above			\$ 10,538,791	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			642,509	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 11,181,300</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2022

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 30,758,779	\$ -	\$ 30,758,779	\$ -
Receipts from interfund services	-	-	-	14,656,302
Payments to suppliers	(11,711,106)	(818)	(11,711,924)	(3,025,737)
Payments to employees	(10,343,930)	-	(10,343,930)	(2,193,300)
Receipts (payments) from interfund loans	408,378	-	408,378	18,619
Receipt of customer deposits	496,437	-	496,437	-
Return of customer deposits	(482,201)	-	(482,201)	-
Claims and benefits paid	-	-	-	(7,499,673)
Net cash provided by (used in) operating activities	<u>9,126,357</u>	<u>(818)</u>	<u>9,125,539</u>	<u>1,956,211</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	16,010,426	-	16,010,426	-
Transfers to other funds	(12,214,065)	-	(12,214,065)	-
Net cash provided by noncapital financing activities	<u>3,796,361</u>	<u>-</u>	<u>3,796,361</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(6,898,923)	-	(6,898,923)	(55,922)
Principal paid on capital debt	(5,245,821)	-	(5,245,821)	-
Proceeds from issuance of bonds	241,089	-	241,089	-
Interest and fiscal charges paid on capital debt	(1,329,164)	-	(1,329,164)	-
Proceeds from sale of capital assets	129,112	5,174	134,286	-
Payment to escrow agent for refunded debt	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(13,103,707)</u>	<u>5,174</u>	<u>(13,098,533)</u>	<u>(55,922)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	226,481	27,976	254,457	233,372
Interest and dividends	148,546	61,151	209,697	(27,814)
Net cash provided by investing activities	<u>375,027</u>	<u>89,127</u>	<u>464,154</u>	<u>205,558</u>
Net increase in cash and cash equivalents	194,038	93,483	287,521	2,105,847
Balances - beginning of year	<u>31,842,445</u>	<u>782,677</u>	<u>32,625,122</u>	<u>7,164,595</u>
Balances - end of year	<u>\$ 32,036,483</u>	<u>\$ 876,160</u>	<u>\$ 32,912,643</u>	<u>\$ 9,270,442</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 26,967,444	\$ 876,160	\$ 27,843,604	\$ 9,270,442
Restricted cash and cash equivalents	5,069,039	-	5,069,039	-
Total cash and cash equivalents	<u>\$ 32,036,483</u>	<u>\$ 876,160</u>	<u>\$ 32,912,643</u>	<u>\$ 9,270,442</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,862,252	\$ (57,891)	\$ 2,804,361	\$ 1,944,661
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	5,595,221	57,073	5,652,294	68,903
Other nonoperating revenue	-	-	-	-
Change in assets and liabilities:				
Receivables, net	(151,460)	-	(151,460)	52,498
Other receivable	(12,165)	-	(12,165)	-
Due from other funds	754,019	-	754,019	-
Prepaid items	10,655	-	10,655	-
Inventory	(6,815)	-	(6,815)	(21,786)
Deferred outflows OPEB	(1,572,195)	-	(1,572,195)	82,039
Accounts payable	(281,699)	-	(281,699)	(152,951)
Claims liability	-	-	-	(93,364)
Due to other funds	(345,641)	-	(345,641)	18,619
Accrued payroll and related liabilities	83,031	-	83,031	19,921
Refundable deposits	2,737	-	2,737	-
Total OPEB liability	2,450,953	-	2,450,953	(74,080)
Accrued compensated absences	(28,922)	-	(28,922)	(6,980)
Deferred inflows OPEB	(233,614)	-	(233,614)	118,731
Net cash provided by (used in) operating activities	<u>\$ 9,126,357</u>	<u>\$ (818)</u>	<u>\$ 9,125,539</u>	<u>\$ 1,956,211</u>
Noncash activities:				
Contributed capital assets - from governmental funds	<u>\$ 4,742,750</u>	<u>\$ -</u>	<u>\$ 4,742,750</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Midwest City's (the "City") accounting and financial reporting policies conform to accounting principles generally accepted in the United State of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1.A. Financial Reporting Entity

The City of Midwest City – operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities

The City of Midwest City is an incorporated municipality located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected seven-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judges are practicing attorneys appointed by the City Council

In determining the financial reporting entity, the City of Midwest City complies with the provisions of Governmental Accounting Standards Board and includes all component units for which the City is financially accountable. The City's financial reporting entity primary government presentation includes the City of Midwest City and certain component units as follows:

Blended Component Units: Separate legal entities for which the City Council members also serve as the trustees/governing body of the Authorities and/or the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities. These component units funds are blended into the City's by appropriate fund type to comprise part of the primary government presentation.

Midwest City Utilities Authority – created for industrial development.

Midwest City Municipal Authority – created to operate the water, sewer, sanitation and conference center/hotel.

Midwest City Hospital Authority – created to operate the hospital, however, in 1996 the hospital was leased for a 30 year term. In March 2009, this lease was extended to May 2048. The Trustees manage activities related to the hospital lease. Economic development is also a principal mission of the Authority.

Urban Renewal Authority – created for economic development.

Economic Development Authority – created for economic development.

Each of these component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing

assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trusts within the City's financial reporting entity. The public trusts do not issue separate annual financial statements.

1.B. Basis of Presentation and Accounting

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Government-Wide Financial Statements:

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. In the Statement of Net Position and the Statement of Activities, the City presents two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets, parks and recreation. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities – Services where the City charges a fee to customers to help cover all or most of the cost of the services it provides. The City's water, sewer, sanitation and the hotel/conference center activities are reported here.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Fund Financial Statements:

Governmental Funds:

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end. Governmental funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursement type grants that are recorded as revenues when the related expenditures are recognized and available within 120 days of year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, judgments, postemployment benefits and net pension liabilities are recorded only when payment is due.

Sales and use taxes, property taxes, franchise taxes, licenses, court fines and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes the General Fund also includes the activities of the Reimbursed Projects Account, Employee Activity Account, Activity Account, Animals Best Friend Account, 29th and Douglas Account, Grant Account, and Disaster Relief Account.
- Police Fund – is a special revenue fund that accounts for police services funded by a restricted sales tax, a transfer of 34.21% of General Fund revenues per ordinance legally restricted for police operations, and fines and fees restricted for traffic enforcement operations. For reporting purposes, the Police Fund includes the Jail Fund.
- Fire Fund — is a special revenue fund that accounts for fire protection services funded by sales tax legally restricted for fire and a transfer of 27.66% of General Fund revenues per ordinance legally restricted for fire operations.
- Economic Development Authority – is a special revenue fund that manages activities related to economic development within the city limits.
- Midwest City Hospital Authority – is a special revenue fund that manages activities related to the hospital lease, funded by interest income and in lieu of taxes. The Hospital Authority also makes investments and expenditures in economic development activities.
- 2018 GO Bond CIP – is a capital project fund funded with proceeds from general obligation bond issues to finances voter approved projects.

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Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds include Juvenile, Parks and Recreation, Emergency Operations, Technology, Welcome Center, Police Impound Fees, Street and Alley, Police Special Projects, Police Lab Fee, Convention/Visitors Bureau, Sooner Rose TIF, Urban Renewal Authority Funds, Street Light Fee, and General Government Sales Tax.

Debt Service Fund – accounts for ad-valorem taxes levied by the City for use in retiring general obligation bonds, and their related interest expenses.

Capital Project Funds:

- Capital Improvement Fund – accounts for assessed fees that help fund capital projects for various functions of the City.
- Downtown Redevelopment Authority – accounts for the lease proceeds from the 29th street redevelopment. Proceeds are used to fund various needs of the City.
- 2002 Street Project Fund – accounts for the proceeds from the 2002 General Obligation Street Bonds which funds capital street projects.
- Dedicated Tax 2012 Fund – accounts for the sales tax restricted for street, parks, trails, sidewalks and public transportation projects.
- 2018 GO Bond Proprietary Fund – accounts for general obligation bond proceeds restricted to proprietary projects.
- Sales Tax Capital Improvement Fund – accounts for sales tax restricted by a vote of the citizens for capital improvements, including debt retirements.
- Capital Outlay Reserve Fund – accounts for funds set aside to fund the five year capital needs projects.
- 2022 GO Bond Fund – accounts for general obligation bond proceeds restricted streets.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided to other funds or departments of the City. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Midwest City Municipal Authority (Municipal Authority), a non-major enterprise fund and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's proprietary funds include the following:

Enterprise Funds

Major:

The Municipal Authority Funds includes the following accounts:

- Water Account (includes the Water Operating Account and the Water Capital Projects Account) accounts for the activities providing water services to the public.
- Sewer Account (includes the Sewer Operating Account and the Sewer Capital Projects Account) accounts for the activities providing sewer services to the public.
- Sanitation Account (includes the Sanitation Operating Account) accounts for the activities providing sanitation services to the public.
- Conference Center/Hotel Account (includes the Conference and Hotel Operating Account) accounts for the activities related to the Conference Center and Hotel.
- Drainage Account (includes the Drainage Operating Fund and the Capital Projects Account) accounts for the activities providing drainage services to the public.
- Debt Service Account accounts for the debt activities related to the 2011 and 2011A Revenue Bonds.
- Utility Services Account – accounts for activities related to billing for water, sewer, sanitation, storm water, and drainage.
- Utilities Capital Account – accounts for capital purchases for the water, sewer, and sanitation systems.
- Customer Deposit Account –accounts for utility customer deposits.
- Golf Course Account –accounts for activities of the John Conrad and the Hidden Creek golf courses.

Non-Major:

- Utilities Authority Fund –accounts for industrial development activities.

Internal Service Funds (aggregated in a single column for reporting purposes)

- Risk Management Fund - accounts for the cost of providing various insurance services (i.e., general liability, vehicle and property) to other funds and departments of the City.
- Public Works Administration Fund - accounts for the cost of centralization of administrative resources to various departments of the City. This fund primarily serves the business-type activities.
- Fleet Services Fund - accounts for fuel, maintenance and repairs for the City's fleet.
- Surplus Property Fund - accounts for the disposal of surplus property on behalf of all departments.
- L&H Benefits Fund - accounts for health and life benefits to employees.
- Workers Compensation Fund – accounts for the cost of providing workers compensation insurance services to the other funds and departments of the city.

1.C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments:

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments, other than Hospital Authority investments, consist of long-term certificates of deposit, U.S. Treasury bonds and notes, and U.S. agency securities. Certificates of deposit are reported at cost, while the U.S. Treasury and agency securities are reported at fair value. Hospital investments consist of mutual funds and equities. Investments are reported at fair value.

Except where otherwise required, cash resources have been pooled in order to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the funds' average cash balance and legal requirements.

Restricted Assets:

Certain proceeds of the enterprise funds' promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The debt service fund accounts are used to segregate resources accumulated for debt service payments over the next 12 months. In addition, amounts held for meter deposit refunds are considered restricted.

Receivables:

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants and court fines. Business-type activities report utilities as its major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues. Non-exchange transactions collectible but not available are reported as a deferred inflow of resources in the fund financial statements in accordance with the modified accrual basis of accounting, but not reported as a deferred inflow of resources in the government-wide financial statements in accordance with the accrual basis. Interest on investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories:

Inventories are valued at average cost. Governmental fund inventory is related to parts of vehicle and equipment maintenance. Proprietary fund inventory is related to material on hand for repairs and

improvements to the utility system. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

Land Held for Economic Development:

The Hospital Authority owns land that is being held for future economic development. This land is carried at the lower of cost or fair value.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciable capital assets are depreciated on a straight-line basis over their useful lives. The range of estimated lives by type of assets is as follows:

- Buildings/improvements 25-60 years
- Utility systems 25-99 years
- Infrastructure 25-99 years
- Machinery and equipment 5-20 years
- Vehicles 5-25 years

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset.

Leases:

The City is a party as lessor for various non-cancellable long-term leases of building and land. The corresponding lease receivables, are recorded in an amount equal to the present value of the expected future minimum lease payments received, respectively, discounted by an applicable interest rate.

Long-term obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of bond premium or discount. Deferred amount on refunding is amortized over the shorter of the life of the new debt or the remaining life of the refunded debt using the straight line method. Deferred amounts are shown as deferred inflows or outflows.

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Long-term obligations of governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

The City's long term debt consists of general obligation bonds, revenue bonds and notes, accrued compensated absences, contracts payable, net pension liability, total OPEB liability, and refundable deposits.

Compensated Absences:

Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. Regular full-time civilian employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a civilian employee is paid for accrued vacation up to a maximum of 192 hours plus current year accrual earned to date of separation. Civilian employees earn sick leave per pay period of 3.7 hours, for a total of 96.20 hours per year with the exception of Fire Rookies working 24 hour shifts who earn 5.54 hours per pay period for an annual total of 144.04 hours per year. Civilian employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years of service, a civilian employee is paid for accrued sick leave up to a maximum of 960 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Civilian employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits.

Police union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a police union employee is paid for accrued vacation up to a maximum of 216 hours plus current year accrual earned to date of separation. Police union employees earn sick leave per pay period of 4.6 hours for an annual total of 119.60 hours. Police union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service, a police union employee is paid for accrued sick leave up to a maximum of 11,000 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Police union employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits. 100% of the sick leave balance shall be paid to the police union employee's named beneficiary in the event an employee is killed in the line of duty.

Fire union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 301.34 hours per year based upon shift worked and years of service. Upon separation from the city, a fire union employee is paid for accrued vacation up to a maximum of 300 hours plus current year accrual earned to date of separation for 24 hour workers; up to a maximum of 216 hours plus current year accrual earned to date of separation for 8 hour workers. Fire union employees earn sick leave per pay period of 5.54 for a total of 144.04 hours per year for 24 hour workers and 96.20 hours per year for 8 hour workers. Fire union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service or with an on-the-job injury, a fire union employee is paid for accrued sick leave up to a maximum of 1,314 hours for 24 hour workers; up to a maximum of 939 hours for 8 hour workers at 1/3 his/her hourly rate of pay. Hours accumulated over the maximum are paid at the rate of 1/2 his/her hourly rate of pay each bi-weekly pay period. Employees, regardless of years of service, will be paid out at 1/2 for separation due to on the job injury. Fire union employees who separate from

employment prior to 10 years of service and without an on-the-job injury shall receive no compensation for accrued sick leave benefits.

Deferred Outflow/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until then. The City has three items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The city also reports deferred outflows for pension and OPEB-related amounts.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines and property taxes, and deferrals related to lease receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements the property tax revenues remain as a deferred inflow under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The government-wide Statement of Net Position also reports deferred inflows for gain on refunding of debt, property taxes, leases, pension and OPEB-related amounts.

Lease-related amounts are recognized at the inception of leases in which the city or its' component unit is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Fund Equity:

Government-Wide and Proprietary Fund Financial Statements:

Net position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets, plus the remaining unspent construction proceeds of debt issued for capital improvements.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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It is the City's policy to first use unrestricted net position prior to the use of restricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance. The Hospital Authority and Urban Renewal Authority highest level of decision-making authority is made by resolution.
- d. Assigned – includes amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund. Any deficit fund balances of other governmental funds are also reported as unassigned.

It is the City's policy to first use unrestricted fund balance prior to the use of the restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available. The City's policy for the use of fund balance amounts require that unassigned amounts would be reduced first followed by assigned amounts and then committed amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

1.D. Revenues, Expenditures and Expenses

Program Revenues:

Program revenues within the Statement of Activities that are derived directly from each activity or from parties outside of the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, 911 – fines and forfeitures, restricted operating grants, 911 revenue, and restricted capital grants, property seizure, donations, state on-behalf pension contributions
- Streets – commercial vehicle and gasoline excise tax shared by the State.

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- Culture and recreation – pool fees, rental of community center and senior center, programming fees, park fees, softball fees, operating and capital grants
- Health and Welfare – FEMA grants
- Economic Development – rental income and operating grants
- General Government – license and permits, technology and false alarm fees, impact fees, and operating grants

All other governmental revenues are reported as general revenues. All taxes are classified as general revenue even if restricted for a specific purpose.

Sales Tax Revenue:

Sales tax revenue represents a 4.60 cents tax on each dollar of taxable sales which is collected by the Oklahoma Tax Commission and remitted to the City. Upon final allocation the sales tax is broken down as follows:

	Effective January 2018	
General Government	1.25	27.17%
Police	1.42	30.87%
Fire	1.14	24.78%
911	.04	.87%
Capital Improvements	.25	5.43%
Parks and Recreation	.05	1.09%
Sewer Plant	.40	8.70%
Streets/Parks/Sidewalks/Trails/and Public Transportation	.05	1.09%
Totals	4.6	100%

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurer and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2022, the City's net assessed valuation of taxable property was \$376,844,043. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2021 was \$9.44.

Property tax accrued on the lien date of January 1, 2022 and recorded as a deferred inflow of resources was \$3,976,449.

Expenditures and Expenses:

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity.

1.E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government-Wide Financial Statements:

Interfund activity, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. *Internal balances* – amounts reported in the fund financial statements as interfund receivable and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. *Internal activities* - amounts reported in the fund financial statements as interfund transfers are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds is not eliminated in the statement of activities.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

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1.F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates. The City generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases unless the rate that the lessor/vendor charges is known.

2. Cash and Cash Equivalents, Deposits and Investments

Deposits and Investments Risks

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
US agency securities	\$ -	\$ 18,428,450	\$ -	\$ 18,428,450
Real Estate	-	-	1,404,076	1,404,076
Mutual Fund - equities	30,340,074	-	-	30,340,074
	<u>\$ 30,340,074</u>	<u>\$ 18,428,450</u>	<u>\$ 1,404,076</u>	<u>\$ 50,172,600</u>

As of June 30, 2022, the City's investments in U.S. agency securities are valued using Level 2 inputs. The value is determined using quoted prices for similar assets or liabilities in active markets.

Real estate investments classified in Level 3 are valued using the change in assessed property tax land values for similar properties from the county assessor.

Certain investments that do not have a readily determinable fair value are measured at net asset value (NAV), or its equivalent. NAV per share is calculated as of the City's year-end in a manner consistent with the Governmental Accounting Standards Board's measurement principles. There are no unfunded commitments related to these investment vehicles. The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the following table.

Investments Measured at Net Asset Value	Fair Value	Redemption Frequency	Redemption Notice Period
US equity index funds ⁽¹⁾	\$ 39,072,937	Daily	2 days
US fixed income debt funds ⁽²⁾	11,627,059	Daily	3 days
	<u>\$ 50,699,996</u>		

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- (1) **US equity index funds** – The Fund is an index fund that seeks investment results that correspond generally to the S&P 500 Index. The Fund is invested and reinvested in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of that segment of the U.S. market for publicly traded equity securities represented by the larger capitalized companies. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (2) **US fixed income debt funds** – The US fixed income debt fund is an index fund that establishes an objective of delivering investment performance approximating as closely as practicable the total rate of return of the market for debt securities as defined by the Barclays U.S. Aggregate Bond Index. The Fund uses a "passive" or indexing approach to try to achieve the Fund's investment objective. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Government money market accounts are carried at amortized cost.

The City of Midwest City primary government and blended component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2022 by these entities are as follows:

Type	Carrying Value	Credit Rating	Maturities in Years				
			On Demand	Less Than One	1 - 5	6 - 10	More than 10
Demand deposits	\$ 144,551,485	n/a	\$ 144,551,485	\$ -	\$ -	\$ -	\$ -
Time deposits	3,500,000	n/a	-	1,000,000	2,500,000	-	-
Government Money Market Accounts	23,564,240	AAAAm	23,564,240	-	-	-	-
U.S. Agencies Obligations	18,428,450	Aaa	-	4,977,636	8,861,539	-	4,589,275
Sub-total	190,044,175		\$ 168,115,725	\$ 5,977,636	\$ 11,361,539	\$ -	\$ 4,589,275
Real Estate	1,404,076	n/a					
Mutual Funds - equities	69,413,011	n/a					
Fixed Income	11,627,059	n/a					
Sub-total	82,444,146						
Total Deposits and Investments	\$ 272,488,321						
Reconciliation to Financial Statements:							
Cash and cash equivalents	\$ 143,411,006						
Cash and cash equivalents, restricted	26,915,765						
Investments	99,165,165						
Investments, restricted	2,996,385						
	\$ 272,488,321						

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at a minimum level of 110% of the uninsured deposits and accrued interest thereon. The City's policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma. Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement

At June 30, 2022, the City had no exposure to custodial credit risk as defined above.

Investment Credit Risk – The City’s investment policy limits investments, excluding the Hospital Authority and Municipal Authority, to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

Investment credit risk is the risk that an issuer or other 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 or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy indicates that the investment portfolio, shall remain sufficiently liquid to enable the City to meet all operating requirements as anticipated. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

At June 30, 2022, the investments held by the City mature between 2022 through 2047.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City’s investments in Blackrock (classified as mutual funds – equities) and Vanguard mutual funds each exceed 5%.

Hospital Authority Investments:

The Hospital Authority policy provides that assets be invested to preserve its principal, produce a proscribed level of income, and provide for growth of principal with no outside additions to the fund being anticipated. Assets are to be invested in a diversified portfolio to achieve attractive real rates of return. The investment policy of the Hospital Authority allows for the investment of funds in domestic and international common stocks, government and corporate bonds, short-term fixed income securities maturing in one year or less (cash equivalents); by utilizing primarily index funds, mutual funds, or collective trust funds. In addition, the Hospital Authority may invest portions of the fund corpus, or income, in real estate. Such real estate investments would typically include developed or undeveloped real property located in Midwest City, Oklahoma or its environs, or commingled funds which invest in various kinds of property located throughout the United States. The overall rate of return objective of the portfolio is a highest possible rate of return consistent with the risk levels established by the Board.

The acceptable long-term rate of return is expected to provide equal or superior results, using a three to five year moving average, relative to the following benchmarks:

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

Asset allocation guidelines for the Hospital Authority are as follows:

Class	Target	Maximum	June 2022 Percent
Equities - Domestic	20%-70%	85%	66.4%
Fixed Income	2.5%-30%	80%	11.1%
Cash Equivalents	0%	20%	22.5%

Restricted Cash and Investments

The amounts reported as restricted assets on the Statement of Net Position are comprised of amounts held for Debt Service accounts by the trustee bank for revenue bond retirement and revenue bond construction funds, and the Customer Deposit Account for refundable deposits held by others. The restricted assets as of June 30, 2022 are as follows:

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Cash and Cash Equivalents:	
Restricted for Debt Service	\$ 6,199,127
Restricted Construction proceeds	19,361,163
Restricted for Refundable Deposits	<u>1,355,475</u>
	<u>\$ 26,915,765</u>

Investments:	
Restricted for Debt Service	\$ 2,996,385
Investments Restricted for Refundable Deposits	<u>218,544</u>
	<u>\$ 3,214,929</u>

3. Note Receivable

The Economic Development Authority entered into an agreement with Sooner Town Center, LLC to provide funds up to \$49,155,000 for the Town Center Plaza Project. The loan is amortized over a 30 year period with interest rates of 2.40% to 4.70%. The loan is secured with a note receivable for future rental of the facility. At the end of the fiscal year, the City reflects a \$41.7 million receivable in the governmental activities. At the end of the fiscal year, the borrower had not drawn \$3.4 million of the available loan proceeds.

4. Lease Receivable

The City as a lessor, has entered into lease agreements involving land and buildings. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$1,552,012. Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2022, the City received variable payments as required by lease agreements totaling \$151,901.

5. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2022, capital assets balances changed as follows:

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	Balance at July 1, 2021	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2022
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 39,950,396	\$ -	\$ -	\$ 39,950,396
Construction in progress	23,357,092	23,453,042	20,144,372	26,665,762
Total capital assets not being depreciated	<u>63,307,488</u>	<u>23,453,042</u>	<u>20,144,372</u>	<u>66,616,158</u>
Capital assets being depreciated:				
Buildings	30,480,152	2,957,650	-	33,437,802
Machinery and equipment	22,534,336	884,023	147,266	23,271,093
Vehicles	12,769,543	999,460	405,098	13,363,905
Infrastructure	457,381,945	24,941,700	-	482,323,645
Total other capital assets	<u>523,165,976</u>	<u>29,782,833</u>	<u>552,364</u>	<u>552,396,445</u>
Less accumulated depreciation for:				
Buildings	14,499,082	742,403	-	15,241,485
Machinery and equipment	17,199,629	975,165	142,655	18,032,139
Vehicles	6,812,407	739,014	405,098	7,146,323
Infrastructure	242,364,802	11,571,268	-	253,936,070
Total accumulated depreciation	<u>280,875,920</u>	<u>14,027,850</u>	<u>547,753</u>	<u>294,356,017</u>
Capital assets being depreciated, net	<u>242,290,056</u>	<u>15,754,983</u>	<u>4,611</u>	<u>258,040,428</u>
Governmental activities capital assets, net	<u>\$ 305,597,544</u>	<u>\$ 39,208,025</u>	<u>\$ 20,148,983</u>	<u>\$ 324,656,586</u>

	Balance at July 1, 2021	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2022
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 2,622,449	\$ -	\$ 5,173	\$ 2,617,276
Water rights	6,952,657	-	-	6,952,657
Construction in progress	7,387,804	6,581,553	1,689,785	12,279,572
Total capital assets not being depreciated	<u>16,962,910</u>	<u>6,581,553</u>	<u>1,694,958</u>	<u>21,849,505</u>
Capital assets being depreciated:				
Buildings	32,760,444	370,731	-	33,131,175
Machinery and equipment	15,053,749	933,432	19,585	15,967,596
Vehicles	11,207,797	76,296	199,614	11,084,479
Utility systems	184,564,219	5,356,846	-	189,921,065
Total other capital assets	<u>243,586,209</u>	<u>6,737,305</u>	<u>219,199</u>	<u>250,104,315</u>
Less accumulated depreciation for:				
Buildings	13,589,229	753,964	-	14,343,193
Machinery and equipment	11,069,002	560,179	18,516	11,610,665
Vehicles	6,601,772	577,531	155,165	7,024,138
Utility systems	80,869,350	3,769,943	-	84,639,293
Total accumulated depreciation	<u>112,129,353</u>	<u>5,661,617</u>	<u>173,681</u>	<u>117,617,289</u>
Capital assets being depreciated, net	<u>131,456,856</u>	<u>1,075,688</u>	<u>45,518</u>	<u>132,487,026</u>
Business-type activities capital assets, net	<u>\$ 148,419,766</u>	<u>\$ 7,657,241</u>	<u>\$ 1,740,476</u>	<u>\$ 154,336,531</u>

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Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$	483,888
Public safety		1,334,519
Streets		11,279,056
Culture and recreation		351,366
Health and welfare		136,770
Economic development		382,671
Sub-total governmental funds depreciation		13,968,270

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage		59,580
Total	\$	14,027,850

Business-Type Activities:

Water	\$	1,251,731
Sewer		2,541,990
Sanitation		503,320
Drainage		274,745
Conference center/hotel		871,508
Golf		151,927
Industrial park		57,073
Total Business Type Activities		5,652,294

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage		9,323
Total	\$	5,661,617

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6. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2022 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>				
General Gov Sales Tax	Surplus Property	\$ 113,959	Surplus properties sales proceeds to be distributed				
General Fund	Fire Fund	19,451	Long-term loan for capital improvements				
Police Fund	General Fund	4,874,886	Restricted sales tax payable				
Police Fund	Surplus Property	98,487	Surplus properties sales proceeds to be distributed				
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed				
Fire Fund	General Fund	3,941,519	Restricted sales tax payable				
Fire Fund	General Fund	6,880	Revenue accrued to be transferred				
Fire Fund	Surplus Property	25,167	Surplus properties sales proceeds to be distributed				
Welcome Center	Surplus Property	805	Surplus properties sales proceeds to be distributed				
Welcome Center	Golf	124,085	Long-term loan for capital improvements				
Convention & Visitor Bureau	Surplus Property	501	Surplus properties sales proceeds to be distributed				
Emergency Operating Fund	Surplus Property	3,022	Surplus properties sales proceeds to be distributed				
Park & Recreation	Golf	124,085	Long-term loan for capital improvements				
General Fund	Surplus Property	1,222	Surplus properties sales proceeds to be distributed				
General Fund	Hotel	300,000	Long-term loan for capital improvements				
Hospital Authority	Surplus Property	2,689	Surplus properties sales proceeds to be distributed				
Capital Improvements Fund	Debt Service	51,976	Revenue accrued to be transferred				
Public Works Administration	Surplus Property	3	Surplus properties sales proceeds to be distributed				
Fleet Services Fund	Surplus Property	5,827	Surplus properties sales proceeds to be distributed				
Storm Water Quality	Surplus Property	54	Surplus properties sales proceeds to be distributed				
Sanitation Fund	Surplus Property	141,973	Surplus properties sales proceeds to be distributed				
Water Fund	Surplus Property	21,985	Surplus properties sales proceeds to be distributed				
Sewer	Surplus Property	23,176	Surplus properties sales proceeds to be distributed				
Hotel	Surplus Property	18,651	Surplus properties sales proceeds to be distributed				
Golf	Surplus Property	15,462	Surplus properties sales proceeds to be distributed				
Debt Service	Debt Service	830,867	Revenue accrued to be transferred				
		<u>\$ 10,747,512</u>					
			Due From Other	Advance From	Due To Other	Advance To	Net Internal
			Funds	Other Funds	Funds	Other Funds	Balances
Reconciliation to Fund Financial Statements:							
Governmental Funds		\$ 9,670,063	\$ 19,451	\$ 9,706,128	\$ 19,451	\$ (36,065)	
Proprietary Funds		1,052,168	-	548,170	-	503,998	
Internal Service Funds		5,830	-	473,763	-	(467,933)	
Total		<u>\$ 10,728,061</u>	<u>\$ 19,451</u>	<u>\$ 10,728,061</u>	<u>\$ 19,451</u>	<u>\$ -</u>	
Reconciliation to Statement of Net Position:							
Net Internal Balances		\$ 503,998					
Internal Service Fund Activity reported in Business-Type Activities		(738,520)					
Net Internal Balances		<u>\$ (234,522)</u>					

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2022 were as follows:

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<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	Storm Water Quality Fund	\$ 41,907	Indirect Cost Allocation
General Fund	Sanitation Fund	763,936	Indirect Cost Allocation
General Fund	Water Fund	748,459	Indirect Cost Allocation
General Fund	Sewer Fund	772,098	Indirect Cost Allocation
General Fund	Capital Improvement Revenue Bond Fund	9,821,240	Debt Service Subsidy
General Gov Sales Tax	G.O. Debt Services	850,000	Capital Outlay Subsidy
General Gov Sales Tax	General Fund	31,250	Operating Subsidy
Street and Alley Fund	Water Fund	61,415	Capital Outlay Subsidy
Police Fund	General Fund	11,883,021	Ordinance Obligation
Juvenile Fund	General Fund	17,656	Operating Subsidy
Fire Fund	General Fund	9,528,145	Ordinance Obligation
Fire Fund	General Fund	85,449	Capital Outlay Subsidy
Fire Fund	2018 Election GO Bonds	59,392	Capital Outlay Subsidy
Emergency Management Fund	General Fund	15,000	Grant Subsidy
Park and Recreation Fund	General Fund	1,000,000	Grant Subsidy
Park and Recreation Fund	Hospital Authority	346,372	Grant Subsidy
General Fund	Police Impound Fee	4,628	Grant Subsidy
Urban Renewal Authority	Hospital Authority	4,745	Operating Subsidy
Sooner Rose TIF	Hospital Authority	778,345	Operating Subsidy
General Fund	Hospital Authority	10,000	Grant Subsidy
Hospital Authority	General Fund	3,066	Operating Subsidy
2018 Election GO Bonds	Park & Recreation	98,284	Capital Outlay Subsidy
2018 Election GO Bonds	Debt Service	7,729	Capital Outlay Subsidy
2018 Election GO Bonds	Fire Fund	52,000	Capital Outlay Subsidy
2018 Election GO Bonds	Hospital Authority	78,035	Capital Outlay Subsidy
2018 GO Bonds Proprietary	Water Fund	5,009	Capital Outlay Subsidy
Golf Fund	Hospital Authority	5,000	Operating Subsidy
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	6,184,186	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	General Fund	9,821,240	Debt Service Subsidy
Capital Improvement Fund	Revenue Bond Sinking Fund	703,328	Capital Outlay Subsidy
		<u>\$ 53,780,935</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Net Transfers</u>
Governmental Funds	\$ 37,770,509	\$ (41,566,870)	\$ (3,796,361)
Proprietary Funds	16,010,426	(12,214,065)	3,796,361
Total	<u>\$ 53,780,935</u>	<u>\$ (53,780,935)</u>	<u>\$ -</u>

Reconciliation to Statement of Activities:

Net Transfers	\$ 3,796,361
Capital Contributions to Enterprise Fund	4,742,750
Transfers - Internal Activity	<u>\$ 8,539,111</u>

7. Long-Term Liabilities and Obligations

The City's long term obligations consist of general obligation bonds, notes payable, revenue bonds payable accrued compensated absences, total OPEB liability and net pension liabilities. For the year ended June 30, 2022, the City's long-term debt balances changed as follows:

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Primary Government:

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 51,485,000	\$ 5,700,000	\$ 1,785,000	\$ 55,400,000	\$ 2,210,000
General Obligation Bonds premium	634,189	137,324	29,913	741,600	-
Revenue Bonds Payable	64,425,000	-	1,790,000	62,635,000	1,850,000
Accrued Compensated Absences	6,151,991	3,324,703	3,330,086	6,146,608	2,028,970
Refundable Deposits	102,769	329,782	342,765	89,786	89,786
Total Governmental Activities	<u>\$ 122,798,949</u>	<u>\$ 9,491,809</u>	<u>\$ 7,277,764</u>	<u>125,012,994</u>	<u>6,178,756</u>
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				28,300,911	-
Net Pension Liability				17,546,151	-
				<u>\$ 170,860,056</u>	<u>\$ 6,178,756</u>
Business-Type Activities:					
Revenue Bonds Payable	\$ 29,905,000	\$ -	\$ 695,000	\$ 29,210,000	\$ 710,000
Revenue Bonds Premium	1,028,220	-	38,083	990,137	-
Notes Payable	19,670,047	241,090	4,550,822	15,360,315	4,467,968
Refundable Deposits	1,581,610	496,437	493,699	1,584,348	164,686
Accrued Compensated Absences	1,695,625	906,763	949,988	1,652,400	557,368
Total Business-Type Activities	<u>\$ 53,880,502</u>	<u>\$ 1,644,290</u>	<u>\$ 6,727,592</u>	<u>\$ 48,797,200</u>	<u>\$ 5,900,022</u>
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				9,879,956	-
				<u>\$ 58,677,156</u>	<u>\$ 5,900,022</u>

Accrued compensated absences liability of the governmental activities is liquidated by the General Fund, Police Fund, the Fire Fund, Juvenile Fund, Grant Fund, Welcome Center Fund, Convention and Visitors Bureau Fund, Technology Fund, Park and Recreation Fund, Downtown Redevelopment Fund, Hospital Authority, and the Emergency Operations Fund. Net pension liability and total OPEB liability are paid from the General Fund, Police Fund and Fire Fund.

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

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General Obligation Bonds:

\$20,000,000 general obligation bonds dated April 1, 2019, payable in annual installments of \$795,000 the first year in 2021 and \$835,000, thereafter, with interest rates of 3.00% to 3.50%, repaid by property tax levies. Final maturity April 2044. \$ 18,370,000

\$17,250,000 general obligation bonds dated June 1, 2019, payable in annual installments of \$575,000 the first year in 2021 and \$725,000, thereafter, with interest rates of 3.00%, repaid by property tax levies. Final maturity June 2044. 15,950,000

\$6,550,000 general obligation bonds dated June 1, 2020, payable in annual installments of 225,000 the first year and \$275,000, thereafter, with interest rates of 2.25% to 2.50%, repaid by property tax levies. Final maturity June 2045. 6,325,000

\$9,055,000 general obligation bonds dated June 1, 2021, payable in annual installments of \$375,000 and \$430,000 in last year, with interest rates of 2.00% to 2.375%, repaid by property tax levies. Final maturity June 2046. 9,055,000

\$5,700,000 general obligation bonds dated March 1, 2022, payable in annual installments of \$380,000, with interest rates of 2.00%, repaid by property tax levies. Final maturity March 2038. 5,700,000

Total general obligation bonds \$ 55,400,000

Current	\$ 2,210,000
Non-current	<u>53,190,000</u>
Total	<u>\$ 55,400,000</u>

Revenue Bonds Payable:

\$49,155,000 Economic Development Revenue Bonds due in annual principal installments of \$795,000 to \$4,265,000 through February 1, 2048; interest rate ranges from 2.40% to 4.70%. Secured by mortgage lien on the property. \$ 45,550,000

\$19,250,000 Tax Apportionment Refunding Bonds due in annual principal installments of \$795,000 to \$1,810,000 starting July 1, 2021 through July 1, 2037; interest rate ranges from 3.45% to 4.75%. Repaid by property tax levies and sales/use tax apportioned. \$ 17,085,000

Total Revenue Bonds, Net \$ 62,635,000

Current	\$ 1,850,000
Non-current	<u>60,785,000</u>
Total	<u>\$ 62,635,000</u>

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Business-type activities long-term debt payable from net revenues generated and taxes pledged to the City's business-type activities include the following:

Revenue Bonds Payable:

\$31,265,000 Series 2019 Capital Improvement Revenue Bonds due in annual principal installments of \$680,000 to \$1,725,000 through April 1, 2048; interest rate ranges from 2.0% to 4.0%.	<u>\$ 29,210,000</u>
Total Revenue Bonds	\$ 29,210,000
Unamortized Revenue Bond Premium	<u>990,137</u>
Total Revenue Bonds, Net	<u><u>\$ 30,200,137</u></u>
Current	\$ 710,000
Non-current	<u>29,490,137</u>
Total	<u><u>\$ 30,200,137</u></u>

Note Payable:

\$18,455,000 Capital Improvement Revenue Refunding Note, Series 2020, due in annual principal installments of \$1,065,000 to \$4,425,000 starting March 1, 2021 through June 30, 2025; interest rate 1.16%.	\$ 13,115,000
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the City of Midwest City's estimated share of the cost of a new water facility. The project is a joint project with cities of Norman, Del City and Midwest City. The contract provides the City with a share of the District's water supply (40.45). The construction project is anticipated to be completed in FY20-21. Final debt payments schedule is available once the project is complete. The agreement is dated July 9, 2019	2,049,267
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\$241,900 bank note for a pipe inspection system, due in annual installments of \$53,257 starting September 15, 2020 through September 15, 2025; interest rate 3.41%.	<u>196,048</u>
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Total Notes Payable	<u><u>\$ 15,360,315</u></u>
Current	\$ 4,467,968
Non-current	<u>10,892,347</u>
Total	<u><u>\$ 15,360,315</u></u>

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Long-term debt service requirements to maturity are as follows:

Governmental-Type Activities					
Year Ending June 30,	Revenue Bonds Payable		G.O. Bonds Payable		
	Principal	Interest	Principal	Interest	
2023	\$ 1,850,000	\$ 2,736,668	\$ 2,210,000	\$ 1,506,122	
2024	1,910,000	2,673,123	2,590,000	1,445,635	
2025	1,980,000	2,605,085	2,590,000	1,377,548	
2026	2,055,000	2,532,035	2,590,000	1,309,460	
2027	2,130,000	2,453,613	2,590,000	1,241,372	
2028-2032	12,040,000	10,879,363	12,950,000	5,185,550	
2033-2037	14,650,000	7,975,183	12,950,000	3,476,057	
2038-2042	9,670,000	5,159,475	11,430,000	1,766,366	
2043-2047	12,085,000	2,735,785	5,500,000	285,650	
2048	4,265,000	200,455	-	-	
	<u>\$ 62,635,000</u>	<u>\$ 39,950,785</u>	<u>\$ 55,400,000</u>	<u>\$ 17,593,760</u>	

Business-Type Activities					
Year Ending June 30,	Revenue Bonds Payable		Notes Payable		
	Principal	Interest	Principal	Interest	
2023	\$ 710,000	\$ 1,081,725	\$ 4,467,968	\$ 168,889	
2024	725,000	1,067,525	4,555,967	125,573	
2025	740,000	1,053,025	4,615,517	70,735	
2026	760,000	1,030,825	195,184	28,261	
2027	785,000	1,008,025	146,716	24,163	
2028-2032	4,415,000	4,543,725	781,364	83,989	
2033-2037	5,350,000	3,612,175	597,599	19,614	
2038-2042	6,330,000	2,629,450	-	-	
2043-2047	7,670,000	1,289,400	-	-	
2048	1,725,000	69,000	-	-	
Total	<u>\$ 29,210,000</u>	<u>\$ 17,384,875</u>	<u>\$ 15,360,315</u>	<u>\$ 521,224</u>	

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2019 Revenue Bonds which are payable through 2048. Proceeds from the bond provided financing to current refund the 2011 Revenue Bonds which were originally used for advance refunding the 2003 series bonds and to provide capital funding. The total principal and interest payable for the remainder of the life of the bond is \$46,594,875. Pledged sales taxes transferred in the current year was \$16,005,426. Debt service payments on 2019 Revenue Bonds of \$1,790,625 for the current fiscal year were 11.19% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$23,254,719.

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2020 Sales Tax Revenue Refunding Note which are payable through 2025. Proceeds from the bond provided financing for refund the 2011A Revenue Bonds. The total principal and interest payable for the remainder of the life of the bond is \$13,382,438. Pledged sales taxes transferred in the current year was \$16,005,426. Debt service payments on the bonds were \$4,464,312 for the current fiscal year or 27.89% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$23,254,719.

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8. Net Position and Fund Balances

The following table shows the governmental activities net position that is restricted:

Fund	Restricted By	Amount
Hospital Authority	Enabling legislation	\$ 124,239,237
Technology Fund	Enabling legislation	631,727
Police Impound Fund	Enabling legislation	110,092
Urban Renewal Authority	Enabling legislation	3,804
Capital Outlay Reserve Fund	Enabling legislation	730,853
Street Lighting Fund	Enabling legislation	1,382,160
2018 GO Bond	Enabling legislation	165,750
Economic Development Authority	Enabling legislation	8,923,686
		<u>136,187,309</u>
Street and Alley Fund	Statutory requirements	1,535,929
Juvenile Fund	Statutory requirements	78,401
Police Special Projects	Statutory requirements	231,597
Police Lab Fee	Statutory requirements	29,996
		<u>1,875,923</u>
General Fund	External contracts	4,892,434
Police Fund	External contracts	17,035,884
Fire Fund	External contracts	12,989,311
Park and Recreation Fund	External contracts	1,939,182
Emergency Operation Fund	External contracts	1,119,595
Welcome Center	External contracts	358,378
Convention and Visitors Bureau	External contracts	432,698
GO Debt Service Fund	External contracts	1,759,029
2002 GO Street Bond	External contracts	265,109
2022 GO Bond Fund	External contracts	813,066
Downtown Redevelopment	External contracts	571,542
Dedicated Tax Fund	External contracts	2,160,230
Capital Improvement Fund	External contracts	3,108,273
General Government Sales Tax Fund	External contracts	6,520,328
Sooner Rose TIF	External contracts	921,303
		<u>54,886,362</u>
Total Restricted Net Position		<u>\$ 192,949,594</u>
Restricted (by purpose) for:		
Debt service		\$ 1,759,029
Hospital		124,239,237
Capital improvements		9,982,479
Public Safety		34,726,603
Street operations		1,382,160
Culture and recreation		2,815,495
Economic Development		10,927,983
Other		7,116,608
		<u>\$ 192,949,594</u>

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The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	Major Special Revenue Funds					Capital Project Major	Other	Total
	General Fund	Police Fund	Fire Fund	Hospital Authority	Economic Development Authority	2018 GO Bond CIP	Governmental Fund	
Fund Balance:								
Nonspendable:								
Inventories	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Deposits held by others	38,980	-	-	3,459,804	-	-	5,300	3,504,084
Prepaid expenses	224	-	-	-	-	-	-	224
	<u>99,204</u>	<u>-</u>	<u>-</u>	<u>3,459,804</u>	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>3,564,308</u>
Restricted:								
Public safety	3,131,727	17,035,884	12,989,311	-	-	-	1,569,681	34,726,603
Hospital	-	-	-	124,239,237	-	-	-	124,239,237
General obligation debt service	-	-	-	-	-	-	2,776,089	2,776,089
Capital improvements	-	-	-	-	-	11,655,834	13,487,921	25,143,755
Street improvements	-	-	-	-	-	-	1,801,038	1,801,038
Street operations	-	-	-	-	-	-	1,382,160	1,382,160
Technology improvements	-	-	-	-	-	-	631,727	631,727
Culture and rec programs	517,935	-	-	-	-	-	2,297,560	2,815,495
Economic development	646,492	-	-	-	8,923,686	-	1,357,805	10,927,983
Public works	318,048	-	-	-	-	-	-	318,048
Health and welfare programs	63,417	-	-	-	-	-	-	63,417
General government	214,815	-	-	-	-	-	6,520,328	6,735,143
Sub-total restricted	<u>4,892,434</u>	<u>17,035,884</u>	<u>12,989,311</u>	<u>124,239,237</u>	<u>8,923,686</u>	<u>11,655,834</u>	<u>31,824,309</u>	<u>211,560,695</u>
Committed to:								
Economic development	-	-	-	1,424,055	-	-	-	1,424,055
Assigned to:								
Culture and rec programs	24,547	-	-	-	-	-	-	24,547
Health and welfare programs	37,551	-	-	-	-	-	-	37,551
Economic development	-	-	-	-	-	-	61,260	61,260
General government	57,377	-	-	-	-	-	-	57,377
Appropriation for use in FY 22-23 budget	164,975	-	-	-	-	-	-	164,975
General government - encumbrances	99,752	-	-	-	-	-	-	99,752
Public safety - encumbrances	715	-	-	-	-	-	-	715
Public works - encumbrances	73,953	-	-	-	-	-	-	73,953
Culture and rec - encumbrances	18,146	-	-	-	-	-	-	18,146
Economic development - encumbrances	63,118	-	-	-	-	-	-	63,118
Sub-total assigned	<u>540,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,260</u>	<u>601,394</u>
Unassigned:	4,443,120	-	-	-	-	-	-	4,443,120
TOTAL FUND BALANCE	<u>\$ 9,974,892</u>	<u>\$ 17,035,884</u>	<u>\$ 12,989,311</u>	<u>\$ 129,123,096</u>	<u>\$ 8,923,686</u>	<u>\$ 11,655,834</u>	<u>\$ 31,890,869</u>	<u>\$ 221,593,572</u>

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The following is a breakdown of encumbrances at June 30, 2022:

Fund	Balance
Major Funds:	
General Fund	\$ 739,352
Police Fund	668,735
Fire Fund	145,206
Economic Development Authority	24,088
Hospital Authority	108,837
2018 GO Bond CIP	4,309,961
	\$ 5,996,179
Non Major Fund:	
General Govt Sales Tax	\$ 141,110
Street and Alley Fund	34,841
Technology Fund	14,081
Street Lighting	3,964
Police Federal Projects	391
Police Lab Fund	210
Capital Outlay Reserve	4,378
Convention and Visitor Bureau	38,884
Street TaxFund	129,334
Emergency Operations Fund	29,139
Park and Recreation Fund	161,632
Grant Fund	476,212
Capital Improvement Fund	109,805
2002 GO Street Bond Fund	187,218
2018 GO Bond CIP Proprietary	1,105,581
2022 GO Bond	24,875
	\$ 2,461,655

Per resolution, the City Council has established a minimum fund balance policy for the General Fund equal to ten percent (10%) of the fund’s budgetary operating expenditures each fiscal year. In addition, a reserve equal to five percent (5%) of the budgetary operating expenditures for each fund has been established for the following funds: Police Fund, Fire Fund, Welcome Center Fund, Convention and Visitors Bureau Fund and the Juvenile Fund. The reserves are to ensure the fiscal solvency of the City as a safeguard and all or a portion of the reserves may be appropriated by the city council as necessary in the event of a natural disaster or other catastrophic circumstances, or in the event of significant accounting errors.

9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability – Covered through self-insurance with stop-loss for individual claims in excess of \$250,000 and aggregate stop loss of \$1,000,000.

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- Physical Property – Covered through purchased insurance with deductibles, by coverage as follows:

Wind/hail	\$10,000
Miscellaneous equipment	500
Mobile equipment	500
Fine arts deductible	1,000
Automobile physical damage	1,000

- Workers’ Compensation – Workers’ compensation is covered through self-insurance with the a third party administering the claims process. The City carry’s stop-loss insurance for individual claims in excess of \$450,000 for all employees with an aggregate stop loss of \$1,000,000.
- Employee’s Group Medical –Covered through self-insurance using a third party administrator to process medical claims. The City uses the third party processor’s estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$150,000 during any year with aggregate stop loss of \$8,463,908.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance funds, changes in the claims liability for the City from June 30, 2020, to June 30, 2022, are as follows:

	<u>Workers Comp</u>	<u>Health Care</u>	<u>Total</u>
Claims liability, June 30, 2020	\$ 1,944,000	\$ 384,410	\$ 2,328,410
Claims and changes in estimates	1,076,786	6,649,828	7,726,614
Claims payments	<u>(1,139,786)</u>	<u>(6,722,514)</u>	<u>(7,862,300)</u>
Claims liability, June 30, 2021	1,881,000	311,724	2,192,724
Claims and changes in estimates	1,168,830	6,818,952	7,987,782
Claims payments	<u>(1,337,830)</u>	<u>(6,743,316)</u>	<u>(8,081,146)</u>
Claims liability, June 30, 2022	<u>\$ 1,712,000</u>	<u>\$ 387,360</u>	<u>\$ 2,099,360</u>

10. Retirement Plan Participation

The City of Midwest City participates in three pension or retirement plans:

1. Oklahoma Police Pension and Retirement System (OPPRS) - a statewide cost-sharing plan

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2. Oklahoma Firefighter’s Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
3. Oklahoma Municipal Retirement Fund (OMRF-DCP) – an agent multiple-employer defined contribution plan

Summary Defined Benefit Plans Balances:

	Governmental Activities
Net Pension Asset	
Police Pension System	\$ 9,753,944
Net Pension Liability	
Firefighter’s Pension System	\$ 17,546,151
Total Net Pension Liability	\$ 17,546,151
Deferred Outflows of Resources	
Police Pension System	\$ 1,322,122
Firefighter’s Pension System	8,743,272
Total Deferred Outflows of Resources	\$ 10,065,394
Deferred Inflows of Resources	
Police Pension System	\$ 7,531,243
Firefighter’s Pension System	15,037,727
Total Deferred Inflows of Resources	\$ 22,568,970

Oklahoma Police Pension and Retirement Systems

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from OPPRS’s fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The City of Midwest City, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS.

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Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$975,234. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$867,711 that is reported as both revenue and expenditure in the Police Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$576,799. These on-behalf payments do not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 8% and employer contributions will be 13%.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported an asset of \$9,753,944 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021. 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, 2021. Based upon this information, the City's

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proportion was 2.033% at June 30, 2022, which was an decrease of .49 compared to its proportion at June 2021.

For the year ended June 30, 2022, the City recognized pension expense of (\$988,286). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 140,043	\$ 384,987
Changes of assumptions	148,325	-
Net difference between projected and actual earnings on pension plan investments	-	7,115,164
Changes in proportion and differences between City contributions and proportionate share of contributions	1,691	19,989
City Contributions during measurement period	56,829	11,103
City contributions subsequent to the measurement date	975,234	-
Total	\$ 1,322,122	\$ 7,531,243

The \$975,234 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 or an addition to the net pension liability (asset) in the year ended June 30, 2023. Other deferred outflows and deferred inflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The net deferred outflows related 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:		
	2023	\$ (1,629,302)
	2024	(1,420,350)
	2025	(1,797,055)
	2026	(2,363,696)
	2027	26,048
		\$ (7,184,355)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%

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Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	<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>
Cost-of-living Adjustment:	Police officers eligible to receive increased benefits according to repealed Section 50-150 of Title 11 of the Oklahoma Statutes pursuant to a court order receive and adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

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, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	60%
Fixed Income	25%
Real Estate and other investments	15%
	<u>100%</u>

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private equity/debt	9.36%
Commodities	0.00%

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.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability 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%)
Employers' net pension liability (asset)	\$ (3,658,024)	\$ (9,753,944)	\$ (14,908,498)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS.

Oklahoma Fire Pension and Retirement Systems

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS) and additions to/deductions from FPRS's fiduciary net position have been determined on the same basis as they are reported by FPRS. For this purpose, benefit payments (including refunds of employee contributions)

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are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The City of Midwest City, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs.

Benefits provided - FPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- **Hired Prior to November 1, 2013**
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

- **Hired After November 1, 2013**
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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-the-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-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees'

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annual pay. Contributions to the pension plan from the City were \$1,118,772. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$3,943,694 that is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$1,942,907. These on-behalf payments did not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 9% and employer contributions will be 14%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$17,546,151 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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, 2021. Based upon this information, the City's proportion was 2.664%, at June 30, 2022, which was an increase of .10% compared to its proportion at June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of \$126,209. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,363,592	\$ 308,139
Changes of assumptions	-	389,173
Net difference between projected and actual earnings on pension plan investments	-	13,948,441
Changes in proportion and differences between City contributions and proportionate share of contributions	1,144,192	304,923
City contributions during the measurement period	116,716	87,051
City contributions subsequent to the measurement date	1,118,772	-
Total	\$ 8,743,272	\$ 15,037,727

The \$1,118,772 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, 2023. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The net deferred outflows of resources related 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

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deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2023	\$ (1,129,632)
	2024	(1,354,171)
	2025	(1,734,811)
	2026	(3,194,613)
		<u>\$ (7,413,227)</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using the MP-2018 scale for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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, 2021, 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%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

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

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all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 27,419,494	\$ 17,546,151	\$ 9,280,142

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at www.ok.gov/fprs.

OMRF Defined Contribution Plan:

The City has provided a defined contribution plan and trust known as the City of Midwest City Plan and Trust (the "Plan") in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan an agent multiple employer defined contribution plan. OMRF operations are supervised by a nine-member Council of Trustees elected by the participating municipalities. The Plan is administered by JPMorgan Chase of Oklahoma City. The defined contribution plan is available to all full-time employees on a voluntary basis who are not participating in a state sponsored plan. According to City Ordinance, the employee and employer are required to contribute amounts equal to 0.0% and 14%, respectively, of the employee's salary each month. The employer's contributions for each employee are 50% vested after five years, with 10% vesting for each subsequent year thereafter. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited are allocated to the remaining fund participants based on percentage of contribution. The City Council has the authority to establish and amend provisions of the plan specific to the City, such as naming authorized agents and approving disability and retirement provisions. For the year ended June 30, 2022, the City contributed \$2,430,421 to the plan, while the employee contributions totaled \$23,835.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 525 Central Park Drive, Suite 320, Oklahoma City, Oklahoma, 73105, by calling (405) 606-7880, or at www.okmrf.org.

11. Postemployment Healthcare Plan

Plan Description. The City offers post-employment benefit (OPEB) options Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance that collectively operates as a substantive single-employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for

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immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Midwest City Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying 50% of the premium rate. Benefits are paid from general operating assets of the City as assessed by the self-insurance fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue separate financial statements.

Benefits provided - The Plan covers all current retirees of the City who elected postretirement medical coverage through the City Health Plan and future retired employees of the City fully self-insured health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health, RX, and dental benefits. The retiree retains coverage with the City, by making an election within 30 days of termination of service and have 10+ years of creditable service in with the City and are at least 55 years old at the time of termination.

The amount of benefit payments during fiscal year June 30, 2022 were \$961,763.

Employees Covered by Benefit Terms

Active Employees	452
Inactive not yet receiving benefits	155
Inactive or beneficiaries receiving benefits	<u>113</u>
Total	<u>720</u>

Total OPEB Liability – The total OPEB liability was determined based on actuarial valuation performed as of June 30, 2022 with a measurement date of June 30, 2021.

Actuarial Assumptions- The total OPEB liability in the June 30, 2021 valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 2.21% based on the 20 year municipal bond yield (Bond Buyers’ index)
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates

<u>Year</u>	<u>Rate</u>
2025	5.86%
2030	5.99%
2035	5.87%
2040	5.33%
2045	5.15%
2050	5.03%
2060	4.87%

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Changes in Total OPEB Liability –

	Total OPEB Liability
Balances at Beginning of Year	\$ 34,345,342
Changes for the Year:	
Service cost	1,490,700
Interest expense	791,977
Differences between expected and actual experience	951,201
Change in assumptions	1,563,410
Benefits paid	(961,763)
Net Changes	3,835,525
Balances End of Year	\$ 38,180,867

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the City recognized OPEB expense of \$3,947,662. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,405,061	\$ 43,287
Changes of assumptions	6,477,081	335,483
Change in proportion and contributions during the measurement period	2,471,625	2,472,991
City Contributions (benefit payments) subsequent to the measurement date	1,059,863	-
Total	\$ 11,413,630	\$ 2,851,761

The \$1,059,863 subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Any other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30:	
2023	\$ 1,765,095
2024	1,991,346
2025	1,945,395
2026	1,439,598
2027	360,572
	\$ 7,502,006

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total net OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

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	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Employers' total OPEB liability	\$ 44,885,801	\$ 38,180,867	\$ 32,855,199

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.99 percent decreasing to 3.87 percent) or 1-percentage-point higher (6.999 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	1% Decrease (4.99 % decreasing to 3.87%)	Current Discount Rate (5.99 % decreasing to 4.87%)	1% Increase (6.99% decreasing to 5.87%)
Employers' total OPEB liability	\$ 34,101,196	\$ 38,180,867	\$ 43,427,544

12. Commitments and Contingencies

Litigation

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements includes an accruals for loss contingencies that may result from these proceedings, see subsequent event note. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Grant Programs

The City of Midwest City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its sewer utility system. The estimated liability of the legally required closure costs for the sewer utility system cannot be reasonably estimated as of June 30, 2022, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs, if any, and obtaining an estimate of those costs in a subsequent fiscal year.

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Construction Commitments

The city had the following outstanding construction commitments at June 30.

Mid American Park Expansion	\$ 350,000
Hotel property improvement	584,706
City-wide street repair	1,443,161
City-wide street repair - PI	780,457
Mid American Park - phase 3	350,000
Town Center Park	1,202,775
John Conrad Golf Course renovation	361,600
Booster station renovation	1,022,474
	<u>\$ 6,095,173</u>

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2022

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 108,104	\$ 3,101,277	\$ 10,482,449	\$ 7,381,172
Resources (Inflows):				
Taxes	24,473,470	24,473,470	28,640,900	4,167,430
Charges for services	232,930	232,930	210,558	(22,372)
Fines and forfeitures	1,141,452	1,141,452	1,215,478	74,026
Licenses and permits	575,780	575,780	545,458	(30,322)
Investment income	101,567	101,567	43,058	(58,509)
Intergovernmental	507,449	507,449	523,119	15,670
Miscellaneous	276,650	276,650	334,022	57,372
Total Resources (Inflows)	<u>27,309,298</u>	<u>27,309,298</u>	<u>31,512,593</u>	<u>4,203,295</u>
Amounts available for appropriation	<u>27,417,402</u>	<u>30,410,575</u>	<u>41,995,042</u>	<u>11,584,467</u>
Charges to Appropriations (Outflows):				
City Clerk	107,960	112,398	111,127	1,271
Human Resources	490,169	507,904	474,660	33,244
City Attorney	57,429	59,227	57,413	1,814
Community Development	2,133,993	2,240,325	1,888,494	351,831
Park & Rec	312,226	320,990	264,393	56,597
Finance	674,820	712,251	663,935	48,316
Streets	2,744,756	2,858,189	2,284,207	573,982
Animal Welfare	547,992	600,759	563,946	36,813
Municipal Court	520,925	539,247	486,653	52,594
Neighborhood Services	1,294,760	1,342,294	1,112,578	229,716
Information Technology	691,827	732,373	542,903	189,470
Emergency Response	1,121,821	1,169,598	1,121,626	47,972
Swimming Pool	282,843	297,121	279,664	17,457
Communications	283,432	308,701	251,131	57,570
Senior Center	246,232	254,508	250,173	4,335
Total Charges to Appropriations	<u>11,511,185</u>	<u>12,055,885</u>	<u>10,352,903</u>	<u>1,702,982</u>
Other financing sources (uses)				
Transfers from other funds	10,930,537	12,222,020	12,147,878	(74,142)
Transfers to other funds	(26,620,546)	(30,576,710)	(30,330,934)	245,776
Total other financing sources (uses)	<u>(15,690,009)</u>	<u>(18,354,690)</u>	<u>(18,183,056)</u>	<u>171,634</u>
Ending Budgetary Fund Balance	<u>\$ 216,208</u>	<u>\$ -</u>	<u>\$ 13,459,083</u>	<u>\$ 13,459,083</u>

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POLICE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1,739,425	\$ 1,739,425	\$ 7,425,052	\$ 5,685,627
Resources (Inflows):				
Taxes	6,049,862	6,049,862	7,123,612	1,073,750
Intergovernmental	8,384	8,384	14,187	5,803
Charges for services	208,987	208,987	270,616	61,629
License and permits	-	2,289	1,600	(689)
Investment income	81,698	81,698	32,075	(49,623)
Fines and forfeitures	58,586	58,586	64,195	5,609
Miscellaneous	5,789	3,500	50,927	47,427
Total Resources (Inflows)	6,413,306	6,413,306	7,557,212	1,143,906
Amounts available for appropriation	8,152,731	8,152,731	14,982,264	6,829,533
Charges to Appropriations (Outflows):				
Public Safety	16,342,987	17,470,140	16,103,153	1,366,987
Total Charges to Appropriations	16,342,987	17,470,140	16,103,153	1,366,987
Other financing sources (uses)				
Transfers from other funds	9,822,523	12,764,898	12,668,483	(96,415)
Transfers to other funds	(1,632,267)	(1,632,267)	(1,632,267)	-
Total other financing sources (uses)	8,190,256	11,132,631	11,036,216	(96,415)
Ending Budgetary Fund Balance	\$ -	\$ 1,815,222	\$ 9,915,327	\$ 8,100,105

FIRE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 510,400	\$ 364,503	\$ 6,446,366	\$ 6,081,863
Resources (Inflows):				
Taxes	4,765,630	4,765,630	5,612,778	847,148
Charges for services	18,183	18,183	5,555	(12,628)
Investment income	61,372	61,372	23,573	(37,799)
Licenses and permits	54,621	54,621	8,150	(46,471)
Miscellaneous	12,334	12,334	23,592	11,258
Total Resources (Inflows)	4,912,140	4,912,140	5,673,648	761,508
Amounts available for appropriation	5,422,540	5,276,643	12,120,014	6,843,371
Charges to Appropriations (Outflows):				
Public Safety	12,775,334	13,600,591	12,588,058	1,012,533
Total Charges to Appropriations	12,775,334	13,600,591	12,588,058	1,012,533
Other financing sources (uses)				
Transfers from other funds	7,965,294	9,717,454	9,624,806	(92,648)
Transfers to other funds	(612,500)	(664,500)	(664,500)	-
Total other financing sources (uses)	7,352,794	9,052,954	8,960,306	(92,648)
Ending Budgetary Fund Balance	\$ -	\$ 729,006	\$ 8,492,262	\$ 7,763,256

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Footnotes to Budgetary Comparison Schedule:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on the modified cash basis of accounting. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the unreserved budgetary fund balance. This presentation of unreserved fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation between departments and object categories require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The Hospital Authority and the Economic Development Authority do not present budget to actual comparisons because they are Title 60 Public Trust. Title 60 Trusts are only required to prepare a budget and submit to the beneficiary, but there are no requirements related to form, content or monitoring, and it is not considered a legal annual budget.
4. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedules below:

GENERAL FUND	<u>Fund Balance</u>	<u>Net Change in</u>	<u>Fund Balance</u>
	<u>June 30, 2021</u>	<u>Fund Balance</u>	<u>June 30, 2022</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 4,402,847	\$ 5,572,045	\$ 9,974,892
Increases (Decreases):			
Revenues:			
Receivable	(5,608,757)	278,973	(5,329,784)
Change in fair value of investments	1,411	(2,258)	(847)
Other misc items	1,310,662	1,975,644	3,286,306
Expenditures:			
Payables	9,830,967	(102,684)	9,728,283
Encumbrances	(126,013)	(129,672)	(255,685)
Impact of combining accounts:			
Reimbursed Projects Account	(1,051,882)	(321,678)	(1,373,560)
Employee Activity Account	(24,647)	7,922	(16,725)
Activity Account	(353,747)	(60,553)	(414,300)
Animals Best Friend Account	(67,295)	(12,762)	(80,057)
29th and Douglas Account	(291)	291	-
Grants Account	5,907,051	(4,849,717)	1,057,334
Disaster Relief Account	(3,737,857)	621,083	(3,116,774)
Fund Balance - Budgetary Basis	<u>\$ 10,482,449</u>	<u>\$ 2,976,634</u>	<u>\$ 13,459,083</u>

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POLICE FUND	<u>Fund Balance June 30, 2021</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2022</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 14,033,506	\$ 3,002,378	\$ 17,035,884
Increases (Decreases):			
Revenues:			
Receivable	(4,343,892)	(1,648,382)	(5,992,274)
Change in fair value of investments	1,236	(1,917)	(681)
Other misc items	(3,162,504)	1,019,081	(2,143,423)
Expenditures:			
Payables	896,706	119,115	1,015,821
Fund Balance - Budgetary Basis	<u>\$ 7,425,052</u>	<u>\$ 2,490,275</u>	<u>\$ 9,915,327</u>
FIRE FUND	<u>Fund Balance June 30, 2021</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2022</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 10,283,553	\$ 2,705,758	\$ 12,989,311
Increases (Decreases):			
Revenues:			
Receivable	(4,129,274)	(590,398)	(4,719,672)
Change in fair value of investments	(3,913)	3,452	(461)
Other misc items	(598,492)	52,527	(545,965)
Expenditures:			
Payables	894,492	(125,443)	769,049
Fund Balance - Budgetary Basis	<u>\$ 6,446,366</u>	<u>\$ 2,045,896</u>	<u>\$ 8,492,262</u>

**CITY OF MIDWEST CITY, OKLAHOMA
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Required Supplementary Information – Pensions

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
City's proportion of the net pension liability (asset)	2.2929%	2.3249%	2.2789%	2.0280%	2.0430%	2.0530%	2.0815%	2.0330%
City's proportionate share of the net pension liability (asset)	\$ (772,001)	\$ 94,795	\$ 3,490,072	\$ 155,991	\$ (973,201)	\$ (131,036)	\$ 2,390,495	\$ (9,753,944)
City's covered payroll	\$ 6,171,257	\$ 6,571,604	\$ 6,720,857	\$ 6,047,423	\$ 6,230,526	\$ 6,683,330	\$ 6,971,293	\$ 7,036,149
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-12.51%	1.44%	51.93%	2.58%	-15.62%	-1.96%	34.29%	-138.63%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%

Notes to Schedule:

Only eight fiscal years are presented because 10-year data is not yet available.

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Statutorily required contribution	\$ 854,309	\$ 873,711	\$ 786,165	\$ 813,621	\$ 868,833	\$ 906,268	\$ 914,700	\$ 977,309
Contributions in relation to the statutorily required contribution	<u>1,021,780</u>	<u>873,705</u>	<u>786,167</u>	<u>813,621</u>	<u>869,006</u>	<u>906,468</u>	<u>914,700</u>	<u>977,309</u>
Contribution deficiency (excess)	<u>\$ (167,471)</u>	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (173)</u>	<u>\$ (200)</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,571,604	\$ 6,720,857	\$ 6,047,423	\$ 6,230,526	\$ 6,683,330	\$ 6,971,293	\$ 7,036,149	\$ 7,517,766
Contributions as a percentage of covered payroll	15.55%	13.00%	13.00%	13.06%	13.00%	13.00%	13.00%	13.00%

*The amounts presented for each fiscal year were determined as of 6/30

Notes to Schedule:

Only eight fiscal years are presented because 10-year data is not yet available.

The City's contract with the union provides that member contributions will be 3% and employer contributions will be 18% for years 2015-2018

There were no changes in the trends that affected the amounts reported in the schedules.

**CITY OF MIDWEST CITY, OKLAHOMA
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Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
City's proportion of the net pension liability	2.392%	2.613%	2.627%	2.554%	2.506%	2.534%	2.566%	2.664%
City's proportionate share of the net pension liability	\$ 24,598,661	\$ 27,733,504	\$ 32,089,584	\$ 32,124,179	\$ 28,208,718	\$ 26,774,282	\$ 31,608,566	\$ 17,546,151
City's covered payroll	\$ 6,734,825	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624	\$ 8,235,629	\$ 8,654,685
City's proportionate share of the net pension liability as a percentage of its covered payroll	365%	388%	464%	443%	378%	342%	384%	203%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.58%	69.98%	84.24%

Notes to Schedule:

Only eight fiscal years are presented because 10-year data is not yet available.

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Statutorily required contribution	\$ 1,001,267	\$ 969,220	\$ 1,016,333	\$ 1,164,029	\$ 1,096,847	\$ 1,152,988	\$ 1,211,656	\$ 1,280,510
Contributions in relation to the statutorily required contribution	1,064,424	969,270	1,016,378	1,164,029	1,096,998	1,007,730	1,211,718	1,280,567
Contribution deficiency (excess)	\$ (63,157)	\$ (50)	\$ (45)	\$ -	\$ (151)	\$ 145,258	\$ (62)	\$ (57)
City's covered payroll	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624	\$ 8,235,629	\$ 8,654,685	\$ 9,146,500
Contributions as a percentage of covered payroll	14.88%	14.00%	14.00%	15.61%	14.00%	12.24%	14.00%	14.00%

*The amounts presented for each fiscal year were determined as of 6/30

Notes to Schedule:

Only eight fiscal years are presented because 10-year data is not yet available.

The City's contract with the union provides that member contributions will be 5% and employer contributions will be 18% for years 2015-2018

There were no changes in the trends that affected the amounts reported in the schedules.

CITY OF MIDWEST CITY, OKLAHOMA
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Required Supplementary Information –Other Post Employment Benefit (OPEB)

Schedule of Changes in Total OPEB Liability and Related Ratios
 Postemployment Health Insurance Implicit Rate Subsidy Plan

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 948,825	\$ 929,222	\$ 861,255	\$ 969,237	\$ 1,490,700
Interest	671,955	390,053	919,357	950,931	791,977
Differences between expected and actual experience	-	(145,135)	373,421	669,018	951,201
Changes in assumptions	(2,572,581)	(475,835)	2,032,800	6,416,318	1,563,410
Experience Gain/(Loss)	(862,742)	(869,660)	(881,386)	(860,385)	(961,763)
Net increase (decrease) in total OPEB liability	(1,814,543)	(171,355)	3,305,447	8,145,119	3,835,525
Balances at Beginning of Year	24,880,674	23,066,131	22,894,776	26,200,223	34,345,342
Balances End of Year	\$ 23,066,131	\$ 22,894,776	\$ 26,200,223	\$ 34,345,342	\$ 38,180,867
Covered payroll	\$ 27,950,000	\$ 28,460,000	\$ 28,560,000	\$ 30,140,000	\$ 31,276,000
Total OPEB liability as a percentage of covered payroll	82.53%	80.45%	91.74%	113.95%	122.08%

Notes to Schedule:

Only the five fiscal years are presented because 10-year data is not yet available

OTHER SUPPLEMENTARY INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Balance Sheet – General Fund Accounts – June 30, 2022

	General Fund Accounts								Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	29th and Douglas Account	Grant Account	Disaster Relief Account	
ASSETS									
Cash and cash equivalents	\$ 9,901,768	\$ 1,030,931	\$ 16,755	\$ 421,701	\$ 78,729	\$ -	\$ 183,617	\$ 9,242,332	\$ 20,875,833
Investments	1,951,492	166,218	-	-	-	-	-	1,582,697	3,700,407
Accounts receivable	1,590,425	320,586	-	-	20,525	-	25,556	236,867	2,193,959
Accrued interest receivable	6,349	-	-	-	-	-	-	5,149	11,498
Other receivable	14,511	-	-	190	-	-	-	-	14,701
Due from other governments	3,671,958	-	-	-	-	-	1,395,747	438	5,068,143
Due from other funds	-	-	-	-	-	-	1,222	300,000	301,222
Due from other funds interaccount	46,541	-	-	-	-	-	-	1,302,141	1,348,682
Leases receivable	-	582,396	-	-	-	-	-	-	582,396
Prepaid items	224	-	-	-	-	-	-	-	224
Inventory	-	-	-	-	-	-	60,000	-	60,000
Advance from other funds	19,451	-	-	-	-	-	-	-	19,451
Total assets	\$ 17,202,719	\$ 2,100,131	\$ 16,755	\$ 421,891	\$ 99,254	\$ -	\$ 1,666,142	\$ 12,669,624	\$ 34,176,516
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 176,065	\$ 149,308	\$ 30	\$ 6,090	\$ 200	\$ -	\$ 2,208	\$ 6,862	\$ 340,763
Wages payable	634,172	-	-	1,501	-	-	37,537	8,936	682,146
Due to other governments	11,855	-	-	-	-	-	-	-	11,855
Unearned revenue	-	-	-	-	-	-	-	9,358,239	9,358,239
Refundable deposits	89,786	-	-	-	-	-	-	-	89,786
Due to other funds	8,816,405	-	-	-	-	-	6,880	-	8,823,285
Due to other funds - interaccount	-	-	-	-	-	-	1,348,682	-	1,348,682
Total liabilities	9,728,283	149,308	30	7,591	200	-	1,395,307	9,374,037	20,654,756
DEFERRED INFLOWS OF RESOURCES									
Deferred inflow - leases	-	577,263	-	-	-	-	-	-	577,263
Unavailable revenue	1,443,626	-	-	-	18,997	-	1,328,169	178,813	2,969,605
	1,443,626	577,263	-	-	18,997	-	1,328,169	178,813	3,546,868
Fund balances:									
Nonspendable	19,675	-	-	-	-	-	79,529	-	99,204
Restricted	10,492	1,309,144	-	413,518	42,506	-	-	3,116,774	4,892,434
Assigned	420,660	64,416	16,725	782	37,551	-	-	-	540,134
Unassigned	5,579,983	-	-	-	-	-	(1,136,863)	-	4,443,120
Total fund balances	6,030,810	1,373,560	16,725	414,300	80,057	-	(1,057,334)	3,116,774	9,974,892
Total liabilities, deferred inflows and fund balances	\$ 17,202,719	\$ 2,100,131	\$ 16,755	\$ 421,891	\$ 99,254	\$ -	\$ 1,666,142	\$ 12,669,624	\$ 34,176,516

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts – Year Ended June 30, 2021

	General Fund Accounts								Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	29th and Douglas Account	Grant Account	Disaster Relief Account	
REVENUES									
Taxes	\$ 28,872,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,872,801
Intergovernmental	521,274	299,546	-	-	-	-	7,167,328	500,000	8,488,148
Charges for services	209,508	102,991	-	69,584	-	-	-	113,200	495,283
Investment income	(45,712)	8,999	53	995	190	7	26	(58,050)	(93,492)
Fines & forfeitures	1,198,489	-	-	-	19,717	-	-	-	1,218,206
Licenses & permits	545,459	1,540	-	-	-	-	-	-	546,999
Miscellaneous	332,021	36,325	1,090	108,301	4,497	-	24,939	105,415	612,588
Total revenues	31,633,840	449,401	1,143	178,880	24,404	7	7,192,293	660,565	40,140,533
EXPENDITURES									
Current:									
General government	3,445,383	116,927	13,567	-	-	7,232	-	813,599	4,396,708
Public Safety	1,130,526	-	-	-	-	-	154,327	-	1,284,853
Streets	2,370,700	-	-	-	-	-	-	-	2,370,700
Culture and recreation	823,697	-	-	118,327	-	-	-	-	942,024
Health & welfare	578,390	-	-	-	6,851	-	-	-	585,241
Economic development	2,989,390	314,617	-	-	-	-	817,576	-	4,121,583
Capital outlay	-	42,551	-	-	4,791	-	93,852	-	141,194
Debt service:									
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	11,338,086	474,095	13,567	118,327	11,642	7,232	1,065,755	813,599	13,842,303
Revenues over (under) expenditures	20,295,754	(24,694)	(12,424)	60,553	12,762	(7,225)	6,126,538	(153,034)	26,298,230
OTHER FINANCING SOURCES (USES)									
Transfers in	12,147,641	346,372	-	-	-	10,000	4,628	-	12,508,641
Transfers out	(31,281,311)	-	-	-	-	(3,066)	(100,449)	(1,850,000)	(33,234,826)
Transfers in - interaccount	473	-	4,502	-	-	-	201,424	1,381,951	1,588,350
Transfers out - interaccount	(205,926)	-	-	-	-	-	(1,382,424)	-	(1,588,350)
Total other financing sources (uses)	(19,339,123)	346,372	4,502	-	-	6,934	(1,276,821)	(468,049)	(20,726,185)
Net change in fund balances	956,631	321,678	(7,922)	60,553	12,762	(291)	4,849,717	(621,083)	5,572,045
Fund balances - beginning of year	5,074,179	1,051,882	24,647	353,747	67,295	291	(5,907,051)	3,737,857	4,402,847
Fund balances - end of year	\$ 6,030,810	\$ 1,373,560	\$ 16,725	\$ 414,300	\$ 80,057	\$ -	\$ (1,057,334)	\$ 3,116,774	\$ 9,974,892

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022

	Special Revenue Funds										
	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund	Sooner Rose TIF
ASSETS											
Cash and cash equivalents	\$ 75,439	\$ 1,521,027	\$ 950,223	\$ 601,689	\$ 217,453	\$ 111,802	\$ 1,331,160	\$ 231,713	\$ 30,303	\$ 388,480	\$ 867,569
Investments	-	245,236	153,205	-	-	-	214,624	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-	-	14,250	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-
Other receivable	53,746	-	559	342,708	-	-	-	-	11,300	-	53,734
Due from other governments	-	80,079	68,158	-	20,685	-	17,400	-	-	38,612	-
Due from other funds	780	124,085	3,022	-	124,890	-	-	-	-	501	-
Total assets	<u>129,965</u>	<u>1,970,427</u>	<u>1,175,167</u>	<u>944,397</u>	<u>363,028</u>	<u>111,802</u>	<u>1,563,184</u>	<u>231,713</u>	<u>41,603</u>	<u>441,843</u>	<u>921,303</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	10	28,134	18,047	2,089	-	1,710	27,255	116	307	77	-
Wages payable	2,052	2,961	37,525	2,170	4,650	-	-	-	-	9,068	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>2,062</u>	<u>31,095</u>	<u>55,572</u>	<u>4,259</u>	<u>4,650</u>	<u>1,710</u>	<u>27,255</u>	<u>116</u>	<u>307</u>	<u>9,145</u>	<u>-</u>
Deferred inflows:											
Unavailable revenue	49,502	150	-	308,411	-	-	-	-	11,300	-	-
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	78,401	1,939,182	1,119,595	631,727	358,378	110,092	1,535,929	231,597	29,996	432,698	921,303
Assigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>78,401</u>	<u>1,939,182</u>	<u>1,119,595</u>	<u>631,727</u>	<u>358,378</u>	<u>110,092</u>	<u>1,535,929</u>	<u>231,597</u>	<u>29,996</u>	<u>432,698</u>	<u>921,303</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 129,965</u>	<u>\$ 1,970,427</u>	<u>\$ 1,175,167</u>	<u>\$ 944,397</u>	<u>\$ 363,028</u>	<u>\$ 111,802</u>	<u>\$ 1,563,184</u>	<u>\$ 231,713</u>	<u>\$ 41,603</u>	<u>\$ 441,843</u>	<u>\$ 921,303</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022

	Special Revenue Funds			Capital Project Funds							Debt Service Fund		Totals
	Urban Renewal Authority	General Government Sales Tax Fund	Street Light Fee	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	2018 GO Bond Proprietary	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	2022 GO Bond Fund	G.O. Debt Service Fund	
ASSETS													
Cash and cash equivalents	\$ 48,711	\$ 5,260,049	\$ 1,194,498	\$ 576,587	\$ 281,159	\$ 1,784,589	\$ 1,647,281	\$ -	\$ 2,579,797	\$ 629,378	\$ 4,732,596	\$ 2,341,624	\$ 27,403,127
Investments	-	900,753	192,590	-	-	305,600	265,593	-	441,775	101,475	810,430	400,990	4,032,271
Accrued interest receivable	-	2,930	-	-	-	994	-	-	1,437	-	2,636	1,304	23,551
Deposits held by others	-	-	-	500	300	-	-	-	4,500	-	-	-	5,300
Other receivable	16,353	-	82,692	-	-	-	-	-	-	-	-	-	561,092
Due from other governments	-	371,004	-	-	-	69,722	-	883,018	34,633	-	-	4,132,024	5,715,335
Due from other funds	-	113,959	-	-	-	-	-	-	51,976	-	-	-	419,213
Total assets	65,064	6,648,695	1,469,780	577,087	281,459	2,160,905	1,912,874	883,018	3,114,118	730,853	5,545,662	6,875,942	38,159,889
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	-	82,383	86,817	5,045	16,050	675	541,513	175	1,345	-	-	14,576	826,324
Wages payable	-	45,984	803	-	-	-	-	-	-	-	-	-	105,213
Due to other funds	-	-	-	-	-	-	-	882,843	-	-	-	-	882,843
Total liabilities	-	128,367	87,620	5,045	16,050	675	541,513	883,018	1,345	-	-	14,576	1,814,380
Deferred inflows:													
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	4,085,277	4,454,640
Fund balances:													
Nonspendable	-	-	-	500	300	-	-	-	4,500	-	-	-	5,300
Restricted	3,804	6,520,328	1,382,160	571,542	265,109	2,160,230	1,371,361	-	3,108,273	730,853	5,545,662	2,776,089	31,824,309
Assigned	61,260	-	-	-	-	-	-	-	-	-	-	-	61,260
Total fund balances	65,064	6,520,328	1,382,160	572,042	265,409	2,160,230	1,371,361	-	3,112,773	730,853	5,545,662	2,776,089	31,890,869
Total liabilities, deferred inflows, and fund balances	\$ 65,064	\$ 6,648,695	\$ 1,469,780	\$ 577,087	\$ 281,459	\$ 2,160,905	\$ 1,912,874	\$ 883,018	\$ 3,114,118	\$ 730,853	\$ 5,545,662	\$ 6,875,942	\$ 38,159,889

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2022

	Special Revenue Funds										
	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund	Sooner Rose TIF
REVENUES											
Taxes	\$ -	\$ 631,831	\$ 576,975	\$ -	\$ 175,198	\$ -	\$ -	\$ -	\$ -	\$ 327,036	\$ 962,461
Intergovernmental	-	-	-	-	-	-	530,726	-	-	-	-
Charges for services	-	4,300	215,775	306,399	-	40,960	-	-	-	-	-
Investment income	144	4,508	2,610	1,334	2,408	303	3,274	518	76	915	1,226
Fines & forfeitures	49,672	-	-	7,480	-	-	-	19,409	9,314	-	-
Licenses & permits	-	6,716	-	13,600	-	-	-	-	-	-	-
Miscellaneous	-	687	-	-	450	-	-	6,652	435	16,700	-
Total revenues	<u>49,816</u>	<u>648,042</u>	<u>795,360</u>	<u>328,813</u>	<u>178,056</u>	<u>41,263</u>	<u>534,000</u>	<u>26,579</u>	<u>9,825</u>	<u>344,651</u>	<u>963,687</u>
EXPENDITURES											
Current:											
General government	-	-	-	144,870	-	-	-	-	-	-	-
Public safety	29,113	-	553,796	-	-	34,179	-	15,759	6,199	-	-
Streets	-	-	-	-	-	-	201,841	-	-	-	-
Culture and recreation	-	316,667	-	-	41,978	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	219,822	-
Capital outlay	-	67,880	18,410	9,269	135,038	6,701	488,815	1,665	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	825,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	797,526
Total expenditures	<u>29,113</u>	<u>384,547</u>	<u>572,206</u>	<u>154,139</u>	<u>177,016</u>	<u>40,880</u>	<u>690,656</u>	<u>17,424</u>	<u>6,199</u>	<u>219,822</u>	<u>1,622,526</u>
Revenues over (under) expenditures	<u>20,703</u>	<u>263,495</u>	<u>223,154</u>	<u>174,674</u>	<u>1,040</u>	<u>383</u>	<u>(156,656)</u>	<u>9,155</u>	<u>3,626</u>	<u>124,829</u>	<u>(658,839)</u>
OTHER FINANCING SOURCES (USES)											
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in	17,656	1,000,000	15,000	-	-	-	61,415	-	-	-	778,345
Transfers out	-	(98,284)	-	-	-	(4,628)	-	-	-	-	-
Total other financing sources (uses)	<u>17,656</u>	<u>901,716</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>(4,628)</u>	<u>61,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778,345</u>
Net change in fund balances	38,359	1,165,211	238,154	174,674	1,040	(4,245)	(95,241)	9,155	3,626	124,829	119,506
Fund balances - beginning of year	40,042	773,971	881,441	457,053	357,338	114,337	1,631,170	222,442	26,370	307,869	801,797
Fund balances - end of year	<u>\$ 78,401</u>	<u>\$ 1,939,182</u>	<u>\$ 1,119,595</u>	<u>\$ 631,727</u>	<u>\$ 358,378</u>	<u>\$ 110,092</u>	<u>\$ 1,535,929</u>	<u>\$ 231,597</u>	<u>\$ 29,996</u>	<u>\$ 432,698</u>	<u>\$ 921,303</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2022

	Special Revenue Funds				Capital Project Funds							Debt Service Fund	Totals
	Urban Renewal Authority	General Government Sales Tax Fund	Street Light Fee	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	2018 GO Bond Proprietary	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	2022 GO Bond Fund	G.O. Debt Service Fund	
REVENUES													
Taxes	\$ -	\$ 2,897,777	\$ -	\$ -	\$ -	\$ 544,571	\$ -	\$ 6,885,888	\$ 281,545	\$ -	\$ -	\$ 3,495,480	\$ 16,778,762
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	530,726
Charges for services	-	-	592,602	-	-	-	-	-	-	-	-	-	1,160,036
Investment income	55	(26,126)	3,194	1,508	782	(8,763)	5,808	2,031	(11,708)	1,916	(29,673)	(10,876)	(54,536)
Fines & forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	85,875
Licenses & permits	-	-	-	-	-	-	-	-	70,112	-	-	-	90,428
Miscellaneous	69,451	24,054	228	-	-	-	-	-	-	-	-	-	118,657
Total revenues	69,506	2,895,705	596,024	1,508	782	535,808	5,808	6,887,919	339,949	1,916	(29,673)	3,484,604	18,709,948
EXPENDITURES													
Current:													
General government	-	1,620,652	-	-	-	-	-	405	-	-	124,665	55,290	1,945,882
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	639,046
Streets	-	-	845,510	-	-	61,405	-	-	-	-	-	-	1,108,756
Culture and recreation	-	-	-	-	-	-	1,589	-	-	-	-	-	360,234
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	70,597	-	-	-	-	-	-	-	-	-	-	-	290,419
Capital outlay	-	562,405	115,664	8,912	52,090	248,021	4,497,664	-	514,693	12,461	-	-	6,739,688
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	1,785,000	2,610,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	1,445,485	2,243,011
Total expenditures	70,597	2,183,057	961,174	8,912	52,090	309,426	4,499,253	405	514,693	12,461	124,665	3,285,775	15,937,036
Revenues over (under) expenditures	(1,091)	712,648	(365,150)	(7,404)	(51,308)	226,382	(4,493,445)	6,887,514	(174,744)	(10,545)	(154,338)	198,829	2,772,912
OTHER FINANCING SOURCES (USES)													
Debt proceeds	-	-	-	-	-	-	-	-	-	-	5,700,000	-	5,700,000
Bond premium	-	-	-	-	-	-	-	-	-	-	-	137,324	137,324
Transfers in	4,745	881,250	-	-	-	-	5,009	-	703,328	-	-	-	3,466,748
Transfers out	-	-	-	-	-	-	-	(6,887,514)	-	-	-	(7,729)	(6,998,155)
Total other financing sources (uses)	4,745	881,250	-	-	-	-	5,009	(6,887,514)	703,328	-	-	129,595	2,305,917
Net change in fund balances	3,654	1,593,898	(365,150)	(7,404)	(51,308)	226,382	(4,488,436)	-	528,584	(10,545)	5,545,662	328,424	5,078,829
Fund balances - beginning of year	61,410	4,926,430	1,747,310	579,446	316,717	1,933,848	5,859,797	-	2,584,189	741,398	-	2,447,665	26,812,040
Fund balances - end of year	\$ 65,064	\$ 6,520,328	\$ 1,382,160	\$ 572,042	\$ 265,409	\$ 2,160,230	\$ 1,371,361	\$ -	\$ 3,112,773	\$ 730,853	\$ 5,545,662	\$ 2,776,089	\$ 31,890,869

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2022

	Midwest City Municipal Authority										
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	Utility Services Account	Utilities Capital Account	Customer Deposit Account	Golf Courses Account	Total
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ -	\$ 493,118	\$ 2,115,914	\$ -	\$ 235,804	\$ 26,967,444
Cash and cash equivalents, restricted	-	-	-	-	-	3,713,564	-	-	1,355,475	-	5,069,039
Investments	1,347,062	1,858,508	746,051	-	-	-	-	362,339	-	-	4,313,960
Accounts receivable, net	1,325,838	1,561,879	1,134,807	125,156	66,064	-	75,795	-	1,382	-	4,290,921
Other receivable	-	-	1,721	99,480	-	-	-	19,308	-	3,257	123,766
Accrued interest receivable	4,382	4,817	2,427	-	-	-	-	1,179	-	-	12,805
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Inventory	174,284	102,475	-	-	-	-	-	-	-	-	276,759
Due from other funds interaccount	-	43,434	250,000	501,188	-	-	-	-	2,001	-	796,623
Due from other funds	21,985	23,230	141,973	18,651	-	830,867	-	-	-	15,462	1,052,168
Total current assets	<u>10,739,868</u>	<u>14,662,681</u>	<u>6,633,625</u>	<u>1,085,094</u>	<u>556,752</u>	<u>4,544,431</u>	<u>568,913</u>	<u>2,498,740</u>	<u>1,358,858</u>	<u>254,523</u>	<u>42,903,485</u>
Non-current assets:											
Investments, restricted	-	-	-	-	-	-	-	-	218,544	-	218,544
Due from other funds - interaccount	537,829	-	-	-	-	-	-	-	-	-	537,829
Land, construction in progress, and water rights	7,761,859	780,766	1,362,257	10,489,460	1,250	-	-	550,000	-	232,057	21,177,649
Other capital assets, net	17,989,605	66,827,410	3,242,855	17,784,105	12,697,828	-	45,050	5,460,400	-	5,824,353	129,871,606
Total non-current assets	<u>26,289,293</u>	<u>67,608,176</u>	<u>4,605,112</u>	<u>28,273,565</u>	<u>12,699,078</u>	<u>-</u>	<u>45,050</u>	<u>6,010,400</u>	<u>218,544</u>	<u>-</u>	<u>151,805,628</u>
Total assets	<u>37,029,161</u>	<u>82,270,857</u>	<u>11,238,737</u>	<u>29,358,659</u>	<u>13,255,830</u>	<u>4,544,431</u>	<u>613,963</u>	<u>8,509,140</u>	<u>1,577,402</u>	<u>6,310,933</u>	<u>194,709,113</u>
DEFERRED OUTFLOWS OF RESOURCES											
Deferred amount on refunding	-	-	-	-	-	696,374	-	-	-	-	696,374
Deferred amount related to OPEB	906,400	1,466,675	540,033	-	138,929	-	219,291	-	-	365,696	3,637,024
Total deferred outflows	<u>906,400</u>	<u>1,466,675</u>	<u>540,033</u>	<u>-</u>	<u>138,929</u>	<u>696,374</u>	<u>219,291</u>	<u>-</u>	<u>-</u>	<u>365,696</u>	<u>4,333,398</u>
LIABILITIES											
Current liabilities:											
Accounts payable and accrued liabilities	245,089	236,190	313,322	488,685	5,979	-	18,224	124,392	-	15,015	1,446,896
Wages payable	179,812	214,021	86,332	22,277	17,147	-	48,588	-	-	41,334	609,511
Due to other funds interaccount	2,001	-	-	271,319	-	523,303	-	-	-	-	796,623
Due to other funds	-	-	-	300,000	-	-	-	-	-	248,170	548,170
Accrued interest payable	-	-	-	-	-	321,143	-	-	-	-	321,143
Accrued compensated absences	161,500	167,420	58,618	16,638	16,400	-	42,406	-	-	33,499	496,481
Refundable deposits	-	-	-	6,946	-	-	-	-	157,740	-	164,686
Notes payable	101,391	32,604	-	-	13,973	-	-	-	-	-	147,968
Revenue bonds payable	-	-	-	-	-	5,030,000	-	-	-	-	5,030,000
Total current liabilities	<u>689,793</u>	<u>650,235</u>	<u>458,272</u>	<u>1,105,865</u>	<u>53,499</u>	<u>5,874,446</u>	<u>109,218</u>	<u>124,392</u>	<u>157,740</u>	<u>338,018</u>	<u>9,561,478</u>
Non-current liabilities:											
Accrued compensated absences	323,000	334,841	117,236	13,573	32,800	-	84,812	-	-	66,997	973,259
Total OPEB liability	2,638,536	3,268,634	1,455,390	-	278,236	-	813,306	-	-	684,889	9,138,991
Due to other funds - interaccount	-	-	-	-	-	-	-	537,829	-	-	537,829
Refundable deposits	-	-	-	-	-	-	-	-	1,419,662	-	1,419,662
Notes payable	1,947,876	104,630	-	-	44,841	-	-	-	-	-	2,097,347
Revenue bonds payable, net	-	-	-	-	-	38,285,137	-	-	-	-	38,285,137
Total non-current liabilities	<u>4,909,412</u>	<u>3,708,105</u>	<u>1,572,626</u>	<u>13,573</u>	<u>355,877</u>	<u>38,285,137</u>	<u>898,118</u>	<u>537,829</u>	<u>1,419,662</u>	<u>751,886</u>	<u>52,452,225</u>
Total liabilities	<u>5,599,205</u>	<u>4,358,340</u>	<u>2,030,898</u>	<u>1,119,438</u>	<u>409,376</u>	<u>44,159,583</u>	<u>1,007,336</u>	<u>662,221</u>	<u>1,577,402</u>	<u>1,089,904</u>	<u>62,013,703</u>
DEFERRED INFLOW OF RESOURCES											
Deferred amount related to OPEB	174,102	567,999	166,321	-	63,233	-	143,310	-	-	102,417	1,217,382
Deferred amount on refunding	-	-	-	-	-	693,787	-	-	-	-	693,787
Total deferred inflows	<u>174,102</u>	<u>567,999</u>	<u>166,321</u>	<u>-</u>	<u>63,233</u>	<u>693,787</u>	<u>143,310</u>	<u>-</u>	<u>-</u>	<u>102,417</u>	<u>1,911,169</u>
NET POSITION											
Net investment in capital assets	23,702,197	67,470,942	4,605,112	28,273,565	12,640,264	(41,545,429)	45,050	6,010,400	-	6,056,410	107,258,511
Restricted for debt service	-	-	-	-	-	1,625,299	-	-	-	-	1,625,299
Restricted for other purposes	-	-	-	-	-	-	53,266	-	-	32,332	85,598
Unrestricted (deficit)	8,460,057	11,340,251	4,976,439	(34,344)	281,886	307,565	(415,708)	1,836,519	-	(604,434)	26,148,231
Total net position	<u>\$ 32,162,254</u>	<u>\$ 78,811,193</u>	<u>\$ 9,581,551</u>	<u>\$ 28,239,221</u>	<u>\$ 12,922,150</u>	<u>\$ (39,612,565)</u>	<u>\$ (317,392)</u>	<u>\$ 7,846,919</u>	<u>\$ -</u>	<u>\$ 5,484,308</u>	<u>\$ 135,117,639</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2022

Midwest City Municipal Authority											
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	Utility Services Account	Utilities Capital Account	Customer Deposit Account	Golf Courses Account	Total
OPERATING REVENUES											
Charges for services	\$ 8,180,238	\$ 10,929,327	\$ 7,818,897	\$ 1,967,323	\$ 471,232	\$ -	\$ 1,172,824	\$ -	\$ -	\$ 333,904	\$ 30,873,745
Fees, licenses and permits	9,750	11,270	-	-	-	-	-	-	-	-	21,020
Miscellaneous	6,169	10,665	21,151	62	800	-	73	-	-	218	39,138
Total operating revenues	<u>8,196,157</u>	<u>10,951,262</u>	<u>7,840,048</u>	<u>1,967,385</u>	<u>472,032</u>	<u>-</u>	<u>1,172,897</u>	<u>-</u>	<u>-</u>	<u>334,122</u>	<u>30,933,903</u>
OPERATING EXPENSES											
Personal services	2,968,949	3,808,501	1,566,258	964,110	318,314	-	837,275	-	-	579,776	11,043,183
Materials and supplies	1,019,712	907,927	1,209,910	652,643	129,797	-	19,901	-	-	90,964	4,030,854
Other services and charges	1,425,822	1,691,598	2,893,583	861,414	206,040	-	260,212	-	-	63,724	7,402,393
Depreciation and amortization	731,691	2,541,990	503,320	871,508	274,745	-	5,761	514,279	-	151,927	5,595,221
Total operating expenses	<u>6,146,174</u>	<u>8,950,016</u>	<u>6,173,071</u>	<u>3,349,675</u>	<u>928,896</u>	<u>-</u>	<u>1,123,149</u>	<u>514,279</u>	<u>-</u>	<u>886,391</u>	<u>28,071,651</u>
Operating income (loss)	<u>2,049,983</u>	<u>2,001,246</u>	<u>1,666,977</u>	<u>(1,382,290)</u>	<u>(456,864)</u>	<u>-</u>	<u>49,748</u>	<u>(514,279)</u>	<u>-</u>	<u>(552,269)</u>	<u>2,862,252</u>
NON-OPERATING REVENUES (EXPENSES)											
Investment income	(37,526)	(38,091)	(21,666)	4	1,521	2,122	1,171	224,979	3,235	690	136,439
Interest expense and fiscal charges	(8,383)	(6,564)	-	-	(1,652)	(1,033,541)	-	(23,127)	-	-	(1,073,267)
Gain (loss) on asset retirement	1,852	400	(44,348)	-	-	-	-	-	-	118,408	76,312
Other non-operating revenue	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenue (expenses)	<u>(44,057)</u>	<u>(44,255)</u>	<u>(66,014)</u>	<u>4</u>	<u>(131)</u>	<u>(1,031,419)</u>	<u>1,171</u>	<u>201,852</u>	<u>3,235</u>	<u>119,098</u>	<u>(860,516)</u>
Income (loss) before contributions and transfers	<u>2,005,926</u>	<u>1,956,991</u>	<u>1,600,963</u>	<u>(1,382,286)</u>	<u>(456,995)</u>	<u>(1,031,419)</u>	<u>50,919</u>	<u>(312,427)</u>	<u>3,235</u>	<u>(433,171)</u>	<u>2,001,736</u>
Capital contributions	-	-	-	-	-	-	-	-	-	4,742,750	4,742,750
Transfers in - interaccount	3,234	-	-	5,326,135	-	67,474	-	167,958	-	-	5,564,801
Transfers out - interaccount	(167,958)	(67,474)	-	-	-	(5,326,135)	-	-	(3,234)	-	(5,564,801)
Transfers in	-	-	-	-	-	16,005,426	-	-	-	5,000	16,010,426
Transfers out	(814,883)	(814,006)	(763,936)	-	-	(9,821,240)	-	-	-	-	(12,214,065)
Change in net position	1,026,319	1,075,511	837,027	3,943,849	(456,995)	(105,894)	50,919	(144,469)	1	4,314,579	10,540,847
Total net position - beginning	31,135,935	77,735,682	8,744,524	24,295,372	13,379,145	(39,506,671)	(368,311)	7,991,388	(1)	1,169,729	124,576,792
Total net position - ending	<u>\$ 32,162,254</u>	<u>\$ 78,811,193</u>	<u>\$ 9,581,551</u>	<u>\$ 28,239,221</u>	<u>\$ 12,922,150</u>	<u>\$ (39,612,565)</u>	<u>\$ (317,392)</u>	<u>\$ 7,846,919</u>	<u>\$ -</u>	<u>\$ 5,484,308</u>	<u>\$ 135,117,639</u>

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Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2022

	Midwest City Municipal Authority										
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	Utility Services Account	Utilities Capital Account	Customer Deposit Account	Golf Courses Account	Total
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from customers	\$ 8,039,354	\$ 10,927,245	\$ 7,868,770	\$ 1,960,467	\$ 470,904	\$ -	\$ 1,157,939	\$ 490	\$ 106	\$ 333,504	\$ 30,758,779
Payments to suppliers	(2,425,596)	(2,765,880)	(3,983,118)	(1,814,950)	(330,113)	-	(275,803)	28,366	-	(144,012)	(11,711,106)
Payments to employees	(2,731,429)	(3,596,686)	(1,419,831)	(981,407)	(318,374)	-	(794,469)	-	-	(501,734)	(10,343,930)
Receipts (payments) from interfund loans	(1,391)	465,944	(250,101)	627,203	-	(536,863)	-	-	(461)	104,047	408,378
Receipt of customer deposits	-	-	-	-	-	-	-	-	496,437	-	496,437
Return of customer deposits	-	-	-	-	-	-	-	-	(482,201)	-	(482,201)
Net cash provided by (used in) operating activities	2,880,938	5,030,623	2,215,720	(208,687)	(177,583)	(536,863)	87,667	28,856	13,881	(208,195)	9,126,357
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Transfers from other funds - interaccount	3,234	-	-	5,326,135	-	67,474	-	167,958	-	-	5,564,801
Transfers to other funds - interaccount	(167,958)	(67,474)	-	-	-	(5,326,135)	-	-	(3,234)	-	(5,564,801)
Transfers from other funds	-	-	-	-	-	16,005,426	-	-	-	5,000	16,010,426
Transfers to other funds	(814,883)	(814,006)	(763,936)	-	-	(9,821,240)	-	-	-	-	(12,214,065)
Net cash provided by (used in) noncapital financing activities	(979,607)	(881,480)	(763,936)	5,326,135	-	925,525	-	167,958	(3,234)	5,000	3,796,361
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Capital assets purchases	(522,388)	(674,330)	(740,083)	(4,879,659)	(82,463)	-	-	-	-	-	(6,898,923)
Principal paid on capital debt	(230,780)	(35,693)	-	-	(9,348)	(4,970,000)	-	-	-	-	(5,245,821)
Proceeds issuance of debt	-	172,927	-	-	68,162	-	-	-	-	-	241,089
Payments of interfund loan for capital purchases	144,831	-	-	-	-	-	-	(144,831)	-	-	-
Interest and fiscal charges paid on capital debt	(8,383)	(6,564)	-	-	(1,652)	(1,289,438)	-	(23,127)	-	-	(1,329,164)
Proceeds from sale of capital assets	1,852	7,683	101	-	-	-	-	-	-	119,476	129,112
Net cash provided by (used in) capital and related financing activities	(614,888)	(535,977)	(739,982)	(4,879,659)	(25,301)	(6,259,438)	-	(167,958)	-	119,476	(13,103,707)
CASH FLOWS FROM INVESTING ACTIVITIES											
Sale (purchase) of investments	106,689	(175,116)	60,671	-	123,039	-	-	44,336	66,862	-	226,481
Interest and dividends	(32,649)	(34,036)	(20,260)	4	1,521	2,122	1,171	225,726	4,257	690	148,546
Net cash provided by (used in) investing activities	74,040	(209,152)	40,411	4	124,560	2,122	1,171	270,062	71,119	690	375,027
Net increase (decrease) in cash and cash equivalents	1,360,503	3,404,014	752,213	257,793	(78,324)	(5,868,654)	88,838	298,918	81,766	(83,029)	194,038
Balances - beginning of year	6,505,814	7,664,324	3,604,433	102,826	569,012	9,582,218	404,280	1,816,996	1,273,709	318,833	31,842,445
Balances - end of year	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ 3,713,564	\$ 493,118	\$ 2,115,914	\$ 1,355,475	\$ 235,804	\$ 32,036,483
Reconciliation to Statement of Net Position:											
Cash and cash equivalents	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ -	\$ 493,118	\$ 2,115,914	\$ -	\$ 235,804	\$ 26,967,444
Restricted cash and cash equivalents	-	-	-	-	-	3,713,564	-	-	1,355,475	-	5,069,039
Total cash and cash equivalents	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ 3,713,564	\$ 493,118	\$ 2,115,914	\$ 1,355,475	\$ 235,804	\$ 32,036,483
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 2,049,983	\$ 2,001,246	\$ 1,666,977	\$ (1,382,290)	\$ (456,864)	\$ -	\$ 49,748	\$ (514,279)	\$ -	\$ (552,269)	\$ 2,862,252
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation expense	731,691	2,541,990	503,320	871,508	274,745	-	5,761	514,279	-	151,927	5,595,221
Change in assets and liabilities:											
Receivables, net	(156,803)	(24,017)	30,443	15,515	(1,128)	-	(14,958)	-	106	(618)	(151,460)
Other receivable	-	-	(1,721)	(10,934)	-	-	-	490	-	-	(12,165)
Due from other funds	(1,852)	465,944	(250,101)	541,017	-	(346)	-	(461)	(182)	(182)	754,019
Prepaid items	-	-	-	10,655	-	-	-	-	-	-	10,655
Inventory	(2,665)	(4,150)	-	-	-	-	-	-	-	-	(6,815)
Accounts payable	22,603	(162,205)	120,375	(311,548)	5,724	-	4,310	10,676	-	10,676	(281,699)
Deferred outflows OPEB	(350,182)	(844,595)	(235,552)	-	26,448	-	19,726	-	-	(188,040)	(1,572,195)
Due to other funds	461	-	-	86,186	-	(536,517)	-	-	-	104,229	(345,641)
Due to employees	33,426	25,755	14,875	(13,256)	(389)	-	5,555	-	-	17,165	83,031
Refundable deposits	-	-	-	(11,499)	-	-	-	-	14,236	-	2,737
Total OPEB liability	627,096	1,156,622	399,384	-	(23,480)	-	8,730	-	-	282,601	2,450,953
Accrued compensated absences	7,453	(26,013)	14,766	(3,941)	(23,176)	-	322	-	-	1,667	(28,922)
Deferred inflows OPEB	(80,273)	(99,954)	(47,046)	-	20,537	-	8,473	-	-	(35,351)	(233,614)
Net cash provided by (used in) operating activities	\$ 2,880,938	\$ 5,030,623	\$ 2,215,720	\$ (208,687)	\$ (177,583)	\$ (536,863)	\$ 87,667	\$ 28,856	\$ 13,881	\$ (208,195)	\$ 9,126,357
Noncash activities:											
Contributed capital assets - from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,742,750	\$ 4,742,750

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Statement of Net Position– Internal Service Funds – June 30, 2022

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Worker's Comp Fund	Totals
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 742,885	\$ 706,177	\$ 593,183	\$ 923,917	\$ 2,977,769	\$ 3,326,511	\$ 9,270,442
Investments	119,776	-	-	151,003	509,926	569,646	1,350,351
Receivables:							
Accounts receivable	-	513	2,461	30,528	545,190	-	578,692
Accrued interest receivable	-	-	-	-	1,659	1,853	3,512
Due from other funds	3	5,827	-	-	-	-	5,830
Inventories	-	92,117	-	-	-	-	92,117
Total current assets	<u>862,664</u>	<u>804,634</u>	<u>595,644</u>	<u>1,105,448</u>	<u>4,034,544</u>	<u>3,898,010</u>	<u>11,300,944</u>
Non-current assets:							
Capital Assets:							
Depreciable, net of accumulated depreciation	149,715	651,309	69,429	-	-	-	870,453
Total non-current assets	<u>149,715</u>	<u>651,309</u>	<u>69,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>870,453</u>
Total assets	<u>1,012,379</u>	<u>1,455,943</u>	<u>665,073</u>	<u>1,105,448</u>	<u>4,034,544</u>	<u>3,898,010</u>	<u>12,171,397</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred amount related to OPEB	<u>280,528</u>	<u>221,126</u>	<u>21,273</u>	<u>142,305</u>	<u>-</u>	<u>-</u>	<u>665,232</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	5,988	94,946	46	387	184,805	1,142	287,314
Claims liability	-	-	-	167,900	387,360	351,800	907,060
Wages payable	63,839	59,869	2,341	13,658	-	-	139,707
Due to other funds	-	-	473,763	-	-	-	473,763
Accrued compensated absences	60,887	39,036	2,618	17,229	-	-	119,770
Total current liabilities	<u>130,714</u>	<u>193,851</u>	<u>478,768</u>	<u>199,174</u>	<u>572,165</u>	<u>352,942</u>	<u>1,927,614</u>
Non-current liabilities:							
Accrued compensated absences	121,773	78,072	5,236	34,457	-	-	239,538
Total OPEB liability	740,965	907,478	42,806	145,539	-	-	1,836,788
Claims liability	-	-	-	355,100	-	837,200	1,192,300
Total non-current liabilities	<u>862,738</u>	<u>985,550</u>	<u>48,042</u>	<u>535,096</u>	<u>-</u>	<u>837,200</u>	<u>3,268,626</u>
Total liabilities	<u>993,452</u>	<u>1,179,401</u>	<u>526,810</u>	<u>734,270</u>	<u>572,165</u>	<u>1,190,142</u>	<u>5,196,240</u>
DEFERRED INFLOW OF RESOURCES							
Deferred amount related to OPEB	<u>106,745</u>	<u>31,724</u>	<u>12,967</u>	<u>139,446</u>	<u>-</u>	<u>-</u>	<u>290,882</u>
NET POSITION							
Net investment in capital assets	149,715	651,309	69,429	-	-	-	870,453
Unrestricted (deficit)	42,995	(185,365)	77,140	374,037	3,462,379	2,707,868	6,479,054
Total net position	<u>\$ 192,710</u>	<u>\$ 465,944</u>	<u>\$ 146,569</u>	<u>\$ 374,037</u>	<u>\$ 3,462,379</u>	<u>\$ 2,707,868</u>	<u>\$ 7,349,507</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2022

	<u>Public Works Administration</u>	<u>Fleet Services Fund</u>	<u>Surplus Property Fund</u>	<u>Risk Management Fund</u>	<u>L & H Benefits Fund</u>	<u>Worker's Comp Fund</u>	<u>Totals</u>
OPERATING REVENUES							
Charges for services	\$ 1,501,459	\$ 2,933,446	\$ 48,680	\$ 901,382	\$ 7,783,973	\$ 752,650	\$ 13,921,590
Miscellaneous	-	11	760	27,163	646,599	7,681	682,214
Total operating revenues	<u>1,501,459</u>	<u>2,933,457</u>	<u>49,440</u>	<u>928,545</u>	<u>8,430,572</u>	<u>760,331</u>	<u>14,603,804</u>
OPERATING EXPENSES							
Personal services	1,059,190	1,005,455	44,341	223,945	-	-	2,332,931
Materials and supplies	8,948	1,834,840	39	754,324	-	-	2,598,151
Other services and charges	78,529	96,204	7,807	155,968	65,286	-	403,794
Insurance claims and expenses	-	-	-	-	6,743,316	512,048	7,255,364
Depreciation and amortization	9,323	53,817	5,763	-	-	-	68,903
Total operating expenses	<u>1,155,990</u>	<u>2,990,316</u>	<u>57,950</u>	<u>1,134,237</u>	<u>6,808,602</u>	<u>512,048</u>	<u>12,659,143</u>
Operating income (loss)	<u>345,469</u>	<u>(56,859)</u>	<u>(8,510)</u>	<u>(205,692)</u>	<u>1,621,970</u>	<u>248,283</u>	<u>1,944,661</u>
NON-OPERATING REVENUES							
Investment income	1,667	1,840	1,502	2,263	(19,268)	(16,744)	(28,740)
Total non-operating revenue	<u>1,667</u>	<u>1,840</u>	<u>1,502</u>	<u>2,263</u>	<u>(19,268)</u>	<u>(16,744)</u>	<u>(28,740)</u>
Change in net position	347,136	(55,019)	(7,008)	(203,429)	1,602,702	231,539	1,915,921
Total net position - beginning	(154,426)	520,963	153,577	577,466	1,859,677	2,476,329	5,433,586
Total net position - ending	<u>\$ 192,710</u>	<u>\$ 465,944</u>	<u>\$ 146,569</u>	<u>\$ 374,037</u>	<u>\$ 3,462,379</u>	<u>\$ 2,707,868</u>	<u>\$ 7,349,507</u>

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2022

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Worker's Comp Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from interfund services	\$ 1,501,459	\$ 2,932,979	\$ 50,515	\$ 907,856	\$ 8,489,056	\$ 774,437	\$ 14,656,302
Payments to suppliers	(262,023)	(1,931,218)	(8,526)	(758,684)	(65,286)	-	(3,025,737)
Payments to employees	(1,009,021)	(933,748)	(40,195)	(210,336)	-	-	(2,193,300)
Claims and benefits paid	-	-	-	(178,968)	(6,663,439)	(657,266)	(7,499,673)
Payment from (to) other funds	-	-	18,619	-	-	-	18,619
Net cash provided by (used in) operating activities	230,415	68,013	20,413	(240,132)	1,760,331	117,171	1,956,211
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	-	(55,922)	-	-	-	-	(55,922)
Net cash provided by (used in) capital and related financing activities	-	(55,922)	-	-	-	-	(55,922)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	(7,667)	123,073	101,400	82,396	(190,123)	124,293	233,372
Interest and dividends	1,669	1,842	1,502	2,263	(19,759)	(15,331)	(27,814)
Net cash provided by investing activities	(5,998)	124,915	102,902	84,659	(209,882)	108,962	205,558
Net increase in cash and cash equivalents	224,417	137,006	123,315	(155,473)	1,550,449	226,133	2,105,847
Balances - beginning of year	518,468	569,171	469,868	1,079,390	1,427,320	3,100,378	7,164,595
Balances - end of year	\$ 742,885	\$ 706,177	\$ 593,183	\$ 923,917	\$ 2,977,769	\$ 3,326,511	\$ 9,270,442
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 742,885	\$ 706,177	\$ 593,183	\$ 923,917	\$ 2,977,769	\$ 3,326,511	\$ 9,270,442
Total cash and cash equivalents	<u>\$ 742,885</u>	<u>\$ 706,177</u>	<u>\$ 593,183</u>	<u>\$ 923,917</u>	<u>\$ 2,977,769</u>	<u>\$ 3,326,511</u>	<u>\$ 9,270,442</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 345,469	\$ (56,859)	\$ (8,510)	\$ (205,692)	\$ 1,621,970	\$ 248,283	\$ 1,944,661
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	9,323	53,817	5,763	-	-	-	68,903
Change in assets and liabilities:							
Receivables, net	-	(478)	1,075	(20,689)	58,484	14,106	52,498
Due from other funds	-	-	-	-	-	-	-
Inventory	-	(21,786)	-	-	-	-	(21,786)
Deferred outflows OPEB	36,463	(23,359)	4,879	64,056	-	-	82,039
Accounts payable	(174,546)	21,612	(680)	(4,360)	4,241	782	(152,951)
Claims liability	-	-	-	(23,000)	75,636	(146,000)	(93,364)
Due to employees	10,151	6,862	610	2,298	-	-	19,921
Due to other funds	-	-	18,619	-	-	-	18,619
Total OPEB liability	(13,325)	102,902	(7,480)	(156,177)	-	-	(74,080)
Accrued compensated absences	(14,302)	3,358	735	3,229	-	-	(6,980)
Deferred inflows OPEB	31,182	(18,056)	5,402	100,203	-	-	118,731
Net cash provided by (used in) operating activities	\$ 230,415	\$ 68,013	\$ 20,413	\$ (240,132)	\$ 1,760,331	\$ 117,171	\$ 1,956,211

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Debt Service Coverage Schedule - Year Ended June 30, 2022

DEBT SERVICE COVERAGE:

	2019 Revenue Bonds 2020 Refunding Note
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 8,196,157
Wastewater revenue	10,951,262
Pledged sales tax	16,005,426
Investment income	(75,617)
Total Gross Revenue Available	35,077,228
OPERATING EXPENSES:	
Total Operating Expenses	11,822,509
Net Revenue Available for Debt Service	\$ 23,254,719
Average Annual Debt Service	
2019 Revenue Bonds	\$ 1,791,954
2020 Refunding Note	4,461,688
	\$ 6,253,642
Computed Coverage	372%
Coverage Requirement	125%

Note to schedule: Pledged revenues include water and wastewater revenues, as well as specific sales tax and investment income. Operating expenses included on this schedule include only the operating expense, exclusive of depreciation and amortization, applicable to the water and wastewater revenues.

**CITY OF MIDWEST CITY, OKLAHOMA
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STATISTICAL INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2022

General Government Expenditures by Function
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Health and Welfare</u>	<u>Culture & Recreation</u>	<u>Economic Development</u>	<u>Debt Services</u>	<u>Total</u>
2012-13	\$ 5,216,187	\$ 27,388,784	\$ 3,460,381	\$ 110,935	\$ 2,841,490	\$ 4,704,086	\$ 3,856,073	\$ 47,577,936
2013-14	6,972,885	27,386,699	4,382,912	463,886	2,112,589	5,028,554	3,753,029	50,100,554
2014-15	6,704,404	28,657,862	5,138,517	410,969	1,746,966	3,792,050	3,650,604	50,101,372
2015-16	7,714,835	27,494,864	4,865,569	755,691	2,037,909	4,644,064	3,505,294	51,018,226
2016-17	8,009,505	27,757,453	7,336,480	387,911	1,647,320	6,686,814	3,426,604	55,252,087
2017-18	8,766,825	28,544,968	3,800,063	441,065	1,797,029	58,846,663	19,166,464	121,363,077
2018-19	11,598,632	31,442,455	5,333,914	471,306	2,038,872	6,598,803	5,972,196	63,456,178
2019-20	10,044,375	33,644,444	7,087,999	414,655	2,146,210	11,740,737	25,974,546	91,052,966
2020-21	15,487,296	34,323,997	11,171,490	3,090,028	7,347,564	4,620,444	7,619,397	83,660,216
2021-22	20,012,790	36,925,596	12,037,652	3,271,886	9,483,656	5,907,403	7,830,238	95,469,221

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

**Governmental Revenues By Source
Last Ten Fiscal Years**

Fiscal Year	Taxes	Intergov- ernmental	Licenses & Permits	Charges for Services	Fines & Forfeitures	Investment Income	Misc Revenues	Total
2012-13	\$ 39,796,809	\$ 5,205,283	\$ 392,512	\$ 2,249,961	\$ 1,960,694	\$ 10,846,574	\$ 1,492,193	\$ 61,944,026
2013-14	40,546,435	5,668,145	304,395	2,545,726	1,976,580	15,736,403	2,367,115	69,144,799
2014-15	39,781,445	5,543,732	349,439	3,662,747	2,045,294	8,377,665	2,381,400	62,141,722
2015-16	40,296,979	5,367,958	567,942	4,259,051	1,971,146	3,546,362	1,938,936	57,948,374
2016-17	37,327,650	5,011,809	504,832	4,564,074	1,581,638	13,120,184	2,856,002	64,966,189
2017-18	41,659,607 **	4,812,098	589,264	5,412,604	1,428,723	13,120,759	2,177,963	69,201,018
2018-19	46,376,451	6,698,979	725,993	8,027,000	1,364,493	11,671,810	2,240,169	77,104,895
2019-20	51,081,891	6,971,834	681,754	8,086,831	1,118,840	8,972,977	2,157,587	79,071,714
2020-21	56,348,905	10,463,225	629,099	6,112,310	1,570,477	35,503,377	6,634,666	117,262,059
2021-22	59,254,294	13,844,466	647,177	6,075,295	1,367,521	(13,417,849)	1,578,792	69,349,696

* A new sales/use Tax became effective January 1, 2012 changing the rate from 3.3 to 3.85

** A new sales/use Tax became effective January 1, 2018 changing the rate from 3.85 to 4.60

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

**Assessed Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Service Property	Veteran and Homestead Exemption	Total Actual		Ratio of Total Assessed Value to Total Estimated Actual Value
					Assessed Value	Estimated Actual Value	
2013	\$ 263,908,805	\$ 28,917,523	\$ 11,834,175	\$ 15,286,274	\$ 289,374,229	\$ 2,630,674,809	11%
2014	267,452,466	28,135,094	11,407,389	15,250,420	291,744,529	2,652,222,991	11%
2015	272,926,268	26,469,753	11,878,425	15,244,120	296,030,326	2,691,184,782	11%
2016	283,028,134	25,089,341	11,544,013	15,602,335	304,059,153	2,764,174,118	11%
2017	296,756,210	35,937,171	13,524,628	16,061,439	330,156,570	3,001,423,364	11%
2018	309,104,061	35,772,442	13,613,786	16,492,553	341,997,736	3,109,070,327	11%
2019	320,771,362	36,281,363	13,177,361	17,435,901	352,794,185	3,207,219,864	11%
2020	328,772,814	37,385,359	13,789,090	18,528,802	361,418,461	3,285,622,373	11%
2021	344,062,828	37,827,456	15,041,028	20,087,269	376,844,043	3,425,854,936	11%
2022	364,726,522	38,738,823	15,389,406	20,738,384	398,116,367	3,619,239,700	11%

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Property Tax Rates – All Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	City Sinking Fund	MWC Schools	Rose State College	Oklahoma County	Total Midwest City Resident	Choctaw Schools	Total Midwest City Resident	OKC Schools	Total Midwest City Resident
2013	5.78	64.98	17.02	23.87	111.65	76.19	122.86	60.39	107.06
2014	5.44	70.32	20.33	23.58	119.67	76.18	125.53	59.36	108.71
2015	5.18	71.03	19.88	23.72	119.81	76.17	124.95	59.71	108.49
2016	0.96	70.64	19.65	23.81	115.06	76.17	120.59	59.36	103.78
2017	0.92	65.54	19.21	23.28	108.95	76.16	119.57	59.36	102.77
2018	0.94	66.72	18.92	23.64	110.22	76.15	119.65	58.84	102.34
2019	8.08	67.38	18.54	23.49	117.49	76.15	126.26	58.76	108.84
2020	9.76	71.23	18.39	23.39	122.77	76.15	127.68	59.44	110.97
2021	9.44	68.91	18.18	22.92	119.45	76.15	126.69	59.41	109.95
2022	9.99	65.57	18.03	23.05	116.64	76.15	127.22	28.95	110.02

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

Computation of Legal Debt Margin
June 30, 2020

Net assessed valuation	\$398,116,367
Debt limit (a)	\$39,811,637
Applicable bonds outstanding	\$34,941,155
Inapplicable bonds outstanding (b)	\$20,458,845
Legal debt margin	\$4,870,482

(a) Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation for certain types of general obligation bonds.

(b) Per article 10, section 27 of the Constitution of the State of Oklahoma, there is not a limit on the amount of General Obligation bonds for the purpose of purchasing, constructing, or repairing public utilities or streets.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Government Expenditures
2012-13	\$ 1,400,000	\$ 370,754	\$ 1,770,754	\$ 47,244,796	3.75%
2013-14	1,400,000	304,167	1,704,167	47,577,936	3.58%
2014-15	1,400,000	259,975	1,659,975	50,100,554	3.31%
2015-16	1,400,000	190,700	1,590,700	51,018,226	3.12%
2016-17	1,400,000	121,425	1,521,425	57,389,574	2.65%
2017-18	325,000	51,750	376,750	55,252,087	0.68%
2018-19	325,000	38,913	363,913	121,363,077	0.30%
2019-20	325,000	1,137,260	1,462,260	63,456,178	2.30%
2020-21	1,695,000	1,311,923	3,006,923	91,052,966	3.30%
2021-22	1,785,000	1,445,485	3,230,485	95,469,221	3.38%

(1) Excludes bond issuance and other costs

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
 To Assessed Value and Net General Obligation Bonded Debt Per Capita
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Money Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2012-13	54,371	289,374,229	6,900,000	1,428,884	5,471,116	1.89%	101
2013-14	54,371	291,744,529	5,500,000	1,373,216	4,126,784	1.41%	76
2014-15	54,371	296,030,326	4,100,000	1,364,980	2,735,020	0.92%	50
2015-16	54,371	304,059,153	2,700,000	1,392,720	1,307,280	0.43%	24
2016-17	54,371	330,156,570	1,300,000	189,868	1,110,132	0.34%	20
2017-18	54,371	341,997,736	975,000	131,132	843,868	0.25%	16
2018-19	54,371	352,794,185	37,900,000	591,553	37,308,447	10.58%	686
2019-20	54,371	361,418,461	44,125,000	1,883,084	42,241,916	11.69%	777
2020-21	58,409	376,844,043	5,148,500	2,447,665	49,037,335	13.01%	840
2021-22	58,409	398,116,367	55,400,000	2,776,091	52,623,909	13.22%	901

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Revenue Bond and Note Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Average Annual Debt Service</u>	<u>Debt Service Coverage</u>
2012-13	\$ 27,258,461	\$ 9,443,537	\$ 17,814,924	\$ 6,517,879	2.73
2013-14	28,567,824	9,583,902	18,983,922	6,517,879	2.91
2014-15	28,465,993	9,581,604	18,884,389	6,517,879	2.90
2015-16	28,685,573	11,425,998	17,259,575	6,517,879	2.65
2016-17	28,580,650	9,823,029	18,757,621	6,517,879	2.88
2017-18	28,790,824	9,797,575	18,993,249	6,517,879	2.91
2018-19	29,537,013	10,020,017	19,516,996	6,501,399	3.00
2019-20	30,228,859	10,306,604	19,922,255	6,501,467	3.06
2020-21	33,756,172	10,639,024	23,117,148	6,253,642	3.70
2021-22	35,077,228	11,822,509	23,254,719	6,253,642	3.72

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Population Percent Change</u>
1950	10,166	0.00%
1960	36,058	254.69%
1970	48,212	33.71%
1980	49,559	2.79%
1990	52,267	5.46%
2000	54,088	3.48%
2010	54,371	0.52%
2020	58,409	7.43%

Population is taken from US Census conducted every 10 years.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

New Construction
Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction		Total Construction
	Number of Units	Value	Number of Units	Value	
2012-13	27	\$ 54,561,650	120	\$ 19,020,411	\$ 73,582,061
2013-14	8	6,398,000	69	11,878,466	18,276,466
2014-15	15	6,748,210	103	16,365,722	23,113,932
2015-16	26	69,362,500	126	23,727,017	93,089,517
2016-17	14	22,360,831	94	14,092,784	36,453,615
2017-18	195	26,137,283	19	28,127,450	54,264,733
2018-19	32	48,395,772	160	23,481,840	71,877,612
2019-20	17	10,777,000	133	22,503,689	33,280,689
2020-21	10	6,725,000	96	16,435,218	23,160,218
2021-22	10	8,755,000	88	20,621,218	29,376,218

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Miscellaneous Statistics
June 30, 2021

Date of Incorporation	1943
Form of government	Council-manager
Square miles in city limits	24.37
Miles of streets	794.38 lane miles

Education

Number of primary schools	6
Number of secondary schools	2
Number of High schools	2
Number of colleges	1
Number of Vo-Techs	1

Police Protection

Number of officers	99
--------------------	----

Fire Protection

Number of stations	6
Number of headquarters	1
Number of personnel per shift	26

Public Works

Water storage capacity (millions of gallons)	8
Miles of water lines	300.84
Miles of sanitary sewer lines	290.69

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

Miscellaneous Statistics, Continued
June 30, 2021

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>
2012-13	491
2013-14	489
2014-15	477
2015-16	472
2016-17	470
2017-18	471
2018-19	478
2019-20	485
2021-21	467
2021-21	482

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Miscellaneous Statistics, Continued
June 30, 2021
City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Annual Usage</u>	<u>Average Daily Usage</u>
2011-12	2,025,176,197	5,548,428
2012-13	1,902,831,000	5,213,236
2013-14	1,699,549,985	4,656,301
2014-15	1,604,378,570	4,395,558
2015-16	1,778,171,000	4,871,701
2016-17	2,193,795,000	6,010,397
2017-18	1,993,392,000	5,461,348
2018-19	1,695,978,000	4,646,515
2019-20	1,900,570,000	5,207,041
2020-21	1,894,847,000	5,191,362
2021-22	1,943,554,000	5,324,805

MEMO

To: Honorable Mayor and City Council

From: Bert Norton, Fire Chief

Date: January 24, 2023

Subject: Discussion, consideration, and possible action to approve Change Order No. 2 with Shiloh Enterprises, Inc. for Midwest City permits in adding two (2) fire hydrants & associated pipe / fittings, four (4) surge suppressors, and asphalt removal & replacement at the Police and Fire Training center for the sum total of \$72,417.40. (Fire - B. Norton)

Staff respectfully requests that the Council approve Change Order No. 2 with Shiloh Enterprises, Inc. for Midwest City permits in adding two (2) fire hydrants & associated pipe / fittings, four (4) surge suppressors, and asphalt removal & replacement at the Police and Fire Training center for the sum total of \$72,417.40. The funds for this change order will come from the GO Bond fund balance.

Staff recommends approval.



Bert Norton
Fire Chief

Attachments: Change Order No. 2 with Shiloh Enterprises



AIA® Document G701™ – 2017

Change Order

PROJECT: *(Name and address)*
MWC POLICE AND FIRE TRAINING FACILITY

CONTRACT INFORMATION:
Contract For: CONSTRUCTION

CHANGE ORDER INFORMATION:
Change Order Number: 002

Date: August 4, 2022

Date: December 28, 2022

OWNER: *(Name and address)*
City of Midwest City
8730 SE 15th Street
Midwest City, OK 73110

ARCHITECT: *(Name and address)*
Guernsey
5555 N. Grand Blvd.
Oklahoma City, OK 73112

CONTRACTOR: *(Name and address)*
Shiloh Enterprises, INC
5720 N I-35 Industrial Blvd.
Oklahoma City, OK 73034

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

COR #04 - MWC Permitting Changes to Waterline

The original Contract Sum was	\$	<u>3,477,000.00</u>
The net change by previously authorized Change Orders	\$	<u>20,437.47</u>
The Contract Sum prior to this Change Order was	\$	<u>3,497,437.47</u>
The Contract Sum will be increased by this Change Order in the amount of	\$	<u>72,417.40</u>
The new Contract Sum including this Change Order will be	\$	<u>3,569,854.87</u>

The Contract Time will be unchanged by zero (0) days.

The new date of Substantial Completion will be unchanged

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Guernsey

ARCHITECT *(Firm name)*

SIGNATURE

Maria Angelica Prado, AIA

PRINTED NAME AND TITLE

December 28, 2022

DATE

Shiloh Enterprises, INC

CONTRACTOR *(Firm name)*

SIGNATURE

Steve Preston, President

PRINTED NAME AND TITLE

1-3-2023

DATE

City of Midwest City

OWNER *(Firm name)*

SIGNATURE

Matthew D. Dukes, Mayor

PRINTED NAME AND TITLE

DATE



GENERAL CONSTRUCTION
 MANAGEMENT
 5720 N. I-35 Industrial Blvd.
 Edmond, Ok. 73034

405-341-5500 Phone
 405-341-7106 Fax

11/21/2022

MWC Police & Fire Training
COR#4-Reference ASI 003
MWC permitting dept added (2) fire hydrants and
associated pipe plus fittings, (4) surge suppressors and
asphalt removal & replacement.

ADD DEDUCT

Arrow Contracting & Utilites (see attached)

\$65,834.00

Subtotal	\$65,834.00
OH&P 10%	\$6,583.40
Total	\$72,417.40

Arrwo Con+B48+A1:G56+A1:G55+A1:G54+A1:G52

Job Name: MWC Fire ASI

#####

Location:

3:49 PM

Bid Date:

Bid Time:

Item No.	Description	Qty	Unit	Field Unit	Field Total
WATER					
1	STA 13+78+80 8"x6" TEE		1 EA	300	300.00
2	Fire Hydrant		2 EA	3000	6,000.00
3	6"C900	52	LF	19	988.00
4	6" Gate VLV		2 EA	1600	3,200.00
5	STA 21+03.58 8"x6" TEE		1 EA	300	300.00
6	Surge Suppressor		4 EA	4000	16,000.00
7	Asphalt Remove & Replace	150	SY	30	4,500.00
8	Bedding		1 LS	1000	1,000.00
9	Haul Off		1 LS	350	350.00
10	1Year Maintenance Bond		1 LS	8811	8,811.00
					0.00
					0.00
					0.00
					0.00
					0.00
	Labor	160	HR	65	10,400.00
	Equipments	160	HR	50	8,000.00
	OH&P		1 LS	5985	5,985.00
					0.00
					0.00
					0.00
	Foreman/Operator 40 HR @ \$90				0.00
	Operator 40 HR @ \$80				0.00
	Ditch Hand 40 HR @ \$43				0.00
	Ditch Hand 40 HR @ \$43				0.00
					0.00
	Medium Size Excavator				0.00
	Skid Steer				0.00
	Compactor				0.00
					0.00
					0.00
					0.00
Totals:				Field Cost	65,834.00

MEMO

To: Honorable Mayor and City Council

From: Bert Norton, Fire Chief

Date: January 24, 2023

Subject: Discussion and consideration, including any possible amendment, to approve Change Order No. 3 with Shiloh Enterprises, Inc. for security cameras and wiring at the site of the Police and Fire Training Facility which increases the contract sum by \$73,439.69 with no additional days. (Fire - B. Norton)

Staff respectfully requests that the Council approve Change Order No. 3 with Shiloh Enterprises, Inc. for security cameras and wiring at the site of the Police and Fire Training Facility which increases the contract sum by \$73,439.69. The contract time will remain unchanged. The original plans called for these cameras, but between the 95% plan and sealed plans they were inadvertently taken off somehow. The funds for this change order will come from the fund balance for the GO bond for this project.

Staff recommends approval.



Bert Norton
Fire Chief

Attachments: Change Order No. 3 with Shiloh Enterprises, Inc.



AIA[®]

Document G701™ – 2017

Change Order

PROJECT: *(Name and address)*
MWC POLICE AND FIRE TRAINING FACILITY

CONTRACT INFORMATION:
Contract For: CONSTRUCTION

CHANGE ORDER INFORMATION:
Change Order Number: 003

Date: August 4, 2022

Date: January 12, 2023

OWNER: *(Name and address)*
City of Midwest City
8730 SE 15th Street
Midwest City, OK 73110

ARCHITECT: *(Name and address)*
Guernsey
5555 N. Grand Blvd.
Oklahoma City, OK 73112

CONTRACTOR: *(Name and address)*
Shiloh Enterprises, INC
5720 N I-35 Industrial Blvd.
Oklahoma City, OK 73034

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

COR #07 - Add Site Cameras Mounted on Light Poles and Conduit

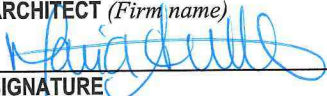
The original Contract Sum was	\$ 3,477,000.00
The net change by previously authorized Change Orders	\$ 20,437.47
The Contract Sum prior to this Change Order was	\$ 3,497,437.47
The Contract Sum will be increased by this Change Order in the amount of	\$ 73,439.69
The new Contract Sum including this Change Order will be	\$ 3,570,877.16

The Contract Time will be unchanged by zero (0) days.
The new date of Substantial Completion will be unchanged

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Guernsey


ARCHITECT *(Firm name)*


SIGNATURE
 Maria Angelica Prado, AIA

PRINTED NAME AND TITLE
 January 12, 2023

DATE

Shiloh Enterprises, INC

CONTRACTOR *(Firm name)*


SIGNATURE
 Steve Preston, President

PRINTED NAME AND TITLE
 1/12/2023

DATE

City of Midwest City

OWNER *(Firm name)*

SIGNATURE
 Matthew D. Dukes, Mayor

PRINTED NAME AND TITLE

DATE



405-341-5500 Phone

405-341-7106 Fax

GENERAL CONSTRUCTION
MANAGEMENT

5720 N. I-35 Industrial Blvd.
Edmond, Ok. 73034

1/12/2023

MWC Police & Fire Training
COR#7-Add site cameras mounted on
the parking lot light poles

ADD DEDUCT

Guerrero Electric-Conduit
Digi Security Systems-Cameras / Wiring

\$27,409.60
\$39,353.75

Note: No additional days requested for this work.

Subtotal
OH&P 10%

\$66,763.35
\$6,676.34

Total

\$73,439.69

Commercial/Industrial/Service
Available 24/7
(405) 795-9561



1600 S. Eastern Ave.
Moore, OK 73160
License # 91567

DATE: 1/12/20232

CHANGE ORDER : 1

PROJECT: MWC P&F Camera Pipe Add

CHANGE ORDER DESCRIPTION: THE FOLLOWING CO IS TO ADD CONDUIT FOR CAMERAS ON THE PARKING LOT POLES BY PROVIDING 1" PVC HOME RUNS FOR EACH CAMERA LIGHT POLE. RACEWAY ONLY WITH PULL STRING.

MATERIAL:

TOTAL	\$	7,983.00
WITH MARK UP	\$	9,579.60
TOTAL	\$	9,579.60

LABOR:

REGULAR HOURS	HRS	WAGE	
PROJECT MANAGER	4	\$ 95.00	\$ 380.00
FOREMAN	96	\$ 90.00	\$ 8,640.00
JOURNEYMAN		\$ 80.00	\$ -
APPRENTICE	96	\$ 60.00	\$ 5,760.00
OVERTIME HOURS	HRS	WAGE	
PROJECT MANAGER	0	\$ 142.50	\$ -
FOREMAN	0	\$ 127.50	\$ -
JOURNEYMAN	0	\$ 120.00	\$ -
APPRENTICE	0	\$ 75.00	\$ -
DOUBLE TIME HOURS	HRS	WAGE	
PROJECT MANAGER	0	\$ 190.00	\$ -
FOREMAN	0	\$ 170.00	\$ -
JOURNEYMAN	0	\$ 160.00	\$ -
APPRENTICE	0	\$ 100.00	\$ -
LABOR TOTAL:			\$ 14,780.00

SUBCONTRACTOR:

DATA	\$	-
	\$	-
	\$	-
	\$	-
TOTAL:	\$	-

RENTAL EQUIPMENT:

MINI EX	\$	1,200.00
TRENCHER	\$	1,850.00
TOTAL:	\$	3,050.00

GRAND TOTAL:	\$	27,409.60
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DIGI
SECURITY SYSTEMS

We have prepared a quote for you

**City of Midwest City - Police and Fire Training
Security Cameras on Poles**




Quote # 009690
Version 1

Prepared for:

Shiloh Enterprises

Steve Preston
steve@shiloh-inc.com

Equipment

Product Details	Suggested Price	Discount Amount	State Contract Price	Qty	Ext. Contract Price
ACC7-ENT ACC 7 Enterprise camera channel	\$316.51	\$94.95	\$221.56	8	\$1,772.48
8.0C-H5A-BO1-IR 8.0 MP (4K) WDR; LightCatcher; 4.9-8mm f/1.8 P-iris lens; Integrated IR; Next-Generation Analytics 	\$1,770.03	\$531.01	\$1,239.02	4	\$4,956.08
H4-BO-JBOX1 Junction box for the H5A Bullet; H4A HD Bullet; H4SL HD Bullet; or H4 Thermal cameras. 	\$106.20	\$31.86	\$74.34	4	\$297.36
24C-Mount-180 Bundle-IR 24C - 180 Camera, Pole Mount, Wall Mount, Pendant, Cover, IR Ring & 60W POE Injector	\$3,640.36	\$1,092.10	\$2,548.26	4	\$10,193.04
24C-H4A-3MH-180 3x 8 MP; WDR; LightCatcher; 5.2mm; Camera Only 		\$743.41			
H4AMH-AD-PEND1 Outdoor pendant mount adapter; must order one of IRPTZ-MNT-Wall1 or IRPTZ-MNT-NPTA1 and one of H4AMH-DO-COVR1 or H4AMH-DO-COVR1-SMOKE.		\$56.64			
IRPTZ-MNT-WALL1 Pendant wVideo mount adapter. For use with H4 IR PTZ or H4A-MH-AD-PEND1 on H4 Multisensor.		\$33.63			
H4AMH-AD-IRIL1 Optional IR illuminator ring; up to 30m (100ft); for use with H4AMH-DO-COVR1.		\$116.82			

Equipment

Product Details	Suggested Price	Discount Amount	State Contract Price	Qty	Ext. Contract Price
POE-INJ2-60W-NA Indoor single port Gigabit PoE++ 60W; North American power cord included. May also be used in European Union; Japan; Australia; New Zealand; Mexico; China; South Korea; Russia; Argentina; Saudi Arabia; Kuwait; UAE and Brazil. Temperature range of the PoE		\$53.10			
H4-MT-POLE1 Pole mount adapter for use with H4A-MT-Wall1; H4-BO-JBOX1; H4SL; H4F; H4 PTZ; H4 IR PTZ and H4 Multisensor cameras.		\$31.86			
H4AMH-DO-COVR1 Outdoor Dome Cover for H4 Multisensor		\$56.64			
ACM-HE -2DR-NET-MER ACM Head End - 2 Door - Networked - Mercury	\$2,641.77	\$726.06	\$1,915.71	1	\$1,915.71
AC-LSP-2DR-MER-LCK Two Door Mercury Dual Voltage Integrated Power System supporting two AC-MER-CONT-1DR or one AC-MER-CONT-2DR (Mercury hardware sold separately). The advantage of a dual voltage power supply is the ability to power both Mercury boards and door locks from t		\$177.12			
AW62633 Power Cord - 9' - 3 Prong w/Ground		\$2.50			
1270 Panel Battery - 12v7ah		\$2.60			
CABLE-CAT6-CMP-1 Cabling - Category 6 - Network - Plenum with J-Hooks Etc.		\$67.00			
F4X4LG6 Finger Duct, 4x4", 6Ft. Light Grey		\$7.57			

Equipment

Product Details	Suggested Price	Discount Amount	State Contract Price	Qty	Ext. Contract Price
TC4G Cover for F4X4LG6 wire management.		\$1.23			
AC-MER -CONT- LP1502 Intelligent Controller; Linux Based with 2 doors; 8 inputs and 4 outputs; expandable up to 64 doors. (Mercury Part #: LP1502)		\$465.44			
AC-ING- READ- APTIQ- KEYPD- MTK15 Schlage (formerly aptiQ™) Multi-Technology Keypad - Single Gang Reader (Allegion Part Number: MTK15)	\$544.48	\$163.34	\$381.14	2	\$762.28
CABLE- 18/4- OUT-1 Cabling - 18/4 - Outdoor/Direct Burial with J-Hooks Etc.	\$425.00	\$85.00	\$340.00	2	\$680.00
CABLE- CAT6- OUT-1- SHIELD ED Cabling - C6 - Outdoor - Shielded	\$700.00	\$140.00	\$560.00	8	\$4,480.00
DSS- INST- CAM- OUT Digi Professional Installation Materials - Outdoor Camera	\$125.00	\$25.00	\$100.00	8	\$800.00
DSS- PRO- MAT Digi Professional Installation Materials - Misc Installation Materials	\$200.00	\$20.00	\$180.00	1	\$180.00
DSS- LIFT Digi Provided Lift	\$1,000.00	\$100.00	\$900.00	1	\$900.00
POEXKI T1 Panduit 1-Port Extender Kit - Black	\$986.86	\$197.37	\$789.49	3	\$2,368.47

Subtotal: \$29,305.42



Project Services

Product Details
Installation Services - Senior Tech

Subtotal: **\$9,800.00**

Warranty/Maintenance Agreements

Description	Qty
Digi Standard 1 Year Workmanship Labor Warranty	1

City of Midwest City - Police and Fire Training Security Cameras on Poles



Prepared by:
Digi Security Systems - Oklahoma City

Ernesto Chavez
(405) 833-7356
Ernestoc@digiss.com

Prepared for:
Shiloh Enterprises

Midwest City, OK
Steve Preston
(405) 341-5500
steve@shiloh-inc.com

Quote Information:

Quote #: 009690

Version: 1
Delivery Date: 01/06/2023
Expiration Date: 04/06/2023

Quote Summary

Description	Amount
Equipment	\$29,305.42
Project Services	\$9,800.00
Subtotal:	\$39,105.42
Shipping:	\$248.33
Total:	\$39,353.75

This quotation does not include applicable taxes unless specifically listed above. Acceptance of this quote or any purchase order generated as a result of this quote indicates acceptance of the Digi standard terms and conditions. The Digi standard terms and conditions can be found at www.digiss.com or a copy may be requested from your Digi representative. This proposal is valid for 30 days. Conduit, back boxes and hangers are excluded from this proposal unless specifically listed above. All 120v work is excluded from this proposal unless specifically listed. Any and all painting and patching is excluded. Asbestos work of any kind is excluded from this proposal. No cost for any required abatement is included in this proposal. Any cancellation or returns may be subject to a restocking fee and other charges, for which the Purchaser shall be responsible.

Digi Security Systems - Oklahoma City

Shiloh Enterprises

Signature: _____



Name: Ernesto Chavez

Title: Account Manager

Date: 01/06/2023

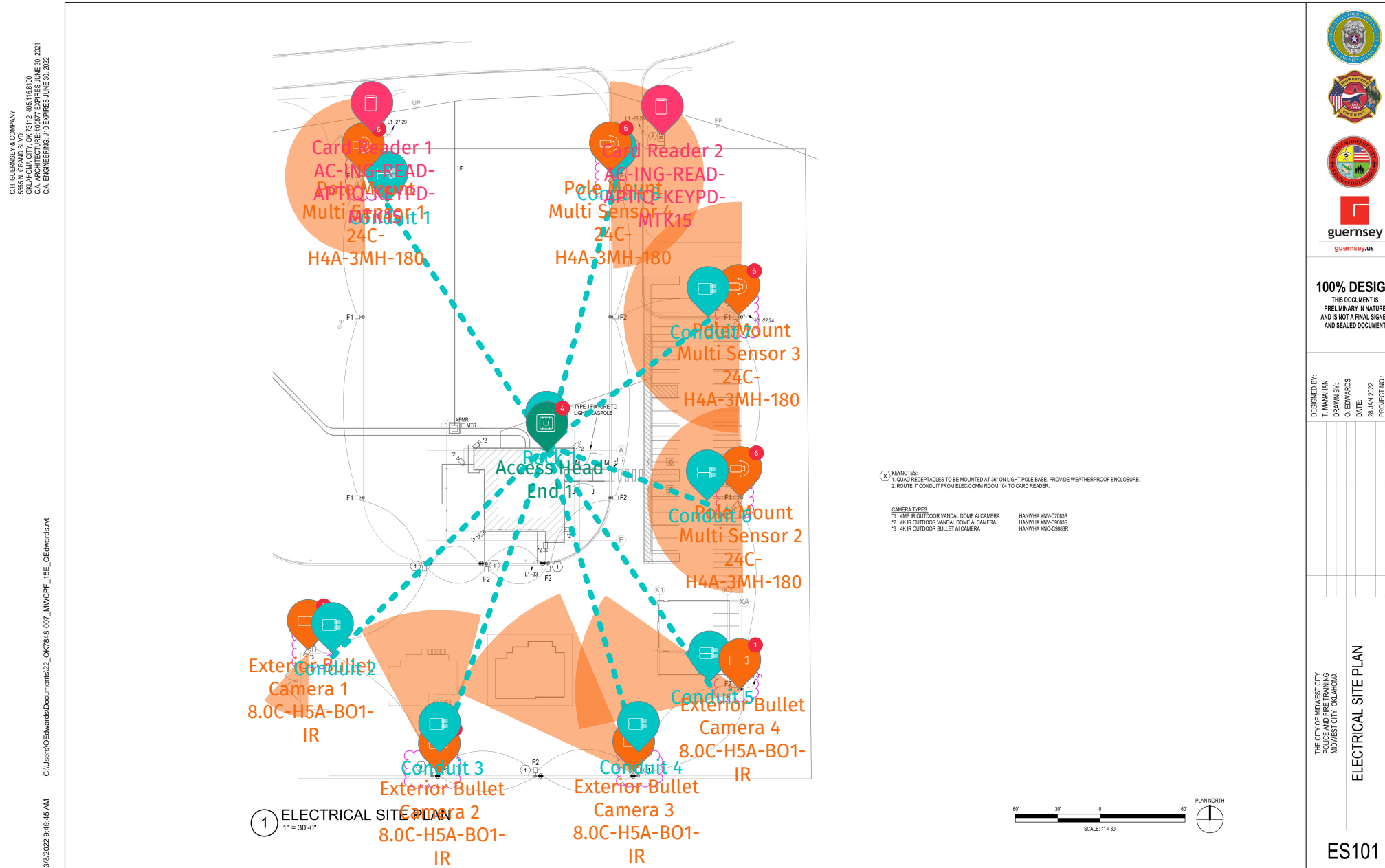
Signature: _____

Name: Steve Preston

Date: _____

Plan: Overall

Site: City of Midwest City - Police and Fire Training Facility | Building: City of Midwest City - Police and Fire Training Facility



C.H. GUERNSEY & COMPANY
 565 N. GRAND BLVD.
 SUITE 100
 OKLAHOMA CITY, OK 73102 405.416.8100
 C.A. ARCHITECTURE #00577 EXPIRES JUNE 30, 2021
 C.A. ENGINEERING #10 EXPIRES JUNE 30, 2022

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**Engineering and
Construction Services**
100 N Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1220

TO : Honorable Mayor and Council

FROM : Brandon Bundy, P.E., Director

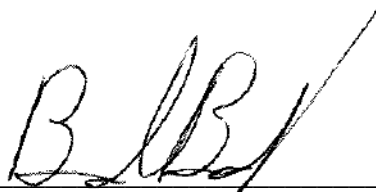
DATE : January 24, 2023

SUBJECT : Discussion, consideration, and possible action of approving amendment #2 to the contract with Poe and Associates, Inc. in an increase of \$50,000 for a total contract price of \$265,741 for the purposes of developing construction plans for the Midwest Boulevard resurfacing project.

The attached Amendment #2 is for the design of an upcoming resurfacing project of Midwest Boulevard from SE 29th Street to NE 10th Street. An agreement was approved by Council on September 22nd, 2020 to develop plans for the project to be bid by ODOT.

This change is to add right-of-way (ROW) acquisition services to the contract with Poe and Associates, Inc. Federal funding requires that an arduous process when acquiring ROW which cannot be done with current in house staff. After ROW is properly acquired, ODOT will then review the bids prior to consideration of awarding a contract. If awarded, construction should begin late 2023 / early 2024.

Funding for this project is appropriated in project #092205.



Brandon Bundy, P.E.,
Director of Engineering and Construction Services

Attachment

**AMENDMENT 2
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN POE & ASSOCIATES, INC.**

**AND
CITY OF MIDWEST CITY
FOR PROJECT JP 33345(04), MIDWEST BLVD, SE 29TH ST. TO NE 10TH ST.**

Pursuant to Section 1.01 and Section 7.02 of the Consultant Agreement dated September 22, 2020, the following amendment is hereby agreed to between the parties:

The attached Exhibit A, Scope of Services – Amendment 2; to be added to section 7.02 Additional Services section of the Consultant Agreement. Compensation for services under Amendment 2 for a total lump sum fee of \$50,000. Total revised contract fee of \$265,741.

Engineer, Poe & Associates, Inc.:



John R. Bowman
Senior Vice President

Date: 1/12/23



Todd Cochran
Vice President

Date: 1/12/23

For City of Midwest City:

Matt Dukes, II
Mayor

Date: _____

Sara Hancock, City Clerk

Approved as to form and legality:

Donald D. Maisch, City Attorney

CITY OF MIDWEST CITY

JP: 33345(05) Midwest Blvd. Resurfacing Project
City of Midwest City, Oklahoma
Oklahoma County

AMENDMENT NO. 2

SCOPE OF RIGHT-OF-WAY SERVICES

	<u>RATE:</u>	<u>UNIT:</u>	<u>TOTAL:</u>
Project Management/QAQC:	\$600.00	19	\$11,400.00
Title Review:	\$200.00	19	\$3,800.00
Documentation Review:	\$1,900.00	19	\$36,100.00
Agent Log Review:	\$200.00	19	\$3,800.00
Supplies/Filing Fees:	\$500.00	N/A	\$500.00

TOTAL: \$55,600.00

Negotiated Contract Amount: \$50,000.00

These fees for this Scope of Service are as of 01/12/2023, based on the above provided information.

*Due to complex issues, parcels can be negotiated at higher fees. Higher fees must be approved by the City of Midwest City.



**Engineering and
Construction Services**
100 N Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1220

TO : Honorable Mayor and Council

FROM : Brandon Bundy, P.E., Director

DATE : January 24, 2023

SUBJECT : Discussion, consideration, and possible action of approving Change Order #03 for -\$29,205.53 with Oklahoma Department of Transportation for STPG-255B(554)AG, State Job Number 35192(04), Signal Upgrade Project.

The attached change order is for the signal project recently completed at the intersections (4) of Midwest Blvd / NE 23rd St, Air Depot Blvd / NE 23rd St, Air Depot Blvd / NE 10th St, Douglas Blvd / Wonga Dr. The final quantity change order is routine and shows all the contractual pay items of the project. After the final quantity change order, it then goes to ODOT auditing for final close out.

This project originally came in under engineer estimate and the associated ODOT escrow account. This change order is not expected to exceed that balance.



Brandon Bundy, P.E.,
Director of Engineering and Construction Services

Attachment

Oklahoma Department of Transportation Final Quantity Change Order

Contract ID	210331	Primary County	OKLAHOMA	Primary PCN	35192(04)
Change Order Nbr	003	Project	STPG-255B(554)AG		
Contract Description	TRAFFIC SIGNALS. SCHOOL ZONE FLASHERS. SIGNING AND STRIPING CITY STREETS (N. AIR DEPOT BLVD-N. MIDWEST BLVD- S. MIDWEST BLVD-S. DOUGLAS BLVD-WONGA DR-S. POST ROAD- E. RENO AVE-N.E. 10TH ST-N.E. 23RD S.T-S.E. 15TH ST): AT MULTIPLE LOCATIONS IN MIDWEST CITY. PROJECT LENGTH = 0.00 MILE				
Change Order Type	CHANGE ORDER				
Zero Dollar Change Order	NO		Status	Pending	

General Change Order Description(s): This change order establishes the final quantity for each line item on the original contract and for those items added by change order during the course of the construction work. Associated with each item is a justification for those items which have deviated from the original plan quantity or from the quantity established by a previous change. The information presented in this final quantity change order addresses contract pay items only. Penalties, disincentives, or other adjustments associated with this contract will be identified on the final estimate.

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuilt Qty	Amount of Change
35192(04)	0010	0100	202(H)2900	LS	\$6,500.00	1.00	1.00	0.00	1.00	
	Item Description: EARTHWORK									This Change: \$0.00
	Supplemental Description 1:									Prev Revised: \$6,500.00
	Supplemental Description 2:									Final Amount: \$6,500.00
										Bid Contract: \$6,500.00
										Net Change: \$0.00
										PCT Change: 0.00 %
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0020	0100	221(B)2300	LF	\$5.00	200.00	200.00	-200.00	0.00	
	Item Description: TEMPORARY SILT FENCE									This Change: \$-1,000.00
	Supplemental Description 1:									Prev Revised: \$1,000.00
	Supplemental Description 2:									Final Amount: \$0.00
										Bid Contract: \$1,000.00
										Net Change: \$-1,000.00
										PCT Change: -100 %
	Explanations: This item was not needed on the project based on the site conditions and the work performed.									
35192(04)	0030	0100	221(C)2400	EA	\$80.00	8.00	8.00	-8.00	0.00	
	Item Description: TEMPORARY SEDIMENT FILTER									This Change: \$-640.00
	Supplemental Description 1:									Prev Revised: \$640.00
	Supplemental Description 2:									Final Amount: \$0.00
										Bid Contract: \$640.00
										Net Change: \$-640.00
										PCT Change: -100 %
	Explanations: This item was not needed on the project based on the site conditions and the work performed.									
35192(04)	0040	0100	230(A)7200	SY	\$8.00	400.00	400.00	-10.50	389.50	
	Item Description: SOLID SLAB SODDING									This Change: \$-84.00
	Supplemental Description 1:									Prev Revised: \$3,200.00
	Supplemental Description 2:									Final Amount: \$3,116.00
										Bid Contract: \$3,200.00
										Net Change: \$-84.00
										PCT Change: -2.62 %
	Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.									
35192(04)	0050	0100	303(A)1200	CY	\$125.00	4.00	4.00	12.00	16.00	
	Item Description: AGGREGATE BASE TYPE A									This Change: \$1,500.00
	Supplemental Description 1:									Prev Revised: \$500.00
	Supplemental Description 2:									Final Amount: \$2,000.00
										Bid Contract: \$500.00
										Net Change: \$1,500.00
										PCT Change: 300.00 %
	Explanations: This line item was used to prepare the base under a drive. The quantity represents the final quantity needed for 4" placed.									
35192(04)	0060	0100	414(A)5200	SY	\$55.00	10.00	10.00	4.40	14.40	
	Item Description: P.C.CONCRETE PAVEMENT(PLACEMENT)									This Change: \$242.00
	Supplemental Description 1:									Prev Revised: \$550.00

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuil Qty	Amount of Change
Supplemental Description 2:									Final Amount:	\$792.00
									Bid Contract:	\$550.00
									Net Change:	\$242.00
									PCT Change:	44.00 %
Explanations: This line item represents what was needed based on site conditions and the amount of removal needed.										
35192(04)	0070	0100	414(G)5800	CY	\$165.00	3.00	3.00	0.20	3.20	
Item Description: P.C. CONCRETE FOR PAVEMENT									This Change:	\$33.00
Supplemental Description 1:									Prev Revised:	\$495.00
Supplemental Description 2:									Final Amount:	\$528.00
									Bid Contract:	\$495.00
									Net Change:	\$33.00
									PCT Change:	6.66 %
Explanations: This line item represents what was needed based on site conditions and the amount of removal needed.										
35192(04)	0080	0100	609(B)4330	LF	\$30.00	230.00	230.00	130.50	360.50	
Item Description: 1'-8" COMB.CRB.& GUT.(6" BARRIER)									This Change:	\$3,915.00
Supplemental Description 1:									Prev Revised:	\$6,900.00
Supplemental Description 2:									Final Amount:	\$10,815.00
									Bid Contract:	\$6,900.00
									Net Change:	\$3,915.00
									PCT Change:	56.73 %
Explanations: The amount of removal needed was more than per plan, therefore the placement overran as well.										
35192(04)	0090	0100	610(A)5200	SY	\$65.00	325.00	325.00	-28.14	296.86	
Item Description: 4" CONCRETE SIDEWALK									This Change:	\$-1,829.10
Supplemental Description 1:									Prev Revised:	\$21,125.00
Supplemental Description 2:									Final Amount:	\$19,295.90
									Bid Contract:	\$21,125.00
									Net Change:	\$-1,829.10
									PCT Change:	-8.65 %
Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.										
35192(04)	0100	0100	610(B)5320	SY	\$75.00	192.00	192.00	6.95	198.95	
Item Description: 8" CONCRETE DRIVEWAY									This Change:	\$521.25
Supplemental Description 1:									Prev Revised:	\$14,400.00
Supplemental Description 2:									Final Amount:	\$14,921.25
									Bid Contract:	\$14,400.00
									Net Change:	\$521.25
									PCT Change:	3.61 %
Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.										
35192(04)	0110	0100	610(I)6000	SF	\$35.00	284.00	284.00	-24.00	260.00	
Item Description: TACTILE WARNING DEVICE-NEW									This Change:	\$-840.00
Supplemental Description 1:									Prev Revised:	\$9,940.00
Supplemental Description 2:									Final Amount:	\$9,100.00
									Bid Contract:	\$9,940.00
									Net Change:	\$-840.00
									PCT Change:	-8.45 %
Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.										
35192(04)	0120	0100	611(A)7210	EA	\$2,500.00	1.00	1.00	0.00	1.00	
Item Description: MANHOLE (4' DIA.)									This Change:	\$0.00
Supplemental Description 1:									Prev Revised:	\$2,500.00
Supplemental Description 2:									Final Amount:	\$2,500.00
									Bid Contract:	\$2,500.00
									Net Change:	\$0.00
									PCT Change:	0.00 %
Explanations: The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.										
35192(04)	0130	0100	611(G)7786	EA	\$6,500.00	1.00	1.00	0.00	1.00	
Item Description: INLET CI DES. 3 (STD)									This Change:	\$0.00
Supplemental Description 1:									Prev Revised:	\$6,500.00
Supplemental Description 2:									Final Amount:	\$6,500.00
									Bid Contract:	\$6,500.00
									Net Change:	\$0.00

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuil Qty	Amount of Change	
PCT Change:										0.00 %	
Explanations:		The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0140	0100	612(A)3200	EA	\$900.00	1.00	1.00	0.00	1.00		
Item Description:		MANHOLES ADJUST TO GRADE								This Change:	\$0.00
Supplemental Description 1:										Prev Revised:	\$900.00
Supplemental Description 2:										Final Amount:	\$900.00
										Bid Contract:	\$900.00
										Net Change:	\$0.00
										PCT Change:	0.00 %
Explanations:		The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0150	0100	613(A)5204	LF	\$75.00	10.00	10.00	2.00	12.00		
Item Description:		15" R.C.PIPE CLASS III								This Change:	\$150.00
Supplemental Description 1:										Prev Revised:	\$750.00
Supplemental Description 2:										Final Amount:	\$900.00
										Bid Contract:	\$750.00
										Net Change:	\$150.00
										PCT Change:	20.00 %
Explanations:		The pipe and pull boxes were extended by 2 feet based on site conditions.									
35192(04)	0160	0100	619(B)6356	LF	\$10.00	130.00	130.00	226.50	356.50		
Item Description:		REMOVAL OF CURB AND GUTTER								This Change:	\$2,265.00
Supplemental Description 1:										Prev Revised:	\$1,300.00
Supplemental Description 2:										Final Amount:	\$3,565.00
										Bid Contract:	\$1,300.00
										Net Change:	\$2,265.00
										PCT Change:	174.23 %
Explanations:		The amount of removal needed was more than per plan, therefore the placement overran as well.									
35192(04)	0170	0100	619(B)6364	SY	\$20.00	7.00	7.00	0.00	7.00		
Item Description:		REMOVAL OF ASPHALT PAVEMENT								This Change:	\$0.00
Supplemental Description 1:										Prev Revised:	\$140.00
Supplemental Description 2:										Final Amount:	\$140.00
										Bid Contract:	\$140.00
										Net Change:	\$0.00
										PCT Change:	0.00 %
Explanations:		The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0180	0100	619(B)6368	EA	\$750.00	1.00	1.00	0.00	1.00		
Item Description:		REMOVAL OF DRAINAGE INLETS								This Change:	\$0.00
Supplemental Description 1:										Prev Revised:	\$750.00
Supplemental Description 2:										Final Amount:	\$750.00
										Bid Contract:	\$750.00
										Net Change:	\$0.00
										PCT Change:	0.00 %
Explanations:		The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0190	0100	619(B)6380	SY	\$15.00	202.00	202.00	-3.05	198.95		
Item Description:		REMOVAL OF CONCRETE DRIVEWAY								This Change:	\$-45.75
Supplemental Description 1:										Prev Revised:	\$3,030.00
Supplemental Description 2:										Final Amount:	\$2,984.25
										Bid Contract:	\$3,030.00
										Net Change:	\$-45.75
										PCT Change:	-1.50 %
Explanations:		The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.									
35192(04)	0200	0100	619(B)6404	SY	\$15.00	108.00	108.00	5.16	113.16		
Item Description:		REMOVAL OF SIDEWALK								This Change:	\$77.40
Supplemental Description 1:										Prev Revised:	\$1,620.00
Supplemental Description 2:										Final Amount:	\$1,697.40
										Bid Contract:	\$1,620.00
										Net Change:	\$77.40
										PCT Change:	4.77 %
Explanations:		The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.									

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuilt Qty	Amount of Change
35192(04)	0210	0100	619(B)6464	SY	\$18.00	23.00	23.00	0.00	23.00	
	Item Description: REMOVAL OF 6" CONCRETE DIVIDING STRIP Supplemental Description 1: Supplemental Description 2:									
										This Change: \$0.00 Prev Revised: \$414.00 Final Amount: \$414.00 Bid Contract: \$414.00 Net Change: \$0.00 PCT Change: 0.00 %
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0220	0100	622(A)0200	LF	\$350.00	25.00	25.00	-25.00	0.00	
	Item Description: PIPE RAILING Supplemental Description 1: Supplemental Description 2:									
										This Change: \$-8,750.00 Prev Revised: \$8,750.00 Final Amount: \$0.00 Bid Contract: \$8,750.00 Net Change: \$-8,750.00 PCT Change: -100 %
	Explanations: This item was not needed on the project based on the site conditions and the work performed.									
35192(04)	0230	0300	802(B)0320	LF	\$50.00	20.00	20.00	-20.00	0.00	
	Item Description: 2" PVC SCH.40 PLASTIC CONDUIT BORED Supplemental Description 1: Supplemental Description 2:									
										This Change: \$-1,000.00 Prev Revised: \$1,000.00 Final Amount: \$0.00 Bid Contract: \$1,000.00 Net Change: \$-1,000.00 PCT Change: -100 %
	Explanations: Less conduit was needed because the existing conduit was in good enough condition to be reused.									
35192(04)	0240	0300	802(B)0324	LF	\$15.00	195.00	195.00	-104.58	90.42	
	Item Description: 2" PVC SCH.40 PLASTIC CONDUIT TRENCHED Supplemental Description 1: Supplemental Description 2:									
										This Change: \$-1,568.70 Prev Revised: \$2,925.00 Final Amount: \$1,356.30 Bid Contract: \$2,925.00 Net Change: \$-1,568.70 PCT Change: -53.63 %
	Explanations: Less conduit was needed because the existing conduit was in good enough condition to be reused.									
35192(04)	0250	0300	802(B)0328	LF	\$55.00	580.00	580.00	-389.75	190.25	
	Item Description: 3" PVC SCH.40 PLASTIC CONDUIT BORED Supplemental Description 1: Supplemental Description 2:									
										This Change: \$-21,436.25 Prev Revised: \$31,900.00 Final Amount: \$10,463.75 Bid Contract: \$31,900.00 Net Change: \$-21,436.25 PCT Change: -67.19 %
	Explanations: Less conduit was needed because the existing conduit was in good enough condition to be reused.									
35192(04)	0260	0300	803(A)1210	EA	\$1,110.00	7.00	7.00	2.00	9.00	
	Item Description: PULL BOX(SIZE I) Supplemental Description 1: Supplemental Description 2:									
										This Change: \$2,220.00 Prev Revised: \$7,770.00 Final Amount: \$9,990.00 Bid Contract: \$7,770.00 Net Change: \$2,220.00 PCT Change: 28.57 %
	Explanations: The pipe and pull boxes were extended by 2 feet based on site conditions.									
35192(04)	0270	0300	804(A)2200	CY	\$1,000.00	15.00	15.00	-5.66	9.34	
	Item Description: STRUCTURAL CONCRETE Supplemental Description 1: Supplemental Description 2:									
										This Change: \$-5,660.00 Prev Revised: \$15,000.00 Final Amount: \$9,340.00 Bid Contract: \$15,000.00 Net Change: \$-5,660.00 PCT Change: -37.73 %
	Explanations: This pay item was underrun due to some existing poles that were able to be utilized on the project.									
35192(04)	0280	0300	804(B)2300	LB	\$2.35	1,417.00	1,417.00	-330.50	1,086.50	
	Item Description: REINFORCING STEEL Supplemental Description 1: Supplemental Description 2:									
										This Change: \$-776.67 Prev Revised: \$3,329.95 Final Amount: \$2,553.27 Bid Contract: \$3,329.95 Net Change: \$-776.67 PCT Change: -23.32 %
	Explanations: This pay item was underrun due to some existing poles that were able to be utilized on the project.									

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuilt Qty	Amount of Change
35192(04)	0290	0300	805(A)3252	EA	\$100.00	11.00	11.00	0.00	11.00	
	Item Description: (PL)REMOVAL OF EXISTING SIGNS								This Change:	\$0.00
	Supplemental Description 1:								Prev Revised:	\$1,100.00
	Supplemental Description 2:								Final Amount:	\$1,100.00
									Bid Contract:	\$1,100.00
									Net Change:	\$0.00
									PCT Change:	0.00 %
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0300	0300	805(A)3256	LS	\$16,150.00	1.00	1.00	0.00	1.00	
	Item Description: (PL)REMOVAL OF TRAFFIC SIGNAL EQUIPMENT								This Change:	\$0.00
	Supplemental Description 1:								Prev Revised:	\$16,150.00
	Supplemental Description 2:								Final Amount:	\$16,150.00
									Bid Contract:	\$16,150.00
									Net Change:	\$0.00
									PCT Change:	0.00 %
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0310	0300	805(B)3300	EA	\$850.00	3.00	3.00	-3.00	0.00	
	Item Description: (PL)RESET OF PULL BOX								This Change:	-\$2,550.00
	Supplemental Description 1:								Prev Revised:	\$2,550.00
	Supplemental Description 2:								Final Amount:	\$0.00
									Bid Contract:	\$2,550.00
									Net Change:	-\$2,550.00
									PCT Change:	-100 %
	Explanations: This item was not needed on the project based on the site conditions and the work performed.									
35192(04)	0320	0300	805(D)3528	EA	\$250.00	11.00	11.00	0.00	11.00	
	Item Description: (PL)REMOVE & RESET EXISTING SIGNS								This Change:	\$0.00
	Supplemental Description 1:								Prev Revised:	\$2,750.00
	Supplemental Description 2:								Final Amount:	\$2,750.00
									Bid Contract:	\$2,750.00
									Net Change:	\$0.00
									PCT Change:	0.00 %
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0330	0300	806(A)4252	EA	\$24,500.00	1.00	1.00	0.00	1.00	
	Item Description: 32'MH POLE 40'TS & 10'LMA(G.STL.)								This Change:	\$0.00
	Supplemental Description 1:								Prev Revised:	\$24,500.00
	Supplemental Description 2:								Final Amount:	\$24,500.00
									Bid Contract:	\$24,500.00
									Net Change:	\$0.00
									PCT Change:	0.00 %
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0340	0300	806(B)4400	EA	\$995.00	5.00	5.00	-2.00	3.00	
	Item Description: 6' MTG.HT.TS PED.POLE(G.STL.)								This Change:	-\$1,990.00
	Supplemental Description 1:								Prev Revised:	\$4,975.00
	Supplemental Description 2:								Final Amount:	\$2,985.00
									Bid Contract:	\$4,975.00
									Net Change:	-\$1,990.00
									PCT Change:	-40.00 %
	Explanations: This line item was adjusted because one intersection was already updated.									
35192(04)	0350	0300	806(B)4412	EA	\$1,095.00	8.00	8.00	1.00	9.00	
	Item Description: 12' MTG.HT.TS PED.POLE(G.STL.)								This Change:	\$1,095.00
	Supplemental Description 1:								Prev Revised:	\$8,760.00
	Supplemental Description 2:								Final Amount:	\$9,855.00
									Bid Contract:	\$8,760.00
									Net Change:	\$1,095.00
									PCT Change:	12.50 %
	Explanations: A pole was added to an intersection due to the deteriorated conditions of the existing pole.									
35192(04)	0360	0300	809(A)7200	EA	\$870.00	1.00	1.00	0.00	1.00	
	Item Description: ROADWAY LUMINAIRE								This Change:	\$0.00
	Supplemental Description 1:								Prev Revised:	\$870.00
	Supplemental Description 2:								Final Amount:	\$870.00

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuil Qty	Amount of Change
										Bid Contract: \$870.00
										Net Change: \$0.00
										PCT Change: 0.00 %
	Explanations:	The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.								
35192(04)	0370	0300	811 9130	LF	\$3.00	365.00	365.00	43.00	408.00	
	Item Description:	1/C NO.10 ELECT.COND.								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$129.00
										Prev Revised: \$1,095.00
										Final Amount: \$1,224.00
										Bid Contract: \$1,095.00
										Net Change: \$129.00
										PCT Change: 11.78 %
	Explanations:	More wire was needed than per plan to ensure all pedestrian movements were operational.								
35192(04)	0380	0300	828 0100	LS	\$29,390.00	1.00	1.00	0.00	1.00	
	Item Description:	(PL)DETECTION SYSTEM (VIDEO)								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$0.00
										Prev Revised: \$29,390.00
										Final Amount: \$29,390.00
										Bid Contract: \$29,390.00
										Net Change: \$0.00
										PCT Change: 0.00 %
	Explanations:	The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.								
35192(04)	0390	0300	830 2100	EA	\$1,215.00	30.00	30.00	-5.00	25.00	
	Item Description:	PEDESTRIAN PUSH BUTTON								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$-6,075.00
										Prev Revised: \$36,450.00
										Final Amount: \$30,375.00
										Bid Contract: \$36,450.00
										Net Change: \$-6,075.00
										PCT Change: -16.66 %
	Explanations:	This quantity represents what was placed on new and existing poles.								
35192(04)	0400	0300	831 3116	EA	\$660.00	30.00	30.00	-5.00	25.00	
	Item Description:	1WAY2SEC.ADJ.PED.SIG.HD.S-20								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$-3,300.00
										Prev Revised: \$19,800.00
										Final Amount: \$16,500.00
										Bid Contract: \$19,800.00
										Net Change: \$-3,300.00
										PCT Change: -16.66 %
	Explanations:	This quantity represents what was placed on new and existing poles.								
35192(04)	0410	0300	831 3120	EA	\$770.00	2.00	2.00	0.00	2.00	
	Item Description:	1WAY3SEC.ADJ.SIG.HD.S-6								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$0.00
										Prev Revised: \$1,540.00
										Final Amount: \$1,540.00
										Bid Contract: \$1,540.00
										Net Change: \$0.00
										PCT Change: 0.00 %
	Explanations:	The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.								
35192(04)	0420	0300	831 3144	EA	\$990.00	4.00	4.00	0.00	4.00	
	Item Description:	1WAY4SEC.ADJ.SIG.HD.S-13								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$0.00
										Prev Revised: \$3,960.00
										Final Amount: \$3,960.00
										Bid Contract: \$3,960.00
										Net Change: \$0.00
										PCT Change: 0.00 %
	Explanations:	The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.								
35192(04)	0430	0300	833 5100	EA	\$440.00	12.00	12.00	0.00	12.00	
	Item Description:	BACKPLATE								
	Supplemental Description 1:									
	Supplemental Description 2:									
										This Change: \$0.00
										Prev Revised: \$5,280.00
										Final Amount: \$5,280.00
										Bid Contract: \$5,280.00
										Net Change: \$0.00
										PCT Change: 0.00 %
	Explanations:	The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.								

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuilt Qty	Amount of Change
35192(04)	0440	0300	834(A)6200	LF	\$3.50	300.00	300.00	-140.00	160.00	
	Item Description: 2/C TRAFFIC SIGNAL ELECTRICAL CABLE									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: Less wire was needed than per plan based on poles and push buttons.									
35192(04)	0450	0300	834(A)6205	LF	\$4.25	4,310.00	4,310.00	-1,072.00	3,238.00	
	Item Description: 5/C TRAFFIC SIGNAL ELECTRICAL CABLE									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: Less wire was needed than per plan based on poles and push buttons.									
35192(04)	0460	0300	834(A)6210	LF	\$5.50	905.00	905.00	15.00	920.00	
	Item Description: 7/C TRAFFIC SIGNAL ELECTRICAL CABLE									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: More wire was needed than per plan to ensure all pedestrian movements were operational.									
35192(04)	0470	0300	834(A)6225	LF	\$9.00	415.00	415.00	1,135.00	1,550.00	
	Item Description: 15/C TRAFFIC SIGNAL ELECTRICAL CABLE									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: This quantity represents the final quantity needed based on field conditions.									
35192(04)	0480	0300	836 7100	EA	\$7,820.00	18.00	18.00	0.00	18.00	
	Item Description: REGULATORY OR WARNING SIGN ASSEMBLY									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0490	0300	840(B)0300	EA	\$4,775.00	2.00	2.00	0.00	2.00	
	Item Description: E.P.S. OPTICAL DETECTOR									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: The final asbuilt quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.									
35192(04)	0500	0300	840(C)0400	LF	\$3.85	1,000.00	1,000.00	-800.00	200.00	
	Item Description: E.P.S. OPTICAL DETECTOR CABLE									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:
										Net Change:
										PCT Change:
	Explanations: The final quantity reflects the amount of cable required for the two optical detectors installed on the project.									
35192(04)	0510	0300	840(D)0500	EA	\$4,886.00	2.00	2.00	0.00	2.00	
	Item Description: E.P.S. 2 CHANNEL PHASE SELECTOR									This Change:
	Supplemental Description 1:									Prev Revised:
	Supplemental Description 2:									Final Amount:
										Bid Contract:

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuil Qty	Amount of Change
										Net Change: \$0.00
										PCT Change: 0.00 %
										Explanations: The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.
35192(04)	0520	0300	850(A)1200	SF	\$55.00	252.00	252.00	12.50	264.50	
										Item Description: SHEET ALUMINUM SIGNS
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$687.50
										Prev Revised: \$13,860.00
										Final Amount: \$14,547.50
										Bid Contract: \$13,860.00
										Net Change: \$687.50
										PCT Change: 4.96 %
										Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.
35192(04)	0530	0300	850(C)1400	SF	\$75.00	30.00	30.00	16.50	46.50	
										Item Description: MAST ARM MOUNTED SIGNS(ALUM.)
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$1,237.50
										Prev Revised: \$2,250.00
										Final Amount: \$3,487.50
										Bid Contract: \$2,250.00
										Net Change: \$1,237.50
										PCT Change: 55.00 %
										Explanations: This line item was overrun due to the replacement of a couple of existing signs that were in poor condition.
35192(04)	0540	0300	851(B)2305	LF	\$15.00	468.00	468.00	24.00	492.00	
										Item Description: 2"@3.65 GALV.STL.PIPE POST
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$360.00
										Prev Revised: \$7,020.00
										Final Amount: \$7,380.00
										Bid Contract: \$7,020.00
										Net Change: \$360.00
										PCT Change: 5.12 %
										Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.
35192(04)	0550	0300	856(A)8200	LF	\$1.75	2,303.00	2,303.00	-1,073.00	1,230.00	
										Item Description: TRAFFIC STRIPE(MULTI-POLY.)(4" WIDE)
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$-1,877.75
										Prev Revised: \$4,030.25
										Final Amount: \$2,152.50
										Bid Contract: \$4,030.25
										Net Change: \$-1,877.75
										PCT Change: -46.59 %
										Explanations: These line items represent what was put in place for final pavement markings.
35192(04)	0560	0300	856(A)8208	LF	\$2.15	2,416.00	2,416.00	-272.00	2,144.00	
										Item Description: TRAFFIC STRIPE(MULTI-POLY.)(8" WIDE)
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$-584.80
										Prev Revised: \$5,194.40
										Final Amount: \$4,609.60
										Bid Contract: \$5,194.40
										Net Change: \$-584.80
										PCT Change: -11.25 %
										Explanations: These line items represent what was put in place for final pavement markings.
35192(04)	0570	0300	856(A)8212	LF	\$2.75	110.00	110.00	-110.00	0.00	
										Item Description: TRAFFIC STRIPE(MULTI-POLY.)(12" WIDE)
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$-302.50
										Prev Revised: \$302.50
										Final Amount: \$0.00
										Bid Contract: \$302.50
										Net Change: \$-302.50
										PCT Change: -100 %
										Explanations: This item was not needed on the project based on the site conditions and the work performed.
35192(04)	0580	0300	856(A)8216	LF	\$9.00	436.00	436.00	-16.00	420.00	
										Item Description: TRAFFIC STRIPE(MULTI-POLY.)(24" WIDE)
										Supplemental Description 1:
										Supplemental Description 2:
										This Change: \$-144.00
										Prev Revised: \$3,924.00
										Final Amount: \$3,780.00
										Bid Contract: \$3,924.00
										Net Change: \$-144.00
										PCT Change: -3.66 %
										Explanations: The final quantity is within 5% of the original plan quantity and the final cost of this item is within \$10,000 of the original item total cost.

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuil Qty	Amount of Change
35192(04)	0590	0300	856(B)8304	EA	\$400.00	6.00	6.00	12.00	18.00	
Item Description: TRAFFIC STRIPE(MULTI-POLY.)(ARROWS)									This Change:	\$4,800.00
Supplemental Description 1:									Prev Revised:	\$2,400.00
Supplemental Description 2:									Final Amount:	\$7,200.00
									Bid Contract:	\$2,400.00
									Net Change:	\$4,800.00
									PCT Change:	200.00 %
Explanations: These line items represent what was put in place for final pavement markings.										
35192(04)	0600	0300	857(F)9700	LF	\$1.65	2,746.00	2,746.00	3,504.00	6,250.00	
Item Description: PAVEMENT MRKNG.REMOVAL(TRAF.STRP)									This Change:	\$5,781.60
Supplemental Description 1:									Prev Revised:	\$4,530.90
Supplemental Description 2:									Final Amount:	\$10,312.50
									Bid Contract:	\$4,530.90
									Net Change:	\$5,781.60
									PCT Change:	127.60 %
Explanations: The final quantity represents all of the removals for the project.										
35192(04)	0610	0301	876(A)3210	SD	\$15.00	10.00	10.00	-10.00	0.00	
Item Description: (PL)TRUCK MOUNTED ATTENUATOR									This Change:	\$-150.00
Supplemental Description 1:									Prev Revised:	\$150.00
Supplemental Description 2:									Final Amount:	\$0.00
									Bid Contract:	\$150.00
									Net Change:	\$-150.00
									PCT Change:	-100 %
Explanations: This item was not needed on the project based on the site conditions and the work performed.										
35192(04)	0620	0301	880(B)6300	SD	\$0.10	4,680.00	4,680.00	-4,680.00	0.00	
Item Description: CONSTRUCTION SIGNS 0 TO 6.25 SF									This Change:	\$-468.00
Supplemental Description 1:									Prev Revised:	\$468.00
Supplemental Description 2:									Final Amount:	\$0.00
									Bid Contract:	\$468.00
									Net Change:	\$-468.00
									PCT Change:	-100 %
Explanations: This item was not needed on the project based on the site conditions and the work performed.										
35192(04)	0630	0301	880(B)6310	SD	\$0.10	1,800.00	1,800.00	-1,800.00	0.00	
Item Description: CONSTRUCTION SIGNS 6.26 SF TO 15.99 SF									This Change:	\$-180.00
Supplemental Description 1:									Prev Revised:	\$180.00
Supplemental Description 2:									Final Amount:	\$0.00
									Bid Contract:	\$180.00
									Net Change:	\$-180.00
									PCT Change:	-100 %
Explanations: This item was not needed on the project based on the site conditions and the work performed.										
35192(04)	0640	0301	880(B)6320	SD	\$0.10	2,160.00	2,160.00	-2,027.00	133.00	
Item Description: CONSTRUCTION SIGNS 16.0 SF TO 32.99 SF									This Change:	\$-202.70
Supplemental Description 1:									Prev Revised:	\$216.00
Supplemental Description 2:									Final Amount:	\$13.30
									Bid Contract:	\$216.00
									Net Change:	\$-202.70
									PCT Change:	-93.84 %
Explanations: Construction signage was less than per plan based on the work of the contractors. Not as many signs were needed and the contractor worked faster than expected.										
35192(04)	0650	0301	880(C)6410	SD	\$0.10	1,080.00	1,080.00	-1,024.00	56.00	
Item Description: CONSTRUCTION BARRICADES(TYPE III)									This Change:	\$-102.40
Supplemental Description 1:									Prev Revised:	\$108.00
Supplemental Description 2:									Final Amount:	\$5.60
									Bid Contract:	\$108.00
									Net Change:	\$-102.40
									PCT Change:	-94.81 %
Explanations: Construction signage was less than per plan based on the work of the contractors. Not as many signs were needed and the contractor worked faster than expected.										
35192(04)	0660	0301	880(E)6607	SD	\$0.10	2,160.00	2,160.00	-1,939.00	221.00	
Item Description: WARNING LIGHTS(TYPE B)									This Change:	\$-193.90
Supplemental Description 1:									Prev Revised:	\$216.00
Supplemental Description 2:									Final Amount:	\$22.10
									Bid Contract:	\$216.00
									Net Change:	\$-193.90
									PCT Change:	-89.76 %

Prj Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev. Apprvd Qty	Curr CO Qty	Final Asbuil Qty	Amount of Change
Explanations: Construction signage was less than per plan based on the work of the contractors. Not as many signs were needed and the contractor worked faster than expected.										
35192(04)	0670	0301	880(F)6700	SD	\$0.20	7,920.00	7,920.00	-7,920.00	0.00	
Item Description: DRUMS Supplemental Description 1: Supplemental Description 2:										This Change: \$-1,584.00 Prev Revised: \$1,584.00 Final Amount: \$0.00 Bid Contract: \$1,584.00 Net Change: \$-1,584.00 PCT Change: -100 %
Explanations: This item was not needed on the project based on the site conditions and the work performed.										
35192(04)	0680	0301	880(G)6805	SD	\$0.75	3,600.00	3,600.00	-2,861.00	739.00	
Item Description: CHANNELIZER CONES Supplemental Description 1: Supplemental Description 2:										This Change: \$-2,145.75 Prev Revised: \$2,700.00 Final Amount: \$554.25 Bid Contract: \$2,700.00 Net Change: \$-2,145.75 PCT Change: -79.47 %
Explanations: Construction signage was less than per plan based on the work of the contractors. Not as many signs were needed and the contractor worked faster than expected.										
35192(04)	0690	0301	882(A)8210	SD	\$3.00	720.00	720.00	-720.00	0.00	
Item Description: PORT.CHANGEABLE MESSAGE SIGN Supplemental Description 1: Supplemental Description 2:										This Change: \$-2,160.00 Prev Revised: \$2,160.00 Final Amount: \$0.00 Bid Contract: \$2,160.00 Net Change: \$-2,160.00 PCT Change: -100 %
Explanations: This item was not needed on the project based on the site conditions and the work performed.										
35192(04)	0700	0600	642(B)3300	LS	\$4,750.00	1.00	1.00	0.00	1.00	
Item Description: CONSTRUCTION STAKING LEVEL II Supplemental Description 1: Supplemental Description 2:										This Change: \$0.00 Prev Revised: \$4,750.00 Final Amount: \$4,750.00 Bid Contract: \$4,750.00 Net Change: \$0.00 PCT Change: 0.00 %
Explanations: The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.										
35192(04)	0710	0640	641 2110	LS	\$58,000.00	1.00	1.00	0.00	1.00	
Item Description: MOBILIZATION Supplemental Description 1: Supplemental Description 2:										This Change: \$0.00 Prev Revised: \$58,000.00 Final Amount: \$58,000.00 Bid Contract: \$58,000.00 Net Change: \$0.00 PCT Change: 0.00 %
Explanations: The final asbuil quantity is equivalent to the bid quantity or, is equivalent to the amount approved on a previous change order.										
35192(04)	8000	0300	825(A)8200	EA	\$11,250.00	0.00	2.00	1.00	3.00	
Item Description: SIGNAL SYSTEM CONTROLLER UPGRADE Supplemental Description 1: Flashing Yellow upgrade Supplemental Description 2:										This Change: \$11,250.00 Prev Revised: \$22,500.00 Final Amount: \$33,750.00 Bid Contract: \$0.00 Net Change: \$33,750.00 PCT Change: 100.00 %
Explanations: An additional controller was identified for replacement after change order #2 was finalized. The final quantity includes the extra controller upgrade.										

TOTAL VALUE FOR CHANGE ORDER 003 : \$-29,205.53

Contract ID	210331	Primary County	OKLAHOMA	Primary PCN	35192(04)
Change Order Nbr	003	Project	STPG-255B(554)AG		

Local Government Section

I acknowledge the work indicated on this Change Order. I understand the final costs of this work will be reflected in the final cost apportionment.

_____ *City/County Official*

_____ *Date Acknowledged*



**Engineering and
Construction Services**
100 N Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1220

TO : Honorable Mayor and Council

FROM : Brandon Bundy, P.E., Director

DATE : January 24, 2023

SUBJECT : Discussion, consideration, and possible action of approving change order #12 amending the contract with Shiloh Enterprises, Inc. to construct the WP Bill Atkinson Park adding \$117,053.46 and 150 days of time to the contract.

The attached change order is for the construction of the WP Bill Atkinson Park. This change order is a culmination of various field changes.

COR #24 – Dog Park Revised: \$117,843.46, 120 days. When the project was awarded on March 23, 2021, the alternate for the designed dog park was not awarded because it came in over the budgeted funds. The desire has always been to have a dog park component of this park and staff has continually worked with the contractor to revise the dog park scope to make it more affordable. This revised scope will allow the City to have one fenced in area for dogs complete with a water source and sidewalks. This scope is such that future amenities can be added as funds allow.

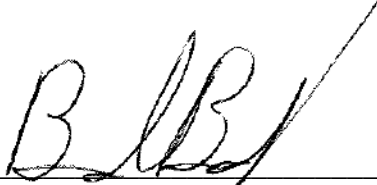
COR #48 – Furnish and Install Ladder Guards: \$0.00, 18 days. There are roof ladders located in both sides of the hanger structure. This item would have the contractor furnish and install guards to prevent unauthorized climbing of the ladders should someone be in the buildings (primarily during events when park is in use).

COR #49 – Furnish and Install Thermostat Covers: \$0.00, 12 days. There are 7 thermostats located around the hanger structure in its various rooms; many of which will have public access during special events. The contractor will furnish and install thermostat covers to prevent unauthorized changing of the thermostat settings.

COR #50 – Credit for setting statue: -\$790.00, 0 days. The statue for WP Bill Atkinson existing in Charles Johnson Park at the beginning of this project and a pedestal was built in the new park with the intention of the general contractor moving the statue. However, moving the statue became a difficult endeavor involving multiple vendors of the City's choosing. Therefore, the City took over ownership of moving the statue so that the proper upgrades could be made and yielding a better product. This credit is from the contractor for not setting the statue themselves. City crews will later set the statue once it has been properly refurbished.

This will change the contract price to \$5,389,726.54 and add an additional 150 days to bring the new contract length to 715 total days (04/25/2023 contracted end date).

The funding for this project is appropriated in project #9219G1.

A handwritten signature in black ink, appearing to read 'B. Bundy', is written over a horizontal line. The signature is stylized and includes a long, sweeping flourish that extends upwards and to the right.

Brandon Bundy, P.E.,
Director of Engineering and Construction Services

Attachment

Change Order 12

Project:

WP Bill Atkinson Park
301 E Mid-America Blvd
Midwest City, OK 73110

Owner:

City of Midwest City
100 N Midwest Blvd
Midwest City, OK 73110

Contractor:

Shiloh Enterprises, Inc.
5720 N. Industrial Blvd.
Edmond, OK 73034

Contract Information:

General Construction
effective 04/23/2021

Change Order: 12

Date: 01/24/2023

The Contract is Changed as Follows:

COR 24	Dog Park Revised	\$117,843.46	120 Days
COR 48	Furnish and Install Ladder Guards	\$0.00	18 Days
COR 49	Furnish and Install Thermostat Covers	\$0.00	12 Days
COR 50	Credit for setting statue	-\$790.00	0 Days
Total		\$117,053.46	150 Days

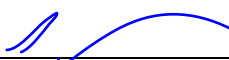
The original contract:	<u>\$5,198,000.00</u>	365 Days
The net change by previously authorized Change Orders	<u>\$74,673.08</u>	200 Days
The Contract Sum prior to this Change Order was	<u>\$5,272,673.08</u>	565 Days
The Contract Sum will be increased by this Change Order in the amount of	<u>\$117,053.46</u>	150 Days
The new Contract Sum including this Change Order will be	<u>\$5,389,726.54</u>	715 Days

Note: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE CONTRACTOR AND OWNER.

Shiloh Enterprises, Inc.
CONTRACTOR

City of Midwest City
OWNER



SIGNATURE

SIGNATURE

Steve Preston, President
PRINTED NAME AND TITLE

PRINTED NAME AND TITLE

1/12/2023
DATE

DATE



GENERAL CONSTRUCTION
MANAGEMENT

5720 N. I-35 Industrial Blvd.
Edmond, Ok. 73034

405-341-5500 Phone

405-341-7106 Fax

1/3/2023

**WP Bill Atkinson Park
COR 24-Dog Park Revised**

	ADD	DEDUCT
Owens-Demo stumps & dirtwork	\$10,500.00	
Silt Fencing	\$1,200.00	
Orange Temp Fence	\$1,500.00	
R&B Concrete-Sidewalks	\$26,530.00	
Sod Only-42,000 sq ft @ .42	\$17,640.00	
Michalski-Yard Hydrant	\$6,500.00	
Waste Station \$1,700 each x 1	\$1,700.00	
Benches \$600 each x 4	\$2,400.00	
In ground waste \$2,365 each x 1	\$2,365.00	
Superior-Fencing 4' no bottom rail	\$23,650.00	
Prefabbed Mow Strip-Material	\$2,945.42	
Mow Strip-Labor	\$3,200.00	
General Labor	\$1,000.00	
Supervision	\$6,000.00	

Note: This work will add 120 days to the contract time.

Subtotal	\$107,130.42
OH&P 10%	\$10,713.04
Total	\$117,843.46



PROPOSAL

Date: 12/15/2022

Project Name: WP Bill Atkinson Park

Project Location: Midwest City, OK

Earthwork Bid: \$10,500.00

Scope of Work:

- Mobilization
- Demo of curb and tree stumps
- Sawcuts on curb
- Grading of sidewalk
- Final grade and backfill of sidewalk

Please refer any questions to:

Payte Owen

405-880-3456

payteowen@dowenconstructionllc.com

4000 S Harvey, Norman, OK 73072

Office: 405-360-8786



2201 N Westminster
OKC, OK 73141
405-655-3295

Proposal to: **Shilo**

Date: **December 15, 2022**

Job: **WP Atkinson Park - Dog Area Walks**

Estimator: **Rodger Beagley**
405-655-3295

Scope: **Concrete Scope**

rbestimating@icloud.com

Breakdown

Ready Mix Supply	\$1,685.00
Winter Add Mixture (Hot Water & Accelerator)	\$350.00
Welded Wire Reinforcing	\$1,950.00
Wash Out Basins	\$1,300.00
Forming Material	\$775.00
Truncated ADA Dome Supply	\$295.00
Expansion & Sealants	\$750.00
Labor & Tools	\$13,500.00
Buggies to Transport Ready Mix	\$625.00
Winter Blankets & Labor	\$1,800.00
Profit & Overhead	\$3,500.00
Proposal Total	\$26,530.00

Exclusions:

- Bonding
- Survey
- Permits
- Testing Costs
- Steel Embeds Supply - Bolts Etc
- Grass Removal & Grass Repairs
- Steel Embeds Supply - Bolts Etc
- Landscaping
- Dewatering
- SWPPP
- Traffic Control
- Demolition
- All Other Site Concrete Work
- Demo & All Dirt Work

Michalski Plumbing Co. LLC

1235 Sovereign Row Suite C8
Oklahoma City, Oklahoma 73108
(405) 779-9575

PROPOSAL

Date: January 3, 2023

Proposal # 2023-1

PROJECT: WP ATKINSON DOG PARK ALT. YARD HYDRANT C/O

We propose to furnish all labor and material necessary to complete the plumbing portion of work to install one Woodford S-3 yard hydrant. As discussed on site, tie in point at West Mid America Blvd & West Rickenbacker Dr.

PLUMBING ONLY

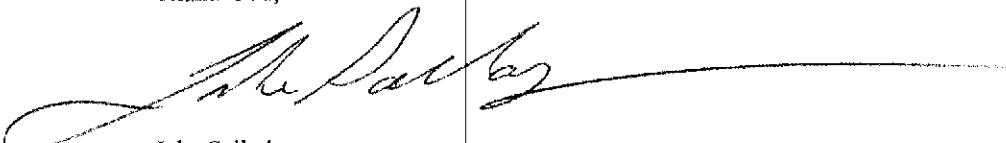
TOTAL.....\$ 6,500.00

Included

1-Woodford S-3 2' Bury Yard Hydrant
160' of 1" Uponor Water Service and Related Piping

Quote firm for thirty days from date of proposal

Thank You,



Jake Salladay



P.O. BOX 892928
 Oklahoma City, OK 73189
 (405) 616-9203 Phone
 (405) 616-9204 Fax
 www.superiorfenceok.com

Estimate

Date	Estimate #
12/5/2022	39802

Name / Address
Shiloh Enterprises, Inc. 5720 N. I-35 Industrial Ave. Edmond, OK 73034 341-5500 ph 341-7106 fax estimating@shiloh-inc.com

Ship To
WP Bill Atkinson SECONDARY DOG PARK MW City

Rep
CH

Description	Total
670' of 4' tall x 8 gauge Black Vinyl Coated Chain Link Fence with 1 3/8" top rail with 1 7/8" x 6' line post on 10' centers with 2 3/8" x 6' term post, 3 - 4' gates, 1 - 10' Single Gate with 3" hinge post Tru Close Hinges, top pull magna latch All post, rail and fittings - Black in color 8" x 24" cement footing Upgrade to 4' x 6 gauge Fabric add \$ 1,750.00 Increase Height to 5' x 8 gauge \$ 23,750.00 Upgrade to 5' x 6 gauge fabric add \$ 2,200.00 Add 1 3/8" bottom rail add \$ 4,000.00 to total 670' - 8" x 12" cement mow strip, haul off spoils add \$ 28,000.00	23,650.00

Proposed By: <u>[Signature]</u> Date: <u>12-5-22</u>	Total \$23,650.00
---	-----------------------------

This proposal may be withdrawn by Superior Fence Construction Inc. if not accepted within 7 days. The above prices, specifications and conditions are satisfactory and accepted. Superior Fence Construction Inc. is hereby authorized to perform the work as specifies: LOCATING LINES DOES NOT INCLUDE sprinkler lines, french drains, or utility drops to the home, therefore Superior Fence Construction Inc. WILL NOT BE RESPONSIBLE FOR ALL SAID LINES. All balances due upon completion. NOTICE TO OWNER: you are hereby notified that any person performing labor on your property or furnishing materials for the construction, repair, or improvements of your property will be entitled to put a lien against your property, if they are not paid in full. This lien can be enforced by the sale of your property. Above prices are based on normal digging conditions. ALL CREDIT CARD PAYMENTS WILL HAVE A 3% FEE THAT WILL BE ADDED TO YOUR BILL.

Accepted: _____ Date: _____

Steve Preston

From: Your Fence Store - Info <info@yourfencestore.com>
Sent: Friday, December 16, 2022 4:20 PM
To: steve@shiloh-inc.com
Subject: RE: Mowstrip Quote

Flag Status: Flagged

Steve,

Here is the quote for the Mowstrip that you requested.

Mowstrip Quote

**Quote
Number:** Q221216-85

Qty	Description	Price	Total
	6 Foot Sections (68" long x 10" wide)	\$21.31	\$0.00
	8 Foot Sections (92" long x 10" wide)	\$28.42	\$0.00
67	10 Foot Sections (116" long x 10" wide)	\$35.52	\$2,379.84
	"A" Intersection 1 3/4" round pre-cut hole (2" & 2 1/2" knock out)	\$4.61	\$0.00
67	"B" Intersection 2 1/2" round pre-cut hole (3" & 4" knock out)	\$4.61	\$308.87
	"C" Intersection 2" square pre-cut hole (2 1/2" knock out)	\$4.61	\$0.00
	"D" Intersection 3 1/2" square pre-cut hole (3 3/4" & 4" knock out)	\$4.61	\$0.00
	"E" Intersection 3" square pre-cut hole (4" & 5" knock out)	\$4.61	\$0.00
	"F" Intersection Blank (no hole)	\$4.20	\$0.00
		Shipping	\$256.71
		Total	\$2,945.42

Installation not included - materials only.

Quote good for 30 days.

Product is non-returnable.

If you would like to order, click on the below link to order online.

<https://www.yourfencestore.com/misc/order.aspx>

Please let us know if you have any questions.

Company: Shiloh Enterprises, Inc

Name: Steve Preston

Address: 5720 N. Industrial Blvd

City: Edmond

State: OK

Zip: 73034



GENERAL CONSTRUCTION
 MANAGEMENT
 5720 N. I-35 Industrial Blvd.
 Edmond, Ok. 73034

405-341-5500 Phone
 405-341-7106 Fax

1/4/2023

WP Bill Atkinson Park
COR 48-Furnish and Install Ladder Guards

	ADD	DEDUCT
Shiloh Equipment	\$0.00	
Shiloh Labor	\$0.00	

Note: This work will add 18 days to the contract time.

Subtotal	\$0.00
OH&P 10%	\$0.00
Total Add	\$0.00

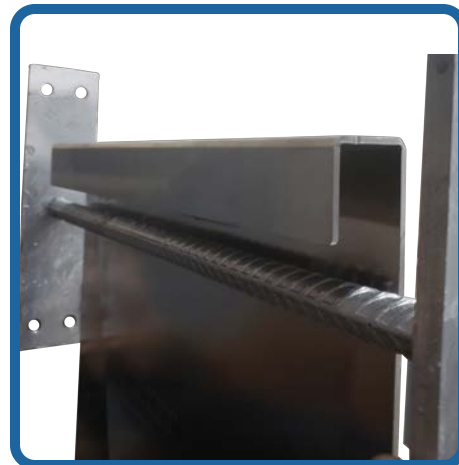
EZ LADDER GUARD

Reduce risk and liability associated with unauthorized ladder access with the lightest, longest-lasting, and easiest installing ladder guard on the market.

Part #	Dimensions	Material
FL-LGEXIST-02	78" H x 15" W - 0.125" THKNS	5052 Aluminum
FL-LGDFFP-02	78" H x 18" W - 0.125" THKNS	5052 Aluminum

- Corrosion-resistant 5012 Aluminum construction
- Two sizes to fit most commercially available ladders
- Hook mount, hinge free design eliminates pinch points
- Accommodates ladder lifeline systems
- Secures with optional pad-lock
- Made in the USA

Manufactured by
**DIVERSIFIED FALL
PROTECTION**



Distributed by

UNISTRUT[®]
SERVICE COMPANY

www.unistrutohio.com

24000 Sperry Drive Cleveland, OH 44145

440-348-9450



GENERAL CONSTRUCTION
 MANAGEMENT
 5720 N. I-35 Industrial Blvd.
 Edmond, Ok. 73034

405-341-5500 Phone
 405-341-7106 Fax

1/4/2023

WP Bill Atkinson Park
COR 49-Furnish and Install Thermostat Covers

	ADD	DEDUCT
Shiloh Equipment	\$0.00	
Shiloh Labor	\$0.00	

Note: This work will add 12 days to the contract time.

Subtotal	\$0.00
OH&P 10%	\$0.00
 Total Add	\$0.00





GENERAL CONSTRUCTION
 MANAGEMENT
 5720 N. I-35 Industrial Blvd.
 Edmond, Ok. 73034

405-341-5500 Phone
 405-341-7106 Fax

1/12/2023

WP Bill Atkinson Park
COR 50-Credit for setting statue

	ADD	DEDUCT
Shiloh Lift		(\$420.00)
Shiloh Labor		(\$370.00)

Note: This work will add 0 days to the contract time.

Subtotal	<hr/>	(\$790.00)
Total Add	<hr/>	(\$790.00)



Information Technology
 100 N. Midwest Boulevard
 Midwest City, OK 73110
 Office 405.739.1374
 Fax 405.869.8602

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Allen Stephenson, Information Technology Director

DATE: January 24, 2023

SUBJECT: Discussion, consideration, and possible action of 1) declaring various obsolete computer equipment and other miscellaneous items of city property on the attached surplus list; and 2) authorizing their disposal by public auction, sealed bid or other means as necessary.

The following computer equipment and miscellaneous items are obsolete, defective, or have been replaced.

CPU		
Inventory #	Manufacturer	Serial Number
1249	MS Surface Pro 3	4987744753
1040	Ipad Mini + Cellular	F4KLF4SEF19J
2310	Samsung Galaxy Tab 2	R52FA0ZZ14D
2469	iPad 9.7 + Cellular	DMPWL1CLJF88
2280	iPad 9.7 (2017) + Cellular	GCGVLFU6HLJJ
2111	iPad 9.7 (2017) + Cellular	SDMPTP03VHLJK
1083	iPad Air 2 + Cellular	DLXNND5NG5YL
2110	iPad 9.7 (2017) + Cellular	DMPTPDW5HLJK
2123	iPad 9.7 (2017) + Cellular	F9FTRVQKHLJJ
1907	iPad Air 2 + Cellular	DMPRT1F7G5YL
2281	iPad 9.7 (2017) + Cellular	GCGVLFA6HLJJ
1081	iPad Air 2 + Cellular	DLXNNE1JG5YL
1067	iPad Air 2 + Cellular	DLXNL82UG5YL
3375	iPad 9.7 (2017) + Cellular	F9FTQMU4HLJJ
3376	iPad Air 2	DMPRPDXYG5WQ
3377	iPad Air 2 + Cellular	DMPQ3084G5YL
1076	Precision Tower T1650	12S98V1
2510	iPhone 7 + Verizon LTE	DX3XVCSEHG6W
2466	iPad 9.7 (2018) + Cellular	DMPWL5LNJF88
2469	iPad 9.7 (2018) + Cellular	GG7X1155JF88
2497	iPad 9.7 (2018) + Cellular	GG7X2AHBJF88
2279	iPad 9.7 (2017) + Cellular	GCGVLAP0HLJJ
1252	Getac F110 Tablet	RF439F0105

1062	Dell Optiplex 3020	5BP4D42
1969	Dell Optiplex 3020	4PLQFB2
1968	Dell Optiplex 3020	4PLRFB2
1970	Dell Optiplex 3020	4PLTFB2
2080	NUC 7th GEN i5	F44D306D8414
2439	Dell Precision T3620	68MLCP2
1965	Dell Optiplex 3020	4PLSFB2
MISCELLANEOUS		
Quantity	Hardware Type	Serial Number
1	Cisco 28-Port Gigabit POE SG 300-28P	DNI151502RZ
1	Cisco 10-Port Gigabit POE SG300-10PP	PSZ21121P1D
1	Cisco 10-Port Gigabit POE SG300-10PP	PSZ21141BVN
1	Cisco SG300-52P Gigabit PoE Switch	PSZ20391J49
1	Cisco SG300 10-Port Gigabit PoE Switch	PSZ18331H0L
1	Cisco SG300 10-Port Gigabit PoE Switch	PSZ18091CBX
2	APC UPS	
2	Box of Micellaneous Items	
2	Ubiquiti NaonStation Loco M5 Bridges	
8	Dell Monitors	
1	Vizio 32 inch TV	LTQUVMQU4564331
1	Dell 34" Ultrawide Monitor - U3421WE	BWBP653
1	HP OfficeJet Pro 6978 (Police)	TH79M1R0F7
1	10 key Telephone	
1	Zonet 8-port Switch	AS0BT002053
1	Linksys Router	CL7C1K115993
1	Cisco 28-Port Gigabit POE SG 300-28P	DNI174901FH
1	Cisco 28-Port Gigabit POE SG 300-28P	DNI151502T2
1	Allworx Phone	



DISCUSSION ITEMS





Community Development Department

Billy Harless, Director
Tami Anderson, Administrative Assistant
Emily Richey, Current Planning Manager
Petya Stefanoff, Comprehensive Planner

To: Honorable Chairman and Planning Commission

From: Billy Harless, Community Development Director

Date: January 24, 2023

Subject: (PC-2134) Public hearing with discussion, consideration, and possible action of approval of the proposed Preliminary Plat of the 29th Street Apartments for the property described as part of the Southwest Quarter (SW/4) of Section Twelve (12), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Midwest City, Oklahoma County, Oklahoma, located at 9309 SE 29th Street.

This item has been requested to be tabled until the February 28, 2023 City Council meeting by the City's Engineering Department while the applicant is continuing to provide further detailed information necessary for the preliminary plat application for 9309 SE 29th Street.

Billy Harless, Community Development Director

ER



**Engineering and
Construction Services**
100 N Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1220

TO : Honorable Mayor and Council

FROM : Brandon Bundy, P.E., Director

DATE : January 24, 2023

SUBJECT : Discussion, consideration, and possible action of awarding the bid to and entering into a contract with Mid-America Golf & Landscape, Inc. DBA Mid-America Sports Construction for \$888,998 to construct the soccer complex project, a 2018 General Obligation Bond Project. City Council delegates the Mayor to sign and execute the contract.


Bids were received on January 10, 2023 for the above referenced project. Staff recommends award of the bid to Mid-America Golf & Landscape, Inc. DBA Mid-America Sports Construction which submitted the lowest and best bid; meeting specifications. Staff recommends awarding the Base Bid and Alternates #1 totaling \$888,998.

This project will regrade 5 soccer fields at the existing Midwest City Soccer Club complex and add associated irrigation and lighting. The grading will yield one large area which give the soccer association multiple configurations of fields. The scope of project and plans were developed over years of discussion between City staff and leadership with the Midwest City Soccer Club.

Location of the area is approximately 2300 Morris McGee Dr.

Attached are the bid tabulations for the four bids received.

This is a 2018 General Obligation Bond project approved by the vote of the people. Funding for this project was appropriated in project #0619G3.



Brandon Bundy, P.E.,
Director of Engineering and Construction Services

Attachment

WALL ENGINEERING, LLC
223 N Washington Ave
Durant, OK 74701
Ph: 580-924-1800

January 12, 2023

Brandon Bundy, P.E.
Director of Engineering and Construction Services
City of Midwest City, OK
100 N Midwest Blvd. 73110

RE: Soccer Complex Rehabilitation
Bid Opening of October 10, 2023, 2:00pm.

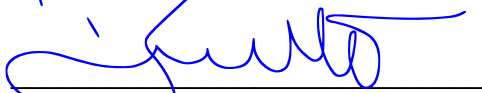
Mr. Bundy,

We have reviewed the bids submitted on the above referenced project. Based on our review of the bidding documents submitted along with checking of references on past projects, we recommended award to the apparent low bidder, Mid-America Sports Construction.

Should you have any questions or need any additional information feel free to contact us at (580) 924-1800.

Respectfully,

WALL ENGINEERING

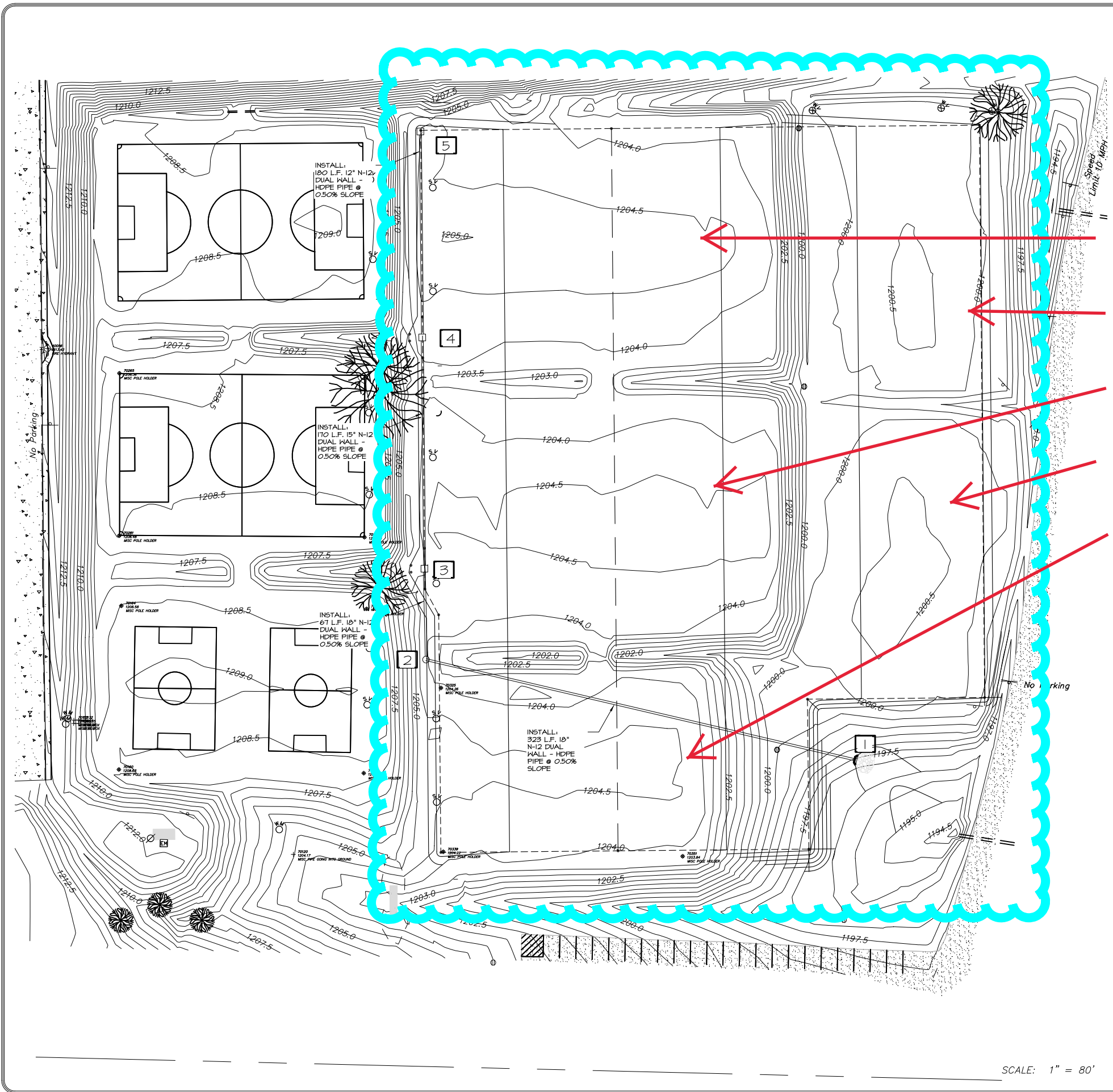


Brandon Wall, P.E.
President

cc: Project File: Midwest City Soccer Complex Rehabilitation

Soccer Complex Rehabilitation - Morris McGee Drive

#	Description	Uni	QTY	Engineer's Estimate		Mid America Sports Construction		United Turf and Track		Lippert Brothers		Wynn Construction Co. Inc.	
				Unit Price	Price	Unit Price	Price	Unit Price	Price	Unit Price	Price	Unit Price	Price
1	Mobilization, Demobilization, Bonds, Insurance & General Conditions	LS	1		\$ -	\$ 35,240.00	\$ 35,240.00	\$ 89,000.00	\$ 89,000.00	\$ 130,000.00	\$ 130,000.00	\$ 147,000.00	\$ 147,000.00
2	Site Grading	LS	1		\$ -	\$ 126,593.00	\$ 126,593.00	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00	\$ 277,000.00	\$ 277,000.00
3	Erosion Control	LS	1		\$ -	\$ 7,024.00	\$ 7,024.00	\$ 19,500.00	\$ 19,500.00	\$ 2,700.00	\$ 2,700.00	\$ 8,000.00	\$ 8,000.00
4	Stormwater Handling / Drainage Improvements, Complete	LS	1		\$ -	\$ 49,192.00	\$ 49,192.00	\$ 47,000.00	\$ 47,000.00	\$ 65,500.00	\$ 65,500.00	\$ 81,000.00	\$ 81,000.00
5	Irrigation System, Complete	LS	1		\$ -	\$ 80,286.00	\$ 80,286.00	\$ 86,550.00	\$ 86,550.00	\$ 88,500.00	\$ 88,500.00	\$ 104,000.00	\$ 104,000.00
6	Turf Establishment	LS	1		\$ -	\$ 52,729.00	\$ 52,729.00	\$ 33,000.00	\$ 33,000.00	\$ 48,500.00	\$ 48,500.00	\$ 57,000.00	\$ 57,000.00
7	Grassing	LS	1		\$ -	\$ 117,710.00	\$ 117,710.00	\$ 79,600.00	\$ 79,600.00	\$ 146,800.00	\$ 146,800.00	\$ 152,000.00	\$ 152,000.00
8	Electrical / Lighting System Design, Complete	LS	1		\$ -	\$ 18,112.00	\$ 18,112.00	\$ 12,000.00	\$ 12,000.00	\$ 17,000.00	\$ 17,000.00	\$ 22,000.00	\$ 22,000.00
9	Lighting System Conduits	LF	1900		\$ -	\$ 47.90	\$ 91,010.00	\$ 40.00	\$ 76,000.00	\$ 46.84	\$ 88,996.00	\$ 55.00	\$ 104,500.00
	Base Bid Subtotal				\$ 755,430.00		\$ 577,896.00		\$ 612,650.00		\$ 757,996.00		\$ 952,500.00
Alt 1	Lighting System Electrical, Standards, Crossarms, and Fixtures	LS	1	\$ 345,100.00	\$ 345,100.00	\$ 311,102.00	\$ 311,102.00	\$ 315,000.00	\$ 315,000.00	\$ 300,000.00	\$ 300,000.00	\$ 352,000.00	\$ 352,000.00
	Bid Total				\$ 1,100,530.00		\$ 888,998.00		\$ 927,650.00		\$ 1,057,996.00		\$ 1,304,500.00



Existing Grading

Proposed Scope

Field 11

Field 16

Field 10

Field 15

Field 9

SCALE: 1" = 80'

SUBMITTAL / REVISIONS:	
DATE	BY
11/22/22	DBW
12/20/22	DBW

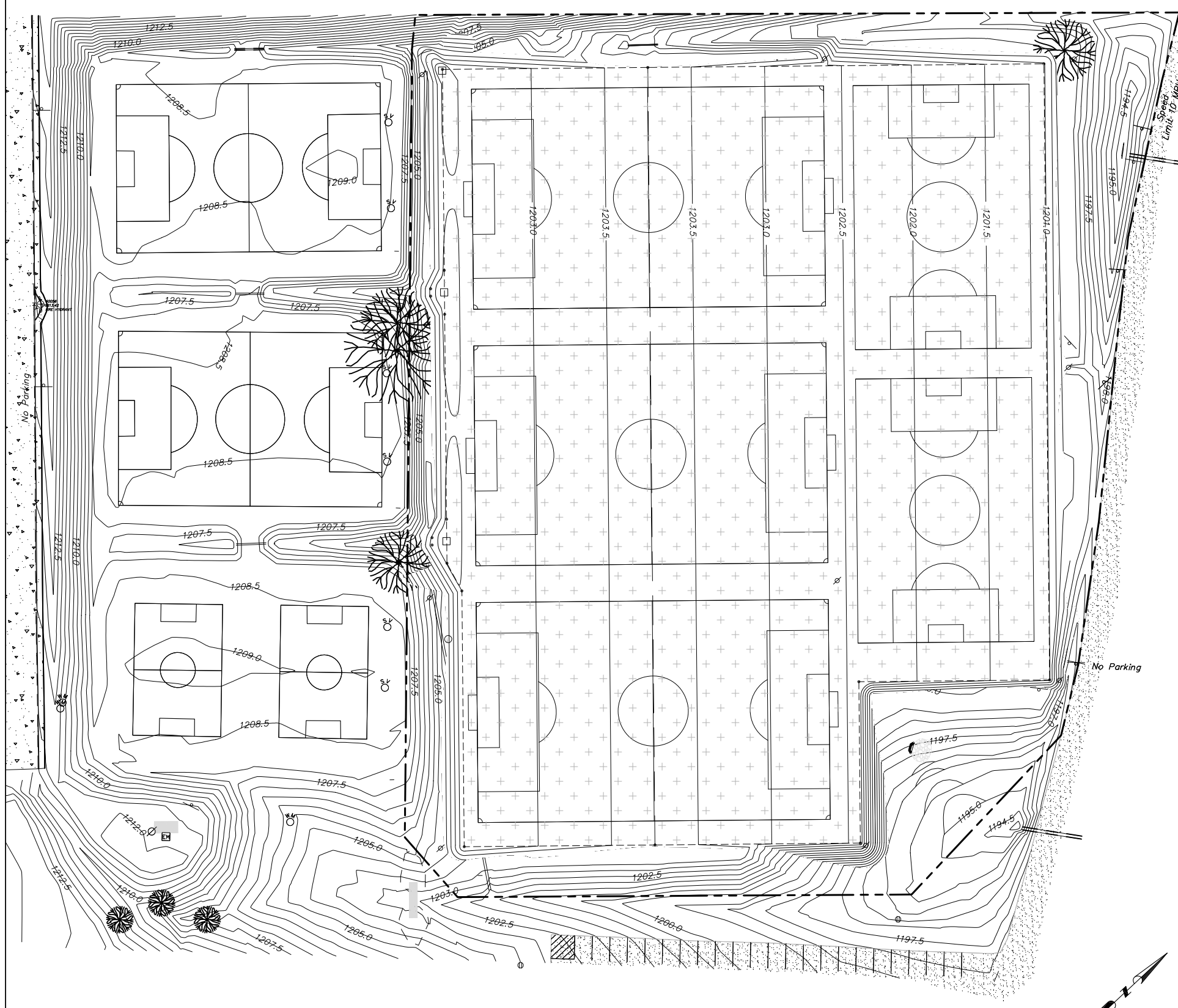
MIDWEST CITY, OK
 SOCCER COMPLEX IMPROVEMENTS
 OKLAHOMA COUNTY, OKLAHOMA

PROPOSED STORM DRAINAGE PLAN

PROJECT NO.	MNC-22-01
DATE	12/22
DRAWN BY:	TA
CHECKED BY:	JR
REVIEWED BY:	DBW
SCALE:	

BAR IS ONE-HALF INCH ON ORIGINAL DRAWING
 0" 1/2"
 IF NOT ONE-HALF INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY






SHEET



PROPOSED SITE PLAN

SCALE: 1" = 80'

PROPOSED SITE IMPROVEMENTS

-  NEW TURFGRASS PLAYING SURFACE
-  STORM DRAINAGE INLET BOX (SEE SHEET 5 FOR DETAILS)
-  STORM DRAINAGE MANHOLE (SEE SHEET 5 FOR DETAILS)
-  ADD ALTERNATE LIGHTING POLE (SEE SHEET 9 FOR DETAILS)
-  LIMITS OF CONSTRUCTION

NOTES:


- 1) SOCCER FIELD LAYOUTS WITHIN LIMITS OF CONSTRUCTION ARE FOR CONCEPT ONLY, VARIOUS LAYOUTS POSSIBLE.
- 2) ANY/ALL DISTURBED AREAS OUTSIDE PLAYING SURFACE SHALL BE SODDED WITH PLAYING SURFACE SOD AND MAINTAINED UNTIL ESTABLISHED.

WALL ENGINEERING
PO BOX 1457, DURANT, OK 74702
OKLAHOMA, CA #6413

SUBMITTAL / REVISIONS:	
DATE	BY
11/22/22	DBW
12/20/22	DBW

MIDWEST CITY, OK
SOCCER COMPLEX IMPROVEMENTS
OKLAHOMA COUNTY, OKLAHOMA

PROPOSED SITE PLAN

PROJECT NO. MNC-22-01
DATE 12/22
DRAWN BY: TA
CHECKED BY: JR
REVIEWED BY: DBW
SCALE:
BAR IS ONE-HALF INCH ON ORIGINAL DRAWING 0"  1/2"
IF NOT ONE-HALF INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

SHEET



NEW BUSINESS/
PUBLIC DISCUSSION





EXECUTIVE SESSION





Economic Development
100 N. Midwest Blvd.
Midwest City, OK 73110
rcoleman@midwestcityok.org
Office: 405-739-1218
www.midwestcityok.org

MEMORANDUM

TO: Honorable Mayor and Council

FROM: Robert Coleman, Economic Development Director

DATE: January 24, 2023

SUBJECT: Discussion, consideration and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(11), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City at the Soldier Creek Industrial Park (N/2, Sec. 27, T12N, R02W, I.M.) less and except Lot 1; and 2) in open session, authorizing the City Manager/Administrator to take action as appropriate based on the discussion in executive session.

Appropriate information will be dispersed during executive session.

Robert Coleman

Robert Coleman
Economic Development Director



FURTHER INFORMATION





Finance Department
 100 N. Midwest Boulevard
 Midwest City, OK 73110
tcromar@midwestcityok.org
 Office: 405-739-1245
www.midwestcityok.org

TO: Honorable Mayor and City Council
 FROM: Tiatia Cromar, Finance Director/ City Treasurer
 DATE: January 24, 2023
 SUBJECT: Review of the City Manager's Report for the month of December 2022.

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

2018 Election G.O. Bond (270) decreased because of the payments for:
 Capital Outlay <\$402,505>

G.O. Debt Services (350) increased due to receipts of:
 Ad Valorem Taxes \$1,078,556

Sooner Rose TIF (352) decreased because of the payment for:
 Debt service <\$382,370>

MWC Hospital Authority (425) activities for December:

Compounded Principal (9010) - realized gain on investment	\$823,863
unrealized loss on investment	<\$3,856,043>
Discretionary (9050) - realized gain on investment	\$348,931
unrealized loss on investment	<\$1,633,150>
In Lieu of/ ROR/ Misc. (9060) – SSM hospital pilot/rent	\$1,000,001

Tiatia Cromar
 Tiatia Cromar
 Finance Director/ City Treasurer

City of Midwest City
Financial Summary by Fund
for Period Ending December, 2022

(Unaudited)

Fund Number	Fund Description	Assets	Liabilities	6/30/2022 Fund Balance	Revenues	Expenditures	Gain or (Loss)	Fund Balance
9	GENERAL GOVERNMENT SALES TAX	6,166,661	(28,106)	6,202,732	1,681,196	(1,745,373)	(64,177)	6,138,555
10	GENERAL	14,207,632	(156,396)	13,381,189	23,160,000	(22,489,953)	670,047	14,051,236
11	CAPITAL OUTLAY RESERVE	735,354	-	730,854	4,500	-	4,500	735,354
13	STREET AND ALLEY FUND	1,735,367	-	1,545,784	279,734	(90,151)	189,583	1,735,367
14	TECHNOLOGY FUND	641,689	-	608,488	165,280	(132,079)	33,200	641,689
15	STREET LIGHT FEE	1,335,773	-	1,410,644	304,155	(379,027)	(74,871)	1,335,773
16	REIMBURSED PROJECTS	1,207,741	-	1,218,188	399,034	(409,480)	(10,446)	1,207,741
20	MWC POLICE DEPARTMENT	11,737,007	(4,092)	10,821,631	9,816,069	(8,904,784)	911,284	11,732,915
21	POLICE CAPITALIZATION	1,730,090	-	1,171,789	820,293	(261,992)	558,301	1,730,090
25	JUVENILE FUND	79,334	-	75,439	22,322	(18,427)	3,895	79,334
30	POLICE STATE SEIZURES	109,231	-	101,472	9,047	(1,289)	7,759	109,231
31	SPECIAL POLICE PROJECTS	82,321	-	84,349	2,086	(4,114)	(2,028)	82,321
33	POLICE FEDERAL PROJECTS	43,999	-	45,893	106	(2,000)	(1,894)	43,999
34	POLICE LAB FEE FUND	25,370	-	30,303	166	(5,099)	(4,933)	25,370
35	EMPLOYEE ACTIVITY FUND	21,137	(5)	16,725	13,975	(9,568)	4,407	21,132
36	JAIL	218,839	-	209,742	46,173	(37,076)	9,097	218,839
37	POLICE IMPOUND FEE	118,595	-	111,802	18,853	(12,061)	6,793	118,595
40	MWC FIRE DEPARTMENT	8,021,150	(184)	7,340,176	7,612,017	(6,931,227)	680,790	8,020,966
41	FIRE CAPITALIZATION	2,006,920	-	1,767,754	342,862	(103,696)	239,166	2,006,920
45	MWC WELCOME CENTER	410,971	-	341,538	111,567	(42,134)	69,433	410,971
46	CONV / VISITORS BUREAU	495,731	-	388,480	220,598	(113,347)	107,251	495,731
60	CAPITAL DRAINAGE IMP	436,414	-	509,632	238,429	(311,647)	(73,218)	436,414
61	STORM WATER QUALITY	1,369,597	-	1,291,987	424,522	(346,912)	77,610	1,369,597
65	STREET TAX FUND	2,260,605	-	2,104,415	301,459	(145,269)	156,190	2,260,605
70	EMERGENCY OPER FUND	1,264,816	-	1,103,988	433,666	(272,838)	160,828	1,264,816
75	PUBLIC WORKS ADMIN	889,899	-	862,661	663,681	(636,443)	27,238	889,899
80	INTERSERVICE FUND	645,484	180	732,643	1,394,311	(1,481,290)	(86,979)	645,664
81	SURPLUS PROPERTY	660,154	(536,000)	121,392	30,698	(27,937)	2,761	124,153
115	ACTIVITY FUND	405,643	-	420,799	115,387	(130,544)	(15,156)	405,643
123	PARK & RECREATION	1,997,486	(150)	1,890,199	354,019	(246,882)	107,137	1,997,336
141	COMM. DEV. BLOCK GRANT	6,029	-	6,029	446,655	(446,655)	-	6,029
142	GRANTS/HOUSING ACTIVITIES	187,434	(1,577)	193,333	10,837	(18,313)	(7,476)	185,857
143	GRANT FUNDS	108,866	(48,866)	60,000	1,350,032	(1,350,032)	-	60,000

City of Midwest City
Financial Summary by Fund
for Period Ending December, 2022
(Unaudited)

Fund Number	Fund Description	Assets	Liabilities	6/30/2022 Fund Balance	Revenues	Expenditures	Gain or (Loss)	Fund Balance
157	CAPITAL IMPROVEMENTS	2,978,002	-	3,046,637	611,317	(679,953)	(68,635)	2,978,002
172	CAP. WATER IMP-WALKER	2,351,516	-	2,126,130	297,043	(71,657)	225,386	2,351,516
178	CONST LOAN PAYMENT REV	4,300,998	(25,605)	3,829,887	464,343	(18,837)	445,506	4,275,394
184	SEWER BACKUP FUND	77,621	-	78,442	478	(1,300)	(821)	77,621
186	SEWER CONSTRUCTION	7,221,324	-	6,333,540	775,629	112,155	887,785	7,221,324
187	UTILITY SERVICES	710,496	(924)	569,162	672,535	(532,124)	140,411	709,573
188	CAP. SEWER IMP.-STROTH	1,744,076	-	1,492,855	409,972	(158,750)	251,222	1,744,076
189	UTILITIES CAPITAL OUTLAY	2,600,104	(97,766)	2,370,728	215,590	(83,979)	131,611	2,502,338
190	MWC SANITATION DEPARTMENT	5,762,326	-	5,697,494	4,169,704	(4,104,872)	64,833	5,762,326
191	MWC WATER DEPARTMENT	4,877,611	-	4,186,677	4,275,222	(3,584,288)	690,934	4,877,611
192	MWC SEWER DEPARTMENT	4,984,877	(9)	4,288,741	4,229,305	(3,533,178)	696,127	4,984,868
193	MWC UTILITIES AUTHORITY	1,017,911	-	1,012,225	6,263	(577)	5,686	1,017,911
194	DOWNTOWN REDEVELOPMENT	580,637	(5,045)	572,042	3,550	-	3,550	575,592
195	HOTEL/CONFERENCE CENTER	576,808	(1,158,230)	(593,157)	1,835,895	(1,824,160)	11,735	(581,422)
196	HOTEL 4% FF&E	729,268	(28,462)	633,934	590,370	(523,498)	66,872	700,805
197	JOHN CONRAD REGIONAL GOLF	670,152	(287,774)	(11,052)	1,125,003	(731,573)	393,430	382,378
201	URBAN RENEWAL AUTHORITY	49,011	-	48,711	300	-	300	49,011
202	RISK MANAGEMENT	741,819	(37)	1,105,412	499,452	(863,082)	(363,630)	741,782
204	WORKERS COMP	3,914,859	-	3,922,674	406,324	(414,139)	(7,815)	3,914,859
220	ANIMALS BEST FRIEND	91,290	-	78,729	38,544	(25,983)	12,561	91,290
225	HOTEL MOTEL FUND	-	-	-	363,353	(363,353)	-	-
230	CUSTOMER DEPOSITS	1,539,636	(1,539,636)	-	9,534	(9,534)	-	-
235	MUNICIPAL COURT	92,561	(92,561)	-	537	(537)	-	-
240	L & H BENEFITS	2,478,759	(43,535)	2,593,797	4,879,656	(5,038,229)	(158,574)	2,435,224
250	CAPITAL IMP REV BOND	3,945,039	(42,384,628)	(40,455,318)	8,390,274	(6,374,545)	2,015,729	(38,439,589)
269	2002 G.O. STREET BOND	263,824	-	281,459	1,625	(19,260)	(17,635)	263,824
270	2018 ELECTION G.O. BOND	9,918,239	(307,596)	12,820,735	83,300	(3,293,392)	(3,210,092)	9,610,642
271	2018 G.O. BONDS PROPRIETARY	701,763	(114,580)	1,710,655	5,820	(1,129,293)	(1,123,472)	587,183
272	2022 ISSUE G.O. BOND	4,954,895	(16,929)	5,580,752	31,895	(674,681)	(642,785)	4,937,966
310	DISASTER RELIEF	12,639,501	(195,144)	11,223,265	1,418,232	(197,140)	1,221,092	12,444,357
340	REVENUE BOND SINKING FUND	-	-	-	3,648,171	(3,648,171)	-	-
350	G. O. DEBT SERVICES	3,219,205	(14,576)	2,746,704	1,170,352	(712,426)	457,926	3,204,630
352	SOONER ROSE TIF	1,050,176	-	867,568	568,477	(385,870)	182,607	1,050,176
353	ECONOMIC DEV AUTHORITY	56,534,865	(51,012,380)	4,866,817	884,270	(228,601)	655,669	5,522,485
425-9010	MWC HOSP AUTH-COMP PRINCIPAL	102,564,899	(22,643)	103,095,471	1,831,228	(2,384,441)	(553,213)	102,542,258
425-9050	MWC HOSP AUTH-DISCRETIONARY	18,791,848	(12,330)	17,187,434	2,075,117	(483,033)	1,592,084	18,779,518
425-9060	MWC HOSP IN LIEU OF/ROR/MISC	10,949,647	-	10,081,716	1,000,099	(132,167)	867,932	10,949,648
425-9080	MWC HOSP AUTH GRANTS	651,183	-	135,671	515,512	-	515,512	651,183
	TOTAL	337,640,083	(98,135,585)	230,428,584	98,298,023	(89,222,106)	9,075,917	239,504,500



**Engineering and
Construction Services**
100 N Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1220

TO : Honorable Mayor and Council

FROM : Brandon Bundy, P.E., Director

DATE : January 24, 2023

SUBJECT : Monthly Residential and Commercial Building report for December 2022

Brandon Bundy, P.E.,
Director of Engineering and Construction Services



The City of Midwest City Community Development Department

100 N Midwest Boulevard - Midwest City, OK 73110

Building Permits Summary - Issued 12/1/2022 to 12/31/2022

Building - Commercial & Industrial

<u>Count</u>	<u>Permit Type</u>	<u>Value</u>
1	Com Addition Bldg Permit	\$858,000.00
1	Com Demolition Permit	\$37,050.00
1	Com Fence Permit	\$3,000.00
20	Com General Electrical Permit	\$0.00
1	Com General Mechanical Permit	
8	Com General Plumbing Permit	\$0.00
5	Com New Const Bldg Permit	\$3,875,000.00
1	Com New Const Electrical Permit	
2	Com New Const Mechanical Permit	\$0.00
3	Com New Const Plumbing Permit	\$0.00
6	Com Remodel Bldg Permit	\$660,000.00
4	Com Sign Permit	\$30,000.00
Total Value of Building - Commercial & Industrial:		5,463,050.00

Building - Residential

<u>Count</u>	<u>Permit Type</u>	<u>Value</u>
7	Res Accessory Bldg Permit	\$159,728.08
2	Res Demolition Permit	\$8,000.00
5	Res Driveway Permit	\$0.00
4	Res Fence Permit	\$31,077.00
35	Res General Electrical Permit	\$0.00
18	Res General Mechanical Permit	\$0.00
56	Res General Plumbing Permit	\$0.00
8	Res New Const Electrical Permit	\$0.00
6	Res New Const Mechanical Permit	\$0.00
16	Res New Const Plumbing Permit	\$0.00
7	Res Roofing Permit	\$0.00
17	Res Single-Fam New Const Bldg Permit	\$4,768,500.00
14	Res Single-Fam Remodel Building Permit	\$468,071.17
2	Res Swimming Pool / Hot Tub Permit	\$127,000.00
Total Value of Building - Residential:		5,562,376.25

Grand Total: \$11,025,426.25



The City of Midwest City Community Development Department

100 N Midwest Boulevard - Midwest City, OK 73110

Building Permits by Type - Issued 12/1/2022 to 12/31/2022

Building - Commercial & Industrial

Com Addition Bldg Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/15/22	5601 TINKER DIAGONAL, MWC, OK, 73110	Derek Wheatley	B-22-2066	\$858,000.00
				\$858,000.00

Com Demolition Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/20/22	2817 PARKLAWN DR, 73110	MIDWEST WRECKING	B-21-1782	\$37,050.00
				\$37,050.00

Com Fence Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/8/22	9625 NE 23RD ST, MIDWEST CITY, OK, 0	Charlotte Gutierrez	B-22-2963	\$3,000.00
				\$3,000.00

Com New Const Bldg Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/14/22	8754 SE 15TH ST, OK, 73110	NORTON, BERT	B-22-3230	\$0.00
12/21/22	301 E MID AMERICA BLVD, 73110	TAP	B-21-0049	\$1,000,000.00
12/22/22	2841 GLOBAL PKWY, 73110	Michael Nevard	B-22-0180	\$675,000.00
12/28/22	7607 E RENO AVE, OK, 73110	MASONER, BRIAN	B-21-1236	\$1,700,000.00
12/30/22	1732 S SOONER RD, 73110	Phase One Design - William Sullens	B-21-2019	\$500,000.00
				\$3,875,000.00

Com Remodel Bldg Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/6/22	351 N AIR DEPOT BLVD, Z, 73110	Cary Rowton	B-22-2989	\$40,000.00
12/7/22	2900 S AIR DEPOT BLVD, 73110	Britni Andersson	B-22-1211	\$250,000.00
12/8/22	7185 SE 29TH ST, MWC, OK, 73110	Jack Moore - CMxM LLC	B-22-1749	\$300,000.00
12/8/22	9035 E RENO AVE, OK, 73130	Bonnie Patterson	B-22-2849	\$5,000.00
12/21/22	2801 PARKLAWN DR, 5th FLOOR 73110	Juan Mendoza	B-22-3236	\$25,000.00
12/28/22	1160 S DOUGLAS BLVD, 73130	Randall Kenepp	B-22-3090	\$40,000.00
				\$660,000.00

Com Sign Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/5/22	1801 S AIR DEPOT BLVD, MIDWEST CITY, OK, 0	Jeremy Shroll	B-22-3032	\$8,000.00
12/16/22	9903 SE 15TH ST, OK, 73130	Joe Ellison	B-22-3112	\$4,500.00
12/22/22	1740 S SOONER RD, OK, 73110	Image360 - Michael Hughes	B-22-3207	\$8,500.00
12/22/22	1732 S SOONER RD, 73110	Image360 - Mike Hughes	B-22-3117	\$9,000.00
				\$30,000.00

Building - Residential

Res Accessory Bldg Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/1/22	1717 WEBSTER ST, MIDWEST CITY, OK, 0	Billy coy iii	B-22-2550	\$17,858.00
12/5/22	11130 NE 5TH ST, MIDWEST CITY, OK, 0	jimmy Addington	B-22-2961	\$13,600.00
12/9/22	2201 FLANNERY DR, 73110	Jeff Earles	B-22-2774	\$2,000.00
12/9/22	520 N MARSHALL DR, 73110	Pamela Corwin	B-22-3063	\$10,000.00
12/13/22	1921 S ANDERSON RD, MIDWEST CITY, OK, 0	Brenda Holland	B-22-2579	\$90,000.00
12/27/22	12040 TUSCANY RIDGE RD, 73130	Christopher Charpentier	B-22-3206	\$20,000.00
12/30/22	11717 TYSON CT, MIDWEST CITY, OK, 0	Kenny McCornack	B-22-3275	\$6,270.08
				\$159,728.08

Res Demolition Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/20/22	1401 MOORE AVE, MWC, OK, 73130	Aubrey Long	B-22-2707	\$7,000.00
12/20/22	1401 MOORE AVE, MWC, OK, 73130	Charles Crosby	B-22-2707	\$7,000.00
12/29/22	609 S WESTMINSTER RD, 73130	K&M Dirt Services, LLC dba K&M Wrecking	B-22-1679	\$1,000.00
				\$15,000.00

Res Driveway Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/5/22	10325 LE JEAN, MIDWEST CITY, OK, 0	MAPLES, JAMES GARRETT	B-22-3136	\$0.00
12/7/22	799 S ANDERSON RD, 73020	PALMA, GABRIEL	B-22-3154	
12/7/22	409 N WESTMINSTER RD, MIDWEST CITY, OK, 0	CREATIVE CONCRETE LLC	B-22-3155	\$0.00
12/12/22	1413 N WESTMINSTER RD, 73130	JOSE L LOPEZ	B-22-3209	
12/20/22	2709 SNAPPER LN, 73130	MARRUFO CONCRETE	B-22-3290	\$0.00
				\$0.00

Res Fence Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/1/22	2700 FOREST GLEN CIR, 73020	Brady Thomas	B-22-2968	\$21,000.00
12/9/22	520 N MARSHALL DR, MWC, OK, 73110	Pamela Corwin	B-22-3064	\$300.00
12/12/22	7300 SE 15TH ST, 73110	Fortress Fence and Home llc	B-22-3149	\$2,925.00
12/27/22	12823 GLEN AEIRE RD, MWC, OK, 73020	Iron Tough Vinyl Fence	B-22-3000	\$6,852.00
				\$31,077.00

Res Roofing Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/5/22	1412 N POST RD, MIDWEST CITY, OK, 0	CANTRELL EXTERIOR FINISHES	B-22-3132	\$0.00
12/7/22	400 FOX DR, 73110	PARKER BROTHERS ROOFING	B-22-3160	
12/8/22	529 W SILVER MEADOW DR, 73110	TRIPLE DIAMOND CONSTR	B-22-3168	
12/15/22	5816 SE 9TH ST, 73110	MHM CONSTRUCTION	B-22-3248	
12/20/22	713 E FROLICH DR, 73110	RICKY JAMES	B-22-3279	
12/29/22	300 E ROSE DR, 73110	CLARK, ROBERT	B-22-3320	
12/29/22	1813 GOLDENROD LN, 73130	PARKER BROTHERS ROOFING	B-22-3323	
				\$0.00

Res Single-Fam New Const Bldg Permit

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/2/22	2422 CATTAIL CIR, 73130	Home Creations, Inc.	B-21-2106	\$168,500.00
12/5/22	2700 FOREST GLEN TER, MWC, OK, 73020	Swm & Sons	B-22-2037	\$226,000.00
12/9/22	2413 CATTAIL CT, 73130	Home Creations, Inc.	B-21-2223	\$158,500.00
12/15/22	2401 CATTAIL CT, 73130	Home Creations, Inc	B-21-2536	\$158,000.00
12/15/22	799 S ANDERSON RD, 73020	Greg Daggs	B-22-0047	\$364,000.00
12/16/22	10513 CATTAIL TER, 73130	Home Creations, Inc.	B-21-0914	\$262,500.00
12/21/22	745 N WHITE OAK ST	Highland Building Company	B-21-2968	\$375,000.00
12/21/22	1013 RYAN RIDGE CT, OK, 73130	Monarch Homes LLC	B-22-1284	\$297,000.00
12/22/22	10305 E RENO AVE, 73130	FRAZE ENTERPRISES LLC	B-21-2548	\$315,000.00
12/22/22	11246 SE 28TH ST, 73130	Rodney Tyra	B-21-2970	\$450,000.00
12/22/22	1009 RYAN RIDGE CT, 01, OK, 73130	Monarch Homes LLC	B-22-1282	\$295,000.00
12/22/22	1005 RYAN RIDGE CT, 01, OK, 73130	Monarch Homes LLC	B-22-1280	\$295,000.00
12/27/22	2409 WOODGROVE CT, 73130	Home Creations	B-22-2928	\$202,000.00
12/28/22	10855 NE 10TH ST, 73130	Josh & Jazzalynn Reber	B-22-2318	\$375,000.00
12/29/22	2408 CATTAIL CT, 73130	Home Creations, Inc.	B-21-2579	\$158,500.00
12/29/22	2413 WOODGROVE CT, 73130	Home Creations	B-22-2982	\$198,500.00
12/29/22	10215 E RENO AVE, OK, 73130	Bud Frazee	B-22-0773	\$470,000.00

\$4,768,500.00**Res Single-Fam Remodel Building Permit**

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/1/22	12515 FOREST OAKS DR, MWC, OK, 73020	Cane Creek Inc.	B-22-2212	\$29,086.60
12/2/22	509 W RICKENBACKER DR, MWC, OK, 73110	Randy Halsne	B-22-2842	\$40,000.00
12/2/22	1901 GOLDENROD LN, MWC, OK, 73130	Emalee Deckard	B-22-2827	\$44,457.00
12/2/22	1701 THOMPSON DR, 73110	Stemper Builds	B-22-1455	\$40,000.00
12/8/22	2705 FOREST GLEN TER, 73020	Caressa Teague	B-22-2916	\$35,000.00
12/9/22	1330 ALVIOLA AVE, MWC, OK, 73110	Corey Churchill	B-22-2109	\$60,000.00
12/9/22	3617 SHADYWOOD DR, MWC, OK, 73110	Ashley Maxwell	B-22-2644	\$18,787.84
12/13/22	500 LOTUS AVE, 73130	Vega's General Construction LLC	B-22-1725	\$50,000.00
12/14/22	769 E ROSE DR, MIDWEST CITY, OK, 0	Adriana marshall	B-22-0890	\$25,000.00
12/15/22	1309 LLOYD DR, MWC, OK, 73130	Greg Riddles	B-22-2732	\$0.00
12/19/22	808 N POPLAR LN, MWC, OK, 73130	Travis Lyons	B-22-1203	\$50,000.00
12/27/22	869 E STEED DR, MWC, OK, 73110	Luis	B-22-3020	\$1,000.00
12/28/22	228 W FAIRCHILD DR, MWC, OK, 73110	Rudy Hymer	B-22-3201	\$30,000.00
12/29/22	1617 CHOCTAW WOOD DR, MIDWEST CITY, OK, 0	Kayla Bachman	B-22-3094	\$44,739.73

\$468,071.17**Res Swimming Pool / Hot Tub Permit**

<u>Issued</u>	<u>Location</u>	<u>Applicant</u>	<u>Case #</u>	<u>Value</u>
12/9/22	10708 MEADOWLARK LN, 73130	Debby Bryan	B-22-2322	\$44,000.00
12/27/22	8901 WOODBRIAR CIR, MWC, OK, 73110	Siloam Pools and Construction LLC	B-22-3153	\$83,000.00

\$127,000.00**Grand Total: \$11,032,426.25**



The City of Midwest City

Community Development Department

100 N Midwest Boulevard - Midwest City, OK 73110

Inspections Summary - Inspected 12/1/2022 to 12/31/2022

<u>Inspection Description</u>	<u>Count</u>
Accessory Bldg Inspection	1
Buildings - CO Inspection & Sign Off	17
Buildings - CO Reinspection & Sign Off	10
Com Building Final Inspection	2
Com Building Final Reinspection	1
Com Drainage 1 Inspection	2
Com Drainage 1 Reinspection	1
Com Drainage2 Inspection	3
Com Drainage2 Reinspection	1
Com Drainage3 Inspection	1
Com Drainage4 Inspection	2
Com Drainage5 Inspection	1
Com Duct Smoke Detector Test/Inspection (Fire Marshal)	1
Com Electrical Ceiling Inspection	2
Com Electrical Ceiling Reinspection	1
Com Electrical Final Inspection	6
Com Electrical Final Reinspection	2
Com Electrical Ground Inspection	2
Com Electrical Rough-in Inspection	2
Com Electrical Rough-in Reinspection	2
Com Electrical Service Inspection	13
Com Electrical Service Reinspection	3
Com Electrical Wall Inspection	3
Com Fence Inspection	1
Com Fire Sprinkler Rough Inspection	1
Com Footing & Building Setback Inspection	4
Com Framing Inspection	5
Com Gas Meter Inspection	1
Com Gas Meter Reinspection	1
Com Gas Piping Inspection	1
Com Grease Trap Final Inspection	1
Com Grease Trap Rough Inspection (Line Maintenance)	1
Com Mechanical Ceiling Inspection	1
Com Plumbing Final Inspection	2
Com Plumbing Final Reinspection	1
Com Plumbing Ground Inspection	5
Com Plumbing Rough-in Inspection	4
Com Plumbing Rough-in Reinspection	1
Com Sewer Service Inspection	2
Com Temporary Electrical Pole Inspection	2
Com Temporary Electrical Pole Reinspection	1
Com Water Service Line Inspection	2
County Health - CO Inspection & Sign Off	4
Electrical Generator Inspection	6
Electrical Generator Reinspection	3
Fire - CO Inspection & Sign Off	13

Fire - CO Reinspection & Sign Off	6
General Inspection	31
Hot Water Tank Inspection	10
Irrigation System Inspection	2
Mechanical Change Out Inspection	10
Mechanical Change Out Reinspection	3
OMMA CC Inspection - Buildings	2
OMMA CC Inspection - ComDev Utilities	1
OMMA CC Inspection - Fire	2
OMMA CC Inspection - Planning	6
OMMA CC Inspection - PWA Utilities	2
OMMA CC Reinspection - Fire	1
Placard Issued	3
Planning - CO Inspection & Sign Off	25
Pre-Con Site Inspection/Meeting	2
Res Building Final Inspection	15
Res Carport Inspection	1
Res Drainage1 Inspection	10
Res Drainage1 Reinspection	1
Res Drainage2 Inspection	11
Res Drainage3 Inspection	11
Res Drainage3 Reinspection	1
Res Drainage4 Inspection	11
Res Drainage4 Reinspection	1
Res Drainage5 Inspection	11
Res Driveway Inspection	5
Res Electrical Final Inspection	19
Res Electrical Final Reinspection	6
Res Electrical Ground Reinspection	1
Res Electrical Rough-in Inspection	8
Res Electrical Rough-in Reinspection	3
Res Electrical Service Inspection	23
Res Electrical Service Reinspection	6
Res Fence Inspection	1
Res Footing & Building Setback Inspection	2
Res Framing Inspection	8
Res Framing Reinspection	4
Res Gas Meter Inspection	13
Res Gas Meter Reinspection	2
Res Gas Piping Inspection	11
Res Gas Piping Reinspection	3
Res Insulation Inspection	9
Res Mechanical Final Inspection	13
Res Mechanical Rough-in Inspection	6
Res Mechanical Rough-in Reinspection	1
Res Plumbing Final Inspection	11
Res Plumbing Final Reinspection	5
Res Plumbing Ground Inspection	6
Res Plumbing Ground Reinspection	3
Res Plumbing Rough-in Inspection	7
Res Plumbing Rough-in Reinspection	2
Res Retaining Wall Final Inspection	3
Res Retaining Wall Inspection	5
Res Roofing Inspection	6
Res Sewer Service Inspection	15
Res Sewer Service Reinspection	3
Res Storm Shelter Inspection	2

Res Temporary Electrical Pole Inspection	1
Res Temporary Electrical Pole Reinspection	1
Res Termite Inspection	10
Res Water Service Line Inspection	6
Residential Meter Tap Inspection	4
Sewer Cap Inspection	3
Sign Inspection	1
Utilities - CO Inspection & Sign Off	17
<hr/>	
Total Number of Inspections:	576



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

Memorandum

TO: Honorable Mayor and Council
FROM: Troy Bradley, Human Resources Director
DATE: January 24, 2023
RE: Monthly report on the City of Midwest City Employees' Health Benefits Plan by the City Manager.

This item is placed on the agenda at the request of the Council. Attached to this memo is information regarding the current financial condition of the City Employees' Health Benefits Plan for the month of December 2022, which is the sixth (6) period of the FY 2022/2023.

Troy Bradley, Human Resources Director

FISCAL YEAR 2022-2023	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
PLAN INCOME												
Projected Budgeted (MTD)	821,885	821,885	821,885	821,885	821,885	821,885	821,885	821,885	821,885	821,885	821,885	821,885
Actual (MTD)	790,434	884,482	800,157	807,616	807,917	792,497						
Projected Budgeted (YTD)	821,885	1,643,770	2,465,655	3,287,540	4,109,425	4,931,310	5,753,195	6,575,080	7,396,965	8,218,850	9,040,735	9,862,620
Actual (YTD)	790,434	1,674,916	2,475,073	3,282,689	4,090,606	4,883,103						
PLAN CLAIMS/ADMIN COSTS	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Projected Budgeted (MTD)	744,605	930,756	744,605	930,756	744,605	744,605	930,756	744,605	744,605	744,605	930,756	744,605
Actual (MTD)	801,455	1,114,999	734,533	861,832	864,708	665,891						
Projected Budgeted (YTD)	744,605	1,675,361	2,419,966	3,350,722	4,095,327	4,839,932	5,770,688	6,515,293	7,259,898	8,004,503	8,935,259	9,679,864
Actual (YTD)	801,455	1,916,454	2,650,987	3,512,819	4,377,527	5,043,418						
EXCESS INCOME vs. EXPENDITURES	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Projected Budgeted (MTD)	77,280	-108,871	77,280	-108,871	77,280	77,280	-108,871	77,280	77,280	77,280	-108,871	77,280
Actual (MTD)	-11,021	-230,517	65,624	-54,216	-56,791	126,606						
Projected Budgeted (YTD)	77,280	-31,591	45,689	-63,182	14,098	91,378	-17,493	59,787	137,067	214,347	105,476	182,756
Actual (YTD)	-11,021	-241,538	-175,914	-230,130	-286,921	-160,315						
FISCAL YEAR 2021-2022	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
PLAN INCOME												
Projected Budgeted (MTD)	910,012	910,012	910,012	910,012	910,012	910,012	910,012	910,012	910,012	910,012	910,012	910,012
Actual (MTD)	832,833	851,193	896,598	852,564	857,814	901,700	911,369	1,022,341	887,972	856,646	881,245	866,030
Projected Budgeted (YTD)	910,012	1,820,024	2,730,036	3,640,048	4,550,060	5,460,072	6,370,084	7,280,096	8,190,108	9,100,120	10,010,132	10,920,144
Actual (YTD)	832,833	1,684,026	2,580,624	3,433,188	4,291,002	5,192,702	6,104,071	7,126,412	8,014,384	8,871,030	9,752,275	10,618,305
PLAN CLAIMS/ADMIN COSTS	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Projected Budgeted (MTD)	804,741	1,005,926	804,741	804,741	1,005,926	804,741	1,005,926	804,741	804,741	804,741	1,005,926	804,741
Actual (MTD)	710,070	876,960	831,545	803,008	769,847	1,031,306	744,765	730,685	676,548	674,589	897,321	718,526
Projected Budgeted (YTD)	804,741	1,810,667	2,615,408	3,420,149	4,426,075	5,230,816	6,236,742	7,041,483	7,846,224	8,650,965	9,656,891	10,461,632
Actual (YTD)	710,070	1,587,030	2,418,575	3,221,583	3,991,430	5,022,736	5,767,501	6,498,186	7,174,734	7,849,323	8,746,644	9,465,170
EXCESS INCOME vs. EXPENDITURES	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Projected Budgeted (MTD)	105,271	-95,914	105,271	105,271	-95,914	105,271	-95,914	105,271	105,271	105,271	-95,914	105,271
Actual (MTD)	122,763	-25,767	65,053	49,556	87,967	-129,606	166,604	291,656	211,424	182,057	-16,076	147,504
Projected Budgeted (YTD)	105,271	9,357	114,628	219,899	123,985	229,256	133,342	238,613	343,884	449,155	353,241	458,512
Actual (YTD)	122,763	96,996	162,049	211,605	299,572	169,966	336,570	628,226	839,650	1,021,707	1,005,631	1,153,135

December 6/FY 2023: \$2,432,747
 December 6/FY 2022: \$1,609,892
 December 6/FY 2021: \$1,199,238
 December 6/FY 2020: \$1,408,960

** HAD FIVE MONDAYS WITH REPORTED MEDICAL CLAIMS PAID***



MUNICIPAL AUTHORITY AGENDA

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

January 24, 2023 – 6:01 PM

Presiding members: Chairman Matthew Dukes	City Staff:	
Trustee Susan Eads	Trustee Sean Reed	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Megan Bain	Trustee Rick Favors	Authority Attorney Don Maisch

A. CALL TO ORDER.

B. DISCUSSION ITEMS.

1. Discussion, consideration, and possible action of approving the January 10, 2023 meeting minutes. (Secretary- S. Hancock)
2. Discussion, consideration, and possible action of 1) accepting and entering into the Delta Hotels by Marriott International, Inc. Franchise Agreement for the Municipal Authority property located at 5750 Will Rogers Rd, Midwest City, OK 73110; and 2) terminating the current Franchise Agreement between Sheraton LLC and Marriott International, Inc. (Director of Operations - R. Rushing)

C. NEW BUSINESS/PUBLIC DISCUSSION. In accordance with State Statute Title 25 Section 311. Public bodies - Notice. A-9, the purpose of the "New Business" section is for action to be taken at any Council/Authority/Commission meeting for any matter not known about or which could not have been reasonably foreseen 24 hours prior to the public meeting. The purpose of the "Public Discussion" section of the agenda is for members of the public to speak to the Authority on any subject not scheduled on the regular agenda. The Authority shall make no decision or take any action, except to direct the City Manager to take action, or to schedule the matter for discussion at a later date. Pursuant to the Oklahoma Open Meeting Act, the Authority will not engage in any discussion on the matter until that matter has been placed on an agenda for discussion. **THOSE ADDRESSING THE AUTHORITY ARE REQUESTED TO STATE THEIR NAME AND ADDRESS PRIOR TO SPEAKING TO THE AUTHORITY.**

D. FURTHER INFORMATION.

1. Review of the monthly report on the current financial condition of the Sheraton Midwest City Hotel at the Reed Center for the period ending December 31, 2022. (Director of Operations - R. Rushing)

E. ADJOURNMENT.



DISCUSSION ITEMS



Notice for the Midwest City Municipal Authority meetings was filed for the calendar year with the City Clerk of Midwest City. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityokorg).

Midwest City Municipal Authority Minutes

January 10, 2023

This meeting was held in Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Matt Dukes called the meeting to order at 8:02 PM with the following members present:

Trustee Susan Eads	Trustee Sean Reed	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Megan Bain	Trustee Rick Favors	Authority Attorney Don Maisch

CONSENT AGENDA. Eads made a motion to approve the consent agenda, seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion carried.

1. Discussion, consideration, and possible action to approve the December 13, 2022 meeting minutes.
2. Discussion, consideration and possible action of approving supplemental budget adjustments to the following funds for FY 2022-2023, increase: FF&E Reserve Fund, expenditures/Hotel/Conf. Center (40) \$1,460.

NEW BUSINESS/PUBLIC DISCUSSION. There was no new business or public discussion.

ADJOURNMENT.

There being no further business, Chairman Dukes adjourned the meeting at 8:03 PM.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary



City Manager's Office
Ryan Rushing,
Director of Operations
rrushing@midwestcityok.org
100 N. Midwest Blvd,
Midwest City, Oklahoma 73110
405-739-1205
www.midwestcityok.org

Memorandum

To: Honorable Chairman and Trustees

From: Ryan Rushing, Director of Operations

Date: January 24, 2023

Subject: Discussion, consideration, and possible action of 1) accepting and entering into the Delta Hotels by Marriott International, Inc. Franchise Agreement for the Municipal Authority property located at 5750 Will Rogers Rd, Midwest City, OK 73110; and 2) terminating the current Franchise Agreement between the Sheraton LLC and Marriott International, Inc.

In May 2019, the Midwest City Council/Trustees approved a construction management contract to implement necessary property improvements in accordance with the agreement with Sheraton by Marriott. The improvement plan included a change in brand from Sheraton to Delta by Marriott. The acceptance of the attached agreement will cancel the current Sheraton Hotels by Marriott Franchise Agreement.

Due to the challenges posed by the pandemic and disruptions in the supply chain, the project encountered significant delays. However, we are pleased to inform that the property is now ready to proceed as a Delta hotel, managed by the DePalma Hotel & Resorts Group, as of June 2022.

The property has undergone extensive renovations to enhance the guest experience. The 148 guest rooms have been completely remodeled and feature modern amenities and design elements to ensure a comfortable and enjoyable stay for our guests. Additionally, the lobby, bar and restaurant have been updated with a new look that is both elegant and inviting. The renovation has been done with an aim to create a visually pleasing and comfortable atmosphere for the guests to enjoy. Overall, the new design elements and amenities are sure to enhance the overall guest experience and make the hotel more appealing to potential guests.

EXECUTION VERSION



DELTA HOTELS BY MARRIOTT FRANCHISE AGREEMENT

FRANCHISOR: MARRIOTT INTERNATIONAL, INC.

FRANCHISEE: MIDWEST CITY MUNICIPAL AUTHORITY

LOCATION: 5750 WILL ROGERS ROAD, MIDWEST CITY,
OKLAHOMA 73110

DATE: _____, 2023

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FRANCHISE AGREEMENT

This Agreement between Franchisor and Franchisee is executed and becomes effective on the Effective Date.

RECITALS

A. Franchisor owns the System and Franchisee has requested a license to use the System to operate the Hotel as a System Hotel at the Approved Location.

B. Franchisor has agreed to grant a license to Franchisee subject to the terms of this Agreement.

C. Franchisee is the owner of fee simple title to the Approved Location, and Franchisor has waived its requirement of delivery of a full Guaranty of Franchisee's obligations under this Agreement in reliance on such ownership.

NOW, THEREFORE, in consideration of the promises in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisor and Franchisee agree as follows:

1. LICENSE

1.1 Limited Grant. Franchisor grants to Franchisee a limited, non-exclusive license to use the Proprietary Marks and the System to operate the Hotel as a System Hotel at the Approved Location under the terms of this Agreement.

1.2 Franchisor's Reserved Rights.

A. *Development Activities.* Franchisee agrees that Franchisor and its Affiliates reserve the right to conduct Development Activities at any location, other than the Approved Location, without notice to Franchisee, subject to Item 9 of Exhibit A. Franchisee will not do anything that may interfere with Franchisor's and its Affiliates' Development Activities.

B. *Territorial Rights.* Franchisee agrees that it is not entitled to any territorial rights or exclusivity, except as stated in Item 9 of Exhibit A.

C. *Use of the System.* Franchisee acknowledges that Franchisor and its Affiliates may allow other Franchisor Products to use various parts of the System, including under affiliation or marketing agreements.

2. TERM

2.1 Term. The term of this Agreement is stated in Item 4 of Exhibit A (the "Term").

2.2 Not Renewable. This Agreement expires on the last day of the Term, and the rights granted under it are not renewable and Franchisee has no expectation of any right to extend the Term.

3. FEES, CHARGES AND COSTS

3.1 Application Fee; Expansion Fee. Franchisee has paid Franchisor the non-refundable application fee stated in Item 10 of Exhibit A (the "Application Fee"). If Franchisor approves an

increase in the number of Guestrooms in the Hotel under Section 4.1, Franchisee will pay the then-current per-Guestroom expansion fee, multiplied by the number of additional Guestrooms.

3.2 Franchise Fees. Beginning on the Opening Date, Franchisee will pay Franchisor for each month an amount equal to the percentage of Gross Room Sales stated in Item 11 of Exhibit A for such month (the “Franchise Fees”). Franchisee will not offer complimentary or reduced-price Guestrooms or food and beverage to benefit any other business at or outside of the Hotel.

3.3 Franchisor Travel Costs. If Franchisor requests, Franchisee will reimburse Franchisor for all Travel Costs for individuals designated by Franchisor to conduct training, inspections, audits, or other services for the Hotel, including counseling and advisory services, which will not exceed the amounts permissible under Franchisor’s corporate travel policies. If the Hotel is not in a sold-out position, Franchisee will provide complimentary lodging at the Hotel to such individuals while they are providing such services.

3.4 Other Fees, Charges and Costs. Franchisee will pay the fees, charges and costs required under this Agreement and any other Marriott Agreement, and will pay for any optional programs in which it participates. Franchisee will also pay Franchisor for any goods or services purchased, leased or licensed by Franchisee from Franchisor, including any costs related to purchasing, installing and upgrading any Electronic Systems. The Franchise Fees and Application Fee are personal to Franchisee and are as stated in this Agreement; all other fees, charges and costs under this Agreement and any other Marriott Agreement (and any applicable changes) will be computed on a fair and consistent basis among similarly situated System Hotels. Franchisor may change such other fees, charges and costs to reflect any change in (i) the costs of providing, or the scope of, the relevant goods, programs or services; (ii) the method Franchisor uses to determine allocation of the applicable charges; or (iii) the competitive needs of the System.

3.5 Timing of Payments and Performance of Services.

A. *Timing of Payments.* Franchise Fees are due within 20 days after the end of each month. All other payments are due as invoiced. All payments will be made in immediately available funds, at the location and in the manner designated by Franchisor (which may include payment through electronic funds transfers or centralized payment processing programs as specified by Franchisor, in which case Franchisee will execute any documents, pay any fees and costs, and take any other action required by Franchisor to effect such payment).

B. *Affiliates and Designees.* Any service or obligation of Franchisor under this Agreement may be performed by an Affiliate or designee of Franchisor. Franchisor may designate that payment be made to the Person performing the service. Any reference in this Agreement to Franchisor concerning payments or performance of services includes such Affiliates and designees. Any designation for the performance of services will not relieve Franchisor or Franchisee of any of their obligations under this Agreement.

C. *Right of Set-Off.* Franchisor may set-off or deduct any amounts owed to Franchisor or any of its Affiliates by Franchisee or any of its Affiliates from amounts that would otherwise be payable to Franchisee under this Agreement.

3.6 Interest on Late Payments. Franchisee will pay interest on any amount that is not paid when due. Interest will accrue at a rate of 18% per annum (or, if less, the maximum interest rate permitted by Applicable Law) from the date such overdue amount was due until paid. Franchisor’s right to receive interest is in addition to any other remedies Franchisor may have.

3.7 Program Services Contribution.

A. *Program Services.* Beginning on the Opening Date, Franchisee will pay Franchisor each month the Program Services Contribution. Franchisor will use the Program Services Contribution to fund certain mandatory programs and services for System Hotels that Franchisee would otherwise be required to pay for separately (“Program Services”), which include, to the extent described in the Disclosure Document:

1. Marketing Fund Activities as described in Section 6.2;
2. development, modification, maintenance, support, administration and operation of certain mandatory Electronic Systems;
3. development, operation, administration and oversight of certain other mandatory programs and services; and
4. the retention or employment of personnel, consultants and other professionals to assist in the development, implementation and administration of Program Services, including collection and accounting of the Program Services Fund, as well as overhead, other costs incurred in providing Program Services, and the reimbursement of capital invested in the development of such Program Services, together with costs incurred by Franchisor to finance such capital.

Franchisor may modify Program Services from time to time. Unless otherwise determined by Franchisor, Program Services do not include services or costs relating to the purchase, installation or deployment of, or training for, any Electronic System.

B. *Marketing Fund Contribution.* Beginning on the Opening Date, Franchisee will pay Franchisor for each month an amount equal to the percentage of Gross Room Sales stated in Item 12 of Exhibit A for such month, which Franchisor will use for the Marketing Fund Activities (the “Marketing Fund Contribution”). The Marketing Fund Contribution will be paid by Franchisee as part of the Program Services Contribution. Franchisor may change the method of funding the Marketing Fund Activities (including by establishing methods of funding Marketing Fund Activities other than by the Marketing Fund Contribution or the Program Services Contribution) or the amount of the Marketing Fund Contribution (without any obligation to make a corresponding change to the total Program Services Contribution), and Franchisee will be bound by any such changes.

C. *Permitted Changes.* Franchisor may at any time: (i) change the method of funding Program Services (including by establishing methods of funding Program Services other than by the Program Services Contribution); (ii) change the programs and services covered by the Program Services Contribution; (iii) change the amount of the Program Services Contribution or the method of calculation of the Program Services Contribution; (iv) merge or operate the Program Services Fund together with program services funds used to benefit other Franchisor Products; or (v) discontinue the use of the Program Services Contribution to fund any one or all mandatory programs or services for System Hotels, and Franchisee will be bound by any such changes.

D. *Benefits.* Franchisor may use the Program Services Fund to cover the costs of Program Services for System Hotels as a whole, groups of System Hotels, and other Franchisor Products. Franchisor has no obligation to ensure that any particular System Hotel, including the Hotel, benefits from Program Services on a pro-rata or other basis or that the Hotel will benefit from Program Services proportionate to the Program Services Contribution paid by Franchisee.

E. *No Fiduciary Duty.* Franchisor and its Affiliates do not hold the Program Services Fund or the Marketing Fund as a trustee or as trust funds and have no fiduciary duty to Franchisee for such funds. The Program Services Contribution and Marketing Fund Contribution may be commingled with other money of Franchisor and its Affiliates and used to pay all costs, including administrative costs, salaries and overhead, and collection and accounting costs, incurred by Franchisor or any of its Affiliates for the Program Services Fund or Marketing Fund, respectively. Franchisor or its Affiliates may: (i) loan money for Program Services and Marketing Fund Activities and charge interest on any such loan; and (ii) use the Program Services Contribution or the Marketing Fund Contribution to repay any such loan plus interest. On request, Franchisor will provide to Franchisee a statement of operations presenting the revenues and expenses of the Program Services Fund and the Marketing Fund (which statement may be audited or unaudited in Franchisor's sole discretion) for any fiscal year of Franchisor if such request is made between 90 and 180 days after the end of such fiscal year.

4. HOTEL CONSTRUCTION, DESIGN, RENOVATION AND MAINTENANCE

4.1 Number of Guestrooms; Expansion. The Hotel will have the number of Guestrooms stated in Item 7 of Exhibit A or such other number approved by Franchisor. Franchisee may expand the Hotel or build additional Guestrooms in compliance with this Agreement only with Franchisor's prior written approval. If additional Guestrooms are approved, Franchisee will pay an expansion fee under Section 3.1.

4.2 Initial Construction or Renovation of the Hotel. Franchisee will timely start and complete the initial construction or renovation of the Hotel, as applicable, to Franchisor's satisfaction in accordance with Section 4.4, Exhibit C and the Standards (the "Initial Work").

4.3 Periodic Renovations.

A. *Replacement of FF&E.* Franchisee will timely start and complete the periodic renovation of all Guestrooms and Public Facilities to Franchisor's satisfaction in accordance with Section 4.4 and the Standards, including replacing Soft Goods and Case Goods periodically as required by the Standards ("Periodic Renovations"). At the time of any replacement of FF&E, Franchisor may require Franchisee to upgrade the rest of the Hotel to conform to the Standards applicable to similarly situated System Hotels.

B. *Reserve Account.* Franchisee will fund the cost of all renovations at the Hotel. Franchisee will establish a reserve account at a financial institution (the "Reserve") so that funds are available to complete the Periodic Renovations.

1. The Reserve will be used only for renovations of Guestrooms and Public Facilities including replacement of Soft Goods and Case Goods. The Reserve will not be used for repairs or replacements to the structure of the Hotel building or to its mechanical, electrical, heating, ventilating, air conditioning, plumbing or vertical transportation systems, which structure and systems will be maintained in good condition with other funds.

2. Each month, Franchisee will transfer into the Reserve an amount equal to the percentage of Gross Revenues stated in Item 18 of Exhibit A applicable to such month. Such transfer will be made within 15 days after the end of each month.

3. At the end of each year, any amounts remaining in the Reserve will remain in the Reserve, and will not decrease the amount required to be deposited in the Reserve.

4. Amounts required under Section 4.3.B.2 may be insufficient to maintain the Hotel in accordance with the Standards, and if so, Franchisee will provide additional funds to maintain the Hotel to the Standards.

4.4 Design Process. Franchisee will obtain the Design Criteria from Franchisor within 10 days of the Effective Date for the Initial Work, and in a timely manner for any Periodic Renovation. In connection with the Initial Work and any Periodic Renovation, Franchisee will pay to Franchisor its then-current fees and comply with the following requirements (the “Design Process”):

A. *Design Team.* For the Initial Work, and as needed for Periodic Renovations, Franchisee will retain a qualified registered architect, engineer and interior designer, and based on the nature of the project, Franchisor may require that Franchisee retain other specialty consultants. Franchisee will provide Franchisor the name, address and relevant work experience on similar projects for any such Person that Franchisee proposes to retain, and Franchisor will have 30 days after receipt of such information to notify Franchisee of its election to consent or withhold its consent. Franchisor’s election to consent or withhold its consent will be based on prior experiences with such Person and such Person’s reputation and experience on similar projects. Franchisor may charge its then-current fee for reviewing any interior designer that is not included on Franchisor’s list of recommended interior designers for the Hotel, if any. If Franchisor does not respond to Franchisee within 30 days after Franchisor’s receipt of such information, then Franchisee may retain such Person. Neither Franchisor’s failure to respond nor Franchisor’s consent to the use of such Person will be deemed an endorsement or recommendation by Franchisor. Franchisor is not liable for the unsatisfactory performance of any Person retained by Franchisee.

B. *Submission of Plans.* For the Initial Work and Periodic Renovations, Franchisee will adapt the Design Criteria to the Hotel and Applicable Law, including Accessibility Requirements. For the Initial Work, and if Franchisor requests for any Periodic Renovations, Franchisee will prepare and submit Plans electronically in the phases and with the detail required by the Standards. The Plans will not deviate from the Design Criteria unless previously approved by Franchisor, and any such deviations will be clearly designated in a separate document delivered along with the Plans.

C. *Review of Plans.* Franchisor will promptly review the Plans only for compliance with the Design Criteria and any applicable property improvement plan, and in the case of the Initial Work, to confirm that the number, configuration and location of Guestrooms and the size, configuration and location of Public Facilities are as previously approved by Franchisor. If Franchisor determines that the Plans do not satisfy such requirements, Franchisor may require changes and Franchisee will deliver revised Plans incorporating such changes. If Franchisor determines that the Plans are incomplete, Franchisor may defer its review of the Plans until it receives complete Plans. Franchisee will not begin the Initial Work or any Periodic Renovation requiring submission of Plans until Franchisor confirms in writing that such Plans comply with such requirements. On receipt of Franchisor’s confirmation, Franchisee will promptly submit the final Plans electronically. Once finalized, the Plans will not be changed without Franchisor’s prior consent. Franchisee will ensure that the renovation of the Hotel is completed in accordance with the Plans.

D. *Compliance with Applicable Law.* Franchisee (and not Franchisor or its Affiliates) is responsible for ensuring that the Plans comply with Applicable Law, including Accessibility Requirements. Franchisor and its Affiliates will have no liability or obligation concerning the means, methods or techniques used in constructing or renovating the Hotel. Franchisee will not reproduce, use or permit the use of any Design Criteria or Plans other than for the Hotel.

4.5 Maintenance. Franchisee will maintain the Hotel in good repair and first-class condition and in conformity with Applicable Law, the Standards and Exhibit C. Franchisee will make repairs, alterations and replacements to the Hotel as required by the Standards. Franchisee will not make any material alterations to the Hotel without Franchisor’s prior consent, unless such alterations are required by Applicable Law or for the continued safe and orderly operation of the Hotel.

5. FURNITURE, FIXTURES, EQUIPMENT, INVENTORIES AND SUPPLIERS

5.1 Uniformity of System. Franchisee will use only such FF&E, Inventories and Fixed Asset Supplies that comply with the Standards. The requirements of this Section 5.1 are to ensure that items used at System Hotels are uniform and of high quality to maintain the identity, integrity and reputation of the System. Before purchasing FF&E to be used in constructing or renovating the Hotel, if requested by Franchisor, Franchisee will prepare furnished models of Guestrooms, color boards and drawings for Franchisor’s confirmation that such proposed FF&E will meet the Standards. Franchisor will promptly respond to Franchisee’s proposal.

5.2 Suppliers. Franchisor may designate suppliers, including Franchisor, for certain items related to FF&E, Inventories and Fixed Asset Supplies. Franchisee may propose new suppliers by delivering sufficient information and samples for Franchisor’s confirmation that such item meets the Standards and the proposed supplier is capable of providing such item in accordance with the Standards. Franchisor may require: (i) reimbursement for the cost of such review; (ii) that such supplier have insurance protecting Franchisor and Franchisee; and (iii) that any supplier using the Intellectual Property enter into an agreement for its use. Franchisor will have no liability for damage to any sample. Franchisor may refuse to permit future purchases if the supplier fails to meet the requirements of this Section 5.2 or the Standards.

6. ADVERTISING AND MARKETING; PRICINGS, RATES AND RESERVATIONS

6.1 Franchisee’s Local Advertising and Marketing Programs.

A. *Local Advertising.* Franchisee will undertake local advertising, marketing, promotional, sales and public relations programs and activities for the Hotel, including preparing and using any Marketing Materials, in accordance with the Standards.

B. *Use of Signs and Marketing Materials.* Franchisee will use signs and other Marketing Materials only in the places and manner approved or required by Franchisor and in accordance with the Standards and Applicable Law. Franchisee will deliver samples of Marketing Materials not provided by Franchisor and obtain prior approval from Franchisor before any use. If Franchisor withdraws its approval, Franchisee will promptly stop using such Marketing Materials. Any Marketing Materials developed by Franchisee may be used or modified by other Franchisor Products without compensation to Franchisee.

6.2 Marketing Fund.

A. *Marketing Fund Activities.* To promote general public recognition of the Proprietary Marks and use of System Hotels, Franchisor may undertake the following activities (the “Marketing Fund Activities”):

1. brand strategy and brand development activities;

2. the creation, production, placement and distribution of Marketing Materials in any form of media;
3. advertising, marketing, promotional, public relations, inventory management, reservation activities and sales campaigns, programs, sponsorships, seminars and other sales activities;
4. market research and oversight and management of the guest satisfaction program and the Loyalty Programs; and
5. the retention or employment of personnel, advertising agencies, marketing consultants and other professionals to assist in the development, implementation and administration of any such activities.

These activities may be conducted on a local, regional, national, continental, international or Category basis. Franchisor may modify the Marketing Fund Activities from time to time.

B. *Permitted Changes.* Franchisor may (i) change the local, country, regional, continental or international scope of the Marketing Fund or the Marketing Fund Activities; (ii) merge or operate the Marketing Fund together with marketing funds used to benefit other Franchisor Products; or (iii) discontinue any Marketing Fund Activities.

6.3 Additional Marketing Programs. Franchisor may provide, and Franchisee will participate in, Additional Marketing Programs that are mandatory for similarly situated System Hotels. Franchisee may elect to participate in optional Additional Marketing Programs. Franchisee will pay for Additional Marketing Programs in which it participates on the same basis as other participating System Hotels.

6.4 Pricing, Rates and Reservations.

A. *Pricing and Rates.* Franchisee is responsible for setting its own prices and rates for Guestrooms and other products and services at the Hotel, including determining any prices or rates that appear in the Reservation System. Franchisor may, however: (i) prohibit certain types of charges or billing practices that Franchisor determines are misleading or detrimental to the System, including price-gouging or incremental fees for services that guests would normally expect to be included in the Guestroom charge; (ii) require that Franchisee price consistently in all distribution channels; or (iii) impose other pricing requirements permitted or required by Applicable Law.

B. *Pricing Recommendations; Participation in Programs.* Franchisor may recommend prices or rates for the products and services offered by Franchisee or require participation in various sales or inventory management programs or promotions offered by Franchisor. Franchisor's recommendations are not mandatory; Franchisee is ultimately responsible for determining the prices or rates at which it offers its products and services, and Franchisor's recommendations are not a representation or warranty by Franchisor that the use of such recommended prices or rates will produce, increase, or optimize Franchisee's profits. Franchisor will have no liability for any such recommendations, including those made in connection with any sales activity or Inventory Management. Franchisor may require Franchisee to participate in Inventory Management or may act as Sales Agent for Franchisee. If Franchisor is acting as Sales Agent for Franchisee, Franchisee consigns hotel inventory to Franchisor, and Franchisee retains all risk of loss of unsold inventory or inventory sold at a reduced price.

C. *Honoring Reservations.* Franchisee will provide its prices and rates for use in the Reservation System in accordance with the Standards. Franchisee will: (i) honor any prices, rates or discounts that appear in the Reservation System or elsewhere; (ii) honor all reservations made through the Reservation System or that are confirmed; and (iii) not charge any Hotel guest a rate higher than the rate specified for the Hotel guest's reservation in the Reservation System or, if not made through the Reservation System, in the reservation confirmation or contract. Franchisee will also honor all pricing and terms for any other product or service offered in connection with the Hotel.

7. **ELECTRONIC SYSTEMS**

7.1 Systems Installation and Use. At its cost, Franchisee will obtain, install, maintain and use at the Hotel all mandatory Electronic Systems (and optional Electronic Systems that Franchisee elects to use) in compliance with the Standards or other approved specifications. Franchisee will pay all Electronic Systems Fees, some of which will be paid as part of the Program Services Contribution. Franchisee will not use the Electronic Systems for any purpose except for the benefit of the Hotel.

7.2 Reservation System. Subject to Section 19.3, Franchisor will make the Reservation System available to the Hotel. Franchisee will cause the Hotel to participate in the Reservation System in accordance with the Standards and this Agreement. Franchisor is not required to make the Reservation System available to the Hotel for any reservations occurring after the expiration or termination of this Agreement.

7.3 Electronic Systems Provided Under License. As a condition to using the Electronic Systems, Franchisee will execute the Electronic Systems License Agreement. The Electronic Systems that are proprietary to Franchisor or third-party vendors, as applicable, will remain their sole property. Franchisee will treat the Electronic Systems as confidential at all times. The Electronic Systems may be modified, replaced or become obsolete, and new Electronic Systems may be created to meet the needs of the System and changes in technology. If Franchisor determines that it is necessary to amend or replace the Electronic Systems License Agreement because of such events, Franchisee will execute the then-current form of, or an amendment to, the Electronic Systems License Agreement.

7.4 Access to Information. Franchisor may access the information contained in the Electronic Systems and Franchisee will take all actions reasonably necessary to provide such access. Franchisor and its Affiliates may use any information contained in or obtained through the Electronic Systems, including Guest Personal Data.

8. **HOTEL OPERATIONS**

8.1 Operator of the Hotel.

A. *Franchisor Consent Required.* The Hotel will be operated only by Franchisee or a Management Company, in either case, only with the prior consent of Franchisor. Franchisee will at all times be responsible for complying with the obligations of this Agreement even though Franchisee may retain a Management Company. Franchisor has consented to the Person identified in Item 8 of Exhibit A to operate the Hotel, subject to any Additional Conditions and, in the case of a Management Company, to the execution and delivery by such Management Company and Franchisee of a Management Company Acknowledgment. In connection with the transition of Hotel operations to a replacement management company, (i) Franchisor may require participation in Franchisor's transition support services program, and Franchisee will pay the cost of such program, and (ii) Franchisee will pay Franchisor's outside counsel costs related to documenting such change of operator, if any. Franchisor's consent may be

withdrawn at any time if Franchisor determines that such Person no longer satisfies any Additional Conditions or the conditions in Section 8.1.B.

B. *Conditions for Consent.* Franchisor may withhold its consent to any proposed management company that: (i) Franchisor determines (a) is not financially capable or (b) does not have the managerial skills or operational capacity required to operate the Hotel in accordance with the Standards and this Agreement; (ii) does not provide Franchisor with all information and access that Franchisor reasonably requests; or (iii) is not a Qualified Person. Franchisor has the right to review any management agreement between Franchisee and its proposed management company.

C. *Change in Circumstances.* If there is a change in Control of the Management Company or if the Management Company is no longer a Qualified Person, or if Management Company becomes the principal operator for a Competitor or if there is a material adverse change to the financial condition or operational capacity of the Management Company, Franchisee will promptly notify Franchisor of any such event of which it becomes aware together with such additional information that Franchisor may reasonably request. Based on these changed circumstances, Franchisor may require Franchisee to terminate its agreement with such Management Company and retain a replacement management company that will be subject to Franchisor's consent. After Franchisor receives such notice and any such additional information Franchisor reasonably requests, Franchisor will respond to Franchisee within 30 days.

8.2 Employees.

A. *Hotel Staffing.* Franchisee will ensure that suitable qualified individuals are employed at the Hotel sufficient to staff the Hotel. Managers at the Hotel will devote their full time to the management and operation of the Hotel and supervision of employees.

B. *Hotel Employment Matters.* All employment decisions at the Hotel will be made solely by Franchisee or the Management Company. Franchisor does not direct or control the employment policies or decisions for the Hotel. All employees at the Hotel are solely employees of Franchisee or the Management Company, not Franchisor, and neither Franchisee nor the Management Company is Franchisor's agent for any purpose with regard to Hotel employees. Franchisee or the Management Company will promptly inform Franchisor whenever it hires a general manager.

C. *Communication with Managers and Management Company.* Franchisor may communicate directly with the managers at the Hotel and the Management Company about day-to-day operations of the Hotel and Franchisor may rely on such statements of the managers and Management Company. Such communications will not affect the requirements of Section 25 or Section 27.7. Franchisor will under no circumstances direct or control such Hotel operations.

8.3 Compliance with the Standards.

A. *Required Activities.* Franchisee will: (i) operate the Hotel at all times in compliance with the Standards; (ii) fully participate in the Quality Assurance Program and all mandatory programs for System Hotels (which may require providing complimentary guestrooms and refunds); (iii) offer all guest services required for System Hotels (which may include complimentary services); (iv) make all payments due in accordance with the terms of all contracts and invoices related to the Hotel, except for payments that are disputed in good faith; and (v) provide all food and beverage service in the Hotel in compliance with the Standards and Applicable Law.

B. *Prohibited Activities.* Except as permitted in the Standards, Franchisee will not, without Franchisor's prior approval: (i) knowingly permit gambling to take place at the Hotel or use the Hotel for any casino, lottery, or other type of gaming activities, or directly or indirectly associate with any gaming activity; (ii) knowingly permit adult entertainment activities at the Hotel; or (iii) sell, display or use in the Hotel any vending machines, honor bars, video or other entertainment devices or similar products.

C. *Inspection Rights.* Franchisee will permit Franchisor's representatives to enter and inspect the Hotel at all reasonable times to confirm that Franchisee is complying with the terms of this Agreement and the Standards, and to test the equipment, food products and supplies at the Hotel. In conducting such inspections, Franchisor will not unduly interfere with the operation of the Hotel. Franchisee will pay all fees and costs related to such inspections to the extent not covered by the Program Services Contribution. Franchisee will pay all on site costs of third-party inspectors.

8.4 System Promotion; No Diversion to Other Businesses.

A. *System Promotion.* Franchisee will use reasonable efforts to encourage and promote the use of System Hotels and will refer reservation requests that cannot be fulfilled by the Hotel to other System Hotels or Franchisor Products in accordance with the Standards.

B. *No Diversion to Other Businesses.* Franchisee will not use (or permit any other Person to use) any part of the Hotel for any business or use other than operating a System Hotel without Franchisor's prior consent. Franchisee will not use any part of the Hotel or the System to divert business to, or promote, any other business at or outside of the Hotel, except, if approved by Franchisor, Vacation Club Products operated under a trade name or trademark owned by Franchisor or any of its Affiliates. This prohibition includes advertising hotels, Vacation Club Products or any similar product sold on a periodic basis not operated under a trade name or trademark owned by Franchisor or any of its Affiliates (including those which Franchisee or its Affiliates operate or in which they have an Ownership Interest).

C. *Notice of Certain Hotel Acquisitions.* Franchisee will promptly notify Franchisor if it or any of its Affiliates acquires any Ownership Interest in any full-service hotel (other than a Franchisor Product) located or to be located within five miles of the Hotel.

9. TRAINING, COUNSELING AND ADVISORY SERVICES

9.1 Training. The Hotel will at all times be managed by personnel who have successfully completed all mandatory training under the Standards. Franchisor may offer optional training related to operating System Hotels. Franchisee will pay (i) all tuition, supplies, and Travel Costs and allocations of internal costs and overhead of Franchisor and its Affiliates for any training in which Franchisee participates; (ii) an annual charge based on an allocation among System Hotels for the costs of developing and providing such training; and (iii) a charge for the general manager conference, regardless of whether Franchisee's personnel attend. Franchisee will provide training required by Franchisor for personnel working at the Hotel.

9.2 Counseling and Advisory Services. Franchisor will make representatives available at Franchisor's designated offices or at the Hotel to consult with Franchisee about the design and operation of the Hotel as a System Hotel. Franchisor may require Franchisee to pay the Travel Costs of such representatives who consult at the Hotel.

10. SYSTEM AND STANDARDS; FRANCHISEE ASSOCIATION

10.1 Compliance with System and Standards. Franchisee agrees that conformity with all aspects of the System and the Standards is essential to maintain the uniform quality and guest service of System Hotels. Franchisee will comply at all times with the Standards (including paying amounts owed pursuant to the Standards for violations thereof) and operate the Hotel in compliance with the System and the Marriott Agreements. Franchisor will make the Standards available to Franchisee through the Electronic Systems or in such other manner Franchisor deems appropriate. The Standards will at all times remain the sole property of Franchisor and its Affiliates.

10.2 Modification of the System and Standards. Franchisor and its Affiliates may modify the System and Standards, and such modifications may include materially changing, adding or deleting elements of the System or the Standards. Franchisee agrees that modifications to the System may be made for all System Hotels or for any Category of System Hotels. Franchisor may allocate the costs of System modifications among System Hotels or any Category of System Hotels, and such allocation will be on a fair and consistent basis. Such costs may include development costs and the reimbursement of capital invested in the development of such System modifications, together with costs incurred by Franchisor to finance such capital.

10.3 Franchisee Association. Subject to compliance with certain membership requirements, Franchisee, Franchisor and other System Hotel franchisees and licensees are eligible to participate in an association organized to consider and make recommendations on matters related to the operation of System Hotels (the "Association"). Franchisee will pay any Association dues and assessments, which will be consistently applied to all System Hotel franchisees. The Association will vote on bylaws and election of officers. Franchisor will regard recommendations of the Association as expressing the consensus of members of the Association.

11. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY

11.1 Franchisor's Representations Concerning the Proprietary Marks.

A. *Representations.* Franchisor represents that:

1. Franchisor and its Affiliates have the right to grant Franchisee the right to use the Proprietary Marks in accordance with this Agreement; and
2. Franchisor and its Affiliates will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks. Franchisor will not be required to maintain any registration for any Proprietary Marks that Franchisor determines, in its sole discretion, cannot or should not be maintained.

B. *Indemnification for Infringement Claims.* Franchisor will indemnify and hold Franchisee harmless against claims that Franchisee's use of the Proprietary Marks in accordance with this Agreement infringes the rights of any third party unrelated to Franchisee, if Franchisee: (i) is in compliance with this Agreement, (ii) gives prompt notice of any such claim to Franchisor, (iii) permits Franchisor to have sole control over the defense and settlement of the claim and (iv) cooperates fully with Franchisor in defending or settling the claim.

11.2 Franchisee's Use of Intellectual Property and the System.

A. *Use of the Intellectual Property and the System.* Franchisee agrees that:

1. Franchisee will use the Intellectual Property and the System only for the operation of the Hotel and only in the form and manner as provided in the Standards or approved by Franchisor. Franchisee will offer or sell only those goods and services under the Proprietary Marks that are of a nature and quality that comply with the Standards. Any use of the System not authorized by Franchisor will constitute an infringement of Franchisor's rights and a default under Section 19.2 of this Agreement;

2. Franchisee will use the Proprietary Marks only in substantially the same places, combination, arrangement and manner as provided in the Standards or approved by Franchisor, including with respect to the name of the Hotel, which will be as designated or approved by Franchisor (it being understood that Franchisor may change any geographic designation in the name of the Hotel at any time, so long as the Hotel name includes the Proprietary Marks);

3. Franchisee will identify itself as a franchisee or licensee of Franchisor and the owner or operator of the Hotel only in the form and manner as provided in the Standards. Franchisee will not use any Proprietary Marks in any manner that could imply that Franchisee has an Ownership Interest in the Proprietary Marks;

4. Franchisee has no right to, and will not, Transfer, sublicense or allow any Person to use any part of the System, unless permitted in this Agreement;

5. Franchisee will not use any part of the System to incur any obligation or indebtedness on behalf of Franchisor or any of its Affiliates;

6. Franchisee will not use any of the Proprietary Marks or any names or marks that consist of, contain or are similar to or an abbreviation of any Proprietary Marks, in Franchisor's sole opinion ("Similar Marks"), as part of Franchisee's corporate or legal name, in connection with any business activity except the Hotel, or as a road name or address, whether alone or in combination with Other Marks;

7. Franchisee will not register or apply to register any of the Proprietary Marks or Similar Marks, whether alone or in combination with other trademarks;

8. Franchisee will notify Franchisor of any required business, trade, fictitious, assumed or similar name registration, and indicate in the registration that Franchisee may use such name only in accordance with this Agreement;

9. if litigation involving the Intellectual Property is instituted or threatened against Franchisee, or a claim of infringement involving the Intellectual Property is made against Franchisee, or Franchisee becomes aware of any infringement of the Intellectual Property, Franchisee will promptly notify Franchisor and will cooperate fully in any action, defense or settlement of such matters. Franchisee will not make any demand, serve any notice, institute any legal action or negotiate, litigate, compromise or settle any controversy about any such matter without first obtaining Franchisor's prior consent, which may be withheld in Franchisor's sole discretion. Franchisor will have the right to bring any action and to join Franchisee as a party to any action involving the Intellectual Property;

10. if Franchisor believes, in its sole discretion, that Franchisee's use of the Intellectual Property does not conform with the Marriott Agreements or the Standards, then Franchisee will immediately stop the non-conforming use on notice from Franchisor; and

11. Franchisee will not, and will ensure that its employees and agents do not, take any action or engage in any conduct that is likely to adversely affect the reputation, goodwill, or business of the Hotel, the System, any Franchisor Product or Franchisor. Franchisee will comply with the Standards regarding protection of the reputation of the System, including protection of Intellectual Property, and promptly notify Franchisor of any event that has occurred that is likely to receive or is receiving significant negative public attention, and Franchisee will cooperate with Franchisor in the resolution of, and the public response to, any such matters.

B. *Ownership of the System.* Franchisee agrees that:

1. Franchisor and its Affiliates are the owners or licensees of all right, title and interest in and to the System (except certain Electronic Systems provided by third parties), and all goodwill arising from Franchisee's use of the System, including the Proprietary Marks, will inure solely and exclusively to the benefit of Franchisor and its Affiliates. On the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with Franchisee's use of the System;

2. the Proprietary Marks are valid and serve to identify the System and System Hotels, and any infringement of the Proprietary Marks will result in irreparable injury to Franchisor;

3. the Proprietary Marks may be deleted, replaced or modified by Franchisor or its Affiliates in their sole discretion. Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Proprietary Marks or to use one or more additional or substitute marks;

4. Franchisee will not directly or indirectly: (i) attack the ownership, title or rights of Franchisor or its Affiliates in the System; (ii) contest the validity of the System or Franchisor's right to grant to Franchisee the right to use the System in accordance with this Agreement; (iii) take any action that could impair, jeopardize, violate or infringe any part of the System; (iv) claim any right, title, or interest in the System except rights granted under this Agreement; or (v) misuse or harm or bring into disrepute the System;

5. Franchisee has no, and will not obtain any, Ownership Interest in any part of the System (including any modifications made by or on behalf of Franchisee or its Affiliates). Franchisee assigns, and will cause each of its employees or independent contractors who contributed to System modifications to assign, to Franchisor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions of such copyright) in and to such System modifications. Except to the extent prohibited by Applicable Law, Franchisee waives, and will cause each of its employees or independent contractors who contributed to System modifications to waive, all "moral rights of authors" or any similar rights in such System modifications. For the purposes of this Section 11.2.B.5, "modifications" includes any derivatives and additions; and

6. Franchisee will execute, or cause to be executed, and deliver to Franchisor any documents, and take any actions required by Franchisor to protect the Proprietary Marks and the title in any System modifications.

11.3 Franchisee's Use of Other Marks. Franchisee will not use any Mark in connection with the Hotel or the System that is not a Proprietary Mark, including the names of restaurants or other outlets at the Hotel ("Other Marks") without Franchisor's prior approval. Franchisee will not use any Other Marks that may infringe or be confused with a third party's trade name, trademark or other rights

in intellectual property. Franchisee consents to the use of the Other Marks by Franchisor and its Affiliates during the Term. Franchisee represents that there are no claims or proceedings that would materially affect Franchisor's use of the Other Marks.

11.4 Websites and Domain Names. Franchisee will not display any of the Proprietary Marks on, or associate the System with (through a link or otherwise), any website, electronic Marketing Materials, application or software for mobile devices or other technology or media, domain name, address, designation or listing on the internet or other communication system or medium without Franchisor's consent or as permitted in the Standards. Franchisee will not register or use any internet domain name, address, mobile application or other designation that contains any Proprietary Mark or any mark that is, in Franchisor's sole opinion, confusingly similar. At Franchisor's request, Franchisee will promptly cancel or transfer to Franchisor any such domain name, address or other designation under Franchisee's control.

12. CONFIDENTIAL INFORMATION; DATA PROTECTION

12.1 Confidential Information.

A. *Confidentiality Obligations.* Franchisee will use Confidential Information only for the benefit of the Hotel and in conformity with this Agreement, the Standards and Applicable Law. Franchisee will protect Confidential Information and will immediately on becoming aware report to Franchisor any theft, loss or unauthorized disclosure of Confidential Information. Franchisee may disclose Confidential Information only (i) to Franchisee's employees or agents who require it to operate the Hotel, and only after they are advised that such information is confidential and that they are bound by Franchisee's confidentiality obligations under this Agreement or (ii) if legally compelled under Applicable Law to disclose any such Confidential Information, but only if Franchisee notifies Franchisor immediately on learning of the possibility of any such disclosure and gives Franchisor a reasonable opportunity (and cooperates with Franchisor) to contest or limit the scope of such disclosure (including application for a protective order). Without Franchisor's prior consent, Franchisee will not copy, reproduce or make Confidential Information available to any Person not authorized to receive it. The Confidential Information is proprietary and a trade secret of Franchisor and its Affiliates. Franchisee agrees that the Confidential Information has commercial value and that Franchisor and its Affiliates have taken reasonable measures to maintain its confidentiality. Franchisee is liable for any breaches of such confidentiality obligations by its employees or agents.

B. *Confidentiality of Negotiated Terms.* Franchisee agrees it will not disclose to any Person the content of the negotiated terms of this Agreement or other Marriott Agreements without the prior consent of Franchisor except: (i) as required by Applicable Law; (ii) as may be necessary in any legal proceedings; and (iii) to those of Franchisee's managers, members, officers, directors, employees, attorneys, accountants, agents, lenders, prospective lenders, or any nationally-recognized debt ratings agency, in each case to the extent necessary for the operation or financing of the Hotel and only if Franchisee informs such Persons of the confidentiality of the negotiated terms. Franchisee will be in default under this Agreement for any disclosure of negotiated terms by any such Persons.

12.2 Data Protection. Franchisee and Franchisor are each controllers of Guest Personal Data and may share Guest Personal Data during the Term to the extent permitted by Applicable Law. Franchisee will collect, use, and share Guest Personal Data only for purposes of operating the Hotel and only in accordance with this Agreement, Applicable Law, and the Standards. Franchisee will not sell any Guest Personal Data. Franchisee will take such actions and sign such documents that are determined by Franchisor to be necessary to enable Franchisor and Franchisee to comply with Applicable Law applicable to Guest Personal Data related to the Hotel. Franchisee will promptly provide notice to

Franchisor in accordance with the Standards if Franchisee: (i) discovers or reasonably suspects a Security Incident; or (ii) has been contacted by a data protection authority about the processing of Guest Personal Data (in which case Franchisor and any of its Affiliates may control any proceedings with such data protection authority and Franchisee will reasonably cooperate with Franchisor and its Affiliates). If any Person contacts Franchisee seeking to exercise any right under Applicable Law pertaining to Guest Personal Data, Franchisee will respond to such request in accordance with the Standards. Franchisee will cooperate with Franchisor as is reasonably necessary (a) to respond to data access requests related to Guest Personal Data and (b) in the resolution of Security Incidents at the Hotel.

13. ACCOUNTING AND REPORTS; TAXES

13.1 Accounting. Franchisee will account for Gross Room Sales and Gross Revenues on an accrual basis and in compliance with this Agreement.

13.2 Books, Records and Accounts. Franchisee will maintain and preserve complete and accurate books, records and accounts for the Hotel in accordance with the Uniform System and United States generally accepted accounting principles, consistently applied, Applicable Law and the Standards. Franchisee will preserve these books, records and accounts for at least 5 years from the dates of their preparation.

13.3 Accounting Statements.

A. *Monthly Statements.* At Franchisor's request, for each full or partial month after the Opening Date, Franchisee will prepare and deliver to Franchisor an operating statement containing the information required by Franchisor, including Gross Revenues and Gross Room Sales for such month.

B. *Quarterly Projections.* On or before the first day of each full calendar quarter after the Opening Date, Franchisee will provide to Franchisor a monthly estimate of Gross Revenues and Gross Room Sales for each of the next four calendar quarters in a format approved or required by Franchisor.

C. *Annual Statements.* For each full or partial calendar or fiscal year (whichever is used by Franchisee for income tax purposes), Franchisee will prepare and provide to Franchisor a complete statement of income and expense from the operation of the Hotel for the preceding year, including an accounting for the Reserve. This statement is due within 90 days after each year. This statement will be prepared in accordance with the Uniform System and the United States generally accepted accounting principles, consistently applied, Applicable Law, the Standards, and the Uniform System "Income Statement" with standard line items specified by Franchisor, and Franchisee will provide such supporting documentation and other information that Franchisor may require relating to this statement. In addition, Franchisee will promptly deliver to Franchisor such other reports and financial information relating to Franchisee and the Hotel as Franchisor may request.

13.4 Franchisor Examination and Audit of Hotel Records.

A. *Examination and Audit.* Franchisor and its authorized representatives may, at any time, but on reasonable notice to Franchisee, examine and copy all books, records, accounts and tax returns of Franchisee related to the operation of the Hotel during the five years preceding such examination. Franchisor may have an independent audit made of any such books, records, accounts and tax returns. Franchisee will provide any assistance reasonably requested for the audit and will provide copies of any documentation requested by Franchisor without charge.

B. *Underreporting.* If an examination or audit reveals that Franchisee has made underpayments to Franchisor, Franchisee will promptly pay Franchisor on demand the amount underpaid plus interest under Section 3.6. If an examination or audit finds that Franchisee has understated payments due Franchisor by 5% or more for the relevant period, or if the examination or audit reveals that the accounting procedures are insufficient to determine the accuracy of the calculation of payments due, Franchisee will reimburse Franchisor for all costs relating to the examination or audit (including reasonable accounting and legal fees). If the examination or audit establishes a pattern of underreporting, Franchisor may require that the annual financial reports due under Section 13.3.C. be audited by an independent accounting firm consented to by Franchisor. The rights of Franchisor in this Section 13.4 are in addition to any other remedies that Franchisor may have, including the right to terminate this Agreement.

C. *Overpayments.* If an examination or audit reveals that Franchisee has made overpayments to Franchisor, the amount of such overpayment, without interest, will be promptly credited against future payments due Franchisor.

13.5 Taxes.

A. *Payment of Taxes.* Franchisee will pay when due all Taxes relating to the Hotel, Franchisee, this Agreement, any other Marriott Agreement or in connection with operating the Hotel, except income or franchise taxes assessed against Franchisor.

B. *Withholding Taxes.*

1. The amounts payable to Franchisor will not be reduced by any deduction or withholding for any present or future Taxes.

2. If Applicable Law imposes an obligation on Franchisee to deduct or withhold Taxes directly from any amount paid to Franchisor, then Franchisee will deduct or withhold the required amount and will timely pay the full amount deducted or withheld to the relevant governmental authority in accordance with Applicable Law. The amount paid to Franchisor will be increased so that after the deduction or withholding has been made in accordance with Applicable Law, the net amount actually received by Franchisor will equal the full amount originally invoiced or otherwise payable. If required or permitted, Franchisee must promptly pay any such deduction or withholding directly to the relevant governmental authority and provide Franchisor proof of payment.

3. If Applicable Law does not impose an obligation on Franchisee to deduct or withhold Taxes directly from any amount paid to Franchisor, but requires Franchisor to pay such Taxes, then Franchisee will pay Franchisor, within 15 days after request, the full amount of the Taxes paid or payable by Franchisor with respect to such payment so that the net amount actually retained by Franchisor after payment of Taxes (other than taxes assessed on Franchisor's net income) will equal the full amount originally invoiced or otherwise payable.

C. *Sales Tax & Similar Taxes.* The amounts payable to Franchisor will not be reduced by any sales, goods and services, value added or similar taxes, all of which will be paid by Franchisee. Therefore, in addition to making any payment to Franchisor required under this Agreement, Franchisee will: (i) pay Franchisor the amount of these taxes due with respect to the payment; or (ii) if required or permitted by Applicable Law, pay these taxes directly to the relevant taxing authority.

D. *Tax Disputes.* If there is a Dispute by Franchisee as to any Tax liability, Franchisee may contest the Tax liability in accordance with Applicable Law, but Franchisee will not

permit a sale, seizure or attachment to occur against the Hotel. If such Dispute involves payments of Taxes that will be withheld, deducted and paid by Franchisee related to payments to Franchisor as provided in this Section 13.5, Franchisee will notify Franchisor before taking action with regard to the Dispute with the tax authority and, if requested by Franchisor, cooperate with Franchisor in preparing its response. Upon Franchisor's request, Franchisee will pay such Taxes and seek reimbursement from the governmental authority. Franchisee will be responsible for any interest or penalties assessed.

14. INDEMNIFICATION

Franchisee will indemnify, defend and hold harmless Franchisor and its Affiliates (and each of their respective predecessors, successors, assigns, current and former directors, officers, shareholders, subsidiaries, employees and agents), against all Claims and Damages, including allegations of negligence by such Persons, to the fullest extent permitted by Applicable Law, arising from: (i) the unauthorized use of Intellectual Property; (ii) the violation of Applicable Law; or (iii) the construction, conversion and renovation, repair, operation, ownership or use of the Hotel or the Approved Location (including Claims and Damages arising from a Security Incident or the use of the Other Marks) or of any other business related to the Hotel or the Approved Location. Franchisor will have the right, at Franchisee's cost, to control the defense of any Claim (including the right to select its counsel or defend or settle any Claim) if Franchisor determines such Claim may affect the interests of Franchisor or its Affiliates. Such undertaking by Franchisor will not diminish Franchisee's indemnity obligations. Neither Franchisor nor any indemnified Person will be required to seek recovery from third parties or mitigate its losses to maintain its right to receive indemnification from Franchisee. The failure to pursue such recovery or mitigate its losses will not reduce the amounts recoverable from Franchisee by an indemnified Person. Franchisee's obligation to maintain insurance under Section 15 will not relieve Franchisee of its obligations under this Section 14. Franchisee's obligations under this Section 14 will survive the termination or expiration of this Agreement.

15. INSURANCE

15.1 Insurance Required. During the Term, Franchisee will procure and maintain insurance with the coverages, deductibles, limits, carrier ratings, and policy obligations required by the Standards. Such insurance requirements may include: property insurance including business interruption, earthquake, flood, terrorism and windstorm; workers' compensation; commercial general liability; liquor liability; business auto liability; umbrella or excess liability; fidelity coverage; employment practices liability; cyber liability; and such other insurance customarily carried on hotels similar to the Hotel. Franchisor may change such requirements in the Standards and may also require Franchisee to obtain additional types of insurance or increase the amount of coverages. All insurance will be by endorsement specifically:

- A. name as unrestricted additional insureds Franchisor, any Affiliate designated by Franchisor and their employees and agents (except for workers' compensation and fidelity insurance);
- B. provide that the coverages will be primary and that any insurance carried by any additional insured will be excess and non-contributory;
- C. contain a waiver of subrogation in favor of Franchisor and any Affiliate of Franchisor; and
- D. provide that the policies will not be canceled, non-renewed or reduced without at least 30 days' prior notice to Franchisor.

15.2 Other Requirements. Franchisee will deliver to Franchisor a certificate of insurance (and certified copy of such insurance policy if requested) evidencing the insurance required. Renewal certificates of insurance will be delivered to Franchisor not less than 10 days before their respective inception dates. If Franchisee fails to procure or maintain the required insurance, Franchisor will have the right and authority to procure (without any obligation to do so) such insurance at Franchisee's cost, including a reasonable fee for Franchisor's procurement and maintenance of such insurance. If Franchisee delegates its insurance obligations to any other Person, Franchisee will ensure that such Person satisfies such obligations. Such delegation will not relieve Franchisee of its obligations under this Section 15 and the Standards. Any failure to satisfy the insurance requirements is a default under this Agreement. Franchisee will cooperate with Franchisor in pursuing any claim under insurance required by this Agreement.

16. FINANCING OF THE HOTEL

Franchisee and each Interestholder in Franchisee may grant a lien or other security interest in the Hotel or the revenues of the Hotel, or pledge Ownership Interests in Franchisee or a Control Affiliate as collateral for the financing of the Hotel. Franchisor may provide information to and otherwise communicate with any Person holding such lien, security interest or pledge (or its designee) regarding the status of the Hotel, this Agreement or any breach or default under this Agreement. If any Person exercises its rights under such lien, security interest or pledge, Franchisor will have the rights under Section 19.1. Franchisee will not pledge this Agreement as collateral or grant a security interest in this Agreement, but Franchisor may provide a comfort letter to a lender on Franchisor's then-current form and, if it does so, Franchisee will pay the then-current lender comfort letter processing fee.

17. TRANSFERS

17.1 Franchisee's Transfer Rights. Franchisee agrees that its rights and duties in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on the business skill, financial capacity and character of Franchisee and its Affiliates and their principals. Accordingly, any Transfer of the Hotel, or of any Ownership Interest in Franchisee, a Control Affiliate, or the Hotel, may be made only in accordance with this Section 17 (including Section 17.5) and only if such Transfer does not violate Section 17.6. This Agreement may not be Transferred without Franchisor's prior consent.

17.2 Transfers Not Requiring Notice or Consent. As long as the following Transfers of Passive Investor Interests do not result in a change of Control of Franchisee, no notice to or consent by Franchisor is required:

A. *Publicly-traded Securities.* A Transfer of publicly-traded securities purchased on the open market, pursuant to a registration statement or through a registered broker/dealer or investment adviser;

B. *10% Threshold.* A Transfer of Passive Investor Interests (other than those held by a Guarantor) to a transferee that immediately before and after the Transfer owns less than 10% of the Ownership Interests in Franchisee; and

C. *Investment Fund.* A Transfer of limited partnership interests in an investment fund formed by a sponsoring company in the business of raising capital for investment purposes, as long as such fund has at least 20 limited partners, none of which owns (immediately before or after such Transfer) 10% or more of the Ownership Interests in Franchisee or directs the decisions of, or exercises any Control over, the fund or the companies in which the fund invests.

17.3 Transfers Requiring Notice but Not Consent. Franchisee must provide notice to Franchisor at least 20 days prior to any of the following Transfers that are not covered in Section 17.2, but no consent by Franchisor is required:

A. *Passive Investor Transfer.* A Transfer of Passive Investor Interests if the following requirements are met:

1. Franchisee provides Franchisor with the identity of the proposed transferees and their Interestholders, together with all other related information reasonably requested by Franchisor;

2. such Transfer, individually and in the aggregate, will not result in: (i) a change of Control of Franchisee; (ii) any Person and its Affiliates that did not own a majority of the Ownership Interests in Franchisee before such Transfers collectively owning a majority of the Ownership Interests in Franchisee after such Transfer; or (iii) a Transfer of all of Guarantor's Ownership Interest in Franchisee;

3. each new Interestholder is a Qualified Person, and Franchisee pays the fees for any required background checks; and

4. if Franchisor requests, Franchisee will execute an amendment to this Agreement that updates the ownership information in Exhibit A, and pay Franchisor's outside counsel costs related to such documentation, if any.

B. *Transfer to Affiliates; Transfer for Estate Planning Purposes.* A Transfer of the Hotel or an Ownership Interest in Franchisee to an Affiliate of Franchisee, or a Transfer of an Ownership Interest in Franchisee for estate planning purposes to an immediate family member or to an entity owned by, or a trust for the benefit of, an immediate family member, in the case of each such Transfer, if the following requirements are met:

1. Franchisee or its Control Affiliate owns, directly or indirectly, more than 50% of the economic interests of the proposed transferee (if the transferee is an entity), and such Transfer does not otherwise result in a change of Control of Franchisee or the Hotel;

2. Franchisee provides the identity of the proposed transferee and its Interestholders, documentation acceptable to Franchisor evidencing the Transfer, and all other related information reasonably requested by Franchisor;

3. each Guarantor acknowledges the Transfer and reaffirms its obligations under the Guaranty and, if required by Franchisor, another party acceptable to Franchisor executes a guaranty substantially identical to the form in the then-current Disclosure Document;

4. Franchisee is not in breach or default under any of the Marriott Agreements, or if there is a breach or default, there is an agreement to cure such breach or default;

5. each new Interestholder is a Qualified Person, and Franchisee pays the fees for any required background checks; and

6. if Franchisor requests, Franchisee and such transferee will execute any documents required by Franchisor to reflect the Transfer, and Franchisee will pay Franchisor's outside counsel costs related to such documentation, if any.

17.4 Transfers Requiring Notice and Consent. Transfers of the Hotel or a Controlling Ownership Interest in the Franchisee, a Control Affiliate or the Hotel may be made only with at least 45 days' advance notice to Franchisor and Franchisor's prior consent.

A. *Conditions to Transfer.* Franchisor's consent to a Transfer under this Section 17.4 will be subject to satisfaction of the following conditions:

1. Franchisee provides Franchisor the identity of all parties and their Interestholders, a copy of the purchase agreement, the organizational documents of the transferee and its Interestholders, together with all other information reasonably requested by Franchisor;
2. payment by Franchisee of the then-current non-refundable property improvement plan fee (including any fees related to an extension thereof), and payment of the then-current application fee for System Hotels to Franchisor by the transferee with its submission of the application. If Franchisor does not consent to the Transfer, Franchisor will refund the application fee, less \$10,000;
3. transferee and any new Interestholder is a Qualified Person;
4. retention of a management company consented to by Franchisor under Section 8.1 if Franchisor determines in its sole discretion that the transferee is not qualified to operate the Hotel;
5. execution by the transferee of the then-current form of franchise and related agreements. The new franchise agreement will contain the standard terms for new franchise System Hotels as of the date of the Transfer, including the then-current fees and charges, except that Franchisor may require that the duration be shortened to the remaining Term. The new franchise agreement will also include a property improvement plan requiring the transferee to address any renovations necessary to comply with the Standards;
6. payment of all amounts due Franchisor and execution of a general release of all claims against Franchisor and its Affiliates; and
7. payment of Franchisor's outside counsel costs related to the Transfer.

Prior Transfers of Ownership Interests by or to a Person that already owns Ownership Interests or an Affiliate of such Person will be taken into account in determining whether a Transfer of a Controlling Ownership Interest has occurred. Within 30 days after Franchisor receives notice and all required information, Franchisor will notify Franchisee of its consent to such Transfer or the reason Franchisor is withholding its consent.

B. *Withholding of Consent.* Even if the conditions in Section 17.4.A. are satisfied, Franchisor may withhold its consent to a Transfer under this Section 17.4 if:

1. Franchisor determines that the proposed transferee's debt service or overall financial status will not permit the Hotel to be operated in compliance with the Standards; or
2. an uncured breach or default of a Marriott Agreement exists, and there is no agreement to cure such breach or default in connection with the Transfer; or
3. the Hotel is not in good standing under the Quality Assurance Program.

C. *Mental Incompetency or Death.* If any Person holding a Controlling Ownership Interest in Franchisee becomes mentally incompetent or dies, the interest of such Person may be Transferred subject to the terms of this Section 17.4 and only if: (i) any such Transfer will be made within 12 months after such Person is deemed mentally incompetent or dies; and (ii) the obligations of Franchisee will be satisfied pending the Transfer and the Hotel is operated in compliance with this Agreement. If such Person was a Guarantor, Franchisor may require another party acceptable to Franchisor to execute a Guaranty substantially identical to the form in the then-current Disclosure Document. If an executor, custodian, or other representative is appointed to oversee the management of Franchisee, Franchisee will give Franchisor notice of such appointment within 30 days and the appointee will cause the Hotel to be operated in compliance with this Agreement.

17.5 Proposed Transfer to Competitor and Right of First Refusal.

A. *Right of First Refusal.* If there is a proposed Transfer of the Hotel or an Ownership Interest in Franchisee or a Control Affiliate to a Competitor, Franchisee will notify Franchisor stating the identity of the prospective transferee (including the Interestholders of such prospective transferee), the terms of the proposed transaction, and all other information reasonably requested by Franchisor. Within 30 days after receipt of such notice and information, Franchisor will notify Franchisee of its election of one of the following:

1. if the proposed Transfer is a cash transaction, Franchisor (or its designee) will have the right to purchase or lease the Hotel or acquire the Ownership Interest at the same price and on the same terms as the Competitor, and Franchisee and Franchisor (or its designee) will promptly enter into an agreement on such terms; or

2. if the proposed Transfer is a non-cash transaction or other form of Transfer, Franchisor (or its designee) will have the right to purchase or lease the Hotel or acquire the Ownership Interest for its fair market value; if Franchisee and Franchisor are unable to agree on the fair market value within 14 days of Franchisor's election, Franchisor will promptly provide Franchisee with a list of at least three nationally recognized appraisers of hotel properties, and within five days Franchisee will select one of such appraisers to appraise the Hotel or the Ownership Interest. Franchisor and Franchisee will share the costs of the appraisal equally. Such appraisal will constitute the fair market value of the Hotel or the Ownership Interest for purposes of this Section 17.5.A.2. Within 30 days of receipt of the appraisal, Franchisor (or its designee) may either: (i) enter into an agreement to purchase the Hotel or the Ownership Interest at the fair market value determined by the appraiser; or (ii) take the action specified in Section 17.5.A.3.; or

3. Franchisor may place Franchisee in default and give notice of its intent to terminate this Agreement under Section 19.1.B., in which case either: (i) Franchisee will cancel the Transfer; or (ii) this Agreement will terminate and Franchisee will pay damages pursuant to Section 19.4 and comply with its post-termination obligations; or

4. Franchisor may consent to such Transfer, which consent will be on such terms as Franchisor may require, in its sole discretion.

B. *Real Estate Interest and Injunctive Relief.* Franchisee acknowledges that Franchisor's rights under Section 17.5.A. are rights in real estate. If requested by Franchisor, Franchisee will execute a Competitor ROFR, and Franchisor may record such Competitor ROFR in the appropriate real estate records of the jurisdiction where the Hotel is located, and Franchisee will cooperate in such filing. Franchisee agrees that damages are not an adequate remedy if Franchisee breaches its obligations under this Section 17.5, and Franchisor will be entitled to declaratory, injunctive or other relief without

proving the inadequacy of money damages as a remedy and without posting a bond. If this Agreement is terminated and Franchisor's rights under Section 17.5 are no longer in effect, on request, Franchisor will execute a termination of such interest.

C. *Survival of Right of First Refusal.* Except for termination of this Agreement under Section 17.5.A.3. or in connection with a Transfer consented to by Franchisor under Section 17.5.A.4., Franchisor's rights under Section 17.5.A. survive early termination of this Agreement and will apply to any Transfer of the Hotel or an Ownership Interest in Franchisee or a Control Affiliate to a Competitor that occurs within six months after such termination.

17.6 Restricted Persons. No Transfer of any Ownership Interest in Franchisee, the Hotel or any Marriott Agreement will be made to a Restricted Person or a Person that receives funding from a Restricted Person. Any such Transfer is a default under Section 19.1.B.

17.7 Transfers by Franchisor.

A. *Transfer to Affiliates.* Franchisor may Transfer this Agreement to any of its Affiliates that assumes Franchisor's obligations to Franchisee and is reasonably capable of performing Franchisor's obligations, without prior notice to, or consent of, Franchisee.

B. *Transfer to Other Persons.* Franchisor may Transfer this Agreement to any Person that assumes Franchisor's obligations to Franchisee, is reasonably capable of performing Franchisor's obligations and acquires substantially all of Franchisor's rights in System Hotels, without prior notice to, or consent of, Franchisee. Franchisee agrees that any such Transfer will constitute a release of Franchisor and a novation of this Agreement.

C. *Franchisor's Successors and Assigns.* This Agreement will be binding on and inure to the benefit of Franchisor and its permitted successors and assigns.

18. PROSPECTUS REVIEW

18.1 Franchisor's Review of Prospectus. Except as stated in Section 18.2, if any Prospectus uses the Proprietary Marks, identifies the Hotel or Franchisor or its Affiliates or describes the relationship between Franchisor or Franchisee and their respective Affiliates, Franchisee will:

A. deliver to Franchisor for its review a copy of such Prospectus and all related materials at least 30 days before the earlier of the date such Prospectus is delivered to a potential purchaser or a potential investor or filed with the Securities and Exchange Commission or other governmental authority. Franchisor may require Franchisee to pay its outside counsel costs for the review of such Prospectus;

B. indemnify, defend and hold harmless Franchisor and its Affiliates in connection with such Prospectus and the offering; and

C. use any Proprietary Marks in such Prospectus and in any related materials only as consented to by Franchisor.

Franchisor's review of any Prospectus is conducted solely to determine the accuracy of any description of Franchisor's relationship with Franchisee and compliance with this Agreement, including the requirements of Section 12.1 and this Section 18, and not to benefit any other Person. Such consent will not constitute an endorsement or ratification of the proposed offering or Prospectus.

18.2 Exemption from Review. Franchisor will waive the requirement for its review of a Prospectus if such Prospectus: (i) only uses the Proprietary Marks in block letters to identify the Hotel, (ii) provides a clear statement that the Hotel is operated under a license from Franchisor, and (iii) provides that Franchisor has not reviewed, endorsed or ratified the proposed offering or Prospectus.

19. DEFAULT AND TERMINATION

19.1 Immediate Termination. Franchisee will be in default and Franchisor may terminate this Agreement without providing Franchisee any opportunity to cure the default, effective on notice to Franchisee (or on the expiration of any notice or cure period given by Franchisor in its sole discretion or required by Applicable Law), if any of the following occurs:

A. Financial Defaults.

1. Franchisee or any Guarantor files a voluntary petition or a petition for reorganization under any bankruptcy, insolvency or similar law;
2. Franchisee or any Guarantor consents to an involuntary petition under any bankruptcy, insolvency or similar law or fails to vacate any order approving such an involuntary petition within 90 days from the date the order is entered;
3. Franchisee or any Guarantor is unable to pay its debts as they become due;
4. Franchisee or any Guarantor is adjudicated to be bankrupt, insolvent or of similar status by a court of competent jurisdiction;
5. A receiver, trustee, liquidator or similar authority is appointed over the Hotel;
6. Execution is levied against the Hotel, Franchisee or any material real or personal property in the Hotel in connection with a final judgment; or
7. A suit to foreclose any lien, mortgage or security interest in the Hotel or any material personal property at the Hotel, or any security interest in Franchisee is filed and is not vacated within 90 days.

B. Non-Financial Defaults.

1. Franchisee or any Guarantor or any other Person that Controls or has an Ownership Interest in Franchisee is or becomes a Restricted Person;
2. Franchisee or any of its Affiliates or any Guarantor takes any action that constitutes a violation of Applicable Law that adversely affects the Hotel or the System;
3. Franchisee or any of its Affiliates or any Guarantor becomes a Competitor or a Transfer occurs that does not comply with the terms of Section 17;
4. Franchisee or any of its Control Affiliates or any Guarantor dissolves or liquidates;

5. Franchisee loses its right to operate or possess the Hotel, or loses ownership of the Hotel; or, if the Hotel is subject to a lease referenced in Item 17 of Exhibit A, Franchisee or the Owner referenced in Item 17 of Exhibit A is in default under such lease, or such lease is terminated for any reason;

6. the Hotel ceases to operate as a System Hotel;

7. Franchisee engages in a pattern of underreporting amounts payable to Franchisor under this Agreement involving three or more months within any 24-month period;

8. a threat to public health or safety occurs from the condition of the Hotel or its operation, that in the opinion of Franchisor, could result in: (i) substantial liability; or (ii) an adverse effect on the Hotel, other System Hotels, the System or the Proprietary Marks and Franchisee fails to close the Hotel and remedy the condition on notice from Franchisor;

9. the Hotel fails to achieve the thresholds of performance established by the Quality Assurance Program and such failure has not been cured within the applicable cure period; or

10. any Confidential Information is disclosed in breach of Section 12.

19.2 Default with Opportunity to Cure. Franchisee will be in default and Franchisor may terminate this Agreement for the events listed below, if after 30 days' notice of default (or such greater number of days given by Franchisor in its sole discretion or as required by Applicable Law), Franchisee fails to cure the default as specified in the notice:

A. Franchisee fails to timely start and complete construction or conversion of the Hotel or fails to timely open the Hotel in accordance with this Agreement and the Standards; or

B. Franchisee fails to timely complete any renovation or repair of the Hotel in accordance with this Agreement and the Standards; or

C. Franchisee and its Affiliates fail to pay any amounts due under the Marriott Agreements; or

D. any Marriott Agreement is in breach beyond any applicable cure period, is in default, or is terminated based on a breach by or default of Franchisee or its Affiliates (or any Owner referenced in Item 17 of Exhibit A); or

E. Franchisee or any Interestholder in Franchisee, or any officer, director or employee of Franchisee, is convicted of a Serious Crime or is engaged in conduct that may adversely affect the Hotel, the System, any Franchisor Product or Franchisor, and such Person is not terminated from its relationship with Franchisee; or

F. Franchisee fails to comply with the Standards or there occurs any other breach of the Marriott Agreements, including any representations and warranties by Franchisee.

19.3 Suspension of Reservation System. If Franchisee is in default under this Agreement and the default is not cured within the cure period (if any), Franchisor may, in addition to any other remedies, suspend the Hotel from the Reservation System while such default remains uncured. Once the default is cured, Franchisor will promptly reconnect the Hotel to the Reservation System. Franchisor's exercise of its remedies in this Section 19.3 will not (i) constitute actual or constructive termination or

abandonment of this Agreement; (ii) be a waiver of the default or any breach of this Agreement; or (iii) preclude Franchisor from terminating this Agreement in accordance with Section 19.1 or 19.2, as applicable, or pursuing any equitable or other remedies. Franchisee waives all claims against Franchisor and its Affiliates arising from any suspension from the Reservation System arising as a result of Franchisee's default under this Agreement.

19.4 Damages.

A. *Harm to Franchisor.* Franchisee agrees that if it fails to operate the Hotel as a System Hotel for the entire Term, Franchisor will incur damages, including loss of future Franchise Fees and Program Services Contributions, and loss of opportunities for Development Activities, and that replacement of the Hotel with a comparable hotel will take significant time and effort. Franchisee agrees that it is difficult to calculate such damages over the remainder of the Term and that the liquidated damages provided for in Section 19.4.B. of this Agreement are not a penalty and represent a reasonable estimate of the minimum fair and just compensation for the damages that Franchisor will incur.

B. *Payment of Liquidated Damages.* If Franchisor terminates this Agreement due to Franchisee's default, Franchisee will promptly pay as liquidated damages to Franchisor an amount equal to (i) the Average Monthly Fees *multiplied by* (ii) the lesser of (x) 60 or (y) the number of months remaining in the Term.

C. *Actual Damages Under Special Circumstances.* Franchisee acknowledges that because of the increased difficulty in re-entering the market or replacing multiple hotels and the loss of competitive advantage and customer confidence, Franchisor and the System will suffer additional harm and the liquidated damages described in Section 19.4.B. might be inadequate to compensate Franchisor if this Agreement is terminated under the following circumstances. Therefore, Franchisor reserves the right to seek actual damages in lieu of the liquidated damages described in Section 19.4.B. if:

1. in addition to the termination of this Agreement, at least one additional franchise, license or management agreement for Franchisor Products between Franchisor and Franchisee, or their respective Affiliates, is terminated due to Franchisee's or its Affiliate's default within 12 months of the termination of this Agreement; or
2. this Agreement is terminated (i) as a result of a Transfer to a Competitor, or (ii) in connection with the development or operation of any Other Lodging Product at the Approved Location (which will be deemed to have occurred if, within two years from the date this Agreement terminates, any Person operates, or enters into any agreement or commitment contemplating the operation of, any Other Lodging Product at the Approved Location).

D. *Other Remedies.* Franchisee acknowledges that it does not have the right to terminate this Agreement, and it is obligated to operate the Hotel as a System Hotel for the entire Term. Franchisor's ability to terminate this Agreement and pursue payment of damages under this Section 19.4 does not preclude Franchisor from electing to pursue additional remedies under Applicable Law (including equitable remedies pursuant to Section 24.2) and any such election of remedies will not affect the obligations of Franchisee to comply with Section 20. Franchisee will reimburse Franchisor for any outside counsel costs incurred by Franchisor in connection with any default by Franchisee under Section 19.1 or Section 19.2 of this Agreement.

20. POST-TERMINATION

20.1 Franchisee Obligations.

A. *De-Identification.* On the expiration or other termination of this Agreement, Franchisee will immediately:

1. cease to operate the Hotel as a System Hotel and not represent or create the impression that it is a present or former franchisee or licensee of Franchisor or that the Hotel is or was previously part of the System, unless required under Section 20.1.A.8. or 9. below;

2. permanently cease to use, and remove from the Hotel and any other place of business, any Intellectual Property and any other identifying characteristics of the System, including any Electronic Systems, advertising or any articles that display any of the Proprietary Marks or any trade dress or distinctive features or designs associated with the System or Franchisor Products;

3. remove any signs containing any Proprietary Marks (if Franchisee is unable to remove the signs immediately, Franchisee will cover the signs and remove them within 48 hours);

4. remove from any internet sites all content under its control related to the System or Franchisor and take all actions necessary to disassociate itself from Franchisor on the internet. Franchisee will, at Franchisor's option, cancel or assign to Franchisor or its designee, any domain name under the control of Franchisee or its Affiliates that contains any Proprietary Mark, or any mark that Franchisor determines is confusingly similar, including misspellings and acronyms;

5. cancel any fictitious, trade or assumed name or equivalent registration that contains any Proprietary Mark or any variations, and provide satisfactory evidence to Franchisor of its compliance within 30 days after expiration or termination of this Agreement;

6. deliver to Franchisor the originals and all copies of any Intellectual Property and all other materials relating to the operation of the Hotel under the System, including Guest Personal Data. Franchisee will not retain a copy of any Intellectual Property or such other System materials (including electronic copies), except for any documents that Franchisee reasonably needs for compliance with Applicable Law. If Franchisor explicitly permits Franchisee to use any Intellectual Property or such other System material after the termination or expiration date, such use by Franchisee will be in accordance with this Agreement and Applicable Law;

7. cease using any of the Confidential Information or the System and disclosing it to anyone not authorized by Franchisor to receive it;

8. make such necessary alterations to the Hotel so that the public will not confuse it with a System Hotel. Until such alterations are completed, Franchisee will place a conspicuous sign at the registration desk, stating that the Hotel is no longer a System Hotel; and

9. advise all customers in accordance with the Standards that the Hotel is no longer a System Hotel.

B. *Other Obligations and Termination Costs.* On expiration or termination of this Agreement, Franchisee will (a) comply with the obligations in the Sections referenced under Section 27.8; and (b) promptly pay: (i) all amounts owing to Franchisor; (ii) all of Franchisor's costs or fees charged for

removing the Hotel from the System (including any costs resulting from cancellation of reservations or early departures by customers receiving the notice sent pursuant to Section 20.2); and (iii) a reasonable estimate of costs and fees that will be due but have not yet been invoiced (if the estimated payment exceeds actual amounts due, Franchisor will refund the difference to Franchisee). Franchisor will have the right to recover reasonable legal fees and court costs incurred in collecting such amounts. If this Agreement is terminated under Section 21.2, Franchisee will cooperate with Franchisor in pursuing its claim under the business interruption insurance required under this Agreement.

20.2 Franchisor's Rights on Expiration or Termination. Before or on the expiration or termination of this Agreement, Franchisor may give notice that the Hotel is leaving the System and take any other action related to customers, Travel Management Companies, suppliers and other Persons affected by such expiration or termination, and Franchisor will not be liable for any Damages related to such notice or action.

21. CONDEMNATION AND CASUALTY

21.1 Condemnation.

A. *Condemnation Notification.* Franchisee will promptly notify Franchisor if it receives notice of any proposed taking of any portion of the Hotel by eminent domain, condemnation, compulsory acquisition or similar proceeding by any governmental authority.

B. *Condemnation Restoration.* If the condemnation award is sufficient to restore the Hotel to meet the Standards, Franchisee will cause the Hotel to be promptly restored and reopened within a reasonable time.

C. *Condemnation Termination.* If the taking in Section 21.1.A. would materially affect the continued operation of the Hotel as a System Hotel on a permanent basis, Franchisor or Franchisee may terminate this Agreement, in which case, Franchisor and Franchisee will execute a termination agreement and release on Franchisor's then-current form, and Franchisee will comply with the post-termination obligations in Section 20.

D. *No Liquidated Damages on Condemnation Termination.* A termination under this Section 21.1 will not be a default under this Agreement and Franchisee will not be required to pay liquidated damages. However, Franchisor will be entitled to receive a fair and reasonable portion of any condemnation award to compensate Franchisor for its lost revenue, but not more than the amount of liquidated damages that would have been due under Section 19.4.B.

21.2 Casualty.

A. *Casualty Notification.* Franchisee will promptly notify Franchisor if the Hotel is damaged by any casualty.

B. *Casualty Restoration.* If the Hotel is damaged by any casualty and the cost to restore the Hotel to the same condition as existed previously is less than 60% of the Hotel's replacement cost at the time of the casualty, Franchisee will cause the Hotel to be promptly renovated and reopened within a reasonable time under Section 4.

C. *Casualty Termination.* If the Hotel is damaged by any casualty and the cost to restore the Hotel to the same condition as existed previously is 60% or more of the Hotel's replacement cost at the time of the casualty, Franchisee will have 180 days after the date of the casualty to elect whether it will restore the Hotel to its previous condition or terminate this Agreement. If Franchisee elects

to restore the Hotel, the Hotel will be promptly renovated and reopened within a reasonable time under Section 4. If Franchisee elects to terminate this Agreement, Franchisor and Franchisee will execute a termination agreement and release on Franchisor's then-current form and Franchisee will comply with the post-termination obligations in Section 20. Such termination will not affect Franchisor's right to business interruption insurance proceeds.

D. *No Liquidated Damages on Casualty Termination.* A termination under this Section 21.2 will not be a default under this Agreement and Franchisee will not be required to pay liquidated damages unless, before the date on which the Term otherwise would have ended, Franchisee or any of its Affiliates operates an Other Lodging Product at the Approved Location.

22. COMPLIANCE WITH APPLICABLE LAW; LEGAL ACTIONS

22.1 Compliance with Applicable Law. Franchisee will comply with all Applicable Law, and will obtain all permits, certificates and licenses necessary to operate the Hotel and comply with the Marriott Agreements.

22.2 Notice of Legal Actions. Within seven days of receipt, Franchisee will notify Franchisor and provide copies of: (i) any Claim involving the Hotel, Franchisee or Franchisor; (ii) any judgment, order, or other decree related to the Hotel or Franchisee; or (iii) any inspection reports and warnings about a material failure to meet health or life safety requirements or any other material violation of Applicable Law related to the Hotel or Franchisee. This Section 22.2 will not change any notice requirement that Franchisee may have under any insurance policies.

23. RELATIONSHIP OF PARTIES

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee. Franchisee is an independent contractor, and neither party is an agent, legal representative, joint venturer, partner, joint employer, or employee of the other for any purpose and Franchisee will make no representation to the contrary. Nothing in this Agreement authorizes Franchisee to make any agreement or representation on Franchisor's behalf or to incur any obligation in Franchisor's name.

24. GOVERNING LAW; ARBITRATION; INTERIM RELIEF; COSTS OF ENFORCEMENT; WAIVERS

24.1 Governing Law, Arbitration, and Jurisdiction.

A. *Governing Law.* This Agreement takes effect on its acceptance and execution by Franchisor in Maryland and will be construed under and governed by Maryland law, which law will prevail if there is any conflict of law. Nothing in this Section 24.1 will make the Maryland Franchise Registration and Disclosure Law apply to this Agreement or the relationship between Franchisor and Franchisee, if such law would not otherwise apply.

B. *Arbitration.*

1. Except as otherwise specified in this Agreement and for Claims for indemnification under Section 14 or actions for injunctive or other equitable relief under Section 24.2, any Dispute related to the Hotel, the Marriott Agreements, the relationship of the parties, or any actions or omissions in connection with any of the above, will be resolved, referred to, and finally settled by, arbitration under and in accordance with the Commercial Arbitration Rules of the American Arbitration Association (or any similar successor rules). The arbitrator(s) will be appointed in accordance with such rules. The number of arbitrators will be one unless the parties agree otherwise in accordance with such

rules. The place where arbitration proceedings will be conducted is Baltimore, Maryland. The party bringing the arbitration will submit the following together with any demand or filing required by the American Arbitration Association: (i) a full and specific description of the claim under this Agreement, including identifying the specific provisions that the other party has breached, (ii) documentary evidence of the facts alleged by the complaining party, and (iii) a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the dispute.

2. The decision of the arbitral tribunal will be final and binding on the parties and will be enforceable in any courts having jurisdiction. The arbitral tribunal will have no authority to amend or modify the terms of this Agreement. The arbitral tribunal will have the right to award or include in its award any relief it deems proper, including money damages and interest on unpaid amounts, specific performance and legal fees and costs in accordance with this Agreement; however, the arbitral tribunal may not award punitive, consequential or exemplary damages (except for those related to misuse of Franchisor's Intellectual Property). The costs and expenses of arbitration will be allocated and paid by the parties as determined by the arbitral tribunal.

3. Any arbitration proceeding under this Agreement will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Franchisor is a party, except that Franchisor may join any management company operating the Hotel, any owner under an owner agreement related to the Hotel, and any guarantor of any obligations with respect to the Hotel in any such proceeding. Any Dispute to be settled by arbitration under this Section will at the request of Franchisee or Franchisor be resolved in a single arbitration before a single tribunal together with any Dispute arising out of or relating to any other agreement between Franchisee and Franchisor and its Affiliates. A decision on a matter in another arbitration proceeding will not prevent a party from submitting evidence with respect to a similar matter or prevent the arbitral tribunal from rendering an independent decision without regard to such decision in such other arbitration proceeding.

4. Franchisor or Franchisee may, without waiving any rights, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property (including any aspect of the System, or any reason concerning the safety of the Hotel or the health and welfare of any of the Hotel's guests, invitees or employees).

C. *Jurisdiction.* Franchisee expressly and irrevocably submits to the non-exclusive jurisdiction of the courts of the State of Maryland for the purpose of any Disputes that are not required to be subject to arbitration under Section 24.1.B. So far as permitted under Maryland law, this consent to personal jurisdiction will be self-operative.

24.2 Equitable Relief. Franchisor is entitled to injunctive or other equitable relief, including restraining orders and preliminary injunctions, in any court of competent jurisdiction for any threatened or actual material breach of the Marriott Agreements or non-compliance with the Standards. Franchisor is entitled to such relief without the necessity of proving the inadequacy of money damages as a remedy, without the necessity of posting a bond and without waiving any other rights or remedies.

24.3 Costs of Enforcement. The prevailing party in any legal or equitable action related to the Hotel, this Agreement or the other Marriott Agreements will recover its reasonable legal fees and costs, including fees and costs incurred in confirming and enforcing an award under Section 24.1.B. The prevailing party will be determined based upon an assessment of which party's arguments or positions could fairly be said to have prevailed over the other party's arguments or positions on major disputed issues in the arbitration or at trial, and should include an evaluation of the following: the amount of the net recovery; the primary issues disputed by the parties; whether the amount of the award

comprises a significant percentage of the amount sought by the claimant; and the most recent settlement positions of the parties.

24.4 WAIVER OF PUNITIVE DAMAGES. EACH OF FRANCHISEE AND FRANCHISOR ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO CLAIM OR RECEIVE PUNITIVE DAMAGES IN ANY DISPUTE RELATED TO THE HOTEL, THE MARRIOTT AGREEMENTS, THE RELATIONSHIP OF THE PARTIES, OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE ABOVE, OTHER THAN FRANCHISOR'S RIGHTS AND REMEDIES RELATED TO FRANCHISOR'S INTELLECTUAL PROPERTY. NOTHING IN THIS SECTION 24.4 LIMITS FRANCHISEE'S OBLIGATIONS UNDER SECTION 14.

24.5 WAIVER OF JURY TRIAL. EACH OF FRANCHISEE AND FRANCHISOR ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY DISPUTE RELATED TO THE HOTEL, THE MARRIOTT AGREEMENTS, THE RELATIONSHIP OF THE PARTIES OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE ABOVE.

25. NOTICES

A. *Written Notices.* Subject to Section 25.B., all notices, requests, statements and other communications under this Agreement will be: (i) in writing; (ii) delivered by hand with receipt, or by courier service with tracking capability; and (iii) addressed, (a) in the case of Franchisor, to the address stated in Item 15 of Exhibit A; and (b) in the case of Franchisee, to the address stated in Item 16 of Exhibit A, or in either case at any other address designated in writing by the party entitled to receive the notice. Any notice will be deemed received (x) when delivery is received or first refused, if delivered by hand or (y) one day after posting of such notice, if sent via overnight courier.

B. *Electronic Delivery.* Franchisor may provide Franchisee with electronic delivery of routine information, invoices, the Standards and other System requirements and programs. Franchisor and Franchisee will cooperate with each other to adapt to new technologies that may be available for the transmission of such information.

26. REPRESENTATIONS AND WARRANTIES

26.1 Existence; Authorization; Ownership; Other Representations.

A. *Existence.* Each of Franchisor and Franchisee represents and warrants that it: (i) is duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation; and (ii) has and will continue to have the ability to perform its obligations under this Agreement.

B. *Authorization.* Each of Franchisor and Franchisee represents and warrants that the execution and delivery of this Agreement and the performance of its obligations under this Agreement: (i) have been duly authorized; (ii) do not and will not violate, contravene or result in a default or breach of (a) any Applicable Law, (b) its governing documents or (c) any agreement, commitment or restriction binding on the relevant party; and (iii) do not require any consent that has not been obtained by the relevant party. Without limiting the generality of the foregoing, Franchisee represents and warrants to Franchisor that no agreement or other arrangement of any type (including any management agreement, franchise agreement, letter of intent, option to purchase, technical services agreement, reservation agreement, or any oral agreement or course of conduct which could be construed to be a contract) exists,

as of the Effective Date, which would prohibit or conflict with Franchisee's ability to enter into this Agreement or perform its obligations under this Agreement.

C. *Prior Representations.* Franchisee represents and warrants that all of the representations, warranties and information in the application and provided for this Agreement were true as of the time made and are true as of the Effective Date, regardless of whether such representations, warranties and information were provided by Franchisee or another Person.

D. *Restricted Person; Competitor.* Franchisee represents and warrants, and will ensure throughout the Term, that (i) neither Franchisee nor any of its or the Hotel's funding sources is a Restricted Person and (ii) neither Franchisee nor any of its Affiliates is a Competitor.

E. *Ownership of Franchisee.* Franchisee represents and warrants that the information in Attachment Two to Exhibit A regarding its Interestholders is complete and accurate. Upon any Transfer that requires notice to, or the consent of, Franchisor under Section 17, Franchisee will provide a list of the names and addresses of the Interestholders and documents necessary to confirm such information and update Attachment Two to Exhibit A.

F. *Ownership of the Hotel.* Unless otherwise stated in Item 17 of Exhibit A, Franchisee represents and warrants that either: (i) it is the sole owner of the Hotel and holds good and marketable fee title to the Approved Location; or (ii) the Approved Location is subject to a valid purchase, contribution, or similar agreement, and on closing of such agreement, Franchisee will be the sole owner of the Hotel and will hold good and marketable fee title to the Approved Location. Unless the Hotel is subject to a lease as indicated in Item 17 of Exhibit A, Franchisee will deliver a copy of the recorded deed in Franchisee's name to Franchisor no later than the Construction Start Deadline. Franchisee acknowledges and agrees that Franchisor has waived the requirement of delivery of a full Guaranty of Franchisee's obligations under this Agreement as of the Effective Date based on these representations, and that if these representations are no longer true and correct at any time, among other rights Franchisor may have for such breach, Franchisor may in its sole discretion require that Franchisee provide a Guaranty substantially identical to the form in the then-current Disclosure Document by a party acceptable to Franchisor.

26.2 Additional Franchisee Acknowledgments and Representations.

A. *NO RELIANCE.* IN ENTERING THIS AGREEMENT, FRANCHISEE REPRESENTS AND WARRANTS THAT IT DID NOT RELY ON, AND NEITHER FRANCHISOR NOR ANY OF ITS AFFILIATES HAS MADE, ANY PROMISES, REPRESENTATIONS, WARRANTIES OR AGREEMENTS RELATING TO THE FRANCHISE, THE HOTEL, OR THE APPROVED LOCATION OR THE SYSTEM, UNLESS CONTAINED IN THIS AGREEMENT.

B. *BUSINESS RISK.* FRANCHISEE AGREES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISK, IS A VENTURE WITH WHICH FRANCHISEE HAS RELEVANT EXPERIENCE AND ITS SUCCESS IS LARGELY DEPENDENT ON FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS. FRANCHISOR DISCLAIMS THE MAKING OF, AND FRANCHISEE AGREES IT HAS NOT RECEIVED, ANY INFORMATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SUCCESS OF SUCH BUSINESS VENTURE. IF, PRIOR TO THE EFFECTIVE DATE, FRANCHISOR HAS FURNISHED ANY HISTORICAL PERFORMANCE DATA OR PROJECTIONS WITH RESPECT TO THE HOTEL IN CONNECTION WITH THE POSSIBILITY OF FRANCHISOR OR ITS AFFILIATES MANAGING THE HOTEL (AS OPPOSED TO GRANTING A FRANCHISE TO FRANCHISEE), FRANCHISEE ACKNOWLEDGES

AND AGREES THAT SUCH DATA AND PROJECTIONS ARE NOT APPLICABLE TO A FRANCHISED SYSTEM HOTEL AND THAT IT HAS NOT RELIED THEREON IN ENTERING INTO THIS AGREEMENT. FRANCHISOR WILL NOT INCUR ANY LIABILITY FOR ANY ERROR, OMISSION OR FAILURE CONCERNING ANY ADVICE, TRAINING OR OTHER ASSISTANCE FOR THE HOTEL PROVIDED TO FRANCHISEE, INCLUDING FINANCING, DESIGN, CONSTRUCTION, RENOVATION OR OPERATIONAL ADVICE.

C. *DISCLOSURE AND NEGOTIATION.* FRANCHISEE ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD THE DISCLOSURE DOCUMENT AND THE MARRIOTT AGREEMENTS. FRANCHISEE HAS HAD SUFFICIENT TIME AND OPPORTUNITY TO CONSULT WITH ITS ADVISORS ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. FRANCHISEE HAS HAD AN OPPORTUNITY TO NEGOTIATE THIS AGREEMENT.

D. *HOLDING PERIODS.* FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THIS AGREEMENT, ITS EXHIBITS AND ATTACHMENTS, IF ANY, AND RELATED AGREEMENTS, IF ANY, AT LEAST SEVEN DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED. FRANCHISEE FURTHER ACKNOWLEDGES THAT IT HAS RECEIVED THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS BEFORE THE DATE ON WHICH IT EXECUTED THIS AGREEMENT OR MADE ANY PAYMENT TO FRANCHISOR IN CONNECTION WITH THIS AGREEMENT.

E. *DISCLOSURE EXEMPTION.* NOTWITHSTANDING FRANCHISEE'S ACKNOWLEDGMENT IN SECTION 26.2.D, FRANCHISEE REPRESENTS AND ACKNOWLEDGES THAT THIS FRANCHISE SALE IS FOR MORE THAN \$1,233,000, EXCLUDING THE COST OF UNIMPROVED LAND AND ANY FINANCING RECEIVED FROM FRANCHISOR OR ITS AFFILIATES, AND THUS IS EXEMPTED FROM THE FEDERAL TRADE COMMISSION'S FRANCHISE RULE DISCLOSURE REQUIREMENTS PURSUANT TO 16 CFR 436.8(a)(5)(i).

27. MISCELLANEOUS

27.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which constitute one and the same instrument. Delivery of an electronic signature or an executed signature page by electronic transmission is as effective as delivery of an original signed counterpart. Each party hereto waives any defenses to the enforceability of the terms of this Agreement based on the foregoing forms of signature.

27.2 Construction and Interpretation.

A. *Partial Invalidity.* If any term of this Agreement, or its application to any Person or circumstance, is invalid or unenforceable at any time or to any extent, then: (i) the remainder of this Agreement, or the application of such term to Persons or circumstances except those as to which it is held invalid or unenforceable, will not be affected and each term of this Agreement will be valid and enforced to the fullest extent permitted by Applicable Law; and (ii) Franchisor and Franchisee will negotiate in good faith to modify this Agreement to implement their original intent as closely as possible in a mutually acceptable manner.

B. *Non-Exclusive Rights and Remedies.* No right or remedy of Franchisor or Franchisee under this Agreement or the Standards is intended to be exclusive of any other right or remedy under this Agreement at law or in equity.

C. *No Third-Party Beneficiary.* Nothing in this Agreement is intended to create any third-party beneficiary or give any rights or remedies to any Person except Franchisor or Franchisee and their respective permitted successors and assigns.

D. *Actions from Time to Time.* When this Agreement permits Franchisor to take any action, exercise discretion or modify the System, Franchisor may do so from time to time.

E. *Interpretation of Agreement.* Franchisor and Franchisee intend that this Agreement excludes all implied terms to the maximum extent permitted by Applicable Law. Headings of Sections and geographic designations in the footer are for convenience and do not affect interpretation of this Agreement. All Exhibits to this Agreement form an integral part of this Agreement and are incorporated by reference, including all Items of Exhibit A even if such Items are not specifically referred to in this Agreement. Words indicating the singular include the plural and vice versa as the context may require. References to days, months and years are all calendar references. References that a Person “will” do something mean the Person has an obligation to do such thing. References that a Person “may” do something mean a Person has the right, but not the obligation, to do so. References that a Person “may not” or “will not” do something mean the Person is prohibited from doing so. Examples used in this Agreement and references to “includes” and “including” are illustrative and not exhaustive.

F. *Definitions.* All capitalized terms in this Agreement have the meaning stated in Exhibit B.

27.3 Reasonable Business Judgment.

A. *Definition.* Reasonable Business Judgment means:

1. For decisions affecting the System, that the rationale for Franchisor’s decision has a business basis that is intended to: (i) benefit the System or the profitability of the System, including Franchisor, regardless of whether some hotels may be unfavorably affected; (ii) increase the value of the Proprietary Marks; (iii) enhance guest, franchisee or owner satisfaction; or (iv) minimize potential brand inconsistencies or customer confusion; and

2. For decisions unrelated to the System (for example, a requested approval for the Hotel), that the rationale for Franchisor’s decision has a business basis and Franchisor has not acted in bad faith.

B. *Use of Reasonable Business Judgment.* Franchisor will use Reasonable Business Judgment when discharging its obligations or exercising its rights under this Agreement, including for any consents and approvals and the administration of Franchisor’s relationship with Franchisee, except when Franchisor has reserved sole discretion.

C. *Burden of Proof.* Franchisee will have the burden of establishing that Franchisor failed to exercise Reasonable Business Judgment. The fact that Franchisor or any of its Affiliates benefited from any action or decision, or that another reasonable alternative was available, does not mean that Franchisor failed to exercise Reasonable Business Judgment. If this Agreement is subject to any implied covenant or duty of good faith and Franchisor exercises Reasonable Business Judgment, Franchisee agrees that Franchisor will not have violated such covenant or duty.

27.4 Consents and Approvals. Except as otherwise provided in this Agreement, any approval or consent required under this Agreement will not be effective unless it is in writing and signed by the duly authorized officer or agent of the party giving such approval or consent. Franchisor

will not be liable for: (i) providing or withholding any approval or consent; (ii) providing any suggestion to Franchisee; (iii) any delay; or (iv) denial of any request.

27.5 Waiver. The failure or delay of either party to insist on strict performance of any of the terms of this Agreement, or to exercise any right or remedy, will not be a waiver for the future.

27.6 Entire Agreement. This Agreement and the Marriott Agreements are fully integrated and contain the entire agreement between the parties as it relates to this franchise, the Hotel and the Approved Location and, subject to Section 26.1.C., supersede and extinguish all prior statements, agreements, promises, assurances, warranties, representations and understandings, whether written or oral, by any Person. Nothing in this Agreement is intended to require Franchisee to waive reliance on any representations made in the Disclosure Document.

27.7 Amendments. This Agreement may only be amended in a written document that has been duly executed by the parties and may not be amended by conduct manifesting assent, and each party is put on notice that any individual purporting to amend this Agreement by conduct manifesting assent is not authorized to do so.

27.8 Survival. The duties and obligations of the parties that by their nature or express language survive expiration or termination of this Agreement will survive expiration or termination of this Agreement, including the terms of this Section 27 as well as the terms of Sections 11, 12, 13.2, 13.4, 13.5, 14, 17.5, 18, 19.4, 20, 21.1.D., 21.2.D., 22.2 (but only with respect to a Claim, judgement, report or warning related to Franchisor or its Affiliates or with respect to the period before such expiration or termination) and 24.

{Signatures appear on the following page}

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Franchise Agreement to be executed, under seal, as of the Effective Date.

FRANCHISOR:

MARRIOTT INTERNATIONAL, INC.

By: _____ (SEAL)

Name: Kip W. Vreeland

Title: Senior Vice President, Full Service Franchising

FRANCHISEE:

MIDWEST CITY MUNICIPAL AUTHORITY

By: _____ (SEAL)

Name:

Title:

EXHIBIT A
KEY TERMS

1. **Trade Name(s):** Delta Hotels and Resorts, Delta Hotels, or Delta Hotels by Marriott
2. **Approved Location:** 5750 Will Rogers Road, Midwest City, Oklahoma 73110
3. **Effective Date:** _____, 2023
4. **Term:** Begins on the Effective Date and ends on the 20th anniversary of the Opening Date
5. **Franchisor:** Marriott International, Inc., a Delaware corporation
6. **Franchisee:** Midwest City Municipal Authority, an Oklahoma public trust formed under 60 Okla. Stat. 176 et seq.
7. **Number of Guestrooms:** 149
8. **Entity that will Operate the Hotel:** DePalma Hotel Corporation

Franchisor's approval of the above Management Company is conditioned upon the following:

1. The Management Company must participate in such revenue management program as Franchisor may designate until the 2nd anniversary of the Opening Date.

Without limiting the terms of Section 8.1 and Franchisor's rights thereunder, if the foregoing condition is not satisfied, then Franchisor may, in its sole discretion, require Franchisee to replace the Management Company with another management company that has been approved by Franchisor to operate the Hotel. Such replacement will occur within 60 days after Franchisor delivers notice to Franchisee advising that it must replace the Management Company. If Franchisee fails to replace the Management Company in accordance with this provision, then Franchisee will be in default under this Agreement.

9. **Restricted Territory (Delta Hotels only):** Not Applicable

- | | | |
|-----|-------------------------------------|---|
| 10. | Application Fee: | \$75,000 |
| 11. | Franchise Fees: | 5% of Gross Room Sales |
| 12. | Marketing Fund Contribution: | 1.5% of Gross Room Sales |
| 13. | Construction Start Deadline: | Not Applicable |
| 14. | Opening Deadline: | Not Applicable |
| 15. | Franchisor Notice Address: | Marriott International, Inc.
7750 Wisconsin Avenue
Bethesda, MD 20814
Attn: Law Department 52/923.28 |
| 16. | Franchisee Notice Address: | Midwest City Municipal Authority
100 N. Midwest Blvd
Midwest City, OK 73110
Attn: Tim Lyon
Email: tlyon@midwestcityok.org |
| 17. | Lease Provisions: | Not Applicable |
| 18. | Reserve: | 5% |
| 19. | PIP Review Date: | Not Applicable |
| 20. | System Hotel-specific terms: | The Hotel will be operated as a Delta Hotels by Marriott under the System.

As of the Effective Date, the Marketing Fund is administered on a global basis and includes contributions from hotels located outside of the United States and Canada operating under the trade name(s) identified in Item 1 above. |
| 21. | Additional Terms: | Not Applicable |

**ATTACHMENT ONE
TO EXHIBIT A**

RESTRICTED TERRITORY

{Not Applicable}

**ATTACHMENT TWO
TO EXHIBIT A**

OWNERSHIP INTEREST IN FRANCHISEE

Name of Owner	Address (Include Country of Residence, if not U.S.)	Country of Formation or Nationality (Include if not U.S.)	% Interest
NAME AND ADDRESS OF MIDWEST CITY MUNICIPAL AUTHORITY			
Midwest City Municipal Authority	100 N. Midwest Blvd Midwest City, OK 73110		N/A
TRUSTEES OF MIDWEST CITY MUNICIPAL AUTHORITY			
Matt Dukes - Chair	100 N. Midwest Blvd Midwest City, OK 73110		N/A
Susan Eads	100 N. Midwest Blvd Midwest City, OK 73110		N/A
Pat Byrne	100 N. Midwest Blvd Midwest City, OK 73110		N/A
Megan Bain	100 N. Midwest Blvd Midwest City, OK 73110		N/A
Sean Reed	100 N. Midwest Blvd Midwest City, OK 73110		N/A
Sara Bana	100 N. Midwest Blvd Midwest City, OK 73110		N/A
Rick Favors	100 N. Midwest Blvd Midwest City, OK 73110		N/A

EXHIBIT B
DEFINITIONS

The following terms used in this Agreement have the meanings given below:

“Accessibility Requirements” means the Americans with Disabilities Act and other applicable state laws, codes, and regulations governing public accommodations for persons with disabilities.

“Additional Conditions” means the conditions, if any, stated in Item 8 of Exhibit A.

“Additional Marketing Programs” means advertising, marketing, promotional, public relations, and sales programs and activities that are not funded by the Marketing Fund, each of which may vary in duration, apply on a local, regional, national, or Category basis, or include other Franchisor Products. Examples include email marketing, internet search engine marketing, transaction-based paid internet searches, sales lead referrals and bookings, cooperative advertising programs, Travel Management Companies programs, incentive awards, gift cards, guest satisfaction programs, complaint resolution programs and Loyalty Programs.

“Affiliate” means, for any Person, a Person that is directly or indirectly Controlling, Controlled by, or under common Control with such Person.

“Agreement” means this Franchise Agreement, including any exhibits and attachments, as may be amended.

“Applicable Law” means applicable national, federal, regional, state or local laws, codes, rules, ordinances, regulations, or other enactments, orders or judgments of any governmental, quasi-governmental or judicial authority, or administrative agency having jurisdiction over the Hotel, Franchisee, any Guarantor, Franchisor in its capacity as licensor under this Agreement or any of the Marriott Agreements, or the matters that are the subject of this Agreement, including any applicable data protection or privacy laws or any of the above that prohibit unfair, fraudulent or corrupt business practices and related activities, including any such actions or inactions that would constitute a violation of money laundering or terrorist financing laws and regulations, and including the Oklahoma Open Records Act.

“Application Fee” is defined in Section 3.1.

“Approved Location” means the site, including all land and easements used for the Hotel, described in Item 2 of Exhibit A, as may be updated by the letter agreement issued by Franchisor described in Exhibit C.

“Average Monthly Fees” means: (x) if the Hotel has been operating as a franchised System Hotel for at least 24 full months prior to termination, the average monthly Franchise Fees and Program Services Contributions payable for the Hotel during the immediately preceding 24 months (calculated using the Franchise Fees specified in this Agreement and the Program Services Contribution in effect at the time of termination, but without giving effect to any discounts or incentives); provided that, if Franchisor determines that such calculation does not fairly represent the Hotel’s stabilized performance due to an Extraordinary Event, “Average Monthly Fees” will mean the average monthly Franchise Fees and Program Services Contributions payable for the Hotel during the immediately preceding 24 months during which an Extraordinary Event was not in effect, as determined by Franchisor (or, if fewer, the months since the Hotel has been operating as a franchised System Hotel) (“Hotel Average Fees”); and (y) if the Hotel has not operated as a franchised System Hotel for at least 24 months prior to termination, an amount equal to the greater of (a) the average monthly franchise fees and program services fund

contributions payable for the previous 24 months for all franchised System Hotels on a per room basis multiplied by the number of Guestrooms at the Hotel or (b) Hotel Average Fees during the period the Hotel was operating as a franchised System Hotel; provided that, if Franchisee submitted revenue projections in its application and either Franchisee or Franchisor believes that the calculation in (a) or (b) does not fairly represent the Hotel's projected stabilized performance, it will notify the other, in which case "Average Monthly Fees" will mean the average monthly Franchise Fees and Program Services Contributions that would have been payable based on the stabilized Hotel revenue projected by Franchisee in such application, without giving effect to any discounts or incentives.

"Brand" means a hotel brand, trade name, trademark, system, collection or chain of hotels.

"Case Goods" means furniture and fixtures used in the Hotel such as cabinets, shelves, chests, armoires, chairs, beds, headboards, desks, tables, mirrors, lighting fixtures and similar items.

"Category" means a group of System Hotels designated by Franchisor or its Affiliates based on criteria such as geographic (for example, local, regional, national or international) or other attributes (for example, resorts, urban, or suburban). A Category may have specific Standards or be a descriptive classification.

"Claim" means any demand, inquiry, investigation, action, claim or charge asserted, including in any judicial, arbitration, administrative, debtor or creditor proceeding, bankruptcy, insolvency, or similar proceeding.

"Competitor" means any Person that has a direct or indirect Ownership Interest in a Brand or is an Affiliate of such a Person, or any Person that is a Master Franchisee of a Brand, or any officer or director of such Person, but only if the Brand is comprised of at least: (i) 10 luxury hotels; (ii) 20 full-service hotels; or (iii) 50 limited-service hotels. For purposes of this definition: "luxury" hotels are hotels that had a system average daily rate in excess of \$200 for the most recent year; "full-service" hotels are hotels that offer three meals per day and have at least 3,000 square feet of meeting space; and "limited-service" hotels are hotels that are neither "luxury" hotels nor "full-service" hotels. No Person will be considered a Competitor if such Person has an interest in a Brand merely as: (i) a franchisee; (ii) a management company that operates hotels on behalf of multiple brands; or (iii) a passive investor that has no Control over the business decisions of the Brand, such as limited partners or non-controlling stockholders.

"Competitor ROFR" means a memorandum of right of first refusal for the Hotel, the current form of which is included in the Disclosure Document.

"Confidential Information" means: (i) the Standards; (ii) documents or trade secrets approved for the System or used in the design, construction, renovation or operation of the Hotel; (iii) any Electronic Systems and related documentation; (iv) Guest Personal Data; or (v) any other knowledge, trade secrets, business information or know-how obtained or generated (a) through the use of the System by Franchisee or the operation of the Hotel (or otherwise obtained from Franchisor or its Affiliates in the course of being a franchisee, licensee or owner of the Hotel or of System Hotels) that Franchisor deems confidential or (b) under any Marriott Agreements.

"Control" (in any form, including "Controlling" or "Controlled") means, for any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person or the power to veto major policy decisions of such Person. No Person (or Persons acting together) will be considered to have Control of a publicly-traded company merely due to

ownership of voting stock of such company if such Persons collectively beneficially own less than 25% of the voting stock of such company.

“Control Affiliate” means an Affiliate of Franchisee that Controls Franchisee.

“Damages” means losses, costs (including legal or attorneys’ fees, litigation costs and settlement payments), liabilities (including employment liabilities, bodily injury, death, property damage and loss, personal injury and mental injury), penalties, interest, and damages of every kind and description.

“Design Criteria” means those standards for the design of Hotel Improvements and such other information for planning, constructing or renovating and furnishing a System Hotel.

“Design Process” is defined in Section 4.4.

“Development Activities” means the development, promotion, construction, ownership, lease, acquisition, management or operation of: (i) Franchisor Products (including other System Hotels); and (ii) other business operations, in each case by Franchisor or its Affiliates, or the authorization, licensing or franchising to other Persons to conduct similar activities.

“Disclosure Document” means that certain document entitled “Franchise Disclosure Document” provided by Franchisor to prospective franchisees of System Hotels, as such document may be updated by Franchisor.

“Dispute” means any disagreement, controversy, or Claim relating to or arising out of any Marriott Agreement, the relationship created by any Marriott Agreement, or the validity or enforceability of any Marriott Agreement.

“Effective Date” means the date stated in Item 3 of Exhibit A.

“Electronic Systems” means all Software, Hardware and all electronic access to Franchisor’s systems and data (including telephone and internet access), licensed or made available to Franchisee relating to the System, including the Reservation System, the Property Management System, the Yield Management System and any other system established under Sections 7 and 10.

“Electronic Systems Fees” means the fees charged by Franchisor for the Hotel’s use of the Electronic Systems, which fees include the development and incremental operating costs, ongoing maintenance, field support costs and the reimbursement of capital invested in the development of such Electronic Systems, together with costs incurred by Franchisor to finance such capital.

“Electronic Systems License Agreement” means the agreement that is executed by Franchisee as a condition to using the Electronic Systems, the current form of which is included in the Disclosure Document.

“Extraordinary Event” means a Force Majeure Event, a temporary closure of all or part of the Hotel, or other similar event that causes a temporary and extraordinary change in the Hotel’s performance.

“FF&E” means Case Goods, Soft Goods, signage and equipment (including telephone systems, printers, televisions, vending machines, and Hardware), but excludes any item included in Fixed Asset Supplies.

“Fixed Asset Supplies” means items such as linen, china, glassware, tableware, uniforms and similar items included within “Operating Equipment” under the Uniform System.

“Force Majeure Event” means an act of nature, terrorism, strike, war, governmental restrictions (including those related to pandemics, quarantine restrictions or other public health restrictions) or other causes beyond Franchisee’s control that affect the Hotel.

“Franchise Fees” is defined in Section 3.2.

“Franchisee” means the Person identified in Item 6 of Exhibit A.

“Franchisor” means the Person identified in Item 5 of Exhibit A, and its successors and assigns.

“Franchisor Products” means any hotels and other lodging products, Vacation Club Products, residential products (such as single family homes or multi-unit apartment buildings or individual units within such buildings), restaurants, and other products, services, activities and business operations of any type that are managed, franchised, licensed, owned, leased, developed, promoted or provided by or associated with, Franchisor or any of its Affiliates, now or in the future, in whole or in part, using any brand name available to Franchisor or its Affiliates (including any brands or concepts currently used by Franchisor or its Affiliates for hotels and other lodging products, Vacation Club Products, residential products, whole ownership facilities, home sharing facilities, and other similar products or concepts, and any future brands or concepts developed or used by Franchisor or its Affiliates) or not using any brand name.

“Gross Revenues” means all revenues and receipts of every kind (from both cash and credit transactions, with no reduction for charge backs, credit card service charges, or uncollectible amounts) derived from operating the Hotel. Gross Revenues *includes* revenues from: (i) Gross Room Sales; (ii) food and beverage sales; (iii) licenses, leases and concessions; (iv) equipment rental; (v) vending machines; (vi) telecommunications services; (vii) parking; (viii) health club or spa revenues; (ix) sales of merchandise; (x) service charges; (xi) condemnation proceeds for a temporary taking; (xii) any proceeds from business interruption or other loss of income insurance; and (xiii) any awards, judgments or settlements representing payment for loss of revenues. Gross Revenues *excludes*: gratuities received by Hotel employees; sales tax, value added tax, or similar taxes on such revenues and receipts; and proceeds from the sale of FF&E.

“Gross Room Sales” means all revenues and receipts of every kind that accrue from the rental of Guestrooms (with no reduction for charge backs, credit card service charges, or uncollectible amounts). Gross Room Sales *includes*: (i) no-show revenue, early departure fees, late check-out fees and other revenues allocable to rooms revenue under the Uniform System; (ii) resort fees, destination fees, and mandatory surcharges for facilities (although inclusion of such fees or surcharges does not constitute approval by Franchisor of such fees and surcharges, which may be limited or prohibited); (iii) fees for changes to reservations and attrition or cancellation fees collected from unfulfilled reservations for Guestrooms; (iv) the amount of all lost sales due to the non-availability of Guestrooms in connection with a casualty event, whether or not Franchisee receives business interruption insurance proceeds; and (v) any awards, judgments or settlements representing payment for loss of room sales. Gross Room Sales *excludes* sales tax, value added tax, or similar taxes on such revenues and receipts.

“Guarantor” means the Person or Persons who guarantee the performance of any of Franchisee’s obligations under the Marriott Agreements.

“Guaranty” means a guaranty executed by Guarantor for the benefit of Franchisor, the current form of which is included in the Disclosure Document.

“Guest Personal Data” means any information relating to identified or identifiable actual or potential guests or customers of the Hotel and other Franchisor Products, including contact information (such as addresses, phone numbers, facsimile numbers, email and SMS addresses), Guest Preferences and any other information collected from or about actual or potential guests or customers of the Hotel and other Franchisor Products.

“Guest Preferences” means guest histories, preferences, loyalty program activity and any other related information collected from or about actual or potential guests or customers of the Hotel and other Franchisor Products through the Loyalty Programs or other means.

“Guestroom” means each rentable unit in the Hotel consisting of a room, suite or suite of rooms used for overnight guest accommodation, the entrance to which is controlled by the same key; however, adjacent rooms with connecting doors that can be locked and rented as separate units are considered separate Guestrooms.

“Hardware” means all computer hardware and other equipment (including all upgrades and replacements) required for the operation of any Electronic System.

“Hotel” means: (i) the Approved Location; (ii) Hotel Improvements; and (iii) all FF&E, Fixed Asset Supplies, and Inventories at the Hotel Improvements.

“Hotel Improvements” means the building or buildings containing Guestrooms, Public Facilities, administrative facilities, parking, pools, landscaping, and all other improvements constructed or to be constructed or renovated at the Approved Location.

“Initial Work” is defined in Section 4.2.

“Intellectual Property” means the following items, regardless of the form or medium (for example, paper, electronic, tangible or intangible): (i) all Software, including the data and information processed or stored by such Software; (ii) all Proprietary Marks; (iii) all Confidential Information; and (iv) all other information, materials, and subject matter that are copyrightable, patentable or can be protected under applicable intellectual property laws, and owned, developed, acquired, licensed, or used by Franchisor or its Affiliates for the System.

“Interestholder” means, for any Person, a Person that directly or indirectly holds an Ownership Interest in that Person.

“Inventories” means “Inventories” as defined in the Uniform System, including provisions in storerooms, refrigerators, pantries and kitchens; beverages; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

“Inventory Management” means those inventory management services made available by Franchisor to Franchisee under revenue management or consulting agreements.

“Loyalty Programs” means all loyalty, recognition, affinity, and other programs designed to promote stays at, or usage of, the Hotel, System Hotels and such other Franchisor Products designated by Franchisor or its Affiliates, or any similar, complementary, or successor programs or combination thereof.

As of the Effective Date, such programs include “Marriott Bonvoy” and various programs sponsored by airlines, credit card and other companies.

“Management Company” means a management company for the Hotel selected by Franchisee and consented to by Franchisor.

“Management Company Acknowledgment” means an acknowledgment signed by the Management Company, Franchisee and Franchisor, the current form of which is included in the Disclosure Document.

“Marketing Fund” means money collected by Franchisor for Marketing Fund Activities.

“Marketing Fund Activities” is defined in Section 6.2.A.

“Marketing Fund Contribution” is defined in Section 3.7.B.

“Marketing Materials” means all advertising, marketing, promotional, sales and public relations concepts, press releases, materials, concepts, plans, programs, brochures, or other information to be released to the public, whether in paper, digital or electronic, or in any other form of media.

“Marks” means: (i) any trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks, and indicia of origin (including taglines, program names, and restaurant, spa or other outlet names); and (ii) any combinations of the above; in each case, whether registered or unregistered.

“Marriott Agreements” means, collectively, this Agreement, any other agreements executed with this Agreement related to the Hotel and any other agreement, whenever executed, related to the Hotel to which Franchisee, Management Company, any Guarantor or any of their respective Affiliates is a party and to which Franchisor or any of its Affiliates is also a party or beneficiary, as such agreements may be amended.

“Master Franchisee” means a Person that has the exclusive rights to develop, operate or sublicense a Brand.

“Opening Date” means the date identified as the Hotel opening date in Exhibit C.

“Other Lodging Product” means a hotel, Vacation Club Products, whole ownership facilities, condominium, apartment or other similar lodging product that is not a Franchisor Product.

“Other Mark(s)” is defined in Section 11.3.

“Ownership Interest” means all forms of legal or beneficial ownership or Control of entities or property, including the following: stock, partnership, membership, joint tenancy, leasehold, proprietorship, trust, beneficiary, proxy, power-of-attorney, option, warrant, and any other interest that evidences ownership or Control, whether direct or indirect (unless otherwise specified).

“Passive Investor Interests” means non-Controlling Ownership Interests in Franchisee.

“Periodic Renovations” is defined in Section 4.3.

“Person” means an individual (and the heirs, executors, administrators or other legal representatives of an individual), a partnership, a joint venture, a firm, a company, a corporation, a

governmental department or agency, a trustee, a trust, an unincorporated organization or any other legal entity.

“Plans” means construction documents, including a site plan and architectural, mechanical, electrical, civil engineering, plumbing, landscaping and interior design drawings and specifications.

“Program Services Contribution” means the amount charged by Franchisor to the Hotel for Program Services.

“Program Services Fund” means money collected by Franchisor for Program Services.

“Program Services” is defined in Section 3.7.A.

“Property Management System” means all property management systems (including all Software, Hardware and electronic access) designated by Franchisor for use in the front office, back-of-the-office or other operations of System Hotels.

“Proprietary Marks” means any Marks, whether owned currently by Franchisor or any of its Affiliates or later developed or acquired, that are used or registered by Franchisor or one of its Affiliates, or by usage are associated with one or more System Hotels.

“Prospectus” means any registration statement, memorandum, offering document, or similar document for the sale or transfer of an Ownership Interest.

“Public Facilities” means the lobby areas, meeting rooms, convention or banquet facilities, restaurants, bars, lounges, corridors and other similar facilities at the Hotel.

“Qualified Person” means a Person that meets Franchisor’s then-current owner or management company qualifications, as the case may be, including that such Person or any of its Interestholders or their respective Affiliates: has not been convicted of a Serious Crime; is not a Competitor or a Restricted Person or a Person that receives funding from a Restricted Person; has not engaged in conduct that may adversely affect the Hotel, the System, or Franchisor; and has not been a party to any material civil litigation with Franchisor or its Affiliates.

“Quality Assurance Program” means the program that Franchisor uses to monitor guest satisfaction and the operations, facilities and services at System Hotels.

“Reasonable Business Judgment” is defined in Section 27.3.A.

“Reservation System” means any reservation system designated by Franchisor for System Hotels (including Software, Hardware and related electronic access).

“Reserve” is defined in Section 4.3.B.

“Restricted Person” means a Person: (a) that is identified by any government or legal authority as a Person with whom Franchisor or its Affiliates are prohibited or restricted from transacting business, including: (i) any Person on the Office of Foreign Assets Control List of Specially Designated Nationals and Blocked Persons, under resolutions or sanctions-related lists maintained by the United Nations Security Council, or under the E.U. Consolidated Financial Sanctions; and (ii) any Person ordinarily resident, incorporated, or located in any country or territory subject to comprehensive U.S. or E.U. sanctions, or owned or Controlled by, or acting on behalf of, the government of any such country or

territory; or (b) that is an Affiliate of or Controlled by, or in which 10% or more of the Ownership Interests are held by, any Person identified in clause (a).

“Sales Agent” means a Person who acts on behalf of Franchisee for: (i) Inventory Management; (ii) booking reservations at the Hotel or other booking activities, including accessing the Reservation System; or (iii) sales activities, including arranging group sales.

“Security Incident” means the accidental, unauthorized or unlawful destruction, loss, damage, alteration, use, disclosure of, acquisition of, or access to, Guest Personal Data.

“Serious Crime” means a crime punishable by either or both: (i) imprisonment of one year or more; or (ii) payment of a fine or penalty of \$10,000 (or the foreign currency equivalent) or more.

“Similar Marks” is defined in Section 11.2.A.6.

“Soft Goods” means wall and floor coverings, window treatments, carpeting, bedspreads, lamps, artwork, decorative items, pictures, wall decorations, upholstery, textile, fabric, vinyl and similar items used in the Hotel.

“Software” means all computer software (including all future upgrades and modifications) and related documentation provided by Franchisor or designated suppliers for the Electronic Systems.

“Standards” means Franchisor’s manuals, procedures, systems, guides, programs (including the Quality Assurance Program), requirements, directives, specifications, Design Criteria, and such other information and initiatives for operating System Hotels.

“System” means the Standards, Intellectual Property, the Electronic Systems, the Loyalty Programs, the Marketing Fund Activities, Additional Marketing Programs, Marketing Materials, training programs, and other elements that Franchisor or its Affiliates have designated for System Hotels.

“System Hotel” means a hotel operated by Franchisor, an Affiliate of Franchisor, or a franchisee or licensee of Franchisor or its Affiliates under the trade name(s) identified in Item 1 of Exhibit A in any of the 50 States of the United States of America, the District of Columbia and Canada, and excludes any other Franchisor Product or other business operation.

“Taxes” means taxes, levies, imposts, duties, fees, charges or liabilities imposed by any governmental authority, including any interest, additions to tax or penalties applicable to any of the foregoing.

“Term” is defined in Section 2.1.

“Transfer” means any absolute or conditional sale, conveyance, transfer, assignment, exchange, lease or other disposition.

“Travel Costs” means all travel, food and lodging, living, and other out-of-pocket costs.

“Travel Management Companies” means travel agencies, online travel agencies, group intermediaries, wholesalers, concessionaires, and other similar travel companies.

“Uniform System” means the Uniform System of Accounts for the Lodging Industry, Eleventh Revised Edition, 2014, as published by the Hospitality Financial and Technology Professionals, or any later edition, revision or replacement that Franchisor designates.

“Vacation Club Products” means timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, and points club products, programs and services and includes other forms of products, programs and services where purchasers acquire an ownership interest, use or other rights to use determinable leisure units on a periodic basis and pay in advance for such ownership interest, use or other right.

“Yield Management System” means any yield management system (including all Software, Hardware and electronic access) designated by Franchisor for use by System Hotels.

EXHIBIT C
CONVERSION

In order for the Hotel to operate as a System Hotel, the Agreement is modified by, and the Hotel is to be renovated under, the terms of this Exhibit C and Section 4.4.

1. Franchisee acknowledges that the following modifications are made to the Agreement:

A. “Opening Date” means the Effective Date.

B. The following is added to Section 3.5:

“D. *Transition Accounting Period.* For the month in which the Effective Date occurs (the “Transition Accounting Period”), Franchisee must pay all amounts invoiced by Franchisor or its Affiliates with respect to the operation of the Hotel for the entire Transition Accounting Period as though the term of this Agreement had begun on the first day of the Transition Accounting Period.”

C. The following are added to Section 26.2:

“F. *NO ENDORSEMENT.* FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR DID NOT APPROVE, RECOMMEND, ENDORSE OR PARTICIPATE IN ANY DECISIONS ABOUT THE TERMS OF ANY TRANSACTION UNDER WHICH FRANCHISEE ACQUIRED CONTROL OF THE HOTEL, INCLUDING THE PURCHASE PRICE, AND DID NOT APPROVE, RECOMMEND, ENDORSE OR COMMENT ON ANY FINANCIAL PROJECTIONS SUBMITTED TO FRANCHISEE IN CONNECTION WITH THE CONVERSION OF THE HOTEL TO A SYSTEM HOTEL.

G. *EXISTING AGREEMENTS.* FRANCHISEE AGREES TO BE BOUND BY ALL AGREEMENTS BETWEEN FRANCHISEE AND FRANCHISOR OR ITS AFFILIATES, SUCH AS LICENSE, SERVICE OR REVENUE MANAGEMENT AGREEMENTS AND ANY OTHER AGREEMENTS RELATING TO THE HOTEL.”

2. Franchisee represents that it has:

(i) paid Franchisor’s outside legal counsel fees and costs incurred for the preparation and negotiation of the Marriott Agreements;

(ii) paid to Franchisor all fees associated with the re-branding of the Hotel as a System Hotel; and

(iii) re-booked all then-existing guest reservations at the Hotel and informed all guests holding such reservations of such re-branding of the Hotel.

3. Property Improvement Plan. If Additional Work (as defined in Attachment One to this Exhibit C) is required, the following provisions will apply:

A. *Property Improvement Plan.* Based on a review of the Hotel, the Additional Work identified in the ATO Letter (as defined in Attachment One to this Exhibit C) outlines the renovation requirements for the Hotel to continue to operate as a System Hotel (the “PIP”). All

renovations, furniture, fixtures and equipment will conform to the then-current System specifications at the time such work is completed. Completion of the PIP does not satisfy Franchisee's obligation to renovate the Hotel under Section 4.3.

B. *Material Change Review.* If any material changes to the Hotel occur after the date stated in Item 19 of Exhibit A, then Franchisor may re-inspect the Hotel ("Material Change Review") and modify the PIP to address such material changes. Franchisee will complete the modified PIP, including any additional requirements, to Franchisor's satisfaction. Franchisee and its contractors will cooperate fully with any inspections Franchisor conducts under a Material Change Review.

C. *PIP Deadlines.* Franchisee will perform each item in the PIP by the date stated in the PIP with respect to such item. Time is of the essence, but if Franchisee wishes to extend the deadlines for completion of items in the PIP, Franchisee will make a written request giving the reasons for the delay. If the delay is caused by a Force Majeure Event (excluding for the avoidance of doubt, unavailability of financing), Franchisor will equitably extend such deadlines. If the delay is not caused by a Force Majeure Event, Franchisor may, in its sole discretion, extend such deadlines. For any extension, Franchisor may require Franchisee to pay its then-current extension fee. The extension fee will be paid to Franchisor with the request for the extension and is nonrefundable unless Franchisor declines to grant the requested extension. No extension under this Section 3.C will be granted for more than six months.

D. *Permits and Certifications.* Franchisee will obtain all permits and certifications required for lawful renovation and operation of the Hotel, including zoning, access, sign, building permits and fire requirements, and if requested, will certify that it has obtained all such permits and certifications.

E. *Compliance.* Franchisee will ensure that the Hotel complies with Applicable Law, the Standards and the Design Criteria, including the fire protection and life safety Standards (even if such Standards exceed local code requirements).

F. *Franchisee's Responsibilities.* Franchisee is responsible for the entire cost of renovating, equipping, supplying and furnishing the Hotel as a System Hotel.

G. *Site Visits.* During renovation, Franchisor's representatives may visit the job site at any time to observe the work, and Franchisee, its contractors and subcontractors will cooperate fully with any such site visits. Upon request, Franchisee will submit photos showing the progress of renovation to Franchisor. Franchisor may submit any deficiencies or discrepancies to Franchisee, and Franchisee will promptly correct such items. If any site visits and inspections are necessary to ensure the Hotel complies with the PIP, Franchisor may charge its then-current fee for the time spent inspecting the Hotel plus Travel Costs.

H. *Accessibility Certification.* If required by the ATO Letter, Franchisee will not be deemed to have satisfied the requirements of the PIP until Franchisee delivers a certification from its architect, licensed professional engineer, or recognized expert consultant on Accessibility Requirements in the form attached to this Exhibit C as Attachment Two.

I. *Fire Protection and Life Safety Certification.* If required by the ATO Letter, Franchisee will not be deemed to have satisfied the requirements of the PIP until Franchisee has retained Franchisor and paid Franchisor the then-current testing and inspection fee to test and inspect the fire protection and life safety systems of the Hotel, and such testing and inspection verifies the Hotel complies with Franchisor's fire protection and life safety Standards and the fire protection and life safety systems of the Hotel are operational.

J. *Completion.* Franchisee will not be deemed to have satisfied the requirements of the PIP until Franchisor has confirmed completion.

**ATTACHMENT ONE
TO EXHIBIT C**

PROPERTY IMPROVEMENT PLAN

Franchisor has granted approval to open and operate the Hotel as a System Hotel in a letter from Franchisor to Franchisee dated as of the Effective Date (the “ATO Letter”). If the ATO Letter provides for additional construction, upgrading, renovation, or training (the “Additional Work”), Franchisee will be authorized to use the System and identify the Hotel as a System Hotel only for such time as Franchisee is diligently completing the Additional Work. Failure to timely complete the Additional Work is a default under this Agreement. Franchisor may review any Additional Work, and Franchisee must ensure that the Hotel complies with all requirements of Franchisor following such review. Franchisee, its contractors and subcontractors must cooperate fully with any inspections conducted by Franchisor. If any site visits and inspections are necessary to ensure the Hotel complies with the Additional Work requirements, Franchisor may charge its then-current fee for the additional time spent inspecting the Hotel plus Travel Costs. If Franchisor determines an additional test and inspection of the fire protection systems or life safety components of the Hotel is necessary, Franchisor may charge Franchisee its then-current fee for such site visits and inspections. The Additional Work must be completed to the satisfaction of Franchisor by no later than the deadline specified in the ATO Letter, or Franchisee will be in breach of this Agreement.

**ATTACHMENT TWO
TO EXHIBIT C**

ADA CERTIFICATION

(to be completed by Franchisee’s licensed architect, engineer or ADA consultant)

In connection with the [NAME AND LOCATION OF HOTEL] (the “Hotel”), I hereby certify to [FRANCHISEE] and to [FRANCHISOR] that:

[For an “historic hotel” insert: The Hotel [is eligible for listing in the National Register of Historic Places under the National Historic Preservation Act] [has been designated as historic under State or local law] [is a qualified historic building under the Uniform Federal Accessibility Standards] (an “historic hotel”);]

I have used professionally reasonable efforts to ensure that the Hotel complies with the requirements of the Americans with Disabilities Act (“ADA”) **[For an “historic hotel” insert: as applicable to an historic hotel]**, and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect at the time that this certification is made; and

In my professional judgment, the Hotel does in fact comply with such requirements.

By: _____
Print Name: _____
Firm: _____
Date: _____

MANAGEMENT COMPANY ACKNOWLEDGMENT

This Management Company Acknowledgment (this “Acknowledgment”) is executed on _____, 2023 (“Execution Date”) and is effective as of _____, 2023 (“Effective Date”) by Marriott International, Inc., a Delaware corporation (“Franchisor”), Midwest City Municipal Authority, an Oklahoma public trust formed under 60 Okla. Stat. 176 et seq. (“Franchisee”), and DePalma Hotel Corporation, a Texas corporation (“Management Company”).

RECITAL

Management Company has entered into an agreement (“Management Agreement”) with Franchisee to operate the hotel located or to be located at 5750 Will Rogers Road, Midwest City, Oklahoma 73110 (the “Hotel”), under the Delta Hotels by Marriott Franchise Agreement dated _____, 2023 (as such agreement may be amended, the “Agreement”) between Franchisor and Franchisee.

NOW, THEREFORE, in consideration of the promises in this Acknowledgment and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Franchisor’s Consent.

A. *Consent and Grant.* As of the Effective Date, Franchisor consents to the operation of the Hotel by Management Company on behalf of Franchisee and grants to Management Company the right to use the System to operate the Hotel in compliance with the Standards, this Acknowledgment and the Agreement. Franchisor’s consent is personal to Management Company, and this Acknowledgment is not assignable by Franchisee or Management Company. Such consent and grant will terminate without notice to Management Company on: (i) the expiration or termination of the Agreement; (ii) the effectiveness of a subsequent management company acknowledgment executed with respect to the Hotel by Franchisor, Franchisee and another management company; or (iii) the effective date of Franchisor’s consent to the operation of the Hotel by Franchisee in an amendment to the Agreement.

B. *Withdrawal of Consent.* If (i) any of the circumstances in Section 8.1.C of the Agreement occur, (ii) there is a breach of any provision of the Agreement related to or caused by Management Company, or (iii) Management Company does not satisfy any Additional Conditions, Franchisor may withdraw its consent for Management Company to operate the Hotel and require Franchisee to retain a replacement management company as provided in the Agreement.

2. **Management Company Representations.** Management Company represents and warrants to Franchisor that: (i) neither it nor any Person that controls Management Company has been convicted of a Serious Crime; (ii) neither Management Company nor any Affiliate of Management Company is a Competitor; (iii) the Management Agreement is valid, binding and enforceable, contains no terms that may cause a breach of the Agreement and is for a term of not less than five years; and (iv) neither Management Company nor any Affiliate of Management Company is, nor will be as long as this Acknowledgment remains in effect, a Restricted Person.

3. **Management Company and Franchisee Acknowledgments.** Management Company and Franchisee acknowledge that:

A. Management Company will have the exclusive authority and responsibility for the day-to-day management of the Hotel on behalf of Franchisee, and will have sufficient authority and responsibility over Hotel employees to operate the Hotel in compliance with the Standards, the Agreement and this Acknowledgment. The general manager of the Hotel will devote his or her full time and attention to the management and operation of the Hotel and will have successfully completed Franchisor's mandatory management training program required by the Standards. Management Company will promptly inform Franchisor whenever it hires a general manager;

B. Management Company will operate the Hotel in strict compliance with the Standards. Management Company will comply with the terms of the Agreement for the management and operation of the Hotel, including those related to Intellectual Property, as if Management Company had executed the Agreement as "Franchisee." Management Company, however, will have no rights under the Agreement except as stated in this Acknowledgment and such rights do not constitute a franchise or license to Management Company. If Franchisee delegates the insurance obligations under the Agreement to Management Company, Management Company will satisfy such obligations. Management Company will comply with Applicable Law;

C. Franchisor may enforce directly against Management Company all terms in the Agreement regarding Intellectual Property and the management and operation of the Hotel (including insurance, if such obligations have been delegated to Management Company). Franchisor will have the right to seek and obtain all remedies against the Management Company available at law and in equity for Management Company's failure to comply with the terms of this Acknowledgment, in addition to any remedies Franchisor may have against Franchisee;

D. Management Company assigns, and will cause each of its employees or independent contractors who contributed to System modifications to assign, to Franchisor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions of such copyright) in and to such System modifications. Except to the extent prohibited by Applicable Law, Management Company waives, and will cause each of its employees or independent contractors who contributed to System modifications to waive, all "moral rights of authors" or any similar rights in such System modifications (for purposes of this Section 3, "modifications" includes any derivatives and additions);

E. Management Company will execute or cause to be executed and deliver to Franchisor, any documents, and take any actions required by Franchisor to protect the title in any System modifications;

F. Any default under the Agreement caused solely by Management Company will constitute a default under the Management Agreement, and Franchisee will have the right to terminate the Management Agreement;

G. Franchisee and Management Company will not modify the Management Agreement in any way that is inconsistent with the Agreement or this Acknowledgment;

H. Franchisee will not allow the Management Agreement to expire or terminate the Management Agreement without (i) providing Franchisor prior notice of such expiration or termination, together with the identity of a qualified replacement management company, and (ii) obtaining Franchisor's prior consent at least 45 days before any change is made to the management company operating the Hotel, unless Franchisee needs to remove Management Company on an expedited basis due to theft, fraud or other material defaults of Management Company or a default under the Agreement caused by Management Company; and

I. Management Company will perform the day-to-day operations of the Hotel. Franchisor may communicate directly with Management Company and the managers at the Hotel about day-to-day operations of the Hotel and Franchisor may rely on such statement of the managers and the Management Company. Franchisor will under no circumstances direct or control such Hotel operations.

4. Existence. Each party represents and warrants that it: (i) is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; and (ii) has and will continue to have the right and the ability to perform its obligations under this Acknowledgment as long as this Acknowledgment remains in effect.

5. Authorization. Each party represents and warrants that the execution and delivery of this Acknowledgment and the performance of its obligations under this Acknowledgment: (i) have been duly authorized, (ii) do not and will not violate, contravene or result in a default or breach of (a) any Applicable Law, (b) its governing documents or (c) any agreement, commitment or restriction binding on the relevant party; and (iii) do not require any consent that has not been properly obtained by the relevant party.

6. Controlling Agreement. If any provision of the Agreement or this Acknowledgment conflicts with the Management Agreement, the provision of the Agreement or this Acknowledgment will control.

7. No Release. Franchisee will remain responsible for the performance of all obligations under the Agreement. This Acknowledgment will not release Franchisee from any liability or obligation under the Agreement.

8. Definitions. All capitalized terms not defined in this Acknowledgment have the meaning stated in the Agreement.

9. Counterparts. This Acknowledgment may be executed in any number of counterparts, each of which will be deemed an original and all of which constitute one and the same instrument. Delivery of an electronic signature or an executed signature page by electronic transmission is as effective as delivery of an original signed counterpart. Each party hereto waives any defenses to the enforceability of the terms of this Acknowledgment based on the foregoing forms of signature.

10. Governing Law; Arbitration; Jurisdiction.

A. *Governing Law.* This Acknowledgment will be construed under and governed by Maryland law, which law will prevail if there is any conflict of law.

B. *Arbitration.*

1. Except as otherwise agreed in this Acknowledgment and for Claims for indemnification under Section 14 of the Agreement or actions for injunctive or other equitable relief under Section 14 of this Acknowledgment, any disagreement, controversy, or Claim relating to or arising out of this Acknowledgment, the relationship created by this Acknowledgment, or the enforceability of this Acknowledgment, including any question regarding its existence, validity, legality or termination, and any claim regarding a breach or enforcement of this Acknowledgment (each, a “Dispute”), will be referred to, and finally settled by, arbitration under and in accordance with the Commercial Arbitration Rules of the American Arbitration Association (or any similar successor rules). The arbitrator(s) will be appointed in accordance with such rules. The number of arbitrators will be one, unless the parties agree otherwise in accordance with such rules. The place where arbitration proceedings will be conducted is

Baltimore, Maryland. The party bringing the arbitration will submit the following together with any demand or filing required by the American Arbitration Association: (1) a full and specific description of the claim under this Acknowledgment including identifying the specific provisions that the other party has breached, (2) documentary evidence of the facts alleged by the complaining party, and (3) a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the dispute.

2. The decision of the arbitral tribunal will be final and binding on the parties and will be enforceable in any courts having jurisdiction. The arbitral tribunal will have no authority to amend or modify the terms of this Acknowledgment. The arbitral tribunal will have the right to award or include in its award any relief it deems proper, including money damages and interest on unpaid amounts, specific performance and legal fees and costs in accordance with this Acknowledgment; however, the arbitral tribunal may not award punitive, consequential or exemplary damages (except for those related to misuse of Franchisor's Intellectual Property). The costs and expenses of arbitration will be allocated and paid by the parties as determined by the arbitral tribunal.

3. Any arbitration proceeding under this Acknowledgment will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Franchisor is a party, except that Franchisor may join any current or former management company operating the Hotel in any such proceeding. Any Dispute to be settled by arbitration under this Section will at the request of any party to this Acknowledgment be resolved in a single arbitration before a single tribunal together with any Dispute arising out of or relating to any other agreement between such parties or Franchisor's Affiliates. A decision on a matter in another arbitration proceeding will not prevent a party from submitting evidence with respect to a similar matter or prevent the arbitral tribunal from rendering an independent decision without regard to such decision in such other arbitration proceeding.

4. Any party to this Acknowledgment may, without waiving any rights, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property (including, without limitation, any aspect of the System, or any reason concerning the safety of the Hotel or the health and welfare of any of the Hotel's guests, invitees or employees).

C. *Jurisdiction.* Management Company expressly and irrevocably submits to the non-exclusive jurisdiction of the courts of the State of Maryland for the purpose of any Disputes that are not required to be subject to arbitration under Section 10.B. So far as permitted under Maryland law, this consent to personal jurisdiction will be self-operative.

11. Management Company's Address. Management Company's mailing address is provided on the signature page. Management Company agrees to provide notice to both Franchisee and Franchisor if there is any change in Management Company's mailing address.

12. Partial Invalidity. If any term of this Acknowledgment, or its application to any Person or circumstance, is invalid or unenforceable at any time or to any extent, then (i) the remainder of this Acknowledgment, or the application of such term to Persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected and each term of this Acknowledgment will be valid and enforced to the fullest extent permitted by Applicable Law; and (ii) Franchisor, Franchisee and Management Company will negotiate in good faith to modify this Acknowledgment to implement their original intent as closely as possible in a mutually acceptable manner.

13. No Third-Party Beneficiary. Nothing in this Acknowledgment is intended to create any third-party beneficiary or give any rights or remedies to any Person other than Franchisor and its permitted successors and assigns.

14. Equitable Relief. Franchisor is entitled to injunctive or other equitable relief, including restraining orders and preliminary injunctions, in any court of competent jurisdiction for any threatened or actual material breach of this Acknowledgment or non-compliance with the Standards. Franchisor is entitled to such relief without the necessity of proving the inadequacy of money damages as a remedy, without the necessity of posting a bond and without waiving any other rights or remedies.

15. WAIVER OF PUNITIVE DAMAGES. EACH OF MANAGEMENT COMPANY, FRANCHISEE AND FRANCHISOR ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO CLAIM OR RECEIVE PUNITIVE DAMAGES IN ANY DISPUTE RELATED TO THE HOTEL, THIS ACKNOWLEDGMENT, THE RELATIONSHIP OF THE PARTIES OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE ABOVE, OTHER THAN FRANCHISOR'S RIGHTS AND REMEDIES RELATED TO FRANCHISOR'S INTELLECTUAL PROPERTY.

16. WAIVER OF JURY TRIAL. EACH OF MANAGEMENT COMPANY, FRANCHISEE AND FRANCHISOR ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY DISPUTE RELATED TO THE HOTEL, THIS ACKNOWLEDGMENT, THE RELATIONSHIP OF THE PARTIES OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE ABOVE.

17. Costs of Enforcement. The prevailing party in any legal or equitable action related to the Hotel, this Acknowledgment or the other Marriott Agreements will recover its reasonable legal fees and costs, including fees and costs incurred in confirming and enforcing an award granted in an arbitration proceeding under this Acknowledgment. The prevailing party will be determined based upon an assessment of which party's arguments or positions could fairly be said to have prevailed over the other party's arguments or positions on major disputed issues in the arbitration or at trial, and should include an evaluation of the following: the amount of the net recovery; the primary issues disputed by the parties; whether the amount of the award comprises a significant percentage of the amount sought by the claimant; and the most recent settlement positions of the parties.

18. Entire Agreement. This Acknowledgment and the Marriott Agreements are fully integrated and contain the entire agreement between the parties as it relates to the Hotel and the Approved Location and supersede all prior understandings and writings.

19. Amendments. This Acknowledgment may only be amended in a written document that has been duly executed by the parties and may not be amended by conduct manifesting assent, and each party is put on notice that any individual purporting to amend this Acknowledgment by conduct manifesting assent is not authorized to do so.

20. Survival. The terms of Sections 3, 10, 12, 14, 15, 16, and 17 of this Acknowledgment, and, to the extent applicable to Management Company, those provisions of the Agreement that by their nature or express language survive expiration or termination of the Agreement, survive expiration or termination of this Acknowledgment.

{Signatures appear on the following page}

IN WITNESS WHEREOF, the parties have executed this Acknowledgment, under seal, as of the Execution Date.

FRANCHISOR:

MARRIOTT INTERNATIONAL, INC.

By: _____(SEAL)

Name: Kip W. Vreeland

Title: Senior Vice President, Full Service Franchising

FRANCHISEE:

MIDWEST CITY MUNICIPAL AUTHORITY

By: _____(SEAL)

Name:

Title:

MANAGEMENT COMPANY:

DEPALMA HOTEL CORPORATION

By: _____(SEAL)

Name:

Title:

ADDRESS FOR MANAGEMENT COMPANY:

2250 Pool Road, Suite 202
Grapevine, TX 76248

ELECTRONIC SYSTEMS LICENSE AGREEMENT

This Electronic Systems License Agreement (this “License Agreement”) is executed on _____, 2023 (the “Effective Date”) between Marriott International, Inc. (“Franchisor”) and Midwest City Municipal Authority (“Franchisee”).

RECITALS

A. As of the Effective Date, Franchisor and Franchisee have entered into a Delta Hotels by Marriott Franchise Agreement (the “Franchise Agreement”) to operate the Hotel located or to be located at 5750 Will Rogers Road, Midwest City, Oklahoma 73110 under the System.

B. Franchisee is required to use the Electronic Systems that are made available under this License Agreement for the operation of the Hotel under the Franchise Agreement.

NOW, THEREFORE, in consideration of the promises in this License Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisor and Franchisee agree as follows:

1. Limited Grant. Franchisor grants to Franchisee a limited, non-exclusive license to use the Electronic Systems. Franchisee acknowledges that the Electronic Systems may be modified, enhanced, replaced or may become obsolete, and that new Electronic Systems may be created to meet the needs of the System and continual changes in technology.

2. Term. The term of this License Agreement begins on the Effective Date and ends on expiration or termination of the Franchise Agreement. For each Electronic System, the license begins on the date it is installed and ends on this License Agreement’s termination or when such Electronic System is no longer used as part of the System for operating the Hotel.

3. Ownership of the Electronic Systems. The Electronic Systems that are proprietary to Franchisor or third-party vendors, as applicable, will remain their sole property, and Franchisee will not contest such ownership.

4. Support Services. Franchisor will use commercially reasonable efforts to maintain and support the Electronic Systems (the “Support Services”) during the term of this License Agreement. The Support Services may be provided by Franchisor or third-party vendors.

5. Fees and Costs. Franchisee will pay the fees and costs for the Electronic Systems as provided in the Franchise Agreement.

6. Use of the Electronic Systems. Franchisee will use the Electronic Systems exclusively for operating the Hotel under the Franchise Agreement.

7. Confidentiality Obligations. Franchisee will treat the Electronic Systems as Confidential Information under the Franchise Agreement. Franchisee will ensure that only authorized Persons have access to the Electronic Systems and that the Electronic Systems are only used for their intended purpose. Franchisee will not, without the consent of Franchisor and any applicable third-party vendor, copy, reverse engineer, modify or provide unauthorized access to the Electronic Systems or any of its components. Franchisee will not attempt to disregard or circumvent any measures used by Franchisor to safeguard the Electronic Systems and the Intellectual Property.

8. Suspension. Franchisor reserves the right to suspend Franchisee's access to any Electronic System in order to protect the Intellectual Property or the intellectual property of third-party vendors.

9. Third-Party Vendors. Franchisee will comply with the terms of any license for any of the Electronic Systems provided by a third-party vendor. Any third-party vendor will have the right to enforce such terms directly against Franchisee. Franchisor will have no liability for Franchisee's use of any Electronic System provided by a third-party vendor. Franchisee may be required to execute agreements with third-party vendors and comply with any privacy and security standards in order to obtain access to certain Electronic Systems.

10. Preferred Vendors. Franchisor may designate a third-party vendor of the Electronic Systems as a preferred vendor and require Franchisee to use the Electronic Systems provided by the preferred vendor.

11. NO ENDORSEMENT OR WARRANTY. FRANCHISOR DOES NOT ENDORSE OR MAKE ANY REPRESENTATION OR WARRANTY ABOUT ANY ELECTRONIC SYSTEM PROVIDED BY THIRD-PARTY VENDORS, INCLUDING PREFERRED VENDORS. FRANCHISOR PROVIDES THE ELECTRONIC SYSTEMS AND THE SUPPORT SERVICES ON AN AS-IS BASIS. FRANCHISOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND CUSTOM OR USAGE IN THE TRADE, RELATED TO FRANCHISEE'S USE OF THE ELECTRONIC SYSTEMS AND THE SUPPORT SERVICES.

12. Technology Audit. At Franchisor's request, Franchisee will provide Franchisor and its authorized representatives access to any facility or system from which Franchisee, or any of its Affiliates or their respective agents, have installed or are accessing the Electronic Systems, and to any data, records, and the systems themselves (including removal of such systems and the data therein) relating to the Electronic Systems, for audit purposes. Franchisee will cooperate in and provide any assistance reasonably required for such audits.

13. Limitation on Liability. Franchisor is not liable for any loss or damage arising out of the use or failure of any Electronic Systems or Support Services, including corruption or loss of data, and Franchisee waives any right to, or claim of, any direct, exemplary, incidental, indirect, special, consequential or other similar damages (including loss of profits) in connection with the use, inability to use, breach or failure of any Electronic Systems or Support Services, even if Franchisor has been advised of the possibility of such damage, breach or failure. To the extent permissible, Franchisor will use reasonable efforts to make available for Franchisee any warranties or other similar protections provided by Franchisor's vendors with respect to the Electronic Systems.

14. Indemnification. Franchisee will indemnify, defend and hold harmless Franchisor and its Affiliates (and each of their respective predecessors, successors, assigns, current and former directors, officers, shareholders, subsidiaries, employees and agents), against all Claims and Damages, including allegations of negligence by such Persons, to the fullest extent permitted by Applicable Law, arising from or related to Franchisee's use of the Electronic Systems or any failure by Franchisee to comply with this License Agreement. Franchisee's obligations in this Section are incorporated into Franchisee's indemnification obligations in the Franchise Agreement.

15. Software License Rights Upon Termination. The Software that Franchisee will purchase through Franchisor is generally not assignable to Franchisee upon termination of this License Agreement ("Non-Assignable Software"). When this License Agreement terminates, Franchisee will not

have any right to use the Non-Assignable Software. At Franchisee's request, Franchisor will use reasonable efforts to facilitate the assignment of any Software that is assignable ("Assignable Software"). On termination of this License Agreement, Franchisee will delete both Assignable Software and Non-Assignable Software obtained through Franchisor. Franchisee may reinstall Assignable Software using copies obtained by Franchisee directly from the applicable vendor.

16. Governing Law. This License Agreement takes effect upon its acceptance and execution by Franchisor in Maryland and will be construed under and governed by Maryland law, which law will prevail if there is any conflict of law.

17. WAIVER OF PUNITIVE DAMAGES. EACH OF FRANCHISEE AND FRANCHISOR ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO CLAIM OR RECEIVE PUNITIVE DAMAGES IN ANY DISPUTE RELATED TO THE HOTEL, THE MARRIOTT AGREEMENTS, THE RELATIONSHIP OF THE PARTIES OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE ABOVE, OTHER THAN FRANCHISOR'S RIGHTS AND REMEDIES RELATED TO FRANCHISOR'S INTELLECTUAL PROPERTY. NOTHING IN THIS SECTION 17 LIMITS FRANCHISEE'S OBLIGATIONS UNDER SECTION 14.

18. WAIVER OF JURY TRIAL. EACH OF FRANCHISEE AND FRANCHISOR ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY DISPUTE RELATED TO THE HOTEL, THE MARRIOTT AGREEMENTS, THE RELATIONSHIP OF THE PARTIES OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE ABOVE.

19. Notices. All notices and other communications under this License Agreement will be in writing and will be delivered as provided in the Franchise Agreement.

20. Counterparts. This License Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which constitute one and the same instrument. Delivery of an electronic signature or an executed signature page by electronic transmission is as effective as delivery of an original signed counterpart. Each party hereto waives any defenses to the enforceability of the terms of this License Agreement based on the foregoing forms of signature.

21. Construction and Interpretation.

A. *Partial Invalidity.* If any term of this License Agreement, or its application to any Person or circumstance, is invalid or unenforceable at any time or to any extent, then: (i) the remainder of this License Agreement, or the application of such term to Persons or circumstances except those as to which it is held invalid or unenforceable, will not be affected and each term of this License Agreement will be valid and enforced to the fullest extent permitted by Applicable Law; and (ii) Franchisor and Franchisee will negotiate in good faith to modify this License Agreement to implement their original intent as closely as possible in a mutually acceptable manner.

B. *Non-Exclusive Rights and Remedies.* No right or remedy of Franchisor or Franchisee under this License Agreement is intended to be exclusive of any other right or remedy under this License Agreement at law or in equity.

C. *No Third-Party Beneficiary.* Nothing in this License Agreement is intended to create any third-party beneficiary or give any rights or remedies to any Person other than Franchisor or Franchisee and their respective permitted successors and assigns.

D. *Actions from Time to Time.* When this License Agreement permits Franchisor to take any action, exercise discretion or modify the System, Franchisor may do so from time to time.

E. *Interpretation of Agreement.* Franchisor and Franchisee intend that this License Agreement excludes all implied terms to the maximum extent permitted by Applicable Law. Headings of Sections are for convenience and are not to be used to interpret the Sections to which they refer. Words indicating the singular include the plural and vice versa as the context may require. References that a Person “will” do something mean the Person has an obligation to do such thing. References that a Person “may” do something mean a Person has the right, but not the obligation, to do so. References that a Person “may not” and “will not” do something mean a Person is prohibited from doing so.

F. *Definitions.* All capitalized terms not defined in this License Agreement have the meaning stated in the Franchise Agreement.

22. Entire Agreement. This License Agreement and the Marriott Agreements are fully integrated and contain the entire agreement between the parties as it relates to the Hotel and the Approved Location and supersede all prior understandings and writings.

23. Amendments. This License Agreement may only be amended in a written document that has been duly executed by the parties and may not be amended by conduct manifesting assent, and each party is put on notice that any individual purporting to amend this License Agreement by conduct manifesting assent is not authorized to do so.

24. Survival. The provisions of Sections 3, 7, 11, 12, 13, 14, 15, 16, 17, 18 and 21 will survive expiration or termination of this License Agreement.

{Signatures appear on the following page}

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this License Agreement to be executed, under seal, as of the Effective Date.

FRANCHISOR:

MARRIOTT INTERNATIONAL, INC.

By: _____ (SEAL)

Name: Kip W. Vreeland

Title: Senior Vice President, Full Service Franchising

FRANCHISEE:

MIDWEST CITY MUNICIPAL AUTHORITY

By: _____ (SEAL)

Name:

Title:

TERMINATION AGREEMENT AND RELEASE

This Termination Agreement and Release (this “Termination Agreement”) is made and entered into as of January __, 2023, by and between The Sheraton LLC (formerly The Sheraton Corporation), a Delaware limited liability company (“Licensor”), and Midwest City Municipal Authority, an Oklahoma public trust formed under 60 Okla. Stat. 176 et seq. (“Licensee”).

RECITALS

WHEREAS, Licensor and Licensee are parties to that certain Sheraton New Build License Agreement dated December 30, 2003 (as amended, the “License Agreement”), which granted Licensee the non-exclusive right and license to operate a Sheraton hotel located at 5750 Will Rogers Road, Midwest City, OK 73110 (the “Hotel”); and

WHEREAS, Licensee desires to terminate all of its right, title, and interest in and to the License Agreement on the terms and conditions provided herein, provided that Licensor or one of Licensor's Affiliates enters into a new license/franchise agreement for the Hotel with a party acceptable to Licensor in its sole and absolute judgment effective immediately following the Termination Date (as defined below); and

WHEREAS, Licensor will consent to such termination on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the benefits to be derived herefrom, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, it is hereby agreed as follows:

TERMS

1. Termination of License Agreement. Subject to the conditions precedent set forth in Section 4 of this Termination Agreement and except as provided in Section 2 of this Termination Agreement, the License Agreement shall be terminated as of 11:59 p.m. on January __, 2023 (the “Termination Date”). Licensee acknowledges and agrees that, effective as of the Termination Date, Licensor is released from the restrictions in, and Licensee will have no rights under, Paragraph 2(a) (Limitation on Licensing) of the License Agreement.

2. Continuing Rights and Obligations.

(a) The rights of Licensor and its Affiliates, and the duties and obligations of Licensee that by their nature or by the express language of the License Agreement survive termination, expiration, or transfer of the License Agreement shall remain in full force and effect and survive the Termination Date. Without limiting the generality of the foregoing, Licensee acknowledges and agrees that it shall remain liable to Licensor and its Affiliates, for: (i) payment of fees, charges and other payments due to Licensor and its Affiliates arising under, relating to, or in connection with the Hotel, the License Agreement or any related agreement, and the relationship created thereby, arising in connection with the period on or before the Termination Date, whether becoming due before or after the Termination Date; (ii) all indemnification and hold harmless obligations of Licensee, including for claims that arise after the Termination Date out of events that occurred prior to the Termination Date; and (iii) all confidentiality obligations of Licensee. Licensee agrees to perform each of these continuing obligations in strict compliance with the License Agreement.

(b) For so long as, and only for so long as, Licensee complies with its obligations under (and that survive termination of) the License Agreement and under this Termination Agreement, Licensor agrees not to bring suit to enforce its rights under the License Agreement to demand as a result of this termination liquidated or other damages pursuant to the License Agreement. This Termination Agreement shall not be deemed a waiver by Licensor of any other rights it may have under the License Agreement or applicable law.

(c) Licensee agrees to comply fully with all provisions of the License Agreement at all times and to operate the Hotel in strict compliance with the standards and policies until the Termination Date.

3. Consent by Licensor. Licensor shall consent to the termination of the License Agreement, provided that prior to, or as of, the Termination Date, all of the conditions set forth in this Termination Agreement and in the License Agreement including without limitation those conditions, if any, set forth in Section 4 below have been satisfied.

4. Conditions Precedent to Termination. The termination of the License Agreement shall not be effective unless Licensor or one of Licensor's Affiliates has entered into a new license/franchise agreement for the Hotel with a party acceptable to Licensor in its sole and absolute judgment, pursuant to the transfer provisions of the License Agreement, which new license/franchise agreement shall become effective immediately after the Termination Date in accordance with its terms.

5. Covenant Not to Sue. Licensee, on behalf of itself and its Affiliates and subsidiaries and their respective current and former owners, officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns and all other persons or entities acting on their behalf or claiming under any of them (collectively, the "Licensee Parties"), hereby consents to the termination of the License Agreement, and hereby covenants not to bring any suit, action, or proceeding, or make any demand or claim of any type, against Licensor, its Affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns (collectively, the "Licensor Parties") with respect to, relating to, or in connection with any Licensee Released Claims (as defined in Section 6 below). Any of the Licensor Parties may plead or assert the covenant not to sue in this Section 5 as a complete defense and bar to any claim brought against any of them in contravention of this Section 5 and, if any such claim is brought against any of them, Licensee shall indemnify, defend, and hold harmless any such party from and against any such claim.

6. Release of Licensor Releasees. As of the date hereof and the Termination Date, Licensee, on behalf of itself and the other Licensee Parties, hereby releases, discharges and holds harmless Licensor, its Affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns (collectively, the "Licensor Releasees"), from any and all suits, claims, liabilities, demands, promises, obligations, costs, expenses, actions and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected, which any of the Licensee Parties now owns or holds or has previously owned or held or may at any time own or hold against the Licensor Releasees arising under, in connection with, or related to: (1) the License Agreement and any related agreements, the relationship created thereby, or the Hotel in any respect; or (2) the termination of the License Agreement (the items in clauses (1) and (2), collectively, the "Licensee Released Claims"). Nothing in this release shall affect Licensee's right to make claims or bring an action for breach of this Termination Agreement.

7. WAIVER. LICENSEE, ON BEHALF OF ITSELF AND THE OTHER LICENSEE PARTIES, WAIVES ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE LAWS WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE EXTENDS TO CLAIMS WHICH THE LICENSEE PARTIES DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS TERMINATION AGREEMENT. THIS WAIVER EXPRESSLY INCLUDES ALL RIGHTS UNDER SECTION 1542 OF THE CIVIL CODE OF CALIFORNIA (“SECTION 1542”), WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Notwithstanding the provisions of Section 1542 or any similar law of any other state, the release contained in Section 6 hereof shall constitute a full release with respect to the matters herein released. Licensee, on behalf of itself and the other Licensee Parties, knowingly and voluntarily waives the provisions of Section 1542, and Licensee expressly acknowledges that it intends for the release to include, without limitation, to the fullest extent allowed by law, all claims unknown or unsuspected at the time of execution of this Termination Agreement.

8. Representations and Warranties of Licensee. Licensee represents and warrants as of the date hereof and as of the Termination Date as follows:

(a) *Existence and Power.* Licensee (i) is an Oklahoma public trust duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation, (ii) has the ability to perform its obligations under this Termination Agreement, and (iii) has all necessary power and authority to execute and deliver this Termination Agreement.

(b) *Authorization; Contravention.* The execution and delivery by Licensee of this Termination Agreement and the performance by Licensee of its obligations under this Termination Agreement: (i) have been duly authorized by all necessary action; (ii) do not require the consent of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (A) Licensee’s organizational documents or other governing documents, (B) any regulation of any governmental body or any decision, ruling, order, or award by which Licensee or any of Licensee’s properties may be bound or affected, or (C) any agreement, indenture or other instrument to which Licensee is a party or by which any of Licensee’s properties may be bound or affected.

(c) *Binding Effect.* This Termination Agreement, when executed and delivered to Licensor, and the surviving obligations of Licensee as described herein, will be the legally valid and binding obligations of Licensee, enforceable against Licensee in accordance with its terms.

(d) *Monetary Obligations.* Except with respect to those fees, charges and other amounts for which Licensee has not received, as of the Termination Date, an invoice or request for payment from Licensor, or that have otherwise not become due as of the Termination Date, Licensee has satisfied all of its monetary obligations and all other outstanding obligations to Licensor and its Affiliates, and has submitted all financial and other reports required to be submitted to Licensor and its Affiliates. For avoidance of doubt, simultaneous with the execution of this Termination Agreement, Licensee will

pay any fees, charges or other amounts for which Licensee has received, as of the Termination Date, an invoice or request for payment from Licensor.

(e) *No Claims.* Licensee has not filed any lawsuit, demand for arbitration or other claim against any of the Licensor Releasees, nor has Licensee assigned any right to bring any lawsuit, demand for arbitration or other claim against any of the Licensor Releasees.

(f) *Reliance on Information.* All of the information provided to Licensor by or on behalf of Licensee in connection with the termination of the License Agreement (including any information provided about the proposed new licensee) is correct and complete.

9. [Intentionally Omitted]

10. [Intentionally Omitted]

11. Miscellaneous.

(a) *Defined Terms.* Unless specifically defined herein, all capitalized terms used in this Termination Agreement shall have the same meaning set forth in the License Agreement.

(b) *No Waiver of Defaults.* Except as specifically provided herein, no provision of this Termination Agreement, nor any action by Licensor prior to the date hereof, shall be construed as a waiver by Licensor of any right under the License Agreement or under any other agreement or applicable law, including, without limitation, any right with respect to any default by Licensee under the License Agreement.

(c) *Entire Agreement.* This Termination Agreement, which includes the recitals above, contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior understandings and writings.

(d) *Remedies.* In the event of any breach by any party of the terms of this Termination Agreement, the other party shall have the right to seek any remedy available at law or in equity, including but not limited to specific performance. No remedy shall be exclusive of any remedy to which such party may be entitled.

(e) *Amendment.* This Termination Agreement may only be amended by a written, non-electronic instrument that has been duly executed by the non-electronic signatures of Licensor and Licensee. This Termination Agreement may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any person purporting to amend or modify this Termination Agreement by conduct manifesting assent or by electronic signature is not authorized to do so.

(f) *Successors and Assigns.* Licensee shall not assign any right or delegate any duty under this Termination Agreement without the prior written consent of Licensor. This Termination Agreement will inure to the benefit of and bind the permitted successors, assigns, heirs, and personal representatives of the parties.

(g) *Confidentiality.* Except as required by law and as required to implement the terms of this Termination Agreement, Licensee agrees to keep confidential and not disclose the existence or terms of this Termination Agreement without the prior written consent of Licensor.

(h) *Applicable Law.* This Termination Agreement shall be governed by, and construed in accordance with, the laws of the State of Maryland without reference to its conflict of law principles.

(i) *Captions.* Captions and section headings are used herein for convenience only. They are not part of this Termination Agreement and shall not be used in construing it.

(j) *Severability.* The provisions of this Termination Agreement shall be severable. If any provision of this Termination Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable to any extent, the remainder of this Termination Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision shall be replaced with a provision that is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.

(k) *Further Assurances.* From time to time prior to, at, and after the Termination Date, each party hereto will execute all such instruments and take all such actions as any other party reasonably requests in connection with the consummation of the transactions contemplated by this Termination Agreement.

(l) *Time is of the Essence.* Licensee agrees that time is of the essence with regard to its obligations under this Termination Agreement.

(m) *Counterparts; Facsimile.* This Termination Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed signature page to the Termination Agreement by facsimile or electronic transmission shall be effective as delivery of a manually signed counterpart of this Termination Agreement.

{Signatures appear on following page}

IN WITNESS WHEREOF, this Termination Agreement and Release is executed under seal as of the date first set forth above.

THE SHERATON LLC

By: _____(SEAL)
Name: Kip W. Vreeland
Title: Senior Vice President, Full Service Franchising

MIDWEST CITY MUNICIPAL AUTHORITY

By: _____(SEAL)
Name:
Title:



NEW BUSINESS/
PUBLIC DISCUSSION





FURTHER INFORMATION





City Manager's Office
100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1205

MEMORANDUM

TO: Honorable Chairman and Trustees
Midwest City Municipal Authority

FROM: Ryan Rushing, Director of Operations

DATE: January 24, 2023

SUBJECT: Review of the monthly report on the current condition of the Sheraton Midwest City Hotel at the Reed Center for the period ending December 31, 2022.

This item is on the agenda at the request of the Authority. Attached to this memorandum is information concerning the status of the Sheraton Midwest City Hotel at the Reed Center.

Any time you have a question concerning the conference center and hotel, please feel free to contact me at 739-1205.

Fiscal Year 2022-2023	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Revenue												
Budgeted (MTD)	314,473	456,558	454,823	690,957	482,754	280,122						
Actual (MTD)	215,862	327,994	338,232	298,613	329,258	325,935						
Budgeted (YTD)	314,473	771,031	1,225,854	1,916,811	2,399,565	2,679,687						
Actual (YTD)	215,862	543,856	882,088	1,180,701	1,509,959	1,835,895						

Expenses												
Budgeted (MTD)	317,640	357,848	352,577	429,679	372,335	303,854						
Actual (MTD)	270,452	278,272	251,566	289,094	328,384	406,392						
Budgeted (YTD)	317,640	675,488	1,028,065	1,457,744	1,830,079	2,133,933						
Actual (YTD)	270,452	548,724	800,290	1,089,384	1,417,768	1,824,160						

Revenue vs. Expenses												
Budgeted (MTD)	(3,167)	98,710	102,246	261,278	110,419	(23,732)						
Actual (MTD)	(54,590)	49,722	86,665	9,519	875	(80,457)						
Budgeted (YTD)	(3,167)	95,543	197,789	459,067	569,486	545,754						
Actual (YTD)	(54,590)	(4,868)	81,798	91,317	92,192	11,735						

Key Indicators												
Hotel Room Revenue	134,971	160,951	204,314	221,621	181,770	158,845						
Food and Banquet Revenue	72,710	138,792	117,519	78,055	96,521	112,912						

Fiscal Year 2021-2022	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Revenue												
Budgeted (MTD)	218,175	269,249	277,204	320,392	287,445	230,076	224,889	303,825	417,312	286,185	422,104	275,068
Actual (MTD)	165,309	267,937	203,272	242,338	106,151	94,137	33,427	22,326	115,512	191,509	188,113	337,364
Budgeted (YTD)	218,175	487,424	764,628	1,085,020	1,372,465	1,602,541	1,827,430	2,131,255	2,548,567	2,834,752	3,256,856	3,531,924
Actual (YTD)	165,309	433,247	636,518	878,856	985,007	1,079,144	1,112,571	1,134,897	1,250,409	1,441,918	1,630,032	1,967,395

Expenses												
Budgeted (MTD)	276,863	304,951	298,180	318,622	307,935	281,813	261,066	303,985	403,234	297,791	342,543	293,360
Actual (MTD)	217,027	271,844	249,791	246,471	124,488	164,155	101,046	105,993	139,185	197,810	221,278	271,866
Budgeted (YTD)	276,863	581,814	879,994	1,198,616	1,506,551	1,788,364	2,049,430	2,353,415	2,756,649	3,054,440	3,396,983	3,690,343
Actual (YTD)	217,027	488,872	738,663	985,134	1,109,622	1,273,777	1,374,823	1,480,816	1,620,001	1,817,810	2,039,089	2,310,954

Revenue vs. Expenses												
Budgeted (MTD)	(56,688)	(35,702)	(20,976)	1,770	(20,490)	(51,737)	(36,177)	(160)	14,078	(11,606)	79,561	(18,292)
Actual (MTD)	(51,718)	(3,907)	(46,520)	(4,133)	(18,337)	(70,017)	(67,619)	(83,667)	(23,673)	(6,301)	(33,165)	65,498
Budgeted (YTD)	(56,688)	(94,390)	(115,366)	(113,596)	(134,086)	(185,823)	(222,000)	(222,160)	(208,082)	(219,688)	(140,127)	(158,419)
Actual (YTD)	(51,718)	(55,625)	(102,145)	(106,278)	(124,615)	(194,633)	(262,251)	(345,919)	(369,592)	(375,892)	(409,057)	(343,559)

Key Indicators												
Hotel Room Revenue	140,152	138,336	115,422	135,084	1,266	2,150	1,452	-	24,220	102,796	124,026	203,942
Food and Banquet Revenue	21,229	120,339	76,791	97,591	91,680	91,702	28,934	20,929	81,770	72,826	51,355	117,938



MEMORIAL HOSPITAL AUTHORITY AGENDA

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

January 24, 2023 – 6:02 PM

Presiding members: Chairman Matthew Dukes	City Staff:	
Trustee Susan Eads	Trustee Sean Reed	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Megan Bain	Trustee Rick Favors	Authority Attorney Don Maisch

A. CALL TO ORDER.

B. DISCUSSION ITEMS.

1. Discussion, consideration, and possible action of approving the January 10, 2023 meeting minutes. (Secretary- S. Hancock)
2. Discussion, consideration, and possible action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives. (Finance - T. Cromar)

C. NEW BUSINESS/PUBLIC DISCUSSION. In accordance with State Statute Title 25 Section 311. Public bodies - Notice. A-9, the purpose of the "New Business" section is for action to be taken at any Council/Authority/Commission meeting for any matter not known about or which could not have been reasonably foreseen 24 hours prior to the public meeting. The purpose of the "Public Discussion" section of the agenda is for members of the public to speak to the Authority on any subject not scheduled on the regular agenda. The Authority shall make no decision or take any action, except to direct the City Manager to take action, or to schedule the matter for discussion at a later date. Pursuant to the Oklahoma Open Meeting Act, the Authority will not engage in any discussion on the matter until that matter has been placed on an agenda for discussion. **THOSE ADDRESSING THE AUTHORITY ARE REQUESTED TO STATE THEIR NAME AND ADDRESS PRIOR TO SPEAKING TO THE AUTHORITY.**

D. ADJOURNMENT.



DISCUSSION ITEMS



Notice for the Midwest City Memorial Hospital Authority meetings was filed for the calendar year with the City Clerk of Midwest City. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityokorg).

Midwest City Memorial Hospital Authority Minutes

January 10, 2023

This meeting was held in Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Matt Dukes called the meeting to order at 8:03 PM with the following members present:

Trustee Susan Eads	Trustee Sean Reed	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Megan Bain	Trustee Rick Favors	Attorney Don Maisch

CONSENT AGENDA. Eads made a motion to approve the consent agenda, seconded by Reed. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

1. Discussion, consideration, and possible action to approve the December 13, 2022 meeting minutes.
2. Discussion, consideration and possible action of approving supplemental budget adjustments to the following fund for FY 2022-2023, increase: Hospital Authority Fund, revenues/Hospital Authority (90) \$15,000; expenses/Hospital Authority (90) \$15,000.

DISCUSSION ITEM.

1. **Discussion, consideration, and possible action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives. NO ACTION NEEDED.**

NEW BUSINESS/PUBLIC DISCUSSION. There was no new business or public discussion.

At 8:04 PM the Hospital Authority recessed and returned at 8:09 PM.

EXECUTIVE SESSION.

1. **Discussion, consideration, and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(B)(3), to discuss the purchase or appraisal of the real property located within the City near 8800 - 8832 SE 29th ST (a/k/a +/- 13.28 acres located in the NE/4, NE/4, Sec. 14, T11N, R02W, I.M., Oklahoma County, OK) as well as the real property located within the City near 301 N Midwest BL (a/k/a +/- 1.73 acres located in the NE/4, SE/4, SE/4, Sec. 34, T12N, R02W, I.M, Oklahoma County, OK); and 2) in open session, authorizing the General Manager/Administrator to take action as appropriate based on the discussion in executive session.**

At 8:10 PM Reed made a motion to enter into Executive Session, seconded by Favors. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

*Mayor left at 8:34 PM and returned at 8:36 PM.

At 10:16 PM Reed made a motion to return to open session, seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

Eads made motion to proceed as discussed, seconded by Reed. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

ADJOURNMENT.

There being no further business, Chairman Dukes adjourned the meeting at 10:16 PM.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary



Memorial Hospital Authority

General Manager/Administrator, Tim Lyon
100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1201
tlyon@midwestcityok.org
www.midwestcityok.org

MEMORANDUM

To: Honorable Chairman and Trustees

From: Tiatia Cromar, Finance Director

Date: January 24, 2023

Subject: Discussion, consideration, and possible action to reallocate assets, change fund managers or make changes in the Statement of Investment Policy, Guidelines and Objectives.

Jim Garrels, President of Fiduciary Capital Advisors, asked staff to put this item on each agenda in the event that the Hospital Authority's investments need to be reallocated, an investment fund manager needs to be changed, or changes need to be made to the Statement of Investment Policy on short notice.

Tiatia Cromar
Finance Director



NEW BUSINESS/
PUBLIC DISCUSSION





SPECIAL ECONOMIC DEVELOPMENT AUTHORITY AGENDA

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

January 24, 2023 – 6:03 PM

Presiding members: Chairman Matthew Dukes
Trustee Susan Eads
Trustee Pat Byrne
Trustee Megan Bain

Trustee Sean Reed
Trustee Sara Bana
Trustee Rick Favors

City Staff:
General Manager Tim Lyon
Secretary Sara Hancock
Authority Attorney Don Maisch

A. CALL TO ORDER.

B. DISCUSSION ITEM.

1. Discussion, consideration, and possible action of approving the January 10, 2023 meeting minutes. (Secretary- S. Hancock)

C. PUBLIC DISCUSSION. The purpose of the "Public Discussion" section of the agenda is for members of the public to speak to the Authority on any subject not scheduled on the regular agenda. The Authority shall make no decision or take any action, except to direct the City Manager to take action, or to schedule the matter for discussion at a later date. Pursuant to the Oklahoma Open Meeting Act, the Authority will not engage in any discussion on the matter until that matter has been placed on an agenda for discussion. **THOSE ADDRESSING THE AUTHORITY ARE REQUESTED TO STATE THEIR NAME AND ADDRESS PRIOR TO SPEAKING TO THE AUTHORITY.**

D. EXECUTIVE SESSION. – *Please Note: The Councilmembers will go into closed session and reconvene back into open session upstairs from the Chamber in the City Manager's conference room on the second floor of City Hall, 100 N Midwest Blvd., MWC, 73110.*

1. Discussion, consideration and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(11), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City at the Soldier Creek Industrial Park (N/2, Sec. 27, T12N, R02W, I.M.) less and except Lot 1; and 2) in open session, authorizing the General Manager/Administrator to take action as appropriate based on the discussion in executive session. (Economic Development - R. Coleman)

E. ADJOURNMENT.

Notice for the Midwest City Economic Development Authority special meeting was filed with the City Clerk of Midwest City at least 48 hours prior to the meeting. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityok.org).

**Midwest City Economic Development Authority Minutes
Special Meeting**

January 10, 2023

This meeting was held in the Midwest City Chambers at City Hall, 100 N Midwest Blvd, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Matt Dukes called the meeting to order at 8:04 PM with the following members present:

Trustee Susan Eads	Trustee Sean Reed	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Megan Bain	Trustee Rick Favors	City Attorney Don Maisch

CONSENT AGENDA. Reed made a motion to approve the consent agenda with the exception to pull Items 2 and 3, seconded by Eads. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

1. Discussion, consideration, and possible action of approving the October 25, 2022 meeting minutes.
2. **Discussion, consideration and possible action to approve an amendment to that certain “Economic Development Assistance Agreement,” by and between the Midwest City Economic Development Authority, Centrillum Proteins LLC, and MTG Property Holdings, LLC, dated August 8, 2022, and authorizing and directing the execution of the second amendment.**

After Staff and Council discussion, Bana made a motion to approve the amendment, seconded by Byrne. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

3. **Discussion, consideration and possible action to approve an amendment to that certain “Agreement for the Purchase and Sale of Real Estate,” by and between the Midwest City Economic Development Authority and MTG Property Holdings, LLC, dated May 24, 2022, and authorizing and directing the execution of the second amendment.**

After Council discussion, Bana made a motion to approve the amendment, seconded by Reed. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors and Dukes. Nay: none. Motion Carried.

PUBLIC DISCUSSION. There was no public discussion.

ADJOURNMENT.

There being no further business, Chairman Dukes adjourned the meeting at 8:02 PM.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary



Economic Development
100 N. Midwest Blvd.
Midwest City, OK 73110
rcoleman@midwestcityok.org
Office: 405-739-1218
www.midwestcityok.org

MEMORANDUM

TO: Honorable Chairman and Trustees of the Economic Development Authority

FROM: Robert Coleman, Economic Development Director

DATE: January 24, 2023

SUBJECT: Discussion, consideration and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(11), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City at the Soldier Creek Industrial Park (N/2, Sec. 27, T12N, R02W, I.M.) less and except Lot 1; and 2) in open session, authorizing the General Manager/Administrator to take action as appropriate based on the discussion in executive session.

Appropriate information will be dispersed during executive session.

Robert Coleman

Robert Coleman
Economic Development Director



MIDWEST CITY SPECIAL UTILITIES AUTHORITY AGENDA
City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

January 24, 2023 – 6:04 PM

Presiding members: Mayor Matthew Dukes	City Staff:
Trustee Susan Eads	General Manager Tim Lyon
Trustee Pat Byrne	Secretary Sara Hancock
Trustee Megan Bain	Authority Attorney Don Maisch
Trustee Sean Reed	
Trustee Sara Bana	
Trustee Rick Favors	

A. CALL TO ORDER.

B. DISCUSSION ITEM.

1. Discussion, consideration, and possible action to approve the December 13, 2022 meeting minutes. (Secretary - S. Hancock)

C. PUBLIC DISCUSSION. The purpose of the "Public Discussion" section of the agenda is for members of the public to speak to the Authority on any subject not scheduled on the regular agenda. The Authority shall make no decision or take any action, except to direct the City Manager to take action, or to schedule the matter for discussion at a later date. Pursuant to the Oklahoma Open Meeting Act, the Authority will not engage in any discussion on the matter until that matter has been placed on an agenda for discussion. **THOSE ADDRESSING THE AUTHORITY ARE REQUESTED TO STATE THEIR NAME AND ADDRESS PRIOR TO SPEAKING TO THE AUTHORITY.**

D. EXECUTIVE SESSION. – **Please Note: The Councilmembers will go into closed session and reconvene back into open session upstairs from the Chamber in the City Manager's conference room on the second floor of City Hall, 100 N Midwest Blvd., MWC, 73110.**

1. Discussion, consideration, and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(B)(3), to discuss the purchase or appraisal of the real property located within the City at the Soldier Creek Industrial Park (N/2, Sec. 27, T12N, R02W, I.M.) less and except Lot 1; and 2) in open session, authorizing the General Manager/Administrator to take action as appropriate based on the discussion in executive session. (Economic Development - R. Coleman)

E. ADJOURNMENT.



DISCUSSION ITEMS



Notice for the Midwest City Utilities Authority special meeting was filed with the City Clerk of Midwest City 48 hours prior to the meeting. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityokorg).

**Midwest City Utilities Authority Minutes
Special Meeting**

December 13, 2022

This meeting was held in Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Matt Dukes called the meeting to order at 9:12 PM with the following members present:

Trustee Susan Eads	Trustee Sean Reed	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Megan Bain	Trustee Rick Favors	Authority Attorney Don Maisch

CONSENT AGENDA. Byrne made a motion to approve the consent agenda, seconded by Favors. Voting Aye: Eads, Byrne, Bain, Reed, Bana, Favors, and Dukes. Nay: None. Motion Carried.

1. Discussion, consideration, and possible action of approving the August 23, 2022 meeting minutes.
2. Discussion, consideration, and possible action of a Letter of Intent with Hard Luck Automotive Services, Inc. for the development of an automobile repair facility on Lot 4 in the Soldier Creek Industrial Park.
3. Discussion, consideration and possible action of an extension to the Exclusive Listing Agreement with Skybridge Real Estate, L.L.C. for professional real estate services for the Soldier Creek Industrial Park, 7450 NE 23rd ST.

PUBLIC DISCUSSION. There was no public discussion.

ADJOURNMENT.

There being no further business, Chairman Dukes adjourned the meeting at 9:13 PM.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary



PUBLIC DISCUSSION





EXECUTIVE SESSION





Economic Development

100 N. Midwest Boulevard
Midwest City, OK 73110
rcoleman@midwestcityok.org
Office: 405.739.1218
www.midwestcityok.org

MEMORANDUM

TO: Honorable Chairman and Trustees of the Utilities Authority

FROM: Robert Coleman, Economic Development Director

DATE: January 24, 2023

SUBJECT: Discussion, consideration, and possible action of 1) entering into executive session, as allowed under 25 O.S. § 307(B)(3), to discuss the purchase or appraisal of the real property located within the City at the Soldier Creek Industrial Park (N/2, Sec. 27, T12N, R02W, I.M.) less and except Lot 1; and 2) in open session, authorizing the General Manager/Administrator to take action as appropriate based on the discussion in executive session.

Appropriate information will be dispersed during the meeting.

Robert Coleman, Economic Development Director