

**BOARD OF CITY COMMISSIONERS
REGULAR MEETING**

March 9, 2020

6:00 P.M.

**Wheeler Civic Center
103 North Wheeler
Sallisaw, OK**

A G E N D A

- 1. Meeting called to order**
- 2. Declaration of a quorum**
- 3. Presentation of Proclamation to Marley Abell**
- 4. Presentation to Retiree Randy Freeman**
- 5. Removal of any Item from the Consent Agenda**
- 6. Consent Agenda**
 - (a) Consider Approval of Minutes of Regular Meeting of February 10, 2020 and Special Meeting of February 20, 2020
 - (b) Acknowledge Invoice Paid Report for February 2020
- 7. Consider any Item Removed from the Consent Agenda**
- 8. Acknowledge Election Results Received from the Sequoyah County Election Board for the February 11, 2020 Election**
- 9. Consider Approval of Audit Engagement Letters with FSW&B, CPA's PLLC, of Stillwater, OK, for Fiscal Year 2020 Audit Services and Landfill Calculations**

- 10. Consider Approval of Letter of Engagement for Professional Services with RS Meacham, CPAs and Advisors, Clinton, Oklahoma, for Consulting Services Related to Financial Matters of the City of Sallisaw**
- 11. Consider Approval of Staff's Request to Declare Thirty (30) Glock Firearms as Surplus for Purpose of trade**
- 12. Discuss and Consider Approval of Administrative Policy 1.010.00, Revision 2, City and Employee Use of Social Media**
- 13. Approve Purchase Order No. 80460, in an *Amount not to Exceed* \$25,000.000, to IPS Construction of Sallisaw, for Frontage Remodel Work on Stanley Tubbs Memorial Library**
- 14. Discuss and Consider Approval of Items Related to Purchase of One (1) Insulated Aerial Bucket Truck for the Electric Department**
 - (a) Accept Bids Recieved
 - (b) Consider Award of Bid to Altec Industries, Inc., of St. Joseph, Missouri, in the Amount of \$152,666.00
- 15. Discuss and Consider Approval of Purchase Order No. 80470, Issued to Tim A. Risley and Associates, for Architectural Design Services Related to the Remodel of the Old Post Office Facility Located at 113 North Elm, in the Amount of \$21,000, plus Reimbursable Expenses**
- 16. Discuss and Consider Approval of Resolution 2020-05, A Resolution Providing Changes in Electric Service Rates in the City of Sallisaw, Oklahoma.**
- 17. Discuss and Consider Approval of Ordinance 2020-02; An Ordinance Amending Chapter 6, Alcoholic Beverages and Low Point Beer, Section 6-2 (2)(3) of the Sallisaw Code of Ordinances by Striking the Same and Enacting a New Section 6-2 (2)(3) to the City of Sallisaw Code of Ordinance; and, Declaring an Emergency**
- 18. Discuss the Potential Purchase of Real Property; Possible Convening in Executive Session as Authorized by Title 25 O.S., § 307 (B)(3)**

19. Reconvene to Regular Session

20. Possible Action or Direction Pursuant to Executive Session

21. Administrative Reports

22. Adjourn

Posted: MARCH 5, 2020

Time: 2:00 P.M.

Dianna Davis

MINUTES
BOARD OF CITY COMMISSIONERS
REGULAR MEETING
FEBRUARY 10, 2020

The Board of City Commissioners met in a regular meeting on February 10, 2020, in the city council chambers located at 111 North Elm. Notice of the meeting was given by e-mailing to Sequoyah County Times; by posting at city hall; and, by giving notice to the City Clerk.

Members present: Ernie Martens, Mayor
Ronnie Lowe, Member, Ward 1
Philip Gay, Member, Ward 2
Julian Mendiola, Member, Ward 3
Shannon Vann, Member, Ward 4

Members absent: (None)

Staff present: Keith Skelton, City Manager
John R. Montgomery, City Attorney
Dianna Davis, City Clerk
Robin Haggard, Finance Director
Randy Sizemore, Purchasing Agent
Terry Franklin, Chief of Police
Clint Smith, Telecommunications Supt.
George Bormann, Econ. Dev. Dir./Grants Admin.
Keith Miller, Building Development Director
Gene Martin, Equipment Services Superintendent
Jamie Phillips, Solid Waste Superintendent

Others present: Pamela Gay; Robert Morris; Harold Powell; Jennifer Phipps; John Owens; Raymond McCarty; Shelby Stavelly; Roy Faulkenberry.

Mayor Martens called the meeting to order at 6:00 p.m. and declared a quorum was present.

PRESENTATION TO MARLEY ABELL

Mayor Martens noted that Mr. Abell would not be able to attend due to illness. Presentation will be made at the March regular meeting.

PRESENTATION TO RETIREES, RANDY FREEMAN, RAYMOND MCCARTY, AND JOHN OWENS

City Manager Keith Skelton came forward to make the presentations. He noted that Mr. Freeman was unable to attend. Mr. Skelton presented retirees Raymond McCarty and John Owens with a token of appreciation for their years of service to the citizens of Sallisaw.

REMOVAL OF ANY ITEM FROM THE CONSENT AGENDA

None

CONSENT AGENDA

- (a) Consider Approval of Minutes of Regular Meeting of January 13, 2020, and Special Meeting of January 15, 2020

- (b) Acknowledge Invoice Paid Report for January 2020

Motion was made by Vann, seconded by Lowe, for approval of the consent agenda. Vote: Vann aye; Lowe aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0.

CONSIDER ANY ITEM REMOVED FROM THE CONSENT AGENDA

None.

DISCUSS AND CONSIDER APPROVAL OF ITEMS RELATED TO CLOSEOUT OF 16745 CDBG CIP 2016

- (a) Consider Approval of Resolution 2020-01; 16745 CDBG CIP 2016 Capital Improvement Closeout

Motion was made by Vann, seconded by Gay, for approval of Resolution 2020-01. Vote Vann aye; Gay aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

- (b) Consider Approval of Resolution 2020-02; 16745 CDBG CIP 2016 Capital Improvement 5Year Plan Adoption

Motion was made by Vann, seconded by Gay, for approval of Resolution 2020-02. Vote Vann aye; Gay aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

- (c) Consider Approval to Authorize the City Manager to Sign all Grant Related Documents for 16745 CDBG CIP 2016

Motion was made by Vann, seconded by Gay, to authorize the City Manager to sign all grant related documents for 16745 CDBG CIP 2016. Vote: Vann aye; Gay aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF ITEMS RELATED TO USDA RURAL DEVELOPMENT COMMUNITY FACILITIES GRANT

- (a) Consider Approval of Terms and Conditions of Grant Agreement

Motion was made by Lowe, seconded by Vann, for approval of the Terms and Conditions of the grant agreement. Vote: Lowe aye; Vann aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0.

- (b) Consider Approval of Resolution 2020-03

Motion was made by Lowe, seconded by Vann, for approval of Resolution 2020-03. Vote: Lowe aye; Vann aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER PLANNING COMMISSION CASE NO. PC 2019-19; REQUEST FOR REZONING FROM AGRICULTURE (A1) TO HIGHWAY COMMERCIAL (C4), BY WILCO INVESTMENTS AND DEVELOPMENT, LLC; JUDITH S. MYERS REVOCABLE TRUST; MARY C. BLANTON 1991 REVOCABLE TRUST; AND ORDINANCE 2020-01 WITH EMERGENCY CLAUSE

Motion was made by Mendiola, seconded by Gay, for approval of Planning Commission Case No. PC 2019-19; Ordinance 2020-01. Vote: Mendiola aye; Gay aye; Lowe aye; Vann aye; Martens aye. Motion carried 5-0.

Motion was made by Mendiola, seconded by Gay, for approval of the Emergency Clause for Ordinance 2020-01. Vote: Mendiola aye; Gay aye; Lowe aye; Vann aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF CONTRACT AMENDMENT, IN THE AMOUNT OF \$12,600.00, WITH NEEL, HARVELL AND ASSOCIATES FOR ENGINEERING RELATED TO THE SPORTS COMPLEX WALKING TRAIL

Motion was made by Lowe, seconded by Vann, for approval of the contract amendment, in the amount of \$12,600.00 with Neel, Harvell and Associates for engineering related to the sports complex walking trail. Vote: Lowe aye; Vann aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF CHANGE ORDER NO. 5, IN THE AMOUNT OF \$8,843.00, FOR THE NEW CIVIC CENTER REMODEL PROJECT; MGS CONSTRUCTION

Motion was made by Vann, seconded by Gay, for approval of Change Order No. 5, in the amount of \$8,843.00, for the new civic center remodel; MGS Construction. Vote: Vann aye; Gay aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF ITEMS RELATED TO THE CONSTRUCTION OF THE SPORTS COMPLEX WALKING TRAIL

(a) Accept Bids Received for Sports Complex Walking Trail

Motion was made by Lowe, seconded by Vann, to accept the bids received. Vote: Lowe aye; Vann aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0.

(b) Consider Award of Contract to Weldon Construction Company, LLC, of Piedmont, Oklahoma, in the Amount of \$186,953.62, for Concrete Work Related to the Sports Complex Walking Trail

Motion was made by Lowe, seconded by Vann, for award of contract to Weldon Construction Company, LLC, of Piedmont, Oklahoma, in the amount of \$186,953.62. Vote: Lowe aye; Vann aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF STAFF'S REQUEST TO ADD ONE (1) CODE ENFORCEMENT OFFICER POSITION TO THE BUILDING DEVELOPMENT DEPARTMENT

Staff noted the need for an additional employee in Building Development. Their request was to add one (1) additional Code Enforcement Officer. Mr. Skelton noted this position was needed in order to help with additional cleanup of properties, as well as dilapidated structures. Following discussion, motion was made by Mendiola, seconded by Gay, for approval. Vote: Mendiola aye; Gay aye; Lowe aye; Vann aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF ADMINISTRATIVE POLICY 1.009.00; VOLUNTEERS FOR THE CITY OF SALLISAW

Motion was made by Mendiola, seconded by Vann, for approval of Administrative Policy 1.009.00; Volunteers for the City of Sallisaw. Vote: Mendiola aye; Vann aye; Gay aye; Lowe aye; Martens aye. Motion carried 5-0.

CONSIDER APPROVAL OF RESOLUTION 2020-04, A RESOLUTION OF THE BOARD OF CITY COMMISSIONERS OF THE CITY OF SALLISAW, ESTABLISHING A PROCESS FOR IMPLEMENTATION OF THE REQUIREMENTS OF 11 O.S. 51108, INCLUDING ESTABLISHING THE PROCESS FOR CALLING AND SCHEDULING ELECTIONS PURSUANT TO SAID STATUTE, AND NAMING THE BARGAINING REPRESENTATIVES FOR THE CITY OF SALLISAW

Motion was made by Mendiola, seconded by Gay, for approval of Resolution 2020-04. Vote: Mendiola aye; Gay aye; Lowe aye; Vann aye; Martens aye. Motion carried 5-0.

DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING THE OLD TOMMIE SPEAR MIDDLE SCHOOL PROPERTY

Mr. Skelton noted that Sallisaw Schools had recently released us from the previously signed agreement concerning this property. He has been approached by individuals with different ideas for this property. Mr. Harold Powell was present and discussed the idea of using this location as a mission. He noted that the "Convoy of Hope" organization is interested in touring the property and feels it would be suitable. He discussed at length the programs they provide. Mr. Powell noted that there is a need in our community for this type of facility. He participates in the Soup and Souls at First Assembly, which started around 3 years ago. They feed approximately 100 each time. They give out approximately 60-70 food bags, as well as help with backpack programs. He noted if this was used for a mission it would be a residential type facility. Council thanked Mr. Powell for his presentation. Mr. Skelton noted there would need to be further discussion concerning this property. This item will be brought back at a later date. No action was taken.

ADMINISTRATIVE REPORTS

Mr. Skelton noted that the electric cost of service study was on track for the special meeting scheduled for February 20th at 10:30 am. The I-40 pole replacement project is ongoing; 6 of 10 poles are complete. New civic center remodel is close to being finished. We will schedule an open house for March 9 and then hold the council meeting there. City Clerk will give public

notice for the change of location for the meeting. Engineer will be completing the Notice to Proceed for the walking trail project contractor. Street contractor is expected to be in town February 14th. Splashpad playground equipment has been installed. City crews will work on mulching the area. He noted that the 2020 Public Power Conference is April 26-28 in Tulsa. Please let the City Clerk know if you would like to attend so that she can make reservations.

ADJOURN

Motion was made by Lowe, seconded by Vann, to adjourn the meeting there being no further business. Vote: Lowe aye; Vann aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0. The meeting adjourned at 6:49 p.m

APPROVED the 9th day of MARCH 2020.

Ernie Martens, Mayor

ATTEST:

Dianna Davis, City Clerk

(SEAL)

MINUTES
BOARD OF CITY COMMISSIONERS
SPECIAL MEETING
FEBRUARY 20, 2020

The Board of City Commissioners met in a special meeting on February 20, 2020, in the 3rd floor conference room of city hall, located at 115 East Choctaw. Notice of the meeting was given by e-mailing to Sequoyah County Times; by posting at city hall; and, by giving notice to the City Clerk.

Members present: Ernie Martens Mayor
 Ronnie Lowe, Member, Ward 1
 Philip Gay, Member, Ward 2
 Julian Mendiola, Member, Ward 3
 Shannon Vann, Member, Ward 4

Staff present: Keith Skelton, City Manager
 John R. Montgomery, City Attorney
 Dianna Davis, City Clerk
 Robin Haggard, Director of Finance
 George Bormann, Economic Development Director

Others present: JoLynn Rains

Mayor Martens called the meeting to order at 10:30 a.m. and declared a quorum was present.

RECEIVE PRESENTATION, DISCUSSION AND POSSIBLE DIRECTION TO STAFF CONCERNING THE ELECTRIC COST OF SERVICE STUDY

The City Manager took a moment to review several projects that need to be done in the very near future. He then turned the meeting over to our consultant, JoLynn Rains. Mrs. Rains said information needed from the study was “are our rates adequate?” and “do our rates bring in the revenue needed?” She noted that most of her time during the study was spent on CP1 and CP2 rates. She reviewed residential and commercial rates and rate structures. She reviewed percentage of usage in each customer rate class. She noted they had also considered future account growth in the study.

Motion was made by Mendiola, seconded by Gay, to recess the meeting for lunch. Vote: Mendiola aye; Gay aye; Lowe aye; Vann aye; Martens aye. Motion carried 5-0. Meeting recessed at 11:17 a.m. Note: Commissioner Mendiola had to leave the meeting at this time to attend the funeral of a family member.

Motion was made by Lowe, seconded by Gay, to reconvene the meeting. Vote: Lowe aye; Gay aye; Vann aye; Martens aye. Motion carried 4-0. It was noted again that Commissioner Mendiola had left the meeting, but there was still a quorum present.

Mrs. Rains continued with her presentation discussing GRDA revenue requirements, as well as GRDA's rate structure change in 2019. CP2 customer class was discussed. Mrs. Rains noted language was needed for a new 15,000 KWH rule and with that approximately 31 CP2 customers could be moved to the CP1 rate. GRDA's economic development riders were discussed. It was noted these would be on the March agenda for council's consideration. Solar power was discussed. EV charging stations "sale for resale" language was discussed

Following a lengthy discussion, it was the general consensus of council that staff bring the new rate structure to council for consideration at the March meeting.

Motion was made by Lowe, seconded by Gay, to adjourn the meeting there being no further business. Vote: Lowe aye; Gay aye; Vann aye; Martens aye. Motion carried 4-0. The meeting adjourned at 1:48 p.m.

APPROVED the 9th day of MARCH 2020.

Ernie Martens, Mayor

ATTEST:

Dianna Davis, City Clerk

(SEAL)

CITY OF SALLISAW
 FOR CHIEF OF POLICE CITY OF SALLISAW

Precinct	TERRY FRANKLIN	CHRIS ABNER
SEQUOYAH COUNTY PCT 680204	12	3
SEQUOYAH COUNTY PCT 680205	224	162
SEQUOYAH COUNTY PCT 680206	39	10
SEQUOYAH COUNTY PCT 680301	247	173
SEQUOYAH COUNTY PCT 680302	93	67
SEQUOYAH COUNTY PCT 680303	214	138
Total:	829	553

POST-PROVISIONAL

WE, THE DULY APPOINTED MEMBERS OF THE SEQUOYAH COUNTY ELECTION BOARD, STATE OF OKLAHOMA, DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT NUMBER OF VOTES CAST IN THE ELECTION HELD ON 2/11/2020. RESULTS OF SAID ELECTION ARE SHOWN ABOVE. DATED AT SALLISAW, OKLAHOMA, THIS 14th DAY OF FEBRUARY, 2020.

CHAIRMAN *Eric Jobe*
 VICE-CHAIRMAN *Mark A. White*
 SECRETARY *Mike Osborn*



AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Audit Engagement Letters

ITEM TITLE: Consider Approval of Audit Engagement Letters with FSW&B, CPA's PLLC, of Stillwater, OK, for Fiscal Year 2020 Audit Services and Landfill Calculations

INITIATOR: Director of Finance

STAFF INFORMATION SOURCE: FSW&B

BACKGROUND: Title 11, Section 17-105 of the Oklahoma State Statutes, requires the City of Sallisaw and its related entities *to complete a yearly audit of its financial statements*. The audit for the prior fiscal year must be completed and filed with the Oklahoma State Auditor's office within six months of the close of the fiscal year. The objective of the audit is for the Auditor to express an opinion on whether the City's financial statements are fairly presented and conform to generally accepted accounting procedures and regulations. The audit will be conducted in accordance with generally accepted auditing standards.

Proposed Professional Fee for Audit will not exceed \$24,150.
Proposed Professional Fee for Landfill Calculations in amount of \$1,000.

EXHIBITS: 1. Engagement Letter Audit-Sallisaw
2. AUP Landfill -Sallisaw

KEY ISSUES:

- The required audit must be completed and filed within six months of the close of the fiscal year.
- During the audit, the auditor will look at items such as customer accounts, revenues received, cash disbursements, check reconciliations, debt reconciliations, general ledger journal entries and fixed asset inventory. The auditor will also look at city agendas, minutes and policies as well as inspect any bid documents issued during the fiscal year.
- The auditor will also report on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts and grants.
- The auditor will also report on grant programs as required by OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

FUNDING SOURCE: General Fund

RECOMMENDATION: Staff recommends approval of the audit engagement letters allowing FSW&B, CPA's PLLC, to complete the Fiscal Year 2020 audit.

February 20, 2020

To City Council and Management of the City of Sallisaw, OK

City of Sallisaw
P.O. Box 525
Sallisaw, OK 74955-0525

We are pleased to confirm our understanding of the services we are to provide City of Sallisaw for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of City of Sallisaw as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Sallisaw, OK's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Sallisaw's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Combined or Combining Fund Financial Statements
- 3) Budget to Actual Schedules
- 4) Statements of Pension Funding Progress

We have also been engaged to report on supplementary information other than RSI that accompanies City of Sallisaw's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal or State Assistance if presented

Audit Objectives

The objective of our audit is the expression of opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of City of Sallisaw and other procedures we consider necessary to enable us to express such opinion. We will issue a written report upon completion of our audit of City of Sallisaw's financial statements. Our report will be addressed to Management and City Council of City of Sallisaw, OK. We cannot provide assurance that unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinion, we may decline to express opinion or issue report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that City of Sallisaw, Ok is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws

or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Sallisaw, OK's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We do not anticipate providing any non-attest services as part of our engagement. In the event that we do provide some non-attest services, those non audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report

copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other non audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide twenty five copies of our reports to City of Sallisaw City Council; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of FSW&B CPAs PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Oklahoma State Auditor or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of FSW&B CPAs PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oklahoma State Auditor. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 1, 2020 and to issue our reports no later than December 31, 2020. Derrel S. White, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$ 24,150. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to City of Sallisaw, OK and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

FSW&B CPAs-PLLC

FSW&B CPAs PLLC

RESPONSE:

This letter correctly sets forth the understanding of City of Sallisaw.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

February 20, 2020

City of Sallisaw, Oklahoma
PO Box 525
Sallisaw, OK 74955

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for City of Sallisaw, Oklahoma (the "City").

We will apply the agreed-upon procedures listed in the attached schedule that were specified and agreed to by State Department of Environmental Quality (DEQ) (specified party or specified parties) to provide financial assurance for the City as of June 30, 2018 prepared in accordance with OAC 252:515-27-82 (a) through (k). This engagement is solely to assist the City in complying with the requirements of financial assurance for closure and post closure costs of a landfill. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures performed or to be performed is solely the responsibility of those parties specified in the report and we will require an acknowledgment in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination or review, we will not express an opinion or conclusion on the financial assurance. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the City and DEQ. If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. You understand that the report is intended solely for the information and use of the City and DEQ, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the presentation of financial assurance that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the presentation of financial assurance, we will disclose those matters in our report.

You are responsible for the presentation of the financial assurance and that it is in accordance with OAC 252:515-27-82 (a) through (k); and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about the presentation of financial assurance. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

We plan to begin our procedures once required documentation is obtained, unless unforeseeable problems are encountered, the engagement should be completed by December 31, 2020. At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among

other things, will confirm management's responsibility for the presentation of financial assurance in accordance with OAC 252:515-27-82 (a) through (k).

Derrel S. White, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be \$1,000.00. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Additional expenses are estimated to be \$0. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

Very truly yours,

FSW&B CPAs-PLLC

FSW&B CPAs-PLLC

RESPONSE:

This letter correctly sets forth the understanding of City of Sallisaw, Oklahoma

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Agreement for Professional Services Related to Financial Matters of the City of Sallisaw.

ITEM TITLE: Consider Approval of Letter of Engagement for Professional Services with RS Meacham, CPAs and Advisors, Clinton, Oklahoma, for Consulting Services Related to Financial Matters of the City of Sallisaw

INITIATOR: Director of Finance

STAFF INFORMATION SOURCE: RS Meacham, CPAs and Advisors

BACKGROUND: Changes to the Government Accountability Office (GAO) Yellow Book standards requires the city to prepare end of year financial statements or contract with a consultant to prepare statements for review by an independent auditor. Staff recommends RS Meacham for this consulting role where they will assist us in preparing end of year financial statements for an independent auditor. In addition, RS Meacham will also provide consulting services related to accounting and how we account for the various transactions of the city.

EXHIBITS: 1. Sallisaw Consulting Engagement Letter FY20

KEY ISSUES: Fees for these services for the year ending June 30, 2020 will not exceed \$25,000. Other services or supplemental projects not included in the scope of services listed will be provided at standard hourly rates ranging from \$50 to \$200 per hour. Any fees associated with additional services will be pre-approved by the city.

Services provided under this agreement include:
General accounting and work-paper preparation.
Annual financial statement preparation.
Annual financial statement audit coordination
General advisory assistance and technical support.

FUNDING SOURCE: General Fund

RECOMMENDATION: Staff recommends approval of the agreement.



801 Frisco, Clinton, OK 73601
580.323.1766 | 580.323.1768 fax

**Members of American
Institute of Certified
Public Accountants**

**Members of Oklahoma
Society of Certified
Public Accountants**

February 19, 2020

To the Honorable Mayor and City Commission
City of Sallisaw, Oklahoma

To the Board of Directors
Sallisaw Municipal Authority

We are pleased to have the opportunity to continue to serve the City of Sallisaw, OK (the "City"), along with its related entity the Sallisaw Municipal Authority, in the role of accounting consultant. We look forward to a continuation of our existing relationship by being an integral resource for the City and Commission regarding financial matters identified within this engagement letter. The purpose of this letter is to better meet your expectations of service from our Firm by clearly identifying the specific services and terms of our engagement.

Scope of Services

General Accounting and Workpaper Preparation

We will prepare the revenue and expense accruals for the year ended June 30, 2020. This work will include tax accruals, utility billing receivables, accounts payable, accrued interest payable, debt reconciliations, and payroll related accruals, including salary, vacation, and taxes payable, as well as GASB 68 related entries.

Annual Financial Statement Preparation

We will compile, from information you provide, financials in accordance with GASB 34 requirements for the City and the Sallisaw Municipal Authority (the "SMA") for the year ended June 30, 2020. We will draft the audit report in accordance with the requirements stated in GASB 34, including Management's Discussion and Analysis. Along with the GASB 34 financial report, we will prepare the audit workpapers and supporting schedules necessary for the external audit firm to complete the fiscal year 2020 audit.

Annual Financial Statement Audit Coordination

We will serve as the primary contact for the City during the external financial statement auditor in all matters related to financial statement presentation. We will also assist in resolving any dispute related to interpretation, entries, classification of funds and any other matter that the City staff request assistance.

General Advisory Assistance and Technical Support:

We will be available to provide assistance on an on-going basis as advisory or technical questions arise. We will be available for on-site visits at the request of City management.

City's Responsibilities

The City is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

RSMeacham's Responsibilities

We will conduct our services in accordance with applicable professional standards of the American Institute of CPAs (AICPA) and Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our engagement cannot be relied on to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our compilation procedures that fraud may have occurred. In addition, we will inform you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

Fees for Service

Our fees for the services are identified above will not exceed \$25,000. Other services or supplemental projects not included in the scope of services listed will be provided at standard hourly rates ranging from \$50 to \$200 per hour. We will review any extra services you may require and submit to you a fee estimate before we incur any additional costs. Our invoices for these fees will be rendered each month and payable on presentation. Russ Meacham, CPA, is the engagement partner and is responsible for supervising the engagement.

The term of this engagement is for the fiscal year ended June 30, 2020.

The City agrees that RSMeacham CPAs & Advisors, its partners, and employees shall not be liable to the City for any actions, losses, damages, claims, liabilities, costs, or expenses in any way arising out of or relating to this engagement for an aggregate amount in excess of the fees paid by the City to RSMeacham CPAs & Advisors for the services performed pursuant to this engagement.

We appreciate the opportunity to be of service to the City, and we look forward to a successful relationship with the City of Sallisaw. Please indicate the City's acceptance of this agreement by signing in the space provided below and returning it to us.

Sincerely,



RSMeacham CPAs & Advisors

This letter correctly sets forth the understanding of the City of Sallisaw, OK.

By: _____

Title: _____

Date: _____

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Surplus Equipment

ITEM TITLE: Consider Approval of Staff's Request to Declare Thirty (30) Glock Firearms as Surplus for Purpose of trade

INITIATOR: Chief of Police

STAFF INFORMATION SOURCE: Chief Franklin
Captain Gabbert

BACKGROUND: Staff requests the following firearms be declared as surplus:

Glock Model 22, Serial Numbers NEZ864,
NEZ880, NEZ874, NEZ865, NEZ881, NEZ876, NEZ877, NEZ875,
NEZ882, NEZ871, NEZ884, NEZ873, NEZ883, NEZ870, NEZ872,
NEZ869, NEZ879, NEZ866, NEZ862, NEZ867, NEZ878, LYK433,
LYK434, LYK438, LYK436, LYK439, LYK432, LYK435

Glock Model 23, Serial Numbers PFX545, PFX546

If approved, the surplus guns will be used as trade in toward the purchase of new Glock Generation 5, Model 17MOS. Chief Franklin will be present to answer questions, should there be any.

EXHIBITS:

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDATION: Declare noted firearms as surplus.

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: City and Employee Use of Social Media, Policy 1.010.00, Revision2

ITEM TITLE: Discuss and Consider Approval of Administrative Policy 1.010.00, Revision 2, City and Employee Use of Social Media

INITIATOR: City Manager

STAFF INFORMATION SOURCE: City Manager, Oklahoma Municipal Assurance Group

BACKGROUND: This is a revised version of our social media policy that clarifies how the city uses social media as a communications tool. The policy also addresses employees and how they comment on city items using their personal social media accounts.

The Oklahoma Municipal Assurance Group has reviewed this policy and approve its contents.

EXHIBITS: 1. 1.010.00.Use of Social Media.Rev2

KEY ISSUES: The use of social media by the City of Sallisaw is an important communication tool, in that it allows a daily interaction between the City and the citizens of Sallisaw.

Many employees of the City of Sallisaw utilize personal social media pages. As stated in the policy, nothing in the policy is designed to interfere with, restrain, or prevent concerted employee discussions regarding working conditions on social media, although there are limits to which the employee should adhere to, as stated in the policy.

As an employer, the City of Sallisaw has an interest ensuring public services are performed effectively and efficiently. The City of Sallisaw also has an interest in maintaining good working relationships among coworkers and maintaining discipline and supervisory control.

FUNDING SOURCE: NA

RECOMMENDATION: Staff recommends approval of Administrative Policy 1.010.00, Revision 2.

CITY OF SALLISAW ADMINISTRATIVE POLICY		Policy Number:	1.010.00	Revision	2
		Effective Date	March 9, 2020		
Subject:	City and Employee Use of Social Media				
Department(s):	All				

Purpose

Realizing that social media pages such as websites, Facebook, Twitter and Instagram are a valuable resource for sharing information with the community of Sallisaw, the purpose of this policy is to establish a reasonable and flexible guideline for using social media as a communication tool. This policy applies to all employees of the City of Sallisaw and also covers how the City uses social media as a communications tool.

Definitions

Social Media. Includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, or social networking web site, web bulletin board or a chat room, whether or not associated or affiliated with the City of Sallisaw, as well as any other form of electronic communication.

Section 1: Use of Social Media by the City of Sallisaw for Communication Purposes

The City's use of social media is to maintain a moderated online discussion directly relating to topics posted by the City, with language that is appropriate for citizens, including minors, to read. The use of social media for the City shall be coordinated through the office of the City Manager. The City Manager shall select employees who shall be responsible for maintaining and posting to the various sites used by the City.

All information posted by the City on external sites is subject to the Oklahoma Open Records Act, Title 51, Section 24A. On each social media and external Internet site established by the City, the City shall post a notice that informs third parties that any posting or information submitted by the third party will be a public record. Only images generated by the City, or images in which the City has a license to use, shall be used on social media sites.

1. Public Posting. The intended purpose of city run social media sites is to serve as a mechanism for communication between the city and members of the public. All public comments are reviewed after posting. Comments will not be edited by the City or its staff, however, the City reserves the right to restrict or remove any content that is deemed in violation of this policy or any applicable law. Examples of violations include, but are not limited to:
 - a. Comments off subject, not pertaining to the original subject of the post.

- b. Comments including profane or obscene language, or comments where symbols or certain letters are used in words to bypass profanity filters.
 - c. Comments with content that promotes, fosters, or perpetrates discrimination on the basis of race, creed, color, age, religion, gender, national origin, marital status, physical or mental disability, or sexual orientation.
 - d. Comments regarding sexual content, sexual references or sexual innuendos, or links to any such material and content.
 - e. Comments including solicitations, advertisements or endorsements of any financial, commercial or non-governmental agency or entity.
 - f. Content that directly promotes or advocates violence or the threat of violence.
 - g. Content or comments that compromise the safety or security of the public or public systems.
 - h. Comments that encourage illegal activity or contains material that violates any copyrights or trademarks of others.
 - i. Comments that comment on, promote or endorse political candidates.
 - j. Comments containing confidential or non-public information;
 - k. Comments containing personal attacks of any kind directed to individuals or groups.
 - l. Comments that contain personal information (whether your own or someone else's).
2. Users Whom Do Not Comply with Posting Standards: Users who do not comply with these standards of conduct may be blocked. Blocked users may appeal in writing to the City Manager. Upon receipt of the appeal, the City Manager will then have up to ten (10) working days to issue a decision. The City Manager's decision is final. The decision to restrict or remove any content deemed in violation of this policy or any applicable law is not appealable
 3. Sharing of Other Social Media Posts. The City may share the social media posts of other non-profit or governmental agencies only when those posts are community related and assists in the promotion of city operations and community organizations or events.
 4. Responding to Social Media Comments or Private Messages: The City will attempt to respond to social media comments and private messages as appropriate, and if the comment or message is directed towards the City for a response.

Section 2: Rules of Conduct and Disclaimers for City of Sallisaw Social Media Sites

For consistency, the following rule and disclaimer language shall be posted on each City Social Media page when possible:

Social Media Administrative Policy:

City policy regarding social media and public posting may be found at <http://www.sallisawok.org/Archive.aspx>.

Monitoring of Social Media Pages:

Social Media pages are not monitored on a daily basis and are not intended to solicit questions needing immediate answers. If you have a question regarding the City of Sallisaw, or the services it provides, please visit the customer feedback section of our website, www.sallisawok.org, or contact us via:

Email: cityofsallisaw@sallisawok.org.

Phone: (918) 775-6241.

For after hour emergencies please call (918) 775-4141 or 911.

Rules of Conduct:

Stay on Topic and Be Nice. Social Media pages are intended to be a limited public forum in which the City retains discretion to limit the subjects being discussed. While we encourage comments and thoughts on topics, whether supportive or critical, we ask that you limit your comments to the topics presented. We also ask that you be respectful and courteous in your comments, avoiding vulgar, abusive and defamatory language, and that you comply with the City of Sallisaw Comment Policy stated below. A posting on this page constitutes acceptance of these terms.

City of Sallisaw Comment Policy: User generated posts may be subject to rejection or removal when the content: Is off-topic of the original posting; contains obscenity; contains offensive terms that target protected classes; is threatening, harassing or discriminatory, incites or promotes violence or illegal activities, contains information that reasonably could compromise individual or public safety; advertises or promotes a commercial product or service, or a commercial entity or individual; promotes or endorses political campaigns or candidates, contains confidential or proprietary information that is unlawful to disclose.

Public Records: The City of Sallisaw social media sites are subject to applicable open records laws of the State of Oklahoma (Title 51, Section 24A).

Disclaimers: Comments posted by others do not reflect the opinions or policies of the City of Sallisaw or its Departments and employees. Comments posted by City employees are not intended as official policy statements unless the employee is authorized to speak on behalf of the City. No endorsement of a commercial enterprise is intended by the inclusion of others' comments on this page, the "liking" or "friending" of a commenter, or the inclusion of a link to another's page or website. The City of Sallisaw makes no legal promises or representations regarding the accuracy or completeness of the information contained on this site. Additionally, the City does not offer any express or implied warranty as to the fitness or use of this information

Privacy Policy: If you provide us with your email address, or register for a City program by email, we do not sell or rent your email address to any outside party under any circumstances.

Section 3: Employee Social Media Guidelines

Many city employees maintain personal social media sites for various purposes. *Employees should note they are solely responsible for what they post online.* Any conduct by the employee that adversely affects their job performance, the performance of fellow employees or others who have relationships with or work on behalf of the City of Sallisaw, may result in disciplinary action up to and including termination. *Employees are reminded to exercise good judgement and demonstrate personal accountability when choosing to participate on social networking sites.*

Know and Follow the Rules

Carefully read this policy, along with the City of Sallisaw personnel policies or other policies, agreements or directives that may be associated with your position, and ensure your postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, belittling, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject the employee to disciplinary action up to and including termination.

Tip: All city personnel and administrative policies are available to all city employees. If you do not have access, or have a question on how to access, contact the office of the City Manager.

Be Respectful

Always be fair and courteous to the subject(s) of your social media posts. If you decide to post or share complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, belittling, harassing, bullying, threatening or intimidating, that criticize fellow city employees, city elected officials, customers and others who have relationships with or work on behalf of the City of Sallisaw.

Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or city policy. If you have an issue with a city policy, city decision, city operation, or a fellow employee of the City, you should resolve it in other ways available to the employee through city policies.

As an employer, the City of Sallisaw has an interest ensuring public services are performed effectively and efficiently. The City of Sallisaw also has an interest in maintaining good working relationships among coworkers and maintaining discipline and supervisory control.

Tip: If you have an issue that is work related, or related to a fellow employee, resolve your issue through the proper channels available to you, as an employee of the City. Think before you post or share a post.

Be Honest and Accurate

Make sure you are always honest and accurate when posting to social media. If you make a mistake, correct it quickly. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. *Never post any information or hearsay that you are unsure about, or know to be false, about the City of Sallisaw, fellow employees, customers and others who have relationships or work on behalf of the City of Sallisaw.*

Tip: Hearsay can best be determined as true or false simply by asking a supervisor or posing a question to the office of the City Manager. Again, if your post is related to your employer, or a fellow employee, think before you post.

Post only Appropriate and Respectful Content

- Maintain the confidentiality of City of Sallisaw private or confidential information. Yes, the City of Sallisaw does possess information that is not considered public information. Do not post or share internal reports, policies, conversations, procedures or other internal business-related confidential communications, unless those items are already public information or have already been posted to city social media sites. Documents, photos, videos, or other types of information depicting security of facilities shall not be posted or shared.

Tip: All employees are encouraged to check with the office of the City Manager if they are unsure if a particular subject can be discussed on social media. All employees shall also note that all public information, including press releases, discussions with the press, and posts to social media sites, originate from the office of the City Manager.

- The City of Sallisaw realizes that employees are proud to work for the City of Sallisaw and proud to wear a city uniform. The City will allow employees to post photos of themselves in a city uniform, as long as the employee identifies themselves as an employee of the City, the post is professional and respectful and does not bring discredit to the City or any department of the City. Nor should the posts disparage or discredit any employee of the City.
- Do not create a link from your blog, website or other social networking site to a City of Sallisaw website without identifying yourself as a City of Sallisaw employee. Do not use the City of Sallisaw logo, or other logos associated with the City of Sallisaw, without the permission of the City of Sallisaw.
- Express only your personal opinions. If the City of Sallisaw is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the City of Sallisaw, fellow employees, customers and others who have relationships or work on behalf of the City of Sallisaw.

Tip: If you are a supervisor and normally respond to utility outages, you may post information about utility outages if the outage is outside normal work hours. Every effort should be made to quickly notify a city employee(s) responsible for posting to social media about outages. Once notified, the employee responsible for social media will then take over any necessary postings.

Employee Use of Social Media at Work

Refrain from using social media while on work time or on equipment provided by the City, unless it is work-related and authorized by your employer, or consistent with the City's network use policy. Do not use your City of Sallisaw email addresses to register on social networks, blogs or other online tools utilized for personal use.

If you use the camera feature on a city issued or personal cell phone, the camera shall be used appropriately in the workplace. This shall apply to all city issued devices and privately-owned equipment. Use of a cell phone camera, for other than appropriate purposes, could violate privacy laws and subject the employee to disciplinary action, up to and including termination.

Photographs of city operations shall be used for city business and city social media purposes only. If you have a photograph of city employees, or operations, that you would like to share, forward that to the city employee assigned to maintain the city social media sites. Once shared to city social media sites, the employee(s) may share on their personal sites.

Retaliation is Prohibited

The City of Sallisaw, and its personnel policies, prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Media Contacts

Employees should not speak to the news media on the City of Sallisaw's behalf without contacting the City Manager. All media inquiries should be directed to the office of the City Manager. Any requests for information dealing with an employee, their employment with the City of Sallisaw or a previous employee, should be directed to the office of the City Manager. An exception to this, by direction of the City Manager, is the Chief of Police or the Fire Chief speaking to the media regarding a police or fire related event.

Section 4: Savings Clause

Nothing in this policy is designed to interfere with, restrain, or prevent concerted employee discussions or communications regarding wages, hours, or other terms and conditions of employment, including matters of public concern. City of Sallisaw employees have the right to engage in, or refrain from, such activities. City of Sallisaw employees shall respect laws regarding any copyrights, trademarks, rights of publicity and other third-party rights, and shall not infringe on City logos, brand names, taglines, slogans, or other trademarks existing.

References: NA

Rescission Date: NA

This policy shall remain in effect until rescinded or otherwise modified and approved by the Board of City Commissioners.

Mayor, City of Sallisaw

Date: _____

City Manager, City of Sallisaw

Date: _____

Attest

City Clerk

Date: _____

Revision History

Revision 1, January 13, 2020

Revision 2, March 9, 2020

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Library Front Remodel

ITEM TITLE: Approve Purchase Order No. 80460, in an *Amount not to Exceed* \$25,000.000, to IPS Construction of Sallisaw, for Frontage Remodel Work on Stanley Tubbs Memorial Library

INITIATOR: City Manager
Building Development Director

STAFF INFORMATION SOURCE: Building Development Director

BACKGROUND: Approval of this purchase order will enable staff to proceed with the remodel of the front entrance of the library. The contractor will replace 7 windows, install electric handicap door, demo inside entry, new floor tile at entry, etc.

EXHIBITS: 1. PROPOSAL - LIBRARY - IPS CONSTRUCTION
2. PROPOSAL - LIBRARY - MGS CONSTRUCTION
3. QUOTE SHEET - LIBRARY

KEY ISSUES:

FUNDING SOURCE: Fund 30, Capital Improvement Contingency

RECOMMENDATION: Staff recommends approval of Purchase Order No. 80460 in an *amount not to exceed* \$25,000.00, to IPS Construction of Sallisaw.

PROPOSAL

IPS Construction
PO Box 1612
Sallisaw, OK 74955

February 18, 2020

Sallisaw Library
Sallisaw, OK 74955

LABOR & MATERIALS

Replace 7 windows
Install handicap electric door
Install board & batten at garage door with new paint above
Install board & batten over door east of main entry
Demo entry
Relocate electric
Repair grid ceiling
New floor tile at entry to counter

TOTAL	\$22,206.00
-------	-------------

Respectfully submitted
Lance Calhoun



2/11/2020

MGS Construction is pleased to submit our quote for all material, labor, and supervision to complete the following scope of work: Install New ADA Automated Storefront Entry Doors (South Side Main Entry)

Work to Include:

1. Remove water rotten materials from the following areas: (876 SF)
 - a. 4' x 11' Doorway
 - b. (2) 3' x 8' Windows
 - c. (3) 7' x 8' Windows
 - d. (2) 8' x 11' Doorways

\$ 2,314.00
2. Exterior Patch Back (frame back to receive finishes)

\$ 2,752.00
3. Interior Demo (remove walls, carpet and ceiling package as req.)

\$ 1,230.00
4. Interior Installations:
 - a. Sheetrock Finishes (min)
 - b. Entry Flooring 160 SF
 - c. Ceiling Grid (min)

\$ 2,510.00
5. Electrical Allowance

\$ 2,100.00
6. Exterior (T1-11 Siding) Finishes

\$ 3,150.00
7. Automated Aluminum Storefront ADA Entry

\$15,500.00

Total..... \$ 29,556.00

310 E. Taylor Dr.
Sallisaw, OK 74955
Office 559-772-1852 Fax 559-380-2701
diane@mgsconstruction.net

CITY OF SALLISAW QUOTATION SHEET

Cost exceeds \$2,500, two quotations required.

Cost equals \$5,000 or more, three quotations required

If you are quoting several items, attach list to this form **Also attach all vendor quotes received**

VENDOR 1	VENDOR 2	VENDOR 3
Date of Quotation February 18, 2020	Date of Quotation: February 11, 2020	Date of Quotation
Department Number: 100	Department Number: 100	Department Number:
Vendor Name / Number IPS Construction	Vendor Name / Number MGS Construction Services	Vendor Name / Number No other bids submitted
Address PO Box 1612 City: Sallisaw State: OK Zip: 74955	Address: 310 E. Taylor Drive City: Sallisaw State: OK Zip: 74955	Address City State Zip
Phone	Phone	Phone
Item (s) Library Remodel for ADA entrance and exterior repair.	Item (s) Library Remodel for ADA entrance and exterior repair.	Item (s)
Quantity	Quantity	Quantity
Price each	Price each	Price each
Est. Freight	Est. Freight	Est. Freight
Total Cost \$ \$22,206.00	Total Cost \$ \$29,556.00	Total Cost \$
Quote Expiration Date	Quote Expiration Date	Quote Expiration Date
Quotes Obtained By: Keith Miller	Quotes Obtained By: Keith Miller	Quotes Obtained By:
GL Budget Line	GL Budget Line	GL Budget Line
Purchasing Approval	Purchasing Approval	Purchasing Approval
PO Number / Date: /	PO Number / Date: /	PO Number / Date: /

Explain if only one quotation supplied:

Quote approved: _____ Date: _____
(Purchasing Agent, Finance Director or City Manager)

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Electric Bucket Truck

ITEM TITLE: Discuss and Consider Approval of Items Related to Purchase of One (1) Insulated Aerial Bucket Truck for the Electric Department

INITIATOR: Purchasing Agent
Electric Superintendent

STAFF INFORMATION SOURCE: Purchasing Agent
Electric Superintendent

BACKGROUND: Staff advertised for sealed bids for the purchase of one (1) bucket truck. There were three (3) bids received and staff opened those on February 27, 2020. Of the bids received, ETI was the actual low bidder, but did not meet specifications. Altec was the low bidder, out of the two that met spec's. Following review, staff recommends award to Altec Industries, Inc., of St. Joseph, Missouri, in the amount of \$152,666.00.

There are funds appropriated in the FY 2020 budget for lease purchase payments. Staff anticipates delivery 160-180 days. Staff will bring a resolution back at a later date authorizing lease purchase of this equipment

EXHIBITS: 1. INVITATION TO BID - BUCKET TRUCK
2. BID TAB SHEET - BUCKET TRUCK

KEY ISSUES:

FUNDING SOURCE: FY 2020 Capital Improvement Fund; 030-601-57710

RECOMMENDATION: 1. Accept bids received.
2. Award to Altec Industries, Inc., of St. Joseph Missouri, in the amount of \$152,666.00.

(49,299) Published in the Sequoyah County Times, Feb. 5 and 7, 2020

INVITATION TO BID

The City of Sallisaw will accept sealed proposals until 10:00 a.m., Thursday, February 27, 2020, on the following equipment:

INSULATED AERIAL BUCKET TRUCK ON 19,500 GVW CAB & CHASSIS

Prospective bidders may pick up a set of specifications in the office of the Purchasing Agent at City Hall, 115 East Choctaw, in Sallisaw, Oklahoma.

Proposals shall be sealed in an envelope with the words "Insulated Aerial Bucket Truck" on the front of the envelope. All proposals shall be submitted to the City Clerk prior to the time and date set for opening. If mailing, bid shall be mailed to the attention of the City Clerk, PO Box 525, Sallisaw, Oklahoma, 74955. If hand delivered, bids shall be delivered to the office of the City Clerk, 115 East Choctaw, Sallisaw, Oklahoma, between the hours of 8:30 am and 4:30 pm, Monday through Friday. Proposals will be publicly opened and read aloud in the third floor conference room of City Hall, 115 East Choctaw, in Sallisaw, Oklahoma, at 10:00 a.m., Thursday, February 27, 2020. Proposals received after the time set for opening will not be considered and will be returned unopened. Also, bids received more than ninety-six (96) hours prior to the time set for opening, excluding Saturdays, Sundays and holidays will not be considered. Bidders are responsible for ensuring their bid is received by the date and time specified. Bidders should carefully examine specifications and fully inform themselves as to all conditions and matters, which can affect the work or the costs thereof. Should a bidder find discrepancies in, or omissions from the bid document, specifications or other documents, or should be in doubt as to their meaning, he should notify the City of Sallisaw and obtain clarification prior to submitting any proposal. Any request for clarification or additional documentation shall be submitted via e-mail to Randy Sizemore, Purchasing Agent. Any clarification, additional documentation and/or addendum from the City of Sallisaw will be forwarded to all prospective bidders via e-mail. All requests for additional information from prospective bidders shall be submitted to the City of Sallisaw, via e-mail, no later than seven (7) calendar days prior to the date and time set for bid opening. If required, the bidder may be asked to submit certain information regarding his qualifications and planned work schedule. Issuance of this bid request in no way

constitutes a commitment by the City to award a contract or to pay any costs incurred in preparation of a response to this request. This bid request does not represent a commitment by the City to do business with any vendor or the vendor who submits the best proposal. The City will select the proposal, or combination of proposals that, in its opinion, is in the best interest of the City. The City reserves the right to cancel this bid, reject all proposals, and seek new proposals through a new bid request or other means. The City reserves the right of evaluation and the right to determine the methodology for evaluation of the proposals to determine and accept the proposal (or proposals) deemed to be in the best interest of the City; i.e., the most qualified proposal will not necessarily be the proposal of lowest cost. The City reserves the right to award the bid to any vendor or combination of vendors. Attention is called to the requirement that the successful bidder must comply with all local, state, and federal laws, regulations and policies applicable to this contract unless specifically excluded herein. No bidder may withdraw his proposal within thirty (30) days after the actual date of opening thereof.
Dianna Davis
City Clerk

PROOF OF PUBLICATION
Cookson Hills Publishers, Inc.
Dbas Sequoyah County Times
111 N. Oak Street
Sallisaw, OK 74955
918-775-4433

SEQUOYAH COUNTY
TIMES

Shown as published in SCT

See the attached document
49,299 Invitation to Bid-Bucket Truck
City of Sallisaw

I, Jeff W. Mayo, am the authorized representative of Cookson Hills Inc., Publisher of the Sequoyah County Times, newspaper of Sequoyah County, State of Oklahoma and knows the facts herein set out: that said newspaper is being published semi-weekly in the City of Sallisaw in said County and has a paid circulation in said County and State and with entrance into the United States mails as second class mail matter and published in the County where delivered to the United States mail; that said newspaper has been continuously and uninterruptedly printed and published in said County during the period of 104 weeks consecutively, prior to the first publication of the notice, a true copy of which is hereto attached and made a part hereof; and that said notice was duly published in each Issue of, and not in a supplement,

Sequoyah County Times on the following date(s);

Feb. 5 and 7, 2020

Affiant further states that said newspapers carrying said notice, advertisement or publication comes within all the prescriptions and requirements of Section 1 of Senate Bill No. 47 of the 19th Legislature effective April 13, 1943; House Bill No. 327 Session Laws 1941; being an act amending section 54. Compiled Oklahoma Statutes, 1931, as amended by Article 1, Chapter 1, Session Laws 1935.

Affiant further states that said newspaper meets all the requirements of the laws of the state of Oklahoma with references to legal publications.



(Signature) Jeff W. Mayo, General Manager

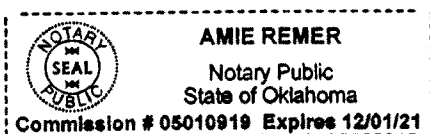
Subscribed and sworn to me before this
7th day of February, 2020



Notary Public

Publication Fee \$178.91

Legal #: 49,299



BID TAB SHEET

Insulated Aerial Bucket Truck on 19,500 GVW Cab Chassis

**BID OPENING
FEBRUARY 27, 2020**

COMPANY	BID AMOUNT
SUMMIT TRUCK GROUP TULSA, OK	\$161,200. —
ALTEC INDUSTRIES INC ST JOSEPH MO	\$ 152,666. —
EQUIPMENT TECHNOLOGY, LLL (ETI) OKLAHOMA CITY, OK	\$ 128,705. 80

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Architectural Services

ITEM TITLE: Discuss and Consider Approval of Purchase Order No. 80470, Issued to Tim A. Risley and Associates, for Architectural Design Services Related to the Remodel of the Old Post Office Facility Located at 113 North Elm, in the Amount of \$21,000, plus Reimbursable Expenses

INITIATOR: City Manger
Building Development Director

STAFF INFORMATION SOURCE: Tim Risley and Associates

BACKGROUND: Now that the new civic center is complete, we can turn our focus on relocating our meeting facility to the old post office facility. This would allow for a remodeled facility in which all the city board meetings and city court would move into.

Moving this to Phase II of our facility remodel is more financially feasible for the City at this time. We were looking at completing a remodel of the old civic center into offices for the police department, but with the cost of remodel, and the amount of demolition that would have to be done, we believe the cost is to extensive at this time.

This will also allow us to eventually remove all the old buildings connected to the old city hall facility, then construct a new extension to the existing police department.

EXHIBITS: 1. Sallisaw-Council Remodel-Contract

KEY ISSUES:

1. Remodel of the old post office facility will allow us to move all board and commission meetings, as well as city court, to the new location.
2. Staff estimates cost of the remodel to be \$250,000-\$275,000.
3. The building has a new roof, which was installed with insulation.
4. Actual remodel will be budgeted in the FY 2021 budget.
5. Most of the demolition that will be required can be completed by city crews.

FUNDING SOURCE: Capital Improvement Fund 30

RECOMMENDATION: Staff recommends approval of Purchase Order No. 80470, in the amount of \$21,000.

AIA® Document B104™ – 2007

Standard Form of Agreement Between Owner and Architect for a Project of Limited Scope

AGREEMENT made as of the 27th
in the year 2020

day of February

(In words, indicate day, month and year)

BETWEEN the Architect's client identified as the Owner:
(Name, address and other information)

City of Sallisaw
115 E. Choctaw
P.O. Box 525
Sallisaw, OK 74955
ATTN: Keith Skelton, City Manager

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

and the Architect:
(Name, address and other information)

Tim A. Risley and Associates
#1 Con/Arc Place
6101 Phoenix Ave
Fort Smith, AR 72903

for the following Project:

(Name, location and detailed description)

City of Sallisaw Council Room Remodel

The remodel of an existing +- 4,800 s.f. building into the City's new court and council meeting room for 100+ seating capacity. Along with the design and construction of necessary support spaces for said meeting room.

The Owner and Architect agree as follows.

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12	SPECIAL TERMS AND CONDITIONS
13	SCOPE OF THE AGREEMENT

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth below:

(State below details of the Project's site and program, Owner's contractors and consultants, Architect's consultants, Owner's budget for the Cost of the Work, and other information relevant to the Project.)

See Exhibit "A"

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the schedule, the Architect's services and the Architect's compensation.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

The Architect shall provide the professional services set forth in this Agreement consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 The Architect's Basic Services consist of those described in Article 3 and include usual and customary structural, mechanical, and electrical engineering services.

§ 3.1.1 The Architect shall be entitled to rely on (1) the accuracy and completeness of the information furnished by the Owner and (2) the Owner's approvals. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission or inconsistency in such services or information.

§ 3.1.2 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's

Init.

approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.3 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 DESIGN PHASE SERVICES

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall discuss with the Owner the Owner's program, schedule, budget for the Cost of the Work, Project site, and alternative approaches to design and construction of the Project, including the feasibility of incorporating environmentally responsible design approaches. The Architect shall reach an understanding with the Owner regarding the Project requirements.

§ 3.2.3 The Architect shall consider the relative value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics in developing a design for the Project that is consistent with the Owner's schedule and budget for the Cost of the Work.

§ 3.2.4 Based on the Project requirements, the Architect shall prepare Design Documents for the Owner's approval consisting of drawings and other documents appropriate for the Project and the Architect shall prepare and submit to the Owner a preliminary estimate of the Cost of the Work.

§ 3.2.5 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.6 The Architect shall submit the Design Documents to the Owner, and request the Owner's approval.

§ 3.3 CONSTRUCTION DOCUMENTS PHASE SERVICES

§ 3.3.1 Based on the Owner's approval of the Design Documents, the Architect shall prepare for the Owner's approval Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.4.4.

§ 3.3.2 The Architect shall incorporate into the Construction Documents the design requirements of governmental authorities having jurisdiction over the Project.

§ 3.3.3 The Architect shall update the estimate for the Cost of the Work.

§ 3.3.4 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.3.5 The Architect, following the Owner's approval of the Construction Documents and of the latest preliminary estimate of Construction Cost, shall assist the Owner in awarding and preparing contracts for construction.

§ 3.4 CONSTRUCTION PHASE SERVICES

§ 3.4.1 GENERAL

§ 3.4.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A107™-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope. If the Owner and Contractor modify AIA Document A107-2007, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.4.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the

Init.

Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.4.1.3 Subject to Section 4.2, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.4.2 EVALUATIONS OF THE WORK

§ 3.4.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.1, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site observations to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work.

§ 3.4.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents and has the authority to require inspection or testing of the Work.

§ 3.4.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.4.2.4 When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 3.4.2.5 The Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.4.3 CERTIFICATES FOR PAYMENT TO CONTRACTOR

§ 3.4.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.4.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents.

§ 3.4.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.4.4 SUBMITTALS

§ 3.4.4.1 The Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures.

§ 3.4.4.2 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials or equipment, the Architect shall specify the

appropriate performance and design criteria that such services must satisfy. The Architect shall review shop Drawings and other submittals related to the Work designed or certified by the design professional retained by the Contractor that bear such professional's seal and signature when submitted to the Architect. The Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals.

§ 3.4.4.3 The Architect shall review and respond to written requests for information about the Contract Documents. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness.

§ 3.4.5 CHANGES IN THE WORK

The Architect may authorize minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to the provisions of Section 4.2.2, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.4.6 PROJECT COMPLETION

The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion; receive from the Contractor and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor; and issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.

ARTICLE 4 ADDITIONAL SERVICES

§ 4.1 Additional Services are not included in Basic Services but may be required for the Project. Such Additional Services may include programming, budget analysis, financial feasibility studies, site analysis and selection, environmental studies, civil engineering, landscape design, telecommunications/data, security, measured drawings of existing conditions, coordination of separate contractors or independent consultants, coordination of construction or project managers, detailed cost estimates, on-site project representation beyond requirements of Section 4.2.1, value analysis, quantity surveys, interior architectural design, planning of tenant or rental spaces, inventories of materials or equipment, preparation of record drawings, commissioning, environmentally responsible design beyond Basic Services, LEED® Certification, fast-track design services, and any other services not otherwise included in this Agreement.

(Insert a description of each Additional Service the Architect shall provide, if not further described in an exhibit attached to this document.)

§ 4.2 Additional Services may be provided after execution of this Agreement, without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3.

§ 4.2.1 The Architect has included in Basic Services ten (10) site visits over the duration of the Project during construction. The Architect shall conduct site visits in excess of that amount as an Additional Service.

§ 4.2.2 The Architect shall review and evaluate Contractor's proposals, and if necessary, prepare Drawings, Specifications and other documentation and data, and provide any other services made necessary by Change Orders and Construction Change Directives prepared by the Architect as an Additional Service.

§ 4.2.3 If the services covered by this Agreement have not been completed within eight (8) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner

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regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

§ 5.2 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, a written legal description of the site, and services of geotechnical engineers or other consultants when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project.

§ 5.4 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided.

§ 5.5 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.6 The Owner shall furnish all legal, insurance and accounting services, including auditing services that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.7 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.8 The Owner shall endeavor to communicate with the Contractor through the Architect about matters arising out of or relating to the Contract Documents.

§ 5.9 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work does not include the compensation of the Architect, the costs of the land, rights-of-way, financing, contingencies for changes in the Work or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and may be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work or from any estimate of the Cost of the Work or evaluation prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents, to make reasonable adjustments in the program and scope of the Project and to include in the Contract Documents alternate bids as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget for the Cost of the Work. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner

requests detailed cost estimating services, the Architect shall provide such services as an Additional Service under Article 4.

§ 6.4 If the bidding has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, through no fault of the Architect, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's current budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or
- .5 implement any other mutually acceptable alternative.

~~§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect, without additional compensation, shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. The Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.~~

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Architect intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 7.3 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining author of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 GENERAL

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A107-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.6.

§ 8.2 MEDIATION

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 Mediation, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.3 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:

(Check the appropriate box. If the Owner and Architect do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.)

- ☐ Arbitration pursuant to Section 8.3 of this Agreement
- ☒ Litigation in a court of competent jurisdiction
- ☐ Other *(Specify)*

~~§ 8.3 ARBITRATION~~

~~§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement.~~

~~§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.----~~

~~§ 8.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity--duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.~~

~~§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

~~§ 8.3.4 CONSOLIDATION OR JOINDER~~

~~§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).~~

~~§ 8.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration; provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.~~

~~§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.~~

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 9.7.

§ 9.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A107-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 10.4 If the Owner requests the Architect to execute certificates or consents, the proposed language of such certificates or consents shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 10.6 The Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. However, the Architect's materials shall not include information the Owner has identified in writing as confidential or proprietary.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services as described under Article 3, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation.)

Fixed fee of \$21,000

§ 11.2 For Additional Services designated in Section 4.1, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

Hourly - See Exhibit "B"

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation.)

Hourly - See Exhibit "B"

§ 11.4 Compensation for Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus _____ percent (_____ %), or as otherwise stated below:

Hourly - See Exhibit "B"

§ 11.5 Where compensation for Basic Services is based on a stipulated sum or percentage of the Cost of the Work, the compensation for each phase of services shall be as follows:

Design Development Phase:	percent (	35	%)
Construction Documents Phase:	percent (	55	%)
Construction Phase:	percent (	10	%)
Total Basic Compensation	one hundred percent (	100.00%	)

§ 11.6 When compensation is based on a percentage of the Cost of the Work and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions, in accordance with the schedule set forth in Section 11.5 based on (1) the lowest bona fide bid or negotiated proposal, or (2) if no such bid or proposal is received, the most recent estimate of the Cost of the Work for such portions of the Project. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants, if any, are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

See Exhibit "B"

§ 11.8 COMPENSATION FOR REIMBURSABLE EXPENSES

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- ~~1. Transportation and authorized out-of-town travel and subsistence;~~
- ~~2. Long distance services; dedicated data and communication services; teleconferences; Project Web sites; and extranets;~~
3. Fees paid for securing approval of authorities having jurisdiction over the Project;
4. Printing, reproductions, plots, standard form documents;
5. Postage, handling and delivery;
- ~~6. Expense of overtime work requiring higher than regular rates if authorized in advance by the Owner;~~
7. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Owner;
- ~~8. Expense of professional liability insurance dedicated exclusively to this Project or the expense of additional insurance coverage or limits requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants;~~
- ~~9. All taxes levied on professional services and on reimbursable expenses;~~
- ~~10. Site office expenses; and~~
- ~~11. Other similar Project-related expenditures.~~

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus _____ Zero _____ percent (_____ 0 _____ %) of the expenses incurred.

Init.

§ 11.9 COMPENSATION FOR USE OF ARCHITECT'S INSTRUMENTS OF SERVICE

If the Owner terminates the Architect for its convenience under Section 9.5, or the Architect terminates this Agreement under Section 9.3, the Owner shall pay a licensing fee as compensation for the Owner's continued use of the Architect's Instruments of Service solely for purposes of completing, using and maintaining the Project as follows:

§ 11.10 PAYMENTS TO THE ARCHITECT

§ 11.10.1 An initial payment of zero Dollars (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

§ 11.10.3 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to off set sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.4 Records of Reimbursable Expenses, expenses pertaining to Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 13.2 This Agreement incorporates the following documents listed below:

(List other documents, if any, including additional scopes of service and AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed, forming part of the Agreement.)

Exhibit "A" - Proposal

Exhibit "B" - Hourly Rates

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

(Printed name and title)

ARCHITECT (Signature)

Thomas E. Howard Jr.
(Printed name and title)

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.



EXHIBIT A

February 17, 2020

Keith Skelton

kskelton@sallisawok.org

RE: New Traffic Court, Council
And City Director's Meeting Room

Keith,

Based on our latest meeting and your follow-up with Joe, I offer the following:

- Police Squad addition will return to original concept of demolishing the existing building along with the old civic center space, walk-thru and current traffic court.
- New squad room will be located adjacent to the north, connected to the existing facility. The areas of the old civic center and planning chambers will be converted to green space and additional parking.
- The new squad addition will be delayed allowing for the renovation of the "old" post office to accommodate traffic court, planning commission and city council functions.

Givens:

- Existing facility has approximately 4,800 s.f. net, single story.
- Located at the corner of West Choctaw and North Elm with corner entry.
- Existing parking to the rear and parallel parking along the streets.
- Brick exterior, C.M.U. interior 8-year-old TPO roof.
- Sidewalks and small planters to east and north.
- HVAC condensers at southwest corner.
- Metal post and roof cover to rear to be removed.
- Single pane fixed aluminum windows at entry, north façade and northwest corner office.
- Gutters all four sides. Roof "middle-hipped".
- Small high glass openings to the west and south to be infilled.
- Existing concrete paving to the west to remain.
- The City will demo ceiling grid and lighting prior to bid.

Components of the Work Space Program:

- Airlock entry.
- Foyer to the court (possible security area).
- Staff office facing foyer.
- Work/copy/supply room.
- Judge's Office with potty (existing).
- Existing vault.
- Council chamber (private).

- Court/Meeting room seating for +- 100 folks.
- Judge, Commission, Council from table.
- Men's & Women's ADA toilets (3 fixtures) with privacy corridor and EWC.
- New HVAC closet.
- Janitor closet.
- Spare meeting room.
- Hospitality kitchen.
- Existing mechanical room – two units and hot water heater.

Design Criteria and Constraints:

- Remove sidewalks/planters on Elm and Choctaw and replace with new sidewalks.
- Remove C.L. gate at northwest.
- Clean rear concrete paving. Reseal joints and restripe. Provide handicap spaces to rear of building.
- Existing west door to remain as an exit.
- Add a new exit door at Judge's office to the north.
- Reglaze windows to Judge's office with reflective glass.
- Existing gutters and downspouts to remain.
- Replace blue panels and entry with red and add signage.
- Clean brick all sides and seal!
- No change on roof except for vents and flues.

Interior:

- Remove all "VAT" (probably hot) or cover same in most areas with carpet tiles.
- Vault, Judge's Office, little toilet, backroom at exit and mechanical to remain.
- Floor in vault to remain.
- Southwest storage rooms, old toilet and janitors to be removed.
- Removed VAT and ceramic at airlock and security. Remove ceramic at old toilets.
- Add new ceramic at new toilets and new VCT at "storage" room.
- Existing brick and block partitions and walls to remain at south face of vault, west face of court/meeting room, north face of outside east wall.
- Other new partitions to be gyp. board on metal stud with soundproofing to director's room and restroom.
- All new ceilings, lighting and HVAC ductwork. Confirm available ceiling height.
- New epoxy flooring at toilets with ceramic up to 4'-0" and plastic laminate partitions.
- New cabinets, fridge, sink and microwave at hospitality.
- New sound systems and flat screens by owner.
- Control lighting from sound desk at left rear of space.
- No sprinkler system.
- New fire extinguishers, emergency lights, exit lights.
- Need a data closet.
- Confirm building has adequate electric service.

Construction Costs:

I'm guessing 10 s.f. on exterior = \$50,000

Interior at \$50/s.f. = \$240,000

Total "swag" at this point = \$290,000

Services and Fees:

Tim A. Risley and Associates will provide architectural, structural, mechanical and electrical design, docs and construction administration for a fee of 7% of the construction cost. We will need to do some detailed measuring and as-built drawings including electrical/plumbing.

Tim A. Risley and Associate will bring structural, mechanical and electrical engineering as part of our package. We project a fee of \$21,000.

Reimbursables will be at direct expense and there are no travel charges. Joe will handle the production of the documents and specs and construction admin.

Things to Do:

1. Tim A. Risley and Associates needs to do a bit of measuring and evaluation relative to existing.
2. Determine location of sewer, water and electrical service. Confirm electric service is adequate.
- 3.

The time frame is probably 8-10 weeks to produce; Owner would like to bid in early June.

If you have any questions, don't hesitate to call.

Sincerely,

Tim A. Risley, AIA



Exhibit "B"
Hourly Rates:

- Principal Architect: \$120
- Project Architect: \$110
- Staff: \$75

- Mechanical/Electrical
Principal \$165
- Project Engineer \$130
- Engineer \$110
- Intern \$85

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Electric Rates

ITEM TITLE: Discuss and Consider Approval of Resolution 2020-05, A Resolution Providing Changes in Electric Service Rates in the City of Sallisaw, Oklahoma.

INITIATOR: City Manager, Director of Finance

STAFF INFORMATION SOURCE: Cost of Service Study

BACKGROUND: Staff recently completed an electric cost of service study with our consultant, Jolynn Rains. The results of the study was presented to the Board of City Commissioners on February 20th.

Staff is proposing adopting the 5 year rate plan as presented. The rate changes will become effective during March of each year, through 2024. Once the rate adjustments are made, they will be reflected in all billing statements calculated after April 1 of each year.

As stated in the resolution, the rate adjustments are subject to further review by the Board at any time. This will allow the Board to review any required changes needed for any future event related to electric rates.

EXHIBITS: 1. 2020.Electric City Resolution 2020.05.FINAL

KEY ISSUES:

1. The purpose of the cost of service study was to develop a long range financial and electric rate plan, and to determine the appropriate rate structure for each customer class.
2. The proposed rates take into consideration the needed capital costs of maintaining the electric system as well as needed maintenance and capital improvements of other utility infrastructure.
3. The proposed rates will be implemented over a five year schedule.
4. The proposed resolution provides new guidance on the CP1 and CP2 15,000 kWh rule. This rule determines if a commercial customer is charged a demand rate for electric usage. The resolution provides for a review period in November of each year.
5. The proposed resolution takes into consideration that we will have approximately 31 commercial customers be removed from the CP2 rate schedule based on their current usage. The rate study had to take into consideration the lost revenue that will occur by the movement of these customers from CP2 to CP1.
6. This proposed resolution also provides guidance on rates for electric vehicle charging stations and for Distributed Generation (Solar).
7. The proposed resolution also provides for a rate for the new Veterans

Agenda Item -Page 1 of 2

Center, meeting the incentives proposed for the new facility.

FUNDING SOURCE: N/A

RECOMMENDATION: Staff recommends approval of Resolution 2020-05.

RESOLUTION NO. 2020-05

A RESOLUTION PROVIDING CHANGES IN ELECTRIC SERVICE RATES IN THE CITY OF SALLISAW, OKLAHOMA

WHEREAS, The Sallisaw City Code provides that the Board of Commissioners of the City of Sallisaw, Oklahoma shall approve rates and charges governing all aspects of utility services, and;

WHEREAS, the Board of City Commissioners of the City of Sallisaw, has determined that electric rate adjustments are necessary for the continued revenue availability allowing the City of Sallisaw to provide quality and reliable utility services, and;

WHEREAS, the Board of Commissioners of the City of Sallisaw, Oklahoma desire to amend electric rates for the electric services, and;

WHEREAS, the electric rates approved by this resolution shall be effective as noted, and shall be subject to future review by the Board of City Commissioners,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SALLISAW, OKLAHOMA:

SECTION 1; That the following shall henceforth be the established rates for electric service in the City of Sallisaw, Oklahoma, to-wit, and that such rates noted below shall become effective during March of each year, beginning March 2020 thru March 2024, and shall be reflected in the first billing statement of April of each year:

Electric Rate Table

		Effective	Effective	Effective	Effective	Effective
	Current	March 2020	March 2021	March 2022	March 2023	March 2024
RP-1 Residential						
Customer Charge	\$ 12.91	\$ 13.68	\$ 14.51	\$ 15.38	\$ 15.61	\$ 15.84
Charge Per kWh	\$ 0.0885	\$ 0.0938	\$ 0.0994	\$ 0.1054	\$ 0.1070	\$ 0.1086
CP-1 Commercial						
Customer Charge	\$ 12.91	\$ 13.68	\$ 14.51	\$ 15.38	\$ 15.61	\$ 15.84
Charge Per kWh	\$ 0.0885	\$ 0.0938	\$ 0.0994	\$ 0.1054	\$ 0.1070	\$ 0.1086
CP-2 Commercial Demand						
Customer Charge	\$ 9.45	\$ 10.40	\$ 11.95	\$ 13.75	\$ 13.95	\$ 14.16
Charge Per kWh	\$ 0.0503	\$ 0.0528	\$ 0.0555	\$ 0.0582	\$ 0.0591	\$ 0.0600
Demand Charge Per KW	\$ 14.96	\$ 15.46	\$ 15.46	\$ 15.46	\$ 15.46	\$ 15.46

SECTION 2: Rate Schedule RP-1, Residential Electric Service

Availability

This rate schedule is available in the territory served by the City of Sallisaw for residential customers located within and adjacent to its electric distribution system.

Applicability and Character of Service

This rate schedule shall apply to residential customers for the exclusive use of an individual customer for domestic purposes, including, for example, space heating, water heating, clothes drying, and cooking. This service cannot be used for resale, stand-by, commercial, or industrial service. Service shall be A.C., 60-Hz, 1-phase, 120/240 volts unless specifically agreed to by the City.

Charge for Service

The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Minimum Bill: The minimum monthly bill will be the Customer Charge.

Single Point Delivery

The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

SECTION 3: Rate Schedule CP-1, Small Commercial Electric Service

Availability

This rate schedule is available in the territory served by the City of Sallisaw for any commercial or business customers located within and adjacent to its electric distribution system, provided that the kWh energy usage does not equal or exceed **15,000 kWh for any 3 months during a 12-month period.**

Applicability and Character of Service

This rate schedule shall apply to existing commercial customers for the exclusive use of the commercial customer for business purposes. This service cannot be used for resale, stand-by, residential, or industrial service. Service shall be A.C., 60-Hz, 1- or 3-phase, with nominal service voltages of 120/240 volts for 1 phase service and 208wye/120-volts for 3-phase service, or other voltages as presently established for the service locations, unless specifically agreed to

by the City. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

15,000 kWh Rule: Commercial customers billed under the CP-1 rate schedule shall be reviewed during the month of November for usage equal to or exceeding 15,000 kWh. Each year, during the month of November, CP-1 customers shall have their previous 12 month of usage (November thru October) reviewed for usage equal to or exceeding 15,000 kWh. Customers who have three (3) instances of monthly kWh usage equaling or exceeding 15,000 kWh during the 12-month lookback period, shall be moved to the CP-2 rate schedule beginning with the first billing statement of January. Customers who have not exceeded this 15,000-kWh usage rule, will remain on the CP-1 rate schedule.

Charge for Service

The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Minimum Bill: The minimum monthly bill will be the Customer Charge.

Single Point Delivery

The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering

All newly constructed commercial or business structures with a single service panel main disconnect greater than 200 amps, or a main disconnecting panel greater than 200 amps are required to have a demand electric meter. Future upgrades that meet these specifications will also require a demand electric meter and the customer will be subject to incurring demand charges.

Appropriate demand indicating meters will be furnished by the City to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

SECTION 4: Rate Schedule CP-2, Large Commercial Electric Service With Demand

Availability

This rate schedule is available in the territory served by the City of Sallisaw for any commercial or business customers located within and adjacent to its electric distribution system whose energy usage; a) equals or exceeds the **15,000 kWh Rule while being billed for services under Rate Schedule CP-2**, or b) based on information supplied by the customer, the calculated load will be equal to or greater than **15,000 kWh per month** starting at the time energy use begins.

15,000 kWh Rule: Commercial customers billed under the CP-2 rate schedule shall be reviewed during the month of November for usage equaling or exceeding 15,000 kWh. Each year, during the month of November, CP-2 customers shall have their previous 12 month of usage (November thru October) reviewed for usage equaling or exceeding 15,000 kWh. Customers **who do not** have three (3) instances of equaling or exceeding 15,000 kWh of usage during the 12-month lookback period, shall be moved to the CP-1 rate schedule beginning with the first billing statement of January. Customers who have met or exceeded the 15,000-kWh usage limit a minimum of any three (3) months during the 12-month period, shall remain on the CP-2 rate schedule.

Applicability and Character of Service

This rate schedule shall apply to new and existing commercial customers for the exclusive use of the commercial customer for business purposes. This service cannot be used for resale, stand-by, residential, or industrial service unless it meets the requirements below, applicable to EV Charging Stations. Service shall be A.C., 60-Hz, 1- or 3-phase, with nominal service voltages of 120/240 volts for 1 phase service and 208wye/120-volts for 3-phase service, or other voltages as presently established for the service locations, unless specifically agreed to by the City. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

No resale, breakdown, auxiliary or supplementary service permitted, except as set forth in (A) and (B) below.

- (A) Sales of charging services from an electric vehicle charging station, not owned by the City of Sallisaw or the Sallisaw Municipal Authority, for the purpose of fueling an electric vehicle, including the ability to sell on a kWh basis, shall not be considered resale of retail electricity, and such sales from the electric vehicle charging station shall not be subject to rate regulation by the Sallisaw Municipal Authority.
- (B) Utility service to an electric vehicle charging station shall be provided subject to availability and the utility's terms and conditions of service.
- (C) All EV Charging Stations will be served under the CP-2 rate schedule for the first 12 months of service. Individual charging station usage will be reviewed after the first 12-month service period.

Customers being billed under the Large Commercial Service CP-2 rate schedule will incur demand charges.

Charge for Service

The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Demand Charge: The Demand Charge shall be obtained by multiplying the Demand Rate as contained in the Schedule of Rates times the monthly KW demand used by the customers during the month. For billing purposes, the monthly demand shall be defined as the highest integrated load during any 15-minute period during the billing month.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Single Point Delivery

The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering

All newly constructed commercial or business structures with a single service panel main disconnect greater than 200 amps, or a main disconnecting panel greater than 200 amps are required to have a demand electric meter. Future upgrades that meet these specifications will also require a demand electric meter and the customer will be subject to incurring demand charges.

Appropriate demand indicating meters will be furnished by the City to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

SECTION 5: Rate Schedule IP-1, Industrial Electric Service

Availability

This rate schedule is available in the territory served by the Sallisaw Municipal Authority to any existing or new industrial customer located within and adjacent to its electric distribution system.

Applicability and Character of Service

This rate schedule shall apply to industrial, manufacturing, or material processing customers with a load exceeding peak monthly billing demand of 2,000 KW, for all uses. This service cannot be used for resale, stand-by, residential, or commercial service. Service shall be A.C., 60-Hz, 3-phase, with nominal service wye or delta voltages; or Primary voltage as available for larger

services. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

Charge for Service

The rates and methods of calculating billing statements shall be set by contract between the seller and the buyer.

Single Point Delivery

The rates and methods of calculating billing statements shall be based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering

All new industrial service customers are required to have a demand meter. Appropriate indicating or recording meters will be furnished by the Authority to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

SECTION 6: Rate Schedule VCP-1, Veteran's Center Electric Service

Availability

This rate schedule shall meet the terms of the CP-2 rate schedule with the exception that the rates applicable to this rate schedule shall only apply to the Veterans care facility approved by the Oklahoma Department of Veterans Affairs (ODVA) on October 26, 2018, and is agreed to by both the City of Sallisaw/Sallisaw Municipal Authority and the ODVA.

Upon startup of the facility the following rates shall be in effect unless the rates of the Grand River Dam Authority are modified between the dates of this resolution and the date of the startup of the ODVA facility.

Monthly Customer Charge	\$13.75
Energy Rate (kWh)	\$00.049 per kWh
Demand Rate (KW)	\$11.95 per KW

Methods of determining rates for VCP-1:

1. The kWh rate calculation shall reflect a 16% savings from the calculated CP2 rate schedule.
2. The KW rate for VCP-1 shall be equal to the KW rate charged by the Grand River Dam Authority to the City of Sallisaw/Sallisaw Municipal Authority.
3. These rates, or adjustments to, shall remain in effect for a term of 48 months from the date of the startup of the facility.
4. Upon any rate modification made by the Grand River Dam Authority, the City of Sallisaw shall review the effects of the rate modification and make necessary adjustments to the VCP-1 Rate Schedule.

SECTION 7: Rate Schedule DG-1, Distributed Generation Electric Service

For the purpose of the DG-1 Rate Schedule, Distributed Generation shall be defined as an energy producing system at or near the point of energy consumption, which is located on and interconnected to a utility's distribution system.

The City of Sallisaw/Sallisaw Municipal Authority shall provide Distributed Generation Services under a Buy All Sell All (BASA) tariff. The utility shall furnish 100% of the customers electric consumption and purchase 100% of the customers DG output.

- I. APPLICATION.** This rate is in addition to the customer's standard rate tariff for electric service.
- II. AVAILABILITY.** This rate is applicable to customers who intend to own and operate an electric generating facility using solar equipment to produce electricity.
- III. CREDIT FOR GENERATION.** The utility will provide a credit for energy generated by the customer which would be applied to customers usage as billed by the utility under the customer's applicable rate tariff. Energy would be credited based on the following schedule:

ENERGY: Energy generated will be credited at the utility's avoided cost. An avoided cost is defined as the incremental cost to an electric utility of energy and capacity which the utility would generate itself or purchase from another non-renewable source. The utility's avoided cost is based upon the current applicable wholesale power rate from the Grand River Dam Authority (GRDA), including any applicable Power Cost Adjustment.

- IV. CREDIT LIMITATION.** The energy credit for any billing period described in Section III above is limited to the customer's maximum energy usage during any billing period from the previous calendar year. No credit will be provided by the utility for any generation above this amount.

New customer's maximum credit will be established after the first calendar year of service. In order for customer to receive the maximum benefit from the installation customer shall not oversize the installation larger than the customers anticipated maximum annual billing period energy (kWh) usage, as no credit will be provided by the utility for any generation above this amount.

Examples of how the customer credit will be calculated:

Previous Calendar Year Billing Period Maximum kWh usage – 1,000 kWh
Customer Generation (Billing Period) – 2,000 kWh
Customer Credit– 1,000 kWh

Previous Calendar Year Billing Period Maximum kWh usage – 1,000 kWh
Customer Generation (Billing Period) – 500 kWh
Customer Credit– 500 kWh

Credits will be applied toward the customer's usage as charged by the utility based on the customer's applicable rate tariff. If the amount credited is greater than the amount charged for any billing period, the remaining credits will roll forward to the next billing cycle. Net credits at the end of a billing period will continue to roll forward to subsequent billing periods. Any remaining credits will expire upon the termination of electric service to a customer.

- V. SYSTEM INFRASTRUCTURE.** For installations over 100 KW, the utility may require a study on the impact to nearby system infrastructure to be completed prior to installation. The customer shall be responsible for the actual costs of this study.
- VI. INTERCONNECTION AGREEMENT.** Any customer desiring to receive credit for generation from the utility under this rate schedule is required to execute an Interconnection Agreement prior to delivering energy to the utility. Installation must follow all requirements as described in the Interconnection Agreement. By submitting an application, customer agrees to all such requirements.
- VII. METERING EQUIPMENT.** Customers under this rate tariff shall have 2 sets of metering equipment. One meter to measure the customer's consumption and a second meter to measure the customer's generation. The customer shall be responsible for the actual costs of the metering equipment, as well as the cost of installation, supplied by the utility. All metering installation must meet the established codes of the City.
- VIII. APPLICATION FEES.** Customer will be charged a non-refundable application fee of \$250.00 to cover the cost of application processing.
- IX. TERM.** The utility has the right to modify, suspend, or terminate this rate upon thirty days' notice to customers.

Effective Date of This Rate Change

This resolution establishing new electric rates shall become effective on March 9, 2020 and shall be reflected in all billing statements calculated after April 1, 2020.

PASSED AND APPROVED by the Board of City Commissioners of the City of Sallisaw, Oklahoma on the 9th day of March, 2020.

CITY OF SALLISAW, OKLAHOMA BOARD OF CITY COMMISSIONERS

By: _____
Ernie Martens, Mayor

ATTEST:

Dianna Davis, City Clerk
(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date: March 9, 2020
Board: Board of City Commissioners
Subject: Ordinance 2020-02

ITEM TITLE: Discuss and Consider Approval of Ordinance 2020-02; An Ordinance Amending Chapter 6, Alcoholic Beverages and Low Point Beer, Section 6-2 (2)(3) of the Sallisaw Code of Ordinances by Striking the Same and Enacting a New Section 6-2 (2)(3) to the City of Sallisaw Code of Ordinance; and, Declaring an Emergency

INITIATOR: City Manager

STAFF INFORMATION SOURCE: City Manager
City Attorney

BACKGROUND: The proposed change of our alcoholic beverage ordinances is being requested by the organizers of DiamondDaze. The event is being moved to the downtown area this year and plans are to sell alcoholic beverages.

This change will allow organizers of events to request a special event permit for the sale of alcoholic beverages and allow those beverages to be carried in a controlled area.

EXHIBITS: 1. Ordinance 2020-02

KEY ISSUES: None

FUNDING SOURCE: N/A

RECOMMENDATION: 1. Approval of Ordinance 2020-02
2. Approval of Emergency Clause

ORDINANCE NO. 2020-02

AN ORDINANCE AMENDING CHAPTER 6, ALCOHOLIC BEVERAGES AND LOW POINT BEER, SECTION 6-2 (2)(3) OF THE SALLISAW CODE OF ORDINANCES BY STRIKING THE SAME AND ENACTING A NEW SECTION 6-2 (2)(3) TO THE CITY OF SALLISAW CODE OF ORDINANCES AND DECLARING AN EMERGENCY

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SALLISAW, OKLAHOMA.

SECTION 1.

Chapter 6, Alcoholic Beverages and Low Point Beer, Section 6-2 (2)(3), is hereby repealed in its entirety.

SECTION 2.

Chapter 6, Alcoholic Beverages and Low Point Beer, Section 6-2 (2)(3), of the Sallisaw Code of Ordinances be established by enacting the following:

Sec. 6-2: Intoxicating liquors.

- (2) To have in possession or under control any intoxicating liquor or alcoholic beverage except as permitted by law, or to transport or in any manner convey from place to place in the city any intoxicating liquor or alcoholic beverage except as permitted by special event license;
- (3) To loiter in a place where intoxicating liquor is sold, bartered, given away or otherwise furnished contrary to law except as permitted by special event license; or

SECTION 3.

WHEREAS, an emergency and immediate necessity exists by reason of the health, safety and protection of the citizens of Sallisaw; therefore, an emergency is declared to exist by reason whereof this ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 9th day of March, 2020.

CITY OF SALLISAW, OKLAHOMA

By:

ERNIE MARTENS, Mayor

ATTEST:

DIANNA DAVIS, City Clerk
[SEAL]