



CITY OF ALVA

Citizen Petition Audit

February 2, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**City of Alva
Woods County, Oklahoma**

**Special Audit Report
February 2, 2023**



February 2, 2023

TO THE CITIZENS OF THE CITY OF ALVA

Pursuant to 74 O.S. §212(L), we have completed a citizen petition requested audit of the City of Alva.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide services to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement. This report is a public document pursuant to the Oklahoma Open Records Act, 51 O.S. §§ 24A.1, *et seq.*

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



City of Alva

Investigative Audit Report

Why We Performed This Audit

We performed this audit at the request of the citizens of the City of Alva, Oklahoma, pursuant to 74 O.S. § 212(L). The petitioners requested a review of select concerns occurring between June 2013 and June 2019.

Background and Objectives

The City of Alva (City) operates under a statutory aldermanic form of government in accordance with 11 O.S. §§ 9-101, *et seq.* The City is governed by the mayor and eight council members, who also serve as trustees for the Alva Utility Authority (AUA) and the Alva Economic Development Authority (AEDA), both established under 60 O.S. §§ 176 *et seq.*

The Alva Hospital Authority (AHA) serves the citizens of Alva by supporting the operation of medical facilities within the City. It is governed by seven trustees, which includes a member of the City Council, a member of the Share Medical Center staff, and five people¹ who reside within the city limits of Alva.

A citizen petition, verified by the Woods County Election Board, requested a review of five concerns. These concerns were used to develop the objectives, addressed in the following report.

- Review selected financial transactions of the Alva Recreational Complex Fund, specifically alleged missing or improperly transferred funds during 2015 and 2017.
- Review the City of Alva's use of the Emergency Clause to implement city ordinances from 2016-2018.
- Review the relationship between the Executive Director of the Shared Medical Center Foundation/Alva Hospital Authority and the City of Alva.
- Review the City of Alva's adherence to the Oklahoma Open Meeting Act between January 2017 and June 2019.
- Review the appropriateness of the Street Maintenance Fee implementation vote occurring in June 2013.

¹ The five citizens are selected by the mayor and City Council.

Objective 1**Alva Recreational Complex Fund**

Petition Objective ***Review selected financial transactions of the Alva Recreational Complex Fund, specifically alleged missing or improperly transferred funds during 2015 and 2017.***

Petitioners questioned whether sales tax, dedicated for economic development projects, was used appropriately and if funds had been improperly transferred from the Recreational Complex or were missing. They also questioned whether the City’s process of paying non-city employees for services provided to the recreational complex was administered correctly.

Allocation of Sales Tax

On May 11, 1999, a one-percent sales tax was approved² by voters implementing Ordinance No. 99-827. The Ordinance stated the sales tax would be used for “namely economic development and for support of general governmental operations of the City of Alva, and areas immediately adjacent thereto.”

The Ordinance allowed for development of projects by the Alva Economic Development Authority (AEDA) to be approved by the City. The Ordinance defined these projects as:

- Funding of scholarships to Northwestern Oklahoma State University students in Alva;
- The development, operation, and maintenance of parks and recreational facilities within the City;
- Recruitment of new industries to, or the retention of existing industries within or near, the City; and
- Projects which would promote the overall economic health and well-being of the City and its residents.

The Ordinance also authorized any sales tax proceeds not needed for economic development to be transferred to the general fund upon council approval.

In the event the authority determines that all of the proceeds of the one cent sales tax levied hereunder are not required for the economic development purposes above described, the authority shall make a recommendation to the city council that any amounts determined not to be needed for such purposes be transferred from the economic development fund to the general fund of the city, and upon approval by the city council, such excess or surplus amounts shall be transferred to the city’s general fund, and used for any lawful purpose.

On September 20, 1999, the AEDA board approved the funding of scholarships by authorizing one half of the one-percent sales tax to be allocated to the Northwestern Oklahoma State University Scholarship Fund. The funds were to encourage local students to live and work in the City by continuing their education at the University. Based on City Code § 38-129, the remaining sales tax revenue was allocated in 2006 to the Alva Recreational Complex Fund.

No Finding ***A recalculation of the sales tax distribution was performed, and it was determined the sales tax revenue was appropriately allocated to the designated funds as required by the proposition and defined by ordinance.***

² See a copy of the ballot at Attachment A.

The petitioners also were concerned that allocated sales tax revenue was diverted for unauthorized purposes. The allegations surfaced after the independent auditor reported the City was performing interfund transfers and borrowing cash from restricted revenues. While the auditor explained interfund transfers are common in municipal governments, the City had an approximate 50 percent increase in interfund borrowing in FY 2019.

A review of the Recreational Complex Fund and Scholarship Fund allocations indicated the City continued to transfer monies from these funds into the Pooled Cash Fund. The monies were then disbursed for other general government use.

No Finding *Transfers from the Recreational Complex Fund for general government use are allowable per the sales tax ballot proposition, as long as they are Council approved.*

Finding *City administration did not obtain Council approval to use restricted sales tax revenues for general government purposes.*

The Pooled Cash Fund’s beginning balance as of July 31, 2016, was \$2,159,819, by December 30, 2019, the Fund had a balance of \$40,703.

The declining Pooled Cash Fund balance indicated the City was not adequately managing the municipal budget. City management continued to increase the annual budget when prior-year revenues did not support the budgeted revenue. Expenditures exceeded actual revenue for fiscal years 2018-2020 by \$2,392,453. Revenue decreased by \$4,164,093 from FY 2019 to FY 2020. The declining revenues and improper budgeting created cash flow issues.

Finding *The City did not properly account for restricted revenue within the Pooled Cash accounting system. Restricted revenues were expended for general government purposes without the ability to repay the restricted revenue funds in a timely manner.*

The cash flow issues in June 2018 reached critical levels when the City’s Pooled Cash bank account had a balance of \$53,828. The Recreational Complex and the Scholarship Funds reported a combined balance of \$180,548 for the same period while there was not enough cash in the bank to cover these “available” funds as reported on the City’s books. The Pooled Cash Fund indicated a balance of \$1,086.19 without taking into consideration the allocations already dedicated to the Recreational Complex and Scholarship Funds. The City did not have sufficient cash in the bank to cover the fund balances reported in the accounting records.

Checking Account Balance

CITY, CO&ST SUPER-NOW ACCOUNT XXXXXX6160				
DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/29/18	53,828.50

Scholarship Fund Balance

6/08/18	6/08	B09286	Deposit	000000	Transfer from General	39,175.37	55,485.76
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Pooled Cash Balance

6/30/18	7/12	A36247	VOID:	172364	REVERSE VOIDED CHECK	170.00	1,086.19
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The unreconciled fund balances further confirmed the City was not properly managing the budget. Cash flow issues became more evident when the City began having issues paying vendors in a timely manner.

For example, a purchase order and related invoice dated October 14, 2019, in the amount of \$5,354.75 was not paid until February 13, 2020. In another example, an invoice dated June 28, 2019, in the amount of \$603.29 was not paid until October 7, 2019.³

On April 30, 2017, a total of \$107,000 was transferred from the Scholarship Fund to the Alva Utility Authority without Council approval.

YEAR	: Jul-2016 / Jun-2017							
FUND	: 65 -AEDA SCHOLARSHIP FUND					PERIOD TO USE:		
DEPT	: N/A					ACCOUNTS: ALL		
							===== A C T U A L =====	
POST	DATE	TRAN #	REFERENCE	PACKET	-----DESCRIPTION-----	-----AMOUNT-----	-----BALANCE-----	
4/30/17	5/05	B06919	Misc 000000		Transfer to AUA	107,000.00CR	107,935.44	

This transfer resulted in shortfalls in the Scholarship Fund. As a result, the City cashed a certificate of deposit to meet its commitment to Northwestern Oklahoma State University. On June 1, 2017, CD #32128 was cashed, increasing the Pooled Cash fund by \$124,338.96, allowing the City enough revenue to fund the spring scholarship awards.

The City continued to cash certificates of deposit through FY 2019 to ensure there was enough cash in the bank to meet the scholarship obligations. In total, \$485,843.72 in certificates were cashed to assist in making the scholarship payments. The transactions or transfers were not approved by the Council, but the use of the tax funds for that purpose was allowable per the proposition and ordinance. Funds were not improperly transferred, and no indication was noted of missing funds. However, interfund borrowing continued to be a problem. Per the City’s 2021 independent audit report, on June 30, 2021, the General Fund owed other funds \$2,179,914.

Payment of Recreational Complex Non-City Employees

Under City Code § 20-203 and state law,⁴ purchase orders must be completed prior to services being rendered to ensure funds are available. Currently, the City pays part-time staff at the recreational complex (i.e. referees, umpires, etc.) as contract labor. The payment process includes

³ This example also reflects a purchase incurred prior to the creation of a purchase order, a violation of 62 O.S. § 310.1.

⁴ Title 62 O.S. §§ 310.1 - 310.9.

a purchase order being created *after* an ARC invoice has been completed for the worker by city staff.⁵

All purchases must be encumbered *prior* to the services being received. The City should consider defining the specific payment process of the recreational complex workers. If such process is to be different than third-party contractor payments, it should be specifically defined in current policies and procedures. The process should also follow state law and be adequate to provide reasonable assurance against unauthorized or illegal payments.

Additionally, the City should review Internal Revenue Service guidelines to determine if part-time labor at the recreational complex should be considered employment or contract labor.

Objective 2

Emergency Clause

Petition Objective ***Review the City of Alva’s use of the Emergency Clause to implement city ordinances from 2016-2018.***

The petitioners requested a review of the City’s use of the “Emergency Clause” to implement city ordinances from 2016-2018. Petitioners were concerned that the “Emergency Clause” was used improperly, specifically in the approval of a facility permit for Integris Baptist Health Center and in the approval of an ordinance related to Medical Marijuana Dispensaries establishing businesses within Alva city limits.

Finding ***Although the Council is separately declaring and voting on an Emergency Clause for each city ordinance, as required by statute, the reason the ordinance is an emergency is not being declared which is also required by statute.***

Per our review of city council minutes, the City enacted 11 city ordinances from July 2016 to June 2018. Nine of the 11 ordinances passed with the approval of emergency clauses. None of the nine included a reason for the emergency enactment.

An emergency measure is defined in 11 O.S. § 14-103 which states in relevant part:

*An emergency measure necessary for the immediate preservation of peace, health, or safety shall go into effect upon its final passage unless it specifies a later date. Such an emergency measure **must state in a separate section the reasons why it is necessary that the measure become effective immediately.** The question of emergency must be ruled upon separately and approved by the affirmative vote of at least three-fourths (3/4) of all the members of the governing body of the municipality. [Emphasis added]*

City Code § 90.40 also defines an emergency, stating:

*An emergency is hereby declared to exist by reason of which it is deemed necessary for the immediate preservation of the public health, safety, best interests, and general welfare that this ordinance shall take effect and be in full force and effect immediately upon its passage and approval, **according to law.** [Emphasis added]*

⁵ See sample invoice at Attachment C.

The Council is given the authority to decide if an emergency exist and if an ordinance should be effective immediately. If an ordinance is not declared an emergency, it takes effect 30 days after its final passage unless it specifies a later date.⁶

The Council voted separately to declare all nine ordinances as emergencies. However, none of the votes documented in the minutes noted a *reason* for the emergency.

Integrus Baptist Health Center Facility Permit

City Ordinance 2014-46 established Code § 26-84, which states, “No new hospital shall be developed, either through construction or conversion of existing space, or an existing non-city hospital expanded, in the City of Alva, Oklahoma unless a permit therefore has been issued by the City Clerk.” On September 8, 2016, the City Planning Commission voted to recommend to the City Council that a facility permit for Integrus Healthcare **be denied**, stating Integrus had not met all the requirements of Ordinance 2014-46.

Taking the recommendation of the City Planning Commission, on September 19, the Council voted to deny the facility permit application of the Integrus Healthcare Facility. ***This permit process did not include the approval of a city ordinance; therefore the use of an emergency clause was not applicable.***

Discussion and action on the recommendation from the Planning Commission to deny the Integrus Healthcare Facility Application. Mayor Kelly Parker informed Council this is the second application for permit from Integrus. Mayor Parker report the Planning Commission held a Special Meeting on September 8. The Planning Commission’s recommendation to deny the Integrus application was approved unanimously by the Commission Members. Thereupon it was motioned by Council Member Benson and seconded by Dr. Hannaford to deny Integrus Healthcare facility application. The roll was called with the following results. Ayes: Benson, Hannaford, Eckhardt, Miller, Fisher, Stelling. Nays: Valencia, Melton. Absent: None. The motion was declared carried.

Medical Marijuana Ordinance

On August 20, 2018, the Council voted to approve Ordinance 2018-004, establishing guidelines for medical marijuana establishments. Subsequent to the approval of the ordinance, a separate vote was taken and approved to declare the ordinance an emergency. However, as previously noted, there was no *reason* declared for the emergency.

Discussion and action to declare an emergency for Ordinance #2018-004. Thereupon it was motioned by Council Member Eckhardt and seconded by Council Member Hamilton to declare an emergency for Ordinance #2018-004. The roll was called with the following results. Ayes: Eckhardt, Hamilton, Martin, Hannaford, Wallis, Sherman. Nays: None. Absent: Winters, Stelling. The motion was declared carried.

The Council has the authority to declare an emergency; however, if an emergency declaration is made, the reason for such emergency, as required by statute, should be documented in the official minutes.

⁶ 11 O.S. § 14-103

Objective 3**Conflict of Interest**

Petition Objective ***Review the relationship between the Executive Director of the Share Medical Center Foundation, the Alva Hospital Authority, and the City of Alva.***

The petitioners questioned whether Mayor Kelly Parker, who is employed as the Executive Director of the Share Medical Center Foundation and with the Share Convalescent Home,⁷ has influenced the City’s oversight of the Medical Center in his position as mayor.

The operation of the Share Medical Center is the sole responsibility of the AHA. In November 2004, the citizens approved a 1.25-percent sales tax to support the Center’s capital improvements, maintenance, and operations. The Share Medical Center includes the hospital, a physician clinic, the Shared Convalescent Home, and the Homestead Independent Senior Living Center. The Share Medical Center Foundation, a non-profit organization, was established to support the Share Medical Center.

Mayor Kelly Parker serves as Executive Director of the Foundation and is also employed with the Share Convalescent Home. The petitioners alleged Mayor Parker’s employment took precedence over his role as mayor and created a conflict with city business. The petitioners specifically objected to the City’s action to deny Integris Healthcare a facility permit to expand health services in Alva.

On September 8, 2016, the City of Alva Planning Commission voted 6-0 to *recommend* denial of the Integris Healthcare application for a permit to do business in Alva. On September 19, 2016, the City Council voted 6-2 to accept the Planning Commission’s recommendation and deny the Integris Healthcare application for permit.

Per the Planning Commission’s discussions, it was determined the application did not meet requirement “2.” of City Ordinance 2014-046, which states:

2. *The proposed hospital will not cause an undue financial or staffing hardship on any existing provider of essential hospital or surgical services in the City of Alva including permitted facilities not yet completed, which hardship shall be deemed potentially capable of causing the existing facility to alter it’s services to such a degree that it will adversely impact the citizens of Alva, Oklahoma; and*

The Planning Commission was concerned a new facility would create a burden for the existing hospital and chose to not recommend approval of the permit to the city council.

The Planning Commission’s minutes⁸ reflect that Mayor Parker contributed significantly to the discussion surrounding the Integris permit; however, he did not have the authority to vote on September 8 with the Planning Commission on the ***recommendation*** to deny the permit, nor could he vote with the City Council on September 19 to deny the permit.

⁷ The Share Convalescent Home is part of the Share Medical Center.

⁸ See full Special Planning Commission meeting minutes of September 8, 2016, at Attachment B.

Under an aldermanic form of government, the mayor does have the authority to vote on questions under consideration by the council when the council is equally divided.⁹ The mayor also may veto any city ordinance or resolution passed by the City Council. Any ordinance or resolution vetoed by the mayor may be passed over by a vote of two-thirds of all the members of the council.

There appears to be no legal conflict of interest between Mayor Parker’s position and his employment. Per our review, a deciding vote has not been required by Mayor Parker and a veto has never been utilized. However, the AHA, the city council, and Mayor Parker should each evaluate the relationship involved and seek further legal counsel as to potential conflicts that could emerge.

Objective 4

Open Meeting Act

Petition Objective ***Review the City of Alva’s adherence to the Oklahoma Open Meeting Act between January 2017 and June 2019.***

The petitioners were concerned the City violated the Open Meeting Act and requested clarification to determine if citizens should be allowed to attend committee meetings when the meeting has been publicly posted.

Open Meeting Act

Council agendas and minutes between January 2017 and June 2019 were reviewed.

Finding ***Of thirty meeting agendas and minutes reviewed, one instance was identified in which the meeting agenda did not include matters that the Council subsequently took action.***

Title 25 O.S. § 311(B) requires all items transacted by a public body be identified on an agenda prior to a meeting. The statute states in relevant part:

B. 1. All agendas required pursuant to the provisions of this section shall identify all items of business to be transacted by a public body at a meeting...

On August 20, 2018, the Council voted to appoint new members to the Alva Library Board and Planning Commission without listing the discussion or actions on the agenda. The agenda shows Items 12 and 13 for discussion.

- | |
|---|
| <p>12. Discussion and Action to approve Resolution 2018-011 adopting a Policy for insurance requirements for special events permits.</p> <p>13. Discussion and Action to approve Back To You Marketing/Branding for the City of Alva.</p> |
|---|

The corresponding minutes indicated action was taken between Items 12 and 13 to appoint a library board member without being listed on the agenda.

⁹ 11 O.S. § 9-104

Discussion and action to approve Resolution 2018-011 adopting a Policy for insurance requirements for special events permits. City Business Manager Dunham informed Council the policy would require any group holding an event on City property such as the streets, Hatfield Park or Alva Regional Airport would be required to add the City of Alva as an additional insured on their policy. Generally speaking this costs the group approximately \$25 to do. Mayor Parker reported this will protect the City of Alva in the event of an accident. Thereupon it was motioned by Council Member Sherman and seconded by Dr. Hannaford to approved Resolution 2018-011 adopting a Policy for insurance requirements for special events permits. The roll was called with the following results. Ayes: Sherman, Hannaford, Wallis, Hamilton, Eckhardt, Martin. Nays: None. Absent: Winters, Stelling. The motion was declared carried.

Discussion and action on the appointment of Patricia Harkin to the Alva Library Board for a three-year term ending June 2021. Thereupon it was motioned by Council Member Eckhardt and seconded by Council Member Sherman to approve the appointment of Patricia Harkin to the Alva Library Board for a three-year term ending in June 2021. The roll was called with the following results. Ayes: Eckhardt, Sherman, Stelling, Winters, Martin, Hannaford, Wallis. Nays: None. Absent: Hamilton. The motion was declared carried.

Discussion and action on the re-appointment of Christie Kornele to the Planning Commission for a three-year term ending in June 2021. Thereupon it was motioned by Council Member Winters and seconded by Council Member Stelling to approve the re-appointment of Christie Kornele to the Planning Commission for a three-year term ending in June 2021. The roll was called with the following results. Ayes: Winters, Stelling, Wallis, Martin, Hannaford, Eckhardt, Sherman. Nays: None. Absent: Hamilton. The motion was declared carried.

The City must ensure that all items discussed and/or voted on in council meetings are listed on the posted agendas.

Approval of Minutes

The petitioners were concerned that council members were directed to approve minutes of prior meetings when the member was not present at the meeting.

The Open Meeting Act does not require a public body to approve the minutes of its meetings and we are not aware of any other statute or rule that requires such approval. An Attorney General Opinion¹⁰ states that, in the absence of statutes or procedural rules which provide otherwise, a member of a public body may vote to approve the minutes of a meeting he or she did not attend, provided that the member becomes familiar with the events that occurred. Per the Opinion, one way a member may become familiar with the events at the meeting is to review records of the proceedings such as audio recordings, transcripts, and documents considered at the meeting.

If a public body requires approval of the minutes of the prior council meeting, which is recommended, those members who were not present should inform themselves of the issues discussed, review documents presented, and be educated on any formal vote of action taken before their approval.

Committee Meetings

The petitioners also questioned whether citizens were permitted to attend committee meetings that had been publicly posted (i.e., meetings of less than a quorum of the City Council).

¹⁰ 2012 OK AG 24

According to the city manager, there are nine advisory committees established to act as advisors to the City Council and do not have decision-making authority. The meeting dates and times for these committees are posted online but are not posted at City Hall. These meetings are posted to inform the public of upcoming issues to be discussed at the City Council meeting or to inform citizens of issues to call their city councilors for further information. The advisory meetings are held to prepare and discuss items to be presented during council meetings. Any materials produced by the advisory committees are subject to open records requests. Attendance at these meetings by third parties is by invitation only.

The state Supreme Court has held¹¹ that committees are not subject to the Open Meeting Act if they were not established by statute and have no meaningful decision-making authority. Less than a majority of members of a public body (e.g., a city council) may meet without having to comply with the Act.

Objective 5

Street Maintenance Fee

Petition Objective Review the appropriateness of the Street Maintenance Fee implementation vote occurring in June 2013.

The petitioners questioned the appropriateness of the Street Maintenance Fee proposition passed by voters in June 2013, which added five dollars per month to utility customers’ water bills. They questioned whether or not utility customers living outside the city limits should have been permitted to vote on the Street Maintenance Fee proposition.

On April 1, 2013, the City Council approved Resolution No. 2013-058 calling for a special election to impose a monthly five-dollar fee per water meter.

RESOLUTION NO. 2013- 058

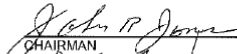
RESOLUTION AUTHORIZING THE CALLING AND HOLDING OF A MUNICIPAL SPECIAL ELECTION TO APPROVE THE QUESTION OF THE IMPOSITION OF A FEE TO FUND A STREET MAINTENANCE PROGRAM ASSESSED AT THE RATE OF FIVE DOLLARS (\$5.00), PER MONTH, PER WATER METER FOR EACH METER ATTACHED TO THE CITY WATER SYSTEM, FOR THE MAINTENANCE, REPAIR, IMPROVEMENT, AND REPLACEMENT OF CITY STREETS AND ROADWAYS; AND AUTHORIZING CITY OFFICIALS TO TAKE CERTAIN ACTIONS IN REGARD TO SAID ELECTION.

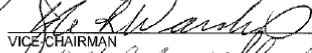
A municipal election was held June 11, 2013. The proposition passed, as certified by the Woods County Election Board, by six votes, 304-Yes to 298-No.

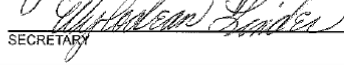
¹¹ 1978 OK 53

Oklahoma Certification Report	***OFFICIAL CERTIFICATE OF VOTES***		6/14/2013 8:25 AM
	WOODS COUNTY, OKLAHOMA		
	JUNE 11, 2013		
CITY OF ALVA			
PROPOSITION CITY OF ALVA			
Precinct	FOR THE PROPOSITION - YES	AGAINST THE PROPOSITION - NO	
WOODS COUNTY PCT 760001	147	118	
WOODS COUNTY PCT 760003	55	33	
WOODS COUNTY PCT 760005	102	147	
Total:	304	298	

WE, THE DULY APPOINTED MEMBERS OF THE WOODS COUNTY ELECTION BOARD, STATE OF OKLAHOMA, DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT NUMBER OF VOTES CAST IN THE ELECTION HELD ON 6/11/2013. RESULTS OF SAID ELECTION ARE SHOWN ABOVE. DATED AT ALVA, OKLAHOMA, THIS 14th DAY OF JUNE, 2013.


 CHAIRMAN


 VICE CHAIRMAN


 SECRETARY

According to 26 O.S. § 13-108:

Only registered voters who reside within the municipal limits of any municipality shall be permitted to vote in any election held for said municipality.

Per this statute, citizens living outside of the city limits are not allowed to vote in municipal elections.

Attachment A

OFFICIAL MUNICIPAL ABSENTEE BALLOT
SPECIAL ELECTION
MAY 11, 1999
CITY OF ALVA
WOODS COUNTY, OKLAHOMA

TO VOTE: Complete the arrow(s) ← pointing to your choice(s), like this ←

USE A #2 PENCIL (NO INK)

PROPOSITION

PROPOSITION NO. 1

SHALL ORDINANCE NO. 99-827 OF THE CITY OF ALVA, OKLAHOMA, WHICH ORDINANCE IMPOSES A NEW MUNICIPAL EXCISE (SALES) TAX, AUTHORIZING THE LEVYING AND COLLECTION OF A TAX IN THE AMOUNT OF ONE PER CENT (1%) ON ALL TAXABLE SALES WITHIN THE CITY IN ADDITION TO ALL MUNICIPAL OR STATE SALES TAXES NOW COLLECTED, WITH THE PROCEEDS OF SAID EXCISE TAX TO BE DEPOSITED IN A LIMITED PURPOSE FUND AND USED FOR ECONOMIC DEVELOPMENT PROJECTS AND FOR SUPPORT OF GENERAL GOVERNMENTAL OPERATIONS OF THE CITY OF ALVA, SUBJECT TO VOTER APPROVAL; AND AUTHORIZING CITY OFFICIALS TO TAKE ALL NECESSARY ACTIONS TO IMPOSE AND COLLECT THE TAX AND IMPLEMENT THE ORDINANCE, BE APPROVED?

FOR THE PROPOSITION - YES ←

AGAINST THE PROPOSITION - NO ←

Attachment BSPECIAL PLANNING COMMISSION
MEETING SEPTEMBER 08, 2016

The Planning Commission of Woods County, State of Oklahoma, met in special session in the Council Chambers of the City of Alva at 6:02 p.m.; Commission Chair Christie Kornele called to order.

Roll was called with the following being present: Christie Kornele, Jerry Kohlrus, Wes Miller, Matt Adair, Mary Hamilton, and Chance Schultz.

Absent: None.

Discuss and recommend to Alva City Council the approval/disapproval of the Integris Healthcare Facility Permit as per Ordinance No. 2014-046. Mayor Kelly Parker asked the Commission to keep the discussion among the members. Mayor Parker informed the Commission the citizens in attendance were from both sides and the discussion would be much of the same discussion held at previous meetings. Mayor Parker updated the Commission members have been supplied the documents outlining the prior discussion and questions and answers for both Integris Medical and Share Medical Center. Mayor Parker informed the Commission to only consider the application as it is. The City of Alva cannot negotiate the application and no changes can be made to the application at this time. Mayor Kelly Parker also read the Commission City Ordinance No. 2014-046.

"No permit to establish a health care center or facility or to expand an existing non-city hospital shall be issued by the City Clerk unless, after reviewing the application, the feasibility study and timely filed written material and responses, the Business Manager or his/her designee shall provide to the City Council the following findings made by the Planning and Development Commissioners:

1. *The proposed hospital will contribute to the orderly development of hospital and surgical services in the City of Alva; and*
2. *The proposed hospital will not cause an undue financial or staffing hardship on any existing provider of essential hospital or surgical services in the City of Alva including permitted facilities not yet completed, which hardship shall be deemed potentially capable of causing the existing facility to alter its services to such a degree that it will adversely impact the citizens of Alva, Oklahoma; and*
3. *The proposed hospital can be adequately served by the City's existing utility systems and/or infrastructure; and*
4. *That the proposed hospital or existing hospital expansion will not cause an increase in the cost of medical care which would adversely impact the citizens of the City of Alva. The findings of the Planning and Development Commissions shall be summarized with appropriate documentation by the Business Manager or his/her designee, with said findings to be provided to the City Council for its consideration in determining the granting or denial of said permit."*

Commission Member Schultz reviewed the four situations that must be met that are outlined in Ordinance No. 2014-046. Mr. Schultz stated the Commission had previously established only one situation that needed to be discussed. All other areas had been met. Mr. Schultz stated item two, *"That the proposed hospital will not cause an undue financial or staffing hardship on an existing provider of essential hospital or surgical services in the City of Alva including permitted facilities not yet completed, which hardship shall be deemed potentially capable of causing the existing facility to alter its services to such a degree that it to such a degree that it will adversely impact the citizens of Alva, Oklahoma"*.

Commission Member Mary Hamilton questioned if Integris would *contribute to the orderly development of hospital and surgical services in the City of Alva*. Commission Member Schultz replied in the June 14, 2016 Special Planning Commission Meeting the Commission had established the other three criteria had been met. Mayor Parker interjected if an undue financial hardship was caused the other three criteria would no longer be met. Council Member Miller added Integris has been asked to work together and have refused by not responding to these requests.

Mayor Kelly Parker stated one main area of concern with the application does not outline specific services. Mayor Parker informed the Commission Integris intentions could be one thing but since the application is broad it allows them to do something different. It does not offer protection to our citizens by limiting the scope of what can be provided. Commission Chair Kornele stated the need for a broad application was not unreasonable from a business perspective. Mayor Parker stated the competition with Share Medical could be detrimental to Share Medical's financial health. Mayor Parker educated the Commission on the taxes the citizens have approved to help keep Share Medical as part of the community. Commission Member Kohlrus stated there was no guarantee that this would ensure the future of Share Medical. Council Member Miller advised by approving the taxes for Share Medical the citizens are working to

Attachment B – continued

ensure the future of Share Medical.

Commission Chair Kornele inquired why Integris did not believe Ordinance No. 2014-046 applied to their facility. Mayor Parker informed the Commission the City of Alva's attorney stated Ordinance No. 2014-046 does apply to the Integris facility. Commission Member Adair informed the Commission it seemed Integris did not believe their facility did not fit the description outlined in Ordinance No. 2014-046.

Thereupon it was motioned by Council Member Miller and seconded by Commission Member Adair to deny the approval of the Integris Healthcare Facility Permit as per Ordinance No. 2014-046. The roll was called with the following results. Ayes: Miller, Schultz, Kornele, Adair, Kohlrus, Hamilton. Nays: None. Absent: None. The motion was declared carried.

There being no further business, it was motioned by Commission Member Hamilton and seconded by Commission Member Adair to adjourn the meeting. The roll was called with the following results. Ayes: Hamilton, Adair, Kornele, Hamilton, Kohlrus, Schultz, Miller. Nays: None. Absent: None. The motion was declared carried. The meeting adjourned at 6:56 p.m.


Secretary of Commission

Attachment C

ARC

INVOICE

Vendor #01-_____ Invoice # __ED_____

Name: _____

Address: _____

New Vendor: S# _____ W-9 Completed and Submitted: Y N

Type of Service	Date of Service	Certified	Amount per Service
CYBL _____	2/20/2021 _____	Y N	# 4 @\$ 20.00 Total \$ 80.00
_____	_____	Y N	# _____ @\$ _____ Total \$ _____
_____	_____	Y N	# _____ @\$ _____ Total \$ _____
_____	_____	Y N	# _____ @\$ _____ Total \$ _____
_____	_____	Y N	# _____ @\$ _____ Total \$ _____
_____	_____	Y N	# _____ @\$ _____ Total \$ _____

Total Due: \$ 80.00 _____

Approved:

X _____

DISCLAIMER

In this report, there may be references to state statutes and legal authorities which appear to be potentially relevant to the issues reviewed by the State Auditor & Inspector's Office. This Office has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law enforcement, prosecutorial, and/or judicial authorities designated by law.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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