BOARD OF CITY COMMISSIONERS
REGULAR MEETING

May 13, 2024

6:00 P.M.

COUNCIL CHAMBERS
113 N ELM ST
SALLISAW, OK 74955

A G E N D A

"POSSIBLE ACTION" INCLUDES, BUT IS NOT LIMITED TO, APPROVAL, AUTHORIZATION, ADOPTION, REJECTION, DENIAL, AMENDMENT, TAKING NO ACTION, OR TAKING THE ITEM FOR DISPOSITION AT A LATER DATE OR TIME.

1. **Meeting called to order**

2. **Declaration of a quorum**

3. **Discussion and possible action on removal of any item from the consent agenda**

4. **Possible action on consent agenda**

    (a) Regular minutes of April 8, 2024, and special meeting of April 11, 2024

    (b) Invoice paid report for April 2024

    (c) Cast Official Ballot for Mike Bailey, City Manager, City of Bartlesville, and Craig Stephenson, City Manager, City of Ponca City, for the Board of Trustees for the Oklahoma Municipal Assurance Group

5. **Discussion and possible action on any item removed from the consent agenda**

6. **Disscussion and possible action on FY 2023 Audit as presented on April 8, 2024**

7. **Discussion and possible action on Oklahoma Water Resources Board American Rescue Plan Act Grant Agreement between the City of Sallisaw and the**

Oklahoma Water Resources Board; acceptance of grant and authorize Mayor Ernie Martens to sign all required documents

8. **Discussion and possible action on Resolution 2024-05;** ***A Resolution Approving and Adopting Amendments to the Fiscal Year 2024 Budget for the City of Sallisaw, Oklahoma, for the Period of July 1, 2023, Through June 30, 2024, Finding all Things Requisite and Necessary have Been Done in Preparation and Presentment of Said Amendments***

9. **Receive presentation from Mrs. Rachel Gardenhire concerning the proposed Chapter 10, Animals, of the Sallisaw Code of Ordinances**

10. **Receive presentation from Ms. Julie Becker concerning the proposed changes to Chapter 10, Animals, of the Sallisaw Code of Ordinances**

11. **Discussion and possible guidance to staff on proposed changes to Chapter 10, Animals, of the Sallisaw City Code of Ordinances**

12. **Discussion and possible action on Resolution 2024-06;** ***A Resolution Approving The Sallisaw Municipal Authority Incurring Indebtedness and Giving Security for the Purpose of Acquiring Real Property, and Declaring an Emergency (Old Cookson Hills Building)***

13. **Discussion and possible action on Resolution 2024-07;** ***A Resolution Approving Purchase of Real Property for the Sum of $445,000.00 and Authorizing the Sallisaw Municipal Authority Incurring Indebtedness and Giving Security for the Purpose of Acquiring Real Property, and Declaring an Emergency (Part of the Old Chevrolet property)***

14. **Consider Approval of Resolution 2024-08;** ***A Resolution Adopting Rates and Fees for the Telecommunications Services Known as DiamondNet, Establishing Certain Rates and Fees for the City of Sallisaw, and Superseding Previous Resolutions***

15. **Consider Convening in Executive Session with attorney for discussion of the following pending litigation: Watie v City of Sallisaw, et al. Eastern District of OK Case No. 20-CV-415-RAW, as Authorized by Title 25 O.S., § 307 (B) (4)**

16. **Possible Action to Reconvene to Regular Session**

17. **Discussion and Possible Action Pursuant to Executive Session**

18. **Receive update on economic development and grant activities**

19. **Receive update on current and future projects**

20. **Receive update on the financial status of the city and activities of the finance department**

21. **Administrative reports**

22. **Adjourn**

Posted: May 9, 2024
Time: 4:50 p.m.

KIM JAMISON

MINUTES

BOARD OF CITY COMMISSIONERS

REGULAR MEETING

APRIL 8, 2024

The Board of City Commissioners met in a regular meeting on April 8, 2024, in the Council Chambers, 113 N. Elm Street, Sallisaw. Notice of the meeting was given by emailing to Sequoyah County Times; emailing KXMX; by posting at city hall on April 5, 2024, at 10:30 a.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens,	Mayor
	Ronnie Lowe,	Member,Ward 1
	Josh Bailey,	Member, Ward 2
	Julian Mendiola,	Member, Ward 3
	Kristin Peerson,	Member, Ward 4
Members absent:	None	
Staff present:	Keith Skelton,	City Manager
	John R. Montgomery,	City Attorney
	Kim Jamison,	City Clerk
	Robin Haggard,	Director of Finance
	Keith Miller,	Building Development Director
	George Bormann,	Economic Development Director
	Christian Sizemore,	Network Manager
	Clint Smith,	IT Manager
	Caleb Dotson,	Patrolman
	Terry Franklin	Police Chief
	Jarod Vinson,	Superintendent - Water Treatment
Others present:	Lynn Adams; Brad Hamilton; Jeannie Richardson; Margaret Keaton; Lenora Skelton; Others Unidentified.	

1. **Meeting called to order**

   Mayor Martens called the meeting to order. The meeting began at 6:00 p.m.

2. **Declaration of a quorum**

A quorum was declared present.

3. Installation of Josh Bailey, Commissioner Ward 2 and Brad Hamilton, Commissioner Ward 4

Judge Cripps swore in Josh Bailey and Brad Hamilton. He thanked them for their willingness to serve the City of Sallisaw.

4. Discussion and possible action on removal of any item from the consent agenda

None.

5. Possible action on consent agenda

a Regular minutes of March 11, 2024

b Invoice paid report for March 2024

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

6. Discussion and possible action on any item removed from the consent agenda

None.

7. Discussion and possible action on Resolution 2024-03; *A Resolution Approving and Adopting the Publication of the Penal Ordinances with Supplements*

Motion was made by Peerson, seconded by Bailey, for approval of Resolution 2024-03. Vote: Peerson aye; Bailey aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

8. Discussion and possible action on Resolution 2024-04; *A Resolution Authorizing Participation in the OMAG Recognition Program*

Motion was made by Mendiola, seconded by Peerson, for approval of Resolution 2024-04. Vote: Mendiola aye; Peerson aye; Lowe aye; Bailey aye; Martens aye. Motion carried 5-0.

9. Discussion and possible action on 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

Motion was made by Mendiola, seconded by Bailey, for approval of the Letter of Engagement for Professional Services with RS Meacham, CPAs and Advisors. Vote: Mendiola aye; Bailey aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

10. Discussion and possible action on Audit Engagement Letters with Jana A. Walker, CPA, PLLC, of Woodward, Oklahoma, for Fiscal Year 2024 Audit Services and Landfill Calculations

Motion was made by Mendiola, seconded by Bailey, for approval of Audit Engagement Letter with Jana A. Walker, CPA, PLLC. Vote: Mendiola aye; Bailey aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

11. Discussion and possible action on Purchase Order No. 101170, issued to Gridshift Solutions, LLP of Edmond, Oklahoma, in the amount of $157,728.00 for the purchase and installation of 48 fiberglass direct bury solar lights for the Sequoyah Walking Trail at the Sallisaw Sports Complex

Motion was made by Peerson, seconded by Lowe, for approval of Purchase Order No. 101170 in the amount of $157,728.00. Vote: Peerson aye; Lowe aye; Bailey aye; Mendiola aye; Martens aye. Motion carried 5-0.

12. Discussion and possible action on Purchase Order No. 101171, issued to TLS Group, Inc (SignalTek) of Oklahoma City, Oklahoma, in the amount of $29,900.00 for a detection system for the traffic light located at the intersection of Cherokee Avenue and Choctaw Avenue

Motion was made by Lowe, seconded by Peerson, for approval of Purchase Order No. 101171 in the amount of $29,900.00. Vote: Lowe aye; Peerson aye; Bailey aye; Mendiola aye; Martens aye. Motion carried 5-0.

13. Discussion and possible action on Purchase Order No. 101172 issued to Vista Com, *in an amount not to exceed $38,000.00* for the purchase of an Eventide DX Recorder for the Police Department

Motion was made by Bailey, seconded by Mendiola, for approval of Purchase Order No. 101172 in an amount not to exceed $38,000.00. Vote: Bailey aye; Mendiola aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

14. Discussion and possible action on Purchase Order No. 101173, issued to Haynes Equipment Co. of Oklahoma City, Oklahoma, in the amount of $39,624.00 for the purchase of SCADA computer software upgrade for the Water Treatment Plant

Motion was made by Peerson, seconded by Lowe, for approval of Purchase Order No. 101173 in the amount of $39,624.00. Vote: Peerson aye; Lowe aye; Bailey aye; Mendiola aye; Martens aye. Motion carried 5-0.

15. Discussion and possible action on Purchase Order No. 101179, issued to John Vance Fleet Services of Guthrie, Oklahoma, in the amount of $65,261.90 for the purchase of one (1) 2024 Ram 2500 Crew Cab 4x4 with utility bed for the Water/Sewer Department

Motion was made by Lowe, seconded by Peerson, for approval of Purchase Order No. 101179 in the amount of $65,261.90. Vote: Lowe aye; Peerson aye; Bailey aye; Mendiola aye; Martens aye. Motion carried 5-0.

16. Discussion and possible guidance to staff on proposed changes to Chapter 10, Animals, of the Sallisaw City Code of Ordinances

The City Manger reviewed the proposed changes and asked the Board to review and let him know if they had any suggestions and/or changes. We will bring it back in May for final approval.

17. Acknowledge the transfer of surplus property from the Oklahoma Department of Transportation to the City of Sallisaw; Part of Parcel 64; NW/4, Section 28, T12N, R24E, Sequoyah County, Sallisaw, OK

Motion was made by Bailey, seconded by Mendiola, to acknowledge the transfer of surplus property from the Oklahoma Department of Transportation. Vote: Bailey aye; Mendiola aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

18. Discussion and possible action to accept bids for the South Cedar Tree Removal and Easement Cleaning (West Side), and award of contract to Greenbelt Turf Management, LLC of Wilson, OK, in the amount of $44,000.00

a Acceptance of bids received

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

b Award of Contract to Greenbelt Turf Management, LLC

Motion was made by Lowe, seconded by Mendiola, to award the conract in the amount of $44,000.00 to Greenbelt Turf Management, LLC. Vote: Lowe aye; Mendiola aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0.

19. Discussion and possible action to award a contract to Greenbelt Turf Management, LLC of Wilson, Oklahoma, in the amount of $44,000.00, for tree removal and easement clearing along the east side of South Cedar

Motion was made by Lowe, seconded by Mendiola, to award contract to Greenbelt Turf Management, LLC (east side) in the amount of $44,000.00. Vote: Lowe aye; Mendiola aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0.

20. Discussion and possible action on staff's request to invest a General Fund Certificate of Deposit with Local Bank for 280 days at 5.47% interest

Motion was made by Mendiola, seconded by Peerson, to invest a General Fund Certificate of Deposit with Local Bank for 280 days at 5.47% interest. Vote: Mendiola aye; Peerson aye; Lowe aye; Bailey aye; Martens aye. Motion carried 5-0.

21. Receive Presentation of FY 2023 Audit from FSW&B, CPAs PLLC

Darrell White remotely presented the audit to council. He advised that a single audit was required also. There were no reportable findings. He indicated that the finances were in good standing and that Finance does a good job of keeping track of the Citys finances.

22. Discussion and possible action to enter Executive Session as Authorized by Title 25 O.S.,§ 307(B)(3) to discuss possible purchase of real property

At the city attorneys' recommendation, motion was made by Bailey, seconded by Peerson, to convene in executive session. Vote: Bailey aye; Peerson aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0. Executive session began at 6:45 p.m.

23. Possible motion to reconvene to regular session

Motion was made by Lowe, seconded by Bailey, to reconvene in regular session. Vote: Lowe aye; Bailey aye; Mendiola aye; Peerson aye; Martens aye. Motion carried 5-0. Regular session reconvened at 7:11 p.m.

24. Discussion and possible action on any action or direction pursuant to executive session

Motion was made by Lowe, seconded by Mendiola, to proceed as discussed in executive session. Vote: Lowe aye; Mendiola aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0.

25. Receive update on economic development and grant activities

George Bormann gave an update; for informational purposes only.

26. Receive update on current and future projects

Keith Miller gave an update, for informational purposes only.

27. Receive update on the financial status of the city and activities of the finance department

Robin Haggard gave an update, for informational purposes only.

28. Administrative reports

The City Manger noted that he didn't have anything to add to what was already in the Administrative Notes that was in the agenda. He reminded them of the special meeting on Thursday, April 11th at 4:00 p.m. Bids for the new aquatic center and opening the old pool for the season were discussed.

29. Adjourn

Motion was made by Lowe, seconded by Mendiola, to adjourn the meeting. Vote: Lowe aye; Mendiola aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting ended at 7:28 p.m.

Approved this **13th** day of **May 2024**.

Ernie Martens, Mayor

ATTEST:

Kim Jamison, City Clerk

(SEAL)

MINUTES

BOARD OF CITY COMMISSIONERS

SPECIAL MEETING

APRIL 11, 2024

The Board of City Commissioners met in a special meeting on April 11, 2024, in the Council Chambers, 113 N. Elm Street, Sallisaw. Notice of the meeting was given by emailing to Sequoyah County Times; emailing KXMX; by posting at city hall on April 9, 2024, at 11:45 a.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens,	Mayor
	Ronnie Lowe,	Member,Ward 1
	Josh Bailey,	Member, Ward 2
	Julian Mendiola,	Member, Ward 3
	Kristin Peerson,	Member, Ward 4
Members absent:	None	
Staff present:	Keith Skelton,	City Manager
	John R. Montgomery,	City Attorney
	Kim Jamison,	City Clerk
	Terry Franklin,	Police Chief
Others present:	Lynn Adams; Scott Wood; Ambre Gooch	

1. **Meeting called to order**

   Mayor Martens called the meeting to order. The meeting began at 4:00 p.m.

2. **Declaration of a quorum**

   A quorum was declared present.

3. **Consider Convening in Executive Session with Attorney for Discussion of the following Pending Litigation: Watie v City of Sallisaw, et al. Eastern District of OK Case No. 20-CV-415-RAW, as Authorized by Title 25 O.S., § 307 (B) (4)**

   At the City Attorneys recommendation, motion was made by Mendiola, seconded by

Bailey, to convene in executive session for discussion as stated. Vote: Mendiola aye; Bailey aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

4. **Possible Action to Reconvene to Regular Session**

Motion was made by Mendiola, seconded by Bailey, to reconvene to regular session. Vote: Mendiola aye; Bailey aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

5. **Discussion and Possible Action Pursuant to Executive Session**

Motion was made by Peerson, seconded by Bailey, to take no action and move forward as discussed in executive session. Vote: Peerson aye; Bailey aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

6. **Adjourn**

Motion was made by Lowe, seconded by Mendiola, to adjourn the meeting. Vote: Lowe aye; Mendiola aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting ended at 5:00 p.m.

Approved this **13th** day of **May, 2024**.

____
Ernie Martens, Mayor

ATTEST:

____
Kim Jamison, City Clerk

(SEAL)

BALLOT

OKLAHOMA MUNICIPAL ASSURANCE GROUP
2024 Election of TWO Trustees
For a three-year term starting July 1, 2024

The biographical sketch on the next page for each nominee was written by the person who made the nomination. YOU MAY VOTE FOR TWO (2) NOMINEES by placing a check mark next to their names below.

X **Mike Bailey, City Manager, Bartlesville (Incumbent)**

X **Craig Stephenson, City Manager, Ponca City (Incumbent)**

____ **~~Donalynn Blazek-Scherler, City Clerk, Lawton~~**

____ **Gary A. Jones, City Manager, Altus**

____ **Tammy Kretchmar, City Manager, Yukon**

____ **David M. Mason, Mayor, Enid**

____ **Cody Roe, City Manager, McLoud**

____ **Micheal Shannon, Interim City Manager, Guymon**

SIGN AND ATTEST

Ballot cast by the governing body of the municipality of

Sallisaw

Signed: ______________________________
Mayor

Attested: ______________________________ Date: ______________________, 2024
Clerk

FAILURE TO PROPERLY SUBMIT THIS BALLOT WILL INVALIDATE THE BALLOT.

Your Ballot must be received by the OMAG no later than *May 15, 2024,* by:

(1) emailing the ballot to elections@omag.org;
(2) sending the ballot to OMAG by mail to 3650 S. Boulevard, Edmond, OK 73013; or
(3) sending a facsimile of the ballot to OMAG at (405) 657-1401.

SEE REVERSE FOR BIOGRAPHICAL SKETCHES

BIOGRAPHICAL SKETCHES

MIKE BAILEY (Incumbent) Mike is the City Manager for Bartlesville and has been with the City for 18 years. Mike is a licensed CPA who has worked with many local governments throughout his career. He has served on the OMAG Board since 2007 and is also on the boards of CMAO and OMSCC. (Bartlesville participates in the Municipal Liability Protection Plan and the Municipal Property Protection Plan.)

CRAIG STEPHENSON (Incumbent) Craig is a current incumbent on the OMAG Board. He has 37 years of municipal (government) experience serving communities as Assistant City Manager and City Manager. Craig holds Bachelor's and Master's degrees in Political Science and has earned the ICMA Credentialed and Oklahoma Accredited Manager designation. (Ponca City participates in the Municipal Property Protection Plan and the Municipal Liability Protection Plan.)

DONALYNN BLAZEK-SCHERLER Donalynn is an excellent candidate to serve as a trustee for the Oklahoma Municipal Assurance Group (OMAG). She's an extremely dedicated and hard working employee who will no doubt be an asset to the board. Ms. Blazek-Scherler has been an exemplary employee for the City of Lawton for several years. (Lawton participates in the Municipal Liability Protection Plan and the Municipal Property Protection Plan.)

GARY JONES City Manager Altus September 2019-present. Oklahoma State Auditor 2011-2019 where he received the 2016 "Sunshine Award" and was named an honorary Fire-Fighter and friend of retired Teachers. Comanche County Commissioner 1995-1999. Received the "Superior Achievement Award" from the Oklahoma Good Roads and Streets Association. BS Business Administration/Accounting-Cameron University. (Altus participates in the Municipal Liability Protection Plan and the Municipal Property Protection Plan, and the Workers' Compensation Plan.)

TAMMY KRETCHMAR Tammy Kretchmar, serving the City of Yukon since 1996, advanced to City Manager in 2021. She actively engages in professional associations like ICMA and CMAO. Tammy's exceptional leadership in Yukon has earned her the 2017 Don Rider Award and the 2022 Gerald Wilkins and Jeff Shockley Award. (Yukon participates in the Municipal Liability Protection Plan, the Municipal Property Protection Plan, and the Workers' Compensation Plan.)

DAVID MASON David has a BS degree in Education and a Master's Degree in Administration. He entered the insurance business in 2003 and quickly advanced to District Manager of 29 agencies. He later became VP/Director of Sales for a large Independent agency helping to increase sales $100M over 5 years. (Enid participates in the Municipal Property Protection Plan and the Municipal Liability Protection Plan.)

CODY ROE Currently serving as City Manager for the city of McLoud, Cody has over 14 years in Municipal Government where he has served as the Parks Director, Emergency Manager, Operations Director, Public Works Director, and Assistant City Manager. Cody is actively involved in Pottawatomie County and serves on the COEDD Board. (McLoud participates in the Municipal Liability Protection Plan, the Municipal Property Protection Plan, and the Workers' Compensation Plan.)

MICHEAL SHANNON Mike Shannon, a lifelong cowboy and team roper of the Oklahoma Panhandle has worked in municipal government over 45 years. During that time, he worked in the private sector managing a small communication company for 9 years, returning to municipal government as Interim City Manager for the City of Guymon. (Guymon participates in the Municipal Liability Protection Plan, the Municipal Property Protection Plan, and the Workers' Compensation Plan.)

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Fiscal Year 2023 Audit

ITEM TITLE: Disscussion and possible action on FY 2023 Audit as presented on April 8, 2024

INITIATOR: Director of Finance

STAFF INFORMATION SOURCE: Auditor

BACKGROUND: This item was presented to council on April 8, 2024, during the regular meeting. To date, no questions or comments have been received. The audit was clean, with no issues being noted by the auditor.

EXHIBITS:
1. Sallisaw FY23 Financial Statement Audit FINAL
2. FY23 Final AUP

KEY ISSUES: None.

FUNDING SOURCE: NA

RECOMMENDATION: Accept FY 2023 audit as presented.

FY 2023

AUDIT

INFORMATION

ENDING JUNE 30, 2023

CITY OF SALLISAW, OKLAHOMA
SALLISAW, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2023

City of Sallisaw, Oklahoma

Annual Finanical Statements
June 30, 2023

Table of Contents

City of Sallisaw, Oklahoma
Year Ended June 30, 2023
List of Principal Officials

Mayor
Ernie Martens

Commissioner Ward 1
Ronnie Lowe

Commissioner Ward 2
Josh Bailey

Commissioner Ward 3
Julian Mendiola

Commissioner Ward 4
Kristin Peerson

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sallisaw, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Sallisaw, Oklahoma's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sallisaw, Oklahoma, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Sallisaw, Oklahoma's internal control. Accordingly, no such opinion is expressed.

205 W. McElroy Rd. Ste 1• Stillwater, OK 74075• Office: 405.624.9500• Fax: 405.624.7326
1300 Main St.• Woodward, OK 73801• Office: 580.256.6830• Fax: 580.756.4325

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Sallisaw, Oklahoma's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the City's proportionate share of net pension liability on pages 4-11 and 46-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sallisaw, Oklahoma's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2024 on our consideration of the City of Sallisaw, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sallisaw, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sallisaw, Oklahoma's internal control over financial reporting and compliance.

FSW+B CPAs-PLLC

FSW&B CPAs-PLLC

Stillwater, Oklahoma
April 8, 2024

The following discussion and analysis of the City of Sallisaw, Oklahoma's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $29,690,891 (net position), compared to $25,676,919 in prior year. Of this amount, $2,056,721 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- During the year, the government's total net position increased by $1,316,537 while business-type activities net position increased by $2,697,435.
- At of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $8,233,465, an increase of $2,089,141 in comparison with the prior year. Approximately $1,113,732 is available for spending at the government's discretion (assigned and unassigned fund balance).
- During the fiscal year, the reduced their long-term debt by over $12.6 million dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City's assets, deferred outflows and inflows, and liabilities, with the balance reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City include the Sallisaw Municipal Authority which includes the city's electric, water, wastewater, landfill, and sanitation utility operations, as well as telecommunication services.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City's, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty (20) individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital improvements fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all major funds to demonstrate compliance with this budget.

Proprietary funds. There are two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Municipal Authority operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Sallisaw Municipal Authority. The Sallisaw Water Projects fund is part of the Sallisaw Municipal Authority but is used to account for the account balances (asset and debt) as well as the activities of its water system projects.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City does not have any internal service funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City does not report any fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's actual revenues and expenditures on a budgetary basis compared with the original and final budgets for the general fund, and a schedule of funding progress for the pension plan.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by $29,690,891 at the close of the most recent fiscal year.

One portion of the City's net position ($46,962,091) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The investment in capital assets increased significantly during the fiscal year due to the issuance of bonded debt for the purpose of constructing capital improvements.

City of Sallisaw
Net Position
Year Ended June 30,

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current assets	$ 9,074,693	$ 9,020,686	$ 18,356,350	$ 33,133,503	$ 27,431,043	$ 42,154,189
Capital and other noncurrent assets	9,870,066	10,269,859	37,808,129	37,441,520	47,678,195	47,711,379
Total assets	18,944,759	19,290,545	56,164,479	70,575,023	75,109,238	89,865,568
Deferred outflows	6,716,772	1,979,916	1,263,606	536,839	7,980,378	2,516,755
Current liabilities	884,968	1,840,355	4,581,341	4,939,166	5,466,309	6,779,521
Non-current liabilities	6,542,029	2,257,803	37,049,298	53,006,325	43,591,327	55,264,128
Total liabilities	7,426,997	4,098,158	41,630,639	57,945,491	49,057,636	62,043,649
Deferred inflows	3,826,454	4,080,760	514,635	580,995	4,341,089	4,661,755
Net position						
Net investment in capital assets	9,153,962	9,542,655	37,808,129	37,441,520	46,962,091	46,984,175
Restricted	4,192,299	2,961,953	(23,520,220)	(25,274,231)	(19,327,921)	(22,312,278)
Unrestricted	1,061,819	586,935	994,902	418,087	2,056,721	1,005,022
Total net position	$ 14,408,080	$ 13,091,543	$ 15,282,811	$ 12,585,376	$ 29,690,891	$ 25,676,919

The next portion of the City's net position ($19,327,921) represents resources that are subject to external restrictions on how they may be used, for example, capital improvements and debt service. The remaining balance of unrestricted net position $2,056,721 may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased $4 million during the fiscal year. When compared to prior year, the City noted a 10% increase in revenues, $2.4 million in program revenues resulting from operating grants and contributions as well as utility services provided to citizens. Expenses reflected a decreased of 3% or $1.2 million. This decrease is directly related to the winter storm that occurred in February 2021 whereby electric rates charged to the City were significantly elevated due to the cost of fuel during that period. Such rates returned to "normal" in fiscal year 2023.

City of Sallisaw
Statement of Activities
Years Ended June 30,

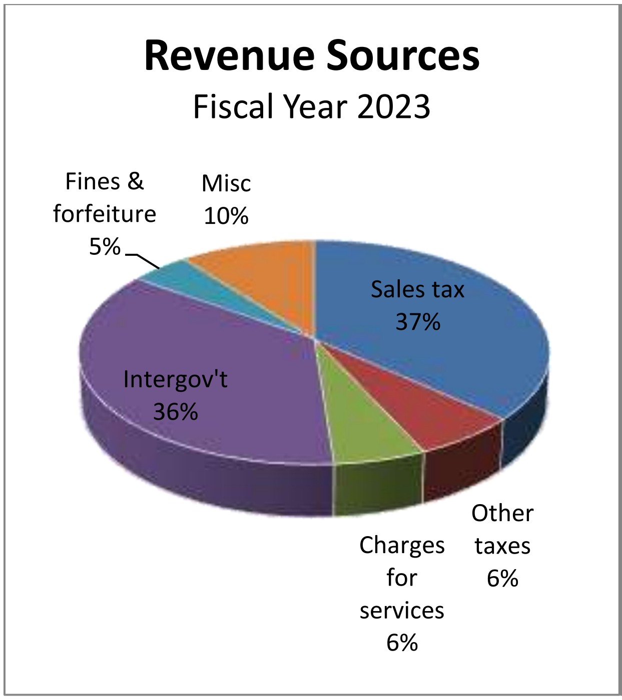
	Governmental Activities		Business-Type Activities		Totals		Change	
	2023	2022	2023	2022	2023	2022	$	%
Revenues:								
Program revenues	$ 3,528,816	$ 3,699,615	$ 24,965,947	$ 22,329,921	$ 28,494,763	$ 26,029,536	$ 2,465,227	9%
General revenues	3,444,299	3,779,570	4,864,080	3,588,274	8,308,379	7,367,844	940,535	13%
Total revenues	6,973,115	7,479,185	29,830,027	25,918,195	36,803,142	33,397,380	$ 3,405,762	10%
Expenses:								
General government	3,368,468	2,964,433	-	-	3,368,468	2,964,433	404,035	14%
Public safety	5,219,211	4,791,464	-	-	5,219,211	4,791,464	427,747	9%
Public works	1,940,405	1,730,796	-	-	1,940,405	1,730,796	209,609	12%
Culture and recreation	1,244,464	1,393,865	-	-	1,244,464	1,393,865	(149,401)	-11%
Economic development	502,996	512,598	-	-	502,996	512,598	(9,602)	-2%
Electric	-	-	10,012,086	11,118,917	10,012,086	11,118,917	(1,106,831)	-10%
Water	-	-	1,365,227	1,250,966	1,365,227	1,250,966	114,261	9%
Wastewater	-	-	1,300,891	1,130,064	1,300,891	1,130,064	170,827	15%
Landfill	-	-	1,910,845	1,884,499	1,910,845	1,884,499	26,346	1%
Sanitation	-	-	732,022	658,112	732,022	658,112	73,910	11%
Telecommunications	-	-	2,824,396	3,196,037	2,824,396	3,196,037	(371,641)	-12%
Administration/other	-	-	2,025,836	2,990,921	2,025,836	2,990,921	(965,085)	-32%
Total expenses	12,275,544	11,393,156	20,171,303	22,229,516	32,446,847	33,622,672	$ (1,175,825)	-3%
Increase (decrease) in net position before transfers	(5,302,429)	(3,913,971)	9,658,724	3,688,679	4,356,295	(225,292)	4,581,587	-2034%
Transfers, net	7,536,202	7,299,114	(6,961,289)	(7,299,114)	574,913	-	574,913	100%
Transfer to other gov't	(917,236)	(899,771)	-	-	(917,236)	(899,771)	(17,465)	2%
Increase in net position	$ 1,316,537	$ 2,485,372	$ 2,697,435	$ (3,610,435)	$ 4,013,972	$ (1,125,063)	$ 5,139,035	-457%

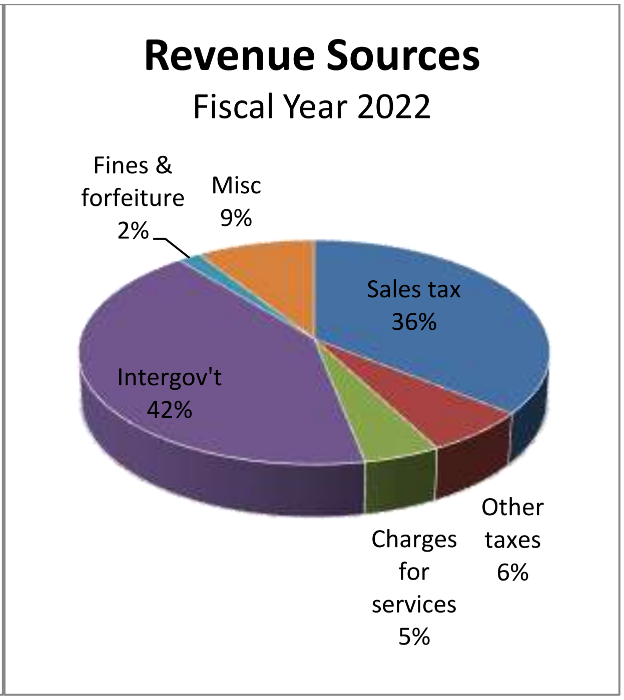
Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

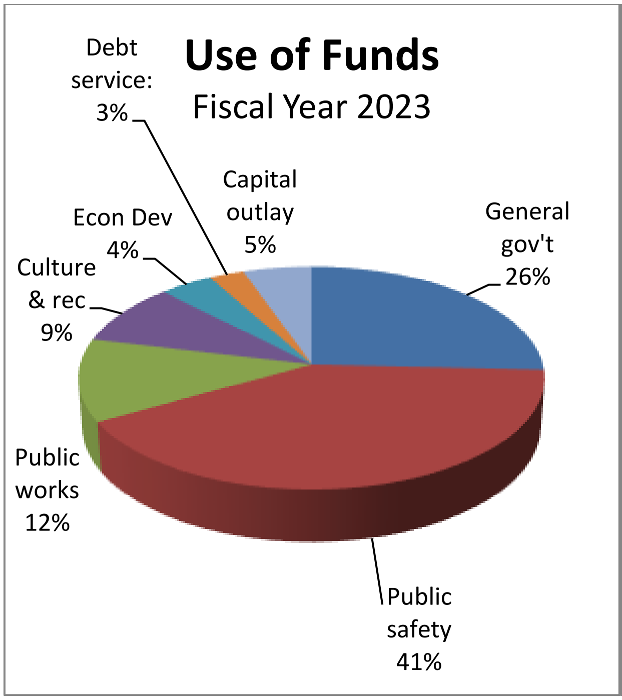
Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirement's net requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

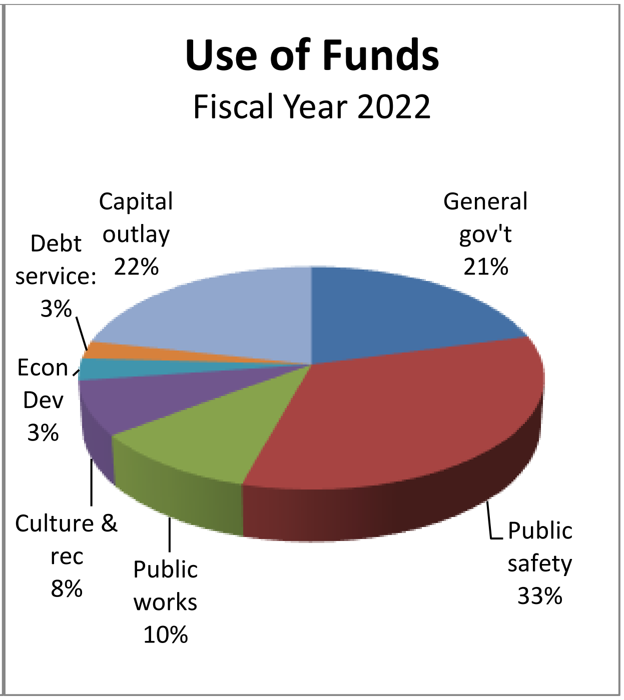
Graphic presentation of the City's governmental funds revenue sources and uses follow to assist in analysis of the City's activities.





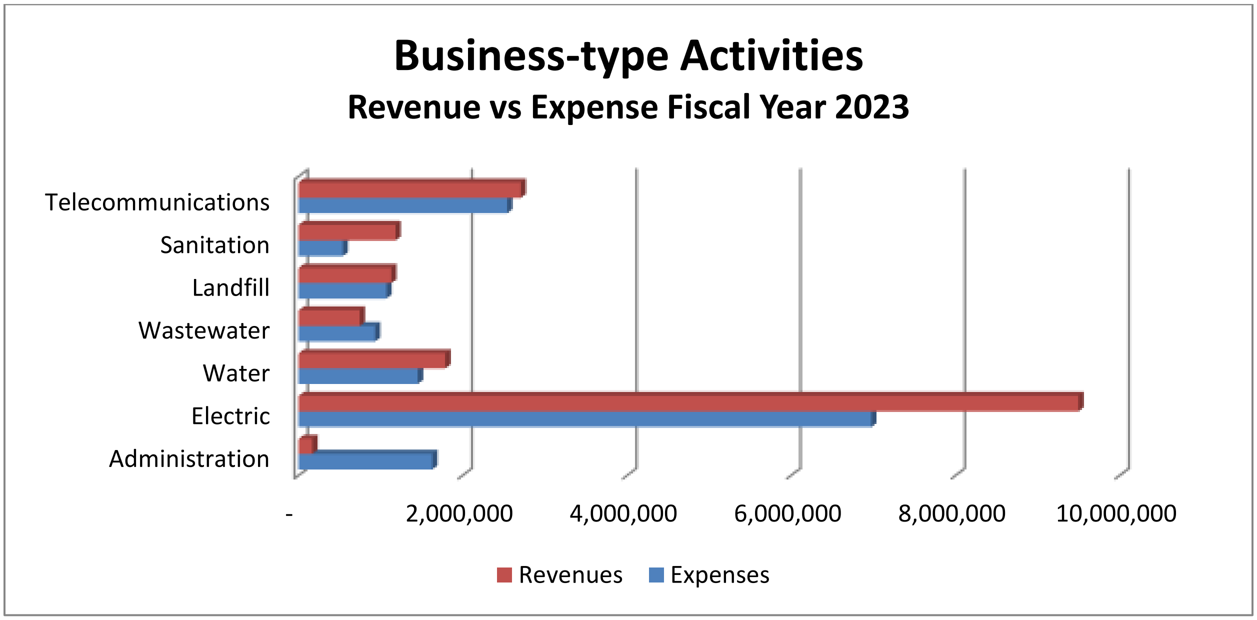
Revenue sources shifted in fiscal year 2023 compared to fiscal year 2022 due to the receipt of grant income. In fiscal year 2023, sales tax was the largest source of revenue at $2.8 million or 37%; intergovernmental revenues was next at $2.8 million or 36%. In previous year, intergovernmental funds provided the largest allocation of revenues for the City. Sales tax was the next largest portion at $2,699,312 or 36%.





Public safety was the largest use of funds for the City during fiscal year 2022, totaling over $4.9 million or 41% of the City's expenditures. This is consistent with prior year allocation of expenses of over $4.5 million or 33%. General government was the next largest use at $3 million or 26% of the use of funds, which is consistent with prior year. These costs, as well as all other governmental activity expenses, were primarily funded by tax revenues. It should be noted that governmental expenses are adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. The government-wide statement is full accrual; capital outlay expenses are eliminated and capital assets are reported.

Business-type activities. The City's business-type activities account for operating activities that are primarily financed by revenues generated by the activities themselves.



Business-type activities are shown comparing costs to revenues generated by the related services. Telecommunications, Sanitation, Landfill, Wastewater, Water, and Electric activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with minimal user charges.

Budgetary Highlights of Major Governmental Funds

The original adopted General Fund budget for fiscal year 2022 was $16,622,963 which is an increase of $1,317,261 or 9% over prior year's budget of $15,305,702. Budget amendments were made during the fiscal year but did not increase total budgeted expenses of the City. The General Fund budget complied in all material respects with financial policies approved by the City and the Oklahoma Municipal Budget Act.

Capital Asset and Debt Administration

Capital assets. The City's total capital assets for its governmental and business-type activities as of June 30, 2022 is $47,678,195 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and infrastructure.

City of Sallisaw
Capital Assets
Year ended June 30
(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and easements	$ 1,616,874	$ 1,628,656	$ 2,036,784	$ 2,036,784	$ 3,653,658	$ 3,665,440
Construction in progress	126,644	592,572	1,330,181	2,090,930	1,456,825	2,683,502
Buildings and improvements	639,139	1,980,147	585,829	585,829	1,224,968	2,565,976
Infrastructure and improvements	3,997,596	2,833,080	13,291,081	12,449,540	17,288,677	15,282,620
Equipment and computers	1,757,507	2,001,600	1,196,958	1,293,657	2,954,465	3,295,257
Water and sewer facilities	-	-	17,822,739	17,389,638	17,822,739	17,389,638
Vehicles	1,732,306	1,233,804	1,544,557	1,595,142	3,276,863	2,828,946
Capital assets, net	$ 9,870,066	$ 10,269,859	$ 37,808,129	$ 37,441,520	$ 47,678,195	$ 47,711,379

Long-term liabilities. For the year ended June 30, 2022, the City had total long-term liabilities of $42,661,341.

City of Sallisaw
Long-Term Liabilities
Year ended June 30

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Capital lease obligations	$ 716,104	$ 727,204	$ -	$ -	$ 716,104	$ 727,204
Revenue bonds	-	-	32,850,810	49,440,000	32,850,810	49,440,000
Notes payable	-	-	2,193,908	3,214,787	2,193,908	3,214,787
Landfill liability	-	-	3,213,989	2,850,638	3,213,989	2,850,638
Accrued compensated absences	434,690	409,747	202,947	188,527	637,637	598,274
Net pension liability	5,651,155	1,380,772	925,826	201,355	6,576,981	1,582,127
Less current portion	(259,920)	(259,920)	(3,268,168)	(2,888,982)	(3,528,088)	(3,148,902)
Total outstanding long-term debt	$ 6,542,029	$ 2,257,803	$ 36,119,312	$ 53,006,325	$ 42,661,341	$ 55,264,128

Long-term liabilities decreased over prior year by over $12 million due to regular payments on outstanding debt totaling over $1.7 million.

Economic Factors and Next Year's Budgets and Rates

According to the Oklahoma State University, Spears School of Business, Economic Outlook 2022 Summer Update "The state and national economies have recovered from the damage wrought by the COVID-19 pandemic. While income and output have long since risen above their pre-pandemic levels, in large part spurred by massive fiscal and monetary stimulus, state and national employment are just now returning to pre-pandemic levels. Yet, although the major economic aggregates have recovered, the economy has not fully returned to pre-pandemic form." The City has continued to be proactive in unknown changes resulting from the pandemic in the upcoming year as well as providing a strong foot forward in the future of this community.

Mission Statement

"The mission of the City of Sallisaw is to provide superior municipal services to all residents of the City in the most efficient, cost-effective manner possible, and to promote growth and development of the community to enhance the quality of life for all citizens."

Requests for information

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the City Manager at the City of Sallisaw, Post Office Box 525, Sallisaw, Oklahoma 74955-0525. You may also visit our website at www.sallisawok.org for more budgetary and contact information.

City of Sallisaw, Oklahoma

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 348,646	$ 5,232,710	$ 5,581,356
Investments	106,029	1,279,752	1,385,781
Receivables (net of allowance for uncollectible)	835,918	1,909,870	2,745,788
Inventory	21,921	-	21,921
Other assets	550,141	-	550,141
Restricted assets:			
Cash and cash equivalents	5,603,270	9,445,135	15,048,405
Investments	1,392,588	488,883	1,881,471
Pension asset	216,180	-	216,180
Capital assets (net of accumulated depreciation)	9,870,066	37,808,129	47,678,195
Total assets	18,944,759	56,164,479	75,109,238
Deferred outflows of resources			
Loss on refunding of debt	-	182,706	182,706
Deferred amounts related to pensions	6,716,772	1,080,900	7,797,672
Total deferred outflows of resources	6,716,772	1,263,606	7,980,378
Liabilities			
Current liabilities			
Accounts payable	203,787	1,492,920	1,696,707
Due to other funds	265,747	(265,747)	-
Salary payable	155,514	86,000	241,514
Capital leases, current	259,920	-	259,920
Notes payable, current	-	328,182	328,182
Bonds payable, current	-	2,010,000	2,010,000
Payable from restricted assets			
Accrued interest payable	-	182,437	182,437
Customer deposits	-	747,549	747,549
Long-term liabilities			
Compensated absences	434,690	202,947	637,637
Capital lease obligation	456,184	-	456,184
Notes payable	-	1,865,726	1,865,726
Bonds payable	-	30,840,810	30,840,810
Landfill closure	-	3,213,989	3,213,989
Pension liability	5,651,155	925,826	6,576,981
Total liabilities	7,426,997	41,630,639	49,057,636
Deferred inflows of resources			
Deferred amounts related to pensions	3,826,454	514,635	4,341,089
Total deferred inflows of resources	3,826,454	514,635	4,341,089
Net position			
Net investment in capital assets	9,153,962	37,808,129	46,962,091
Restricted	4,192,299	(23,520,220)	(19,327,921)
Unrestricted	1,061,819	994,902	2,056,721
Total net position	$ 14,408,080	$ 15,282,811	$ 29,690,891

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Statement of Activities

Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 3,368,468	$ 87,717	$ 1,687,830	$ -	$ (1,592,921)	$ -	$ (1,592,921)
Public safety	5,219,211	354,766	95,886	-	(4,768,559)	-	(4,768,559)
Public works	1,940,405	280,882	76,936	-	(1,582,587)	-	(1,582,587)
Culture and recreation	1,244,464	63,079	132,662	749,058	(299,665)	-	(299,665)
Economic development	502,996	-	-	-	(502,996)	-	(502,996)
Total governmental activities	12,275,544	786,444	1,993,314	749,058	(8,746,728)	-	(8,746,728)
Business-type activities:							
Administration	2,025,836	1,487,905	-	-	-	(537,931)	(537,931)
Electric	10,012,086	13,528,638	-	-	-	3,516,552	3,516,552
Water	1,365,227	2,185,997	-	-	-	820,770	820,770
Wastewater	1,300,891	867,144	-	-	-	(433,747)	(433,747)
Landfill	1,910,845	1,959,061	-	-	-	48,216	48,216
Sanitation	732,022	1,524,448	-	-	-	792,426	792,426
Telecommunications	2,824,396	3,412,754	-	-	-	588,358	588,358
Total business-type activities	20,171,303	24,965,947	-	-	-	4,794,644	4,794,644
Total primary government	$ 32,446,847	$ 25,752,391	$ 1,993,314	$ 749,058	$ (8,746,728)	$ 4,794,644	$ (3,952,084)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Sales tax	2,751,708	3,668,944	6,420,652
Other taxes	484,870	833,958	1,318,828
Interest income	36,968	361,178	398,146
Miscellaneous	417,344	-	417,344
Loss of disposal of assets	-	-	-
Change in pension obligation	(246,591)	-	(246,591)
Transfers - internal activity	7,536,202	(6,961,289)	574,913
Transfers - other governments	(917,236)	-	(917,236)
Total general revenues and transfers	10,063,265	(2,097,209)	7,966,056
Change in net position	**1,316,537**	**2,697,435**	**4,013,972**
Net position, beginning	13,091,543	12,585,376	25,676,919
Net position, ending	$ 14,408,080	$ 15,282,811	$ 29,690,891

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Balance Sheet
Governmental Funds
June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 348,646	$ -	$ 348,646
Investments	106,029	-	106,029
Restricted cash	7,732	5,595,538	5,603,270
Restricted investments	1,093,387	299,201	1,392,588
Receivables:			
Taxes	688,766	11,491	700,257
Grant	-	117,335	117,335
Municipal court fines	-	-	-
Accrued interest	172	43	215
Other, net of allowance	18,111	-	18,111
Due from other funds	196,378	88,849	285,227
Inventory	21,921	-	21,921
Other assets	550,141	-	550,141
Total assets	$ 3,031,283	$ 6,112,457	$ 9,143,740
Liabilities			
Accounts payable	$ 92,387	$ 109,998	$ 202,385
Salary payable	155,514	-	155,514
Due to other funds	545,208	5,766	550,974
Court bonds payable	1,402	-	1,402
Total liabilities	794,511	115,764	910,275
Fund balance			
Nonspendable	21,921	-	21,921
Restricted	1,101,119	3,091,180	4,192,299
Committed	-	2,684,805	2,684,805
Assigned	-	220,708	220,708
Unassigned	1,113,732	-	1,113,732
Total fund balances	2,236,772	5,996,693	8,233,465
Total liabilities and fund balances	$ 3,031,283	$ 6,112,457	$ 9,143,740

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

Land and capital assets, net of accumulated depreciation, are not financial resources and, in the funds, and therefore, are not reported		
Land and construction in process	1,743,518	
Capital assets	21,661,421	
Less: Accumulated depreciation	(13,534,873)	9,870,066
Long-term portion of liabilities are not due and payable in the current period and are not reported		
Capital lease obligations	(716,104)	
Compensated absences	(434,690)	
Net deferred outflows (inflows) on pension obligations	2,890,318	
Net pension (obligation)/asset	(5,434,975)	(3,695,451)
Net position of governmental activities		$ 14,408,080

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Sales tax	$ 1,834,472	$ 917,236	$ 2,751,708
Other taxes	346,849	138,021	484,870
Licenses and permits	38,517	-	38,517
Intergovernmental	1,421,180	1,288,092	2,709,272
Fines and forfeitures	331,121	15,850	346,971
Charges for services	356,706	31,050	387,756
Rental	13,200	-	13,200
Donations	-	33,100	33,100
Other	223,845	193,499	417,344
Proceeds from debt issuance	-	285,000	285,000
Interest	30,586	6,382	36,968
Total revenues	4,596,476	2,908,230	7,504,706
Expenditures			
General government	3,099,601	-	3,099,601
Public safety	3,824,055	1,111,087	4,935,142
Public works	1,404,763	36,671	1,441,434
Culture and recreation	1,055,247	32,115	1,087,362
Economic development	502,996	-	502,996
Debt service:			
Principal	-	296,101	296,101
Interest	-	29,589	29,589
Capital outlay	261,702	380,604	642,306
Total expenditures	10,148,364	1,886,167	12,034,531
Excess of revenues over (under) expenditures	(5,551,888)	1,022,063	(4,529,825)
Other financing sources (uses)			
Transfers in	12,037,580	2,845,572	14,883,152
Transfers out	(5,409,151)	(1,937,799)	(7,346,950)
Transfers out to other governments	(917,236)	-	(917,236)
Total other financing sources (uses)	5,711,193	907,773	6,618,966
Net change in fund balances	159,305	1,929,836	2,089,141
Fund balances, beginning	2,077,467	4,066,857	6,144,324
Fund balances, ending	$ 2,236,772	$ 5,996,693	$ 8,233,465

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Reconciliation of Governmental Funds and Government-Wide
Financial Statements
Year Ended June 30, 2023

Net change in fund balances - total governmental funds	$ 2,089,141
Governmental funds report capital outlays as expenditures; whereas, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as a depreciation expense.	
Capital outlay expenditures capitalized	642,306
Depreciation expense	(1,154,477)
In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.	(246,591)
The proceeds of debt issuance provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceeds from capital lease obligations	(285,000)
Capital lease principal payments	296,101
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	
Accrued compensated absences, net change	(24,943)
Change in net position of governmental activities	**$ 1,316,537**

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	**Total**
Assets			
Cash and cash equivalents	$ 5,195,172	$ 37,538	$ 5,232,710
Investments	1,279,752	-	1,279,752
Receivables:			
Accounts (net of allowance for uncollectible)	1,909,616	-	1,909,616
Accrued interest	254		254
Due from other funds	677,156	-	677,156
Other assets	-	-	-
Restricted assets:			
Cash and cash equivalents	9,445,135	-	9,445,135
Investments	488,883	-	488,883
Capital assets (net of accumulated depreciation)	37,808,129	-	37,808,129
Total assets	56,804,097	37,538	56,841,635
Deferred outflows of resources			
Loss on refunding of debt	182,706	-	182,706
Deferred amounts related to pensions	1,080,900	-	1,080,900
Total deferred outflows of resources	1,263,606	-	1,263,606
Liabilities			
Accounts payable	1,492,920	-	1,492,920
Salary payable	86,000	-	86,000
Notes payable, current	328,182	-	328,182
Bonds payable, current	2,010,000	-	2,010,000
Payable from restricted assets:			
Accrued interest payable	182,437	-	182,437
Customer deposits	747,549	-	747,549
Due to other funds	411,409	-	411,409
Noncurrent liabilities:			
Compensated absences	202,947	-	202,947
Notes payable	1,865,726	-	1,865,726
Bonds payable	30,840,810	-	30,840,810
Landfill closure	3,213,989	-	3,213,989
Pension obligation	925,826	-	925,826
Total liabilities	42,307,795	-	42,307,795
Deferred inflows of resources			
Deferred amounts related to pensions	514,635	-	514,635
Net position			
Net investment in capital assets	37,808,129	-	37,808,129
Restricted:			
Debt service	(23,508,725)	-	(23,508,725)
Meter deposits	(11,495)	-	(11,495)
Unrestricted	957,364	37,538	994,902
Total net position	$ 15,245,273	$ 37,538	$ 15,282,811

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Funds
Year Ended June 30, 2023

	Business-type Activities		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	**Total**
Operating revenues			
Charges for services:			
Electric	$ 13,528,638	$ -	$ 13,528,638
Water	2,185,997	-	2,185,997
Wastewater	867,144	-	867,144
Landfill	1,959,061	-	1,959,061
Sanitation	1,524,448	-	1,524,448
Telecommunications	3,412,754	-	3,412,754
Penalties	176,232	-	176,232
Other	1,311,673	-	1,311,673
Total operating revenues	24,965,947	-	24,965,947
Operating expenses			
Administration	465,238	-	465,238
Electric	9,725,314	-	9,725,314
Water	1,092,630	-	1,092,630
Wastewater	517,192	-	517,192
Landfill	1,567,739	-	1,567,739
Sanitation	609,033	-	609,033
Telecommunications	2,503,999	-	2,503,999
Depreciation and amortization	2,351,473	-	2,351,473
Bad debt expense	21,601	-	21,601
Total operating expenses	18,854,219	-	18,854,219
Total operating income (loss)	6,111,728	-	6,111,728
Nonoperating revenues (expenses)			
Sales tax	3,668,944	-	3,668,944
Other taxes	833,958	-	833,958
Interest income	361,178	-	361,178
Interest expense and fiscal charges	(1,317,084)	-	(1,317,084)
Loss on disposal of assets	-	-	-
Total nonoperating revenues (expenses)	3,546,996	-	3,546,996
Operating transfers			
Transfers in	699,074	-	699,074
Transfers (out)	(7,660,363)	-	(7,660,363)
Total operating transfers	(6,961,289)	-	(6,961,289)
Net income (loss)	2,697,435	-	2,697,435
Net position, beginning	12,547,838	37,538	12,585,376
Net position, ending	$ 15,245,273	$ 37,538	$ 15,282,811

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Enterprise Funds		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	Total
Cash flows from operating activities:			
Receipts from customers	$ 25,032,565	$ -	$ 25,032,565
Payments to suppliers	(12,442,449)	(113)	(12,442,562)
Payments to employees	(2,585,872)	-	(2,585,872)
Net cash provided (used) by operating activities	10,004,244	(113)	10,004,131
Cash flows from non-capital financing activities:			
Transfers from other funds	699,074	-	699,074
Transfers to other funds	(7,660,363)	-	(7,660,363)
Intergovernmental revenues	4,502,902	-	4,502,902
Net cash provided (used) by non-capital financing activities	(2,458,387)	-	(2,458,387)
Cash flows from capital and related financing activities:			
Purchase of assets	(2,677,481)	-	(2,677,481)
Disposal of assets	1,030,372	-	1,030,372
Issuance of debt	-	-	-
Principal paid on debt	(17,784,702)	-	(17,784,702)
Interest paid on debt	(1,142,129)	-	(1,142,129)
Net cash provided (used) by capital and related financing activities	(20,573,940)	-	(20,573,940)
Cash flows from investing activities:			
Investment income	361,178	-	361,178
Net cash provided (used) by investing activities	361,178	-	361,178
Net increase (decrease) in cash and cash equivalents	(12,666,905)	(113)	(12,667,018)
Cash & cash equivalents, June 30, 2022	27,307,212	37,651	27,344,863
Cash & cash equivalents, June 30, 2023	$ 14,640,307	$ 37,538	$ 14,677,845
Cash, including time deposits	$ 5,195,172	$ 37,538	$ 5,232,710
Restricted cash, including time deposits	9,445,135	-	9,445,135
Total cash and cash equivalents, end of year	$ 14,640,307	$ 37,538	$ 14,677,845
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 6,111,728	$ -	$ 6,111,728
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,351,473	-	2,351,473
Bad debt	21,601		21,601
Changes in assets and liabilities:			
(Increase) decrease in receivables	66,618	-	66,618
Increase (decrease) in accounts payable	321,303	-	321,303
Increase (decrease) in payroll liabilities	768,170	-	768,170
Increase (decrease) in other liabilities	363,351	(113)	363,238
Total adjustments	3,892,516	(113)	3,892,403
Net cash provided (used) by operating activities	$ 10,004,244	$ (113)	$ 10,004,131

See accompanying notes to financial statements.

I. Organization

The City of Sallisaw, Oklahoma, (the City) operates under a Council-Manager form of government under Title 11 of the *Oklahoma Statutes.* The City provides the following services to its citizens: public safety (police and fire), streets and highways, sanitation and solid waste services, culture and recreation, public improvements, electric and water utilities, cable television, internet, telephone, planning and zoning, and general administrative services.

II. Summary of significant accounting policies

A. Reporting entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The City's financial statements do not include any discreetly presented component units which would be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Component Units:

Sallisaw Municipal Authority ("SMA") was created as a public trust pursuant to Title 60 of the Oklahoma Statues to finance, develop, and operate the electric, water, wastewater, solid waste, and telecommunications activities of the City. SMA is governed by a board comprised of the City's elected commissioners. The rates for user charges and bond issuance authorizations are approved by the city commission. SMA is reported as a blended component unit.

Sallisaw Economic Authority ("SEA") was created as a public trusts pursuant to Title 60 of the Oklahoma Statues to finance and pursue economic development activities within the City of Sallisaw. The City Commissioners serve as the governing body. SEA is reported as blended component unit. In fiscal year 2015, all physical assets of the SEA were sold; land was maintained by SEA.

Sallisaw Library Trust Authority was organized as a public trust to help promote the library services and facilities in the City. The Library Trust Authority is reported as a special revenue fund in the combining governmental statements of the City. The City Commission serves as the governing body.

B. Basis of Presentation

Government-wide financial statements

The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and general revenues, from business-type activities, generally financed with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) operational grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenue sources not properly included among program revenues are reported as general revenues.

Fund financial statements

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements with composite columns for non-major funds.

The City reports the following major governmental fund:

General Fund – The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Sallisaw Municipal Authority – SMA accounts for the revenues generated by the City's utility systems and the expenditures related to the operations and financing of such utilities. This includes the electric, water, wastewater, landfill, sanitation, and telecommunication services.

The City reports no fiduciary activities.

C. Measurement focus, basis of accounting, and financial statement presentation

Generally Accepted Accounting Principles (U.S. GAAP)

The financial statements of the City are prepared in accordance with U.S. GAAP. The City applies all relevant GASB pronouncements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements include the statement of net position and the statement of activities and are reported on the accrual basis of accounting and economic resource focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In proprietary funds, operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services in connection with the principle ongoing operations of the fund. All revenues and expenses not meeting this definition are reported as non-operating items.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absence, claims, and judgements are recorded in the year payment is due.

Major revenue sources susceptible to accrual include sales and use taxes, franchise taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Use of estimates

The preparation of financial statements in conformity with U.S. GAPP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure; accordingly, actual results could differ from those estimates.

D. Budget policy and practice

Annual budgets are adopted for governmental funds and the Sallisaw Municipal Authority. All unencumbered annual appropriations will lapse at fiscal year-end. Actual expenditures within a fund may not exceed 90% of the budget until actual revenues equal to the estimated amount have been received. No expenditure can exceed the actual amount on hand.

Prior to June of each year, all department heads of the City submit requests for appropriations to the city manager so that a budget may be prepared. The city manager meets with each of the department heads to review their needs, estimates, and requests. The Commissioners hold a public hearing prior to June 15 and a final budget must be prepared and adopted no later than June 23.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations within a department or between departments may be approved by the city manager. Once the budget is established, the Commission must authorize any amendments that change the total legal appropriations of the fund previously approved in the budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities as the commitments will be re-appropriated and honored during the subsequent year.

E. Policies Related to Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

City policy is that deposits can only be made in financial institutions insured by the Federal Deposit Insurance Corporation. The City invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return, while remaining within the guidelines provided by the City's investment policy.

Investments for the City, as well as for its component units, are reported at fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables and payables

Receivables in governmental funds and governmental activities include tax accruals and intergovernmental revenues such as grant requests, as they are both measurable and available. These receivables are due within one year.

Proprietary fund and business-type activities receivables include revenues earned at year end but not yet received. Utility accounts receivable, both billed and unbilled, comprise the majority of the receivables.

All trade receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectible.

Inventories

Inventories are similarly reported in government-wide and fund financial statements.

Inventories in governmental funds consist of airport fuel held for future sale. The fuel is reported at cost and recorded as an expense at the time the fuel is sold.

Restricted assets

Restricted assets include assets legally restricted for capital projects funded through long-term debt, debt service reserves, facility charges, and Federal, State, and private grants. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements. Assets restricted for acquisition or construction of non-current assets or assets restricted for liquidation of long-term debt are reported with non-current assets.

It is the City's policy when purchasing goods or services, or servicing debt for which resources have been restricted, to use restricted resources first and then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in natures are reported with the current assets and current liabilities in the financial statements.

Capital assets

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary and component unit capital assets are also reported in their respective fund and combining component units' financial statements. Donated assets are stated at fair value on the date donated. Capital assets are defined by the City as assets with an initial, individual cost of more than the following amounts, along with an estimated useful life in excess of one year.

Assets	Cost Threshold
Buildings and improvements	$ 25,000
Equipment and vehicles	5,000
Telecommunications, computer, and other personal property	10,000
Infrastructure	50,000

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Assets	Years
Buildings	30-50
Improvements other than buildings	15-30
Infrastructure	30-40
Equipment and vehicles	3-12

Major outlays for capital assets and improvements are recorded as construction in progress and are not depreciated until placed in service.

Interfund balances

Generally, outstanding balances between funds reported as due to/due from other funds include outstanding charges by one fund to another for goods or services outstanding at year end, or other miscellaneous receivables/payable between funds.

All activity between governmental and business-type activities are eliminated and any residual balances outstanding between the activities are reported in the government-wide financial statements as internal balances.

Deferred outflows of resources and deferred inflows of resources

In addition to assets and liabilities, the statement of financial position and the governmental fund balance sheet may report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

Compensated absences

All full-time City employees earn vacation at varying rates depending upon years of eligible service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Vacation leave which is unused and vested to the employee in good standing, is payable upon termination. Except as described below, employees are not compensated for unused sick leave upon their termination of employment. In governmental funds, amounts accrued are expected to be liquidated with available financial resources and are reported as an expenditure. For governmental activities, compensated absences are generally liquidated by the general fund.

Full-time employees with at least one year of service earn vacation of five (5) to twenty (20) days per year depending on years of service completed. Employees may carry over up to 480 hours of unused vacation. Full-time employees are granted sick leave at a rate of 4.615 hours per pay period, with no limitation on the amount that can be accrued or carried over. Upon retirement, employees will be compensated for hours accrued in excess of 1,000 hours, up to a maximum of 2,500 hours, at a rate of $2,500 for the first 1,000 hours, and $5.00/hour for the next 1,500 hours.

Fund equity

Fund balance

Nonspendable Fund Balance
Fund balances reported as non-spendable includes amounts that cannot be spent because they are either not in spendable form or not expected to be converted to cash including inventories and non-current receivables.

Restricted Fund Balance
Restricted fund balance includes amounts that are constrained for a specific purpose which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed Fund Balance
Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.

Assigned Fund Balance
Assigned fund balance includes amounts that are intended to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council had designated that authority.

Unassigned Fund Balance
Unassigned fund balance includes balances that has not been assigned to other funds and had not been restricted, committed, or assigned to specific purposes within the general fund.

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

Net Position

Net investment in capital assets and legally restricted amounts are separated from unrestricted net position.

Net investment in capital assets
The amount reported is calculated as total capital assets less accumulated depreciation and outstanding debt used to purchase the assets net of unspent portions. Unspent portions of debt, along with any amounts used to fund debts reserves, are included with restricted net position.

Restricted
Amounts reported as restricted net position include constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

F. Policies Related to Revenues and Expenses

Program Revenues

Charges for Services
Program revenues reported with governmental activities include charges for services like permits and fees, parks charges, and fines and forfeitures. Business-type activity charges for services include all operating income of proprietary funds.

Grants and Contributions
Governmental grants and contributions primarily consist of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activities' grants and contributions include restricted investment income, donations from others, as well as grants from Federal and state agencies.

General Revenues
General revenues reported with governmental activities include tax revenues. Both governmental and business-type activities report unrestricted investment income as general revenues.

<u>Sales Tax</u>
The City received 4% tax on sales within the City. The tax is allocated as follows:

- 1.00% in the General Fund to find City operations.
- 1.00% to the Sallisaw Municipal Authority for operations.
- 0.50% to the Sallisaw Municipal Authority for debt service on water projects.
- 0.50% to the Sallisaw Municipal Authority for debt service on the sports complex.
- 0.50% to the Capital improvements fund for capital outlay and debt service.
- 0.50% to the Sallisaw Hospital.

III. Detail Notes on Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

A. Deposits and investments

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposits are secured by collateral values at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. At June 30, 2023, the City was fully collateralized.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

Investments

The City invests primarily in certificates of deposit. Investment securities are exposed to various risks such as interest rate risk and credit risk. The following is a summary of the investments of primary government.

Types of Investments	Fair Value/ Carrying Amount	Cost	Average Credit Quality/ Ratings (1)	Weighted Average Months to Maturity (2)
Primary government				
INVESTMENTS:				
Certificates of deposit, pooled	$ 3,267,252	$ 3,267,252	N/A	8.2
Total investments	3,267,252	3,267,252		
Total primary government investments	$ 3,267,252	$ 3,267,252		

RECONCILATION TO STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
Investments, unrestricted	$ 106,029	$ 1,279,752	$ 1,385,781
Investments, restricted	1,392,588	488,883	1,881,471
Total investments	$ 1,498,617	$ 1,276,561	$ 3,267,252

(1) Ratings are provided where applicable to indicate associated **Credit Risk.** N/A indicates not applicable.
(2) **Interest rate risk** is estimated using either duration or weighted average days to maturity depending on the respective policy.

B. Receivables

Receivables as of June 30, 2023, for the City's major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Activities	Business-type Activities
Receivables:				
Taxes	$ 688,766	$ 11,491	$ 700,257	$ -
Grants	-	117,335	117,335	-
Municipal court fines	15,928	3,672	19,600	-
Accrued interest	172	43	215	-
Utilities	-	-	-	2,125,040
Other	59,085	-	59,085	-
Total gross receivables	763,951	132,541	896,492	2,125,040
Less: allowance for uncollectibl	(56,558)	(4,016)	(60,574)	(215,170)
Net receivables	$ 707,393	$ 128,525	$ 835,918	$ 1,909,870

C. Capital assets

Capital asset balances and activities for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,628,656	$ -	$ (11,782)	$ 1,616,874
Construction in progress	592,752	137,523	(603,631)	126,644
Total capital assets, not being depreciated	2,221,408	137,523	(615,413)	1,743,518
Capital Assets, being depreciated:				
Buildings and improvements	4,148,982	71,789	-	4,220,771
Infrastructure and improvements	7,492,914	151,106	-	7,644,020
Equipment and computers	4,920,378	216,165	(48,291)	5,088,252
Vehicles	3,978,951	798,077	(68,650)	4,708,378
Total capital assets, being depreciated	20,541,225	1,237,137	(116,941)	21,661,421
Less accumulated depreciation	(12,492,774)	(1,154,477)	112,378	(13,534,873)
Total capital assets being depreciated, net	8,048,451	82,660	(4,563)	8,126,548
Governmental activities capital assets, net	$ 10,269,859	$ 220,183	$ (619,976)	$ 9,870,066

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land and easements	$ 2,036,784	$ -	$ -	$ 2,036,784
Construction in progress	2,090,930	1,108,614	(1,869,363)	1,330,181
Total capital assets, not being depreciated	4,127,714	1,108,614	(1,869,363)	3,366,965
Capital Assets, being depreciated:				
Buildings and improvements	1,123,025	92,700	-	1,215,725
Land improvements	5,005,595	-	-	5,005,595
Infrastructure and improvements	18,646,606	2,932,687	-	21,579,293
Water and sewer treatment facilities	33,187,112	-	-	33,187,112
Equipment	5,093,540	99,070	-	5,192,610
Vehicles	3,888,352	313,773	-	4,202,125
Total capital assets, being depreciated	66,944,230	3,438,230	-	70,382,460
Less accumulated depreciation	(33,630,424)	(2,310,872)	-	(35,941,296)
Total capital assets being depreciated, net	33,313,806	1,127,358	-	34,441,164
Business-type activities capital assets, net	$ 37,441,520	$ 2,235,972	$ (1,869,363)	$ 37,808,129

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	$	229,808
Public safety		284,069
Public works		483,498
Cultural and recreation		157,102
Economic development		-
Total depreciation expense - governmental activities	$	1,154,477
Business-type activities:		
Administration	$	221,913
Electric		286,772
Water		231,996
Wastewater		783,699
Landfill		343,106
Sanitation		122,989
Telecommunications		320,397
Total depreciation expense - business-type activities	$	2,310,872

D. Long-term liabilities

Governmental activities

Capital Leases
The City has entered into several lease agreements as lessee for financing the acquisition of buildings, land, and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The governmental activities capital lease obligations are as follows:

Firstar Bank dated November 2018 for Wheeler property lease/purchase for an original amount of $475,000, monthly payments of $4,776 at an interest rate of 3.85% over a 10 year period.	$ 281,212
Lease purchase agreement with Waste Research, Inc. dated August 2019 for a 2018 Freightliner M2106 4-door cab and chassis in the original amount of $191,000. Monthly payments in the amount of $4,247,95 with the first payment September, 20, 2019 carrying a 3.24% interest rate, maturing June 2022.	8,440
Firstar Bank dated January 2021 for 2020 Altec Digger lease/purchase for an original amount of $234,731 at an interest rate of 3.14% maturing June 30, 2022.	96,805
National Bank of Sallisaw dated December 2021 for a 2022 International Roll-off truck with an original amount of $163,605 at an interest rate of 2.12% payable in monthly installments beginning January 2022 maturing December 2024.	83,151
National Bank of Sallisaw dated November 2022 for a 2020 Peterbuilt Side Load Sanitation Truck with an original amount of $285,000 at an interest rate of 4.5% payable in monthly installments beginning November 2022 maturing December 2022.	246,496
Total capital lease obligations	$ 716,104

Business-type activities

Revenue bonds:

$9,495,000 Sallisaw Municipal Authority Sales Tax Revenue Bonds, Series 2020, due semi-annually in amounts from $130,000 to $690,000 plus semi-annual interest of 3.00% with a final maturity January 2040, secured by ½ cent sales tax, proceeds used for capital improvement.	$ 8,785,000
$18,745,000 Sallisaw Municipal Authority Refunding Revenue Bonds, Series 2021, due annually in amounts ranging from $685,000 to $1,425,000 plus semi-annual interest of 4.00% with a final maturity September 2037, secured by ½ cent sales tax, proceeds used to refund Series 2012A Tax Exempt Refunding Revenue Bonds and Series 2012C Tax Exempt Refunding Revenue Bonds, as well as provide payment to the Grand River Dam Authority for the power cost adjustment and excess cost of electricity during the winter storm of February 2021. As of the date of the report, the funds for payoff on the Series 20212A Bonds were held in a restricted cash account.	18,060,000
$5,905,000 Sallisaw Municipal Authority Sales Tax Revenue Bonds, Series 2022, due annually in amounts ranging from $655,000 to $830,000 plus semi-annual interest of 4.00% with a final maturity June 2030, secured by ½ cent sales tax, proceeds used for constructing, designing and equipping an aquatic/swim center and skateboard park within city limits.	5,170,000
Total revenue bonds	$ 32,015,000

Notes payable:

Note payable to Oklahoma Water Resources Board, dated March 2, 2010, authorized in the amount of $5,360,000, due and payable in semi-annual installments of $15,747 including interest at 2.58%, plus an administrative fee of 0.5%, secured by water system.	$	2,193,908
Participation note payable with Armstrong Bank, Firstar Bank, and Bank NBS with an original amount of $750,000 for 60 months at an interest rate equal to Wall Street Journal Prime rate for the purchase of property to be used for economic development.		701,885
Total notes payable	$	2,895,793
Total business-type activities	$	34,910,793

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities					
Compensated absences	$ 409,747	$ 24,943	$ -	$ 434,690	$ -
Capital leases	727,204	285,000	(296,100)	716,104	239,522
Pension liability	1,380,772	3,344,557	-	4,725,329	-
Total governmental activities	$ 2,517,723	$ 3,654,500	$ (296,100)	$ 5,876,123	$ 239,522
Business-type activities					
Compensated absences	$ 188,527	$ 14,420	$ -	$ 202,947	$ -
Revenue bonds:					
Series 2012A	15,710,000	-	(15,710,000)	-	-
Series 2020	9,080,000	-	(295,000)	8,785,000	305,000
Series 2021	18,745,000	-	(685,000)	18,060,000	1,050,000
Series 2022	5,905,000	-	(735,000)	5,170,000	655,000
Notes payable					
OWRB	2,485,141	-	(291,233)	2,193,908	299,579
Rhodes property	770,354	-	(68,469)	701,885	28,603
Landfill liablity	2,850,638	363,351	-	3,213,989	-
Pension liability	201,355	724,471	-	925,826	-
Total business-type activities	$ 55,936,015	$ 1,102,242	$ (17,784,702)	$ 39,253,555	$ 2,338,182
Total long-term debt	$ 58,453,738	$ 4,756,742	$ (18,080,802)	$ 45,129,678	$ 2,577,704

For governmental activities, liability for incurred claims, compensated absences, and net pension liability are generally liquidated by the General Fund.

Annual debt service requirements to maturity for long-term debt are as follows:

	Governmental Activities		Business-type Activities			
	Capital Leases		Bonds Payable		Notes Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 239,522	$ 23,136	$ 2,010,000	$ 921,517	$ 328,182	$ 61,521
2025	185,060	15,262	2,055,000	875,142	338,170	37,992
2026	125,797	9,494	2,190,000	823,440	348,225	44,410
2027	85,188	4,576	2,245,000	764,938	358,598	35,557
2028	55,178	2,134	2,315,000	702,611	369,163	26,546
2029-2033	25,359	256	10,135,000	2,516,169	784,552	79,239
2034-2038	-	-	9,705,000	1,116,834	211,737	43,539
2039-2041	-	-	1,360,000	61,500	157,166	8,675
Total	$ 716,104	$ 54,858	$ 32,015,000	$ 7,782,151	$ 2,895,793	$ 337,479

The following is a summary of pledged revenues of the City for the year ended June 30, 2023:

Debt	Revenue Pledged	Total Pledged Revenue in Current Year	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principle and Interest	Period Revenue Will Not Be Availabe for Other Purposes
Revenue Bonds:						
Series 2020	1% cent sales tax	$ 1,834,472	$ 571,700	31%	$ 8,213,300	Until 2040
Series 2021	1/2 cent sales tax	917,236	1,496,867	163%	16,563,133	Until 2037
Series 2022	1/2 cent sales tax and 1/2 cent use tax	1,125,726	1,006,630	89%	4,163,370	Until 2030
Note Payable						
OWRB	Net revenues of water system	820,770	337,293	41%	1,856,615	Until 2030

E. Defeased debt

On June 1, 2012, the Sallisaw Municipal Authority issued the Series 2012 Sallisaw Municipal Authority Revenue Refunding Bonds of $22,875,000 with interest rates ranging from 0.96% to 4.00% to advance refund the Series 2005 Revenue Bonds with interest rates from 3.80% to 5.00%. The Series 2005 bonds mature annually through 2035. The Series 2012 bonds were issued at a discount of $269,501, and after paying issuance costs of $894,875, the net proceeds were $21,741,066, including accrued interest. The net proceeds, along with available cash funds from the old debt, were used to purchase U.S. Government-backed securities in the amount of $23,416,761, which were deposited into an irrevocable trust with an escrow agent to provide debt service payments when due over the remaining term of the Series 2005 bonds. The advance refunding met the requirements of an in-substance debt defeasance and the Series 2005 bonds were removed from the City of Sallisaw's financial statements.

As a result of the advance refunding of the Series 2005 Revenue Bonds, the Sallisaw Municipal Authority reduced its total debt service requirements by $3,588,112.

In June 2020, the Sallisaw Municipal Authority issued the Sales Tax Revenue and Refunding Bonds, Series 2020 in the amount of $9,495,000 with an interest rate of 3% to advance refund the Series 2009 Revenue Bonds with an interest rate of 4.45%. The Series 2009 bonds mature annually through 2028. The Series 2020 bonds were issued at a premium of $352,372, and after paying issuance costs of $293,375, the net proceeds were $5,493,712, including accrued interest. The net proceeds, along with available cash funds from the old debt, were used to purchase U.S. Government-backed securities, which were deposited into an irrevocable trust with an escrow agent to provide debt service payments when due over the remaining term of the Series 2020 bonds. The advance refunding met the requirements of an in-substance debt defeasance and the Series 2020 bonds were removed from the City of Sallisaw's financial statements.

As a result of the advance refunding of the Series 2009 Revenue Bonds, the Sallisaw Municipal Authority reduced its total debt service requirements by $5,398,173.

In June 2020, the Sallisaw Municipal Authority issued the Sales Tax Revenue and Refunding Bonds, Series 2020 in the amount of $9,495,000 with an interest rate of 3% to advance refund the Series 2009 Revenue Bonds with an interest rate of 4.45%. The Series 2009 bonds mature annually through 2028. The Series 2020 bonds were issued at a premium of $352,372, and after paying issuance costs of $293,375, the net proceeds were $5,493,712, including accrued interest. The net proceeds, along with available cash funds from the old debt, were used to purchase U.S. Government-backed securities, which were deposited into an irrevocable trust with an escrow agent to provide debt service payments when due over the remaining term of the Series 2020 bonds. The advance refunding met the requirements of an in-substance debt defeasance and the Series 2020 bonds were removed from the City of Sallisaw's financial statements.

As a result of the advance refunding of the Series 2009 Revenue Bonds, the Sallisaw Municipal Authority reduced its total debt service requirements by $5,398,173.

F. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Transfer To	Transfer From: General Fund	Transfer From: Municipal Authority	Transfer From: All others	Total
General Fund	$ -	$ -	$ 1,140,878	$ 1,140,878
Municipal Authority	-	10,635,000	3,117,088	13,752,088
All others	923,020	4,737,486	-	5,660,506
Total	$ 923,020	$ 15,372,486	$ 4,257,966	$ 20,553,472

The City records a transfer to other governments in the amount of $917,236 to reflect the restricted sales tax for the Hospital as discussed in Note II.F.

G. Landfill closure and post-closure liability

Federal and State regulations require the City to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for eighteen years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of those costs as an operating expense of the Sallisaw Municipal Authority each fiscal year. The amount of the current period expense is based upon the amount of landfill capacity used as of each fiscal year.

The $3,213,989 reported as a long-term liability for the accrued landfill closure cost liability as of June 30, 2023, represents the cumulative amount of such cost reported to date based on the use of approximately 84.64% of the estimated capacity of the landfill. The Sallisaw Municipal Authority will recognize the remaining estimated costs of closure and post-closure care in the amount of $583,257 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. Actual costs may be more or less at that time than are currently estimated. The estimated closure and post-closure costs and the accrued liability as of June 30, 2023, are as follows:

Estimated closure cost	$	1,843,420
Estimated post-closure cost		1,953,826
Total estimated cost	$	3,797,246
Accrued closure cost	$	3,213,989
Current estimated cost charged to expense	$	363,352

The City has qualified under the State of Oklahoma Department of Environmental Quality (DEQ) financial assurance test relating to these future closure and post-closure costs, whereby the City's overall financial condition and other submitted information serves as evidence of the City's ability to pay for the closure and post-closure care costs when the landfill is closed. As such, the City is not required to fund an escrow trust account for the costs.

IV. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has insurance for the major risks such as property, general liability, workers' compensation, and unemployment. Commercial insurance is used to cover general liability claims and the risk of loss to City buildings and mobile equipment. Judgements against the City may be paid by a property tax assessment over a three-year period.

B. Employee retirement systems and pension plans

The City participates in four employee pension systems as follows:

Name of Plan/System	Type of Plan
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Municipal Retirement Fund	Agent Multiple Employer – Defined Benefit Plan
ICMA Section 457 Deferred Compensation Plan	Single Employer Deferred Compensation Plan

Oklahoma Police Pension and Retirement System (OPPRS)

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

Benefits Provided – The OPPRS provides retirement, death, and disability benefits to plan members and beneficiaries. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years if credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested balance is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employments continued uninterrupted, whichever is first.

Monthly retirement benefits are calculated at 2.5% of the final average salary (as defined) multiplied by the years of credited service.

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

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

Contributions – The contribution requirements of the plan are at an established rate determined by Oklahoma Statute and are not based in actuarial calculations. Plan members are required to contribute 8.0% of their annual covered salary and the City of Sallisaw contributes 13.0% of annual covered payroll. Contributions to the OPPRS for the year ended June 30, 2023, for the employees and employer were $82,793 and $134,538, respectively, on covered payroll of $1,034,907.

Pension liabilities, pension expense, and deferred outflows and inflows of resources related to pensions – As of June 30, 2023, the City reported an asset of $216,180 for its proportionate share of the net pension liability/(asset). The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.The City' proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportionate share was 0.2696%.

For the year ended June 30, 2023, the City recognized $51,664 in pension expense. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenses	$ 106,039	$ 23,548
Changes of assumptions	7,526	-
Net difference between projected and actual earnings on pension plan investments	1,144,777	933,828
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	134,538	-
	$ 1,392,880	$ 957,376

Amortization of Pension Deferrals - $300,966 reported as net deferred inflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Amounts reported as deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,		
2023	$	67,885
2024		17,832
2025		(57,435)
2026		259,148
2027		13,536
	$	300,966

Actuarial assumptions: - The total pension liability was determined by an actuarial valuation as of July 1, 2022 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflations
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	Active employees (pre-retirement): RP-2000 Combined Blue Collar Healthy Employees with (fully generational using scale AA) with age set back four years.
	Active employees (post retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Employees with fully generational projection.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined with age set back four years.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	5.53%
Domestic equity	7.42%
International equity	9.74%
Real estate	7.23%
Private equity	10.58%
Commodities	4.68%

The current allocation policy is that approximately 60% of assets are in equity investments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets are in fixed income, to include investment grade bonds, high-yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets are in real assets, to include real estate, commodities, and other strategies.

Discount rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan's net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liablity (asset)	$ 626,339	$ (216,180)	$ (928,316)

Payables to the pension plan – There are no payables to the pension plan for the year ended June 30, 2023.

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

Oklahoma State Firefighters' Pension and Retirement System (OFPRS)

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

Benefits Provided – The OPPRS provides retirement, death and disability benefits to plan members. Benefits for members hired prior to November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and when the employee has reached the age of 50 or has completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is $150.60 per month. Benefits vest with 10 years or more of service.

Benefits for members hired after November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and have reached the age of 50 or has completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is $165.66 per month. Benefits vest with 11 years or more of service.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty benefit is calculated based on 2.5% of final average monthly compensations, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is $7.53 per year of service, with a maximum of payout benefit of 30 years.

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

Contributions – The contribution requirements of the plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Plan members are required to contribute 9.0% of their annual covered salary and the City of Sallisaw contributes 14.0% of annual covered payroll. Contributions to the OFPRS for the year ended June 30, 2023, for employees and employer were $26,526 and $41,268, respectively, on covered payroll of $294,767.

Pension liabilities, pension expense, and deferred outflows and inflows of resources related to pensions – As of June 30, 2023, the City reported a net pension liability of $1,242,460 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportionate share was 0.095009 percent.

For the year ended June 30, 2023, the City recognized $172,701 in pension expense. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenses	$ 159,498	$ 6,272
Changes of assumptions	-	7,922
Net difference between projected and actual earnings on pension plan investments	548,629	404,241
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	41,268	-
	$ 749,395	$ 418,435

Amortization of Pension Deferrals – $289,692 reported as deferred inflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,	
2023	$ 77,164
2024	63,026
2025	17,909
2026	131,592
2027	-
	$ 289,692

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2022 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9% average, including inflations
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	Based on RP-2000 combined healthy with blue collared adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July1, 2012 to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	5.18%
Domestic equity	8.70%
International equity	10.87%
Real estate	7.23%
Other assets	6.24%

Discount rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liablity (asset)	$ 1,601,013	$ 1,242,460	$ 942,558

Payables to the Pension Plan – There are no payables to the pension plan for the year ended June 30, 2023.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OFPRS; which can be located at www.ok.gov/FPRS
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Agent Multiple Employer – Defined Benefit Plan

Oklahoma Municipal Retirement Fund Employee Retirement System of Sallisaw, Oklahoma

Plan Description – The Oklahoma Municipal Retirement Fund Employee Retirement System of Sallisaw, Oklahoma (the Plan) is a defined benefit retirement plan covering City employees not covered by other plans. The City contributes to the OMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The OMRF plan issues a separate financial report and can be obtained from OMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Commission in accordance with O.S. Title 11, Section 48-101-102.

Summary of Significant Accounting Policies – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OMRP plans' fiduciary net position is available in the separately issued OMRF financial report.

Eligibility Factors and Benefit Provisions

Provision	July 1, 2022 through June 30, 2023
Eligibility	All regular, full-time employees except police, firefighters, and other employees who are covered under an approved system.
Contributions	7% of pay
Service:	
Credited service	The last period of continuous employment with the City
Vesting	Credited service plus transferred service from other OMRF employers.
Benefit eligibility	10 or more years of service
Final average compensation	Average of 5 highest consecutive years of salaries out of the last 10 years of service
Accrued benefit	Plan AAA 3% of final average compensation multiplied by the number of years of credited service.
Normal retirement age	The earlier of: Age 65 with 10 or more years of vesting service Age 55 with 80 points and 10 or more years of vesting service (Points are equal to age plus completed years of service)
Normal retirement	
Eligibility	Termination after age 55 with 10 or more years of vesting service.
Benefit	The accrued benefit payable starting at normal retirement age, or the accrues benefit reduced 5% per year for commencement prior to normal retirement age
Disability retirement	
Eligibility	Total and permanent disability after 10 or more years of service.
Benefit	The accrued benefit is payable upon disablement without reduction for early payment.
Termination before retirement age	

Before vesting	Return of employee contributions, if any, with interest
After vesting	The accrued benefit payable starting at normal retirement age, or a reduced benefit payable at an early retirement age.
In-service death	
Before vesting	Return of employee contributions, if any, with interest.
After vesting (married participants only)	50% of the accrued benefit is payable to the spouse until death or remarriage.
After vesting (other participants)	50% of the accrued benefit is payable for 5 years certain.
Payment options	
Normal form	Monthly lifetime annuity with 5 years certain
Optional forms	Disability retirement benefits paid under normal form. Actuarially equivalent optional forms: Joint & 50% survivor annuity Joint & 66 2/3rds% last survivor annuity Joint & 100% survivor annuity
Cost of living	This plan has not elected the automatic post-retirement cost-of-living adjustments.

Employees covered by benefit terms:

Active employees	114
Deferred vested former employees	6
Disabled participants	4
Retirees or retiree beneficiaries	49
Total	173

Contribution Requirements

The City Commission has the authority to set and amend contribution rates by ordinance for the OMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 11.33% of covered payroll as of July 1, 2022 through June 30, 2023. For the year ended June 30, 2023, the City recognized $ 592,945 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of $5,281,734.

Actuarial assumptions

Date of last actuarial valuation	July 1, 2023
a. Actuarial cost method	Entry age level
b. Rate of return on investments & discount rate	7.75%
c. Projected salary increase based on age	4% - 7.42%
d. Post retirement cost-of-living increase	None
e. Inflation rate	3%
f. Mortality table	UP 1994, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select & ultimate rates Ultimate rates are age-related as shown)

Additional rates per thousand are added during the first 5 years:

Year 1:	215
Year 2:	140
Year 3:	95
Year 4:	65
Year 5:	40

Discount rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%).

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2022 are summarized in the following table:

	Target allocation	Real return	Weighted return
Large cap stocks	25%	5.80%	1.35%
S&P 500			
Small/mid cap stocks	10%	6.40%	0.75%
Russel 2500, Russell 2000 Index			
Non-U.S. equity	20%	5.00%	0.61%
MSCI ACWI			
Alternative investments	10%	6.20%	1.02%
MSCI ACWI intex			
Fixed income bonds	30%	2.30%	0.78%
Bloomberg Barclay US Aggregate Bond			
Real estate	5%	4.60%	0.24%
NCREIF			
Cash equivalents	0%	0.00%	0.00%
3-month Treasury			
Total	100%		
Average Real Return			4.75%
Inflation			2.8%
Long-term expected return			7.50%

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2022 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2022 and the City's report ending date of June 30, 2023, that would have had a significant impact on the net pension liability.

The following table reports the components of changes in pension liability:

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balance at 7/1/2021	$ 22,563,031	$ 21,604,198	$ 958,833
Changes for the year:			
Service cost	588,033	-	588,033
Interest	1,652,420	-	1,652,420
Differences between expected and actual experience	(263,489)	-	(263,489)
Assumption changes	(231,011)	-	(231,011)
Contributions - employer	-	667,007	(667,007)
Contributions - employee	-	362,503	(362,503)
Net investment income	-	(2,696,231)	2,696,231
Benefit payments, including refunds of employee contributions	(1,081,075)	(1,081,075)	-
Administrative expense	-	(37,188)	37,188
Other changes	-	-	-
Net changes	664,878	(2,784,984)	3,449,862
Balance at 7/1/2022	$ 23,227,909	$ 18,819,214	$ 4,408,695

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total Pension Liability	$ 26,138,898	$ 23,227,909	$ 20,833,370
Plan Fiduciary Position	18,819,214	18,819,214	18,819,214
Net Pension Liability	$ 7,319,684	$ 4,408,695	$ 2,014,156

The City reported $694,252 in pension expense for the year ended June 30, 2023.

At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenses	$ 234,868	$ 212,227
Changes of assumptions	59,816	186,067
Net difference between projected and actual earnings on pension plan investments	3,686,868	2,052,349
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	592,945	-
	$ 4,574,497	$ 2,450,643

$1,530,909 will be reported as net deferred inflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2024	$ 419,337
2025	234,474
2026	117,183
2027	773,384
2028	(13,469)
Total	$ 1,530,909

C. Commitments and contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

As described in Note II.E., full-time employees will be compensated for unused hours accrued in excess of 1,000 hours, up to a maximum of 2,500 hours at retirement. No accrual has been made in the accompanying financial statements for any such payments since the number of hours or time of retirement for any employee cannot be reasonably determined.

City of Sallisaw, Oklahoma

Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2023

	Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES					
Sales tax	$ 7,010,000	$ -	$ 7,010,000	$ 1,834,472	$ (5,175,528)
Other taxes	1,099,700	-	1,099,700	346,849	(752,851)
Licenses and permits	220,450	-	220,450	38,517	(181,933)
Intergovernmental	1,107,023	-	1,107,023	1,421,180	314,157
Fines and forfeitures	220,450	-	220,450	331,121	110,671
Charges for services	144,000	-	144,000	356,706	212,706
Rental	6,500	-	6,500	13,200	6,700
Other	59,550	-	59,550	223,845	164,295
Interest	1,500	-	1,500	30,586	29,086
Total revenues	9,869,173	-	9,869,173	4,596,476	(5,272,697)
EXPENDITURES					
General government:					
Administration	1,473,698	(5,000)	1,468,698	1,117,981	350,717
Admin - Grants	393,054	(160,000)	233,054	-	233,054
Customer Service	394,694	-	394,694	381,493	13,201
Fleet Maintenance	382,532	-	382,532	368,317	14,215
Tree trimming	413,252	-	413,252	253,815	159,437
Information services	360,465	-	360,465	356,444	4,021
Finance	712,635	-	712,635	651,402	61,233
General sundry	80,000	5,000	85,000	83,613	1,387
Public safety:					
Police	2,267,161	245,000	2,512,161	2,511,914	247
Police Auxillary	661,735	(85,000)	576,735	571,504	5,231
Animal Welfare	191,110	-	191,110	159,273	31,837
Municipal Court	71,413	-	71,413	70,619	794
Fire	542,504	-	542,504	531,043	11,461
Public works:					
Streets	1,149,982	-	1,149,982	1,143,517	6,465
Meter reading	185,793	-	185,793	178,946	6,847
Sanitation	576,696	35,000	611,696	609,033	2,663
Landfill	1,172,823	(35,000)	1,137,823	1,100,232	37,591
Electric	1,176,331	-	1,176,331	1,153,190	23,141
Telecommunications	838,280	-	838,280	752,144	86,136
Water production	535,659	25,000	560,659	558,718	1,941
Water distribution	519,905	15,000	534,905	533,912	993
Wastewater collection	97,675	-	97,675	68,539	29,136
Wastewater treatment	543,274	(40,000)	503,274	448,653	54,621
Culture and recreation:					
Library	13,500	-	13,500	6,839	6,661
Airport	264,875	20,000	284,875	283,830	1,045
Parks	819,478	(20,000)	799,478	740,523	58,955
Swimming Pool	92,127	-	92,127	24,055	68,072
Cemetery	12,135	-	12,135	7,431	4,704
Economic Development:					
Economic Development	129,973	-	129,973	120,051	9,922
Building development	550,204	-	550,204	502,996	47,208
Total expenditures	16,622,963	-	16,622,963	15,290,027	1,332,936
Revenue over (under) expenditures	(6,753,790)	-	(6,753,790)	(10,693,551)	3,939,761
OTHER FINANCING SOURCES (USES)					
Operating transfers in/(out)	6,753,790	-	6,753,790	11,114,560	4,360,770
Net other financing sources (uses)	6,753,790	-	6,753,790	11,114,560	4,360,770
Revenues and other financing sources over (under) expenditures and other uses	$ -	$ -	$ -	159,305	$ 8,300,531
Fund balance at beginning of year (Non-GAAP budgetary basis)				(1,834,571)	
Fund balance at end of year (Non-GAAP budgetary basis)				$ (1,675,266)	
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				3,912,038	
Fund balance at end of year (GAAP basis)				$ 2,236,772	

See accompanying notes to the financial statements

City of Sallisaw, Oklahoma
Schedules of Required Supplementary Information

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABLITY AND RELATED RATIOS

Oklahoma Municipal Retirement Fund
SINCE INITIAL APPLICATION

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
Total pension liability									
Service cost	$ 366,952	$ 408,732	$ 425,998	$ 412,468	$ 404,894	$ 424,540	$ 481,232	$ 529,095	$ 588,033
Interest	1,223,894	1,250,385	1,291,059	1,304,887	1,318,346	1,360,786	1,483,772	1,559,843	1,652,420
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(227,314)	(559,807)	(174,613)	(160,360)	536,514	43,398	180,315	(263,489)
Changes in assumptions	-	-	-	210,427	-	301,499	-	-	(231,011)
Benefit payments, including refunds of employee contributions	(904,499)	(858,806)	(956,975)	(1,001,518)	(1,023,236)	(969,828)	(997,728)	(990,363)	(1,081,075)
Net change in total pension liability	686,347	572,997	200,275	751,651	539,644	1,653,511	1,010,674	1,278,890	664,878
Total pension liability - beginning	15,869,042	16,555,389	17,128,386	17,328,661	18,080,312	18,619,956	20,273,467	21,284,141	22,563,031
Total pension liability - ending (a)	$ 16,555,389	$ 17,128,386	$ 17,328,661	$ 18,080,312	$ 18,619,956	$ 20,273,467	$ 21,284,141	$ 22,563,031	$ 23,227,909
Plan fiduciary net position									
Contributions - employer	593,615	623,077	640,405	604,182	607,837	581,492	564,725	683,771	667,007
Contributions - employee	228,564	248,235	251,139	259,627	265,928	290,746	315,488	355,337	362,503
Net investment income	1,805,094	356,175	116,710	1,610,821	1,070,688	1,060,473	678,401	4,688,709	(2,696,231)
Benefit payments, including refunds of employee contributions	(904,499)	(858,806)	(956,975)	(1,001,518)	(1,023,236)	(969,828)	(997,728)	(990,363)	(1,081,075)
Administrative expense	(26,721)	(26,404)	(25,775)	(28,185)	(30,045)	(31,812)	(33,890)	(34,711)	(37,188)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,696,053	342,277	25,504	1,444,927	891,172	931,071	526,996	4,702,743	(2,784,984)
Plan fiduciary net position - beginning	11,043,455	12,739,508	13,081,785	13,107,289	14,552,216	15,443,388	16,374,459	16,901,455	21,604,198
Plan fiduciary net position - ending (b)	$ 12,739,508	$ 13,081,785	$ 13,107,289	$ 14,552,216	$ 15,443,388	$ 16,374,459	$ 16,901,455	$ 21,604,198	$ 18,819,214
City's net pension liability - ending (a) - (b)	$ 3,815,881	$ 4,046,601	$ 4,221,372	$ 3,528,096	$ 3,176,568	$ 3,899,008	$ 4,382,686	$ 958,833	$ 4,408,695
Plan fiduciary net position as a percentage of the total pension liability	76.95%	76.37%	75.64%	80.49%	82.94%	80.77%	79.41%	95.75%	81.02%
Covered-employee payroll	$ 3,329,223	$ 3,503,183	$ 3,564,633	$ 3,511,459	$ 3,752,847	$ 4,092,306	$ 4,535,072	$ 4,962,910	$ 4,948,518
City's net pension liability as a percentage of covered-employee payroll	114.62%	115.51%	118.42%	100.47%	84.64%	95.28%	96.64%	19.32%	89.09%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Municipal Retirement Plan

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
Actuarially determined contribution	$ 593,615	$ 623,077	$ 640,405	$ 604,182	$ 607,837	$ 581,492	$ 564,725	$ 683,771	$ 667,007
Contributions in relation to the actuarially determined contribution	(593,615)	(639,165)	(696,228)	(636,690)	(581,452)	(564,725)	(639,288)	(683,771)	(667,007)
Contribution deficiency (excess)	$ -	$ (16,088)	$ (55,823)	$ (32,508)	$ 26,385	$ 16,767	$ (74,563)	$ -	$ -
City's covered-employee payroll	$ 3,329,223	$ 3,503,183	$ 3,564,633	$ 3,511,459	$ 3,752,847	$ 4,092,306	$ 4,535,072	$ 4,962,910	$ 4,948,518
Contributions as a percentage of covered-employee payroll	17.83%	17.79%	17.97%	17.21%	16.20%	14.21%	12.45%	13.78%	13.48%

City of Sallisaw, Oklahoma
Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABLITY/(ASSET)
Oklahoma Police Pension Retirement Plan
Year Ended June 30, 2023

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
City's portion of the net pension liability (asset)	0.2792%	0.2768%	0.2427%	0.2603%	0.2753%	0.2908%	0.2944%	0.2701%	0.2696%
City's proportionate share of the net pension liability (asset)	$ (94,003)	$ 11,288	$ 371,631	$ 20,051	$ (131,143)	$ (18,566)	$ 338,118	$ (1,295,927)	$ (216,180)
City's covered-employee payroll	$ 753,098	$ 759,023	$ 753,272	$ 838,373	$ 989,550	$ 1,027,549	$ 952,729	$ 911,329	$ 1,034,907
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12.48%	1.49%	49.34%	2.39%	-13.25%	-1.81%	35.49%	-142.20%	-20.89%
Plan fiduciary net position as a percentage of the total pension liability or asset	139.12%	100.00%	99.76%	100.00%	100.01%	100.00%	99.99%	100.05%	100.01%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Police Pension Retirement Plan

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
Contractually required contribution	$ 97,903	$ 98,673	$ 93,034	$ 108,988	$ 128,641	$ 133,581	$ 123,855	$ 118,473	$ 134,538
Contributions in relation to the contractually required contribution	(97,903)	(98,673)	(93,034)	(108,988)	(128,641)	(133,581)	(123,855)	(118,473)	(134,538)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 753,098	$ 759,023	$ 753,272	$ 838,373	$ 989,550	$ 1,027,549	$ 952,729	$ 911,329	$ 1,034,907
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	12.35%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

** Only the current fiscal year is presented because 10-year data is not yet available

City of Sallisaw, Oklahoma

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABLITY
Oklahoma Fire Pension Retirement Plan
Year Ended June 30, 2023

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
City's portion of the net pension liability (asset)	0.0874%	0.089412%	0.089085%	0.087642%	0.079737%	0.085029%	0.086153%	0.094644%	0.095009%
City's proportionate share of the net pension liability (asset)	$ 899,045	$ 949,024	$ 1,088,360	$ 1,102,295	$ 897,555	$ 898,472	$ 1,061,336	$ 623,294	$ 1,242,460
City's covered-employee payroll	$ 231,105	$ 246,186	$ 239,007	$ 228,035	$ 264,111	$ 288,247	$ 296,390	$ 280,260	$ 294,769
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	389%	385%	455%	483%	340%	312%	358%	222%	422%
Plan fiduciary net position as a percentage of the total pension liability or asset	99.30%	100.00%	99.91%	99.97%	99.98%	99.98%	99.97%	99.98%	99.97%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Fire Pension Retirement Plan

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
Contractually required contribution	$ 32,354	$ 34,466	$ 34,886	$ 31,925	$ 36,976	$ 40,355	$ 39,661	$ 39,236	$ 41,268
Contributions in relation to the contractually required contribution	(32,354)	(34,466)	(34,886)	(31,925)	(36,976)	(40,355)	(39,661)	(39,236)	(41,268)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 231,105	$ 246,186	$ 239,007	$ 228,035	$ 264,111	$ 288,247	$ 296,390	$ 280,260	$ 294,769
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.60%	14.00%	14.00%	14.00%	13.38%	14.00%	14.00%

** Only the current fiscal year is presented because 10-year data is not yet available

City of Sallisaw, Oklahoma

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Street and Alley Fund	Library Trust Authority	Youth & Recreation Fund	Fire Department Fund	Police Department Fund	Sallisaw NOW PFS Grant
Assets						
Cash and cash equivalents	$ 85,995	$ -	$ 375,314	$ 179,249	$ 43,553	$ 23,340
Investments	-	90,394	-	-	-	-
Receivables:						
Taxes	7,819	-	-	3,672	-	-
Grants	-	-	-	-	-	-
Accrued interest	-	13	-	-	-	-
Due from other funds	-	45	12,755	-	-	-
Total assets	$ 93,814	$ 90,452	$ 388,069	$ 182,921	$ 43,553	$ 23,340
Liabilities						
Accounts payable	-	-	1,756	-	-	-
Current portion of capital leases	-	-	-	-	-	-
Due to other funds	-	-	-	-	5,766	-
Total liabilities	-	-	1,756	-	5,766	-
Fund balance:						
Nonspendable	-	-	-	-	-	-
Restricted	93,814	90,452	-	-	-	23,340
Committed	-	-	386,313	-	-	-
Assigned	-	-	-	182,921	37,787	-
Unassigned	-	-	-	-	-	-
Total fund balance	93,814	90,452	386,313	182,921	37,787	23,340
Total liabilities and fund balance	$ 93,814	$ 90,452	$ 388,069	$ 182,921	$ 43,553	$ 23,340

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Police Drug Fund	Sallisaw NOW	Department of Justice Grants	Sallisaw NOW DFC Grant	Capital Improvements Fund	Cemetery Fund
Assets						
Cash and cash equivalents	$ 50,307	$ 18,093	$ (421)	$ 21,183	$ 2,337,641	$ 163,811
Investments	-	-	-	-	-	208,807
Receivables:						
Taxes	-	-	-	-	-	-
Grants	-	5,317	421	7,903	-	-
Accrued interest	-	-	-	-	-	30
Due from other funds	-	-	-	-	76,049	-
Total assets	$ 50,307	$ 23,410	$ -	$ 29,086	$ 2,413,690	$ 372,648
Liabilities						
Accounts payable	-	3,512	-	1,292	42,494	-
Current portion of capital leases	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	3,512	-	1,292	42,494	-
Fund balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	19,898	-	27,794	2,371,196	372,648
Committed	50,307	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	50,307	19,898	-	27,794	2,371,196	372,648
Total liabilities and fund balance	$ 50,307	$ 23,410	$ -	$ 29,086	$ 2,413,690	$ 372,648

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Infrastructure Improvements Fund	FAA Grant	CDBG Fund	Police Technology Fund	COPS Grant	USDA Grant
Assets						
Cash and cash equivalents	$ 2,248,185	$ -	$ -	$ 13,150	$ -	$ -
Investments	-	-	-	-	-	-
Receivables:						
Taxes	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	$ 2,248,185	$ -	$ -	$ 13,150	$ -	$ -
Liabilities						
Accounts payable	-	-	-	-	-	-
Current portion of capital leases	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	13,150	-	-
Committed	2,248,185	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	2,248,185	-	-	13,150	-	-
Total liabilities and fund balance	$ 2,248,185	$ -	$ -	$ 13,150	$ -	$ -

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	PFS Grant	Recreation Grant	CARA Grant	Recreational Grant	State CBPS	Total Governmental Funds
Assets						
Cash and cash equivalents	$ (18,825)	$ -	$ (48,413)	$ -	$ 103,376	$ 5,595,538
Investments	-	-	-	-	-	299,201
Receivables:						
Taxes	-	-	-	-	-	11,491
Grants	26,317	-	56,544	-	20,833	117,335
Accrued interest	-	-	-	-	-	43
Due from other funds	-	-	-	-	-	88,849
Total assets	$ 7,492	$ -	$ 8,131	$ -	$ 124,209	$ 6,112,457
Liabilities						
Accounts payable	8,030	-	24,422	-	28,492	109,998
Current portion of capital leases	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	5,766
Total liabilities	8,030	-	24,422	-	28,492	115,764
Fund balance:						
Nonspendable	-	-	-	-	-	-
Restricted	(538)	-	(16,291)	-	95,717	3,091,180
Committed	-	-	-	-	-	2,684,805
Assigned	-	-	-	-	-	220,708
Unassigned	-	-	-	-	-	-
Total fund balance	(538)	-	(16,291)	-	95,717	5,996,693
Total liabilities and fund balance	$ 7,492	$ -	$ 8,131	$ -	$ 124,209	$ 6,112,457

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2023

	Street and Alley Fund	Library Trust Authority	Youth & Recreation Fund	Fire Department Fund	Police Department Fund	Sallisaw NOW PFS Grant
Revenues						
Intergovernmental	$ 76,936	$ -	$ -	$ 53,337	$ 10,000	$ -
Sales Tax	-	-	-	-	-	-
Hotel tax	-	-	138,021	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Donations	-	-	25,000	3,500	4,600	-
Proceeds from debt issuance	-	-	-	-	-	-
Miscellaneous income	-	-	-	2,288	-	-
Interest	-	235	-	-	-	-
Total Revenues	$ 76,936	$ 235	$ 163,021	$ 59,125	$ 14,600	$ -
Expenditures						
Public safety	-	-	-	5,058	11,353	-
Public works	36,671	-	-	-	-	-
Culture and recreation	-	-	32,115	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	38,949	-	-	-
Total expenditures	36,671	-	71,064	5,058	11,353	-
Excess of revenues over (under) expenditures	40,265	235	91,957	54,067	3,247	-
Other financing sources (uses)						
Transfers in	-	-	56,353	-	-	-
Transfers (out)	(124,919)	-	(134,615)	-	-	-
Total other financing sources (uses)	(124,919)	-	(78,262)	-	-	-
Net change in fund balances	(84,654)	235	13,695	54,067	3,247	-
Fund balances, beginning	178,468	90,217	372,618	128,854	34,540	23,340
Fund balances, ending	$ 93,814	$ 90,452	$ 386,313	$ 182,921	$ 37,787	$ 23,340

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2023

	Police Drug Fund	Sallisaw NOW	Department of Justice Grants	Sallisaw NOW DFC Grant	Capital Improvements Fund	Cemetery Fund
Revenues						
Intergovernmental	$ -	$ 31,899	$ 9,449	$ 97,230	$ -	$ -
Sales Tax	-	-	-	-	917,236	-
Hotel tax	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	31,050
Donations	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	285,000	-
Miscellaneous income	19,793	-	4,028	31	-	-
Interest	347	-	-	-	2,046	544
Total Revenues	$ 20,140	$ 31,899	$ 13,477	$ 97,261	$ 1,204,282	$ 31,594
Expenditures						
Public safety	24,974	33,195	7,237	103,739	15,274	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	296,101	-
Interest	-	-	-	-	29,589	-
Capital outlay	-	-	-	-	303,076	10,499
Total expenditures	24,974	33,195	7,237	103,739	644,040	10,499
Excess of revenues over (under) expenditures	(4,834)	(1,296)	6,240	(6,478)	560,242	21,095
Other financing sources (uses)						
Transfers in	-	-	-	-	881,174	-
Transfers (out)	-	-	-	-	(337,191)	-
Total other financing sources (uses)	-	-	-	-	543,983	-
Net change in fund balances	(4,834)	(1,296)	6,240	(6,478)	1,104,225	21,095
Fund balances, beginning	55,141	21,194	(6,240)	34,272	1,266,971	351,553
Fund balances, ending	$ 50,307	$ 19,898	$ -	$ 27,794	$ 2,371,196	$ 372,648

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2023

	Infrastructure Improvements Fund	FAA Grant	CDBG Fund	Police Technology Fund	COPS Grant	USDA Grant	PFS Grant
Revenues							
Intergovernmental	$ -	$ -	$ -	$ 15,000	$ -	$ -	$ 280,872
Sales Tax	-	-	-	-	-	-	-
Hotel tax	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	15,850	-	-	-
Charges for services	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Interest	3,210	-	-	-	-	-	-
Total Revenues	$ 3,210	$ -	$ -	$ 30,850	$ -	$ -	$ 280,872
Expenditures							
Public safety	-	-	-	15,195	-	-	303,412
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	28,080	-	-	-
Total expenditures	-	-	-	43,275	-	-	303,412
Excess of revenues over (under) expenditures	3,210	-	-	(12,425)	-	-	(22,540)
Other financing sources (uses)							
Transfers in	1,617,283	45,000	123,821	-	-	-	-
Transfers (out)	(984,328)	(45,000)	-	-	-	-	-
Total other financing sources (uses)	632,955	-	123,821	-	-	-	-
Net change in fund balances	636,165	-	123,821	(12,425)	-	-	(22,540)
Fund balances, beginning	1,612,020	-	(123,821)	25,575	-	-	22,002
Fund balances, ending	$ 2,248,185	$ -	$ -	$ 13,150	$ -	$ -	$ (538)

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2023

	Recreation Grant	CARA Grant	Recreational Grant	State CBPS	Total Governmental Funds
Revenues					
Intergovernmental	$ -	$ 480,707	$ 107,662	$ 125,000	$ 1,288,092
Sales Tax	-	-	-	-	917,236
Hotel tax	-	-	-	-	138,021
Fines and forfeitures	-	-	-	-	15,850
Charges for services	-	-	-	-	31,050
Donations	-	-	-	-	33,100
Proceeds from debt issuance	-	-	-	-	285,000
Miscellaneous income	-	-	167,359	-	193,499
Interest	-	-	-	-	6,382
Total Revenues	$ -	$ 480,707	$ 275,021	$ 125,000	$ 2,908,230
Expenditures					
Public safety	-	481,698	-	109,952	1,111,087
Public works	-	-	-	-	36,671
Culture and recreation	-	-	-	-	32,115
Debt service:					
Principal	-	-	-	-	296,101
Interest	-	-	-	-	29,589
Capital outlay	-	-	-	-	380,604
Total expenditures	-	481,698	-	109,952	1,886,167
Excess of revenues over (under) expenditures	-	(991)	275,021	15,048	1,022,063
Other financing sources (uses)					
Transfers in	121,941	-	-	-	2,845,572
Transfers (out)	-	-	(311,746)	-	(1,937,799)
Total other financing sources (uses)	121,941	-	(311,746)	-	907,773
Net change in fund balances	121,941	(991)	(36,725)	15,048	1,929,836
Fund balances, beginning	(121,941)	(15,300)	36,725	80,669	4,066,857
Fund balances, ending	$ -	$ (16,291)	$ -	$ 95,717	$ 5,996,693

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma

Statement of Net Position

Sallisaw Municipal Authority Combining Statement

June 30, 2023

	Business-type Activities			
	Municipal Authority	SMA Capital Project Fund	Meter Deposit Fund	TOTAL
Assets				
Cash and cash equivalents	$ 5,195,172	$ -	$ -	$ 5,195,172
Investments	1,279,752	-	-	1,279,752
Receivables:				
Accounts (net of allowance for uncollectible)	1,909,616	-	-	1,909,616
Accrued interest	184		70	254
Due from other funds	677,156	-	-	677,156
Other assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	9,197,811	247,324	9,445,135
Investments	-	-	488,883	488,883
Capital assets (net of accumulated depreciation)	-	37,808,129	-	37,808,129
Total assets	9,061,880	47,005,940	736,277	56,804,097
Deferred outflows of resources				
Loss on refunding of debt	-	182,706	-	182,706
Deferred amounts related to pensions	-	1,080,900	-	1,080,900
Total deferred outflows of resources	-	1,263,606	-	1,263,606
Liabilities				
Accounts payable	1,492,920	-	-	1,492,920
Salary payable	86,000	-	-	86,000
Notes payable, current	-	328,182	-	328,182
Bonds payable, current	-	2,010,000	-	2,010,000
Payable from restricted assets:				
Accrued interest payable	-	182,437	-	182,437
Customer deposits	-	-	747,549	747,549
Due to other funds	411,186	-	223	411,409
Noncurrent liabilities:				
Compensated absences	-	202,947	-	202,947
Notes payable	-	1,865,726	-	1,865,726
Bonds payable	-	30,840,810	-	30,840,810
Landfill closure	3,213,989	-	-	3,213,989
Pension obligation	-	925,826	-	925,826
Total liabilities	5,204,095	36,355,928	747,772	42,307,795
Deferred inflows of resources				
Deferred amounts related to pensions	-	514,635	-	514,635
Net position				
Net investment in capital assets	-	37,808,129	-	37,808,129
Restricted:				
Debt service	-	(23,508,725)	-	(23,508,725)
Meter deposits	-	-	(11,495)	(11,495)
Unrestricted	3,857,785	(2,900,421)	-	957,364
Total net position	$ 3,857,785	$ 11,398,983	$ (11,495)	$ 15,245,273

See accompanying notes to financial statements.

City of Sallisaw, Oklahoma

Statement of Revenues, Expenses, and Changes in Net Position -
Sallisaw Municipal Authority Combining Statement
Year Ended June 30, 2023

	Business-type Activities			
	Municipal Authority	SMA Capital Project Fund	Meter Deposit Fund	TOTAL
Operating revenues				
Charges for services:				
Electric	$ 13,528,638	$ -	$ -	$ 13,528,638
Water	2,185,997	-	-	2,185,997
Wastewater	867,144	-	-	867,144
Landfill	1,959,061	-	-	1,959,061
Sanitation	1,524,448	-	-	1,524,448
Telecommunications	3,412,754	-	-	3,412,754
Penalties	176,232	-	-	176,232
Other	415,851	895,822	-	1,311,673
Total operating revenues	24,070,125	895,822	-	24,965,947
Operating expenses				
Administration	454,406	-	10,832	465,238
Electric	9,725,314	-	-	9,725,314
Water	1,092,630	-	-	1,092,630
Wastewater	517,192	-	-	517,192
Landfill	1,567,739	-	-	1,567,739
Sanitation	609,033	-	-	609,033
Telecommunications	2,503,999	-	-	2,503,999
Depreciation and amortization	-	2,351,473	-	2,351,473
Bad debt expense	21,601	-	-	21,601
Total operating expenses	16,491,914	2,351,473	10,832	18,854,219
Total operating income (loss)	7,578,211	(1,455,651)	(10,832)	6,111,728
Nonoperating revenues (expenses)				
Sales tax	3,668,944	-	-	3,668,944
Other taxes	833,958	-	-	833,958
Interest income	27,060	333,857	261	361,178
Interest expense and fiscal charges	(2,300)	(1,314,784)	-	(1,317,084)
Total nonoperating revenues (expenses)	4,527,662	(980,927)	261	3,546,996
Operating transfers				
Transfers in	5,842,973	5,960,019	-	11,802,992
Transfers (out)	(18,152,022)	(612,259)	-	(18,764,281)
Total operating transfers	(12,309,049)	5,347,760	-	(6,961,289)
Net income (loss)	(203,176)	2,911,182	(10,571)	2,697,435
Net position, beginning	4,060,961	8,487,801	(924)	12,547,838
Net position, ending	$ 3,857,785	$ 11,398,983	$ (11,495)	$ 15,245,273

See accompanying notes to financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Sallisaw, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Sallisaw, Oklahoma's basic financial statements, and have issued our report thereon dated April 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Sallisaw, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Sallisaw, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Sallisaw, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Sallisaw, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FSW+B CPAs-PLLC

FSW&B CPAs-PLLC

Stillwater, Oklahoma
April 8, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Sallisaw, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Sallisaw, Oklahoma's major federal programs for the year ended June 30, 2023. City of Sallisaw, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Sallisaw, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Sallisaw, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Sallisaw, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Sallisaw, Oklahoma's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Sallisaw, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Sallisaw, Oklahoma's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Sallisaw, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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- Obtain an understanding of City of Sallisaw, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Sallisaw, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FSW+B CPAs-PLLC

FSW&B CPAs- PLLC

Stillwater, Oklahoma
April 8, 2024

CITY OF SALLISAW, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Assistnace Listing Number	Program or Award Amount	Federal Expenditures
U.S. Department of Commerce:				
Economic Deveopment Admin Assistance	08-01-05267	11.300	$ 490,000	$ 40,811
Sub-total U.S. Department of Commerce			490,000	40,811
U.S. Department of Justice				
Balllistic Vests Program		16.607	2,211	2,211
Sub-total U.S. Department of Justice			2,211	2,211
U.S. Department of Treasury:				
Passed through the Oklahoma Department of Treasury:				
American Rescue Plan Act		21.027	749,058	50,000
Sub-total U.S. Department of Treasury			749,058	50,000
U.S. Department of Health & Human Services:				
Pass-Through Program From Cherokee Nation Health Services:				
Substance Abuse & Mental Health Services Projects of Regional & National Significance	CARA 18-21	93.243	50,000	31,899
Substance Abuse & Mental Health Services Projects of Regional & National Significance	CARA 18-21	93.243	125,000	97,230
Substance Abuse & Mental Health Services Projects of Regional & National Significance	CARA 18-21	93.243	500,000	480,707
Substance Abuse & Mental Health Services Projects of Regional & National Significance	Sallisaw Now	93.243	500,000	400,967
Substance Abuse & Mental Health Services Projects of Regional & National Significance	PFS 5H79SP081602-2	93.243	300,000	280,872
Sub-total U.S. Health & Human Services			1,475,000	1,291,675
Total of Expenditures of Federal Awards			$ 2,716,269	$1,384,697

Note A - This schedule was prepared on an accrual (GAAP) basis of accounting consistent with the preparation of the basic financial statements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ending June 30, 2023

SECTION I --- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with §200.516 Audit findings paragraph (a)?	No

Identification of major programs:

Federal Assistance Listing Number(s)	**Name of Federal Program or Cluster**
93.243	Substance Abuse & Mental Health Services Comprehensive Addiction & Recover Act Projects

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II --- FINANCIAL STATEMENT FINDINGS

There were no current year financial statement findings.

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year federal award findings or questioned costs.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year federal award findings or questioned costs.

FSW&B
CERTIFIED PUBLIC ACCOUNTANTS -PLLC

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

City Commission
City of Sallisaw, Oklahoma

State of Oklahoma Department of Environmental Quality
Oklahoma City, Oklahoma

We have performed the procedures enumerated below, which were agreed to by the State of Oklahoma Department of Environmental Quality (DEQ) and the City of Sallisaw, Oklahoma (the "City"), solely to assist you with respect to complying with the requirements of financial assurance for closure and post-closure costs of a landfill of the City of Sallisaw, Oklahoma as of and for the year ended June 30, 2023. The City's management is responsible for complying with the requirements of financial assurance for closure and post-closure costs of a landfill and for the presentation of the financial assurance in accordance with Oklahoma Administrative Code (OAC) 252:515-27-82 (a) through (k). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1) Verify the reasonableness of the City's estimated landfill closure and post-closure costs by inquire of City officials.

   Findings-We determined, by examining correspondence, that the State of Oklahoma Department of Environmental Quality, (the "DEQ") has approved the City's estimated closure and post-closure cost estimate as detailed below. The amounts listed below were based on estimates provided by DEQ.

ESTIMATED CLOSURE & POST CLOSURE COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Estimated Closure Costs	$	1,843,420
Estimated Post-Closure Costs		1,953,826
Total Estimated Cost	$	3,797,246

2) Calculate certain required financial ratios as of June 30, 2023, by analysis of ratio components from the underlying financial statements and by re-performing mathematical calculations of the ratios.

   a) A ratio of cash plus marketable securities to total expenditures greater than or equal to .05.

   b) A ratio of annual debt service to total expenditures less than or equal to .20.

   Findings-We obtained financial information necessary to calculate the required ratios from the audited basic financial statements of the City of Sallisaw as of and for the year ended June 30, 2023. Our calculations of the ratios using below show the City was in compliance. See below:

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RATIO CALCULATIONS
FOR THE YEAR ENDED JUNE 30, 2023

Cash Plus Marketable Securities		$	6,512,462
Total Expenditures			32,446,847
	Ratio		0.20

Annual Debt Service		3,583,878
Total Expenditures		32,446,847
	Ratio	0.11

3) Determine whether the City's basic financial statements, as of and for the year ended June 30, 2023, were prepared in conformity with accounting principles generally accepted in the United States of America by review the independent auditor's report on the City's basic financial statements for June 30, 2023.

   Findings-We reviewed the independent auditor's report by FSW&B CPAs-PLLC, dated April 8, 2024, on the basic financial statements for the City of Sallisaw as of and for the year ending June 30, 2023. The opinion stated the basic financial statements were in conformity with accounting principles generally accepted in the United States of America and were audited by an independent certified public accountant.

4) Determine whether the City is currently in default on any of its general obligation debt by examining debt service transactions in the underlying financial statements and making inquiries of City personnel and bond trustees.

   Findings-We reviewed the basic financial statements of the City as of and for the year ended June 30, 2023, and noted the City had no general obligation bonds outstanding as of June 30, 2023, or at any time during the year then ended. We reviewed the minutes of meetings of the City Commission of the City of Sallisaw for the year ended June 30, 2023 and noted no indication of authorization of approval of new general obligation bonds.

5) Determine whether the City operated at a deficit equal to five (5%) percent or more of total revenues in each of the past two fiscal years by examining the underlying operating and fund equity information in the City's basic financial statements for the fiscal years ended June 30, 2023, and 2023.

   Findings-We reviewed the basic financial statements of the City of Sallisaw as of and for the years ended June 30, 2023, and 2022, and determined the excess of revenues over expenditures were $4,013,972 and $4,819,591, respectively on a government-wide basis. Additionally, we determined the total net fund equities of $29,690,891 for 2023 and $25,676,919 for 2022.

6) Determine whether the City received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent auditor's report by examining the City's audited basic financial statements as of and for the year ended June 30, 2023.

   Findings-We reviewed the independent auditor's report by FSW&B CPAs-PLLC, dated April 8, 2024, on the basic financial statements of the City of Sallisaw as of and for the year ended June 30, 2023 and noted an unmodified opinion was issued.

7) Determine the total environmental obligations of the City do not exceed 43% of the City's total annual revenues for the year ended June 30, 2023, by obtaining necessary information from the underlying basic financial statements for the year ended June 30, 2023, and calculating the percentage using the total environmental obligations in item number one above.

   Findings-We obtained the total annual revenues from the basic financial statements for the year ended June 30, 2023, and determined the total environmental obligation to be less that 43% of the total revenues for the year as follows:

REVENUE DEFICIT ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Environmental Obligations	$	3,797,246
Total Annual Revenues		29,443,281
		13%

8) Determine whether the current municipal finance test materials have been placed in the City's landfill operating records and ensure that a reference to the closure and post-closure costs assured through the financial tests will be included in the City's next audited financial statements.

   Findings-We noted documentation of the current municipal finance tests and related materials have been placed in the City of Sallisaw's landfill operating records. We noted that the basic financial statements for the year ended June 30, 2023, included reference to the closure and post-closure costs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City of Sallisaw, Oklahoma's compliance with the requirements of financial assurance for closure and post-closure costs of a landfill as of and for the year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than those specified parties.

FSW&B CPAs-PLLC

FSW&B CPAs-PLLC

Stillwater, Oklahoma
April 8, 2024

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	OWRB American Rescue Plan Act Grant Agreement

ITEM TITLE: Discussion and possible action on Oklahoma Water Resources Board American Rescue Plan Act Grant Agreement between the City of Sallisaw and the Oklahoma Water Resources Board; acceptance of grant and authorize Mayor Ernie Martens to sign all required documents

INITIATOR: City Manger
Oklahoma Water Resources Board

STAFF INFORMATION SOURCE: Oklahoma Water Resources Board

BACKGROUND: The Oklahoma Water Resources Board has awarded a grant to the City of Sallisaw in the amount of $626,461.00. The grant will be used for the Lennington/Drake Road water loop where the city will add approximately 10,480 feet of 12-inch waterline. The project is estimated at $1,278,492.70. The city will provide $652,031.70 in local match funding.

EXHIBITS:
1. City of Sallisaw Approval Letter
2. 3.C.6.c. EXECUTED Board Order SALLISAW - ARP-23-0160-G
3. Sallisaw Agreement

KEY ISSUES: The construction of this water loop will greatly enhance the water supply along Lennington and Drake Roads. This will benefit the new Veterans Center as well as any other new developments in the Lennington/Drake Road area and along Hwy 59 South.

FUNDING SOURCE: Oklahoma Water Resources Board ARPA Grant.
City of Sallisaw Infrastructure Improvement Fund.

RECOMMENDATION: Staff recommends acceptance of the grant and authorizing Mayor Ernie Martens to sign all necessary documents.

JULIE CUNNINGHAM
EXECUTIVE DIRECTOR

KEVIN STITT
GOVERNOR

OKLAHOMA
Water Resources Board

April 18, 2024

Mr. Keith Skelton, Mayor
City of Sallisaw, Oklahoma
115 East Choctaw
Sallisaw, OK 74955

Re: Notice of American Rescue Plan Act (ARPA) Grant Approval and Commitment of Funds -- OWRB ARPA Grant No. ARP-23-0160-G; City of Sallisaw, Oklahoma, Sequoyah County

Dear Mr. Skelton:

We are pleased to formally notify you that on April 16, 2024 the Oklahoma Water Resources Board (OWRB) approved your request for an American Rescue Plan Act ("ARPA") grant. With this approval, and subject to limitations, requirements and points of understanding set out below, the Board has committed funds to be made available to you for purposes of the project subject of this ARPA grant.

Approval of the City of Sallisaw, Oklahoma grant request is based on the proposed project which shall be to loop the system by adding approximately 10,480 linear feet of 12-inch waterline as more fully described in the grant application submitted to OWRB. The approval was made subject to the terms of the enclosed ARPA Grant Agreement which is to be signed, attested and returned prior to disbursement of ARPA grant funds. It is our understanding that funding of this project, estimated at $1,278,492.70, is being secured as follows:

Sources of Funds (Est.)		**Uses of Funds** (Est.)	
OWRB ARPA Grant:	$626,461.00	Project:	$1,278,492.70
Local Matching Funds:	652,031.70		
Total	$1,278,492.70	**Total**	$1,278,492.70

As you know, any grant funds made available may be utilized and expended solely and exclusively for purposes of paying costs directly related to the project for which grant approval has been given and for no other purpose. Such funds may not be used, for example, to retire any existing and unrelated indebtedness or to operate and maintain any utility system. ***The applicable OWRB Grant Rules, applicable Federal laws, and applicable State laws must be complied with at all times during the course of the project***.

Please take the following steps immediately in order to enable us to encumber funds for your project. Without this documentation your funds are not encumbered:

1. Sign, attest and return to our office immediately the enclosed ARPA Grant Agreement. Return only the original Grant Agreement. The OWRB Board Order attached to the Grant Agreement is for your records.
2. Complete the enclosed EFT Form with voided check and return to our office immediately. The FEIN number on the EFT Form needs to match the entity applying for the grant (i.e. Authority or Town/City).

Prior to OWRB's release and disbursement of grant funds the following information if applicable or not already provided should be submitted.

1. A copy of the project plans and specifications must be provided to OWRB Staff for review and comments when you submit them to the Department of Environmental Quality for approval.
2. The Affidavit of Publication should be submitted with the Bid Tabulation. ***In order to avoid further Board Action, the Affidavit of Publication must match the plans and specifications as provided to OWRB Staff.***
3. A copy of the construction permit when issued by the Department of Environmental Quality;
4. A resume or background information for the proposed inspector for this project, and a copy of the inspector’s agreement, if applicable;
5. A copy of the engineering services contract;
6. A copy of the successful bidder's contract documents (detailed list enclosed);
7. A copy of the notice to proceed with construction;
8. Also, please note that OWRB Staff should be included in the pre-construction conference, project progress meetings, and at the final inspection.

Furthermore, all reimbursement invoices for eligible project activities must be received by August 31, 2026 unless extended in writing by the Board.

Prior to and during the construction period you are required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and applicable ARPA grant policies.

Should you have any questions regarding this notification and letter of commitment, please feel free to contact our Federal Grants Administrator, Jordan Johnson at 405-530-8820.

Sincerely,

Joe Freeman, Chief
Financial Assistance Division

Enclosure as stated

Cc: Mr. Scott Neel, Neel, Harvell & Associates, P.C.
Keith Skelton, Mayor, City of Sallisaw, Oklahoma

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF THE AMERICAN RESCUE PLAN ACT)
(ARPA) GRANT APPLICATION)
NO. ARP-23-0160-G IN THE NAME OF THE)
CITY OF SALLISAW, OKLAHOMA,)
SEQUOYAH COUNTY, OKLAHOMA.)

ORDER APPROVING ARPA GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 16th day of April 2024. The Board finds that since the application for this grant has received a priority ranking of 59 points under Chapter 50 of the Board's Rules and that since sufficient funds are available, the grant application for an amount not to exceed $626,461.00 should be approved for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the ARPA grant shall not exceed $626,461.00.

2. ARPA grant funds shall be accounted for separately with a federally insured financial institution.

3. The project shall be to loop the system by adding approximately 10,480 linear feet of 12-inch waterline. Applicant is authorized to request the ARPA grant funds only for cost incurred for eligible expenses for the purposes of completing such project.

4. Furthermore, prior to and during the construction period, City of Sallisaw, Oklahoma is required to comply with the requirements of all applicable federal and state statutory provisions, all applicable ARPA rules, and the Oklahoma Water Resources Board ARPA Grant Agreement, Board rules, regulations, and grant policies. The Board Staff is authorized to determine what additional conditions may be necessary in order to assure compliance with the applicable requirements.

5. The Board's Staff is authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially or adversely affect the grant.

SO ORDERED this 16th day of April 2024, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo

Jennifer Castillo, Chairman

ATTEST:

Suzanne V. Landess

Suzanne Landess, Secretary

(SEAL)

OKLAHOMA WATER RESOURCES BOARD

City of Sallisaw, Oklahoma
OWRB ARPA Grant No. ARP-23-0160-G

Reviewed By:

Joe Freeman, Chief
Financial Assistance Division

OKLAHOMA WATER RESOURCES BOARD
AMERICAN RESCUE PLAN ACT GRANT AGREEMENT
between City of Sallisaw, Oklahoma, Sequoyah County
and Oklahoma Water Resources Board

I, Mr. Ernie Martens, duly authorized Mayor of the City of Sallisaw, Oklahoma, Sequoyah County (hereinafter "Recipient"), do hereby accept and acknowledge said grant according to the terms of this American Rescue Plan Act ("ARPA" or the "Act") Grant Agreement.

In accepting said grant, Recipient duly acknowledges and agrees in all regards and respects that the Oklahoma Water Resources Board (the "Board") is a Subrecipient of a grant made available under the Act from the United States Treasury and the Recipient is a secondary subrecipient of such grant and, as such, Recipient must and shall comply with the requirements of all applicable federal and state statutory provisions and all Board rules, regulations and ARPA applicable grant policies including but not limited to: American Rescue Plan Act, Public Law No. 117-2 (March 11, 2021), 2 CFR 200 et seq, local, state and federal labor laws, and other relevant provisions in the list attached hereto as **"Attachment 2"**. Without limiting the generality of the foregoing, the applicant agrees as follows:

1. **Description of approved project.** This grant has been approved by the Board for Recipient's project which is to loop the system by adding approximately 10,480 linear feet of 12-inch waterline as well as other related expenses (the "Project"), as provided in the Board's Order Approving ARPA Award attached hereto as "**Attachment 1**" and incorporated by reference herein.

2. **Determination of amount of grant and assurance of adequate funding.** The amount of this grant shall not exceed the amount of six hundred and twenty six thousand, four hundred and sixty one dollars only ($626,461.00). The Recipient shall ensure that adequate funding is in place to complete the Project. In the event that this grant alone, is for any reason insufficient to complete the Project, the Recipient shall obtain or make available and apply other funds (including without limitation, by incurring loans or obtaining other grants) in an aggregate amount necessary to ensure completion of the Project.

3. **Creation and maintenance of separate accounting.** As a prerequisite to receiving grant money from the Board, Recipient shall establish and maintain separate accounting for said ARPA funds in a federally insured account.

4. **Expenditure of money in grant account only for authorized Project purposes.** The Board shall disburse proceeds of the grant to the Recipient only for incurred eligible project costs dated from March 3, 2021 and after in accordance with ARPA procedures. The Recipient shall submit certified requests for disbursement of funds proceeds to the Board on ARP-271 forms. The requests shall be accompanied by such invoices or other documentation as may be required by the Board to demonstrate that such amounts have been incurred by or on behalf of the Recipient for the payment of project costs. Upon

approval by the Board Staff, the Board shall provide for disbursement of that portion of the funds to the Recipient in an expeditious and timely manner. The Recipient covenants and agrees that all disbursements of funds received shall be immediately and expeditiously transferred or paid out, as appropriate, for payment of Project costs as specified by the Recipient on the corresponding ARP-271 form. ARPA Grant funds cannot be expended for reimbursement of products or services originally procured with other federal or state grant funds.

5. **Expiration of Approval.** All reimbursement invoices for eligible project activities must be received by the Board by August 31, 2026 unless extended in writing by the Board. If an acceptable reimbursement request is not received on or before August 31, 2026, and there is no notice of extension by the Board then the approval of this grant shall expire, and no further grant funds will be released to Recipient.

6. **De-obligation of unexpended grant money**. Upon completion of the project, the Recipient agrees to provide to the Board with a copy of a certification in such form as is acceptable to the Board regarding completion of the project and quantification of any unexpended funds. Thereafter, the Board will de-obligate any such unexpended funds.

7. **Single Audit.** If a Single Audit is required, Subrecipient will submit a copy of the audit report to the State of Oklahoma within 9 months from the end of Subrecipient's fiscal year. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends $750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F.

8. **Record Retention.** The Recipient agrees to maintain and make available to the State of Oklahoma and/or US Department of Treasury, upon request, all documents, and financial records sufficient to establish compliance with ARPA, including but not limited to those examples of records described in Attachment 2. Recipient shall maintain and retain its financial records, supporting documents, statistical records, and all other records pertinent to this Grant for seven (7) years after all funds have been expended, and longer if any litigation, claims, or audit is started before the end of that seven (7) year period; in which case, records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action has been taken. If the U.S. Department of Treasury requests transfer of any of Recipient's records to it, Recipient must collect and transmit all required records to Treasury within the time allowed by Treasury in the request and in the format required in section 2 CFR § 200.336 of the Uniform Guidance (as defined in Attachment 2).

9. **Remedies.** In the event of non-compliance, the OWRB has the authority to withhold disbursements of grant funds pending correction of the non-compliance, terminate the grant, recover from the Recipient grant funds expended by the Recipient for anything other than approved Project costs, or other remedies available by law.

10. **SAM.Gov Registration**. Recipient is registered with the U.S System for Award Management (SAM) and confirms that the Data Universal Numbering System (DUNS)

number or Unique Entity Identifier (UEI) listed is the correct such number for the Recipient as of the date hereof.

11. **Federal Requirements.** The Recipient may be subject to additional requirements as may be directed by OWRB in accordance with ARPA and associated procedures for implementing provisions of the Act.

In consideration of the Recipient's agreement to these terms and conditions, Recipient has entered and signed this American Rescue Plan Act Grant Agreement this _____ day of __________, 20____.

City of Sallisaw, Oklahoma, Sequoyah County, Oklahoma

By:_______________________________________
Mr. Ernie Martens, Mayor

ATTEST:

By: _____________________________

Title: _____________________________

(BOARD SEAL)

ATTACHMENT 1

OWRB BOARD ORDER APPROVING AWARD
OF AMERICAN RESCUE PLAN ACT GRANT
[Following pages]

**PLEASE RETAIN THE FOLLOWING
BOARD ORDER FOR YOUR RECORDS**

ATTACHMENT 2

Recipient confirms understanding it is a Recipient of State Fiscal Recovery Funds, and agrees to comply with applicable federal compliance, reporting, and contract requirements, including but not limited to:

<u>FEDERAL LAWS</u>

American Rescue Plan Act, Public Law No. 117-2 (March 11, 2021), as amended.

2 CFR 200 *et seq.* Specific sections include but are not limited to:

- the property standards found in 2 CFR § 200.310 through 2 CFR § 200.316 if applicable,
- the procurement standards found in 2 CFR §200.317 through 2 CFR §200.327
- financial monitoring and reporting requirements found in 2 CFR§ 200.328 to 2 CFR§ 200.330 regarding oversight of information and information collection
- record retention found in Section 2 CFR §200.334 through 2 CFR §200.338
- audit requirements found in Sections 2 CFR §200.500 through 2 CFR §200.520

US Department of Treasury Final Rule, Coronavirus State and Local Fiscal Recovery Funds, 87 Fed. Reg. 4338, January 27, 2022 and all other applicable federal rules, policies, guidance, procedures, and directives including Reporting and Compliance Guidance, as may be amended.

In accordance with 2 CFR 200.501(a), the recipient hereby agrees to obtain a single audit from an independent auditor, if their organization expends $750,000 or more in total federal funds in their fiscal year.

Uniform Guidance (2 CFR Part 200), including Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

Davis Bacon Act, 40 U.S.C. §3141 and related Regulations for projects $10 million or over

For projects over $10 million (based on expected total cost):

a. A recipient may provide a certification that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as "baby Davis-Bacon Acts"). If such certification is not provided, a recipient must provide a project employment and local impact report detailing:

- The number of employees of contractors and sub-contractors working on the project.
- The number of employees on the project hired directly and hired through a third party.

- The wages and benefits of workers on the project by classification; and whether those wages are at rates less than those prevailing.
- Recipients must maintain sufficient records to substantiate this information upon request.

Applicable US Department of Treasury guidance (as may be amended from time to time).

STATE LAWS

The Oklahoma Competitive Bidding Act of 1974, 61 Okla. Stat. §101 *et seq*.
The Oklahoma Consultant Act 61 Okla. Stat. §60 *et seq.* regarding procurement of engineering and architectural services for the Project.

EXAMPLES OF RECORDS TO BE RETAINED

a. General ledger and subsidiary ledgers used to account for (a) the receipt of grant payments and (b) the disbursements from such payments to meet eligible expenses
b. Budget records;
c. Payroll, time records, human resource records to support costs incurred for payroll expenses related to the Grant.
d. Receipts of purchases made related to the Grant;
e. Contracts and subcontracts entered into using grant payments and all documents related to such contracts;
f. Grant agreements and grant subaward agreements entered into using grant payments and all documents related to such awards;
g. All documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
h. All documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
i. All internal and external email/electronic communications related to use of grant payments; and
j. All investigative files and inquiry reports involving grant payments.

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	FY 2024 Budget Amendments

ITEM TITLE: Discussion and possible action on Resolution 2024-05; *A Resolution Approving and Adopting Amendments to the Fiscal Year 2024 Budget for the City of Sallisaw, Oklahoma, for the Period of July 1, 2023, Through June 30, 2024, Finding all Things Requisite and Necessary have Been Done in Preparation and Presentment of Said Amendments*

INITIATOR: Director of Finance
City Manager

STAFF INFORMATION SOURCE: Director of Finance

BACKGROUND: The proposed budget amendments will allow staff to utilize the Workers Comp Escrow Refunding received in December 2023 and proceed with items related to the City's Sanitary Sewer Improvements. SMA Funds will allow for remaining City Match funds for the awarded OWRB/ARPA Drake/Lenington Water Improvements Grant and other infrastructure improvements.

EXHIBITS:
1. FY24 Budget Modification
2. City Resolution 2024-05. Budget Amendment Resolution

KEY ISSUES: Budget amendments are for the General Fund (10) and the Infrastructure Improvement Fund (92)
Amendments recognize the Workers Comp Escrow Refunds and provide appropriations for current and future expenditures.

FUNDING SOURCE: Workers Comp Escrow Refunding/SMA

RECOMMENDATION: Staff recommends approval of Resolution 2024-05

City of Sallisaw Budget Modification Request

Fund: General Fund (10)
Fiscal Year: 2024

Revenue:					**Total Budget**
				Adopted Current Revenue Budget	$ 26,105,840.00

Budget Line items		**Current Budget**	**Add (Deduct)**	**New Budget**
010-000-48400	Misc Revenue	$ 100,000.00	$ 300,000.00	$ 400,000.00
	Total Add (Deduct)		$ 300,000.00	

Amount to Add / Deduct	$ 300,000.00
New Revenue Budget	$ 26,405,840.00

Expenditures:					**Total Budget**
				Adopted Current Expenditure Budget	$ 26,105,840.00

Budget Line items		**Current Budget**	**Add (Deduct)**	**New Budget**
010-950-58811	Transfer to Fund 92	$ -	$ 300,000.00	$ 300,000.00
	Total Add (Deduct)		$ 300,000.00	

Amount to Add / Deduct	$ 300,000.00
New Expnediture Budget	$ 26,405,840.00

Purpose:

To post receipt of Work Comp funds into the General Fund Misc Revenue and Transfer those funds to the Infrastructure Improve Fund. These funds came from Excess of Workers Comp Escrow Funds and will be utilized for Sanitary Sewer System Improvements and other infrastrucre needs.

City of Sallisaw Budget Modification Request

Fund: Infrastructure Improve (092)
Fiscal Year: 2024

Revenue:		**Total Budget**
	Adopted Current Revenue Budget	$ 3,074,492.00

Budget Line items		**Current Budget**	**Add (Deduct)**	**New Budget**
092-000-49403	Transfer from GF	$ -	$ 300,000.00	$ 300,000.00
092-000-49400	Transfer from SMA	$ 400,000.00	$ 125,000.00	$ 525,000.00
	Total Add (Deduct)		$ 425,000.00	

	Amount to Add / Deduct	$ 425,000.00
	New Revenue Budget	$ 3,499,492.00

Expenditures:		**Total Budget**
	Adopted Current Expenditure Budget	$ 3,074,492.00

Budget Line items		**Current Budget**	**Add (Deduct)**	**New Budget**
092-704-57701	Sewer Lines Improvements	$ 279,000.00	$ 300,000.00	$ 579,000.00
092-703-57702	OWRB/ARPA Drake-Len Wtr-City	$ 551,032.00	$ 101,000.00	$ 652,032.00
092-704-57702	Drake Prarie Est Sewer Eng/Con	$ -	$ 17,241.00	$ 17,241.00
092-950-57802	Reserve Future Improvements	$ 23,975.00	$ 6,759.00	$ 30,734.00
	Total Add (Deduct)		$ 425,000.00	

	Amount to Add / Deduct	$ 425,000.00
	New Expnediture Budget	$ 3,499,492.00

Purpose:

Receipt of Workers Comp Funds from GF. Appropriations will be established for Sanitary Sewer System Improvements and other infrastructure need. Receipt of Funds from SMA. Appropriations will be established for OWRB/ARPA Drake-Len Water City Match, Engineering for Drake Prarie Estates Sewer, & Other Future Improvements.

RESOLUTION 2024-05

A RESOLUTION APPROVING AND ADOPTING AMENDMENTS TO THE FISCAL YEAR 2024 BUDGET FOR THE CITY OF SALLISAW, OKLAHOMA, FOR THE PERIOD JULY 1, 2023, THROUGH JUNE 30, 2024, FINDING ALL THINGS REQUISITE AND NECESSARY HAVE BEEN DONE IN PREPARATION AND PRESENTMENT OF SAID AMENDMENTS

WHEREAS, the Charter of the City of Sallisaw, Oklahoma and the Statutes of the State of Oklahoma, require that an annual budget be prepared and presented to the Board of City Commissioners of the City of Sallisaw, Oklahoma; and

WHEREAS, the formally adopted budget of the City of Sallisaw must be amended to recognize revenues and expenditures not originally anticipated for the Fiscal Year 2024.

WHEREAS, the city has a need to recognize these revenues and expenditures, in order to use for both current and future needs of the City.

WHEREAS, the following is a summary of the amended sources of revenues and appropriations for the purposes for which the same shall be spent:

General Fund Budget Amendment-Fund 10	**Revenue**	**Expense**
Adopted FY 2024 Budget	$ 26,105,840.00	$ 26,105,840.00
Amendments		
Excess Workers Comp Escrow Funds	$ 300,000.00	
Transfer to Infrastructure Improvement Fund 92		$ 300,000.00
Amended FY 2024 Budget	$ 26,405,840.00	$ 26,405,840.00

Infrastructure Improvement Budget Amendment-Fund 92	**Revenue**	**Expense**
Adopted FY 2024 Budget	$ 3,074,492.00	$ 3,074,492.00
Amendments		
Transfer from General Fund	$ 300,000.00	
Sewer Line Improvements		$ 300,000.00
Transfer From SMA	$	

	125,000.00	
OWRB/ARPA Drake-Len Wtr-City		$ 101,000.00
Drake Prarie Est Sewer Eng/Con		$ 17,241.00
Reserve Future Improvements		$ 6,759.00
Amended FY 2024 Budget	$ 3,499,492.00	$ 3,499,492.00

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

That the budget amendments for the City of Sallisaw, Oklahoma, now before the said Board of City Commissioners for consideration, as herein above summarized and a complete copy of which is on file with the City Clerk, be and the same is hereby adopted as the amended budget for the said City of Sallisaw, Oklahoma, for the period of July 1, 2023, through June 30, 2024.

BE IT FURTHER RESOLVED, that the said Board of City Commissioners finds, determines and declares that all things requisite and necessary to the presentation and adoption of said budget amendments have been performed as required by Charter or Statute.

Passed and approved this the 13th day of May, 2024.

CITY OF SALLISAW, OKLAHOMA

By: ______________________________
Ernie Martens, Mayor

ATTEST:

____
Kim Jamison, City Clerk
(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Allowing chickens within the city limits in residential zoned areas.

ITEM TITLE: Receive presentation from Mrs. Rachel Gardenhire concerning the proposed Chapter 10, Animals, of the Sallisaw Code of Ordinances

INITIATOR: Ms. Gardenhire

STAFF INFORMATION SOURCE: Ms. Gardenhire
Sallisaw Code of Ordinances

BACKGROUND: Ms. Gardenhire has requested to address council on having chickens in the city limtis in residential zoned areas.

EXHIBITS:

KEY ISSUES: City of Sallisaw Chapter 10 definitions:

"Fowl means chickens, guineas, geese, ducks and pigeons."

City of Sallisaw Code of Ordinances: Section 10-106 - Keeping of domestic birds, birds of prey and fowl:

"The housing and keeping of fowl and/or birds of prey shall be permitted only in the A-1 agriculture zone and restricted in all "R" zones. "

FUNDING SOURCE: NA

RECOMMENDATION: Recieve presentation

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Animal Ordinance

ITEM TITLE: Receive presentation from Ms. Julie Becker concerning the proposed changes to Chapter 10, Animals, of the Sallisaw Code of Ordinances

INITIATOR: City Manager

STAFF INFORMATION SOURCE: Ward 4 Community Group

BACKGROUND: The Ward 4 Community Group has requested Ms. Becker to address the Board concerning the draft animal ordinance.

EXHIBITS:

KEY ISSUES: NA

FUNDING SOURCE: NA

RECOMMENDATION: Receive presentation

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Chapter 10, Animal Ordinance

ITEM TITLE: Discussion and possible guidance to staff on proposed changes to Chapter 10, Animals, of the Sallisaw City Code of Ordinances

INITIATOR: City Manager
Building Development Director

STAFF INFORMATION SOURCE: Chapter 10, Sallisaw Code of Ordinances

BACKGROUND: Staff has prepared changes to the animal ordinances based on needs and comments from both staff and the public. The attached draft is for review purposes, to review before finalizing changes for the BOCC approval. We request the board to review these changes and provide guidance to staff as needed. Once the ordinance is finalized, it will be brought back for board approval.

In addition to what has already been discussed in the ordinance, a question has now been posed regarding allowing chickens in residential zoned areas.

EXHIBITS: 1. Chapter_10___ANIMALS_New Ord DRAFT.4.1.2024 v2

KEY ISSUES:

- The attached ordinance would repeal the entire Chapter 10 and replace it with a new Chapter 10.
- Eliminates the Special Handlers License.
- Section 10-5; Roadside Selling of Animals. (New section)
- Section 10-10; Spay and Neuter.
- Section 10-16; Dogs in City Parks and on Park Trails.
- Sections 10-18 and 10-19; Redemption of animals, spaying and neutering.
- Section 10-22; Feeding of Stray Dogs, Cats, or Other Stray Animals. (New section)
- Section 10-121; Licensing and Limits on the Number of Animals.

FUNDING SOURCE: NA

RECOMMENDATION: Discuss, review, and provide guidance to staff as needed.

ORDINANCE **DRAFT FOR REVIEW_______**

AN ORDINANCE REPEALING CHAPTER 10
OF THE SALLISAW CITY CODE
AND SUBSTITUTING A NEW CHAPTER 10, ANIMALS,
OF THE SALLISAW CITY CODE
AND DECLARING AN EMERGENCY

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

SECTION 1. REPEAL

Chapter 10 of the Sallisaw City Code is hereby repealed in its entirety and a new Chapter 10, Animals, of the Sallisaw Code of Ordinances is hereby established by enacting the following articles and sections, to-wit:

Chapter 10 ANIMALSARTICLE I. IN GENERAL

Sec. 10-1. Definitions.

(a) As used in this chapter, the following terms shall have the meanings respectively ascribed to them in this section:

Abandon means to:

(1) Cease providing for the daily care, welfare or maintenance of an animal without the transfer of ownership of such animal;

(2) Fail to retrieve, claim, or relinquish ownership to the city, an animal impounded at the animal shelter for any violation of Sallisaw City Code after notice is given to the owner of such animal, if known; or

(3) Allowing an animal to reside at a property or dwelling not used as a primary dwelling, or without water or electric service, or other utilities in service.

Altered means any cat or dog over the age of six months which has been neutered or spayed.

Animal means any warm-blooded animal (excluding fowl when regarding section 10-2 of this Code).

Animal shelter means the premises owned and operated by the city for the purposes of impounding, sheltering or caring for animals.

Animal welfare officer means the person or persons employed by the city as its enforcement officer in the impoundment of animals, controlling of animals running at large, and as otherwise provided or required in this chapter.

At large or *running at large* means any animal which is not confined on the property of its owner, the leased premises of the animal's owner or under the actual physical control of a competent person.

Cat means any Felis catus, excluding large cats (lions, tigers, etc.) and hybrids.

Commercial breeder means a person who breeds eight or more intact female dogs or cats for the purpose of dealing in direct or indirect sale or exchange in consideration.

Confinement means to secure an animal in a house or by a fence within the boundaries of the owner's, leaseholder's or keeper's property (i.e. house, fenced yard).

Cruelty means to endanger the life, health, or safety of an animal.

Currently vaccinated means properly immunized by or under the supervision of a licensed veterinarian with an antirabies vaccine licensed and approved by the United States Department of Agriculture for use in that animal species, or meeting conditions specified in Oklahoma State Department of Health Zoo Notice Disease Control Rules, OAC Title 310, Chapter 599, Section 310:599-3.9.1. Vaccine must have been given at appropriate time interval(s) for the age of the animal and type of vaccine administered.

Dog means any Canis ~~familiaris~~familiars, excluding hybrids.

Domestic bird means canaries, parrots, ~~parakeets, mean birds, peacocks, birds of paradise~~ or other small birds tamed to the household or pertaining thereto.

Exposed to rabies means any animal that has been bitten by or exposed to any other animal known to have been infected with rabies.

Feed or Feeding means the placing of animal food, or similar products or consumable materials attractive to dogs, cats, or other animals, which may result in dogs, cats, or other animals congregating in an area on a regular basis, placed on the ground, in an obviously intended feeder at a height accessible to the dogs, cats, or other animals.

First party ownership means a situation where the owner of a biting animal is directly related to the bite victim, that is parent-child, sibling-sibling, grandparent-child; or when the legal residence of the animal owner and the bite victim are the same.

Fowl means chickens, guineas, geese, ducks and pigeons.

Health officer of the city shall mean such specifically designated person as provided by the Sallisaw City Code.

Hobby breeder means a person who breeds eight or less intact female dogs or cats for the purposes of show and the betterment of the breed.

Impoundment means placing an animal in the animal control vehicle or unit or holding an animal in custody at the animal shelter.

Keeper means any person, acting in the capacity of the owner, at the owners request, who is responsible for the care, welfare and maintenance of the animal.

Kennel means any place where any combination of eight or more dogs or cats more than six months of age are sheltered, fed and watered.

Large animal means horses, mules, donkeys, cattle, goats, sheep or any other animal of similar size or stature.

Neuter means to render a male dog or cat unable to reproduce.

Nuisance means the conduct or behavior of any small or large animal, cat or dog which molests passersby or passing vehicles; attacks other animals, damages private or public property; barks, whines, howls, crows or makes other noises in an excessive, continuous fashion which annoys the comfort, repose, health or safety of the people in the community; unconfined in season; or a vicious animal not confined as required by this chapter.

Owner means any person, firm, corporation, organization, or department possessing, harboring, keeping, having an interest in, or having control or custody of an animal. The occupant of any premises on which a domesticated animal remains, or to which it customarily returns, for a period of ten days or more, shall be deemed to be harboring or keeping the animal.

Permit means the permit issued by the animal welfare division.

Provoke or *provocation* means, with respect to an attack by an animal, that the animal was hit, kicked, or struck by a person with an object or part of a person's body or that any part of the animal's body is pulled, pinched, or squeezed by a person.

Rabies means an acute disease of humans and warm-blooded mammals caused by the rabies virus (genus Lyssavirus) that affects the central nervous system and is almost always fatal.

Ratproof means that state of being constructed so as to effectively prevent entry of rats.

Restraint means that an animal is controlled by leash or tether, either of which shall not exceed six feet in length, by a competent person or within any vehicle, trailer or other conveyance being driven, pulled or parked on the street, or confined within the property limits of its owner or keeper.

Run means an area used to confine an animal that is no less than 100 square feet and is at least five feet in width.

Sanitary means any condition of good odor and cleanliness, which precludes the probability of disease transmission and insect breeding, and which preserves the health of the city.

Severe injury means any physical injury that reasonably results in hospitalization or medical treatment.

Show kennel means a breeder of dogs or cats whose main purpose and goal is to raise purebred dogs or cats for the purpose of competition in approved nationally recognized show venues.

Small animal means dogs, cats, rabbits, hares, chinchillas, turkeys, fowl, pigeons,~~ (except homing pigeons) miniature pigs,~~ as further defined herein, or household pets, or any other animal of similar size or stature; ~~for the purpose of this definition, "miniature pig" has a maximum weight of 125 pounds and a maximum height of 22 inches as established by the American Miniature Pig Association (AMPA).~~

Spay means to remove the ovaries of a female dog or cat in order to render the animal unable to reproduce.

~~*Special handler's license* means a license issued to a person who has four or more but less than eight dogs or cats or a combination thereof where such dogs or cats or combination thereof are sheltered, fed and watered in or on the premises, property or residence of the person who has such a license.~~

Stray means an unlicensed domestic or feral dog or cat running at large and unaccompanied or controlled by an owner.

Transfer means to convey or change ownership from one person to another with or without the exchange of money or other consideration.

Unaltered means any cat or dog over the age of six months which has not been neutered or spayed.

Vaccination means an injection of United States Department of Agriculture approved rabies vaccine administered by a licensed veterinarian every 12 calendar months if a one-year vaccine is used or every 36 calendar months if a three-year vaccine is used.

(b) All other words or phrases used herein shall be defined and interpreted according to their common usage.

~~(Ord. No. 07-11 , § 2, 7-9-2007; Ord. No. 2011-17 , §§ 1, 2, 9-12-2011; Ord. No. O2011-23 , § 1, 11-14-2011)~~

~~Cross reference(s)—Definitions generally, § 1-2.~~

Sec. 10-2. Applicability of state laws to custody of animals.

No person owning or having in his custody any animal shall violate any laws, rules or regulations of the state applicable thereto. Where the provisions of the rules and regulations of the state are less restrictive than the provisions of this chapter, the latter shall govern.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-3. Injuring, poisoning or trapping animals prohibited.

(a) A person who accidentally or otherwise strikes an animal with an automobile and injures it shall notify the animal welfare division.

(b) No person shall expose or give to any animal any poisonous substance, whether mixed with food or not. This provision, however, does not apply to the eradication or population control of certain species of rodents.

(c) No person shall set or expose an open jaw-type trap, leg hold trap, snare trap, or any type trap of which would likely cause physical harm or injury to any animal. This provision shall not apply to persons who are licensed by the state to trap animals as provided in 29 O.S. § 4-119.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-4. Diseased animals—Injured or sick animals.

(a) Every person owning or having any animal under his charge within the city which he knows or suspects to be sick or injured, shall isolate the animal from other animals and shall obtain treatment for such animal by a licensed veterinarian within 24 hours.

(b) Any animal which comes into possession of the city at the animal shelter which is injured or sick shall be humanely euthanized by the animal shelter personnel without waiting for the expiration of the period in which such animal may be reclaimed by its owner, or before the end of the period in which the animal may be placed for adoption. Provided, however, that before such sick or injured animal is euthanized, the animal shelter personnel shall contact the owner, if known, of such animal to determine the disposition of such animal. If the owner indicates that the animal will be reclaimed but fails to reclaim the animal within 24 hours of such notification, or if the owner of such animal is not known, the sick or injured animal shall be euthanized by the animal shelter personnel. The animal shelter supervisor shall keep a record of such animal, to include breed and sex of the animal, when the animal came into possession of the city, the type of injury or sickness of such animal, the date the animal was destroyed, and any other information relevant to the health, condition and description of such animal.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-5. Roadside selling of Animals.

1. No person shall sale or give away any animal from the public parking lots, private business parking lots and or the side of roads and right of ways within the City Limits of Sallisaw.
    a. Exceptions:
        i. Approved agencies doing so during special adoption or vaccination events.
        ii. Animals must be spade, neutered and properly vaccinated. Documentation from a licensed veterinarian must be available for each animal.
        iii. Animals staying within City Limits shall be registered.
2. Any person violating any of the provisions of this section shall, upon conviction thereof, be punished as provided in Section 1-8 of this Code.

Sec. 10-6. Property owner may impound animal.

Any person who finds an animal on his property to his injury or annoyance may:

(1) Remove such animal to an animal shelter, public or private, except that astray animals will be handled as provided by state law; or

(2) Retain possession of such animal or fowl and, within 24 hours, notify the animal welfare division or other appropriate existing agency of this custody, giving a

description of the animal and the owner's name, if known. Removal of the animal from property shall be done in such a manner so as not to cause injury to the animal.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-7. Noisy animals—Complaint procedure for animals which disturb are in violation of Code.

(a) No person shall keep any animal which causes frequent or long-continued noise so as to disturb the comfort or repose of any person in the vicinity. Any violation of this section is declared to be a nuisance and as such may be abated.

(b) Any person with knowledge thereof of such nuisance may file a complaint in the municipal court against the owner or keeper of an animal which disturbs the comfort or repose of any person in the vicinity, or which is in violation of this chapter. If the court finds that an animal is a nuisance or in violation of this chapter, then the court may order the owner or keeper to prevent and abate the nuisance, or order the animal impounded with the owner or keeper to pay impoundment costs, or order punishment as provided in the Sallisaw City Code.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

~~Cross reference(s)—Nuisances, § 38-31 et seq.~~

Sec. 10-8. Certain animals and animal fighting prohibited.

(a) Staged animal fighting within the city limits is strictly prohibited.

(b) Within the city limits, no person shall keep, nor shall any permit be issued for any gamecocks or fighting cocks.

(c) Keeping of swine.

(1) Swine of any breed or type shall not be kept as pets within the city limits. ~~except for miniature pigs. For the purpose of this section miniature pigs shall mean "pot-bellied pig," "Shar-pei pigs," Vietnamese, Chinese, or Asian, or other similar swine not exceeding 125 pounds at maturity and a maximum height of 22 inches. Swine defined in this section must be permitted through the city.~~

(2) Exception. Swine may be kept for exhibition purposes during a temporary duration at stock shows, fairs and circuses, not to exceed seven days in duration. Swine must be kept in properly constructed pens during the duration of the event.

(3) Exception. Swine may be kept for educational programs at Sallisaw High School where they are housed in properly constructed enclosed facilities upon school property of which a proper building permit has been obtained and facilities inspected.

~~(Ord. No. 07-11 , § 2, 7-9-2007; Ord. No. 2022-10 , § 1, 10-10-2022)~~

Sec. 10-9. Certain livestock, horse not to be kept within city, exception; permits.

(a) It is unlawful for anyone to keep cows, sheep, goats, cattle or other livestock of any kind, ~~except horses,~~ in any zoning other than Agricultural A-1 and Agricultural A-2 within the limits of the city~~. unless they are kept within an enclosure or fence, and provided the enclosure has at least 5,000 square feet for each animal kept in the enclosure.~~

(b) An enclosure ~~between 5,000 square feet and 15,000 square feet per animal~~ shall be provided and located so that no part shall be any closer than ~~100~~ 150 feet to the dwelling quarters of any person other than the owner or custodian of such animals.

(c) It is unlawful for anyone to keep a horse within the limits of the city unless:

(1) The horse is kept within an enclosure or fence, and the enclosure has at least 1 acre ~~1 acre~~ ~~5,000 square feet~~ for each horse kept in the enclosure; or

(2) Unless the keeping of such horse is connected with a veterinary business. ~~of the person keeping the horse, and the property is zoned commercial, or for such business.~~

(d) Any person keeping livestock within the city limits or any person keeping horses within the city limits in violation of this section, shall be first entitled to one three-day notice to remove the animal from the city limits. Any violation of this section thereafter shall be deemed an offense. Each and every violation or omission of required act and day of continued violation after one three-day notice shall be deemed a separate offense. A person is not entitled to any notice for additional offenses after the first notice shall have been given.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-10. Spay and Neuter

1. All domesticated animals within the City limits shall be spayed and neutered to control feral animal populations.

   Exception:
   (a) Those animals belonging to Hobby Breeders and Kennels registered with the Animal Control Officer.
   (b) Animals under the care of a Veterinarian or Animal Hospital.

2. Any person violating any of the provisions of this section shall, upon conviction thereof, be punished as provided in section 1-8 of this Code.

Sec. 10-11. ~~Keeping of~~Keeping wild or exotic animals.

(a) For the purpose of this section, a wild or exotic animal means an animal which is usually not a domestic animal and which can normally be found in the wild state, or which has not been deemed by the Oklahoma State Department of Health to have an established rabies quarantine period, including, but not limited to, lions, tigers, leopards, panthers, wolves, foxes, lynxes, or any hybrid of like animals, alligators, crocodiles, apes, foxes, elephants, rhinoceroses, bears, all forms of poisonous snakes, lynxes, raccoons, skunks, monkeys, prairie dogs, bats, and like animals.

(b) It is unlawful to keep or harbor any wild or exotic animal in the city limits as a pet or for display or for exhibition purposes, whether gratuitously or for a fee, except as provided in this section, and as may be licensed by the state wildlife department pertaining to wildlife rehabilitators.

(c) This section shall not apply to zoological parks or zoos, performing animal exhibitions, circuses, educational or medical institutions.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-12. Vaccination required—Certificate of vaccination—Impound fee.

(a) No person shall own, keep or harbor any ~~dog, cat or ferret~~ animal within the city limits unless such ~~dog, cat~~ ~~or ferret~~ animal is six months of age or older and is vaccinated for rabies, or has the ~~recommended~~ vaccinations as recommended by a licensed veterinarian.

(b) Any person who adopts an animal from the city's animal shelter shall have such animal vaccinated ~~by a licensed veterinarian within two weeks from~~ prior to the date of adoption ~~or within two~~ ~~weeks~~ after the animal reaches the age of six months.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-13. Tag and collar required; removal; nontransferable; inspection; offense.

(a) The owners of ~~all dogs and cats~~ any animal is required to have the animals vaccinated against rabies or vaccinations as recommended by a licensed veterinarian. The veterinarian shall issue the owner of the animal a vaccination certificate, and such owner shall retain such certificate until the vaccination is renewed. At the time of the vaccination, a metal tag shall be issued by the veterinarian showing the name of the veterinarian, the tag number, and the year of issuance.

(b) Every animal owner is required to affix the tag issued by a licensed veterinarian for vaccination to a collar to be worn by the animal at all times; except the owner of a show ~~dog or cat~~ animal , whose coat maybe damaged by a collar, may substitute an implanted microchip in lieu of a collar, documentation to be available referencing said show ~~dog or cat~~ animal to the proper license tag and ~~rabies~~ vaccination. It shall be unlawful for any person other than the owner or a licensed veterinarian to remove the collar or microchip from the ~~dog or cat~~ animal .

(c) No person shall use a rabies tag or veterinarian certificate or receipt for any animal other than for that animal ~~dog or cat~~ to which the rabies tag, veterinarian certificate, or receipt was issued.

(d) A city animal welfare officer or any police officer may at any reasonable time require an owner to provide proof of rabies vaccination, on any animals provided reasonable cause has been established that would require an animal welfare officer or police officer to make contact with the owner, such as response to a complaint, suspected animal abuse, running at large, or bite incident. Any owner not possessing a current rabies tag, certificate or receipt for such animal over six months of age may be cited by the animal welfare officer or police officer.

~~(Ord. No. 07-11 , § 2, 7-9-2007; Ord. No. 2011-18 , §§ 1, 2, 9-12-2011)~~

Sec. 10-14. Control of animals required; at large; arrest; astray; confinement in season.

(a) It is unlawful for any owner or keeper to:

(1) Fail to prevent any animal from running at large within the city;

(2) Perform, do or carry out any inhumane or cruel treatment against any animal;

(3) Keep, possess, own, control, maintain, use or otherwise exercise dominion over any animal or animals which by reason of noise, odor or sanitary conditions become offensive to a reasonable and prudent person of ordinary tastes and sensibilities, or which constitute or become a health hazard as determined by the animal welfare division; or

(4) Permit any animal to run at large. Any animal found running at large within the city shall be either:

a. Impounded by the animal welfare officer, and such ~~animal~~animals shall be kept at the animal shelter. Impounded animals may be reclaimed as provided in section 10-18 of this chapter; or

b. At the judgment of the animal welfare officer, an animal found at large which is licensed by the city, except a dangerous dog or a potentially dangerous dog, as those terms are defined in this chapter, may be released to the custody of the owner or keeper of the animal which has been impounded.

(b) When a police officer effects an arrest of a person who is in possession of or caring for an animal and no responsible person of at least 18 years of age is present at the scene to take care of the animal, the animal will be impounded for the welfare of the animal. The animal will be impounded at the animal shelter until the proper disposition of the animal can be determined.

(c) An animal welfare officer is authorized to trap or impound any animal observed to be in violation of any of the provisions of this section or for humane reasons pursuant to section 10-20 of this Code. An animal welfare officer may upon exigent and life-threatening emergency circumstances enter upon the premises of the owner or other private premises to take such animal into custody, once it has been established that the occupant is not home.

(d) No impounded animal shall be returned to its owner or keeper until the animal impoundment and boarding fees are paid.

(e) Stray animals shall be treated in the manner provided in Chapter 4 of Title 4 of the Oklahoma Statutes.

(f) Every female animal in season (heat) shall be kept confined in such a manner that such female cannot come in contact with other animals, except for controlled breeding purposes. Female animals picked up by the animal welfare division which are in season (heat) shall always be kept separate from male animals.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-15. Animals running at large—Owners cited.

Any animal that is not confined as provided in subsection 10-1(a) of this Code, and not under the actual physical control of its owner or keeper, will be presumed to be running at large. In addition to impoundment, the animal welfare officer may, at their discretion, cite the owner of said animal to appear in municipal court to answer charges for violation of this chapter.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Section 10-16. Dogs in City Parks And On Park Trails

1) All dogs brought into/onto any city park, city walking trail, jogging trail, or any sidewalk area of any city park must be restrained on a leash at all times. All other animals are prohibited.
2) When unrestrained dogs are found on city park grounds, without an owner, the animal shall be removed by the animal welfare officer. If the owner is present, and the dog is unrestrained, the owner shall be requested to restrain the dog, or remove it from the park. Failure of owner to restrain their dogs may result in a citation issued to the owner.
3) From time to time, certain scheduled events at city park locations may post "No Animals Allowed" during the event. If this is posted, no dogs, or other animals, shall be allowed in the event area. This shall be noted in the Special Event Permit issued by the city.
4) During routine scheduled events at city park areas, such as youth sports at designated sports grounds, the group, or individual, scheduling the sports events, may post "No Animals Allowed" for the complex, or area in which the sporting events are taking place.

Sec. 10-17. Impoundment; records; disposition of animals; adoption; licensing of dogs and cats.

(a) Any dog or cat or other small animal found running at large and impounded in the animal shelter shall be there confined in a humane manner. Animals not claimed by their owner before the expiration of 72 hours, exclusive of Saturdays, Sundays and city holidays, shall become the property of the city and shall be disposed of at the discretion of the city.

(b) The animal welfare officer, upon receiving any animal for impoundment, shall record or cause to be recorded the description, breed, color and sex of the animal and whether or not it is licensed, and the date and time of impoundment. If the animal is licensed or if the owner or keeper is known, the officer shall enter the name and address of the owner or keeper, or the city license or rabies tag number as may be shown on the impoundment records. If the owner or keeper is known or can be determined from city records or identification attached to the animal, the animal welfare division shall telephone the owner or keeper, or shall post written notice at the address shown on city records to be that of the owner or keeper, to notify the owner or keeper that unless reclaimed in accordance with this Code within 72 hours after impoundment, Saturdays, Sundays and city holidays excluded, the animal will be euthanized, adopted out, or otherwise disposed of by the city. Attempts to contact the owner or keeper will be recorded.

(c) At the end of the period prescribed in this section, animals that have not been reclaimed by the owner or keeper thereof shall be euthanized, adopted or otherwise disposed of in a humane manner and as required by law. Any animal which is eligible for adoption may be adopted after the 72-hour period. Animals may be transferred to an animal adoption agency with no charge to the receiving party.

(d) Before any animal is released for adoption from the city's animal shelter, such animal shall be issued a license, as provided for in this chapter, if such animal has not previously been licensed. The adoption fee and license fee will be as shown in the fee schedule.

(e) No animal may be adopted from the animal shelter by any employee of the shelter for any reason, nor may any employee of the shelter adopt or sell any animal from the shelter except in accordance with the provisions of this chapter.

(f) There is hereby established a grace period of seven days beginning on the day of adoption and ending at the close of business on the seventh day thereafter, during which period an animal adopted from the city's animal shelter may be returned to the animal shelter for a refund of the adoption fee, spay/neuter deposit, vaccination deposit and license fee or, at the option of the adopting party, a replacement animal, conditioned solely upon the presentation of written certification of a licensed veterinarian that the adopted animal is in poor health.

(g) The City Manager ~~The city council, by duly enacted resolution,~~ may designate certain days in which animals eligible for adoption may be adopted from the city's animal shelter without the payment of the adoption fee as required in the fee schedule. Provided, however, that the other provisions of this chapter shall apply to the animals adopted under this subsection.

(h) ~~There is hereby established a "No Questions Asked" period of three days, from the date of the adoption, whereby an adopted animal can be returned, for any reason, to the animal welfare division and a full refund of fees and any deposits received.~~

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-18. Redemption of impounded animals—Licensing ~~of dogs and cats~~.

(a) Except as hereinafter provided, licensed and vaccinated animals impounded under the provisions of this chapter may be reclaimed by the owner or keeper upon payment of the impoundment fee as provided in the fee schedule and the animal shelter boarding fee. The owner or keeper has 72 hours after impoundment, Saturdays, Sundays and city holidays excluded, to redeem the animal. If the owner or keeper has not made arrangements to redeem the animal within this period, the animal becomes the property of the city and may be disposed of as provided in this chapter.

(b) No unlicensed animal may be released from impoundment to its owner or keeper until such animal is issued a license, as provided in this chapter, and after payment of the fee as provided in the fee schedule.

(c) No unvaccinated animal may be released from impoundment. ~~unless the owner or keeper signs an agreement to have the animal vaccinated against rabies within two weeks of release, or from the time the animal reaches the age of six months, by a licensed veterinarian and returns documented proof of such to the animal welfare division on or before the contract compliance date.~~ Failure to comply with the agreement ~~shall be unlawful, and may result in the issuance of a citation for violation of the provisions of this~~

~~chapter.~~ The owner or keeper shall also be required to reimburse for vaccination done by the City as part of the release of the animal. . ~~deposit funds with the animal shelter to ensure the animal is vaccinated. The amount of the deposit shall be set in the fee schedule, and will be refunded to the owner upon presentation of the documented proof on or before the contract compliance date.~~

(d) ~~The vaccination deposit required above will be retained by the city, and a refund of the deposits will be made upon presentation of a written statement signed by a licensed veterinarian that the animal has been vaccinated. If the animal has not been vaccinated within the time specified in the release agreement, the deposit will be forfeited to the city~~. If the owner does not pay the associated fees, it will be considered forfeiture of said animal.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-19. Spaying or neutering as condition for release of dogs and cats; extension of time; spaying or neutering required; sterilization agreement; deposits required; use of forfeited deposits; penalty.

(a) No animal may be released for adoption from the animal shelter unless said animal has been surgically spayed or neutered. ~~;or unless the adopting party signs an agreement to have the animal altered, and deposits funds with the animal shelter to ensure that the adopted animal will be spayed or neutered. The amount of the deposit required shall be set in the fee schedule.~~

(b) ~~Before any dog or cat is released for adoption from the animal shelter, the adopting party shall sign a sterilization agreement which will substantially conform with the agreement shown in 4 O.S. § 449.4. Failure to comply with the agreement shall be unlawful, and may result in the issuance of a citation for violation of the provisions of this chapter.~~ The adopting party shall pay cost incurred by the City for spraying and neutering, unless otherwise exempted by ordinance or policy.~~the City Manager or City Council.~~

(c) Upon presentation of a written report from a licensed veterinarian stating that the life or health of an adopted animal may be jeopardized by surgery, the animal welfare officer shall grant an exemption to the new owner for spaying and neutering. ~~a 30-day extension of the period within which the spay or neuter surgery would otherwise be required. Further extensions may be granted upon additional veterinary reports stating the necessity for such extensions.~~

(d) Each person who adopts an unaltered animal 8 weeks of age or less from the animal shelter shall pay for the animal to be spayed or neutered by a licensed veterinarian prior to adoption of the animal.

(e) No animal may be released for adoption from the animal shelter unless the animal has been vaccinated ~~against rabies within two weeks of adoption, or from the time the animal reaches the age of six months,~~ by a licensed veterinarian. ~~and return proof of same to the animal shelter. Failure to comply with the agreement shall be unlawful, and may result in the issuance of a citation for violation of the provisions of this chapter.~~ The adopting party shall pay cost incurred by The City for spraying and neutering, unless otherwise exempted by the City Manager or City Council. ~~The new owner shall also be required to deposit funds with~~

~~the animal shelter to ensure the animal is vaccinated. The amount of the deposit shall be set in the fee schedule.~~

(f) ~~The sterilization and vaccination deposits required above will be retained by the city, and a refund of the deposits will be made to the adopting party upon presentation of a written statement signed by a licensed veterinarian that the adopted animal has been neutered or spayed and vaccinated. If the adopted dog or cat has not been sterilized and vaccinated within the time specified in the animal adoption agreement, the sterilization and vaccination deposits will be forfeited to the city.~~

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-20. Keeping of animals; mistreatment, abandonment prohibited; care; restraining of animals prohibited; exercise area for animals .

(a) All animals kept as house pets within the city limits shall be housed, fed and protected from the weather in such a manner as not to create a nuisance.

(b) No person shall willfully or maliciously:

(1) Torture, cruelly beat, injure, maim, mutilate or unjustly destroy or kill any animal belonging to himself or to another;

(2) Deprive any animal of food, drink or shelter;

(3) Unjustly administer any poison or noxious drug or substance to any animal;

(4) Unjustly expose any drug or substance with the intent that the same shall be taken by an animal, whether such animal be the property of that owner or another person; or

(5) Cause any other person to do any of the above acts.

(c) If an animal is found by the animal welfare officer to be in one of the above-described conditions, the officer may issue a citation to the offender or shall issue a notice to the offender warning him that if the animal's condition is not improved, a citation will be issued. If the animal welfare officer determines that a confined animal's life is in immediate danger or has been abandoned, or a confined animal is dead, the animal welfare officer may upon exigent and life-threatening emergency circumstances enter upon the premises of the owner or other private premises to take such animal into custody, once it has been established that the occupant is not home. In all other than exigent and life-threatening emergency circumstances, the animal welfare officer shall obtain a municipal court order directing such animal to be seized before such animal is seized. The animal welfare officer will leave a notice for the owner advising why the animal was seized and where the animal was taken. Seizure of an animal will be accompanied by issuance of a citation(s) when there is probable cause to believe the seizure of the animal was necessary as a result of commission of an offense.

(d) No animal ~~dogs, cats or other small animals~~ shall be confined within or on a motor vehicle under such conditions as may endanger the health or well-being of the animal, including, but not limited to, dangerous temperature, lack of food or water.

(e) No person shall abandon or cause to be abandoned any type of animal. ~~dogs, cats or any other type of animals.~~

(f) Owners and keepers of ~~dogs, cats, and other small~~ animals shall provide food, shelter, and medical attention to such animals, including, but not limited to, the following:

(1) Sufficient wholesome food that is nutritious for the species;

(2) Fresh, potable drinking water;

(3) Medical attention to relieve such animals from suffering;

(4) Provide shade from the sun; and

(5) Shelter to allow the animal to remain dry and protected from the elements. The shelter shall be small enough to retain the animal's body heat and large enough to allow the animal to stand and turn comfortably. The enclosure shall be structurally sound and in good repair.

(g) In addition to the foregoing provisions of this section, it shall be unlawful for any person to willfully or maliciously overdrive, overload, torture, destroy or kill, or cruelly beat or injure, maim or mutilate, any animal in subjugation or captivity, whether wild or tame, and whether belonging to himself or to another, or deprive any such animal of necessary food, drink or shelter; or shall cause, procure or permit any such animal to be so over driven, overloaded, tortured, destroyed or killed, or cruelly beaten or injured, maimed or mutilated, or deprived of necessary food, drink or shelter; or willfully set on foot, instigate, engage in, or in any way further any act of cruelty to any animal, or any act tending to produce such cruelty. Any peace officer or animal welfare officer finding an animal so maltreated or abused shall cause the same to be taken care of, and the charges therefor shall be a lien upon such animal, to be collected thereon as upon a pledge or a lien.

(h) No person shall, at any time, fasten, chain, or tie any animal on the owner's property or on the property of the owner's landlord, as the sole method of restraining the animal, unless authorized by an animal welfare officer or the animal welfare supervisor.

(i) No person shall permit an animal ~~an animal dog~~ owned by such person or under the custody of such person to be off that person's property or leased premises unless such ~~dog~~ animal is restrained by a leash. Such leash shall be used to control the ~~dog~~ animal ~~animal~~ or to prevent the ~~dog~~ animal ~~animal~~ from running at large.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-21. Dead animal pickup fees.

(a) Dead animals may be picked up from residences by the animal welfare officer upon payment of a pickup fee as provided in the fee schedule.

(b) Owners may drop off an animal at the animal welfare division provided an impoundment card is signed releasing custody of the animal to the city. Once the animal is released to the city, the animal becomes the property of the city and may be disposed of as provided in this chapter.

(c) Sick, injured, aggressive, or animal that is not adoptable ~~nonadoptable animals,~~ will be euthanized, at an owner's request by the animal welfare division, provided the owner signs an impoundment card releasing custody of the animal to the city and upon payment of the fee as provided in the fee schedule and upon proof of veterinarian treatment and/or recommendation.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-22. Feeding of Stray Dogs, Cats , or Other Stray Animals

(a) High populations of stray dogs, cats, or other animals pose a hazard to human health and safety, as such animals provide breeding ground for infections, disease, including but not limited to rabies and distemper, and may otherwise bite or attach humans and domestic animals. In addition, food provided for stray animals is often attractive to wild animals such as racoons and rodents and may create nuisance conditions such as rate harborage or other wild animal infestation.

(b) No person shall feed or allow feeding of any stray dogs, cats, or other animals within the city limits, unless they are acting in their capacity of a veterinarian, or an employee of a humane society, and are authorized by permit to do so by the city.

~~Sec. 10-22. Penalty.~~

Sec. 10-23. Penalty.

Any person violating any of the provisions of this chapter shall, upon conviction thereof, be punished as provided in section 1-8 of this Code.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Secs. 10-24~~10-23~~—10-30. Reserved.

ARTICLE II. DANGEROUS ANIMALS~~Animals~~Sec. 10-31. Definitions.

(a) As used in this article, the following terms shall have the meanings respectively ascribed to them in this section:

Animal control authority means the city's animal welfare division acting alone or in concert with other local governmental units for enforcement of the animal control laws of the city and state for the protection of the general public and the welfare of animals.

Dangerous animal means any animal that:

(1) Has inflicted severe injury on a human being or another animal without provocation on public or private property; or

(2) Endangers the safety of humans or other animals by aggressively attacking in an apparent attempt to inflict severe injury.

Owner means any person, firm, corporation, or organization, possessing, harboring, keeping, having an interest in, or having control or custody of an animal. The occupant of any premises on which a domesticated animal remains, or to which it customarily returns, for a period of ten days or more, shall be deemed to be harboring or keeping the animal.

Proper enclosure of a dangerous animal means, a securely enclosed and locked pen or structure with at least 150 square feet of space for each dog or small animal and 500 square feet for all other animals kept therein which is over six months of age, and which is suitable to prevent the entry of children and designed to prevent the animal from escaping. Such pen or structure shall have secure sides and a secure top, and shall also provide protection from the elements for the animal.~~dog animal.~~

Provoke or provocation means, with respect to an attack by an animal, that the animal was hit, kicked, agitated by teasing or struck by a person with an object or part of a person's body or that any part of the animal's body is pulled, pinched, or squeezed by a person.

Severe injury means any physical injury that reasonably results in hospitalization or medical treatment.

(Ord. No. 07-11 , § 2, 7-9-2007)

Sec. 10-32. Unlawful to own dangerous animal without certificate of registration.

(a) It is unlawful for an owner to have a dangerous animal in the city without the certificate of registration issued as provided in this section. This section shall not apply to dogs used by law enforcement officials for police work.

(b) The animal welfare division shall issue a certificate of registration to the owner of a dangerous animal~~dog animal animal~~ if the owner presents to the animal welfare division sufficient evidence of:

(1) A properly locked enclosure to confine a dangerous animal and the posting of the premises with a clearly visible warning sign that there is a dangerous animal ~~dog animal animal~~ on the property. In addition, the owner shall conspicuously display a sign with a warning symbol that informs children of the presence of a dangerous animal ~~dog animals animals~~; and

(2) A policy of liability insurance, such as homeowner's insurance, or surety bond, issued by an insurer qualified under Title 36 of the Oklahoma Statutes in the amount of no less than $50,000.00 insuring the owner for any personal injuries inflicted by the dangerous animal.~~ dog animal.~~

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-33. Unlawful for dangerous animal ~~dogs amimal animal~~ to be outside proper enclosure unless muzzled and restrained.

(a) It is unlawful for an owner of a dangerous animal ~~dog animal animal~~ to permit the animal to be outside the proper enclosure unless the animal ~~dog animal animal~~ is muzzled and restrained by a substantial chain or leash and under physical restraining of a responsible person of at least 18 years of age. The muzzle shall be made in a manner that will not cause injury to the animal ~~dog~~ animal ~~animal~~ or interfere with its vision or respiration but shall prevent it from biting any person or animal.

(b) Animals ~~Dogs~~ Animals ~~Animals~~ shall not be declared dangerous if the threat, injury or damage was sustained by a person who, at the time, was committing an unlawful presence upon the premises occupied by the owner of the animal ~~animal~~, or was tormenting, abusing, or assaulting the animal ~~animal~~ or has, in the past, been observed or reported to have tormented, abused, or assaulted the animal ~~animal~~ or was committing or attempting to commit a crime under any federal, state or local law. For the purpose of this article, a person is considered to be lawfully present upon the property of an animal owner when he is on such property in the performance of any duty imposed upon him by the laws of the state, or by the laws of the United States, or the postal regulations of the United States, or when reading meters, or making repairs to any public utility or service located on the premises, or when working on said property at the request of the owner or any tenant having a lease upon any portion of said property, or when on such property upon the invitation, expressed or implied, of the owner or lessee of such property.

(c) No person shall willfully harm, including torture, torment, beat, mutilate, injure, disable, or otherwise mistreat or kill a service animal that is used for the benefit of any handicapped person in the state.

(d) No person shall willfully interfere with the lawful performance of any service animal ~~animal~~ used for the benefit of any handicapped person in the state.

(e) Any person who encourages, permits or allows an animal ~~animal~~ ~~dog~~ owned or kept by such person to fight, injure, disable or kill a service ~~dog~~ animal ~~animal~~ used for the benefit of any handicapped person in this state, or to interfere with a service ~~dog~~ animal ~~animal~~ in any place where the service ~~dog~~ animal ~~animal~~ resides or is performing, shall, upon conviction, be guilty of a misdemeanor. For purpose of this subsection, when a person informs the owner of an animal ~~animal~~ ~~dog~~ that ~~the dog~~ is a threat and requests the owner to control or contain the ~~dog~~ animal ~~animal~~ and the owner disregards the request, the owner shall be deemed to have encouraged, permitted or allowed any resulting injury to or interference with a service animal.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-34. Confiscation of dangerous ~~dogs~~ animals ~~animals~~ authorized under certain conditions—Penalty.

(a) Any dangerous ~~dog~~ animals ~~animals~~ shall be immediately confiscated by an animal welfare officer if, following a hearing by the municipal judge, the judge determines that:

(1) The ~~dog~~ animal ~~animal~~ is not validly registered under section 10-32 of this Code; or

(2) The ~~dog~~ animal ~~animal~~ is outside of the dwelling of the owner, or outside the proper enclosure and not under physical restraint of the responsible person.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-35. Purpose and construction of article ii.

It is the purpose of this article to provide additional and cumulative remedies to control dangerous and potentially dangerous animals ~~dogs animals~~ in the city. Nothing in this article shall be construed to abridge or alter rights of action or remedies of victims under the common law or statutory law, criminal or civil.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-36. Court proceedings against vicious or dangerous animals.

The owner of any ~~dog~~ animal ~~animal~~ alleged to be dangerous may be charged in municipal court after a complaint has been duly filed therein by any person having knowledge thereof. If the court finds that the ~~dog~~ animal ~~animal~~ has attacked human beings or animals without provocation, then the court shall have the authority to order the ~~dog~~ animal ~~animal~~ kept muzzled, confined, destroyed, or delivered to the animal welfare division for further action, as provided in section 1-8 of this Code.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Secs. 10-37—10-50. Reserved.

ARTICLE III. RABIES AND ANIMAL BITES

Sec. 10-51. Animal bites; rabies examination; quarantine.

(a) Every animal, regardless of immunization status, that has bitten a person shall be reported within four hours to the animal welfare division or an animal welfare officer and, except as otherwise provided herein, shall thereupon be securely quarantined at a veterinarian hospital, within 24 hours from the time of the bite incident, for a period of ten days from the date the person was bitten and shall not be released from such quarantine except by permission of the health officer of the city and the veterinarian in charge of the quarantined animal. Such quarantine will be at any veterinarian hospital, within the city, chosen by the owner or in the owners home if:

(1) Animal meets criteria of currently vaccinated against rabies and meets the definition of first party ownership as defined in section 10-1 of this Code; and

(2) Home quarantine site is approved by the health officer of the city. Animal welfare officers will complete a bite report and submit to the health officer of the city. If the bite was a severe injury the health officer of the city, shall make a determination of the disposition of the biting animal after consultation with the victims physician, and based upon the risk of rabies in the particular animal.

(b) In the case of a stray animal, ~~or in the case of a dog or cat~~ whose ownership is not known after diligent and reasonable efforts have been made by an animal welfare officer to determine ownership of such animal, such animal, ~~dog or cat~~ will be impounded immediately. In the case of unclaimed ~~dog or cat~~ animals ~~animals~~ that has bitten a person, such animals should be humanely euthanized and taken to a veterinarian for removal of the head for submittal to the state department of health for rabies examination. The final decision for animal destruction, quarantine, or other disposition of any animal other than a dog, cat or ferret that bites a person, or otherwise potentially exposes a person to rabies shall be determined by the health officer of the city as defined by section 10-2 of the Sallisaw City Code.

(c) In the case of an animal that has bitten a person and the ownership of such animal is known to an animal welfare officer but the owner refuses to have the animal quarantined as required by subsection (a) of this section, the animal welfare officer will direct the owner of such animal to have the animal quarantined as provided in subsection (a) of this section. If the owner refuses or does not have the animal quarantined within 24 hours from the time of the bite incident, the animal welfare officer will issue a citation for failure to quarantine. Immediately thereafter, the animal welfare officer will file a petition in municipal court for a show cause order directing the owner of such animal to appear in municipal court and show why such animal should not be quarantined. The show cause hearing will be held within two city business days and the court will determine the disposition of such animal.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-52. Responsibility for costs incurred.

Payment of fees incurred for daily boarding, euthanasia, preparation and transport of specimens for laboratory testing, or any other costs incurred to comply with section 10-51 shall be the responsibility of the person or entity owning, keeping, or harboring the animal.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-53. Killing or removing rabid animal prohibited.

(a) No person shall kill or cause to be killed any rabid animal, any animal suspected of having been exposed to rabies, or any animal biting a human, except as provided in this article, or remove the animal from the city limits without written permission from the health officer of the city.

(b) The carcass of any dead animal exposed to rabies shall upon demand be surrendered to the animal welfare officer.

(c) The health officer of the city shall direct the disposition of any animal found to be infected with rabies.

(d) No person shall fail or refuse to surrender any animal for quarantine or destruction when demand is made by an animal welfare officer or police officer. Such refusal shall be deemed an offense.

(Ord. No. 07-11 , § 2, 7-9-2007)

Sec. 10-54. Reports of bite cases—Report by veterinarian.

(a) It is the duty of every physician, veterinarian or other practitioner to report to the animal welfare division the names and addresses of persons treated for bites inflicted by animals, together with such other information as will be helpful in rabies control.

(b) It is the duty of every licensed veterinarian to report to the animal welfare division his diagnosis of any animal observed by him to be a rabid suspect.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-55. Records.

The animal welfare supervisor shall keep or cause to be kept:

(1) An accurate and detailed record of the licensing, impounding and disposition of all live animals, fowl and domestic birds coming into his custody and all dead dogs or cats picked up that possess rabies tags or city license; and

(2) An accurate and detailed record of all bite cases reported to the city, with a complete report of the investigation of each case.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-56. Exemptions from article.

(a) Hospitals, clinics, other premises operated by licensed veterinarians for the care and treatment of animals and animal shelters are exempt from the provisions of this article, except where duties are expressly stated.

(b) The licensing requirements of this article shall not apply to any ~~dog or cat~~ animal ~~animal~~ belonging to a nonresident of the city and kept within the city for no longer than 30 days; provided all such ~~dogs or cats~~ animal ~~animal~~ shall at all times, while in the city, be kept within a building, enclosure or vehicle, or be under restraint by the owner.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-57. Interference.

No person shall interfere with, or hinder, or molest any agent of the city in the performance of any duty of such agent, or seek to release any animal in the custody of the city or its agents, except as provided by law.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Secs. 10-58—10-90. Reserved.

ARTICLE IV. LICENSES AND PERMITS FOR KENNELS, KEEPING SMALL ANIMALS

Sec. 10-91. License required; application; fee; rabies vaccination; term; sanitary conditions; exception.

(a) No person shall own, maintain or operate a kennel within the city unless such kennel is licensed as herein provided. Application for such license shall be made to the city and shall state the name and address of the owner or operator of the kennel with the street address and legal description of the property upon which the kennel is located. Application for a renewal license must be received by the city at least 60 days prior to the expiration of the license.

(b) A kennel license fee shall be as provided in the fee schedule, and such license shall be exhibited in a conspicuous place on the premises.

(c) The owner or operator of a kennel must show proof of rabies vaccination on all animals over six months of age when applying for a license, as set forth in section 10-12 of this Code.

(d) Licenses expire annually on July 31. There is no proration of license fees.

(e) Any person maintaining a kennel, whether for profit or not, shall maintain such kennel in a sanitary condition and shall be subject to the provisions of this chapter. Nonconforming kennels shall be deemed a public nuisance.

(Ord. No. 07-11 , § 2, 7-9-2007)

Sec. 10-92. Facility standards; space requirements; exceptions.

(a) All kennels within the city limits shall meet the following minimum standards:

(1) The kennel floor shall be made of concrete at least four inches thick, with a smooth surface which shall have one-quarter inch of slope per foot of fall for drainage. The drainage shall slope to a cleanout gutter, and all drains shall be connected to the sanitary sewage line;

(2) Each cage shall have sleeping quarters, a lounging area and access to an exercise area with a minimum of 150 square feet. Sleeping quarters for the animals shall be protected from the weather, and each lounging area shall be individually enclosed by chain link material of at least ten-14 gauge, and shall have the following minimum dimensions for the number of animals to be accommodated:

Width	Length	Height	Accommodation for
4 ft.	~~12~~ ~~6~~ 6 ft.	6 ft.	Lounging area for 1 large dog, or 2 medium dogs, or 3 small cats
4 ft.	6 ft.	~~3~~ ~~6~~ 6 ft.	Sleeping area for 1 large dog, or 2 medium dogs, or 3 small dogs or cats

However, the cages for cats shall be completely enclosed;

(3) For the purpose of this section only, small-size dogs shall be defined as any dog weighing 25 pounds or less; medium-size dogs shall be defined as any dog weighing between 25 and 50 pounds; large-size dogs shall be defined as any dog weighing in excess of 50 pounds; and

(4) There shall be at least one cage which must be completely enclosed to house female dogs in heat.

(b) The provisions of this section shall not apply to kennels operated and maintained by licensed veterinarians, to commercial pet stores where all animals are kept within the establishment, to show kennels where the animal's housing is under the roof or physically attached to the owner's home, nor to animal shelters.

~~(Ord. No. 07-11 , § 2, 7-9-2007; Ord. No. 2011-19 , §§ 1, 2, 9-12-2011)~~

Sec. 10-93. Right of entry for inspection; revocation of license; subject to review by the city manager.

(a) It is a condition to the issuance of a kennel license that an animal welfare officer shall be permitted to inspect, at all reasonable times, all animals and kennels, except as to a show kennel under the roof or physically attached to the owner's home.

(b) Refusal by the owner or operator of the kennel to permit such inspection shall be a cause for the revocation of the kennel license. A second attempt will be made to inspect the animals and kennels within 48 hours, exclusive of holidays and weekends, from the time of the first refusal; and if the inspecting official is denied entry for the purpose of inspection, the animal welfare officer shall revoke the license. The decision of the animal welfare officer shall be subject to review by the city manager if the kennel owner or operator feels that the revocation of the kennel permit is unjustified. No refund of the license fee shall be made to the license holder.

(c) If a city manager review is desired, the owner or operator of the kennel shall so inform the animal welfare officer, who, in turn, shall place the request before the city manager within 30 days from the date of revocation. The animal welfare officer shall notify the owner/operator of the date, time and place in which the city manager will consider the review.

(d) During the pendency of the city manager review, no action shall be taken or initiated against the owner or operator of the kennel.

(e) The decision of the city manager is final. If the license revocation is upheld by the city manager, no refund of the license fee shall be made to the license holder.

~~(Ord. No. 07-11 , § 2, 7-9-2007; Ord. No. 2011-20 , §§ 1, 2, 9-12-2011)~~

Sec. 10-94. Permit required for large, small animals—Restriction.

No person shall keep, own, maintain, use or have in his possession any small animals within the city except as provided in this chapter.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-95. Permit application; requirements; exceptions.

(a) Permits for small animals may be obtained from the city after an application for the permit has been filed with and approved by the animal welfare officer. The animal welfare officer shall approve such application only after determining that the applicant for such permit complies with the requirements for the keeping of such animals as set forth in this chapter and zoning code. Once the premises have been inspected by an animal welfare officer the animal welfare division will coordinate with the city's zoning administrator for zoning approval.

(b) The following are exempt from the animal permit requirements of sections 10-97 et seq. of this Code:

  (1) Publicly owned institutions or public agencies, hospital, clinics, premises operated by licensed veterinarians for the care and treatment of animals, commercial pet stores and animal shelters;

  (2) Public sale yards, slaughter pens and meat packing plants;

  (3) Medical laboratories and educational institutions keeping such animals for medical research, veterinary hospitals, or pet shops keeping such animals for resale; and

  (4) Owners or keepers of dogs or cats are exempt from the requirement to obtain an animal permit, but where four or more dogs or cats are kept, all other provisions of sections 10-91 through 10-104 on small animals shall be applicable. All exceptions provided herein must fully comply with all the sanitary provisions of section 10-100 of this Code.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-96. Compliance with article required; revocation of permit.

It is the duty of the holder of any permit to maintain and operate the housing and keeping of such animals in such a manner as not to create a nuisance(s) determined by an animal welfare officer. The presence at any time of more than the limit of any type of animal shall be cause of immediate revocation of permit or legal action.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-97. Permits; fees; expiration.

(a) This article pertains to the permitting of small animals, other than dogs or cats.

(b) The permit fees shall be as provided in the fee schedule.

(c) All permits issued hereunder shall expire annually on December 31 of each year. There shall be no proration of the fee.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-98. Number of animals limited.

Except as provided in this chapter, no permit shall be issued for a kennel, or be valid if issued, for the permitting or keeping within the city a combined total of more than 12 small animals. ~~, except that no permit may be issued for a combined total of more than two miniature pigs for each household.~~

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-99. Facilities for keeping animals.

Permits for the keeping of small animals shall be issued only to those applicants who provide facilities for the keeping of such small animals in quarters set out in this chapter, which will confine the small animals within limits not closer than 25 feet to the exterior limits of any dwelling resided in by anyone other than the applicant.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-100. Practices to be observed in the keeping of animals.

(a) Upon the obtaining of a permit from the city as provided in this chapter, every owner of animal or animals shall observe the following practices:

  (1) Confine the same in an enclosure sufficient to prevent their running at large. Such enclosure shall be maintained in a clean and sanitary condition at all times, and an approved insecticide shall be used as often as deemed necessary by an animal welfare officer;

  (2) Provide a shelter or area of a size sufficient to be conducive to good sanitation practices, and he shall provide adequate and sanitary drainage for the shelter or area;

  (3) Cause the litter and droppings therefrom to be collected daily in a container or receptacle of such a type that, when closed, it is ratproof and airtight, and after each such collection shall cause such container or receptacle to be kept closed. At least twice each week, each such keeper shall cause all litter and droppings so collected to be disposed of in a way as not to permit the presence of fly larvae; and

  (4) Cause all feed provided to be stored and kept in a ratproof, flytight building, box, container or receptacle.

(b) The premises where animals are kept shall be subject to inspection by an animal welfare officer [at] any reasonable hour of the day.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-101. Keeping not to be a nuisance.

It is the duty of the holder of any permit provided for in this chapter to maintain and operate the housing and keeping of such animals in such a manner as not to create a nuisance.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-102. Refusal on revocation of permit; review by the city manager.

The failure of any owner or keeper of any such animals to comply with the provisions of or the sanitation standards and requirements established by the city in this article shall be cause for the animal welfare officer to refuse to grant a permit for the keeping of such animals, or, if the permit shall have been previously granted to such keeper, shall be cause for the revocation of the same. The decision of the animal welfare officer may be subject to review by the city manager if the applicant feels nongranting of permit or revocation of permit to be unjustified. The decision of the city manager shall be final and binding.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-103. Regulations applicable to institutions, hospitals, pet shops, and animal shelters.

Animals kept in medical laboratories or educational institutions for medical research, or in veterinary hospitals for treatment, or in pet shops for resale, or in animal shelters shall be kept under the same sanitary conditions prescribed by section 10-100 of this article.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-104. Cumulative effect of article.

This article shall be cumulative of all other sanitary ordinances or regulations of the city unless in conflict with the terms of such ordinances and regulations, in which case the terms of this article shall prevail.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-105. Domestic birds, fowl, birds of prey and bees; definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Bird*s shall refer to all named, unnamed and referenced feathered vertebrates.

Birds of prey shall mean those feathered vertebrates that are known also as Raptors which primarily are carnivorous and feed wholly or chiefly on meat taken by hunting or on carrion. Examples are, but not limited to, the Hawk, Falcon, Owl or Vulture or varieties thereof.

Colony shall refer to the bees and the hive as a whole.

Domestic birds shall be those feathered vertebrates most commonly kept within the confines of the interior of the home or dwelling. Examples are, but not limited to, the Birds of Paradise, Pigeons, Parakeet, Parrot, Finch and the Cockatiel or varieties thereof.

Enclosure shall mean the same as cage, coop, pen, chicken house or mew.

Fowl shall mean those feathered vertebrates most commonly kept outside, as within a farm environment and which are usually raised for consumption and or egg production. Examples are, but not limited to, the chicken, guiney, duck, goose, turkey or varieties thereof.

Hive shall mean the enclosure of which bees are housed or occupy.

Keeper shall mean the caretaker, caregiver, owner or occupant in charge of all mentioned animals or insects in this section.

~~(Ord. No. 2010-15 , §§ 1, 2, 10-11-2010)~~

~~Ord. No. 2010-15 , §§ 1, 2, adopted Oct. 11, 2010, repealed § 10-105 in its entirety and enacted a new § 10-105 to read as set out herein. Former § 10-105 pertained to keeping domestic birds, fowls and bees and derived from Ord. No. 07-11 , § 2, adopted July 9, 2007.~~

Sec. 10-106. Keeping of domestic birds, birds of prey and fowl.

(a) The housing and keeping of domestic birds shall be in such a manner as not to create a nuisance. Domestic birds shall be restricted to no more than three so as not to create a noise nuisance. The keeping of domestic birds is permissible only in the ("R" zones) residentially zoned areas.

(b) Every keeper of domestic birds shall confine the same in an enclosure sufficient to prevent their being at large and shall provide a shelter area of sufficient size to be conductive to good sanitation practices.

(c) The housing and keeping of fowl and/or birds of prey shall be permitted only in the A-1 or A-2 agricultural zone and restricted in all "R" zones.

(d) All fowl shall be kept in an enclosure designed as to prevent the animal from being at large. It shall house no more than one fowl per ten square feet of enclosure.

(e) All birds of prey shall be kept in an enclosure designed to house no more than one bird of prey per 50 square feet.

(f) All enclosures shall be restricted in size and location. The maximum allowable enclosure shall be equivalent to one square foot of enclosure to five square feet of rear yard. All enclosures shall be a minimum of seven feet in height and closed at the top. Enclosures shall be in the rear yards only.

(g) The enclosure shall be no closer than 50 feet from any part of any residential structure or adjacent residential structure and any type of food service.

(h) The enclosure shall be constructed in a manner for ease of cleaning. Runoff from an enclosure shall not be directed to a stream, drainage ditch or water course of any type.

~~(Ord. No. 2010-15 , § 2, 10-11-2010)~~

Sec. 10-107. Beekeeping.

Beekeeping shall be allowed in the A-1 or A-2 agricultural zone only:

(1) No such beekeeping shall be allowed until the keeper of such bees has registered his beekeeping operation with the city and paid a fee specified in the fee schedule;

(2) The density of colonies on any lot may not exceed one colony of bee for each 2,500 square feet of rear yard area;

(3) Colonies shall not be located within 35 feet of any property line.

a. The beekeeper shall maintain fresh water sources on his lot for his bees during all the time bees fly from the hive;

b. All colonies shall be maintained in moveable frame hives, and mature colonies shall be housed in two full depth brood chambers; and

c. Each beekeeper shall register his beekeeping operation with the state board of agriculture as required by state law.

~~(Ord. No. 2010-15 , § 2, 10-11-2010)~~

Secs. 10-108—10-120. Reserved.

ARTICLE V. LICENSING OF DOGS AND CATS

Sec. 10-121. License for dogs and cats.

(a) It shall be unlawful for any person to own, possess or have under his control three or less dogs or cats, or any combination thereof, over six months of age, without obtaining a license for each such animal from the city. The license on each such animal will be valid as long as the owner has such animal and the license is validated every year upon proof of rabies vaccination. When ownership of such animal is transferred to another person, the new owner of such animal must obtain a new license from the city.

(b) ~~It shall be unlawful for any person to own four or more but not more than seven dogs or cats, or any combination thereof, over six months of age without obtaining a special handlers license from the city and pay the appropriate fee as provided in the fee schedule. The special handlers license will be valid as long as the owner has each unaltered dog and/or cat they own altered. Owners who obtain a special handler's license and own one or more unaltered dogs or cats must renew the license annually.~~

(c) It shall be unlawful for any person to own three (3)~~eight~~ or more dogs or cats, or any combination thereof, over six months of age without obtaining an annual kennel license from the city and pay the annual fee as provided in the fee schedule.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-122. Terms of license—Exemption.

(a) The license issued for three or less dogs or cats shall be validated every year, during the anniversary month that the license was issued, upon receipt of proof of rabies vaccination.

(b) City of Sallisaw residents who are 65 years of age or older may obtain a license for a cat or dog at no cost. However, if a kennel or special handler's license is applied for, the kennel or special handler's license fee will apply to such resident.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-123. Issuance of records.

(a) Upon obtaining a license for a dog or cat, a license tag shall be issued. The tag, of durable material, shall be designed to be easily fastened or riveted to the animal's collar or harness. The tag shall bear a number corresponding to the receipt issued by the city.

(b) The city's animal welfare division shall maintain records of licensed dogs and cats, and such records shall be open to public inspection.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-124. Fastening of tags to collar or harness.

Tags issued shall be fastened to the animal's collar or harness at all times. The collar or harness with tag shall be worn by the animal at all times, with the exception of show animals as set out in section 10-13 of the Sallisaw Code of Ordinances.

~~(Ord. No. 07-11 , § 2, 7-9-2007; Ord. No. 2011-21 , §§ 1, 2, 9-12-2011)~~

Sec. 10-125. License fee—License fee in addition to other fees.

(a) The fee for the licensing of dogs and cats shall be provided in the fee schedule.

(b) The license fee shall be in addition to any other fee and deposits provided in the fee schedule under this chapter and any fines imposed by a court of competent jurisdiction.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-126. Use of revenues collected from license fees.

The revenues collected, under this chapter, shall be used for general municipal purposes of the city.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-127. Transfer of cats and dogs.

(a) When ownership of a dog or cat is transferred within the city limits, the new owner will have 30 days to update the registration of the animal with the animal welfare division.

(b) When ownership of a vicious or dangerous dog is transferred within the city limits, the previous owner will notify the animal welfare division and provide the name and address of the new owner, if the new owner resides within the city limits.

(c) The new owner will be required to:

  (1) Immediately register the dog with the animal welfare division.

  (2) Ensure the requirements for maintaining a vicious or dangerous dog, as outlined within section 10-32 of this chapter, are complied with prior to the dog being placed on the new owner's property.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

Sec. 10-128. ~~Nonapplicability~~Non applicability of article.

The provisions of this article shall not apply to cats or dogs in the custody of a veterinarian, or whose owners are nonresidents visiting the city for a period not exceeding 30 consecutive days.

~~(Ord. No. 07-11 , § 2, 7-9-2007)~~

SECTION 2.

Any ordinance inconsistent with the terms and provisions of this ordinance is hereby repealed; provided, however, that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this ordinance.

SECTION 3.

If, regardless of cause, any section, subsection, paragraph, sentence, phrase, portion or clause of this ordinance is held invalid or determined to be unconstitutional, the remaining sections, subsections, paragraphs, sentences, phrases, portions or clauses shall continue in full force and effect and shall be construed thereafter as being the entire provisions of this ordinance.

SECTION 4.

WHEREAS, an emergency and immediate necessity exists by reason of the health, safety and protection of the citizens of Sallisaw; therefore, an emergency is hereby 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 ________ day of __________________, 2024

CITY OF SALLISAW, OKLAHOMA

By:

____

Ernie Martens, Mayor

ATTEST:

____

KIM JAMISON, City Clerk
[SEAL]

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Resolution 2024-06

ITEM TITLE: Discussion and possible action on Resolution 2024-06; *A Resolution Approving The Sallisaw Municipal Authority Incurring Indebtedness and Giving Security for the Purpose of Acquiring Real Property, and Declaring an Emergency (Old Cookson Hills Building)*

INITIATOR: City Attorney
City Manager

STAFF INFORMATION SOURCE: City Attorney
City Manager

BACKGROUND: This item is related to the purchase of the old Cookson Hills Building. Approval of the Resolution, will allow for the incurring of indebtedness by the Trustees of the Sallisaw Municipal Authority by issuance of a Promissory Note, secured by a Mortgage, not to exceed $360,000.00.

EXHIBITS: 1. City.Res.24.06.purchase real prop.Martin

KEY ISSUES: None.

FUNDING SOURCE: SMA

RECOMMENDATION: A. Approval of Resolution 2024-06.
B. Approval of Emergency Clause.

RESOLUTION 2024-06

A RESOLUTION APPROVING THE SALLISAW MUNICIPAL AUTHORITY INCURRING INDEBTEDNESS AND GIVING SECURITY FOR THE PURPOSE OF ACQUIRING REAL PROPERTY, AND DECLARING AN EMERGENCY

WHEREAS, it is necessary and in the best interests of the Sallisaw Municipal Authority, a Public Trust, that provisions be made for securing financing for the purpose of acquiring the old Cookson Hills Building property lying adjacent to property owned by the City of Sallisaw in order to serve public purpose, the said real property being described as follows:

Lots 1 and 2, Block 2 of the Original Town of Sallisaw, Oklahoma; and,

Lot 1 and East 35 feet of Lot 2, Block 2, Quesenbury Addition No. 2 to the Town of Sallisaw, Oklahoma; and

WHEREAS, in order to finance the project, the Authority intends to incur indebtedness in the aggregate principal amount not to exceed Three Hundred Sixty Thousand Dollars ($360,000.00), evidenced by a fixed rate Promissory Note or Notes of the Authority, secured by a Mortgage covering the above described real property;

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

SECTION 1: The incurring of indebtedness of the Trustees of the Sallisaw Municipal Authority by issuance of its Promissory Note or Notes not to exceed Three Hundred Sixty Thousand Dollars ($360,000.00) for said purpose is hereby approved.

SECTION 2. **WHEREAS**, an emergency and immediate necessity exists by reason of the health, safety, and protection of the citizens of Sallisaw; therefore an emergency is hereby declared to exist by reason whereof this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED THIS 13th day of May, 2024.

CITY OF SALLISAW, OKLAHOMA

By: ______________________________

ERNIE MARTENS, Mayor

ATTEST:

____

KIM JAMISON, City Clerk

[S E A L]

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Resolution 2024-07

ITEM TITLE: Discussion and possible action on Resolution 2024-07; *A Resolution Approving Purchase of Real Property for the Sum of $445,000.00 and Authorizing the Sallisaw Municipal Authority Incurring Indebtedness and Giving Security for the Purpose of Acquiring Real Property, and Declaring an Emergency (Part of the Old Chevrolet property)*

INITIATOR: City Attorney
City Manager

STAFF INFORMATION SOURCE: City Attorney
City Manager

BACKGROUND: This item is related to the purchase of the property located at 2600 N. Wheeler Avenue. Approval of the Resolution, will allow for the incurring of indebtedness by the Sallisaw Municipal Authority by issuance of a Promissory Note, secured by a Mortgage, not to exceed $445,000.00.

EXHIBITS: 1. City.Res.24.07.purchase real prop.Udouj

KEY ISSUES: None.

FUNDING SOURCE: SMA

RECOMMENDATION: A. Approval of Resolution 2024-07.
B. Approval of Emergency Clause

RESOLUTION 2024-07

A RESOLUTION APPROVING PURCHASE OF REAL PROPERTY FOR THE SUM OF $445,000.00 AND AUTHORIZING THE SALLISAW MUNICIPAL AUTHORITY INCURRING INDEBTEDNESS AND GIVING SECURITY FOR THE PURPOSE OF ACQUIRING REAL PROPERTY, AND DECLARING AN EMERGENCY

WHEREAS, the Trustees of the Sallisaw Municipal Authority have determined that it is advantageous to acquire property for use by the electric department from SHH LLC; and

WHEREAS, it is necessary and in the best interests of the Sallisaw Municipal Authority, a Public Trust, that provisions be made for securing financing for the purpose of acquiring a part of the old Chevrolet Dealership property in order to serve public purpose, the said real property being described as follows:

> Lot 1, of SHH LLC Addition to the City of Sallisaw, Sequoyah County, Oklahoma, SUBJECT to easements shown on the Plat and subject to an Easement described as:
>
> A 20 foot easement being situated in a part of Lot 1, of SHH LLC Addition to the City of Sallisaw, Sequoyah County, Oklahoma. The described easement being created by Kelly Osburn, Oklahoma PLS# 1628 on January 22, 2020. The basis of bearing for the described easement is North-South along the East line of the SE¼ of said Section 29 and is more particularly described as:
>
> Beginning at the NW corner of said Lot 1; thence along the North line thereof S86º42'55"E 21.15 feet to a set magnail w/shiner; thence S19º11’55"W 161.40 feet to a set magnail w/shiner; thence N70º48'05"W 20.00 feet to an existing magnail w/whisker on the West line of said Lot 1, also being the East right-of-way line of Highway 59; thence along said West line and said right-of-way line N19º11'55"E 150.33 feet to a magnail w/whisker; thence N15º23'04"E 5.29 feet to the point of beginning; and

WHEREAS, in order to finance the project, the Authority intends to incur indebtedness in the aggregate principal amount not to exceed Four Hundred Forty-Five Thousand Dollars ($445,000.00), evidenced by a fixed rate Promissory Note or Notes of the Authority, secured by a Mortgage covering the above described real property;

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

SECTION 1: The purchase of the above described property from SHH LLC for the purchase price of $445,000.00 is hereby approved.

SECTION 2: The incurring of indebtedness of the Trustees of the Sallisaw Municipal Authority by issuance of its Promissory Note or Notes not to exceed Four Hundred Forty-Five Thousand Dollars ($445,000.00) for said purpose is hereby approved.

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 hereby declared to exist by reason whereof this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED THIS 13th day of May, 2024.

CITY OF SALLISAW, OKLAHOMA

By: ______________________________

ERNIE MARTENS, Mayor

ATTEST:

____

KIM JAMISON, City Clerk

[S E A L]

AGENDA ITEM COMMENTARY

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Telecommunications Rates

ITEM TITLE: Consider Approval of Resolution 2024-08; *A Resolution Adopting Rates and Fees for the Telecommunications Services Known as DiamondNet, Establishing Certain Rates and Fees for the City of Sallisaw, and Superseding Previous Resolutions*

INITIATOR: Director of Finance

STAFF INFORMATION SOURCE: City Staff

BACKGROUND: This resolution reflects proposed rate changes to various items previously adopted in the Master Fee Schedule. The video rate changes are needed to allow us to remain as close to break even as possible on video rates. Over the last couple of years, video rates, along with re-transmission fees, have eroded our revenue base for video. This resolution also established our new Gigabyte Internet packages. Changes will be effective June 21, 2024.

EXHIBITS:
1. DNet Rates_City Resolution
2. Master DNet Rate Schedule for adjustments

KEY ISSUES: For Video, we have the following changes:

- $3 increase for Digital Basic for Residential and Commercial Subs
- $2 increase for Digital Advanced for Residential and Commercial Subs

For Internet, we have the following changes:

- RES Wave7: Leave all W7 subs as is until they are reassigned to the Calix tiers.
- RES 100M: Decrease price from $59.95 to $54.95.
- RES 150M: Decrease price from $79.95 to $74.95 and increase speed from 150M to 200M.
- RES 200M: Decrease price from $99.95 to $84.95 and increase speed from 200M to 1G.
- RES 50M: Transition from 50M to 100M with a transitional price of $39.95 to $54.95 after 3 months.
- COM 50M: Increase price from $59.95 to $64.95.
- COM 100M: Decrease price from $89.95 to $79.95.
- COM 200M: Increase speed from 200M to 250M with no price change.
- COM 1G: Offer for $399.95

FUNDING SOURCE: NA

RECOMMENDATION: Staff recommends approval of Resolution 2024-08

RESOLUTION 2024-08

A RESOLUTION AMENDING THE TELECOMMUNICATIONS RATE SCHEDULE FOR THE CITY OF SALLISAW, AND SUPERSEDING PREVIOUS RESOLUTIONS

WHEREAS, certain rates and fees charged to subscribers of the telecommunications system known as DiamondNet have previously been adopted by the Board of City Commissioners in prior resolutions; and

WHEREAS, certain rates and fees now need to be adjusted or added to the Rate Schedule; and

WHEREAS, the City Manager has reviewed these rates and fees with the Board of City Commissioners, and the Board of City Commissioners have determined it is necessary to adopt these rates and fees; and

WHEREAS, the Board of City Commissioners may at any time adjust or amend all or portions of the Telecommunications Rate Schedule and set certain rates and fees in separate resolutions if needed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CITY COMMISSIONERS OF SALLISAW, OKLAHOMA AS FOLLOWS:

Section 1: The rates and fees charged to subscribers of the telecommunications system known as DiamondNet shall be amended in its entirety to reflect the following rates and fees as provided in Exhibit "A" attached hereto.

Section 2: Supersede Previous Resolutions. This resolution shall supersede in its entirety these rates and fees that may have previously been established in prior resolutions.

Section 3: Effective Date. The rate and fee adjustments and amendments of this resolution shall become effective on June 21, 2024.

PASSED AND APPROVED by the Board of City Commissioners of the City of Sallisaw, Oklahoma on the **13th** day of **May** **2024**.

CITY OF SALLISAW, OKLAHOMA

By:____________________________________
ERNIE MARTENS, Mayor

ATTEST:

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Kim Jamison, City Clerk
(SEAL)

City of Sallisaw & Sallisaw Municipal Authority
Telecommunications Rate and Fee Schedule
Exhibit A

Effective June 21, 2024

All rates and fees are charged monthly unless otherwise noted

Rate Code	*Description*	*Monthly Rate*	*New Rate/Fee*	
Residential and Commercial Video Packages				
TP1	**DiamondNet Triple Play -Basic (Residential Only)**			
	DiamondNet Triple-Play ($4.90 discount)	~~$ 117.95~~	$ 120.95	
	Digital Basic Video(006), 20Mbps Internet(240) &			
	Residential Phone Package(TRU)			
	With Internet TP40MB(242)	~~$ 137.95~~	$ 140.95	
	With Internet TP60MB(243)	~~$ 157.95~~	$ 160.95	
	With Internet TP80MB(244)	~~$ 182.95~~	$ 185.95	
	With Internet TP Adv 50MB(245)		$125.95	
	With Internet TP Adv 100MB(246)		$140.95	
	With Internet TP Adv 150MB(247)		$160.95	
	With Internet TP Adv 200MB(248)		$170.95	
TP2	**DiamondNet Triple Play -Advanced (Residential Only)**			
	DiamondNet Triple-Play ($4.90 discount)	~~$ 129.95~~	$ 131.95	
	Digital Advanced Video(010), 20Mbps Internet(240) &			
	Residential Phone Package(TRU)			
	With Internet TP40MB(242)	~~$ 149.95~~	$ 151.95	
	With Internet TP60MB(243)	~~$ 169.95~~	$ 171.95	
	With Internet TP80MB(244)	~~$ 194.95~~	$ 196.95	
	With Internet TP Adv 50MB(245)		$136.95	
	With Internet TP Adv 100MB(246)		$151.95	
	With Internet TP Adv 150MB(247)		$171.95	
	With Internet TP Adv 200MB(248)		$181.95	
DP1	**Double Play Residential**			
	DiamondNet Double Play ($2.95 discount)	~~$ 89.95~~	$ 92.95	
	Digital Basic Video(006) & 20 Mbps Internet(240)			
	With Internet DP40MB(242)	~~$ 109.95~~	$ 112.95	
	With Internet DP60MB(243)	~~$ 129.95~~	$ 132.95	
	With Internet DP80MB(244)	~~$ 154.95~~	$ 157.95	
	With Internet TP Adv 50MB(245)		$97.95	
	With Internet TP Adv 100MB(246)		$112.95	
	With Internet TP Adv 150MB(247)		$132.95	
	With Internet TP Adv 200MB(248)		$142.95	
DPB	**Double Play Basic Commercial**			
	DiamondNet Double Play ($2.95 discount)		$112.95	
	Digital Basic Video(050) & 10 Mbps Internet(250)			
	With Internet DP20MB(251)		$147.95	
	With Internet DP40MB(253)		$177.95	

	With Internet DP50MB(252)		$214.95
	With Internet DP100MB(254)		$333.00
	With Internet DP Adv 50MB(256)		$122.95
	With Internet DP Adv 100MB(257)		$137.95
	With Internet DP Adv 200MB(258)		$217.95
	With Internet DP Adv 1 GB(259)		$457.95
DPA	**Double Play Advanced Commercial**		
	DiamondNet Double Play ($2.95 discount)		$139.95
	Digital Advanced Video(051) & 10 Mbps Internet(250)		
	With Internet DP20MB(251)		$174.95
	With Internet DP40MB(253)		$204.95
	With Internet DP50MB(252)		$241.95
	With Internet DP100MB(254)		$360.00
	With Internet DP Adv 50MB(256)		$149.95
	With Internet DP Adv 100MB(257)		$164.95
	With Internet DP Adv 200MB(258)		$244.95
	With Internet DP Adv 1 GB(259)		$484.95
006	Digital Basic (65 channels)	~~$ 57.95~~	$ 60.95
010	Digital Advanced	~~$ 69.95~~	$ 71.95
	Equipment		
301	SD / HD Converter-No DVR (included with DB)	Included	
302	SD / HD Converter-No DVR - Additional	$ 2.95	
303	250GB HD DVR -Up to 250GB	$ 10.00	
305	Digital HD Converter No DVR (Monthly)	$ 8.00	
306	Digital Cable Card Lease (monthly)	$ 5.95	
307	High Capacity HD DVR 250GB+	$ 16.00	
no change	Damaged or Unusable Converter Boxes (Each)	Billed at Cost	
no change	Unreturned SD & HD Converters (Each)	Billed at Cost	

Commercial Video Packages

050	Digial Basic (5 outlets included)	~~$ 57.95~~	$ 60.95
051	Digital Advanced (5 outlets included)	~~$ 85.95~~	$ 87.95
052	Commercial Music Only (Per Digital Box)	$ 58.95	
057	Additional Outlets (per outlet)	$ 9.95	

Commercial Bulk Video Packages

801	Bulk Rate (Per Unit)	$ 10.00
800	Bulk Rate (Per Unit - All 3 Services)	$ 9.00
802	HBO (per unit)	$ 4.25
803	Cinemax (per unit)	$ 4.00
804	Showtime/TMC (per unit)	$ 4.00
805	Starz/Encore (per unit)	$ 4.00

Digital Tiers

011	Games & Sports Tier	$ 5.95
014	High Definition Basic Tier	NC

Premium Movie and Pay Per View (PPV)

101	HBO		$	18.00
102	Showtime Unlimited		$	13.00
103	Cinemax		$	13.00
104	Starz Super Pak		$	13.00
	PPV Movie (6 Hour Block)		$	9.95
		Discount 1 premiums	$	(3.00)
		Discount 2 premiums	$	(6.00)
		Discount 3 premiums	$	(9.00)
		Discount 4 premiums	$	(14.00)

Other Video Fees (Applies to all video accounts)

001	Copyright Fee per customer	$	0.65
000	FCC Fee per customer	$	0.09
008	Retransmission Fee per customer	**Billed at Cost**	

Residential and Commercial Internet Packages

Residential High-Speed Internet (Fiber)

240	20 MB 20/10	$	34.95		
242	40 MB 40/20	$	54.95		
243	60 MB 60/30	$	74.95		
244	80 MB 80/40	$	99.95		
245	~~Res Advanced 50 MB 50/12.5[1]~~	~~$~~	~~39.95~~	$	54.95
246	Res Advanced 100 MB 100/25[1]	~~$~~	~~59.95~~	$	54.95
247	Res Advanced ~~150~~ 200 MB	~~$~~	~~79.95~~	$	74.95
248	Res Advanced Gaming ~~200 MB 200/100~~ 1GB (Res Only)[1]	~~$~~	~~99.95~~	$	84.95

All residential Internet packages include 5 email accts

[1]Service subject to availability

Commercial High-Speed Internet (Fiber)

250	10 MB 10/10	$	54.95		
251	20 MB 20/20	$	89.95		
253	40 MB 40/40	$	119.95		
252	50 MB 50/50	$	156.95		
254	100 MB 100/100 symetrical	$	275.00		
255	1GB Commercial symetrical	$	799.00		
256	Com Advanced 50 MB 50/50[3]	$	59.95	$	64.95
257	Com Advanced 100 MB 100/100[3]	$	89.95	$	79.95
258	Com Advanced ~~200~~ 250 MB	$	159.95	No $ Change	
259	Com Advanced 1 GB	$	399.95	New	
	Single Static IP Address	NC			
205	Static IP Address - Additional [2]	$	5.00	each	
210	Point to Point Intranet (5 Mbps)[3]	$	150.00		
211	Point to Point Intranet (10 Mbps)[3]	$	200.00		
212	Point to Point Setup Fee	$	300.00		

[2] All commercial Internet packages include 1 static IP if needed

[3] Service subject to availability

DiamondNet Wireless (Not used for Marble City Accounts)

DW1	1 Mbps Wireless	$	29.95
DW2	3 Mbps Wireless	$	39.95
DW3	5 Mbps Wireless	$	49.95
DW4	10 Mbps Wireless (limited availablity)	$	75.95
DW5	20 Mbps Wireless (limited availablity)	$	125.95
	Wireless Standard Install	$	100.00
	Wireless standard install with router	$	125.00

Residential and Commercial Phone Packages

TLA	Business Advanced with Unlimited LD	$	35.95
TAM	Business Advanced with Metered LD .02/min	$	27.95
TBU	Business Basic Service with Unlimited LD	$	27.95
TBU	Must purchase 1 TLA package		
TBM	Business Basic Service with metered LD .02/min	$	22.95
TBM	Must purchase 1 TAM package		
TLE	Business Executive with Unlimited LD	$	45.95
TEM	Business Executive with Metered LD .02/min	$	35.95
TAC	Activation Fee (per line) One time Fee	$	5.00
TS3	Business Call Path Local Metered LD .02/min	$	599.00
	Ad Tran equipment, one time cost	$	500.00
	Installation, one time cost	$	349.00
TS7	Direct Inward Dialing (DIDs) (10:1 ratio) cost each	$	0.23
TRU	Residential Unlimited. All features and unlimited LD	$	29.95
TRB	Residential Basic. All features with metered LD @ .02/ min	$	20.95
TLL	Residential Life Line (bare line no features)	$	10.00
TAC	Activation Fee (per line) One time Fee	$	5.00
	Change of Address (Transfer Fee)	$	10.00
	Change Telephone Book Listing	$	10.00
	Change Telephone Number	$	10.00
	Disconnect Toll Free Number	$	10.00
	Add Additional Line	$	10.00
	Line Disconnect	$	10.00
	Toll Free Change, Termination of Number	$	10.00
	Toll Free Number Add LNP	$	10.00
	Toll Free Add New Number	$	10.00
	Migrate Residential Phone to Office	$	10.00
	Add Extension to Hosted	$	10.00
	Misc Enterprise Add On (Momentum Service)		Cost

Installation, Repair and Other Charges

658	Activation Fee (applies to all services)	$	19.95	
601	Standard Install - Pre-wired	$	19.95	each
602	Standard Install - Unwired (up to 3 outlets)	$	39.95	per hour

603	HDTV Install/Upgrade	$	9.95	per call
604	Custom Install Hourly Rate	$	40.00	
605	Change of Service - Technician Required	$	9.95	each
606	Change of Service - Electronic	No Charge		each
607	Additional/Relocate Outlet - At Initial Install	$	9.95	each
608	Additional/Relocate Outlet - Separate Trip	$	19.95	
NSF	NSF Returned Check Fee	$	25.00	each
LCG	Late Fee (applied on total due)		1.5%	each
610	Reconnect Fee (Non Pay Accounts)	$	25.00	
614	Wall Fish - Additional Charge Per Outlet	$	50.00	each
615	Wire Maintenance (per month)	$	3.95	each
616	Service Call without Maintenance Plan	$	29.95	
617	Network Interface Card (subject to sales tax)	$	19.95	each
620	HDMI Cable 6 ft	$	14.95	each
621	HDMI Cable 12 ft	$	19.95	each
622	Router Setup (Non-Dnet sale)	$	19.95	each
623	Router Lease (subject to sales tax)	$	3.95	each
304	Remote Control (Replacement or Additional)	$	5.00	
624	Calix Range Extender (per month)		$4.95	

Rate/Fee Schedule Notes:

All rates and fees are charged monthly unless otherwise noted.

~~Item deleted from rate schedule~~ (Represents items changed or deleted from schedule)

DIAMONDNET

ADMINISTRATIVE REPORTS

Meeting Date:	May 13, 2024
Board:	Board of City Commissioners
Subject:	Administrative Reports

Upcoming Events

- May 13: BOCC Regular Meeting
- May 21 & 22: Budget Retreat City Council and City Staff
- June 4: Open aquatic facility bids
- June 10: BOCC Regular Meeting, Adoption of FY 2025 budget.
- July 1: Start of new FY 2025
- July 8: BOCC Regular Meeting

City Manager Reports

Aquatic Facility: Bids are now being advertised for the new pool. As you are aware, since the last bid opening was close to $2 million over budget, staff has been working hard with our architect on the design of the project. In January, we had discussions with Sallisaw Public Schools about co-use of the concession and restroom facilities between the pool facility and the football facility. Our agreement on this meant the pool design had to be revamped, and the facility moved further north towards the football field. With this movement, updated surveys were needed, along with design changes for electrical and water infrastructure. Both the school system and city staff have reviewed the changes in the project and agree to move forward with the co-use and new design. Not only will this benefit the school system, but the facility will be used for more than two summer months. With co-use with the school system, the restrooms and concessions will be used late into the fall each year. We realize this project has not been easy and has been delayed, but we feel we are on the right track now. We could not foresee the issues we had with the two previous bids, nor issues with contractor or subcontractor availability at the time.

Our OWRB Grant to fund the Lennington / Drake Road water loop has been approved by the OWRB Board. This project is estimated at $1,278,492.70, with the OWRB grant portion being $626,461.00, and local matching funds being $652,031.70. A copy of the award letter is attached.

Unfortunately, our OWRB loan application for residential AMI water meters was denied. With this, staff is tweaking the water portion of our AMI project, reducing the number of water AMI meters to be installed. We will discuss this more at our upcoming budget meetings.

Economic Development activity remains very strong with numerous requests and discussions taking place.

Staff has completed the proposed FY 2025 budget document. We look forward to the May 21 and 22 budget retreat.

Electric Rates: At their April 10 Board of Directors meeting, GRDA approved new rate schedules to go into effect October 1, 2024. We continue to work with our electric rate consultant on the adjustments that will be needed on our end. Once we are comfortable with the numbers, we will present them to the Board at a future meeting. Our new rates must be approved and implemented prior to October 1, 2024.

Staff continues to document the required Lead Water Service Line Inventory as required by ODEQ. This inventory must be submitted by October 16, 2024.

Update on ODEQ Consent Order 23-256: ODEQ has asked us to complete two tasks related to Consent Order 23-256.
>>Item 1: Detailed evaluation and procedures for future lab testing for copper.
>>Item 2: List of industrial customers who discharge into our sewer system.

Update on Landfill Phase II project. The Corps of Engineers and EPA continue to review our documents related to our Phase II expansion. "***EPA and OASACW have mutually agreed to extend the HQ coordination timeframe for this draft AJD to June 27, 2024. The Tulsa District Regulatory Office has been directed not to take action to finalize this draft AJD before this date without additional direction.***"

The new senior citizen van has passed ODOT inspection and was placed into service.

Active Projects:

- Acquatic Complex
- McGee Sewer Lift Station
- Hwy 59 North Electric and Fiber Relocation
- South Cedar Tree Removal and Easement Clearing
- South Cedar Electric Line Upgrade
- Engineering for Lennington, Drake Road Water Loop
- Landfill Cell 8A
- Airport Wind Cone
- Airport Taxiway/Apron Seal Coat
- Landfill Methane Collection System
- Relocation of PD Firearm Range to WWTP

- Replacement of Storm Sirens
- Fryar Drive Sewer Line
- Landfill Phase II Project
- Electric AMI: GRDA has issued a Purchase Order to UTS for the electric meters and data collection system.
- Water AMI: Staff is reviewing meter quantities and scaling back the project due to denial of the OWRB grant/loan.

April 18, 2024

Mr. Keith Skelton, Mayor
City of Sallisaw, Oklahoma
115 East Choctaw
Sallisaw, OK 74955

Re: Notice of American Rescue Plan Act (ARPA) Grant Approval and Commitment of Funds -- OWRB ARPA Grant No. ARP-23-0160-G; City of Sallisaw, Oklahoma, Sequoyah County

Dear Mr. Skelton:

We are pleased to formally notify you that on April 16, 2024 the Oklahoma Water Resources Board (OWRB) approved your request for an American Rescue Plan Act ("ARPA") grant. With this approval, and subject to limitations, requirements and points of understanding set out below, the Board has committed funds to be made available to you for purposes of the project subject of this ARPA grant.

Approval of the City of Sallisaw, Oklahoma grant request is based on the proposed project which shall be to loop the system by adding approximately 10,480 linear feet of 12-inch waterline as more fully described in the grant application submitted to OWRB. The approval was made subject to the terms of the enclosed ARPA Grant Agreement which is to be signed, attested and returned prior to disbursement of ARPA grant funds. It is our understanding that funding of this project, estimated at $1,278,492.70, is being secured as follows:

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
OWRB ARPA Grant:	$626,461.00	Project:	$1,278,492.70
Local Matching Funds:	652,031.70		
Total	$1,278,492.70	**Total**	$1,278,492.70

As you know, any grant funds made available may be utilized and expended solely and exclusively for purposes of paying costs directly related to the project for which grant approval has been given and for no other purpose. Such funds may not be used, for example, to retire any existing and unrelated indebtedness or to operate and maintain any utility system. ***The applicable OWRB Grant Rules, applicable Federal laws, and applicable State laws must be complied with at all times during the course of the project***.

Please take the following steps immediately in order to enable us to encumber funds for your project. Without this documentation your funds are not encumbered:

1. Sign, attest and return to our office immediately the enclosed ARPA Grant Agreement. Return only the original Grant Agreement. The OWRB Board Order attached to the Grant Agreement is for your records.
2. Complete the enclosed EFT Form with voided check and return to our office immediately. The FEIN number on the EFT Form needs to match the entity applying for the grant (i.e. Authority or Town/City).

Prior to OWRB's release and disbursement of grant funds the following information if applicable or not already provided should be submitted.

1. A copy of the project plans and specifications must be provided to OWRB Staff for review and comments when you submit them to the Department of Environmental Quality for approval.
2. The Affidavit of Publication should be submitted with the Bid Tabulation. ***In order to avoid further Board Action, the Affidavit of Publication must match the plans and specifications as provided to OWRB Staff.***
3. A copy of the construction permit when issued by the Department of Environmental Quality;
4. A resume or background information for the proposed inspector for this project, and a copy of the inspector's agreement, if applicable;
5. A copy of the engineering services contract;
6. A copy of the successful bidder's contract documents (detailed list enclosed);
7. A copy of the notice to proceed with construction;
8. Also, please note that OWRB Staff should be included in the pre-construction conference, project progress meetings, and at the final inspection.

Furthermore, all reimbursement invoices for eligible project activities must be received by August 31, 2026 unless extended in writing by the Board.

Prior to and during the construction period you are required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and applicable ARPA grant policies.

Should you have any questions regarding this notification and letter of commitment, please feel free to contact our Federal Grants Administrator, Jordan Johnson at 405-530-8820.

Sincerely,

Joe Freeman, Chief
Financial Assistance Division

Enclosure as stated

Cc: Mr. Scott Neel, Neel, Harvell & Associates, P.C.
Keith Skelton, Mayor, City of Sallisaw, Oklahoma