



Together, Investing in Municipal Excellence

CITY COUNCIL MEETING AGENDA
JANUARY 13, 2025

723 S. Lewis Street, Room 1122 B
Stillwater, OK 74074
5:30 PM

Mayor Will Joyce, Vice Mayor Amy Dzialowski, Councilors Kevin Clark, Christie Hawkins,
& Tim Hardin

1. Call Meeting to Order
2. Pledge of Allegiance
3. Proclamations and Presentations

a.	Proclamation for Stran Talley
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4. Consent Docket

Items listed on the consent docket are routine administrative matters that may be approved without discussion. The Council will take action on these items collectively with a single vote. The requested City Council action is indicated for each item listed. Should a Councilor elect to discuss, amend, revise, or table any item listed on the consent docket, the item will be moved to the section of the agenda titled "Items Removed from the Consent Docket" for consideration and possible action. Additionally, a Councilor or the City Manager may simply ask the Mayor to remove an item from the consent docket prior to action by the City Council and no action will be taken on the removed item at this meeting.

a.	Approve December 16, 2024 regular meeting minutes		
b.	Accept fiscal year 2024 Annual Comprehensive Financial Report, Single Audit Report, Passenger Facility Charge Program Audit Report, and Auditor Communication Letter	CC-25-01	Jared Thulin
c.	Award a Unit Price Contract to Rudy Construction for \$1,887,172.75 related to McElroy/Manning/Hall of Fame diamond grinding and full depth repair (Bid No. 46-2024); authorize total construction expenditures of	CC-25-02	Bill Millis

	\$2,119,900 which includes construction contract, testing and contingency; approve budget amendment in the amount of \$1,255,189.00 from the Transportation Sales Tax Fund; authorize the City Manager to execute the Contract and related documents.		
d.	Award a work order-based contract to Scodeller Construction, Inc. for up to \$750,000 related to Joint & Crack Sealing for various city streets (Bid No. 48-2024); authorize total construction expenditures of \$800,000 which includes construction contract, testing and contingency; and approve a budget amendment in the amount of \$300,000 from the Transportation Sales Tax Fund; and authorize the City Manager to execute the contract and related documents.	CC-25-03	Bill Millis
e.	Award a Unit Price Contract to Haskell Lemon Group, LLC for \$189,655.00 related to Airport T-Hangar 2 concrete apron improvements (Bid No. 51-2024); authorize total construction expenditures of \$213,621.00 which includes construction contract, testing and contingency; authorize the City Manager to execute the Contract and related documents.	CC-25-04	Bill Millis
f.	Approve the application of Dobson Technologies, LLC dba Dobson Fiber for a right of way Occupancy Permit as recommended by the Development Services Director pursuant to City Code Sec. 37-205(c).	CC-25-05	David Barth
g.	Approve the application of Vero Fiber Networks, LLC for a right of way Occupancy Permit as recommended by the Development Services Director pursuant to City Code Sec. 37-205 (c).	CC-25-06	David Barth
h.	Accept a general utility easement located at 28 Elmwood Drive.	CC-25-07	Diana Hood
i.	Approve budget amendments reflecting revenue and expenditure of sponsorship funds from Grand River Dam Authority (GRDA) totaling	CC-25-08	Barbara Bliss

	\$17,500 for Myers Park Playground Equipment.		
j.	Approve Memo to set public hearing date for February 24, 2025 for the closing of right-of-way, requested by Independent School Dist. No.16 & Bank SNB, at 5021 N. Perkins Road as required by City Code 23-60(b).	CC-25-09	Diana Hood
k.	Approve correction made to Exhibit C-2 of Amendment No. 2 to CMAR Agreement with Lippert Brothers, Inc. for the Stillwater Regional Airport Terminal and Building Improvements Project.	CC-25-10	Candy Staring
l.	Approve Memorandum of Understanding with Stillwater Public Schools creating a payment schedule for distribution of Tax Increment Financing District #3 capital payment obligations.		Christy Cluck

5. Public Comment on Items not Scheduled for Public Hearings

Stillwater City Code, Section 2-53(a) & (b), provides that taxpayers or residents of the city, or their authorized legal representatives, may address the Council at a regularly scheduled meeting on **any item of business listed on the meeting agenda** provided they have submitted a written request prior to the meeting either online at Request to speak form or via the form found in the lobby outside Council chambers.

6. Items Removed from the Consent Docket

Items removed from the consent docket are placed on this section of the agenda for discussion, revision, amendment and/or tabling prior to action by the City Council. The City Council may take action, including a vote or series of votes, on items removed to this section of the agenda after the requested discussion, revision or amendment.

7. Public Hearings

The Council will hear public comments, discuss, and take action including a vote or series of votes on each item listed as presented or as amended by the City Council unless the agenda entry specifically states that no action will be taken.

a.	Receive public comment regarding a request from Josh Wilson for Blue Sky Buds LLC, d/b/a/ BRIXX Cultivation for a Specific Use Permit to allow a medical marijuana dispensary at property addressed as 121 S. Main Street in the Commercial General (CG) district.	CC-25-11	Diana Hood
b.	Receive public comment regarding a request from Jason Johnson for a map amendment to rezone property addressed as 701 W. Highpoint	CC-25-12	Diana Hood

	Drive from Multi-Family Intermediate (RMI) and Commercial General (CG) to Commercial Business (CB) district.		
c.	Receive public comment regarding a request from Pioneer Investment Group, LLC for a map amendment to rezone property addressed as 3118-3124 E. 4th Avenue from Small Lot Single-Family (RSS) to Two-Family and Multi-Family (RTM) district.	CC-25-13	Diana Hood

8. General Orders

The City Council will hear a staff presentation, discuss, and take action including a vote or series of votes on each item listed as presented or as amended or revised by the City Council unless the agenda entry specifically states that no action will be taken. The requested action is indicated in each agenda entry but may be amended or revised prior to action by the City Council.

a.	Presentation and discussion on the proposed new Stillwater Animal Welfare Facility including schematic layouts, cost estimate, and community impact of a new facility.	Candy Staring, Royce Stephens
b.	Presentation, discussion, and possible action on proposed funding of the new Stillwater Animal Welfare Facility with a general obligation bond proposition at a April 1, 2025 election, including discussion of project costs, overall estimated budget, and bond terms.	Christy Cluck

9. Resolutions

The City Council will hear a staff presentation, discuss, and take action including a vote or series of votes on each resolution listed as presented or as amended or revised by the City Council.

a.	RESOLUTION NO. CC-2025-1: A RESOLUTION ESTABLISHING THE STILLWATER REGIONAL AIRPORT RATES AND CHARGES SCHEDULE
b.	CONSIDER APPROVAL OF RESOLUTION CC-2025-2: A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STILLWATER AND THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY APPROVING THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF STILLWATER, THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY, AND KIPPER LLC

10. Ordinances

The City Council will hear a staff presentation, discuss, and take action including a vote or series of votes on each ordinance listed as presented or as amended or revised by the City Council.

First Read

a.	ORDINANCE NO. 3552: AN ORDINANCE REZONING A TRACT OF LAND LOCATED AT
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	701 W. HIGHPOINT DRIVE FROM MULTI-FAMILY INTERMEDIATE (RMI) AND COMMERCIAL GENERAL (CG) TO COMMERCIAL BUSINESS (CB).
b.	ORDINANCE NO. 3553: AN ORDINANCE REZONING A TRACT OF LAND LOCATED AT 3118 - 3124 E. 4TH AVENUE FROM SMALL LOT SINGLE-FAMILY RESIDENTIAL (RSS) TO TWO-FAMILY AND MULTI-FAMILY (RTM).

Second Read

a.	CONSIDER ADOPTION OF ORDINANCE NO. 3546: AN ORDINANCE APPROVING AND ADOPTING THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN AND SUPPORTING INCENTIVE DISTRICTS, PURSUANT TO THE OKLAHOMA LOCAL DEVELOPMENT ACT; IDENTIFYING AND ESTABLISHING SIX INCENTIVE DISTRICTS; DESIGNATING AND ADOPTING PROJECT AREA AND INCENTIVE DISTRICT BOUNDARIES; DEFERRING THE NUMERICAL DESIGNATIONS AND EFFECTIVE DATES FOR THE INCENTIVE DISTRICTS; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF STILLWATER AND THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE STILLWATER PLANNING COMMISSION; APPROVING AND ADOPTING A TAX INCENTIVE AGREEMENT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY
b.	ORDINANCE NO. 3551: AN ORDINANCE REZONING TRACTS OF LAND LOCATED AT 1324 EAST 6th AVENUE FROM COMMERCIAL GENERAL (CG) TO COMMERCIAL SHOPPING -PLANNED UNIT DEVELOPMENT (CS-PUD).

11. Reports from Officers and Boards

Announcements and remarks of general interest may be made by Councilors, City Manager or City Attorney. Items of City business that may require discussion or action including a vote or series of votes are listed below.

a.	Miscellaneous items from the City Attorney
i.	Request for an executive session pursuant to 25 O.S. § 307(B)(1) for the purpose of discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of City Manager Brady Moore.
ii.	Request for an executive session pursuant to 25 O.S. § 307(B)(1) for the purpose of discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of City Attorney Kimberly Carnley.
b.	Miscellaneous items from the City Manager
c.	Miscellaneous items from the City Council

12. Questions and Inquiries

13. Executive Session

a.	Confidential communications for the purpose of discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of City Manager Brady Moore.
b.	Confidential communications for the purpose of discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of City Attorney Kimberly Carnley.

14. Return from Executive Session

a.	No action will be taken on this item.
b.	No action will be taken on this item.

15. Adjourn

On January 10, 2025 at 11:40 a.m., a true and correct copy of this agenda was posted on the kiosk outside City Hall, 723 S. Lewis Street, Stillwater, OK.

The City of Stillwater encourages participation from all citizens. If participation at any public meeting is not possible due to a disability, please notify the City Manager's office at least 48 hours prior to the meeting by calling 405.742.8243.

- Meetings are televised on AT&T U-verse channel 99 and Optimum channel 14.
- Find meeting agendas and minutes online at [Agendas and Minutes](#)
- Official minutes are archived in the City Clerk's office.



Stran Talley, Civics Leadership

WHEREAS, Stran Talley, student at Stillwater Junior High School placed 2nd at the State Finals of the National Civics Bee; and

WHEREAS, the National Civics Bee is an annual competition for students in grades 6 through 8, that encourages young Americans to engage in civic knowledge and contribute to their communities; and

WHEREAS, we believe that informed and active citizens make for a strong country, economy, and workforce and that our continued prosperity depends on the strength of all three; and

WHEREAS, Stran represents these civic strengths, and we take great pride in his accomplishments, and his hard work and dedication to civic leadership.

NOW, THEREFORE, I, William H. Joyce, Mayor of Stillwater, Oklahoma, do hereby honor Stran Talley and appreciate him representing our community through esteemed civic, student leadership.

WILLIAM H. JOYCE, MAYOR

ATTEST:

TERESA KADAVY, CITY CLERK

**IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW
THE AGENDA WAS POSTED DECEMBER 13, 2024 AT 11:30 A.M.
AT THE MUNICIPAL BUILDING, 723 SOUTH LEWIS, STILLWATER, OKLAHOMA**

**MINUTES
STILLWATER CITY COUNCIL
REGULAR MEETING
COUNCIL HEARING ROOM
723 S. LEWIS
DECEMBER 16, 2024**

**PRESENT: MAYOR WILLIAM H. JOYCE, VICE MAYOR AMY DZIALOWSKI,
COUNCILORS CHRISTIE HAWKINS, KEVIN CLARK AND TIM HARDIN**
ABSENT: NONE

1. CALL MEETING TO ORDER

Mayor Joyce called the meeting to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Stillwater City Council led the audience in the Pledge of Allegiance.

3. PROCLAMATIONS/PRESENTATIONS

- a. Recognition of Waste Management & Environmental Programs for receiving the Affiliate of the Year Award from Keep Oklahoma Beautiful, a state level award.

Waste Management Director Matt Faulkner and Water Shed Quality Division Specialist Chris Franks were recognized for their hard work, expertise and achievements.

4. CONSENT DOCKET

- a. Approve December 2, 2024 regular and executive session meeting minutes
- b. Approval of City Manager Employment Agreement
- c. Consider approval of State of OK Department of Transportation Project Maintenance, Financing, and Right-of-Way Agreement for the Rails to Trails Project (Project No. TAP3-8653(004)TP) for Phase 2 Rail to Trail from McElroy Rd and continuing down the Rail Corridor past Strickland Park to 6th Ave.
- d. Ratification of approval and submission to the FAA of the Stillwater Regional Airport Capital Improvement Program as recommended by the Stillwater Regional Airport Advisory Board.
- e. Approve a reasonable extension of 15 additional days to the time period for awarding the contract for the McElroy/Manning/Hall of Fame Roadway Improvements Project (Project 25TR05; Bid No. 46-2024), which time period shall not exceed a total of 45 days from the date of bid opening for good cause shown.
- f. Approve a reasonable extension of 15 additional days to the time period for awarding the contract for the Joint and Crack Sealing on Various City Streets Project (Project 25TR07; Bid No. 48-2024), which time period shall not exceed a total of 45 days from the date of bid opening for good cause shown.
- g. Approve a reasonable extension of 15 additional days to the time period for awarding the contract for the Airport T-Hangar Overlay Project (Project 22AP03; Bid No. 51-2024), which time period shall not exceed a total of 45 days from the date of bid opening for good cause shown.

MOTION BY VICE MAYOR DZIALOWSKI, SECOND BY COUNCILOR HAWKINS TO APPROVE THE CONSENT DOCKET AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA, HARDIN-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

5. PUBLIC COMMENT ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING

There were no requests to speak on agenda items not scheduled for public hearing.

6. ITEMS REMOVED FROM CONSENT DOCKET

None.

7. GENERAL ORDERS

- a. Approve the award of contracts by CMAR, Lippert Brothers, Inc. for Work Package 2 for the Stillwater Regional Airport Terminal and Improvements Project; Approve Amendment No. 2 to the CMAR Agreement which includes a partial conversion to guaranteed maximum price for the relevant portion of work identified in Work Package 2 and authorize the City Manager to sign the Amendment; and approve the associated budget amendments.

City Attorney Kimberly Carnley stated that she would introduce the contract amendment and then Airport Director Kellie Reed will present on the award recommendation for the partial project.

Ms. Carnley reported that the Stillwater Regional Airport New Terminal Building project is underway. The City entered into a Construction Manager At Risk (CMAR) Agreement in June 2024 with Lippert Brothers as our CMAR for this project. In August, City Council approved Amendment No. 1 to award Bid Package 1 for construction of the Terminal Building. The current CMAR Agreement included construction of the New Terminal Building but did not include the additional improvements that are needed and part of the project and referred to as Phases 2-4 which includes Access Road Relocation and Roundabout Development, North Triangle Parking and Lighting, and South Parking and Lighting. Ms. Carnley stated that this amendment revises the Interim Gross Maximum Price to include all phases of the airport project. The amendment also provides clarification where needed in a couple of areas, specifically it clarifies that Olsson, Inc. will serve as the Engineer for Project Phases 2, 3 and 4; clarifies bonding requirements for CMAR; clarifies the CMAR Fee, it has not changed but there was a scrivners error on one of the exhibits, so it just cleans that up, and finally which Airport Director Reed will explain further, the amendment approves the award of Work Package 2 for partial phase 2 work and accepts the relevant partial conversion of Gross Maximum Price for that portion of work.

Airport Director Kellie Reed presented Project Work Package 2 (PWP2), Partial Phase 2, Water Utilities Support. She explained the financials, and the construction projects involved in PWP2, Partial Phase 2. Ms. Reed answered Council's questions.

MOTION BY COUNCILOR CLARK, SECOND BY COUNCILOR HARDIN TO APPROVE AWARD OF CONTRACTS BY CMAR, LIPPERT BROTHERS, INC. FOR WORK PACKAGE 2 FOR THE STILLWATER REGIONAL AIRPORT TERMINAL AND IMPROVEMENTS PROJECT; APPROVE AMENDMENT NO. 2 TO THE CMAR AGREEMENT WHICH INCLUDES A PARTIAL CONVERSION TO GUARANTEED MAXIMUM PRICE FOR THE RELEVANT PORTION OF WORK IDENTIFIED IN WORK PACKAGE 2 AND AUTHORIZE THE CITY MANAGER TO SIGN THE AMENDMENT; AND APPROVE THE ASSOCIATED BUDGET AMENDMENTS.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA, HARDIN-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

b. Parks and Community Resources Update on Parks & Public Spaces.

Parks and Community Resources Director Barbara Bliss and Assistant City Manager and Human Resources Director Christy Driskel presented an update on City Parks and Public Spaces.

Ms. Bliss stated that surveys were conducted at the five neighborhood parks as well as Sunset Park and Couch Park and over 400 responses were received. She presented the survey results and stated these results will be used to develop plans to redesign the neighborhood parks. Ms. Bliss encouraged any civic groups or volunteers to help with the park updates and maintenance. She stated that two part-time staff have been hired to help maintain the parks. LED lighting is being installed in the Community Center, Senior Center, Armory and Prairie Arts Exterior. Ms. Bliss reported that both Tennis and Pickleball are currently in high demand, so staff is focusing on how to meet the public demands. She stated that the public/private partnerships will continue to be an integral component of the City's Park systems moving forward. Ms. Bliss encouraged the public to please come to the Parks Community meeting on January 9, 2025.

Ms. Driskel stated Parks invoke emotions and memories and the City wants to ensure that there are appropriate park spaces for the next generations to create memories. She presented an overview of the number of acres of City Park land in the community. City staff is thankful for the community voices that have spoken up and the Community Partnerships that help attain the amenities that are desired. Ms. Driskel discussed parks, community pool, and tennis and pickleball courts.

Ms. Bliss and Ms. Driskel answered Council's questions.

No action was taken on this item.

c. Update on the proposed General Obligation Bond Proposition to fund a New Animal Welfare Facility.

Communications Director Dawn Dodson reported that in 2021 Animal Welfare was identified as a Time Initiative. Along with transportation, roadways and Fire Station Two, the City brought the transportation sales tax and Fire Station Two before voters in 2022 both propositions passed by large margins, reflecting that our community is ready and willing to invest in Stillwater's future. Animal Welfare has remained as a priority for staff, Council and our Community Action Committee. With continued planning assessments and discussions, staff continues working with stakeholders, financial advisors, architects, outside engineers, local organizations and others to determine current and future needs, location, cost and funding options. Since bringing preliminary designs in December 2022, additional updates in 2023 and performing a complete project overhaul throughout 2024, in January 2025, staff will bring a proposal for Council's consideration. Funding for the project potentially includes a proposition for the April 1, 2025 election. Please know the finance piece is still being developed as staff works with Barrett L. Williamson, (BLW), Architects and Animal Arts on the cost estimate. Assistant City Manager Cluck will work with our bond and financial advisors to determine funding amount options, and she will present that in January. Ms. Dodson reported that in 2024 staff reassessed the facility location and determined near the airport was optimal. Director of Engineering, Candy Staring and team did an excellent job with that thorough site assessment and that presentation and information are available on our website at Stillwaterok.gov/time. During that time, staff met with community members, our Community Action Committee and neighborhoods located near the proposed site location. Staff worked with Stillwater Regional Airport Director Kellie Reed and have now received all FAA approvals to develop an Animal Welfare at this location. In the rendering provided by BLW and Animal Arts, there is a site map that shows the entrance off airport road, the pathway to the adoption and surrender entrances and the floor plan with an increase in kennels and catteries, sterilization areas and community areas. Ms. Dodson stated that the reason the facility is positioned on the property in this manner is to help with temperature control in catteries and kennels with the needed windows facility location with sunrise and sunset, etc. Looking at additional renderings provided, this shows the floor plan with increased kennels and catteries.

Ms. Dodson presented the updated drawings and discussed the facilities and its features. This rendering reflects the back entrance that will be utilized by staff, with an enclosed safety entrance and a private surrender area. She stated that what is not reflected in the renderings are the improved and healthier HVAC system and professional cleaning systems. A few final notes, this facility does include outdoor and indoor spaces for the animals and has been developed based on needs assessment. However, again, we are in the funding phase of the project now and may have to cut some areas to reach a healthy number for a bond, one that Council and staff would feel is reasonable for our voting community to consider. Staff looks forward to coming back in January with a detailed presentation from our architects, engineers, financial advisors, and animal welfare leadership. The team has worked meticulously on this project, knowing the Animal Welfare has been at the forefront of Council and staff's priority list so that we can meet the needs of our community.

Ms. Dodson answered Council's questions

No action was taken on this item.

8. RESOLUTIONS

- a. Resolution No. CC-2024-38: A Resolution adopting a Social Media Policy for General Administration of Official City Social Media Sites and adopting a Social Media Policy for Employees for the City Of Stillwater, Oklahoma and related entities.

City Attorney Kimberly Carnley reported that the City of Stillwater has official social media sites such as Facebook and X. The City recognizes the value of social media to discuss matter of public interest and to keep citizens and visitors updated on information and events happening throughout the City. The City encourages public dialogue and proposes adoption of Social Media Policies as a best practice to maintain a professional and user-friendly online environment. Approval of the resolution adopts a Social Media Policy for General Administration which establishes administrative regulations and expectations for users. That policy will be available to users on the City's website and all official social media sites.

Ms. Carnley stated that this resolution also approves a Social Media Policy for Employees. State law requires that cities that use social media adopt a policy that applies to the use of social media by its employees for work purposes to discourage abusive or offensive online behavior. The employee policy establishes general guidelines for employees using social media that promotes professionalism and compliance with personnel policies. The policies are included in the packet but there are two minor changes, references to Twitter have been deleted and replaced with an "X". Also, the general policy has been replaced with the communications director's email address with a generic email address that additional employees received for better monitoring.

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR DZIALOWSKI TO ADOPT RESOLUTION NO. CC-2024-38 AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA, HARDIN-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

9. ORDINANCES

- a. First Reading

Ordinance No. 3551: An ordinance rezoning tracts of land located at 1324 East 6th Avenue from Commercial General (CG) To Commercial Shopping-Planned Unit Development (CS-PUD).

MOTION BY COUNCILOR HAWKINS, SECOND BY VICE MAYOR DZIALOWSKI TO ADVANCE ORDINANCE NO. 3551 AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA, HARDIN-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

10. APPOINTMENTS

- a. Downtown (Re)Investment Implementation Policy Committee (TIF #3)

MOTION BY MAYOR JOYCE, SECOND BY COUNCILOR CLARK TO APPOINT CHARLES JOHNSON TO THE DOWNTOWN (RE)INVESTMENT IMPLEMENTATION POLICY COMMITTEE (TIF #3).

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA, HARDIN-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

11. REPORTS FROM OFFICERS & BOARDS

- a. Miscellaneous items from the City Attorney: None.
- b. Miscellaneous items from the City Manager:
- ✓ Mayor Joyce welcomed Brady Moore to his first official meeting as City Manager and thanked him for his willingness to serve.
 - City Manager Brady Moore asked residents to please join City staff for the Parks and Community Resources Open House. This is a community meeting, with staff eager to hear your ideas, suggestions, and concerns regarding the parks, community spaces and public facilities. There will be sign-ups for volunteer opportunities and educational information available. Some preliminary information collected from recent surveys will also be shared. The City wants to ensure our parks and public spaces meet the needs of our residents and families. Please join City staff on Thursday, January 9, beginning at 5:30 p.m., at the Stillwater Community Center, Lowry Activity Center.
- c. Miscellaneous items from the City Council:
- Councilor Hardin reminded rural residents that it's that time of year again to purchase a Rural Fire Service Contract if you live outside of city limits, but within the Stillwater Fire Department's response area. For an annual fee of \$200, the contract ensures that response fees for each fire incident on a contracted property will not exceed \$2,000. Residents will still receive rural fire assistance without a contract but will be responsible for paying the full Rural Fire Service fee for any services rendered. All collected fees go toward training, rescue tools, and other fire equipment.
 - Councilor Clark announced that City offices will be closed on Wednesday, December 25 for Christmas and Wednesday, January 1, for New Year's Day. The Waste Management calendar is adjusted for the holidays. For the weeks of Christmas and New Year's normal trash, recycling and yard waste pick-up will be delayed a day (since both holidays are on a Wednesday). Also, for residents who have a live Christmas tree during the holiday season, after the holiday, they can bundle up their tree and place it on the curb as part of the City's regular yard waste collection, free of charge. All decorations must be removed, and bundles must be less than four feet long, 18 inches across, and less than 50 pounds. Councilor Clark also stated that the Holiday Heros event was fabulous.
- ✓ Mayor Joyce congratulated Councilor Hawkins on serving another term on the City Council and thanked her for her willingness to continue to serve.
- Councilor Hawkins announced that the City is accepting applications for various committees including the Audit Committee and the Board of Adjustments.

Committees are essential for increased development and infrastructure projects within our community. If anyone would like to get involved in their local government and help make Stillwater even greater, please consider serving on one or more of these committees.

- Vice Mayor Dzialowski stated that this holiday season, the Stillwater Animal Welfare reminds those who are considering adding a furry friend to their family to adopt, not shop. If anyone would like to see what dogs and cats are in need a good home, please stop by the Animal Welfare Building at 1710 South Main Street or follow Stillwater Animal Welfare on Facebook.
- Mayor Joyce announced that on Thursday, December 19, from 5:30 to 7 p.m., Stillwater Regional Airport will host “SWO for the Holidays.” This is a free, fun, family event with cookies, cocoa, and photos with Santa. Also, there will be opportunities to win American Airlines gift cards by entering the “Fly Home for the Holidays,” with Visit Stillwater. There will be five, \$100 gift cards awarded on Dec. 19 at the SWO holiday event.
- i. Discussion about scheduling items for future meetings.

12. QUESTIONS & INQUIRIES

None.

13. ADJOURN

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR DZIALOWSKI TO ADJOURN THE DECEMBER 16, 2024 REGULAR MEETING OF THE STILLWATER CITY COUNCIL.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA, HARDIN-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

The December 16, 2024 regular meeting of the Stillwater City Council adjourned at 6:24 p.m.

**WILLIAM H. JOYCE, MAYOR
STILLWATER CITY COUNCIL**

**TERESA KADAVY
CITY CLERK**

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.b. CC-25-01
Previous/Related Action:	N/A
Background/Issue:	The City of Stillwater Audit Committee met on December 18, 2024 to receive auditor communication from the City's independent audit firm, HSPG & Associates (HSPG) and to consider a recommendation to the City Council to accept the Annual Comprehensive Financial Report (ACFR), Single Audit Report, and Passenger Facility Charge (PFC) Program Audit Report for the fiscal year ended June 30, 2024. The committee voted unanimously to recommend acceptance by the Council of the FY24 ACFR, Single Audit Report and PFC Program Audit Report. The ACFR is a detailed presentation of the City's financial condition that encompasses all funds and component units of the City. The ACFR is presented in three sections which include (1) an introductory section, (2) a financial section comprised of the independent auditor's report, management's discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, and combining fund statements and schedules, and (3) a statistical section. HSPG rendered an unmodified opinion which means the financial statements present fairly, in all material respects, the financial position, change in financial position and cash flows in accordance with accounting principles generally accepted in the United States. The Single Audit is an organization-wide audit of an entity that expends \$750,000 or more of federal funds in one year. The major program identified for FY24 was the Coronavirus State and Local Fiscal Recovery Funds which funded portions of the finished and raw water pump stations, raw water storage, the Water Treatment Plant lime system, and lagoon dredging. HSPG conducted their audit of compliance for the City's major federal program and issued an unmodified opinion. Their audit report is included on pages 3-5 and summarized on pages 8-9 of the Single Audit Report. The Passenger Facility Charge (PFC) Program Audit is required at least annually for any period in which a public agency collects,

holds, or uses PFC funds. Stillwater Regional Airport began collecting PFC revenues in October 2020 so therefore, this is the fourth year in which the City was subject to this type of audit. HSPG conducted their audit of compliance with the PFC program regulations and issued an unmodified opinion. Their audit report is included on pages 1-3 and summarized on page 6 of the PFC Program Audit Report.

Proposal/Solution:	N/A
Financial Source/Impact:	N/A
Related Strategic Priority:	#1 EFFECTIVE SERVICES & ACCOUNTABLE GOVERNMENT
Recommended Action/Motion:	Audit Committee recommends that the Council accept the City's Annual Comprehensive Financial Report, Single Audit Report and Passenger Facility Charge Program Audit Report for the fiscal year ended June 30, 2024.
Prepared By:	Jared Thulin, Accounting Manager
Reviewed By:	Christy Cluck Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. 2024 ACFR
2. 2024 Single Audit Report
3. 2024 PFC Audit Report
4. 2024 City-wide SAS Letter



FY24 City of Stillwater

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

Stillwater
OKLAHOMA
stillwaterok.gov

Transportation

The City of Stillwater's transportation network includes more than 600 lane miles, 236 street miles, 8 miles of paved walking trails, 5 miles of natural trails, 30 miles of share-the-road bike lanes, 67 traffic signals and approximately 30 bridges to help you get where you need to go!



All photos included ©2024 City of Stillwater. All rights reserved.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

And Accompanying Independent Auditor's Report
Fiscal Year Ended June 30, 2024

Prepared by:
Department of Finance

Christy Cluck,
Director of Finance



Strickland Park

The Strickland Park playground was a collaborative effort between the City of Stillwater, Mya's Promise and the Oklahoma Department of Commerce to create an inclusive and accessible play area and community gathering place. To see a list of other parks and community spaces, go to: Stillwaterok.gov/parks. Also, Block 34 will be open in the fall of 2025!



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(continued...)

CITY OF STILLWATER, OKLAHOMA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2024

(...continued from previous page)

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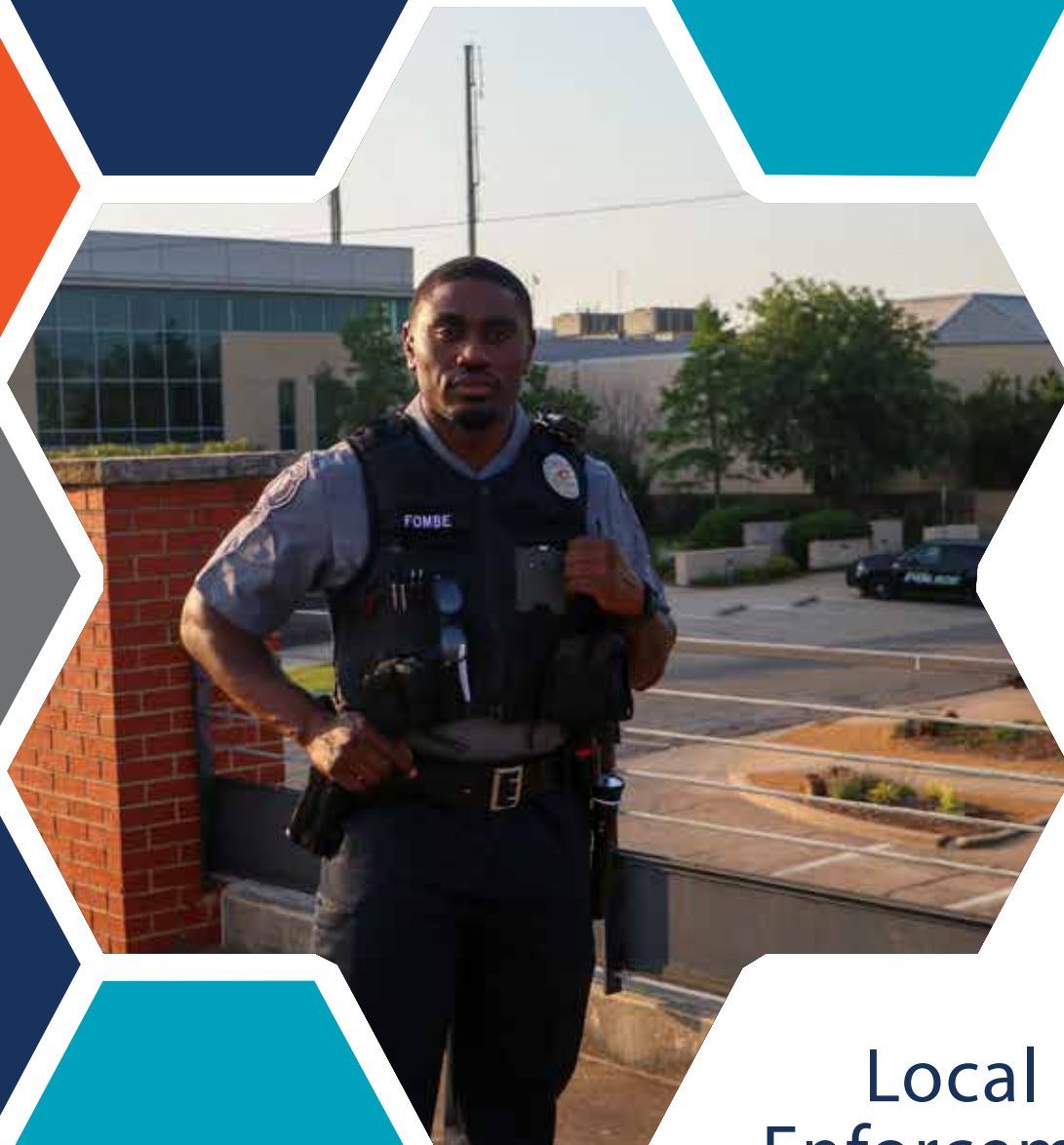
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INTRODUCTORY SECTION





Local Law Enforcement

The City of Stillwater is protected by three separate law enforcement departments – Stillwater Police Department, OSU Police Department and Payne County Sheriff's Department.

Facebook - @StillwaterPolice



Instagram - @stillwaterpolicedept



X - @StwOKPolice



LETTER OF TRANSMITTAL

Date: December 18, 2024

To the Honorable Mayor William H. Joyce, members of the City Council, and the Citizens of the City of Stillwater, Oklahoma:

The annual comprehensive financial report of the City of Stillwater (the “City”), for the fiscal year ended June 30, 2024, is submitted herewith. This report was prepared by the City’s Department of Finance. Management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management believes the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City in accordance with accounting principles generally accepted in the United States of America and, accordingly, all disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs have been included.

The Oklahoma State Statutes, 11 O.S. § 17-105 (A) and City Charter require an annual audit by certified public accountants or qualified independent public accountants. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996, and related OMB Uniform Guidance and Government Auditing Standards issued by the Comptroller General of the United States. The independent certified public accountants that performed the audit were selected by the City Council upon recommendation from the City’s Audit Committee.

The City’s Audit Committee is a five-member advisory committee provided for under City Ordinance No. 1929. Under the provisions of the ordinance, the City Council appoints the committee. The purpose of the Audit Committee is to maintain independence between the outside auditors and city management. The primary responsibilities of the Audit Committee are to review and evaluate the year-end financial statements and independent auditor’s report, review and report deficiencies in internal control, oversee the audit function, and to report to the City Council as required.

The independent audit firm, HSPG & Associates (HSPG), was selected by the City Council upon recommendation from the City’s Audit Committee to perform the fiscal year 2024 audit. HSPG

issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report. The independent auditor’s reports related specifically to the Single Audit are included in a separately bound Single Audit supplement.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Following the MD&A are the basic financial statements, including the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The required supplementary information, combining financial statements, individual fund schedules, and the statistical section complete the annual comprehensive financial report.

PROFILE OF THE CITY OF STILLWATER

The City of Stillwater, located in north central Oklahoma, is a municipal corporation organized in 1891 under a Municipal Charter pursuant to Article XVIII of the Constitution and laws of the State of Oklahoma. The City currently has a land area of 28 square miles and a population of approximately 50,000. Located in Payne County, the City serves as a regional center for shopping, entertainment, health care, and education. Stillwater is home to Oklahoma State University.

GOVERNMENTAL STRUCTURE

The City is governed under the council-manager form of government according to its charter adopted in 1960 and provides such services as are authorized by its Charter to promote the public health, safety, and general welfare of the City and its citizens. Policymaking and legislative authority are vested in the governing body, which consists of a five-member council. The five councilors, including the mayor, are elected at-large on a non-partisan basis. Councilors may serve for a maximum of twelve years. The mayor is elected at-large by the citizenry while the vice-mayor is elected by the council from its membership. The council holds regular meetings, generally, on the first and third Monday evenings each month. The Stillwater City Council hires the city manager, who in turn appoints the department heads.

TYPES OF SERVICES PROVIDED AND REPORTING ENTITY

The City’s financial reporting entity includes all the funds of the primary government (i.e., the City of Stillwater as legally defined) as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides the full range of municipal services contemplated by the City Charter. These include public safety (police, fire and emergency management), general government functions, recreation and culture, streets and sewers, human services, waste management, airport and public improvement.

Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Stillwater Utilities Authority (SUA), Stillwater Economic Development Authority (SEDA), Stillwater Block 34 Trust (Block 34), Stillwater Public Works Authority (SPWA) and Stillwater Library Trust Authority (Library Trust) are reported as three enterprise funds, an internal service fund and a governmental fund, respectively, of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Stillwater Medical Center Authority is reported as a discretely presented proprietary component unit. The reporting entity is described in Note I to the combined financial statements in the financial section of this report.

THE BUDGET CYCLE

The City prepares its budget based on the guidelines found in O.S. 11 Section 17-201 – 17-216 (Municipal Budget Act). The fund types that are legally required to be appropriated by this Act are listed below:

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds

The following process is required to adopt the annual budget:

- Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- A public hearing shall be held no later than fifteen days (June 15) prior to July 1.
- Notice of the public hearing with the proposed budget summary shall be published in a newspaper not less than five days before the date of the hearing.
- After the public hearing and at least seven days (June 23) prior to July 1, City Council shall adopt the budget by resolution.
- The adopted budget shall be filed with the Office of State Auditor and Inspector within thirty days after the beginning of the fiscal year.

The City operates under conservative budgetary practices. Revenue is estimated using historical data and is adjusted based on current trends and economic performance. Only revenues expected to be received in cash during the year or soon thereafter are included in revenue estimates along with unreserved fund balance expected to be available during the coming year. It is the City's policy to appropriate no more than the current year estimated revenues, including beginning unreserved fund balance and inter-fund transfers for each fund.

The administrative level of budgetary control is maintained at the character classification level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. The legal level of control at which expenditures and encumbrances may not exceed

appropriations is at the department level within each fund. The method of budget adoption and amendment process is described in the Notes to RSI in the financial section of this report.

STILLWATER'S ECONOMY AND REVENUE OUTLOOK

The City has a diverse economy with a high degree of stability. Stillwater is the county seat for Payne County and houses other governmental entities and educational centers that provide a stable labor force. Oklahoma State University is the City's largest employer, and the city is also the headquarters for the Oklahoma Department of Career and Technology Education and the Meridian Technology Center. Employment in the federal, state and local government sectors account for approximately 30% of local wage and salary jobs. In addition, manufacturing and advanced technology companies, health care services, and retail trade and food service cover a large share of the local economic base. Stillwater's cost of living remains well below the U. S. average.

In fiscal year 2024, commercial construction projects included expansion of the Stillwater Medical Center with a newly completed Residency Area for physicians and portions of the 1st and 2nd Floor for ICU, Surgery and Maternity Ward, additional warehouse facilities in the northeast industrial area of Stillwater, additional medical offices along 12th Avenue, development of apartment mixed use on The Strip, continued remodel of existing restaurant/food businesses and vacant buildings for new commercial uses. Residential home construction continues to grow with over 180 homes permitted for construction, and infill redevelopment continues with removal of blighted properties for new single family, duplex and tri-plex residential structures.

As with all Oklahoma municipalities, sales tax is the primary source of revenue to the general fund. Stillwater's local sales tax rate for the period ending June 30, 2024 was 4% with 1% dedicated to transportation, 1% dedicated to the Stillwater Utilities Authority, and 2% undedicated to the general fund. Over the last five fiscal years, sales and use taxes combined have averaged \$38.3 million. This average includes the dedicated sales tax of 2%. Sales and use tax collections combined have been stable with an average annual growth of 8.3%. Fiscal year 2024 saw stabilization in the growth of sales and use tax with 1.0% growth over fiscal year 2023.

MAJOR INITIATIVES

Infrastructure: In fiscal year 2024, the City completed design of a new 31,000 square foot terminal at Stillwater Regional Airport. The new terminal replaces a building constructed in 1952 that was retrofitted in 2016 for the launch of commercial air service. The project is being funded in large part by grants from the Federal Aviation Administration and Oklahoma Department of Aerospace and Aeronautics. Construction began in October 2024 with completion anticipated in August 2026.

In April 2022, the voters approved a \$9.0 million general obligation bond for the relocation and construction of Fire Station #2. The current Fire Station #2 was built in the 1930s and no longer meets the needs of a modern fire station. Construction began in fiscal year 2024 with completion anticipated in spring 2025.

Progress continues in the area of repair, replacement and expansion of roads, sidewalks and alternative transportation lanes which is funded by a 1.0% sales tax dedicated to transportation improvements by Stillwater voters in February 2022. During fiscal year 2024, projects under construction included the 7th Avenue reconstruction, Airport Road reconstruction, 9th and Duncan reconstruction and drainage improvements, and several deferred maintenance projects.

In recent years the City has evaluated its raw water supply, treatment and finished water conveyance systems to determine what is required to continue meeting the needs of current customers and to accommodate continued growth and economic development in our city. To meet anticipated needs throughout the next 50 years, an increase in system capacity from 18 to 30 million gallons per day will be necessary and the drinking water system will require 1) a new finished water pump station, 2) a new backup raw water supply system from Lake McMurry, 3) rehabilitation of the 36-inch raw water transmission line with the addition of parallel sections, 4) expansion of the Kaw Lake raw water system and 5) rehabilitation and expansion of the water treatment plant. These projects are estimated at \$190-225 million. The City has identified funding for a portion of the projects and design was underway in fiscal year 2024 for the most urgent needs. To fully fund the projects, a review of utility rates was completed in fiscal year 2024 and a five-year rate schedule was adopted by the SUA Trustees on November 6, 2023. Evaluation and pursuit of grant opportunities to fund these improvements is also underway. As of June 30, 2024, nearly \$17.0 million in federal funds have been awarded for these projects.

Economic Development: Stillwater serves as a regional hub for education, health care and commerce. The City is committed to broadening the offerings in these areas along with providing quality jobs for a skilled workforce by attracting manufacturing and entrepreneurial business to Stillwater. During fiscal year 2024, the City Council approved a multi-million dollar project under the Tax Increment Financing District #3 (TIF#3) Project Plan for a dining establishment in the downtown area and awarded two small business enhancement grants to local businesses in the TIF#3 project area for exterior façade improvements. Groundbreaking for The HUB was held in May 2024 which will be a 60,000 square foot family entertainment center that will include pickleball courts, movie theaters, bowling lanes, arcade games, meeting rooms, a sports bar and a food venue.

Stillwater has also experienced an uptick in interest from large scale industries to locate here which would support high paying, quality jobs in the community along with increases in tax base and utility revenues. One of those industries, Kingspan Roofing + Waterproofing, announced in September 2024 the opening of its new location in Stillwater where they will manufacture and supply commercial low slope roofing solutions. The new manufacturing facility is projected to generate more than 100 new jobs for the community.

Quality of Life: Progress continued in fiscal year 2024 in the area of quality of life for the Stillwater community. Donors came forward in fiscal year 2022 to fund an event space on Block 34, a city block in downtown Stillwater, which will include a public green space, pavilion and amphitheater. Block 34 is destined to be a central gathering place with programming to include concerts and family centered activities. Construction began in fiscal year 2024 with completion expected in Spring 2025.

Interlaced, a new public art piece, was installed in December 2023 at the corner of 6th Avenue and Western Road. Measuring 16 feet high, 30 feet wide and 15 feet deep, it provides a welcome at one of the city's busiest intersections and represents Stillwater's somewhat transient nature as a college town while also recognizing Stillwater's strong sense of community. The project was made possible through a series of private donations.

AWARDS

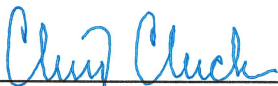
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last forty-two consecutive years. We believe that our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated services of the Finance Department with special thanks to the Accounting Manager, Jared Thulin, and the professional assistance of Crawford and Associates, P.C. and the City's independent auditors, HSPG & Associates. In addition, thanks are extended to the members of the Audit Committee for their review and oversight of the audit process and to the members of the City Council for their interest and support in strengthening and improving the fiscal policies of the City. The City will strive to continue to provide its citizens with quality services, management and financial reporting.

Respectfully submitted,



Christy Cluck
Assistant City Manager and
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Stillwater
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OFFICIALS AND AUDIT COMMITTEE

Mayor and City Council



Audit Committee

KELLY COX
Committee Chair

RANDY MURRAY
Member

RACHEL DOMNICK
Member

AUSTIN POLLARD
Member

KEVIN CLARK
Ex-Officio
Council Member

City Administration

BRADY MOORE
City Manager

CHRISTY CLUCK
Assistant City Manager/
Director of Finance

CHRISTY DRISKEL
Assistant City Manager/
Director of Human Resources

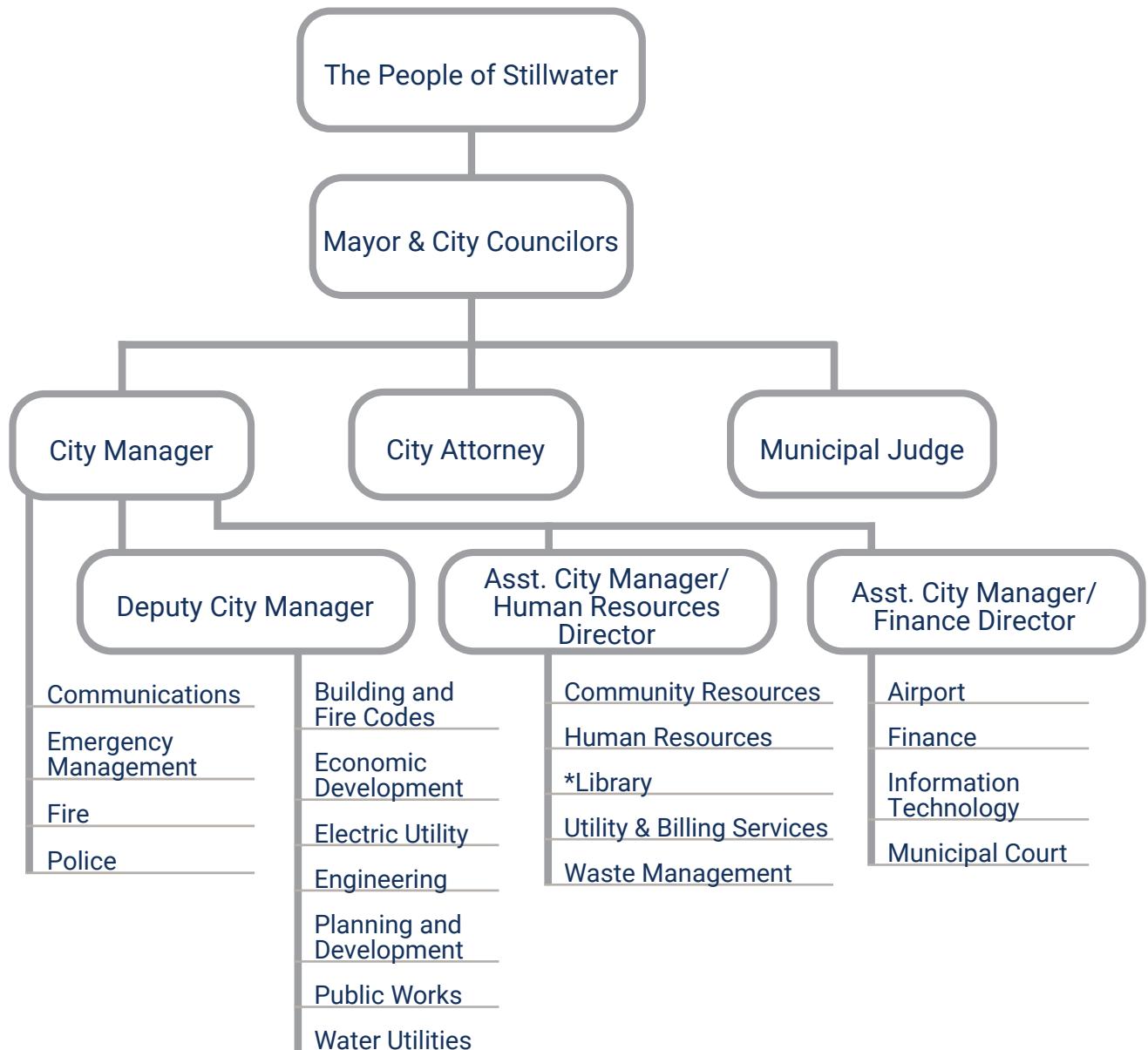
TERESA KADAVY
City Clerk

Department of Finance

JARED THULIN
Accounting Manager

MICHELLE WILHELM
Finance Manager

ORGANIZATION CHART – GENERAL GOVERNMENT



*As provided in Section 3–6 of the Stillwater City Charter, the Library Board has supervision and control of the public library including appointment of the Library Director and setting policies for the administration of the Library.

Community Storm Debris Cleanup

In June 2023, Stillwater experienced severe weather that resulted with more than 70 tons of debris collected from the end of June through July. The all-time highest amount of debris collected may have been after the October 2020 ice storm with more than 2,490 tons collected.



FINANCIAL SECTION





Stillwater Public Library

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Instagram - @StillwaterOKLib 



INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the “City”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, 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.

We did not audit the financial statements of the Stillwater Medical Center Authority (the “Authority”), the City’s discretely presented component unit, as of June 30, 2024, and the respective change in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

HSPG & ASSOCIATES, PC

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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information – capital project funds and 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, the budgetary comparison information – capital project funds and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HSPG & Associates, P.C.

December 18, 2024

Stillwater Fire Department



Facebook - @StwFire



Instagram - @StwFire



X - @stillwater_fire

#StwFire



Management's Discussion and Analysis

Fiscal Year Ended June 30, 2024

As management of the City of Stillwater, we offer readers this narrative overview and analysis of the financial activities of the City of Stillwater for the fiscal year ended June 30, 2024. Please consider the information presented here in conjunction with the letter of transmittal in the Introductory Section of this report and the financial statements, which follow this management's discussion and analysis.

Overview of the Financial Statements in this Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Stillwater's basic financial statements, comprising the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

The financial statements presented herein include all of the activities of the City of Stillwater (the "City"), the Stillwater Utilities Authority (the "SUA") and other component units.

Government-wide Financial Statements

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving, deteriorating or remaining steady. However, non-financial factors, such as changes in the City's tax base, the condition of the City's infrastructure and the quality of services, must be considered to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The government-wide statements of the City are divided into three categories:

1. Governmental activities – Most of the City's basic services are reported here, including police, fire, administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
2. Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric, water, wastewater, and waste management utilities are reported here, along with the airport.
3. Discretely-presented component unit – The City's report has one discretely presented component unit, the Stillwater Medical Center Authority. Although this is a legally separate entity, this "component unit" is important because the City is financially accountable for them in some way. The Stillwater Medical Center Authority is a public trust of the City and the City is the beneficiary of the trust.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law and by bond covenants, however, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the City can be divided into two categories:

1. *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which recognizes revenues when "measurable and available." The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.
2. *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are

generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the government-wide Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position. In fact, the City’s proprietary funds are the same as the business-type activities reported in the government-wide statements, but the fund financial statements provide more detail and additional information, such as cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found following the Statement of Cash Flows for Proprietary Funds.

Net Position

For the year ended June 30, 2024, the net position for the governmental activities and business-type activities changed as follows:

	The City of Stillwater's Net Position (expressed in \$ 000s)		
	Governmental Activities	Business-type Activities	Total
Beginning net position	\$ 115,170	\$ 283,951	\$ 399,121
Increase	13,724	25,314	39,038
Ending net position	<u>\$ 128,894</u>	<u>\$ 309,265</u>	<u>\$ 438,159</u>

The above numbers reflect an increase of 11.9% in net position for governmental activities and an increase of 8.9% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased 9.8% for this fiscal year.

The following is a summary comparison of the change in net position from last year for the City:

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 79,514	\$ 77,089	\$ 183,681	\$ 162,786	\$ 263,195	\$ 239,875
Capital assets	100,133	88,619	256,831	250,747	356,964	339,366
Total assets	179,647	165,708	440,512	413,533	620,159	579,241
Deferred Outflows	11,825	12,069	538	330	12,363	12,399
Liabilities:						
Long-term liabilities	44,473	47,103	115,817	114,436	160,290	161,539
Other liabilities	13,717	12,898	10,717	10,368	24,434	23,266
Total liabilities	58,190	60,001	126,534	124,804	184,724	184,805
Deferred Inflows	4,388	2,606	5,251	5,108	9,639	7,714
Net position:						
Net investment in capital assets	88,634	81,470	156,344	150,290	244,978	231,760
Restricted	30,752	26,852	3,502	3,097	34,254	29,949
Unrestricted	9,508	6,848	149,419	130,564	158,927	137,412
Total net position	\$ 128,894	\$ 115,170	\$ 309,265	\$ 283,951	\$ 438,159	\$ 399,121

At the end of the current fiscal year, the City of Stillwater is able to report positive balances in net position for the governmental activities and business-type activities as well as for the City as a whole.

The largest portion of the City's net position, 55.9%, reflects its investment in capital assets, less any related debt used to acquire those assets. Capital assets are items such as land, buildings, machinery and equipment, and infrastructure. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 7.8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental activities increased the City's net position by \$13.7 million which contributed to a 3.4% increase of the net position of the City. Business-type activities increased the City's net position by \$25.3 million which contributed a 6.3% increase in the net position of the City. The following provides details of the increases:

The City of Stillwater's Changes in Net Position (expressed in \$ 000s)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,422	\$ 5,476	\$ 99,066	\$ 103,182	\$ 102,488	\$ 108,658
Operating grants and contributions	4,146	1,018	472	1,214	4,618	2,232
Capital grants and contributions	6,380	2,878	8,606	6,174	14,986	9,052
General revenues:						
Sales and use taxes	45,332	44,867	-	-	45,332	44,867
Other taxes	6,591	5,843	-	-	6,591	5,843
Other general revenues	3,871	1,719	6,911	2,934	10,782	4,653
Total revenues	69,742	61,801	115,055	113,504	184,797	175,305
Program expenses:						
General government	7,767	7,424	-	-	7,767	7,424
Financial administration	1,070	861	-	-	1,070	861
Public safety	29,876	26,982	-	-	29,876	26,982
Streets and highways	11,370	8,728	-	-	11,370	8,728
Culture, parks and recreation	3,628	3,945	-	-	3,628	3,945
Health and welfare	1,265	1,126	-	-	1,265	1,126
Interest on long-term debt	491	617	-	-	491	617
Stillwater Utilities Authority	-	-	81,805	85,102	81,805	85,102
Business area development	-	-	2,491	2,011	2,491	2,011
Airport operations	-	-	5,996	6,693	5,996	6,693
Total expenses	55,467	49,683	90,292	93,806	145,759	143,489
Increase in net position before transfers	14,275	12,118	24,763	19,698	39,038	31,816
Net transfers	(551)	916	551	(916)	-	-
Increase in net position	\$ 13,724	\$ 13,034	\$ 25,314	\$ 18,782	\$ 39,038	\$ 31,816
Net position - beginning of year	115,170	102,136	283,951	265,169	399,121	367,305
Net position - end of year	\$ 128,894	\$ 115,170	\$ 309,265	\$ 283,951	\$ 438,159	\$ 399,121

Governmental Activities: Sales and use tax received in Fiscal Year 2024 increased from the prior year by \$0.4 million or 1.1%. Grants and contributions increased in Fiscal Year 2024 due to an increase in donations from developers and private citizens of items that were capital in nature, primarily streets for the Park Valley and Cedar Farms subdivisions, and donations for Block 34. In addition, capital grant revenue was recognized from American Rescue Plan Act (ARPA) funds as qualifying expenditures were incurred during the fiscal year. Public safety expenses increased by \$2.9 million, primarily due to an increase of \$2.8 million related to personnel expenses and workers compensation claims compared to Fiscal year 2023. Street expenses increased by \$2.6 million compared to Fiscal year 2023 due to increases in maintenance cost in 2024.

Business-type Activities: Charges for services of the business-type activities decreased \$4.1 million in 2024 primarily due to a \$2.4 million decrease in SUA operating revenue, which was the result of a decrease in electric power cost adjustment revenue. The increase of \$2.4 million in capital grants and contributions is due to \$2.4 million in contributed assets to the utility systems from developers.

Fund Financial Highlights

The General Fund's fund balance decreased from Fiscal Year 2023 by \$1.0 million. This is due to overall increases in public safety personnel expenditure as well as increases in capital outlay. Intergovernmental revenues increased \$3.6 million due to the recognition of grant proceeds from the American Rescue Plan Grant. Miscellaneous revenues increased \$1.5 million due to donations and receipt of funds related to national Opioid Settlements.

The Transportation Sales Tax Fund received a transfer from the General Fund of a one-cent sales tax dedicated for transportation improvements. The Transportation Sales Tax Fund's fund balance increased from Fiscal Year 2023 by \$4.2 million due to the increase in the sales tax transfer of \$0.1 million, an increase in investment income of \$0.4 million, and the transfer from other funds for operations exceeding expenditures. Capital expenditures increased from the prior year by \$3.4 million, but did not exceed the amount of the sales tax transfer.

The City Capital Fund received a transfer of \$2.1 million for the purchase of capital and proceeds from the issuance of debt of \$2.2 million for the purchase of a new fire truck and computers for the City. Expenditures were for debt service on capital related debt and capital purchases.

The net position of the SUA has increased by \$22.6 million or 9.3% as the result of Fiscal Year 2024 operations.

The net position of the Airport Fund increased \$1.1 million or 3.0% due primarily to \$1.5 million in capital contributions.

General Fund Budgetary Highlights

The City's adopted budget for Fiscal Year 2024 included revenues in the General Fund of \$48.9 million, which is an increase of \$2.2 million from Fiscal Year 2023 due to the increase in the sales tax revenue. Fiscal Year 2024 budgeted expenditures were more than the amounts approved in the previous year by \$2.9 million and remained focused on the delivery of core services. These core services are concentrated in the areas of public safety, street maintenance and recreation and culture. The differences between the original expenditure budget and the final amended expenditure budget amounted to \$22.9 million due to \$14.0 million in budget carryovers from Fiscal Year 2023 and \$4.0 million in ARPA funding being budgeted for projects.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2024 amounted to \$1.9 million under budget. This variance is attributable to the net effect of positive budget to actual variance in sales, use and other tax receipts and unrealized donation revenue.

The difference between the final budgeted expenditures and actual expenditures for Fiscal Year 2024 amounted to \$19.4 million under budget. This variance is largely due to incomplete capital projects at the end of the fiscal year that were subsequently re-appropriated in Fiscal Year 2025 and budgeted amounts for contingencies that were not utilized during the year.

Capital Assets

At June 30, 2024, the City had \$357 million invested in capital assets including police and fire equipment, buildings, park facilities, water and wastewater lines, electric systems, and roads. The following is a summary of changes in capital assets for the year ended June 30, 2024. More detailed information on the City's capital asset activity can be found in Note I and Note III of the accompanying Notes to the Financial Statements.

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024

The City of Stillwater's Capital Assets
(expressed in \$ 000s)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 17,560	\$ 17,092	\$ 2,504	\$ 2,504	\$ 20,064	\$ 19,596
Buildings	24,728	24,728	94,649	94,622	119,377	119,350
Other improvements	14,649	14,320	55,959	50,945	70,608	65,265
Equipment	33,382	30,720	88,945	87,217	122,327	117,937
Infrastructure	178,782	171,552	231,997	219,608	410,779	391,160
Intangible assets	-	-	1,604	1,604	1,604	1,604
Lease assets	94	122	47	37	141	159
Subscription-based IT assets (SBITA)	1,048	994	24	90	1,072	1,084
Construction-in-progress	18,872	13,215	31,995	31,995	50,867	45,210
	289,115	272,743	507,724	488,622	796,839	761,365
Less depreciation/amortization	188,982	184,124	250,893	237,875	439,875	421,999
Totals	\$ 100,133	\$ 88,619	\$ 256,831	\$ 250,747	\$ 356,964	\$ 339,366

Debt Administration

At June 30, 2024, the City had \$125.2 million in long term debt. These debts are further detailed in the chart below. More detailed information on the City's long-term debt activity can be found in Note III of the Notes to the Financial Statements.

The City of Stillwater's Long-term Debt
(expressed in \$000s)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds, net	\$ 8,846	\$ 9,334	\$ -	\$ -	\$ 8,846	\$ 9,334
Direct obligation-notes payable	-	-	12,032	10,321	12,032	10,321
Lease obligations	61	59	26	15	87	74
Subscription-based IT obligations	314	550	8	46	322	596
Notes and bonds payable	5,922	5,167	97,733	98,593	103,655	103,760
Refundable grant obligations	-	-	222	204	222	204
Totals	\$ 15,143	\$15,110	\$ 110,021	\$109,179	\$ 125,164	\$ 124,289

Economic Factors and Next Year's Budget and Rates

The City and its public trusts operate under conservative budgetary practices. Revenue is estimated using historical data and is adjusted based on current trends and economic performance. The sales and use tax budgets for Fiscal Year 2025 increased by \$2.5 million and \$0.5 million, respectively, to account for upward trends in overall sales and use tax collections. As of the date of this report, sales and use tax collected in Fiscal Year 2025 has been up 2 of the 5 months over the same periods in Fiscal Year 2024. Through November 2024, sales and use tax collections are down approximately \$79 thousand (-0.93%) from the same months in Fiscal Year 2024.

Cost of service studies for the electric, water, and wastewater utilities were completed and presented to the Authority's Board of Trustees in the Fall of 2023. The Authority approved resolutions 2023-040 and 2023-041 on November 6, 2023, adopting the initial rate increases recommended for electric, water, and wastewater effective January 1, 2024. These resolutions also adopted future rate increases for FY 2025 through FY 2028 based on the recommendations of the studies. The future rate increases will be effective each July 1st for water and wastewater and January 1st for electric for the years approved by the resolution

The City has adopted the zero-based budgeting philosophy in the preparation of the annual expenditure budget. Department directors are charged with developing annual action plans to achieve departmental strategies. Budgets are built around the tactics used to complete the departmental strategies. Each department's budget submission is measured for reasonableness against a rolling three-year average of actual expenditures. Large increases must be justified and relate back to tactics used to achieve departmental strategies.

The budget includes a reserve for emergencies in the City's General Fund and electric, water, and wastewater utilities.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors 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 Finance Department at 723 S. Lewis, P.O. Box 1449, Stillwater, Oklahoma 74076 or by telephone at (405) 372-0025.



Facilities Maintenance

"We greatly appreciate our Facilities Maintenance staff for their continuous efforts and hard work to keep our facilities clean, safe and sanitized. Their level of professionalism and customer service embody the City's standard of quality."

– Brady Moore, City Manager

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

**Statement of Net Position
June 30, 2024**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
ASSETS				
Cash and cash equivalents	\$ 42,298,953	\$ 108,248,655	\$ 150,547,608	\$ 9,876,810
Investments	20,278,010	31,693,238	51,971,248	130,579,284
Accounts receivable, net of allowance	2,281,338	15,000,313	17,281,651	41,496,013
Opioid settlement receivable	2,090,174	-	2,090,174	-
Internal balances	2,955,025	(2,955,025)	-	-
Interest receivable	218,800	138,705	357,505	-
Other receivable	-	-	-	2,411,122
Inventory	35,477	7,108,242	7,143,719	8,132,269
Prepaid items	69,180	29,626	98,806	-
Intergovernmental receivable	8,433,928	1,843,276	10,277,204	-
Leases receivable	260,520	4,607,420	4,867,940	-
Other assets	-	-	-	3,912,037
Restricted cash and cash equivalents	-	5,593,674	5,593,674	-
Restricted investments	-	4,863,705	4,863,705	340,000
Installment loans receivable	-	7,509,320	7,509,320	-
Investment in joint ventures	-	-	-	11,045,729
Net pension asset	592,397	-	592,397	-
Capital assets:				
Non-depreciable	36,432,089	36,029,032	72,461,121	73,695,135
Depreciable, net of depreciation	63,701,411	220,802,255	284,503,666	141,401,614
Total Assets	179,647,302	440,512,436	620,159,738	422,890,013
DEFERRED OUTFLOWS OF RESOURCES				
Pension	11,364,713	-	11,364,713	-
Other postemployment benefits	460,286	538,126	998,412	-
Business acquisition	-	-	-	1,263,463
Total deferred outflow of resources	11,824,999	538,126	12,363,125	1,263,463
LIABILITIES				
Accounts payable and other accrued expenses	5,902,158	8,468,321	14,370,479	10,364,664
Accrued liabilities	3,533,046	777,332	4,310,378	22,598,663
Accrued interest payable	81,902	1,322,873	1,404,775	-
Unearned revenue	4,200,440	148,608	4,349,048	-
Long-term liabilities:				
Due within one year	3,084,070	7,233,511	10,317,581	10,078,391
Due in more than one year	15,436,129	105,875,654	121,311,783	82,476,288
Other postemployment benefits - due within one year	224,290	-	224,290	-
Other postemployment benefits	4,202,468	2,707,628	6,910,096	-
Net pension liabilities	21,526,023	-	21,526,023	-
Total Liabilities	58,190,526	126,533,927	184,724,453	125,518,006
DEFERRED INFLOWS				
Leases	287,369	4,461,857	4,749,226	-
Pension	3,058,814	-	3,058,814	-
Other postemployment benefits	1,041,562	789,330	1,830,892	-
COVID-related financial assistance	-	-	-	976,512
Total deferred inflow of resources	4,387,745	5,251,187	9,638,932	976,512
NET POSITION				
Net investment in capital assets	88,633,403	156,344,114	244,977,517	73,004,636
Restricted for:				
Debt service	772,489	2,451,545	3,224,034	-
Capital projects	222,499	1,050,361	1,272,860	-
Street improvements	25,682,739	-	25,682,739	-
Permanent Fund - nonexpendable	50,000	-	50,000	-
Specific operating activities	4,024,162	-	4,024,162	340,000
Unrestricted	9,508,738	149,419,428	158,928,166	224,314,322
Total Net Position	\$ 128,894,030	\$ 309,265,448	\$ 438,159,478	\$ 297,658,958

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

**Statement of Activities
For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
Primary government								
Governmental Activities								
Public safety	\$ 29,875,906	\$ 577,932	\$ 3,630,649	\$ 98,025	\$ (25,569,300)	\$ -	\$ (25,569,300)	\$ -
Cultural, parks and recreation	3,628,270	288,125	211,069	916,228	(2,212,848)	-	(2,212,848)	-
General government	7,767,001	626,950	263,857	4,190,591	(2,685,603)	-	(2,685,603)	-
Financial administration	1,070,490	897,572	-	-	(172,918)	-	(172,918)	-
Streets and highways	11,370,075	768,303	40,727	1,175,057	(9,385,988)	-	(9,385,988)	-
Health and welfare	1,264,783	262,633	-	-	(1,002,150)	-	(1,002,150)	-
Interest on long-term debt	490,695	-	-	-	(490,695)	-	(490,695)	-
Total governmental activities	55,467,220	3,421,515	4,146,302	6,379,901	(41,519,502)	-	(41,519,502)	-
Business-type activities								
Electric, utilities, waste utilities and waste management operations	81,805,024	95,870,635	45,223	7,154,570	-	21,265,404	21,265,404	-
Business area development	2,490,453	-	-	-	-	(2,490,453)	(2,490,453)	-
Airport operations	5,995,734	3,195,047	427,160	1,451,291	-	(922,236)	(922,236)	-
Total business-type activities	90,291,211	99,065,682	472,383	8,605,861	-	17,852,715	17,852,715	-
Total primary government	\$ 145,758,431	\$ 102,487,197	\$ 4,618,685	\$ 14,985,762	(41,519,502)	17,852,715	(23,666,787)	
Component Units								
Medical Center	\$ 324,191,956	\$ 322,246,020	\$ -	\$ -				(1,945,936)
General revenues:								
Taxes:								
Sales and use taxes					45,331,788	-	45,331,788	57,384
Property tax					2,835,513	-	2,835,513	-
Franchise and public service tax					2,035,790	-	2,035,790	-
E911 tax					41,751	-	41,751	-
Lodging tax					1,678,361	-	1,678,361	-
Unrestricted investment earnings					1,964,079	7,040,702	9,004,781	16,405,723
Miscellaneous					1,906,833	(130,180)	1,776,653	550,397
Transfers					(551,021)	551,021	-	-
Total general revenues and transfers					55,243,094	7,461,543	62,704,637	17,013,504
Change in net position					13,723,592	25,314,258	39,037,850	15,067,568
Net position - beginning					115,170,438	283,951,190	399,121,628	282,591,390
Net position - ending					\$ 128,894,030	\$ 309,265,448	\$ 438,159,478	\$ 297,658,958

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Balance Sheet
Governmental Funds
June 30, 2024

		Capital Project	Capital Project		
	General Fund	Transportation Sales Tax	City Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,442,203	\$ 21,911,180	\$ 6,137,089	\$ 6,702,556	\$ 42,193,028
Investments	11,224,745	4,814,732	1,467,486	2,771,047	20,278,010
Accounts receivable, net	2,231,338	-	50,000	-	2,281,338
Opioid settlement receivable	2,090,174	-	-	-	2,090,174
Due from other funds	2,955,025	1,603,447	-	-	4,558,472
Due from other governments	7,692,343	-	67,564	674,021	8,433,928
Accrued interest receivable	207,368	6,690	2,039	2,703	218,800
Leases receivable	259,328	1,192	-	-	260,520
Inventories	35,479	-	-	-	35,479
Prepaid items	69,180	-	-	-	69,180
Total assets	<u>\$ 34,207,183</u>	<u>\$ 28,337,241</u>	<u>\$ 7,724,178</u>	<u>\$ 10,150,327</u>	<u>\$ 80,418,929</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,235,966	\$ 2,653,333	\$ 178,313	\$ 834,557	\$ 5,902,169
Accrued liabilities	2,049,119	-	-	-	2,049,119
Due to other funds	1,603,449	-	-	-	1,603,449
Unearned revenue	4,200,440	-	-	-	4,200,440
Total liabilities	<u>10,088,974</u>	<u>2,653,333</u>	<u>178,313</u>	<u>834,557</u>	<u>13,755,177</u>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	-	-	-	662,213	662,213
Unavailable revenue-court fines	96,105	-	-	-	96,105
Unavailable revenue-opioid settlement	2,090,174	-	-	-	2,090,174
Unavailable revenue-grant proceeds	47,897	-	-	-	47,897
Leases	286,200	1,169	-	-	287,369
Total deferred inflows of resources	<u>2,520,376</u>	<u>1,169</u>	<u>-</u>	<u>662,213</u>	<u>3,183,758</u>
Fund balances:					
Nonspendable	104,659	-	-	50,000	154,659
Restricted					
Debt service	-	-	-	772,489	772,489
Police equipment	73,603	-	-	-	73,603
Police undercover operations	65,115	-	-	-	65,115
Capital improvements	-	25,682,739	-	6,947,286	32,630,025
TIF projects	-	-	-	4,907	4,907
Library books	-	-	-	7,966	7,966
Library purposes	-	-	-	870,909	870,909
Visitor and event recruitment	552,929	-	-	-	552,929
Opioid settlement	738,882	-	-	-	738,882
Committed					
Capital improvements	436,268	-	-	-	436,268
Stormwater	1,069,849	-	-	-	1,069,849
Assigned					
Self insurance	2,180,056	-	-	-	2,180,056
Parks and recreation	29,447	-	-	-	29,447
Special event	6,398	-	-	-	6,398
Capital improvements	-	-	7,545,865	-	7,545,865
Fire equipment	561,744	-	-	-	561,744
Police equipment	904	-	-	-	904
Homebuyer's assistance program	56,019	-	-	-	56,019
Budget appropriation	4,247,447	-	-	-	4,247,447
Unassigned	11,474,513	-	-	-	11,474,513
Total fund balances	<u>21,597,833</u>	<u>25,682,739</u>	<u>7,545,865</u>	<u>8,653,557</u>	<u>63,479,994</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 34,207,183</u>	<u>\$ 28,337,241</u>	<u>\$ 7,724,178</u>	<u>\$ 10,150,327</u>	<u>\$ 80,418,929</u>

See accompanying notes to the basic financial statements.

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024**

Total fund balance, governmental funds	\$	63,479,994
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$188,981,993		99,811,000
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Certain other long-term assets are not available to pay for current liabilities, and therefore they, along with certain pension and OPEB related deferrals, are either deferred in the funds or not shown:

Accounts receivable		2,896,389
Pension related deferred outflows		11,364,713
OPEB related deferred outflows		460,286
Net pension asset		592,397

Internal service fund assets and liabilities are reported in the proprietary fund in the fund financial statements but are included in government activities in the Statement of Net Position		428,425
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Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:

Long-term debt, net		(14,767,621)
Lease obligations		(61,332)
Subscription-based IT obligations		(314,150)
Accrued compensated absences		(3,377,096)
Net pension liability		(21,526,023)
Pension related deferred inflows		(3,058,814)
Total OPEB liability		(4,426,758)
OPEB related deferred inflows		(1,041,562)
Accrued interest payable		(81,902)
Accrued workers compensation claims		(1,483,916)

Net Position of Governmental Activities in the Statement of Net Position		\$ 128,894,030
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See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Transportation Sales Tax	City Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Sales and use taxes	\$ 45,331,788	\$ -	\$ -	\$ -	\$ 45,331,788
Other taxes	3,755,902	-	-	2,258,819	6,014,721
Intergovernmental	7,861,741	-	87,564	253,903	8,203,208
Charges for services	885,514	-	-	-	885,514
Fines and forfeitures	762,971	-	-	-	762,971
Fees and rentals	415,961	-	-	-	415,961
Licenses and permits	363,628	-	-	-	363,628
Investment income (loss)	427,965	834,735	256,078	439,932	1,958,710
Miscellaneous	2,730,624	3,938	115,760	31,673	2,881,995
Total revenues	62,536,094	838,673	459,402	2,984,327	66,818,496
EXPENDITURES					
Current:					
Public safety	29,166,917	-	-	-	29,166,917
Recreation and culture	3,226,866	-	-	2,857	3,229,723
General government	6,069,003	-	18,933	372,442	6,460,378
Financial administration	1,043,848	-	-	-	1,043,848
Streets and highways	4,556,038	18,035	-	-	4,574,073
Health and welfare	1,081,027	-	-	-	1,081,027
Debt Service:					
Principal	552,539	-	1,313,916	470,000	2,336,455
Interest and other charges	57,353	-	117,951	412,200	587,504
Capital Outlay	5,948,726	6,702,346	3,536,987	2,705,309	18,893,368
Total Expenditures	51,702,317	6,720,381	4,987,787	3,962,808	67,373,293
Excess (deficiency) of revenues over expenditures	10,833,777	(5,881,708)	(4,528,385)	(978,481)	(554,797)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	156,194	-	2,231,289	-	2,387,483
Transfers in	14,644,785	10,038,770	2,139,549	-	26,823,104
Transfers out	(26,615,600)	-	-	(957,766)	(27,573,366)
Total other financing sources and uses	(11,814,621)	10,038,770	4,370,838	(957,766)	1,637,221
Net change in fund balances	(980,844)	4,157,062	(157,547)	(1,936,247)	1,082,424
Fund balances - beginning	22,578,677	21,525,677	7,703,412	10,589,804	62,397,570
Fund balances - ending	\$ 21,597,833	\$ 25,682,739	\$ 7,545,865	\$ 8,653,557	\$ 63,479,994

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2024**

Net change in fund balances - total governmental funds: \$ 1,082,424

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

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

Capital asset purchases capitalized	15,372,102
Capital assets donated	1,570,377
Depreciation and amortization expense	(5,545,023)
Disposal of capital assets	(82,125)
Capital assets donated from business type activities	322,241

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. (374,088)

Revenues in the Statement of Activities that do not provide current financial
resources are not reported as revenues in the funds:
Unavailable revenue 2,024,855

Bond proceeds provide 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:

Note principal payments	1,946,631
Note proceeds	(2,231,289)
Lease obligation incurred	(41,218)
Lease obligation principal payments	39,231
Subscription-based IT obligation incurred	(121,546)
Subscription-based IT obligation principal payments	357,015

Some expenses reported in the Statement of Activities do not require the
use of current financial resources and these are not reported as
expenditures in governmental funds:

Accrued interest payable	1,383
Accrued compensated absences change	(53,419)
Total OPEB liability and related deferrals change	(162,218)
Workers comp liability change	(276,530)
Amortization of bond premium	17,619

Internal service fund activity is reported as a proprietary fund in the fund
financial statements, but the net revenues are reported in governmental
activities on the Statement of Activities:

Total change in net position for internal service funds	(122,830)
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Change in net position of governmental activities	<u>\$ 13,723,592</u>
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See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Net Position
Proprietary Funds
June 30, 2024

	Enterprise Funds					Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 102,566,998	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 108,248,655	\$ 105,925
Investments	10,263,982	422,711	130,466	-	10,817,159	-
Restricted cash and cash equivalents	3,773,254	-	-	-	3,773,254	-
Restricted investments	4,628,735	-	7,261,745	-	11,890,480	-
Accounts receivables, net of allowance	14,826,612	173,701	-	-	15,000,313	-
Lease receivable, current	119,410	114,461	-	-	233,871	-
Intergovernmental receivable	-	443,255	111,175	-	554,430	-
Interest receivable	133,261	5,263	181	-	138,705	-
Inventories	7,024,441	83,801	-	-	7,108,242	-
Prepaid items	29,626	-	-	-	29,626	-
Total current assets	143,366,319	4,208,260	10,220,146	10	157,794,735	105,925
Noncurrent assets:						
Restricted cash and cash equivalents	1,820,420	-	-	-	1,820,420	-
Investments	13,614,334	-	-	-	13,614,334	-
Restricted investments	234,970	-	-	-	234,970	-
Due from other funds	8,000,000	-	-	-	8,000,000	-
Installment loans receivable	-	-	7,509,320	-	7,509,320	-
Intergovernmental receivable	-	-	1,288,846	-	1,288,846	-
Lease receivable, noncurrent	1,535,884	2,837,665	-	-	4,373,549	-
Capital assets, nondepreciable	31,572,039	4,456,993	-	-	36,029,032	322,500
Capital assets, net of accumulated depreciation	189,775,675	31,001,403	25,177	-	220,802,255	-
Total noncurrent assets	246,553,322	38,296,061	8,823,343	-	293,672,726	322,500
Total assets	389,919,641	42,504,321	19,043,489	10	451,467,461	428,425
DEFERRED OUTFLOWS OF RESOURCES						
Other postemployment benefits	258,755	279,371	-	-	538,126	-
LIABILITIES						
Current liabilities:						
Accounts payable	8,271,055	194,467	2,799	-	8,468,321	-
Accrued liabilities	721,573	55,759	-	-	777,332	-
Current portion of compensated absences	103,327	23,275	-	-	126,602	-
Due to other funds	2,791,659	163,366	-	-	2,955,025	-
Accrued interest payable	925,040	-	397,833	-	1,322,873	-
Unearned revenue	22,622	125,986	-	-	148,608	-
Current portion of lease obligations	12,704	-	-	-	12,704	-
Current portion of SBITA liabilities	8,412	-	-	-	8,412	-
Current portion of customer deposits payable	1,233,341	50	-	-	1,233,391	-
Current portion of long-term debt obligations	5,630,868	-	-	-	5,630,868	-
Current portion of refundable grant obligations	-	-	221,534	-	221,534	-
Total current liabilities	19,720,601	562,903	622,166	-	20,905,670	-
Noncurrent liabilities:						
Due to other funds	-	-	8,000,000	-	8,000,000	-
Noncurrent portion of compensated absences	929,685	27,896	-	-	957,581	-
Noncurrent portion of lease obligations	13,739	-	-	-	13,739	-
Noncurrent portion of customer deposits payable	770,059	-	-	-	770,059	-
Noncurrent portion of long-term debt obligations	97,134,275	-	7,000,000	-	104,134,275	-
Other postemployment benefits liability	2,449,759	257,869	-	-	2,707,628	-
Total noncurrent liabilities	101,297,517	285,765	15,000,000	-	116,583,282	-
Total liabilities	121,018,118	848,668	15,622,166	-	137,488,952	-
DEFERRED INFLOW OF RESOURCES						
Lease receivables	1,581,726	2,880,131	-	-	4,461,857	-
Other postemployment benefits	725,707	63,623	-	-	789,330	-
Total deferred inflow of resources	2,307,433	2,943,754	-	-	5,251,187	-
NET POSITION						
Net investment in capital assets	120,967,157	35,351,780	25,177	-	156,344,114	322,500
Restricted for debt service	2,451,545	-	-	-	2,451,545	-
Restricted for capital projects	1,050,361	-	-	-	1,050,361	-
Unrestricted	142,383,782	3,639,490	3,396,146	10	149,419,428	105,925
Total net position	\$ 266,852,845	\$ 38,991,270	\$ 3,421,323	\$ 10	\$ 309,265,448	\$ 428,425

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds					Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total	
OPERATING REVENUES						
Charges for services, net of bad debt expense	\$ 84,805,143	\$ 2,799,856	\$ -	\$ -	\$ 87,604,999	\$ -
Operating grants and contributions	10,815,660	365,024	-	-	11,180,684	-
Other	-	393,187	-	-	393,187	10
Total operating revenues	95,620,803	3,558,067	-	-	99,178,870	10
OPERATING EXPENSES						
Operations and maintenance	65,467,437	4,158,787	2,120,412	-	71,746,636	-
Interest expense	-	-	416,198	-	416,198	-
Depreciation and amortization	12,089,787	1,835,447	1,968	-	13,927,202	-
Total Operating Expenses	77,557,224	5,994,234	2,538,578	-	86,090,036	-
Operating income (loss)	18,063,579	(2,436,167)	(2,538,578)	-	13,088,834	10
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	6,163,138	145,346	732,218	-	7,040,702	160
Miscellaneous non-operating expense	-	(1,500)	-	-	(1,500)	-
Gain (Loss) on capital asset disposal	(716,596)	(346)	-	-	(716,942)	-
Capital assets purchased for governmental activities	(151,116)	-	(48,125)	-	(199,241)	(123,000)
Interest expense	(3,354,077)	-	-	-	(3,354,077)	-
Total non-operating revenue (expenses)	1,941,349	143,500	684,093	-	2,768,942	(122,840)
Income (loss) before contributions and transfers	20,004,928	(2,292,667)	(1,854,485)	-	15,857,776	(122,830)
Capital contributions	7,199,793	1,506,427	-	-	8,706,220	-
Transfers in	10,038,770	1,929,778	4,182,022	-	16,150,570	-
Transfers out	(14,604,829)	-	(795,479)	-	(15,400,308)	-
Change in net position	22,638,662	1,143,538	1,532,058	-	25,314,258	(122,830)
Total net position - beginning	244,214,183	37,847,732	1,889,265	10	283,951,190	551,255
Total net position - ending	\$ 266,852,845	\$ 38,991,270	\$ 3,421,323	\$ 10	\$ 309,265,448	\$ 428,425

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds					Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers, including deposits	\$ 84,167,147	\$ 4,980,002	\$ 308,373	\$ -	\$ 89,455,522	\$ -
Payments to suppliers	(47,017,192)	(2,902,935)	(1,685,805)	-	(51,605,932)	-
Payments to employees	(18,143,121)	(1,321,334)	-	-	(19,464,455)	-
Payments of business development incentives	-	-	(423,091)	-	(423,091)	-
Payments from (to) other funds	(1,378,656)	(31,709)	(250,000)	-	(1,660,365)	-
Interest paid on operating debt	-	-	(111,486)	-	(111,486)	-
Other receipts	10,789,762	-	-	-	10,789,762	10
Net cash provided by (used in) operating activities	28,417,940	724,024	(2,162,009)	-	26,979,955	10
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	10,020,547	1,929,778	4,182,022	-	16,132,347	-
Operating subsidies and transfers to other funds	(17,153,060)	-	(795,479)	-	(17,948,539)	-
Net cash provided by (used in) noncapital financing activities	(7,132,513)	1,929,778	3,386,543	-	(1,816,192)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	3,451,808	-	-	-	3,451,808	-
Capital contributions	1,450,924	1,506,427	-	-	2,957,351	-
Purchase of capital assets	(10,614,821)	(2,068,807)	(48,125)	-	(12,731,753)	-
Proceeds from sale of capital assets	1,069,272	-	-	-	1,069,272	-
Principal paid on capital debt	(5,861,894)	-	-	-	(5,861,894)	-
Interest paid on capital debt	(3,565,945)	-	-	-	(3,565,945)	-
Net cash provided by (used in) capital and related financing activities	(14,070,656)	(562,380)	(48,125)	-	(14,681,161)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	(10,000,000)	(422,712)	(130,466)	-	(10,553,178)	-
Interest received	5,818,315	151,861	118,719	-	6,088,895	160
Net cash provided by (used in) investing activities	(4,181,685)	(270,851)	(11,747)	-	(4,464,283)	160
Net increase (decrease) in cash and cash equivalents	3,033,086	1,820,571	1,164,662	-	6,018,319	170
Balances-beginning of year	105,127,586	1,144,497	1,551,917	10	107,824,010	105,755
Balances-end of year	\$ 108,160,672	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 113,842,329	\$ 105,925
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 102,566,998	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 108,248,655	\$ 105,925
Restricted cash and cash equivalents	3,773,254	-	-	-	3,773,254	-
Restricted cash and cash equivalents, non-current	1,820,420	-	-	-	1,820,420	-
Total cash and cash equivalents, end of year	\$ 108,160,672	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 113,842,329	\$ 105,925
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 18,063,579	\$ (2,436,167)	\$ (2,538,578)	\$ -	\$ 13,088,834	\$ 10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	12,089,787	1,835,447	1,968	-	13,927,202	-
Change in assets, liabilities and deferrals:						
Receivables, net	(1,165,574)	(3,424)	-	-	(1,168,998)	-
Prepaid items	68,654	-	-	-	68,654	-
Inventories	(1,364,331)	(6,108)	-	-	(1,370,439)	-
Accounts and other payables	707,561	(117,041)	11,516	-	602,036	-
Accrued liabilities	2,433	11,997	-	-	14,430	-
Lease assets and related lease obligations	(29,025)	-	-	-	(29,025)	-
Lease receivables and related deferral	(25,899)	(22,080)	-	-	(47,979)	-
Due from other governments	-	1,538,190	308,373	-	1,846,563	-
Due from other funds	-	(31,709)	-	-	(31,709)	-
Accrued interest payable	-	-	304,712	-	304,712	-
Other postemployment benefits-liabilities	(228,522)	257,869	-	-	29,347	-
Other postemployment benefits-deferred outflows	71,855	(279,371)	-	-	(207,516)	-
Other postemployment benefits-deferred inflows	227,422	63,623	-	-	291,045	-
Due to other funds	-	-	(250,000)	-	(250,000)	-
Unearned revenue	-	(89,995)	-	-	(89,995)	-
Customer meter deposits payable	-	(756)	-	-	(756)	-
Accrued compensated absences	-	3,549	-	-	3,549	-
Net cash provided by (used in) operating activities	\$ 28,417,940	\$ 724,024	\$ (2,162,009)	\$ -	\$ 26,979,955	\$ 10
Non-cash Activities:						
Contributed capital assets	\$ 5,771,490	\$ -	\$ -	\$ -	\$ 5,771,490	\$ -
Capital assets transferred to (from) other funds	151,116	-	-	-	151,116	-
Borrowings under leases	3,495,000	-	-	-	3,495,000	-
Premium amortization	233,963	-	-	-	233,963	-
Change in fair value of investments	244,299	-	-	-	244,299	-
Total Non-cash Activities	\$ 9,895,868	\$ -	\$ -	\$ -	\$ 9,895,868	\$ -

See accompanying notes to the basic financial statements.

Footnotes to the Basic Financial Statements:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The financial statements of the City of Stillwater, Oklahoma (the "City") are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The more significant accounting policies of the City are described below.

B. Reporting Entity

The City is a municipal corporation operating under the authority of Oklahoma State Statute. The City operates under a city manager form of government. Four elected members of the city council and the mayor set policy. The city council employs the city manager. The basic financial statements of the funds of the City include those of separately administered organizations that are controlled by or dependent on the legislative or executive branches, the city council, and the city manager, respectively. In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units," and as amended by GASB Statement No. 61, "The Financial Reporting Entity: Omnibus," the City has presented the entities which comprise the primary government along with its discretely presented component units in the basic financial statements. As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government and organizations for which the primary government is financially accountable.

Based on the foregoing criteria, the accounts of the following organizations are included in the City's reporting entity as described below:

- 1. Blended Component Units:** Organizations are presented as blended component units when the governing body is substantially the same as the governing body of the City or provides services entirely to the City.

Stillwater Utilities Authority: The Stillwater Utilities Authority (the "SUA") was created by a trust indenture dated April 1, 1979, pursuant to Title 60, Oklahoma Statutes 1971, Section 176 to 180.4 and the Oklahoma Trust Act, and amended by an Amendment to Trust Indenture dated November 1, 1980, and further amended by a Second Amendment to Trust Indenture dated March 24, 2014. The city council is designated as trustee for the benefit of the City in respect to water, wastewater, and electric service. The SUA leases, operates, and maintains the electric, water, and wastewater utility systems pursuant to a renewable lease agreement and an operation and maintenance contract with the City. The operation, maintenance, and debt of the SUA are funded from service charges and a one cent sales tax levied by the City and transferred to the SUA as the SUA has no taxing authority. The operations of the SUA are reported in the accompanying basic financial statements as an enterprise fund.

Stillwater Public Works Authority: The Stillwater Public Works Authority (the "SPWA") was created by a Declaration of Trust dated January 21, 1963, pursuant to Title 60, Oklahoma Statutes 1961 and the Oklahoma Trust Act, designating the city council as trustee to enter into contractual arrangements to provide services and physical facilities to departments of the City and, on behalf of the City, to other governments and residential and commercial residents within the corporate boundaries of the City. There are both formal and informal leasing arrangements between the SPWA and the City. The SPWA operations are reported in the accompanying basic financial statements as the internal service fund.

Stillwater Economic Development Authority: The Stillwater Economic Development Authority (the “SEDA”) was established by resolution of the city council on February 19, 1990 as the Stillwater Industrial Redevelopment Authority, pursuant to Title 60, Oklahoma Statutes 1981, Sections 176-180.4, inclusive as amended and supplemented (The “Public Trust Act”), Title 11, Oklahoma Statutes 1981, Sections 40-101 through 40-115, inclusive, as amended and supplemented (the “Central Business District Redevelopment Act”). The authority was renamed via an amendment to the trust on November 5, 2012, as the Stillwater Economic Development Authority. The SEDA is a public trust with the City as beneficiary and the city councilors designated as trustees. The main purpose is the improvement of the economic climate of the trust beneficiary. Methods of improving the economic climate may include, but are not limited to, assisting in acquisition of financial resources to improve availability of housing, redevelopment of blighted areas, and other economic activities. The operations of the SEDA are reported in the accompanying basic financial statements as a blended major enterprise fund.

Stillwater Block 34 Trust: The Stillwater Block 34 Trust (“Block 34”) was established by a trust indenture dated April 9, 2018, pursuant to Title 60, Oklahoma statutes 1961, Sections 176 to 180.4, and the Oklahoma Trust Act. Block 34 is a public trust with the City as beneficiary. The city councilors appoint all trustees which must be residents of Stillwater but cannot be an elected official or city employee. The trustees may be removed at will by the city council. Block 34 has as its main purpose to recommend a plan of action to the City Council for the development of Block 34 as a community space. Block 34 provides services entirely to the city and is reported in the accompanying basic financial statements as a blended nonmajor enterprise fund.

Stillwater Public Library Trust: The Stillwater Public Library Trust (the “Library Trust”) was created by a trust agreement dated February 20, 1984, pursuant to Title 60, Oklahoma Statutes Sections 151, 162, 163 and 175.1, et seq., and amended by Amended Trust Agreements dated November 18, 1996, June 15, 1998, and February 16, 2009. The Library Trust was established to serve as a vehicle for the reception and administration of contributions for the benefit of the Stillwater Public Library. The Stillwater Public Library’s operations are included in the City’s General Fund. The Library Trust is administered by a five-member board of trustees consisting of two members appointed by the city council, two members appointed by the Library Board and one member appointed by the Friends of the Library. The City is the beneficiary of the Library Trust. The operations of the Library Trust are reported in the accompanying basic financial statements as a blended nonmajor special revenue fund.

- 2. Discretely Presented Component Unit:** Organizations are presented as discretely presented component units when the governing body (in majority) is appointed by the mayor or city council, but is not substantially the same as the city council nor is the organization established to provide services primarily to the primary government. Discretely presented component units are presented in a column on the government-wide statements labeled “Component Unit”.

Stillwater Medical Center Authority: The Stillwater Medical Center Authority (the “Hospital”) was created by a trust indenture dated December 14, 1971, pursuant to Title 60, Oklahoma Statutes 1961, Sections 176 to 180.4, and the Oklahoma Trust Act, to construct, maintain, and operate facilities for various types of health care delivery, for use by the State or any political subdivision or municipality of the State, and to lease properties from the City. The Hospital is administered by a seven-member board of trustees consisting of the mayor, or one other city councilor, and six other individuals appointed by the city council. Although the Hospital Board of Trustees hires hospital management, monitors the activities of the Hospital, and establishes the rates and charges of the Hospital, the City may remove the Hospital Trustees at will. The Hospital’s operating and capital expenditures, including debt service, are financed entirely by the Hospital’s operating income. All indebtedness of the Hospital is the obligation of the Hospital Trustees, payable solely from the Hospital’s assets. However, approval from the City is required for debt issues in excess of 5% of the then outstanding Hospital debt. The City leases land to the Hospital and is the beneficiary of the trust estate but has no responsibility to fund deficits or subsidize operations. In addition, the Hospital is responsible for maintaining their accounting

records, preparation of their financial statements, and obtaining an audit of their financial statements. The Hospital has a December 31 year-end. To obtain separate financial statements for the Hospital, contact the Chief Financial Officer, Stillwater Medical Center, 1323 West Sixth Street, Stillwater, Oklahoma 74074.

C. Basis of Presentation

1. **Government-wide Financial Statements:** The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.
2. **Fund Financial Statements:** The reporting entity is organized into funds, each of which is considered a separate accounting entity. Separate financial statements are provided for the two fund categories which are governmental and proprietary. For the governmental and proprietary fund categories, an emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:
 - Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding fund category total, and
 - Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental funds and enterprise funds combined.

The funds of the City are described below:

- a. **General Fund:** The general fund is the primary operating fund of the City government and will always be classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue Fund:** Special revenue funds are used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes or otherwise segregated for accounting purposes. The Community Development Block Grant Fund, the Tax Increment District #3 Fund and the Stillwater Public Library Trust Fund are the only special revenue funds active during the fiscal year ending June 30, 2024.
- c. **Debt Service Fund:** The debt service fund is used to account for the accumulation of ad-valorem taxes levied by the City for the payment of long-term debt principal, interest, and related costs.
- d. **Capital Projects Fund:** A capital projects fund is used to account for the resources restricted for the acquisition or construction of specific capital projects or items. The Transportation Sales Tax Fund, the City Capital Fund, and the G.O. Bond Fund are the only capital project funds active during the fiscal year ending June 30, 2024.
- e. **Permanent Fund:** A permanent fund is used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The Mabel King Trust is the City's only permanent fund active during the fiscal year ending June 30, 2024.
- f. **Enterprise Fund:** An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses

incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purpose. The reporting entity includes the following enterprise funds:

- Stillwater Utilities Authority
- Airport
- Stillwater Economic Development Authority
- Stillwater Block 34 Trust

g. Internal Service Fund: The internal service fund is the SPWA and accounts for acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

Governmental Funds	Description
Major:	
General Fund	Accounts for all financial resources except those required to be accounted for in another fund.
Transportation Improvement Fund	Accounts for the expenditures for street and other transportation projects as approved by the voters in 2001, 2006, 2015, and 2022. Financing is provided by the one cent sales tax also approved by the voters.
City Capital Fund	Accounts for funds assigned for the purchase of capital assets.
Non-Major:	
Community Development Block Grant Fund	Accounts for funds used for improvements in the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program and local matching funds.
Tax Increment District #3	Accounts for funds used for improvements in the downtown/campus link project area as defined in Ordinance No. 3407. Funding is provided by incremental ad-valorem and sales tax revenue.
Stillwater Public Library Trust	Accounts for funds used for the benefit of the Stillwater Public Library. Funding is provided by contributions.
G.O. Bond Fund	Accounts for bond proceeds from the 2022 G.O. Bonds issued for the construction of a new fire station.
Sinking Fund	Accounts for the accumulation of ad-valorem taxes levied by the City for the payment of general long-term debt principal, interest, and related costs.
Mabel King Trust Permanent Fund	Accounts for the Mabel M. King Endowment, of which the net income may be used for the purchase of books for the Stillwater Public Library.

Enterprise Funds	Description
Major:	
Stillwater Utilities Authority	Accounts for the operation of the electric, water, wastewater, and solid waste systems.
Airport	Accounts for the operation of the Stillwater Regional Airport including capital additions and improvements financed through federal and state grants and City contributions.
Stillwater Economic Development Authority	Accounts for expenditures for economic development. Financing provided from federal grants, federal loans, City contributions and citizen participation.
Non-Major:	
Stillwater Block 34 Trust	Accounts for expenditures for development of Block 34. Funding provided by donations and grants.
Internal Service Funds	
Stillwater Public Works Authority	Accounts for the acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The government-wide statement of net position and statement of activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental funds financial statements are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means revenues are collectible within the current period or within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest and accrued compensated absences which are recorded when due.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

1. Cash and Cash Equivalents: Cash in bank, cash on hand, and short-term investments with original maturities of ninety days or less are reported as cash and cash equivalents. The resources of the individual funds are general in purpose and combined to form a pool of investments which is managed by the Director of Finance. These pooled assets are stated at amortized cost if the investment had a maturity of one year or less at the time of purchase. All investments held are authorized under Oklahoma State Statutes. Permissible investments include direct obligations of the U. S. government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations. Each fund's equity in the pooled investments account is reported in the basic financial statements as cash and cash equivalents.

Earnings on investments are allocated to the individual funds by a formula based on each fund's month-end equity in the pooled investments account (See Note II).

2. **Assets Internally Designated:** Assets internally designated consist of cash and cash equivalents set aside by the SUA Board of Trustees for the following purposes:

- Operation, maintenance, and upgrade of the water system
- Operation, maintenance, and upgrade of the wastewater system
- Operation, maintenance, and upgrade of the solid waste collection service
- Offset future potential operating cost increases and/or future substantial capital expenditure requirements

At the Board's discretion the assets may be used for other purposes. As of June 30, 2024, cash and cash equivalents in the amount of \$118,446,768 have been internally designated by the SUA trustees for this purpose.

3. **Investments:** Money market investments with an original maturity of one year or less are recorded at amortized cost. Long-term investments are recorded at fair value.

4. **Accounts Receivable/Due from Other Governments:** In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable of \$268,764 in the governmental activities are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, grants, opioid settlement, and court fines.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues, since they are both measurable and available. Non-exchange revenues collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable of \$1,365,824 in the proprietary funds are based upon historical trends and the periodic aging of accounts receivable.

Receivables of the Hospital consist of patient accounts receivable for services rendered. The Hospital provides an allowance of \$11,955,414 for bad debts and \$118,256,918 for contractual adjustments resulting in total uncollectible accounts receivable of \$130,212,332. This allowance is based on historical trends and the existing economic conditions.

5. **Restricted Assets:** Proceeds from debt and related sinking fund accounts and contributions from governmental grantors to the Enterprise Funds are classified as restricted assets, since their use is restricted by applicable bond indentures and grant agreements. Customer utilities deposits held by the City are classified as restricted assets.
6. **Inventories:** Inventories consist primarily of materials and supplies and are stated at weighted average cost. The consumption method of accounting is used by the governmental funds; therefore, inventory purchases are recorded in these funds as expenditures as they are used. Inventories are adjusted to annual physical counts. Supplies inventory of the Hospital is stated at the historical cost on the First-In, First-Out (FIFO) method.
7. **Prepaid items** - Prepaid items are recorded using the "consumption method," meaning they are recorded as an asset and the expenditure is recognized when the prepaid item is used or consumed. At fiscal year-end, prepaid items are shown as a component of nonspendable fund balance, indicating they do not constitute available expendable resources.

- 8. Bond Premiums/Discounts:** Debt discount and premium are amortized using the straight-line method, which approximates the effective interest method, over the life of the applicable debt. Amortized debt discount and premium are reported as a component of interest expense.
- 9. Capital Assets:** The accounting treatment for property, plant, and equipment depends on whether the assets are used in governmental fund operations and similar discretely presented component unit operations or proprietary fund operations and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.
- a. Government-wide Financial Statements: In the government-wide financial statements, property, plant, and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement. These three groups of assets are reported at acquisition value rather than fair value. The threshold for capitalization of assets is \$5,000. All land acquired by the city is capitalized.
- Prior to July 1, 2002, governmental activities' infrastructure assets were not capitalized. These assets (dating back to July 1, 1980) have been valued at estimated historical cost.
- Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Lease assets are amortized over the life of the associated contract or the useful life of the asset, whichever is less.
- b. Fund Financial Statements: In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

The City acquired water storage space in 1981 for \$1,530,403 which is reported in the SUA fund and business-type activities column in the government-wide financial statements as a capital asset. The water storage space acquired is considered to have an indefinite life. As a result, no amortization will be taken on the space rights.

The range of estimated useful lives by type of asset is as follows:

Class of Asset	Estimated Useful Life
Buildings	5 to 70 years
Other improvements	3 to 50 years
Equipment and vehicles	1 to 50 years
Infrastructure	20 to 50 years

- 10. Long-term Debt:** Accounting treatment of long-term debt varies depending upon the source of repayment and whether the debt is reported in the government-wide or fund financial statements.
- a. Government-wide Financial Statements: All long-term debt to be repaid from governmental and similar discretely presented component unit resources and business-type and similar discretely presented component unit resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of accrued compensated absences, general obligation bonds payable, leases payable, subscription-based IT obligations, notes payable, other post-employment benefits, pension liabilities, and revenue bonds payable.
- b. Fund Financial Statements: Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Payment of principal and interest is reported as expenditures.

The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

11. Compensated Absences: The liability for compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences to the extent they have matured. The proprietary funds report the liability as it is incurred. As of year-end, there is no liability reported in the governmental fund financial statements. Compensated absences are paid as they are incurred by the applicable fund charged with the employee's compensation.

- a. Sick Leave: Employees may accrue a maximum of 1,000 hours of sick leave plus hours over 1,000 accrue in the catastrophic leave bank. Catastrophic leave hours are available for use only after all other sick and annual leave has been exhausted. An employee with five or more years of service who retires or resigns shall receive a bonus credit of 10% of the accumulated unused sick leave to be computed at the rate of pay being received by the employee at retirement or resignation date. Employees with ten to thirty-five years of service receive a bonus credit ranging from 12.5% to 35%. Hours in an employee's catastrophic leave bank are not eligible for payout.
- b. Vacation Leave: Employees are credited with vacation at various rates depending on length of employment. Non-uniformed employees may accumulate and carry over to subsequent years up to 200.16 hours of vacation. Police officers can carry over to subsequent years up to 275 hours of vacation. Firefighters can carry over to subsequent years up to 381.96 hours of vacation. Upon termination, employees are paid for unused vacation.

12. Deferred Outflows/Inflows of Resources: Accounting treatment of deferred outflows and inflows varies depending on whether it is reported in the government-wide or fund financial statements.

- a. Government-wide Financial Statements: Deferred outflows of resources represent a consumption of net assets that applies to a future period, so will not be recognized as an expense until that future period. Deferred inflows of resources are resources that are not available in the current period to pay liabilities of the current period and represent an acquisition of net assets that applies to future periods. In the government-wide statements, the City has deferred outflows and inflows related to pensions (see Note IV) and other postemployment benefits (see Note V), and leases. Lease-related amounts are recognized at the inception of leases in which the City is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. The Hospital has deferred outflows of resources related to business acquisitions (see Note IX) and deferred inflows of resources related to COVID-related finance assistance.
- b. Fund Financial Statements: Deferred inflows of resources arise in governmental funds using the modified accrual basis of accounting to indicate that, although an enforceable legal claim to resources exists, those resources are not available within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's General Fund has deferred inflows related to grant proceeds, opioid settlement proceeds, and municipal court fines receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The Debt Service Fund has deferred inflows related to property taxes receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The TIF Fund has deferred inflows related to ad valorem tax receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The General Fund and the Transportation Sales Tax Fund also have deferred inflows related

to lease receivables. Deferred inflows will be recognized as revenue in the next fiscal year when they are available or recognizable. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

13. Pensions: Information related to the City's net pension liability, net pension asset, deferred outflows of resources, and deferred inflows of resources has been determined on the same basis that is used for the underlying plans. Therefore, expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investments are stated at fair value based on published market prices.

14. Leases and subscription-based information technology arrangements (SBITA): The City is a party as lessor and lessee for various noncancellable long-term leases of land and equipment. The corresponding lease receivable or lease obligation payable, are recorded in an amount equal to the present value of the expected future minimum lease payments received or paid, respectively, discounted by an applicable interest rate. SBITAs are recognized as an obligation payable in an amount equal to the present value of the expected future minimum SBITA payments, discounted by an applicable interest rate.

15. Equity Classifications

a. Government-wide Financial Statements: Equity is classified as net position and is displayed in three components:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, notes, leases, or other borrowings or payables that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted – This component of net position consists of constraints placed on net position use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through ordinance or other enabling legislation. For the year ended June 30, 2024, the statement of net position reports restricted net position in the amount of \$34,253,795, of which \$995,605 is restricted by enabling legislation.
- Unrestricted – This component of net position consists of net positions that do not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted net positions are available for use, it is the City's policy to use restricted resources first.

b. Fund Financial Statements: Governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances for governmental funds are made up of the following:

- Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to remain intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, long-term notes receivable, and permanent fund principal.
- Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. These restrictions arise from bond indentures, City Charter, and votes of the citizens of Stillwater. Restrictions may effectively be changed or lifted only with the consent of the applicable resource providers.

- Committed fund balance – includes amounts that can only be used for specific purposes determined by a formal action (resolution) of the City’s highest level of decision-making authority, the city council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.
- Assigned fund balance – comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City’s Council or (2) a body or official to whom the City’s Council has delegated the authority to assign amounts to be used for specific purposes. Such delegation is made to the city manager, CFO, or applicable department manager at a city council meeting and is recorded in the meeting minutes.
- Unassigned fund balance – the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose. The General Fund is the only fund that could report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Additionally, although the city council has not adopted a formal fund balance policy, the City considers committed, then assigned, then unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

F. Revenues, Expenditures, and Expenses

1. **Sales Tax:** The City levies a four-cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- Two cents retained by the General Fund for operations.
- One cent transferred to the SUA as required by revenue bond indentures. The proceeds are used in accordance with the trust indenture and current bond indentures.
- One cent transferred to the Transportation Sales Tax Fund to be used for transportation improvement projects as approved by the voters in 2001, 2006, 2015, and 2022. This tax expires on June 30, 2032.

2. **Property Tax:** Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonds and court-assessed judgments. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor’s office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent.

Property tax levied during the fiscal year ended June 30, 2024 is being held to fund the annual debt service on the 2022 general obligation bonds.

3. **Program Revenues:** In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City’s taxpayers are reported as program revenues. The City has the following program revenues in each activity:

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As of and for the Year Ended June 30, 2024

Activity	Program Revenue
Public safety	Fire and police fines assessed for training, rural fire run fees, operating grants from the U.S. Department of Homeland Security and the U.S. Department of Justice, the State of Oklahoma for onbehalf payments made for police and fire pension plans, and donations
Recreation and culture	Park and recreation fees, operating grants from the Institute of Museum and Library Services, capital grants from the Federal Highway Administration, and donations
General government	Operating grants from the U.S. Department of Housing & Urban Development and the U.S. Department of Treasury, fiber network fees, property rentals, reimbursements of commercial air service revenue guarantees, and capital contributions
Financial administration	Business licenses and municipal court fines
Streets and highways	Gasoline tax, auto tag tax, stormwater fees, transportation fees, operating grant from the U.S. Department of Homeland Security, capital grant from U.S. Department of Housing and Urban Development, and capital contributions
Health and welfare	Trade licenses and permits

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

- 4. Operating Revenues and Expenses:** Operating revenues and expenses for proprietary funds and similar discretely presented component units are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

5. Expenditures/Expenses

- Government-wide Financial Statements: In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.
- Fund Financial Statements: In the fund financial statements, governmental funds report expenditures of financial resources which are classified as follows:
 - Current (further classified by function)
 - Debt service
 - Capital outlay

Proprietary funds report expenses relating to the use of economic resources.

G. Internal and Interfund Balances and Activities

- Government-wide Financial Statements:** In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation. The eliminations or reclassifications, if any, in the government-wide statements are as follows:
 - Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
 - Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers.

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

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

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. New Accounting Standards

The City implemented GASB Statement 100, *Accounting Changes and Error Corrections*, that had no effect on the financial statements.

The Hospital implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component unit are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources is detailed below.

A. Fund Accounting Requirements

The City complies, in all material respects, with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

Fund	Required By
Debt Service Fund	State Law
Stillwater Utilities Authority	Trust Indenture
Stillwater Economic Development Authority	Trust Indenture
Stillwater Public Works Authority	Trust Indenture
Stillwater Block 34 Trust	Trust Indenture
Stillwater Public Library Trust	Trust Agreement

B. Deposit and Investment Laws and Regulations

The City maintains a cash pool that is available for use by most funds, as discussed in Note I. In addition, cash and investments are separately held by several of the City’s funds.

It is the City’s policy to use state statutes (as they relate to municipal deposits and investments) as the City’s deposit and investment guide. Therefore, the City collateralizes 100% of all deposit amounts, including interest, not covered by federal deposit insurance. Obligations that may be pledged as collateral include U.S. government issues, U.S. government insured securities, State of Oklahoma bonds, and bonds of any Oklahoma county or school district. The City prefers and requests U.S. governmental securities as collateral.

Public trusts created under O.S. Title 60, are not subject to the statutory investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2024, the City and its public trusts complied, in all material respects, with these investment restrictions.

C. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Sales tax	See Note I
Gasoline excise and commercial vehicle tax	Street and alley purposes
E911 revenue	E911 emergency service purposes
Ad valorem tax	Debt service on bonds and judgements
Grants revenue	Per individual grant agreements
Visitor tax	Tourism development and visitor amenities
Stormwater fee	Stormwater management purposes
Police training fee	Training of police department employees
Water tie-on charge	Financing future construction of extensions and improvements to the water distribution system

For the year ended June 30, 2024, the City complied, in all material respects, with these revenue restrictions.

D. Debt Restrictions and Covenants

- 1. Long-term Debt:** As required by the Oklahoma State Constitution, the City (excluding public trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without obtaining voter approval. For the year ended June 30, 2024, no such debt was incurred by the City.
- 2. Revenue Bond Debt:** The bond indenture relating to the revenue bond issue of the SUA contains a number of financial related restrictions or covenants. These include covenants such as a required flow of funds through special accounts, required reserve account balances, and revenue bond debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the SUA’s level of compliance thereon as of June 30, 2024.

Requirement	Level of Compliance
Flow of funds through sales tax account and other bond accounts	All required accounts have been established and are used per bond indenture requirements.
Reserve account	The bonds are secured by a Bond Fund Reserve Account held by the SUA's trustee bank.
Revenue Bond and Oklahoma Water Resources Board Notes	For the year ended June 30, 2024, available sales tax and revenues, as defined by the bond indenture, was \$104,833,150; the bond coverage requirement is operating and maintenance excluding depreciation of \$60,623,623 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$8,506,906. Excess coverage was \$35,702,621 about 4 times the required principal and interest coverage.

E. Fund Equity/Net Position Restrictions

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. For the year ended June 30, 2024, the City did not incur any fund balance deficits.

III. DETAILED NOTES-TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for various assets, deferred outflows, liabilities, deferred inflows, equities, revenues, and expenditures/expenses.

A. Deposits and Investments

- 1. Deposits:** Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The deposit policy of the City and the Hospital for custodial credit risk requires compliance with the provisions of state law. State law requires collateralization of all deposits with federal depository insurance, U.S. government issues, U.S. government insured securities, State of Oklahoma bonds, or bonds of any county or school district of the State of Oklahoma.

At June 30, 2024 the City's bank balance of \$184,021,765 was not exposed to custodial credit risk. At December 31, 2023, \$777,324 of the Hospital's bank balance of \$13,579,530 was uninsured and uncollateralized.

- 2. Investments:** The City may legally invest in direct obligations of the U.S. government and agency securities, certificates of deposit and savings accounts, or savings certificates of savings and loan associations. The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest, to a limited extent, in corporate bonds and equity securities.

- **Interest Rate Risk** – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. The Hospital's investment policy limits its investment portfolio to an average overall portfolio duration no greater than 7.5 years.
- **Credit Risk** – Investment credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. The Hospital's policy is to limit its domestic fixed income investments to a credit rating of no less than investment grade and an overall weighted-average rating of A by Standard and Poor's, Moody's or Fitch.

- **Concentration of Credit Risk** - The City places no limit on the amount that may be invested in any one issuer. The Hospital's investment policy limits equity investments in any one issuer, other than the U.S. government or its agencies, to 10% of the market value of the fixed income portfolio and to 5% of the market value of the equity portfolio. At December 31, 2023, no investments exceeded 5% of the total value of all Hospital investments.
- **Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial risk. However, the City's investments are in the City's name, thus the City had no custodial risk at June 30, 2024. The Hospital's investment policy does not address how these securities are to be held.
- **Fair Value Measurement** - Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets that the government can access at the measurement date; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2024, the City and Hospital had only Level 1 and Level 2 investments which are summarized in the table below. Investments classified as Level 1 inputs are valued using quoted prices in active markets for identical securities, and investments classified as Level 2 inputs are valued using benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

For the year ended June 30, 2024, The City and Hospital had only Level 1 and Level 2 investments which are summarized below:

Type	Fair Value	Fair Value Measurement Basis		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Primary Government:				
Certificates of deposit	\$ 31,947,043	\$ -	\$ 31,947,043	\$ -
Money market mutual funds	5,676,716	5,676,716	-	-
U.S. agency obligations	20,971,281	-	20,971,281	-
Mutual funds	582,671	582,671	-	-
Hospital:				
Certificates of deposit	\$ 840,000	\$ -	\$ 840,000	-
U.S. Treasury obligations	918,038	918,038	-	-
Money market mutual funds	12,278,433	12,278,433	-	-
Mutual funds - fixed income	56,115,591	56,115,591	-	-
Mutual funds - domestic equities	42,947,613	42,947,613	-	-
Mutual funds - international equities	17,819,609	17,819,609	-	-

The City had the following deposits and investments at June 30, 2024:

			Maturities in Years		
Type	Credit Rating	Amount	Less than 1	1-5	6-10
Primary Government:					
Certificates of deposit	(1)	\$ 31,947,043	\$ 28,445,737	\$ 3,501,306	\$ -
Money market mutual funds	AAAm (2)	5,468,197	5,468,197	-	-
Money market mutual funds	(1)	208,519	208,519	-	-
U.S. agency obligations	AA+ (2)	20,971,281	-	11,167,945	9,803,336
		58,595,040	\$ 34,122,453	\$ 14,669,251	\$ 9,803,336
Mutual funds		582,671			
Demand deposits		153,798,523			
		\$ 212,976,234			

(1) not rated

(2) Standard and Poor's

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The Hospital had the following deposits and investments at December 31, 2023:

Type	Credit Rating	Amount	Maturities in Years			
			Less than 1	1-5	6-10	More than 10
Certificates of Deposit	(1)	\$ 840,000	\$ 840,000	\$ -	\$ -	\$ -
U.S. Treasury obligations	(3)	918,038	49,540	368,268	500,230	-
Money market mutual funds	AAAm (2)	12,278,433	12,278,433	-	-	-
Mutual funds-fixed income	(1)	56,115,591	774,537	4,257,792	39,192,344	11,890,918
Mutual funds-domestic equities	(1)	42,947,613	42,947,613	-	-	-
Mutual funds-international equities	(1)	17,819,609	17,819,609	-	-	-
		<u>\$ 130,919,284</u>	<u>\$ 74,709,732</u>	<u>\$ 4,626,060</u>	<u>\$ 39,692,574</u>	<u>\$ 11,890,918</u>
Demand deposits		<u>9,876,810</u>				
		<u><u>\$ 140,796,094</u></u>				

(1) not rated

(2) Standard and Poor's

(3) backed by U.S. Government

A summary of the carrying values of the City's deposits and investments as well as a reconciliation to the presentation in the Government-wide Statement of Net Position as of June 30, 2024, is below:

	Primary Government	Stillwater Medical Center Authority Component Unit	Total
Carrying Values:			
Deposits	\$ 156,141,281	\$ 9,876,810	\$ 166,018,091
Investments	56,834,953	130,919,284	187,754,237
Total	<u>\$ 212,976,234</u>	<u>\$ 140,796,094</u>	<u>\$ 353,772,328</u>

Reconciliation to the Government-Wide Statement of Net Position:

Cash and cash equivalents:

Unrestricted	\$ 150,547,607	\$ 9,876,810	\$ 160,424,417
Restricted	5,593,674	-	5,593,674

Investments:

Unrestricted	51,971,248	130,579,284	182,550,532
Restricted	4,863,705	340,000	5,203,705

Total	<u>\$ 212,976,234</u>	<u>\$ 140,796,094</u>	<u>\$ 353,772,328</u>
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B. Accounts Receivable

The accounts receivable of the governmental activities consists of sales and use taxes, franchise and other taxes, ad valorem taxes, lodging taxes, stormwater fees and grant revenues. Sales taxes are \$6,413,785, use taxes are \$753,801, park donations are \$500,418, lodging taxes are \$376,773, insurance rebate are \$260,283, property taxes \$667,120, police fines \$140,915, other self-insurance receivable \$595,059, amounts due from other governments \$599,222, opioid settlement revenues are \$2,090,174, and other miscellaneous receivables of \$407,890. Other receivable types represent 1% or less of the receivable totals. The accounts receivable for the business-type activities are amounts due from utility customers. All receivables are expected to be collected within one year.

C. Accounts Payable

Accounts payable balances are payables to vendors. Accrued liabilities are salaries, wages payable, and risk management claims (see Note VI).

D. Restricted Assets

Certain assets of the SUA are restricted in their use by bond and note indentures. Cash and cash equivalents, classified as current, in the amount of \$2,451,545 at June 30, 2024 have been restricted in use to the service of debt. Investments, classified as current and noncurrent, in the amount \$4,863,705 at June 30, 2024, have been restricted for this purpose.

Certain cash and cash equivalents of the SUA are restricted by agreement for the purpose of acquiring necessary easements related to water line upgrades for an area of service purchased from a rural water district. As of June 30, 2024, cash and cash equivalents, classified as non-current, in the amount of \$54,756 were restricted for this purpose.

Cash and cash equivalents received from customers as a water tie-on charge for new connections to the water distribution system are restricted by an ordinance of the City for the purpose of financing future construction of extensions and improvements to the water distribution system of the City. Cash and cash equivalents, classified as non-current, in the amount of \$995,605 at June 30, 2024 were restricted for this purpose.

Cash and cash equivalents received from utility customers for payment of the Western Payne County Ambulance Trust Authority (WPCATA) Subscription Fee are restricted in their use. Per agreement, the Authority remits to the WPCATA on a monthly basis all money collected from said charge. As of June 30, 2024, cash and cash equivalents, classified as current, in the amount of \$88,368 were restricted for this purpose.

Customer deposits received for water or electric service are restricted in their use toward the customer's final bill. As of June 30, 2024, cash and cash equivalents in the amount of \$2,003,400, of which \$1,233,341 is classified as current and \$770,059 is classified as non-current, have been restricted for customer deposits.

E. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

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	Balance at June 30,				Balance at June
	2023	Additions	Deletions	Transfers	30, 2024
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 17,091,496	\$ 468,545	\$ -	\$ -	\$ 17,560,041
Construction work in progress	13,214,781	11,862,194	-	(6,204,927)	18,872,048
Total capital assets not being depreciated	30,306,277	12,330,739	-	(6,204,927)	36,432,089
Other capital assets:					
Buildings	24,728,143	-	-	-	24,728,143
Improvements other than buildings	14,320,100	320,298	(85,135)	94,164	14,649,427
Machinery and equipment	30,719,951	3,208,667	(546,973)	-	33,381,645
Infrastructure	171,552,177	1,119,251	-	6,110,763	178,782,191
Total other capital assets at historical cost	241,320,371	4,648,216	(632,108)	6,204,927	251,541,406
Less accumulated depreciation for:					
Buildings	13,819,414	464,882	-	-	14,284,296
Improvements other than buildings	11,415,907	305,359	-	-	11,721,266
Machinery and equipment	23,689,879	1,245,418	(546,973)	-	24,388,324
Infrastructure	134,818,667	3,150,276	(9,832)	-	137,959,111
Total accumulated depreciation	183,743,867	5,165,935	(556,805)	-	188,352,997
Lease assets - Equipment	122,311	41,217	(69,475)	-	94,053
Less accumulated amortization - Equipment	63,293	39,327	(69,475)	-	33,145
Total lease assets being amortized, net	59,018	1,890	-	-	60,908
Subscription-based IT assets (SBITA)	994,488	121,546	(68,089)	-	1,047,945
Less accumulated amortization - SBITA	317,758	339,761	(61,668)	-	595,851
Total SBITA assets being amortized, net	676,730	(218,215)	(6,421)	-	452,094
Other capital assets, net	58,312,252	(734,044)	(81,724)	6,204,927	63,701,411
Total capital assets, net	\$ 88,618,529	\$ 11,596,695	\$ (81,724)	\$ -	\$ 100,133,500
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 2,503,519	\$ -	\$ -	\$ -	\$ 2,503,519
Intangible assets	1,530,403	-	-	-	1,530,403
Construction work in progress	31,995,411	14,368,414	-	(14,368,716)	31,995,109
Total capital assets not being depreciated	36,029,333	14,368,414	-	(14,368,716)	36,029,031
Other capital assets:					
Buildings	94,621,800	-	-	27,583	94,649,383
Improvements other than buildings	50,945,191	-	-	5,014,211	55,959,402
Machinery and equipment	87,216,635	4,034,356	(2,306,500)	-	88,944,491
Intangible assets	74,054	-	-	-	74,054
Infrastructure	219,608,080	3,339,182	(277,645)	9,326,922	231,996,539
Total other capital assets at historical cost	452,465,760	7,373,538	(2,584,145)	14,368,716	471,623,869
Less accumulated depreciation for:					
Buildings	62,462,825	2,145,053	-	-	64,607,878
Improvements other than buildings	25,989,903	1,588,140	-	-	27,578,043
Machinery and equipment	33,722,016	3,274,381	(594,307)	-	36,402,090
Infrastructure	115,566,280	6,835,528	(203,974)	-	122,197,834
Amortization for intangible assets	74,054	-	-	-	74,054
Total accumulated depreciation	237,815,078	13,843,102	(798,281)	-	250,859,899
Lease assets:					
Land	10,424	15,749	(10,424)	-	15,749
Equipment	26,680	8,326	(3,581)	-	31,425
Total lease assets being amortized	37,104	24,075	(14,005)	-	47,174
Less accumulated amortization:					
Land	8,340	4,709	(10,424)	-	2,625
Equipment	12,051	7,182	(3,581)	-	15,652
Total accumulated amortization	20,391	11,891	(14,005)	-	18,277
Total lease assets being amortized, net	16,713	12,184	-	-	28,897
Subscription-based IT assets (SBITA)	90,464	31,124	(96,819)	-	24,769
Less accumulated amortization - SBITA	39,992	72,208	(96,819)	-	15,381
Total SBITA amortized, net	50,472	(41,084)	-	-	9,388
Other capital assets, net	214,717,867	(6,498,464)	(1,785,864)	14,368,716	220,802,255
Total capital assets, net	\$ 250,747,200	\$ 7,869,950	\$ (1,785,864)	\$ -	\$ 256,831,286

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	Balance at December 31, 2022*	Additions	Reclass/ Deletions	Transfers	Balance at December 31, 2023
COMPONENT UNITS:					
<u>Stillwater Medical Center Authority</u>					
Capital assets not being depreciated:					
Land	\$ 5,240,692	\$ -	\$ -	\$ -	\$ 5,240,692
Construction work in progress	66,470,182	12,742,703	(10,758,442)	-	68,454,443
Total capital assets not being depreciated	71,710,874	12,742,703	(10,758,442)	-	73,695,135
Other capital assets:					
Land improvements	4,067,191	5,920	-	-	4,073,111
Buildings and improvements	99,837,432	5,184	-	-	99,842,616
Equipment	131,945,976	7,436,099	10,732,439	-	150,114,514
Lease assets	12,538,296	700,857	-	-	13,239,153
Total other capital assets at historical cost	248,388,895	8,148,060	10,732,439	-	267,269,394
Less accumulated depreciation and amortization for:					
Land improvements	2,013,070	79,196	-	-	2,092,266
Buildings and improvements	18,063,282	4,277,358	(11,514)	-	22,329,126
Equipment	86,100,699	6,600,533	(87,785)	-	92,613,447
Lease assets	6,381,660	2,451,281	-	-	8,832,941
Total accumulated depreciation and amortization	112,558,711	13,408,368	(99,299)	-	125,867,780
Other capital assets, net	135,830,184	(5,260,308)	10,831,738	-	141,401,614
Total capital assets, net	\$ 207,541,058	\$ 7,482,395	\$ 73,296	\$ -	\$ 215,096,749

* The change in the balance reported at December 31, 2022 for net capital assets is due to the restatement of net capital and lease assets. These reclassifications had no effect on the Hospital's previously reported net position as of December 31, 2022.

Depreciation and amortization expense was charged to functions in the statement of activities as follows:

Primary Government:

Governmental Activities

Public safety	\$ 751,278
Recreation and culture	488,970
General government	1,106,488
Financial administration	25,424
Streets and highways	3,172,863
Total depreciation expense for governmental activities	<u>\$ 5,545,023</u>

Business-type Activities

Stillwater Utilities Authority	\$ 12,089,786
Airport (includes amortization of intangible assets)	1,835,447
Stillwater Economic Development Authority	1,968
Total depreciation expense for business-type activities	<u>\$ 13,927,201</u>

Component Units:

Stillwater Medical Center Authority	<u>\$ 13,408,368</u>
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F. Interfund Receivables and Payables

Interfund balances result from the normal operations of the various funds of the primary government. Other funds routinely make payments to the General Fund to cover payroll, vendor payments, health insurance costs, workers compensation costs, and other operating costs. Generally, these charges are paid within a month of their incurrence. Interfund receivables and payables for the year ended June 30, 2024, are as follows:

	Due To		Due From		
	Transportation		General	SUA	Total
	Sales Tax Fund				
General Fund	\$ 1,603,447	\$ -	\$ -	\$ -	\$ 1,603,447
Airport	-	163,366	-	-	163,366
SUA	-	2,791,659	-	-	2,791,659
SEDA	-	-	8,000,000	-	8,000,000
	<u>\$ 1,603,447</u>	<u>\$ 2,955,025</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ 12,558,472</u>

G. Interfund Transfers

Interfund transfers are made on an annual basis to comply with sales tax provisions and contracts and to supplement fund balances as needed. Of the City's four cent sales tax, one cent is designated for the SUA and one cent is designated for the Transportation Sales Tax Fund (see Note I.F). Both are transferred to their respective funds on a monthly basis upon receipt by the General Fund. The General Fund also transferred \$1.9 million to the Airport Fund to meet capital and operating needs of the fund, \$3.4 million to the SEDA to meet contractual obligations related to economic development initiatives, and \$1.2 million to the City Capital Fund to fund capital improvement projects. The Tax Increment District #3 transferred \$0.9 million to the SEDA for economic development initiatives. The SUA transferred \$14.6 million to the General Fund to meet operating needs of the fund. A summary of the interfund transfers reported in the fund financial statements for the year ended June 30, 2024, is summarized in the table below:

	Transfer In		Transfer Out			
	General Fund	Nonmajor Governmental	Stillwater Utilities Authority	Stillwater Economic Development Authority	Total	
General Fund	\$ -	\$ 158,506	\$ 14,486,279	\$ -	\$ 14,644,785	
Transportation Sales Tax Fund	10,038,770	-	-	-	10,038,770	
City Capital Fund	1,225,520	-	118,550	795,479	2,139,549	
SUA	10,038,770	-	-	-	10,038,770	
Airport Fund	1,929,778	-	-	-	1,929,778	
SEDA	3,382,762	799,260	-	-	4,182,022	
	<u>\$ 26,615,600</u>	<u>\$ 957,766</u>	<u>\$ 14,604,829</u>	<u>\$ 795,479</u>	<u>\$ 42,973,674</u>	

H. Lease Receivables

The City as a lessor, has entered into lease agreements involving land, electric infrastructure, airport hangars and facilities. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$470,576.

I. Long-term Liabilities

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities, amounts to be repaid from business-type activities, and amounts to be repaid from component units.

1. Governmental Activities: As of June 30, 2024, the governmental activities long-term debt consisted of the following:

General Obligation Bonds

2022 Bonds dated June 1, 2022, original issue amount of \$9,000,000, interest rate from 4% to 5%; semiannual interest payments commencing June 1, 2023; annual principal payments commencing June 1, 2024; proceeds used for new fire station construction.

	\$ 8,530,000
Plus: unamortized debt premium	315,969
Total general obligation bonds payable	<u>\$ 8,845,969</u>

Current portion	\$ 487,618
Noncurrent portion	8,358,351
Total general obligation bonds payable	<u>\$ 8,845,969</u>

Accrued Compensated Absences

Current portion	\$ 645,352
Noncurrent portion	2,731,744
Total accrued compensated absences	<u>\$ 3,377,096</u>

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Note Payable - Direct Borrowing

Note payable to Motorola Solutions Credit Company, LLC, dated January 1, 2022, original issue amount of \$6,397,875, interest rate of 1.94%; annual payments of \$1,355,000 commencing January 1, 2023, proceeds used for public safety communications equipment. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

\$ 3,912,233

Note payable to BOK Financial Equipment Finance, Inc., dated September 27, 2023, original issue amount of \$1,398,570, interest rate of 6.130%; monthly payments of \$27,123 commencing October 1, 2023, proceeds used for the purchaser of fire truck. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

1,235,855

Note payable to Dell Financial Services, dated October 26, 2023, original issue amount of \$281,456, interest rate of 7.25%; monthly payments of \$5,573 commencing March 1, 2024, proceeds used for information technology equipment. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

264,094

Note payable to Dell Financial Services, dated February 1, 2024, original issue amount of \$551,263, interest rate of 7.25%; monthly payments of \$10,915 commencing February 1, 2024, proceeds used for information technology equipment. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

509,469

Total note payable

\$ 5,921,651

Current portion

\$ 1,682,531

Noncurrent portion

4,239,120

Total note payable

\$ 5,921,651

Lease Obligations Payable - Direct Borrowing

Postage Machine - 43 month lease for the use of postage machine. An initial lease liability was recorded in the amount of \$8,813. Monthly fixed payments of \$208 are made at an interest rate of 0.893%.

\$ 1,453

Various Copier and printer leases - dated from July 1, 2021 with terms from 15 - 60 months. An initial liability was recorded in the amount of \$128,599. Monthly payments between \$59 and \$1,407 are made at interest rates between 0.387% to 3.305%.

59,879

Total lease obligations payable

\$ 61,332

Current portion

\$ 19,991

Noncurrent portion

41,341

Total lease obligations payable

\$ 61,332

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Subscription based IT (SBITA) Obligations Payable - Direct Borrowing

On 12/01/2023, City entered into a 36 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$114,976. As of 06/30/2024, the value of the subscription liability is \$75,276. City of Stillwater, OK is required to make annual fixed payments of \$39,700. The subscription has an interest rate of 3.6310%.	\$	75,276
On 11/01/2022, the City entered into a 60 month subscription for the use of software for financial administration. An initial subscription liability was recorded in the amount of \$64,615. As of 06/30/2024, the value of the subscription liability is \$39,737. The City is required to make annual fixed payments of \$13,125. The subscription has an interest rate of 3.305%.		39,737
On 07/01/2022, the City entered into a 30 month subscription for the use of software for public safety. An initial subscription liability was recorded in the amount of \$14,508. As of 06/30/24, the value of the subscription liability is \$3,077. The City is required to make monthly fixed payments of \$468. The subscription has an interest rate of 2.184%.		3,077
On 07/01/2022, the City entered into a 46 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$534,945. As of 06/30/2024, the value of the subscription liability is \$177,971. The City is required to make annual fixed payments of \$186,098. The subscription has an interest rate of 2.275%.		177,971
On 07/19/2023, the City entered into a 14 month subscription for the use of software for streets and highways. An initial subscription liability was recorded in the amount of \$2,009. As of 06/30/2024, the value of the subscription liability is \$989. The City is required to make annual fixed payments of \$1,020. The subscription has an interest rate of 3.1020%.		989
On 10/27/2022, the City entered into a 36 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$24,991. As of 06/30/24, the value of the subscription liability is \$8,330. The City is required to make annual fixed payments of \$8,597. The subscription has an interest rate of 3.238%.		8,330
On 08/26/2022, the City entered into a 24 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$108,642. As of 06/30/24, the value of the subscription liability is \$8,770. The City is required to make annual fixed payments of \$46,673. The subscription has an interest rate of 1.71%.		8,770
Total SBITA obligations payable	\$	<u>314,150</u>
Current portion	\$	248,578
Noncurrent portion		<u>65,572</u>
Total SBITA obligations payable	\$	<u>314,150</u>

Business-type Activities: As of June 30, 2024, the long-term liabilities payable from business-type activities consisted of the following:

Revenue Bonds Payable

Series 2014A Revenue Bonds dated August 14, 2014, original issue amount of \$61,830,000, secured by utility revenues, interest rates range from 3% to 5%, semiannual interest and annual principal installments commencing October 1, 2014 through October 1, 2042	\$	51,615,000
Plus: unamortized debt premium		<u>4,275,427</u>
Total revenue bonds payable	\$	<u>55,890,427</u>
Current portion	\$	1,968,963
Noncurrent portion		<u>53,921,464</u>
Total revenue bonds payable	\$	<u>55,890,427</u>

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Notes Payable

2005 Oklahoma Water Resources Board (OWRB) Fixed Rate Note Payable dated June 29, 2005, original amount of \$7,620,000, secured by utility revenues, 2.6% interest plus an administrative fee of 0.5%, semiannual installments of principal and interest commencing September 15, 2005 through March 15, 2025	\$ 492,936
2009 OWRB DWSRF Note Payable dated November 24, 2009, original amount of \$11,645,000, \$2,000,000 in principal forgiveness from American Recovery and Reinvestment Act grant funds, secured by utility revenues, 2.84% interest plus an administrative fee of 0.5%, semiannual principal installments commencing March 15, 2013 through September 15, 2032	4,525,879
2009 OWRB CWSRF Note Payable dated November 24, 2009, original amount of \$1,875,000, \$578,999 in principal forgiveness from American Recovery and Reinvestment Act grant funds, secured by utility revenues, 2.34% interest plus an administrative fee of 0.5%, semiannual principal installments commencing March 15, 2011 through September 15, 2030	477,586
2016 OWRB SRF Note Payable dated June 27, 2016, not to exceed \$29,900,000, secured by utility revenues, 1.82% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2017 or construction completion. Construction is ongoing.	22,544,019
2017 OWRB SRF Note Payable dated September 22, 2017, not to exceed \$12,600,000, secured by utility revenues, 2.18% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2019 or construction completion. Construction is ongoing.	5,842,862
2023 OWRB SRF Note Payable dated January 10, 2023, not to exceed \$10,500,000, secured by utility revenues, 2.43% interest plus an administrative fee of 0.5%, semiannual principal installments commence earlier of September 15, 2024 or construction completion. Construction is ongoing.	7,409,103
2024 OWRB SRF Note Payable, dated December 1, 2023, not to exceed \$37,000,000, secured by utility revenue, with interest at 2.92% plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2026, or construction completion. At June 30, construction is ongoing, and no loan draws have been made.	-
United States Army Corps of Engineers Note dated September 26, 1980, original amount of \$1,530,403, 3.222% interest, annual interest and principal installments commencing August 27, 1984 through August 27, 2034	550,312
Total notes payable	<u>\$ 41,842,697</u>
Current portion	\$ 2,645,201
Noncurrent portion	39,197,496
Total notes payable	<u>\$ 41,842,697</u>

Direct Obligations – Notes Payable:

Governmental Activities:

Direct Obligations – Notes Payable:

Borrowings have been advanced pursuant to a credit agreement with Motorola Solutions Credit Company LLC that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) declaring all note payments immediately due and payable; 2) taking possession of the collateralized equipment, sell or lease such equipment, requiring the City to pay difference, if any, between the note payments and proceeds of sale or new note; and 3) any action of law necessary to enforce creditor's rights.

Borrowings have been advanced pursuant to a credit agreement with BOK Financial Equipment Finance, Inc. that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) taking possession of the collateralized equipment, sell or lease such equipment, holding the City liable for all payments and charges due up of the effective date of such termination; 2) requiring the City to deliver the equipment to the point of origin at the City's sole risk, cost and expense; and 3) any action of law necessary to enforce creditor's rights.

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Borrowings have been advanced pursuant to a credit agreement with Dell Financial Services LLC. that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) returning all equipment; 2) sell, lease, or otherwise dispose of any or all equipment; 3) declaring all note payments immediately due and payable; and 4) any action of law necessary to enforce creditor's rights.

Business-Type Activities

Direct Obligations – Notes Payable:

Borrowings have been advanced pursuant to a credit agreement with Bank of America, N.A., that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) declaring all note payments immediately due and payable; 2) taking possession of the collateralized equipment, sell or lease such equipment, requiring SUA to pay difference, if any, between the note payments and proceeds of sale or new note; and 3) any action of law necessary to enforce creditor's rights.

Borrowings have been advanced pursuant to a credit agreement with BOK Financial Equipment Finance, Inc. that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) taking possession of the collateralized equipment, sell or lease such equipment, holding SUA liable for all payments and charges due up of the effective date of such termination; 2) requiring the SUA to deliver the equipment to the point of origin at the SUA's sole risk, cost and expense; and 3) any action of law necessary to enforce creditor's rights.

Direct Obligations - Notes Payable

\$1,120,000 note payable with Bank of America for equipment, fixed interest rate of 4.2035%, monthly installments commencing January 13, 2023 through December 13, 2027	\$ 826,145
\$694,482 note payable with Bank of America for equipment, fixed interest rate of 4.4885%, monthly installments commencing March 3, 2023 through February 3, 2028	535,163
\$224,000 note payable with Bank of America for equipment, fixed interest rate of 4.0535%, monthly installments commencing April 24, 2023 through March 24, 2028	175,711
\$3,220,000 note payable with Bank of Oklahoma for equipment, fixed interest rate of 5.7475%, monthly installments commencing July 1, 2024 through June 1, 2029	3,220,000
\$275,000 note payable with Bank of Oklahoma for equipment, fixed interest rate of 5.7475%, monthly installments commencing July 1, 2024 through June 1, 2029	275,000
\$7,000,000 Stillwater Economic Development Authority note payable dated July 28, 2022 to Great Plains National Bank, interest rate of 3%, proceeds were used to assist local industry for economic development purposes; one payment of principal and interest is due July 28, 2023. However, the loan was refinanced in July 2023 and the total principal balance will now be due in July 2028; collateralized with a certificate of deposit with an original balance of \$7,000,000; upon default, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due or right of setoff of the collateral.	7,000,000
Total direct obligations - notes payable	<u>\$ 12,032,019</u>
Current portion	\$ 1,016,704
Noncurrent portion	11,015,315
Total direct obligations - notes payable	<u>\$ 12,032,019</u>

Accrued Compensated Absences

Current portion	\$ 126,602
Noncurrent portion	957,581
Total accrued compensated absences	<u>\$ 1,084,183</u>

Deposits Subject to Refund

Current portion	\$ 1,233,391
Noncurrent portion	770,059
Total deposits subject to refund	<u>\$ 2,003,450</u>

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Lease Obligations Payable

The Authority has 5 active equipment leases. The leases have payments that range from \$150 to \$1,980 and interest rates that range from 0.841% to 3.269%. The lease terms include extension options, which are reasonably certain to be exercised.

	\$ 26,443
Total lease obligations payable	<u>\$ 26,443</u>
Current portion	\$ 12,704
Noncurrent portion	<u>13,736</u>
Total lease obligations payable	<u>\$ 26,443</u>

Subscription based IT (SBITA) Obligations Payable - Direct Borrowing

On 07/19/2023, SUA entered into a 14 month subscription for the use of software for the water and wastewater. An initial subscription liability was recorded in the amount of \$990. As of 06/30/2024, the value of the subscription liability is \$487. The City is required to make annual fixed payments of \$653. The subscription has an interest rate of 3.1020%.

\$ 487

On 08/29/2022, the SUA entered into a 36 month subscription for the use of software for the water department. An initial subscription liability was recorded in the amount of \$23,779. As of 06/30/24, the value of the subscription liability is \$7,925. The SUA is required to make annual fixed payments of \$8,098. The subscription has an interest rate of 2.184%.

7,925

Total SBITA obligations payable	<u>\$ 8,412</u>
Current portion	\$ 8,412
Noncurrent portion	<u>-</u>
Total SBITA obligations payable	<u>\$ 8,412</u>

2. Component Unit: As of December 31, 2023, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

Revenue Bond Payable:

SMC 2021 Commerce: \$26,041,096 Stillwater Medical Center Authority dated April 15, 2021 with an interest rate of 2.20%. The revenue bond is payable in monthly principal and interest installments through April 13, 2028. The SMC 2021 Commerce Revenue Bond is collateralized by the gross revenues of the Authority. The SMC 2021 Commerce Revenue Bond was issued to refinance Series 2019A, Series, 2019C, and Series 2019D Supplemental Bond Indentures.

\$ 21,411,568

Total Revenue Bonds Payable	<u>\$ 21,411,568</u>
Current portion	\$ 1,880,746
Noncurrent portion	<u>19,530,822</u>
Total Revenue Bonds Payable	<u>\$ 21,411,568</u>

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Notes Payable:

SMC 2020 Bank of America (BOA): \$10,000,000 Stillwater Medical Center Authority dated June 30, 2020 with an interest rate of 1.48%. The note is payable in monthly principal and interest payments through June 30, 2025. The SMC 2020 BOA Note is collateralized by the gross revenues of the Authority and the assets held by the trustee. \$ 3,248,066

SMC 2021 Bank of America (BOA): \$4,000,000 Stillwater Medical Center Authority dated June 25, 2021 with an interest rate of 1.70%. Principal and interest are payable in monthly installments of \$69,648 through June 25, 2025. The SMC 2021 BOA is collateralized by the gross revenues of the Authority and the assets held by the trustee. 2,110,203

SMC 2022 Simmons: \$8,000,000 Stillwater Medical Center Authority dated March 16, 2022 with an interest rate of 2.50%. The note is payable in monthly installments of \$53,343 through June 16, 2029. The SMC 2022 Simmons Note is collateralized by the gross revenues of the Authority. 7,208,322

SMC 2022 Commerce: \$40,000,000 Stillwater Medical Center Authority dated February 25, 2022 with an interest rate of 2.80%. The SMC 2022 Commerce Note is payable in yearly installments through February 25, 2037. The SMC 2022 Commerce Note is collateralized by the gross revenues of the Authority. 35,333,334

SMC Equipment: During 2018 SMC Equipment entered into two promissory notes payable to MMOK Sub VII. These notes financed the acquisition of certain major equipment, which is to be leased back to the Authority upon acquisition. The notes are collateralized by all of the assets of SMC Equipment. These notes payable were dated August 3, 2018 with an interest rate of 1.67%. Interest is payable in quarterly installments until September 1, 2025. Commencing on December 1, 2025, SMC Equipment will pay the principal balance of the loans as of the maturity date. SMC Equipment is not permitted to prepay any portion of the principal of the loans until September 25, 2025. Concurrently, the Hospital loaned \$10,758,400 to Stillwater NMTC, LLC. This note receivable is included with other assets on the accompanying Statement of Net Position. The note receivable is dated August 3, 2018, with an interest rate of 1.0%, and will mature August 3, 2025. This note receivable is payable in quarterly interest installments through September 1, 2025. At the end of the seven-year term, a put/call agreement may be exercised whereby Simmons NMTC Holding, LLC's interest in Stillwater NMTC, LLC is sold to the Hospital under terms defined in the put/call agreement. 10,214,100

SMC Development: During 2019 SMC Development entered into two promissory notes payable to REI Subsidiary CDE 19, LLC with the principal balances of \$21,189,000 and \$8,811,000, combined in the long-term debt schedule above. These notes financed the acquisition of certain building improvements, which are to be leased back to the Authority upon acquisition. These notes are collateralized by all of the assets of SMC Development. These notes were dated December 19, 2019 with an interest rate of 1.21%. Interest is payable in quarterly installments through December 19, 2026. Additionally, a principal payment amount of \$300,000 is due on December 19, 2026, related to the \$8,811,000 note payable. Commencing on March 5, 2027, SMC Development will pay equal installments of principal and interest until the maturity date of the notes payable. SMC Development is not permitted to prepay any portion of the principal of the notes until after October 2026. Concurrently, the Hospital loaned \$21,189,000 to BF SMC Investment Fund, LLC. This note receivable is included with other assets on the accompanying Statement of Net Position. The note receivable is dated December 19, 2019, with an interest rate of 1.40%, and will mature December 19, 2026. This note receivable is payable in quarterly interest installments through September 16, 2026. At the end of the seven-year term, a put/call agreement may be exercised whereby BancFirst's interest in BF SMC Investment Fund, LLC is sold to the Hospital under terms defined in the put/call agreement. 8,811,000

Total Notes Payable	\$ 66,925,025
Current portion	\$ 6,441,459
Noncurrent portion	60,483,566
Total Notes Payable	\$ 66,925,025

Right-to-Use Lease Obligations:

Dell Financial Services AMD Servers: 3.99% right-to-use lease obligation commencing on February 1, 2021. Principal and interest is payable in yearly installments of \$81,542 through January 6, 2026, collateralized by the leased equipment.	\$ 153,818
Dell Financial Services Big Switch Networking: right-to-use lease obligation commencing on January 15, 2020. Principal is payable in yearly installments of \$203,173 through January 15, 2025, collateralized by the leased equipment.	203,173
Dell Financial Services VMWare (New): right-to-use lease obligation commencing on November 6, 2023. Principal is payable in yearly installments of \$440,575 through December 1, 2025, collateralized by the leased equipment.	1,168,836
Medicenter Building: right-to-use lease obligation commencing on August 1, 2020. Principal and interest is payable in monthly installments of \$6,181 through July 31, 2025.	120,173
Bushwood Surgery Building: right-to-use lease obligation commencing on July 1, 2021 and maturing on June 1, 2026. Principal and interest is payable in graduating monthly installments starting at \$47,307 and increasing 3% every January 1. Monthly installments of principal and interest during 2023 are \$56,270	1,574,262
Bushwood Ortho Building: right-to-use lease obligation commencing on July 1, 2021 and maturing on June 1, 2026. Principal and interest is payable in graduating month installments starting at \$34,888 and increasing 3% every January 1. Monthly installments of principal and interest during 2023 are \$36,297.	997,824
Total Right-to-Use Lease Obligations	<u>\$ 4,218,086</u>
Current portion	\$ 1,756,186
Noncurrent portion	<u>2,461,900</u>
Total Right-to-Use Lease Obligations	<u>\$ 4,218,086</u>

J. Applicability of Federal Arbitrage Regulations

Certain debt issuances of the City and SUA issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of an issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These carry strict penalties for noncompliance including taxability of interest retroactive to the date of the issue. The City's management believes it is in compliance with these rules and regulations.

K. Changes in Long-Term Liabilities

Changes in the long-term liabilities for the year ended June 30, 2024 are summarized below:

	Balance at June 30,			Balance at June	Amounts Due
	2023	Additions	Reductions	30, 2024	Within One Year
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
General obligations bonds	\$ 9,000,000	\$ -	\$ 470,000	\$ 8,530,000	\$ 470,000
Unamortized bond premium	333,588	-	17,618	315,970	17,618
Notes payable-direct borrowing	5,166,994	2,231,289	1,476,632	5,921,651	1,682,531
Lease obligations - direct borrowing	59,345	41,218	39,231	61,332	19,991
Subscription based IT obligations - direct borrowing	549,619	121,546	357,015	314,150	248,578
Accrued compensated absences	3,323,677	698,770	645,351	3,377,096	645,352
Total governmental activities	<u>\$ 18,433,223</u>	<u>\$ 3,092,823</u>	<u>\$ 3,005,847</u>	<u>\$ 18,520,199</u>	<u>\$ 3,084,070</u>
 <u>Business-type Activities</u>					
Notes payable	\$ 40,803,897	\$ 3,451,808	\$ 2,413,009	\$ 41,842,696	\$ 2,645,201
Revenue bonds payable	53,280,000	-	1,665,000	51,615,000	1,735,000
Unamortized bond premium	4,509,389	-	233,962	4,275,427	233,962
Notes payable-direct borrowing	10,320,905	3,495,000	1,783,885	12,032,020	1,016,705
Refundable obligations - direct borrowings	203,853	445,632	427,951	221,534	221,534
Lease obligations - direct borrowing	14,791	24,072	12,420	26,443	12,704
Subscription based IT obligations-direct borrowing	45,766	31,123	68,477	8,412	8,412
Accrued compensated absences	1,102,421	108,364	126,602	1,084,183	126,602
Deposits subject to refund	1,476,628	1,280,047	753,225	2,003,450	1,233,391
Total business-type activities	<u>\$ 111,757,650</u>	<u>\$ 8,836,046</u>	<u>\$ 7,484,531</u>	<u>\$ 113,109,165</u>	<u>\$ 7,233,511</u>
 COMPONENT UNIT:					
<u>Stillwater Medical Center Authority</u>					
Revenue bonds	\$ 23,147,641	\$ -	\$ 1,736,073	\$ 21,411,568	\$ 1,880,746
Notes payable	79,849,539	-	12,924,514	66,925,025	6,441,459
Financed lease asset	459,238	-	459,238	-	-
Lease obligations	4,991,898	1,140,383	1,914,195	4,218,086	1,756,186
Total component unit	<u>\$ 108,448,316</u>	<u>\$ 1,140,383</u>	<u>\$ 17,034,020</u>	<u>\$ 92,554,679</u>	<u>\$ 10,078,391</u>

* The change in the balance reported at December 31, 2022 for long-term obligations is due to the restatement of lease obligations. This restatement had no effect on the Hospital's previously reported net position as of December 31, 2022.

For governmental activities, compensated absences are generally liquidated by the general fund.

L. Maturities of Long-term Debt

The debt service maturities for long-term indebtedness in the coming years are as follows:

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PRIMARY GOVERNMENT:

Governmental Activities

Year ending June 30,	General Obligation Bonds		Direct Borrowings - Notes Payable		Future Minimum Payments for Lease Obligations		Future Minimum Payments for SBITA Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 470,000	\$ 388,200	\$ 1,682,531	\$ 195,798	\$ 19,991	\$ 1,628	\$ 248,578	\$ 8,565
2026	470,000	364,700	1,734,527	143,802	19,100	1,061	51,543	2,292
2027	470,000	341,200	1,788,851	89,478	13,699	523	14,029	464
2028	470,000	317,700	490,637	32,692	6,706	175	-	-
2029	470,000	294,200	225,105	4,374	1,836	13	-	-
2030-2034	2,350,000	1,118,500	-	-	-	-	-	-
2035-2039	2,350,000	578,000	-	-	-	-	-	-
2040-2044	1,480,000	121,200	-	-	-	-	-	-
2045-2049	-	-	-	-	-	-	-	-
Total	\$ 8,530,000	\$ 3,523,700	\$ 5,921,651	\$ 466,144	\$ 61,332	\$ 3,400	\$ 314,150	\$ 11,321

Business-type Activities:

Year ending June 30,	Revenue Bonds Payable		Notes Payable		Direct Borrowings - Notes Payable		Lease Payments for Lease Obligations		Future Minimum Payments for SBITA Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,735,000	\$ 2,358,625	\$ 2,645,201	\$ 1,045,244	\$ 1,016,705	\$ 354,333	\$ 12,704	\$ 551	\$ 8,412	\$ 188
2026	1,820,000	2,269,750	2,190,809	984,117	1,070,641	188,906	10,511	284	-	-
2027	1,910,000	2,176,500	2,230,465	923,745	1,127,501	132,049	2,782	45	-	-
2028	2,005,000	2,098,675	2,269,696	863,783	1,035,811	72,998	446	3	-	-
2029	2,065,000	2,016,975	2,313,207	799,553	7,781,362	24,571	-	-	-	-
2030-2034	11,950,000	8,447,875	10,282,735	3,141,099	-	-	-	-	-	-
2035-2039	15,160,000	5,137,750	8,386,825	1,995,885	-	-	-	-	-	-
2040-2044	14,970,000	1,246,300	7,318,530	1,031,827	-	-	-	-	-	-
2045-2049	-	-	4,205,228	173,073	-	-	-	-	-	-
Total	\$ 51,615,000	\$ 25,752,450	\$ 41,842,696	\$ 10,958,326	\$ 12,032,020	\$ 772,857	\$ 26,443	\$ 883	\$ 8,412	\$ 188

COMPONENT UNIT:

Stillwater Medical Center Authority

Year ending December 31,	Long-term Debt		Lease Obligation Payable	
	Principal	Interest	Principal	Interest
2024	\$ 8,322,205	\$ 2,068,367	\$ 1,756,186	\$ 206,663
2025	11,976,475	1,727,255	1,529,447	205,458
2026	5,607,702	1,531,898	932,453	108,385
2027	5,227,322	1,397,973	-	-
2028	17,830,434	1,057,068	-	-
2029-2033	24,172,299	2,805,299	-	-
2034-2038	10,832,397	734,294	-	-
2039-2043	1,912,471	209,062	-	-
2044-2048	2,031,192	90,336	-	-
2049-2053	424,096	3,137	-	-
Total	\$ 88,336,593	\$ 11,624,689	\$ 4,218,086	\$ 520,506

M. Installment Loan Receivable

The Stillwater Economic Development Authority entered into a redevelopment agreement with USA Rare Earth Magnets, LLC and USA Rare Earth Real Estate, LLC (hereafter Redeveloper) to finance \$7,000,000 of Development Capital Assistance to the Redeveloper as of April 3, 2023, to be used for provision of real property improvements purchased and installed for the operation of the Redevelopment. During the initial five-year period during which the Redeveloper claims a manufacturing ad valorem tax exemption on the redevelopment, 90% of the portion of the increment generated by the assessed real and personal property values in Tax Increment District #5 in excess of an assessed valuation of \$1,128,600, by payments received from the State Ad Valorem Reimbursement Fund will be applied by the Authority toward repayment of the Development Capital Assistance. The remaining balance of incremental revenues generated by the Redevelopment and the ad valorem tax payments paid by the Redeveloper, if any, shall be used by SEDA to provide financial support to the Stillwater Public Schools and to pay authorized project costs set forth in the 2022 Amended Project Plan, other than assistance in development financing. Upon expiration of the initial five-year period during which the Redeveloper claims a manufacturing ad valorem tax exemption on the Redevelopment, Redeveloper shall thereafter be obligated to pay to SEDA the then remaining balance, if any, of the Development Capital assistance plus such interest that is incurred by SEDA. Interest shall be the same interest reflected in the loan commitment signed by SEDA to borrow the \$7 million Development Capital Assistance obtained from Great Plains Bank, but shall not exceed 6% per annum. The remaining balance, if any, of the Development Capital Assistance payable to SEDA shall be amortized equally over the subsequent five-year period immediately following expiration of the initial 5-year manufacturing ad valorem tax exemption period claimed by Redeveloper. Accordingly, the property shall be subject to a

minimum annual payment obligation in the amount calculated to pay the remaining balance of the Development Capital Assistance plus interest, in full, in equal annual installments, within five years (Minimum Annual Payment), which Minimum Annual Payment shall continue in effect for each year thereafter until such time as the Development Capital Assistance and interest thereon is paid in full.

The Minimum Annual Payment obligation during the subsequent five-year period shall be paid annually on or before December 31 and shall be deemed delinquent and in default if not paid in full each year on or before the December 31 payment deadline.

The owner of the property shall, in addition to paying the assessed ad valorem real and personal property taxes on the property, also make a payment in lieu of taxes in the amount of the Minimum Annual Payment referenced above.

The Minimum Annual Payment obligations of the property are secured by a continuing tax lien on the property in favor of Payne County, Oklahoma, SEDA, and the apportionment fund of Increment District No. 5, City of Stillwater, and shall arise annually at the same time, in the same manner, having the same priority, and subject to the same enforcement and remedies as liens to secure the annual payments of other ad valorem taxes.

If after completion of the Redevelopment and thereafter an Employment Certification reflects that the Redeveloper has not substantially met an agreed upon Net New Total Annual Payroll for each Phase, and for any year thereafter during the minimum operation period, the amount of benefit payable to Redeveloper will be decreased proportionately. The minimum operation period is the duration of the related Increment District.

Agreed Upon Net New Total Annual Payroll for each Phase (exclusive of benefits)		
Phase	Net New Total Annual Payroll	Effective Time Period
I	\$2,548,005	Commencing with completion of Phase I and continuing through completion of Phase II
II	\$4,051,490	Commencing with completion of Phase II and continuing through completion of Phase III
III	\$6,773,446	Commencing with completion of Phase III and continuing during the Minimum Operation Period

IV. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

A. Non-uniformed Employees

- 1. Defined Contribution Plan:** All full-time, non-uniformed City employees are provided pension benefits through a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The employee begins participation on the date of employment. Employees are required to contribute a minimum of 3% of their salary with an optional maximum of up to 100% of their salary, subject to Internal Revenue Service limitations. The City's contribution is determined by the city council each year, and was 6% of employee salaries for fiscal year 2024. The City's contribution for each employee begins vesting after 1 year and is fully vested after 5 years. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited may be used to reduce the City's current-period contributions requirement.

Salary deferred under the plan is not available to employees until termination, death, retirement, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with these amounts, and all income attributable to these amounts remain the property of the City without being restricted to the provisions of benefits under the plan until such amounts are paid or made available to the employees, subject only to the claims of the City's general creditors.

The plan is administered by the Oklahoma Municipal Retirement Fund. Neither the Oklahoma Municipal Retirement Fund nor the City have a liability for losses under the plan, but have the duty of due care that would be required of an ordinary prudent investor.

The total contribution, net of forfeitures, for the year ended June 30, 2024, was \$2,704,160 which consisted of \$1,330,976 (net of \$133,146 in forfeitures) from the City and \$1,373,184 from employees.

The Hospital contributes to a defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in accordance with the terms of the plan. The plan is administered by the Hospital's Board of Trustees. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. Contribution rates for plan members and the Hospital, expressed as a percentage of covered payroll, were 2% and 4%, respectively, for 2023. Contributions actually made by plan members and the Hospital aggregated approximately \$2,803,000 and \$5,607,000, respectively, during 2023.

2. **Defined Contribution Plan – City Manager Plan:** The City provides a defined contribution plan available to any person who is in the position of City Manager. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the city council. For the year ended June 30, 2024 the City contributed 6% to the plan and the enrolled employee contributed 3% to the plan. The total contributions for the year ended June 30, 2024 was \$11,107 which consisted of \$7,378 from the City and \$3,729 from employee.

B. Uniformed Employees

Oklahoma Police and Firefighter's Pension and Retirement Systems: The City of Stillwater, as the employer, participates in two statewide, cost-sharing, multiple employer defined benefit pension plans on behalf of the police officers and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. The following is a summary of eligibility factors, contribution methods, and benefit provisions:

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	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St., Suite 305 Oklahoma City, OK 73116-7335	Firefighter's Pension & Retirement 6601 Broadway Extension, Ste 100 Oklahoma City, OK 73116
Authority establishing contribution obligations and benefits	State statute	State statute
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary firefighters of a participating municipality hired before age 45
Employee's required contribution rate (percent of covered payroll)	8%	9%
City's required contribution rate (percent of covered payroll)	13%	14%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Periods required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service	20 years credited service for members hired before November 1, 2013, 22 years of credited service and 50 years old for members hired on or after November 1, 2013; 50% of final average compensation; benefits continue to accrue for service up to 30 years at the rate of 2.5% per year of service; no benefits are extended for early retirement
Deferred retirement option	Yes. 20 years credited service with additional option to participate in deferred compensation plan (Louisiana Plan)	Yes. 20 years credited service with continued service for a maximum of 30 years
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes
Death (duty, non-duty, post-retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

Contributions required by state statute:

Fiscal Year	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System	
	City's Required Contribution	Percent Contributed	City's Required Contribution	Percent Contributed
2024	\$ 1,001,241	100%	\$ 895,917	100%
2023	948,721	100%	870,235	100%
2022	938,695	100%	854,391	100%
2021	843,322	100%	778,175	100%
2020	842,890	100%	778,342	100%

Pension Liability (Asset), Expense, and Deferred Inflows and Outflows of Resources: At June 30, 2024, the City reported an asset of \$592,397 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$21,526,023 for its proportionate share of the collective net pension liability of the Oklahoma Firefighter's Pension and Retirement System. For both cost-sharing plans of the City, the net pension asset/liability was measured as of June 30, 2023 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net pension asset/liability represents the City's actual cash basis contributions for the fiscal year divided by the

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total of all employer cash basis contributions for the fiscal year. The City's proportion of the Police Pension plan decreased from 2.015% to 1.940% during the fiscal year and resulted in a deferred outflow of \$118,550. The City's proportion of the Fire Pension plan decreased from 1.844% to 1.668% during the fiscal year and resulted in a deferred inflow of \$1,365,309.

For the year ended June 30, 2024, the City recognized pension expense of \$574,706 for the police pension plan and \$2,568,507 for the firefighter's pension plan. The City reported deferred outflows of resources and deferred inflows of resources related to the cost-sharing pension plans due to the following factors:

	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 1,621,688	\$ 91,361	\$ 2,560,041	\$ 27,328
Change in assumptions	-	1,105,771	-	34,515
Net difference between projected and actual earnings on pension plan investments	2,935,089	-	1,420,051	-
Effect of City's proportion of plan	121,431	98,028	809,255	1,701,811
City contributions made subsequent to the measurement date	1,001,241	-	895,917	-
Total	\$ 5,679,449	\$ 1,295,160	\$ 5,685,264	\$ 1,763,654

Deferred outflows resulting from City contributions to the plans subsequent to the measurement date will be recognized as a reduction of pension expense in the fiscal year ending June 30, 2025. Other deferred inflows and deferred outflows related to pensions will be recognized in pension expense as shown in the following chart:

Fiscal Year	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
2025	\$ 546,718	\$ 997,131
2026	6,347	156,140
2027	2,292,875	2,133,282
2028	531,838	(260,860)
2029	5,270	-
	\$ 3,383,048	\$ 3,025,693

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of June 30, 2023 used the following assumptions:

Assumption	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
Inflation	2.75%	2.75%
Salary increases*	3.5%-12.0%	2.75%-10.5%
Investment rate of return	7.5%	7.5%

*Based on years of service; includes inflation

For the police pension plan, mortality rates use the PubS-2010 Employee (below median) mortality tables with rates set forward 2 years and projected generationally using SOA Scale MP-2021. For the fire pension plan, mortality rates use the Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.

The actuarial assumptions used for the police pension plan's June 30, 2023 valuation was based on actuarial experience studies for a 5 year period of July 1, 2017 to June 30, 2022. The actuarial assumptions used for the fire pension plan's June 30, 2023 valuation were based on actuarial experience studies for a 5 year period of July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
Asset Class	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Fixed income	5.78%	5.80%
Domestic equity	7.73%	9.49%
International equity	11.55%	11.55%
Real estate	7.66%	8.48%
Private equity	11.64%	0.00%
Other assets	0.00%	6.47%

Discount Rate: For both cost sharing plans the discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium for the Police plan. For the Firefighter plan, prior to July 1, 2021, the Plan was allocated 36% of the Statewide insurance premium tax. The State has passed legislation that changes the allocation percentage as follows:

25.2% effective September 1, 2020

36.0% effective July 1, 2021

37.8% effective July 1, 2022

36.0% effective July 1, 2027

Based on these assumptions, both of the pension plans' 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 Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) 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 to 6.5%	Current Discount Rate of 7.5%	1% Increase Rate of 8.5%
City's share of police plan net pension liability (asset)	\$ 5,593,209	\$ (592,397)	\$ (5,829,664)
City's share of fire plan net pension liability	28,049,338	21,526,023	16,070,806

Non-employer Contributing Entity: For the City's police and firefighters pension plans, the State of Oklahoma is considered to be a non-employer contributing entity. The State contributed 14% of the insurance premium tax collected through its taxing authority to the police pension plan and 37.8% of the insurance premium tax collected to the firefighter's pension plan during the measurement period ended June 30, 2023. The City is required to recognize revenue for its share of the support provided by the State by multiplying the State's total contribution to each pension plan by the City's calculated proportionate share of the collective net pension liability or asset for each pension plan. For the year ended June 30, 2024,

the City recorded revenues of \$862,332 for the police pension plan and \$1,906,793 for the firefighter's pension plan on an accrual basis at the government-wide level. On-behalf contributions by the state on a modified accrual basis at the fund level for the police pension plan was \$1,089,875 and for the fire pension plan was \$2,345,300. These are also reported as retirement expense on a modified accrual basis.

C. Aggregate Pension Information

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System	Total
Net pension liability	\$ -	\$ 21,526,023	\$ 21,526,023
Net pension asset	592,397	-	592,397
Deferred outflows of resources	5,679,449	5,685,264	11,364,713
Deferred inflows of resources	1,295,160	1,763,654	3,058,814
Pension expense	574,706	2,568,507	3,143,213

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description: The City sponsors and administers a self-funded, single employer defined benefit plan providing postemployment healthcare benefits. All employees who retire from the City on or after attaining age 55 with at least 10 years of service are eligible to participate in the plan. Police and fire personnel are eligible based on the retirement requirements for their pension plans. The election to participate must be made at the time of separation from service. The City requires a monthly premium contribution from the retiree based on City-wide claim trends of the previous fiscal year. Upon payment of this premium, the City covers all medical expenses just as for active employees on a pay-as-you-go basis. Coverage is available until the first day of the month in which the retiree reaches Medicare eligibility age (currently 65). If the spouse of a retiree is covered at the time the retiree becomes ineligible for the plan at age 65, the spouse becomes COBRA-eligible until age 65 or for 36 months, whichever is less. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone report.

Funding Policy: The City funds healthcare benefits on a pay-as-you-go basis utilizing a third-party administrator, UMR, Inc., and Surest. Eligible employees are required to pay set premiums for a portion of the cost, with the City subsidizing the remaining costs. Contribution requirements of active employees are established and amended as needed by the city council. Premium rates for retirees and COBRA participants are set by City management upon recommendations provided by the third-party administrator and the City's re-insurance agent. The required monthly contribution rates for plan members for fiscal year 2024 range from \$49 to \$660 for active employees, \$790 to \$2,919 for retired participants, and \$806 to \$2,978 for COBRA participants.

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms.

Active plan members	519
Inactive employees or beneficiaries currently receiving benefit payments	31
	<u>550</u>

Total OPEB Liability: The City's total OPEB liability of \$7,134,386 was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of June 30, 2023.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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Discount rate	4.13 percent based on the yield for 20-year municipal bonds on the measurement date (Bond Buyers Index)
Pay increases	3.00 percent (the inflation component of pay increases used to determine the EAN actuarial liability and service cost of the OPEB plan)
Mortality	PubG-2010 for non-public safety; PubS-2010 for police and fire
Retirement rates	OkMRF 2022 experience study
Turnover	OkMRF 2022 experience study
Healthcare cost trend	Plan year dependent rates graded from 5.91% in 2023 to 3.94% in 2075. The same trend is applied to retiree contributions. Healthcare trend was developed using the Society of Actuaries Getzen healthcare economics model (2022).
Participation	50% of currently covered employees are assumed to elect retiree medical coverage if they meet eligibility requirements (50% for police and firefighters). The acceptance rate for spouses of covered retirees is assumed to be 50%.
Actuarial cost method	Entry age normal
Cost method application	Level percentage of pay
Asset valuation method	Market value

The discount rate used to value benefits was the municipal bond yield on the measurement data as specified by GASB Statement 75. Over the twelve-month measurement period ending June 30, 2023, the 20-year bond rates increased from 4.09% to 4.13%.

Changes in the Total OPEB Liability:

Balance at June 30, 2023	\$ 7,238,596
Changes for the year:	
Service cost	386,463
Interest	307,498
Changes of benefit terms	-
Differences between expected and actual experience	(424,723)
Change of assumptions	(159,899)
Expected net benefit payments	<u>(213,549)</u>
Net changes	<u>(104,210)</u>
Balance at June 30, 2024	<u>\$ 7,134,386</u>
Current portion - reported in Governmental Activities	<u>\$ 224,290</u>

The change of assumptions were related to: 1) change in the discount rate from the beginning of the measurement period to the end of the measurement period (an increase from 4.09% to 4.13% from June 30, 2022 to June 30, 2023); 2) Retiree contribution trend and healthcare trend for the next year was changed to reflect an increase of 3.8%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

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	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 7,846,801	\$ 7,134,386	\$ 6,501,129

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 4.94% Grading to 2.94%	Healthcare Cost Trend Rates 5.94% Grading to 3.94%	1% Increase 6.94% Grading to 4.94%
Total OPEB liability	\$ 5,948,502	\$ 7,134,386	\$ 7,482,927

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2024, the City recognized OPEB expense of \$275,094. At June 30, 2024, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 398,849	\$ (986,471)
Differences between expected and actual experience	115,784	(584,932)
Change in proportion/difference in contributions	259,489	(259,489)
Contributions subsequent to the measurement date	224,290	-
Total Deferrals	<u>\$ 998,412</u>	<u>\$ (1,830,892)</u>

The \$224,290 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as an increase/decrease of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2025	\$ (151,214)
2026	(119,129)
2027	(147,428)
2028	(171,200)
2029	(169,658)
Thereafter	(298,141)
	<u>\$ (1,056,770)</u>

VI. RISK MANAGEMENT

As of June 30, 2024, claims outstanding against the City and its public authorities were \$2,773,284 and are accrued under the heading "Accrued Liabilities" in the accompanying financial statements. Liabilities were accrued for workers' compensation claims and employee health insurance claims. The City is self-insured for group medical, workers' compensation, and unemployment. The City has a reinsurance policy which limits the City's liability for major medical to \$150,000 per individual. The City purchases conventional insurance for excess losses for general liability and property damage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The claims liability for health claims incurred but not reported is estimated by management using a five-month claims lag analysis. The claims liability for workers' compensation claims and judgments is estimated using information provided by a third-party administrator based on their opinion of probable outcome of litigation. The balance of the claim liability is expected to be paid within the next year and is included in accrued liabilities on the statement of net position. All claims are paid from the consolidated cash account, funded by the General Fund. Changes in the balances of claims liabilities for the years ended June 30, 2024 and 2023 were as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2024	\$ 1,388,909	\$ 9,096,107	\$ 7,711,732	\$ 2,773,284
2023	\$ 2,232,821	\$ 8,150,648	\$ 8,994,560	\$ 1,388,909

The Hospital is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and employee health claims. Settled claims have not exceeded any commercial insurance coverage in any three preceding years.

The Hospital is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of approximately \$300,000.

The Hospital is self-insured for risks related to workers' compensation claims up to \$550,000 per occurrence with an annual liability of \$1,000,000 in the aggregate. In connection with the self-insured workers' compensation policy, the Hospital had a \$340,000 certificate of deposit held in escrow at a local bank as of December 31, 2023. No draws were made on the certificate of deposit held in escrow through 2023.

A provision is accrued for self-insured employee health claims and workers' compensation claims, including other claims reported and claims incurred but not yet reported. The accruals are estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the estimates will change by a material amount in the near future.

Activity in the Hospital's accrued employee health and workers' compensation claims liability for years ended December 31, 2023 and 2022 is summarized as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2023	\$ 1,824,956	\$ 18,519,035	\$ 19,843,261	\$ 3,149,182
2022	\$ 2,377,168	\$ 14,128,408	\$ 13,576,196	\$ 1,824,956

VII. CONTINGENT LIABILITIES, LITIGATION, AND COMMITMENTS

Under the terms of federal and state grants, periodic audits are required, and certain costs and revenues may be questioned as to how they have been reported to the grantor agency. Such audits could lead to reimbursement to the grantor agency. The City's management believes disallowances, if any, will be immaterial to the accompanying basic financial statements.

Various claims and lawsuits are pending against the City. In the opinion of management, some of these may result in monetary judgments against the City. The claims result from property damage and other claims seeking declaratory/injunctive relief. Although the outcome of these claims and lawsuits is not presently determinable, the amount of judgments could range from under \$25,000 to in excess of \$100,000. The City has not recorded any accrual for these claims.

In July 2006, SUA and Rural Water Corporation No. 3 entered into a purchase agreement in which the Authority agreed to consolidate the two water distribution systems. In September 2010, the Rural Water Advisory Board, the Rural Water Corporation No. 3 Board, and the SUA's Trustees approved amendment of the initial July 2006 purchase agreement. The amended agreement identifies specific improvements and upgrades to be made to the system and provides a timeline for completion. Many of the improvements have been completed or are being addressed as part of the Water 2040 Program funded by debt issuance with the Oklahoma Water Resources Board. All remaining improvements and upgrades are subject to funding availability.

Asset Retirement Obligation – The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2024, since the specific legally required costs of retirement have not yet been identified.

VIII. REVENUES PLEDGED

Ad valorem revenue can only be collected to pay principal and interest on general obligation bonds or court assessed judgments. Levying of an ad valorem tax requires a vote of the citizens. The City has pledged future ad valorem taxes to repay the \$9,000,000 2022 General Obligation bonds used to provide financing for the relocation and construction of a new fire station building. The bonds of \$9,000,000 are due in payments commencing June 2024 through June 2042. The total principal and interest payable for the remainder of the life of these bonds is \$12,053,700. Ad valorem taxes received in the current year were \$1,111,334. Debt service payments of \$881,700 in the current fiscal year were 79.34% of the total ad valorem taxes received.

The SUA has pledged future sales tax revenues and future utility revenues, net of operating and maintenance expenses, to repay debt obligations. Proceeds from the debt issues financed electric construction projects, water and wastewater construction projects, and refinanced outstanding balances of notes to the OWRB. The debt obligations are payable from the one cent sales tax revenue dedicated to the Authority by City Ordinance No. 1835 and from net revenues derived from the existence and operation of the utility system. Pledged revenues are projected to produce 125 percent of the debt service requirements over the life of the debt. For the year ended June 30, 2024, sales tax revenues were \$10,038,770, and net revenues were \$34,577,232. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2024:

Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2005 OWRB Fixed Rate Note	\$ 7,620,000	Jun 2005	Mar 2025	\$ 494,786	\$ 494,736
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	4,983,765	654,525
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	517,278	79,534
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	77,367,450	4,100,300
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	29,168,309	1,420,403
2017 OWRB DWSRF Note	12,600,000	Sept 2017	Sept 2048	6,971,412	579,543
2023 OWRB CWSRF Note	10,500,000	Jan 2023	Mar 2054	10,003,171	154,459
2024 OWRB DWSRF Note	37,000,000	Dec 2023	Mar 2056	-	-

IX. COMPONENT UNIT BUSINESS ACQUISITIONS AND ASSOCIATED DEFERRED OUTFLOW OF RESOURCES

The Hospital has acquired multiple service lines since 2009 for which the consideration provided exceeded the net position acquired as of the date of acquisition. These service lines were acquired as they were considered strategic additions to the services already provided by the Hospital. Details of the business acquisitions are below:

In 2009, the Hospital acquired Stillwater Surgery Center, LLC, which is being amortized over 15 years. Amortization expense is estimated to be approximately \$388,000 annually through 2024.

In 2016, the Hospital acquired assets and the oncology practice of Oklahoma Oncology and Hematology, Inc., and Oklahoma Cancer Specialists which is being amortized over ten years. Amortization expense is approximately \$300,000 annually through 2026.

In 2019, the Hospital acquired Pipeline Crossroads Clinic, which is being amortized over five years. Amortization expense is approximately \$603,000 annually through 2024.

The carrying basis and accumulated amortization of recognized deferred outflows of resources related to government acquisitions at December 31, 2023 were as follows:

Deferred outflows of resources	\$ 12,293,360
Accumulated amortization	(11,029,897)
	<u>\$ 1,263,463</u>

X. COMPONENT UNIT INVESTMENTS IN JOINT VENTURES

The Hospital's investments in joint ventures relate to a 10% ownership in LifeCare Health Services, LLC; a 4% ownership in Tecumseh Health Reciprocal Risk Retention Group; a 9% ownership in Fresenius Medical Care-Stillwater, LLC; a 50% ownership in Bushwood, LLC; a 13% ownership in LifeCare Association Insurance Exchange; and a 1% ownership in Upper Midwest Consolidated Services Center, LLC.

Tecumseh Health Reciprocal Risk Retention Group (Tecumseh) provides insurance coverage. The Hospital paid approximately \$319,000 to purchase its professional liability (medical malpractice) and general liability insurance from Tecumseh during the year ended December 31, 2023. The Hospital's investment in Tecumseh was approximately \$1,180,000 at December 31, 2023.

LifeCare Health Services, LLC (LifeCare) is a joint venture between certain hospitals in Oklahoma organized to collaborate and share expenses and expertise to expand or enhance health care services in the communities served by each participating hospital in furtherance of their independent missions. The Hospital's investment in LifeCare was approximately \$1,220,000 as of December 31, 2023.

Effective August 15, 2018, the Hospital acquired a 50% equity interest in Bushwood, LLC (Bushwood) for \$6,285,000. Bushwood owns two buildings in Stillwater, Oklahoma, an ambulatory surgery center and a medical office building, that are 100% leased by the Hospital. For the year ended December 31, 2023, the Hospital paid approximately \$1,118,000 in rent for the right to utilize the building space. The Hospital's investment in

Bushwood was approximately \$7,270,000 at December 31, 2023. During the year ended December 31, 2023, the Hospital received a distribution of \$554,000 from Bushwood.

Fresenius Medical Care-Stillwater, LLC provides dialysis services to residents of Stillwater and the surrounding area. The Hospital's investment in Fresenius was approximately \$313,000 at December 31, 2023.

Upper Midwest Consolidated Services Center, LLC (UMCSC) is a health care supply purchasing and management organization. The Hospital's investment in UMCSC was approximately \$184,000 at December 31, 2023.

Lifecare Association Insurance Exchange (LAIE) is a joint venture between certain hospitals in Oklahoma, organized to collaborate and share expenses to create a captive insurance company for property insurance coverage. The Hospital's investment in LAIE was approximately \$878,000 as of December 31, 2023. Effective July 1, 2021, the Authority purchased its property insurance coverage from LAIE. For the year ended December 31, 2023, the Hospital paid approximately \$401,000 to LAIE for the coverage.

Complete financial statements of these joint venture entities may be obtained by contacting the Hospital's management.

XI. TAX ABATEMENTS

The Stillwater Economic Development Authority (SEDA) negotiates sales tax abatement agreements on an individual basis. The agreements result in an abatement of 50% of the City's unrestricted sales tax collected and remitted to the Oklahoma Tax Commission by the business for an agreed upon period of time or until total abatements equal an agreed upon dollar amount. For the fiscal year ended June 30, 2024, the SEDA abated sales tax totaling \$499,886 to 2 entities for the purposes described below:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Economic revitalization and new development within the boundaries of the Tax Increment Financing District #3	11.8%	\$59,114
Development of a retail center in undeveloped parts of the City	88.2%	\$440,772

In accordance with Title 68, Section 205 of the Oklahoma Statutes, individual sales tax data has been omitted.

XII. RECENTLY ISSUED ACCOUNTING STANDARDS

The following accounting standards have been recently issued and will be adopted as applicable by the City and its Component Units. Unless otherwise noted below, management has not yet determined the impact of these Statements on the City's financial statements.

GASB Statement No. 101, "Compensated Absences" – This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for the City in the fiscal year ended June 30, 2025.

GASB Statement No. 102 – "Certain Risk Disclosures" - This Statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for the city in the fiscal year June 30, 2025.

GASB Statement No. 103 – "Financial Reporting Model Improvements" - This Statement provides users of government financial statements with improvements to key components of the financial reporting model to enhance the effectiveness of providing information that is essential for decision making and assessing government's accountability. The Statement is effective for the city in the fiscal year June 30, 2026.

REQUIRED SUPPLEMENTARY **INFORMATION**



Convenience Collection Center

In fiscal year 2024, the Convenience Collection Center had 46,751 visitors and collected more than 800 tons of recyclable materials.

The Convenience Collection Center is located at 807 S. Perkins Road and is open Tuesday-Friday, 10 a.m.-6 p.m. and Saturday, 8 a.m.-4 p.m.



CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL--GENERAL FUND
For the fiscal year ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
REVENUES					
Sales and use tax	\$ 41,520,000	\$ 44,020,000	\$ 45,331,788	\$ -	\$ 45,331,788
Other taxes	3,410,000	3,410,000	3,755,902	-	3,755,902
Intergovernmental	50,000	1,695,722	4,426,566	3,435,175	7,861,741
Charges for services	555,000	555,000	885,514	-	885,514
Fines and forfeits	661,000	661,000	762,971	-	762,971
Fees and rentals	469,610	469,610	415,961	-	415,961
Investment income	200,000	200,000	427,965	-	427,965
Licenses and permits	305,000	305,000	363,628	-	363,628
Other miscellaneous revenue	1,816,000	9,668,637	2,730,624	-	2,730,624
Total revenues	48,986,610	60,984,969	59,100,919	3,435,175	62,536,094
EXPENDITURES					
Public Safety:					
Police:					
Personal services	12,276,081	12,844,146	12,944,767	2,815,155	15,759,922
Materials and supplies	696,775	649,880	650,086	-	650,086
Contract services	522,909	590,080	510,093	-	510,093
Fire:					
Personal services	7,875,439	8,055,745	8,291,382	3,476,405	11,767,787
Materials and supplies	245,400	276,766	245,147	-	245,147
Contract services	294,776	503,546	233,882	-	233,882
Total public safety	21,911,380	22,920,163	22,875,357	6,291,560	29,166,917
Recreation and culture:					
Parks and recreation:					
Personal services	598,240	671,789	632,886	124,090	756,976
Materials and supplies	74,354	68,776	58,785	-	58,785
Contract services	786,930	879,786	801,137	-	801,137
Library:					
Personal services	1,044,509	1,074,831	1,049,064	216,868	1,265,932
Materials and supplies	109,850	108,990	107,541	-	107,541
Contract services	106,171	330,284	235,358	1,137	236,495
Total recreation and culture	2,720,054	3,134,456	2,884,771	342,095	3,226,866
General government:					
Personal services	11,802,603	11,675,209	9,546,270	(6,630,489)	2,915,781
Materials and supplies	132,615	185,972	159,001	-	159,001
Contract services	5,618,352	10,246,424	5,011,398	(2,017,177)	2,994,221
Total general government	17,553,570	22,107,605	14,716,669	(8,647,666)	6,069,003
Financial administration:					
Personal services	695,586	856,325	742,731	201,451	944,182
Materials and supplies	24,625	31,742	27,665	-	27,665
Contract services	93,805	113,755	72,001	-	72,001
Total financial administration	814,016	1,001,822	842,397	201,451	1,043,848

(continued...)

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
Streets and highways:					
Personal services	3,041,470	2,828,695	2,670,379	521,019	3,191,398
Materials and supplies	509,910	548,277	537,475	2,009	539,484
Contract services	860,155	1,074,369	825,156	-	825,156
Total streets and highways	4,411,535	4,451,341	4,033,010	523,028	4,556,038
Health and welfare:					
Health:					
Materials and supplies	15,350	15,650	10,349	-	10,349
Contract services	30,200	29,900	27,789	-	27,789
Community development:					
Personal services	876,345	877,284	826,095	170,458	996,553
Materials and supplies	21,150	23,450	17,530	-	17,530
Contract services	96,667	50,867	28,806	-	28,806
Total health and welfare	1,039,712	997,151	910,569	170,458	1,081,027
Debt service:					
Police	-	-	-	6,046	6,046
Fire	297,852	297,852	162,715	87,036	249,751
Parks & recreation	-	-	-	2,280	2,280
Library	-	-	-	3,518	3,518
General government	-	-	(3,017)	321,861	318,844
Financial administration	-	-	-	29,453	29,453
Total economic development	297,852	297,852	159,698	450,194	609,892
Capital outlay:					
Police	-	892,053	784,406	-	784,406
Fire	-	205,088	123,692	-	123,692
Recreation and culture	-	7,254,181	742,256	-	742,256
General government	-	-	-	-	-
General government	-	5,855,972	4,001,604	-	4,001,604
Streets and highways	-	2,086,893	124,905	-	124,905
Health and welfare	-	543,500	171,863	-	171,863
Total capital outlay	-	16,837,687	5,948,726	-	5,948,726
Total expenditures	48,748,119	71,748,077	52,371,197	(668,880)	51,702,317
Excess (deficiency) of revenues over (under) expenditures	238,491	(10,763,108)	6,729,722	4,104,055	10,833,777
OTHER FINANCING SOURCES (USES)					
Transfers in	30,333,596	30,333,596	25,075,378	(10,430,593)	14,644,785
Transfers out	(29,625,446)	(34,073,338)	(33,264,746)	6,649,146	(26,615,600)
Proceeds from long-term lease	-	-	156,194	-	156,194
Total other financing sources (uses)	708,150	(3,739,742)	(8,033,174)	(3,781,447)	(11,814,621)
Net change in fund balance	946,641	(14,502,850)	(1,303,452)	322,608	(980,844)
FUND BALANCE, beginning of year	-	22,578,677	22,578,677	-	22,578,677
FUND BALANCE, end of year	\$ 946,641	\$ 8,075,827	\$ 21,275,225	\$ 322,608	\$ 21,597,833

NOTES TO BUDGETARY COMPARISON SCHEDULES

BUDGET LAW

The City operates under the Oklahoma Municipal Budget Act of 1979 (the “Budget Act”). The budget, as adopted by the city council, is filed with the State of Oklahoma Office of the Auditor and Inspector. Budget amendments or supplements made during the year are recommended by the city manager and must be approved by the city council. An amended budget is filed before year-end with the agency mentioned above. The budget and actual comparisons presented in the budgetary comparison schedules include the legally amended budgets for the respective funds.

The City uses the following procedures to establish the budgetary data reflected in the accompanying financial statements:

- Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments. Public hearings are held no later than 15 days prior to the beginning of the budget year.
- Prior to July 1, the budget is legally enacted through the passage of a motion by the City Council.

The Budget Act specifies that the governing body may grant authorization to the city manager to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures of any fund must be approved by the city council.

Budgets are legally adopted and formally integrated as a management control device for all funds of the primary government.

Budgets as adopted by the city council are prepared on a modified accrual basis where revenues are recognized when measurable and available and expenses are recognized when incurred.

Budgetary control is maintained by department and by the following category of expenditures: personnel services, materials and supplies, other services and charges, capital outlay, and debt service. Expenditures and encumbrances may not legally exceed appropriations at the department level. All transfers of appropriations between funds and supplemental appropriations require city council approval. The city manager may transfer appropriations between object categories within a fund. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

All encumbered appropriations lapse at year end and are re-budgeted in the following budget year where appropriate. Unencumbered appropriations lapse at year end.

In accordance with Title 60 of the Oklahoma State Statutes, the Stillwater Medical Center Authority is required to prepare an annual budget and submit a copy to the city as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal level of control.

BUDGETARY COMPLIANCE

For the year ended June 30, 2024 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

For the year June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.940%	2.015%	1.919%	2.027%	1.913%	1.922%	1.905%	1.929%	1.927%	1.788%
City's proportionate share of the net pension liability (asset)	\$ (592,397)	\$(1,616,064)	\$(9,203,474)	\$ 2,327,809	\$ (122,109)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571	\$ (601,984)
City's covered payroll	\$ 7,297,854	\$ 7,220,731	\$ 6,487,104	\$ 6,483,780	\$ 6,118,891	\$ 5,816,669	\$ 5,588,023	\$ 5,873,785	\$ 5,428,069	\$5,001,962
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(8.12%)	(22.38%)	(141.87%)	35.902%	(2.00%)	(15.74%)	2.62%	50.29%	1.45%	(12.03%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.02%	102.74%	117.01%	95.80%	100.24%	101.89%	99.68%	93.50%	99.82%	101.53%

Notes to Schedule:

For the period that ends on the measurement date of the pension liability.

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.668%	1.844%	1.728%	1.824%	1.706%	1.687%	1.802%	1.763%	1.733%	1.742%
City's proportionate share of the net pension liability	\$ 21,526,023	\$ 24,109,773	\$ 11,382,311	\$ 22,470,976	\$ 18,023,156	\$ 18,994,082	\$ 22,668,491	\$ 21,542,978	\$ 18,399,430	\$ 17,914,151
City's covered payroll	\$ 6,215,964	\$ 6,102,793	\$ 5,558,376	\$ 5,559,569	\$ 5,240,149	\$ 4,957,864	\$ 5,077,200	\$ 5,063,550	\$ 4,667,564	\$ 4,650,593
City's proportionate share of the net pension liability as a percentage of its covered payroll	346.30%	395.06%	204.78%	404.19%	343.94%	383.11%	446.48%	425.45%	394.20%	385.20%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	69.49%	84.24%	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%	68.12%

Notes to Schedule:

For the period that ends on the measurement date of the pension liability.

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 1,001,241	\$ 948,721	\$ 938,695	\$ 843,322	\$ 842,890	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592	\$ 705,649
Contributions in relation to the statutorily required contribution	<u>(1,001,241)</u>	<u>(948,721)</u>	<u>(938,695)</u>	<u>(843,322)</u>	<u>(842,890)</u>	<u>(795,457)</u>	<u>(756,167)</u>	<u>(726,443)</u>	<u>(763,592)</u>	<u>(705,649)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,701,855	\$ 7,297,854	\$ 7,220,731	\$ 6,487,104	\$ 6,483,780	\$ 6,118,891	\$ 5,816,669	\$ 5,588,023	\$ 5,873,785	\$ 5,428,069
Contributions as a percentage of covered payroll	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 895,917	\$ 870,235	\$ 854,391	\$ 778,175	\$ 778,342	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897	\$ 653,459
Contributions in relation to the statutorily required contribution	<u>(895,917)</u>	<u>(870,235)</u>	<u>(854,391)</u>	<u>(778,175)</u>	<u>(778,342)</u>	<u>(733,622)</u>	<u>(694,101)</u>	<u>(710,808)</u>	<u>(708,897)</u>	<u>(653,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,399,407	\$ 6,215,964	\$ 6,102,793	\$ 5,558,376	\$ 5,559,569	\$ 5,240,149	\$ 4,957,864	\$ 5,077,200	\$ 5,063,550	\$ 4,667,564
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

**Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 386,463	\$ 456,754	\$ 432,790	\$ 351,194	\$ 319,735	\$ 289,621	\$ 326,718
Interest	307,498	168,516	170,569	247,914	240,241	204,729	160,852
Experience Gain/(Loss)	(424,723)	68,410	59,209	(423,902)	(23,365)	140,297	-
Changes of assumptions	(159,899)	(691,863)	(384,456)	550,856	430,376	(304,645)	(459,374)
Expected net benefit payments	(213,549)	(216,247)	(220,694)	(125,017)	(120,931)	(100,180)	(91,192)
Net change in total OPEB liability	(104,210)	(214,430)	57,418	601,045	846,056	229,822	(62,996)
Balances at Beginning of Year	<u>7,238,596</u>	<u>7,453,026</u>	<u>7,395,608</u>	<u>6,794,563</u>	<u>5,948,507</u>	<u>5,718,685</u>	<u>5,781,681</u>
Balances End of Year	<u>\$ 7,134,386</u>	<u>\$ 7,238,596</u>	<u>\$ 7,453,026</u>	<u>\$ 7,395,608</u>	<u>\$ 6,794,563</u>	<u>\$ 5,948,507</u>	<u>\$ 5,718,685</u>
Covered employee payroll	\$ 33,914,000	\$ 32,052,000	\$ 32,589,000	\$ 30,900,000	\$ 30,819,000	\$ 28,460,000	\$ 28,450,000
Total OPEB liability as a percentage of covered-employee payroll	21.04%	22.58%	22.87%	23.93%	22.05%	20.90%	20.10%

Notes to Schedule:

GASB 75 requires the presentation of ten years of data. Data was not available prior to fiscal year 2018. Additional years' data will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of assumptions in fiscal year 2018 relates to the discount rate which changed from 2.85% to 3.58%.

Changes of assumptions in fiscal year 2019 relates mainly to the following:

- Discount rate changed from 3.58% to 3.87%
- Mortality table was changed from RP 2000 projected using scale AA to Pub2010 Gen or Public Safety projected
- Healthcare age claim curve was adjusted for change in demographics of covered participant group
- Healthcare trend changed to reflect actual change in budgeted medical premiums for the year

Changes of assumptions in fiscal year 2020 relates mainly to the following:

- Discount rate changed from 3.87% to 3.50%
- Healthcare age claim curve was adjusted for change in demographics of participants
- Healthcare trend changed to reflect actual change in budgeted medical premiums for the year
- Retiree contributions for the next year was changed to reflect actual increase in required contributions
- Future retirees were assumed to take Plan A upon retirement

Changes of assumptions in fiscal year 2021 relates mainly to the following:

- Discount rate changed from 3.50% to 2.21%

Changes of assumptions in fiscal year 2022 relates mainly to the following:

- Discount rate changed from 2.21% to 2.16%

Changes of assumptions in fiscal year 2023 relates mainly to the following:

- Discount rate changed from 2.16% to 4.09%
- Retiree contribution trend and healthcare trend for next year was changed to reflect an increase of 30%

Changes of assumptions in fiscal year 2024 relates mainly to the following:

- Discount rate changed from 4.09% to 4.13%

OTHER SUPPLEMENTARY INFORMATION

Stillwater[®] OKLAHOMA
stillwaterok.gov



STILLWATER REGIONAL AIRPORT
2020 W AIRPORT ROAD



Stillwater Regional Airport

The Stillwater Regional Airport is getting a new terminal! Phase one of the project includes constructing a new terminal building, a four-lane drop-off area, and more. For more information, go to: Stillwaterok.gov/projects.

Facebook - @FlyStillwaterOK



Instagram - stillwater_regional_airport



X - @FlyStillwaterOK



CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
For the fiscal year ended June 30, 2024

	Capital Project Fund Transportation Improvement Fund				Capital Project Fund City Capital Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Investment income	\$ -	\$ -	\$ 834,681	\$ 834,681	\$ -	\$ -	256,078	\$ 256,078
Intergovernmental	-	-	-	-	-	142,210	87,564	(54,646)
Charges for service	-	-	3,938	3,938	-	-	-	-
Other miscellaneous revenue	-	-	54	54	-	-	115,760	115,760
Total revenues	-	-	838,673	838,673	-	142,210	459,402	317,192
EXPENDITURES								
General Government:								
Materials and supplies	-	-	-	-	-	37,500	18,933	18,567
Total General Government	-	-	-	-	-	37,500	18,933	18,567
Streets and highways:								
Personal services	-	-	-	-	-	-	-	-
Materials and supplies	350,000	315,000	18,035	296,965	-	-	-	-
Contract services	-	515,644	-	515,644	-	-	-	-
Total Streets and highways	350,000	830,644	18,035	812,609	-	-	-	-
Debt service:								
Police	-	-	-	-	-	98,927	76,867	22,060
Emergency management	-	-	-	-	1,355,000	1,355,000	1,355,000	-
Total debt service	-	-	-	-	1,355,000	1,453,927	1,431,867	22,060
Capital outlay:								
Parks and recreation	-	-	-	-	-	270,805	189,329	81,476
Finance	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	1,709,186	1,253,882	455,304
Police	-	-	-	-	-	712,778	412,207	300,571
Fire	-	-	-	-	-	-	1,398,570	(1,398,570)
Library	-	-	-	-	-	-	-	-
Streets and highways	-	17,771,584	6,702,346	11,069,238	-	2,365,877	282,999	2,082,878
Emergency management	-	-	-	-	-	468,774	-	468,774
Total capital outlay	-	17,771,584	6,702,346	11,069,238	-	5,527,420	3,536,987	1,990,433
Excess (deficiency) of revenues over (under) expenditures	(350,000)	(18,602,228)	(5,881,708)	12,720,520	(1,355,000)	(6,876,637)	(4,528,385)	2,348,252
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	-	2,231,289	2,231,289
Transfers in	9,375,000	9,750,000	10,038,770	288,770	-	2,139,549	2,139,549	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	9,375,000	9,750,000	10,038,770	288,770	-	2,139,549	4,370,838	2,231,289
Net change in fund balance	9,025,000	(8,852,228)	4,157,062	13,009,290	(1,355,000)	(4,737,088)	(157,547)	4,579,541
FUND BALANCE, beginning of year	12,677,887	21,525,677	21,525,677	-	1,767,355	7,703,412	7,703,412	-
FUND BALANCE, end of year	\$ 21,702,887	\$ 12,673,449	\$ 25,682,739	\$ 13,009,290	\$ 412,355	\$ 2,966,324	\$ 7,545,865	\$ 4,579,541

NONMAJOR GOVERNMENTAL FUNDS

Community Development Block Grant – to account for funds used for the improvements in low-income portions of the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program and local matching funds.

Tax Increment District #3 – Accounts for funds used for improvements in the downtown/campus link project area as defined in Ordinance No. 3407. Funding is provided by incremental ad-valorem and sales tax revenue.

Stillwater Public Library Trust – Accounts for contributions received for the benefit of the Stillwater Public Library.

G.O. Bond Fund – to account for 2022 general obligation bond proceeds to be used for construction of new fire station.

Sinking Fund – to account for the accumulation of ad valorem taxes levied by the City for the payment of general long-term principal, interest and related costs.

Mabel King Trust – Accounts for the Mabel M. King Endowment, of which the net income may be used for the purchase of books for the Stillwater Public Library.

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

City of Stillwater
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 215,598	\$ -	\$ 3,586	\$ 5,831,659	\$ 593,763	\$ 57,950	\$ 6,702,556
Investments	-	-	867,281	1,725,288	178,478	-	2,771,047
Due from other governments	6,901	667,120	-	-	-	-	674,021
Accrued interest receivable	-	-	42	2,397	248	16	2,703
Total assets	\$ 222,499	\$ 667,120	\$ 870,909	\$ 7,559,344	\$ 772,489	\$ 57,966	\$ 10,150,327
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 834,557	\$ -	\$ -	\$ 834,557
Total liabilities	-	-	-	834,557	-	-	834,557
Deferred Inflows of Resources:							
Unavailable revenue-property taxes	-	662,213	-	-	-	-	662,213
Total deferred inflows of resources	-	662,213	-	-	-	-	662,213
Fund Balances:							
Nonspendable	-	-	-	-	-	50,000	50,000
Restricted:							
Debt service	-	-	-	-	772,489	-	772,489
Capital improvements	222,499	-	-	6,724,787	-	-	6,947,286
TIF projects	-	4,907	-	-	-	-	4,907
Library books	-	-	-	-	-	7,966	7,966
Library purposes	-	-	870,909	-	-	-	870,909
Total fund balances	222,499	4,907	870,909	6,724,787	772,489	57,966	8,653,557
Total liabilities, deferred inflows of resources and fund balances	\$ 222,499	\$ 667,120	\$ 870,909	\$ 7,559,344	\$ 772,489	\$ 57,966	\$ 10,150,327

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

City of Stillwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total-Other Governmental Funds
REVENUES							
Taxes	\$ -	\$ 1,147,485	\$ -	\$ -	\$ 1,111,334	\$ -	\$ 2,258,819
Intergovernmental	253,903	-	-	-	-	-	253,903
Investment income (loss)	-	(732)	116,550	291,687	30,491	1,936	439,932
Miscellaneous	-	-	31,673	-	-	-	31,673
Total revenues	253,903	1,146,753	148,223	291,687	1,141,825	1,936	2,984,327
EXPENDITURES							
Current:							
Recreation and culture	-	-	2,857	-	-	-	2,857
General government	-	372,442	-	-	-	-	372,442
Debt Service:							
Principal	-	-	-	-	470,000	-	470,000
Interest and other charges	-	-	-	-	412,200	-	412,200
Capital Outlay	239,755	-	-	2,465,554	-	-	2,705,309
Total Expenditures	239,755	372,442	2,857	2,465,554	882,200	-	3,962,808
Excess (deficiency) of revenues over expenditures	14,148	774,311	145,366	(2,173,867)	259,625	1,936	(978,481)
OTHER FINANCING SOURCES (USES)							
Transfers out	-	(799,260)	-	-	(158,506)	-	(957,766)
Total other financing sources and uses	-	(799,260)	-	-	(158,506)	-	(957,766)
Net change in fund balances	14,148	(24,949)	145,366	(2,173,867)	101,119	1,936	(1,936,247)
Fund balances - beginning	208,351	29,856	725,543	8,898,654	671,370	56,030	10,589,804
Fund balances - ending	\$ 222,499	\$ 4,907	\$ 870,909	\$ 6,724,787	\$ 772,489	\$ 57,966	\$ 8,653,557

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2024

	Special Revenue Fund Community Development Block Grant				Special Revenue Fund Tax Increment District #3			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 570,000	\$ 1,765,000	\$ 1,147,485	\$ (617,515)
Intergovernmental	-	253,904	253,903	(1)	-	-	-	-
Investment income	-	-	-	-	-	-	(732)	(732)
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	253,904	253,903	(1)	570,000	1,765,000	1,146,753	(618,247)
EXPENDITURES								
General government:								
Contract services	-	-	-	-	-	560,000	372,442	187,558
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	560,000	372,442	187,558
Capital Outlay:								
General government	-	476,404	239,755	236,649	-	-	-	-
Streets and highway	-	-	-	-	-	-	-	-
Total capital outlay	-	476,404	239,755	236,649	-	-	-	-
Total expenditures	-	476,404	239,755	236,649	-	560,000	372,442	187,558
Excess (deficiency) of revenues over (under) expenditures	-	(222,500)	14,148	236,648	570,000	1,205,000	774,311	(430,689)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(391,080)	(1,185,000)	(799,260)	385,740
Total other financing sources (uses)	-	-	-	-	(391,080)	(1,185,000)	(799,260)	385,740
Net change in fund balance	-	(222,500)	14,148	236,648	178,920	20,000	(24,949)	(44,949)
FUND BALANCE, beginning of year	-	208,351	208,351	-	(178,920)	29,856	29,856	-
FUND BALANCE, end of year	\$ -	\$ (14,149)	\$ 222,499	\$ 236,648	\$ -	\$ 49,856	\$ 4,907	\$ (44,949)

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2024

	Capital Project Fund G.O. Bond Fund				Debt Service Fund Sinking Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 568,000	\$ 568,000	\$ 1,111,334	\$ 543,334
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	291,687	291,687	-	-	30,491	30,491
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	-	291,687	291,687	568,000	568,000	1,141,825	573,825
EXPENDITURES								
Public safety								
Contract services	-	-	-	-	-	-	-	-
Debt service:								
General government	-	-	-	-	882,200	882,200	882,200	-
Capital Outlay:								
General government	-	5,703,302	2,465,554	3,237,748	-	-	-	-
Total expenditures	-	5,703,302	2,465,554	3,237,748	882,200	882,200	882,200	-
Excess (deficiency) of revenues over (under) expenditures	-	(5,703,302)	(2,173,867)	3,529,435	(314,200)	(314,200)	259,625	573,825
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(158,506)	(158,506)	(158,506)	-
Total other financing sources (uses)	-	-	-	-	(158,506)	(158,506)	(158,506)	-
Net change in fund balance	-	(5,703,302)	(2,173,867)	3,529,435	(472,706)	(472,706)	101,119	573,825
FUND BALANCE, beginning of year	-	8,898,654	8,898,654	-	602,042	671,370	671,370	-
FUND BALANCE, end of year	\$ -	\$ 3,195,352	\$ 6,724,787	\$ 3,529,435	\$ 129,336	\$ 198,664	\$ 772,489	\$ 573,825

(Continued)

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2024

	Permanent Fund Mabel King Trust				Stillwater Public Library Trust			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	1,936	1,936	-	-	116,550	116,550
Other miscellaneous revenue	-	-	-	-	-	-	31,673	31,673
Total revenues	-	-	1,936	1,936	-	-	148,223	148,223
EXPENDITURES								
Recreation and culture:								
Materials and supplies	-	-	-	-	-	-	2,857	(2,857)
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	2,857	(2,857)
Capital Outlay:								
Recreation and culture	-	-	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	2,857	(2,857)
Excess (deficiency) of revenues over (under) expenditures	-	-	1,936	1,936	-	-	145,366	145,366
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	1,936	1,936	-	-	145,366	145,366
FUND BALANCE, beginning of year	-	-	56,030	56,030	-	-	725,543	725,543
FUND BALANCE, end of year	\$ -	\$ -	\$ 57,966	\$ 57,966	\$ -	\$ -	\$ 870,909	\$ 870,909

Stillwater Emergency Management

The Stillwater Emergency Management Agency proactively plans for all hazards, works to reduce threats and prepares Stillwater residents and organizations to respond and recover from emergencies.

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STATISTICAL SECTION



Statistical Section

This section of the City's ACFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

- **Financial Trends** – These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time. *See pages 99-103.*
- **Revenue Capacity** – These schedules contain information to help the reader assess the City's significant local revenue sources, the sales tax and the property tax, as well as other revenue sources. *See pages 104-111.*
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. *See pages 112-115.*
- **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. *See pages 116-119.*
- **Economic and Demographic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. *See pages 120-121.*

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

CITY OF STILLWATER, OKLAHOMA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 82,961,714	\$ 85,669,817	\$ 86,929,623	\$ 82,592,444	\$ 80,699,900	\$ 81,356,779	\$ 80,806,176	\$ 78,737,372	\$ 81,470,006	\$ 88,633,403
Restricted for capital projects	62,758	62,633	62,415	323,382	374,262	331,935	243,410	9,034	208,351	222,499
Restricted for pensions	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-	1,309,975	-
Restricted for debt service	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370	772,489
Restricted for street improvements	3,776,439	341,711	5,099,248	9,168,945	10,841,975	11,773,957	13,665,321	14,451,872	21,492,626	25,682,739
Restricted for specific operating activities	2,968,212	2,497,975	2,392,909	651,332	673,213	1,124,923	1,694,392	1,338,666	3,120,181	4,024,162
Restricted for permanent fund - nonexpendable	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000
Unrestricted	(15,893,431)	(16,308,980)	(19,618,348)	(18,555,667)	(7,805,126)	(5,014,097)	3,992,326	6,875,700	6,847,929	9,508,738
Total governmental activities net position	\$ 81,218,660	\$ 80,179,141	\$ 82,889,471	\$ 82,694,493	\$ 94,415,191	\$ 99,842,715	\$ 100,757,800	\$ 102,135,943	\$ 115,170,438	\$ 128,894,030
Business-type activities:										
Net investment in capital assets	\$ 109,014,991	\$ 126,387,848	\$ 125,458,599	\$ 129,490,943	\$ 129,044,368	\$ 136,958,864	\$ 144,901,186	\$ 145,490,174	\$ 150,289,969	\$ 156,344,114
Restricted for capital projects	2,282,192	1,655,304	808,415	862,552	886,016	908,232	944,789	985,783	1,017,844	2,451,545
Restricted for debt service	1,056,953	1,057,398	1,542,846	2,055,472	1,932,356	1,945,838	1,978,202	2,019,266	2,079,163	1,050,361
Restricted for specific operating activities	2,712	2,712	2,460	0	-	-	-	-	-	-
Unrestricted	71,072,050	70,145,589	85,816,412	95,413,569	99,550,852	99,291,393	111,390,692	116,673,727	130,564,214	149,419,428
Total business-type activities net position	\$ 183,428,898	\$ 199,248,851	\$ 213,628,732	\$ 227,822,536	\$ 231,413,592	\$ 239,104,327	\$ 259,214,869	\$ 265,168,950	\$ 283,951,190	\$ 309,265,448
Primary government:										
Net investment in capital assets	\$ 191,976,705	\$ 212,057,665	\$ 212,388,222	\$ 212,083,387	\$ 209,744,268	\$ 218,315,643	\$ 225,707,362	\$ 224,227,546	\$ 231,759,975	\$ 244,977,517
Restricted for capital projects	2,344,950	1,717,937	870,830	1,185,934	1,260,278	1,240,167	1,188,199	994,817	1,226,195	2,674,044
Restricted for pensions	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-	1,309,975	-
Restricted for debt service	1,287,739	1,266,921	1,731,703	2,195,024	2,084,665	2,108,239	2,284,377	2,692,565	2,750,533	1,822,850
Restricted for street improvements	3,776,439	341,711	5,099,248	9,168,945	10,841,975	11,773,957	13,665,321	14,451,872	21,492,626	25,682,739
Restricted for specific operating activities	2,970,924	2,500,687	2,395,369	651,332	673,213	1,124,923	1,694,392	1,338,666	3,120,181	4,024,162
Restricted for permanent fund - nonexpendable	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000
Unrestricted	55,178,619	53,836,609	66,198,064	76,857,902	91,745,726	94,277,296	115,383,018	123,549,427	137,412,143	158,928,166
Total primary government net position	\$ 264,647,558	\$ 279,427,992	\$ 296,518,203	\$ 310,517,029	\$ 325,828,783	\$ 338,947,042	\$ 359,972,669	\$ 367,304,893	\$ 399,121,628	\$ 438,159,478

CITY OF STILLWATER, OKLAHOMA
CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Public Safety	\$ 20,409,139	\$ 20,487,015	\$ 22,567,312	\$ 23,165,578	\$ 20,283,955	\$ 25,232,995	\$ 27,887,768	\$ 24,276,320	\$ 26,982,491	\$ 29,875,906
Cultural, parks and recreation	4,441,026	4,642,710	4,461,890	4,209,854	3,594,568	3,735,748	3,226,164	4,544,400	3,945,000	3,628,270
General government	4,263,765	4,446,150	5,328,156	5,545,663	6,051,174	5,633,505	6,263,176	6,965,822	7,424,719	7,767,001
Financial administration	714,638	732,799	747,028	621,538	480,187	614,702	627,071	737,819	860,711	1,070,490
Streets and highways	13,933,432	15,088,869	12,932,517	10,246,691	9,937,457	11,192,640	10,766,813	10,598,146	8,727,689	11,370,075
Engineering and public works administration	594,723	0	-	-	-	-	-	-	-	-
Economic development	14,916	27,903	13,316	25,381	24,562	7,805	5,127	-	-	-
Health and welfare	1,642,867	1,157,110	960,396	1,023,771	1,028,832	1,074,399	919,985	1,339,667	1,126,175	1,264,783
Interest on long-term debt	140,679	108,120	76,111	44,113	12,129	(19,671)	(50,163)	(30,311)	616,833	490,695
Total governmental activities expenses	46,155,185	46,690,676	47,086,726	44,882,589	41,412,864	47,472,123	49,645,941	48,431,863	49,683,618	55,467,220
Business-type activities:										
Electric, water, wastewater, and sanitation oper	58,016,108	53,378,815	61,965,058	63,234,363	65,532,689	62,740,400	80,879,025	88,079,435	85,101,682	81,805,024
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	15,000	0	1,686,158	-	-	-
Business area development	1,970,265	1,979,446	1,909,145	1,831,101	1,467,073	1,549,034	3,277,158	1,780,870	2,011,569	2,490,453
Airport operations	2,676,008	2,625,889	2,875,967	3,572,997	3,620,279	6,527,106	-	5,454,546	6,692,989	5,995,734
Total business-type activities expenses	62,662,381	57,984,150	66,750,170	68,638,461	70,635,041	70,816,540	85,842,341	95,314,851	93,806,240	90,291,211
Total primary government expenses	\$ 108,817,566	\$ 104,674,826	\$ 113,836,896	\$ 113,521,050	\$ 112,047,905	\$ 118,288,663	\$ 135,488,282	\$ 143,746,714	\$ 143,489,858	\$ 145,758,431
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,290,884	\$ 2,622,099	\$ 2,679,216	\$ 2,619,775	\$ 2,743,417	\$ 2,841,723	\$ 3,170,639	\$ 2,117,493	\$ 3,223,829	\$ 577,932
Cultural, parks and recreation	1,121,462	1,064,755	914,995	712,549	274,101	166,543	194,895	131,783	266,084	288,125
General government	934,955	554,497	1,362,082	1,296,850	1,099,376	1,119,503	519,323	1,100,510	489,614	626,950
Financial administration	1,207,448	1,132,852	1,036,065	1,131,545	1,136,937	801,154	571,347	815,144	818,870	897,572
Streets and highways	483,411	555,381	1,107,030	405,717	392,285	407,476	452,487	466,625	413,708	768,303
Health and welfare	227,846	302,888	430,744	262,807	426,387	270,528	258,701	304,682	264,184	262,633
Operating grants and contributions	571,493	526,732	79,813	198,989	524,836	3,000,657	1,943,963	1,528,637	1,017,972	4,146,302
Capital grants and contributions	600,714	2,327,602	5,599,043	1,232,531	1,149,352	1,353,885	1,374,572	263,356	2,878,312	6,379,901
Total governmental activities program revenues	7,438,213	9,086,806	13,208,988	7,860,763	7,746,691	9,961,469	8,485,927	6,728,230	9,372,573	13,947,718

CITY OF STILLWATER, OKLAHOMA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

(continued)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation op	\$ 75,491,830	\$ 73,148,660	\$ 80,475,384	\$ 81,778,637	\$ 79,224,262	\$ 76,947,432	\$ 94,254,430	\$ 93,934,928	\$ 99,801,644	\$ 95,870,635
Business area development	29,303	169,335	204,548	14,783	848	1,512	935	1,048	605	-
Airport operations	1,410,731	1,132,097	1,363,750	1,657,585	1,641,714	1,443,053	1,539,353	2,519,307	3,379,483	3,195,047
Operating grant and contributions	-	-	-	-	61,392	323,914	801,946	1,260,327	1,213,934	472,383
Capital grants and contributions	764,017	1,115,450	1,845,117	2,246,048	2,403,555	6,383,537	11,656,049	4,901,172	6,174,278	8,605,861
Total business-type activities program revenues	77,695,881	75,565,542	83,888,799	85,697,053	83,331,771	85,099,448	108,252,713	102,616,782	110,569,944	108,143,926
Total primary government program revenues	\$ 85,134,094	\$ 84,652,348	\$ 97,097,787	\$ 93,557,816	\$ 91,078,462	\$ 95,060,917	\$ 116,738,640	\$ 109,345,012	\$ 119,942,517	\$ 122,091,644
Net (Expense)/Revenue										
Governmental activities	\$ (38,716,972)	\$ (37,603,870)	\$ (33,877,738)	\$ (37,021,826)	\$ (33,666,173)	\$ (37,510,654)	\$ (41,160,014)	\$ (41,703,633)	\$ (40,311,045)	\$ (41,519,502)
Business-type activities	15,033,500	17,581,392	17,138,629	17,058,592	12,696,730	14,282,908	22,410,372	7,301,931	16,763,704	17,852,715
Total primary government net expense	\$ (23,683,472)	\$ (20,022,478)	\$ (16,739,109)	\$ (19,963,234)	\$ (20,969,443)	\$ (23,227,746)	\$ (18,749,642)	\$ (34,401,702)	\$ (23,547,341)	\$ (23,666,787)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 29,926,023	\$ 30,250,927	\$ 29,800,331	\$ 31,288,009	\$ 30,791,644	\$ 31,005,552	\$ 33,118,168	\$ 37,423,088	\$ 44,867,281	\$ 45,331,788
Property taxes	1,196,973	1,170,237	987,082	978,693	927,799	1,205,509	1,465,530	733,849	1,805,264	2,835,513
Franchise and public service taxes	1,710,990	1,663,781	1,719,692	1,728,885	2,049,701	1,999,500	2,078,756	2,239,293	2,261,842	2,035,790
E911 taxes	90,535	76,503	48,274	65,245	62,591	61,217	59,566	60,375	54,951	41,751
Hotel/motel taxes	787,488	736,485	819,592	842,623	777,659	641,945	624,718	874,248	1,721,177	1,678,361
Investment income	168,627	186,077	58,500	103,431	234,296	345,279	269,882	(485,727)	775,781	1,964,079
Miscellaneous	-	-	-	-	-	44,334	11,250	102,611	943,452	1,906,833
Transfers-internal activity	939,980	2,480,341	3,154,597	2,218,075	10,543,181	7,601,376	2,234,771	1,033,941	915,792	(551,021)
Special item - close out of retirement fund	-	-	-	-	-	-	1,766,951	-	-	-
Total governmental activities	34,820,616	36,564,351	36,588,068	37,224,961	45,386,871	42,904,712	41,629,592	41,981,678	53,345,540	55,243,094
Business-type activities:										
Investment income	375,015	715,402	171,150	334,844	1,385,880	1,508,512	476,365	(538,677)	3,352,242	7,040,702
Miscellaneous	503,379	3,500	224,699	(631,707)	51,627	(499,308)	(541,424)	224,768	(417,914)	(130,180)
Transfers-internal activity	(939,980)	(2,480,341)	(3,154,597)	(2,218,075)	(10,543,181)	(7,601,376)	(2,234,771)	(1,033,941)	(915,792)	551,021
Total business-type activities	(61,586)	(1,761,439)	(2,758,748)	(2,514,938)	(9,105,674)	(6,592,172)	(2,299,830)	(1,347,850)	2,018,536	7,461,543
Total primary government	\$ 34,759,030	\$ 34,802,912	\$ 33,829,320	\$ 34,710,023	\$ 36,281,197	\$ 36,312,540	\$ 39,329,762	\$ 40,633,828	\$ 55,364,076	\$ 62,704,637
Change in Net Position										
Governmental activities	\$ (3,896,356)	\$ (1,039,519)	\$ 2,710,330	\$ 203,135	\$ 11,720,698	\$ 5,394,058	\$ 469,578	\$ 278,045	\$ 13,034,495	\$ 13,723,592
Business-type activities	14,971,914	15,819,953	14,379,881	14,543,654	3,591,056	7,690,736	20,110,542	5,954,081	18,782,240	25,314,258
Total primary government	\$ 11,075,558	\$ 14,780,434	\$ 17,090,211	\$ 14,746,789	\$ 15,311,754	\$ 13,084,794	\$ 20,580,120	\$ 6,232,126	\$ 31,816,735	\$ 39,037,850

CITY OF STILLWATER, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Non-spendable	\$ 113,209	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909	\$ 45,440	\$ 31,363	\$ 39,725	\$ 38,792	\$ 104,660
Restricted for public safety	100,321	95,790	72,571	95,185	92,613	99,805	98,535	87,231	145,507	138,718
Restricted for economic development	788,185	360,813	299,183	556,147	580,600	500,929	-	-	-	-
Restricted for sales tax transfer	2,079,706	2,041,372	1,955,910	-	-	-	-	-	-	-
Restricted for capital improvements	-	-	65,245	65,245	241,369	241,369	241,369	8,151	-	-
Restricted for visitor and event recruitment	-	-	-	-	-	-	392,502	548,241	1,307,618	552,929
Restricted for opioid settlement	-	-	-	-	-	-	-	-	197,280	738,882
Committed to public safety	509,846	567,333	612,968	-	-	-	-	-	-	-
Committed to capital improvements	-	-	-	-	486,577	587,131	722,006	878,905	284,231	436,268
Committed to stormwater	-	-	-	-	477,583	505,643	615,373	684,256	799,245	1,069,849
Assigned to self insurance	1,492,683	1,679,512	1,790,911	1,177,988	758,544	1,319,885	1,082,694	278,069	1,386,693	2,180,056
Assigned to recreation and culture	158,969	144,517	118,186	64,567	66,039	65,425	13,294	27,397	67,810	29,447
Assigned to special event	-	-	-	-	128,533	43,253	31,832	32,292	12,757	6,398
Assigned to public safety	-	-	-	-	517,621	618,376	406,954	466,035	476,323	562,648
Assigned to community rehab	-	-	-	-	17,893	18,932	23,397	42,202	72,357	56,019
Assigned to Stillwater utilities (1)	-	-	-	-	2,918,978	5,029,679	-	207,655	-	-
Assigned to budget appropriation	-	-	-	-	6,866,627	5,561,419	8,474,640	7,744,242	6,045,636	4,247,447
Unassigned	8,940,922	6,442,469	2,478,143	5,663,427	-	-	12,433,775	11,927,800	11,744,428	11,474,512
Total general fund	\$ 14,183,841	\$ 11,442,302	\$ 7,510,057	\$ 7,683,636	\$ 13,191,886	\$ 14,637,286	\$ 24,567,734	\$ 22,972,201	\$ 22,578,677	\$ 21,597,833
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Restricted for debt service	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370	772,489
Restricted for capital improvements	3,839,197	404,344	5,161,663	9,427,082	10,974,868	11,864,523	13,667,362	23,327,205	30,632,682	32,630,025
Restricted for TIF projects	-	-	-	-	-	-	556,775	77,856	29,856	4,907
Restricted for library books	-	-	-	-	-	4,232	4,568	4,846	6,030	7,966
Restricted for library purposes	-	-	-	-	-	519,957	642,012	620,492	725,543	870,909
Assigned for capital improvements	-	-	-	-	2,979,724	5,026,307	6,097,082	6,199,479	7,703,412	7,545,865
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 4,069,983	\$ 613,867	\$ 5,350,520	\$ 9,566,634	\$ 14,106,901	\$ 17,627,420	\$ 21,323,974	\$ 30,953,177	\$ 39,818,893	\$ 41,882,161

(1) Per the SUA Transfer Policy, transfers from the SUA not needed to balance the City's General Fund shall be returned to the SUA.

CITY OF STILLWATER, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 33,690,619	\$ 33,867,464	\$ 33,417,379	\$ 34,864,045	\$ 34,641,363	\$ 34,713,615	\$ 37,454,183	\$ 41,404,107	50,682,315	51,346,509
Intergovernmental	715,097	524,126	541,595	439,114	636,609	2,988,724	1,882,763	1,514,605	4,958,535	8,203,208
Charges for service	614,263	671,485	799,313	566,985	529,946	578,575	578,124	625,213	550,262	885,514
Fines and forfeits	881,790	1,162,590	1,045,956	1,123,676	1,084,493	715,114	489,762	725,291	686,027	762,971
Fees and rentals	1,123,113	1,087,411	1,051,225	806,716	497,038	452,428	500,159	401,218	482,400	415,961
Investment income	168,575	186,025	58,378	102,982	233,772	344,899	269,872	(485,760)	668,027	1,958,710
Licenses and permits	264,840	377,683	383,629	243,017	278,769	328,791	291,463	357,396	319,506	363,628
Other miscellaneous revenues	1,091,427	692,754	1,743,092	1,499,104	1,345,334	1,258,572	625,832	1,430,116	1,387,588	2,881,995
Total revenues	38,549,724	38,569,538	39,040,567	39,645,639	39,247,324	41,380,718	42,092,158	45,972,186	59,734,660	66,818,496
Expenditures										
Current:										
Public safety	19,004,743	19,387,415	19,848,498	19,932,996	20,174,962	21,218,588	21,847,026	24,828,297	27,489,681	29,166,917
Recreation and culture	3,814,270	4,062,328	3,878,892	3,498,288	2,968,130	3,026,598	2,817,057	3,064,432	3,135,834	3,229,723
General government	3,727,050	4,001,412	4,509,539	5,268,836	5,976,425	5,259,527	5,702,891	5,838,901	5,700,402	6,460,378
Financial administration	735,423	844,480	688,490	641,620	473,228	612,456	638,336	713,241	868,380	1,043,848
Streets and highways	4,233,578	4,507,411	3,889,539	3,723,263	3,773,407	4,207,694	3,921,156	3,949,101	4,056,978	4,574,073
Operations	594,143	-	-	-	-	-	-	-	-	-
Economic development	14,916	27,903	13,316	25,381	24,562	9,316	6,062	1,048	-	-
Health and welfare	1,637,285	1,118,418	966,336	1,014,849	1,020,186	1,089,365	933,975	1,048,112	1,074,222	1,081,027
Debt service:										
Principal retirements	810,000	805,000	800,000	800,000	795,000	795,000	350,000	33,579	1,627,987	2,336,455
Interest and fiscal charges	206,600	174,200	142,000	110,000	78,000	46,200	14,400	528	550,317	587,504
Capital outlay	6,305,599	11,182,912	5,713,051	1,445,208	3,744,972	8,230,398	6,919,872	8,890,749	14,304,616	18,893,368
Total expenditures	41,083,607	46,111,479	40,449,661	36,460,441	39,028,872	44,495,142	43,150,775	48,367,988	58,808,417	67,373,293
Excess of revenues over (under) expenditures	(2,533,883)	(7,541,941)	(1,409,094)	3,185,198	218,452	(3,114,424)	(1,058,617)	(2,395,802)	926,243	(554,797)
Other Financing Sources (Uses)										
Issuance of debt	-	-	-	-	-	-	-	9,395,532	6,630,157	2,387,483
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	19,047,247	18,999,377	19,339,107	19,316,085	23,948,610	25,483,216	20,273,998	22,115,500	29,089,103	26,823,104
Transfers out	(18,107,267)	(17,655,091)	(17,125,605)	(18,111,590)	(14,118,545)	(17,881,839)	(18,039,227)	(21,081,560)	(28,173,311)	(27,573,366)
Total other financing sources (uses)	939,980	1,344,286	2,213,502	1,204,495	9,830,065	7,601,377	2,234,771	10,429,472	7,545,949	1,637,221
Special Item - proceeds from close out of retirement plan	-	-	-	-	-	-	12,450,842	-	-	-
Net change in fund balances	\$ (1,593,903)	\$ (6,197,655)	\$ 804,408	\$ 4,389,693	\$ 10,048,517	\$ 4,486,953	\$ 13,626,996	\$ 8,033,670	\$ 8,472,192	\$ 1,082,424
Debt service as a percentage of noncapital expenditures	2.84%	2.44%	2.48%	2.56%	2.40%	2.06%	0.91%	0.08%	4.67%	5.13%

CITY OF STILLWATER, OKLAHOMA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Franchise and Public						Sales Tax as Percentage of	
	Sales & Use Taxes	Property Taxes	Service Taxes	E911 Taxes	Lodging Tax	Total Taxes	Total Taxes	
2015	\$ 29,926,023	\$ 1,196,973	\$ 1,710,990	\$ 90,535	\$ 787,488	\$ 33,712,009	88.77%	
2016	30,250,927	1,170,237	1,663,781	76,503	736,485	33,897,933	89.24%	
2017	29,800,331	987,082	1,719,692	48,274	819,592	33,374,971	89.29%	
2018	31,288,009	978,693	1,728,885	65,245	842,623	34,903,455	89.64%	
2019	30,791,644	927,799	2,049,701	62,591	777,659	34,609,394	88.97%	
2020	31,271,335	1,205,509	1,722,916	61,217	641,945	34,902,922	89.60%	
2021	33,118,169	1,465,530	2,078,756	59,566	624,718	37,346,739	88.68%	
2022	37,423,088	733,849	2,239,293	60,375	874,248	41,330,853	90.55%	
2023	44,867,281	1,805,264	2,261,842	54,951	1,721,177	50,710,515	88.48%	
2024	45,331,788	2,835,513	2,035,700	41,751	1,678,361	51,923,113	87.31%	

CITY OF STILLWATER, OKLAHOMA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)
 LAST TEN FISCAL YEARS
(in thousands)

Fiscal Year				Total Valuation	Homestead Exemption	Other Exemptions (2)	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Total Assessed to Actual Value
	Real Property	Personal Property	Public Service Property							
2015	\$ 261,644	\$ 27,453	\$ 5,718	\$ 294,815	\$ 4,925	\$ 1,156	\$ 288,734	4.16	\$ 2,586,096	11.16%
2016	271,254	31,739	7,588	310,581	4,838	1,288	304,455	3.78	2,724,395	11.18%
2017	286,207	32,288	7,158	325,653	4,777	1,287	319,589	3.25	2,856,605	11.19%
2018	304,725	33,681	7,326	345,732	4,719	1,223	339,790	2.75	3,032,737	11.20%
2019	318,548	33,965	7,626	360,139	4,686	1,450	354,003	2.72	3,159,114	11.21%
2020	339,463	34,915	7,470	381,848	4,574	1,710	375,564	2.73	3,349,544	11.21%
2021	345,443	35,155	8,641	389,239	4,539	1,893	382,807	1.83	3,414,377	11.21%
2022	366,696	34,323	8,935	409,954	4,392	2,125	403,437	0.30	3,596,088	11.22%
2023	386,436	36,028	8,513	430,977	4,351	2,507	424,119	1.34	3,780,500	11.22%
2024	398,231	35,342	8,242	441,815	4,373	2,676	434,766	2.47	3,875,570	11.22%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2025 fiscal year is as follows:

				Total Valuation	Homestead Exemption	Other Exemptions	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value
	Real Property	Personal Property	Public Service Property						
2025	\$ 419,912	\$ 32,360	\$ 8,082	\$ 460,354	\$ 4,368	\$ 3,142	\$ 452,844	2.11	\$ 4,038,193

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)

LAST TEN FISCAL YEARS

(rate per \$1,000 of assessed value)

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2015	4.16	68.54	15.47	16.43	104.60
2016	3.78	68.95	15.47	16.43	104.63
2017	3.25	68.01	15.47	16.43	103.16
2018	2.75	66.37	15.47	16.43	101.02
2019	2.72	66.55	15.47	16.43	101.17
2020	2.73	66.69	15.47	16.43	101.32
2021	1.83	65.46	15.47	16.43	99.19
2022	0.30	66.99	15.47	16.43	99.19
2023	1.34	67.99	15.47	16.43	101.23
2024	2.47	67.10	15.47	16.43	101.47

The direct and overlapping tax rates for FY 2025 are as follows:

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2025	2.11	67.67	15.47	16.43	101.68

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
PRINCIPAL PROPERTY TAX PAYERS (1)
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2024			2015		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Stillwater Ranch Holdings, LLC	Retirement community development	\$ 6,694,555	1.34%	1			
Plato II OK I, PropCo, LP	Apartments	5,424,103	1.09%	2			
One On 4th St, LLC	Apartments	4,981,051	1.00%	3			
Stillwater Development, LLC	Real estate developer	4,895,182	0.98%	4			
Tradan Heights Stillwater, LLC	Apartments	4,712,051	0.94%	5			
Links at Stillwater	Apartments/golf/fitness development	4,106,603	0.82%	6	\$ 2,919,119	0.96%	3
213 W Elm, LLC	Apartments	3,963,062	0.79%	7			
Wal-Mart Real Estate	Discount supercenter	3,848,807	0.77%	8	2,442,555	0.80%	5
Tailwind Stillwater, LLC	Apartments	3,016,281	0.60%	9			
Lakeview Pointe Shopping Center, LLC	Shopping center	2,664,726	0.53%	10	2,513,196	0.83%	4
ASCO Aerospace USA	Manufacturer of aerospace components				7,350,293	2.41%	1
Breckenridge Group Stillwater OK LLC	Off campus student housing				3,387,771	1.11%	2
Sifty One at Tradan Heights	Apartments				2,222,478	0.73%	6
Avenue East Apartments, LLC	Apartments				2,116,882	0.70%	7
National Standard Co.	Manufacturer of steel cords for radial tires				2,093,240	0.69%	8
Prime Place	Apartments				1,777,566	0.58%	9
Lowes Home Center, Inc.	Home improvement store				1,648,775	0.54%	10
		<u>\$ 44,306,421</u>	<u>8.86%</u>		<u>\$ 28,471,875</u>	<u>9.35%</u>	

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy		Collected on Prior Years' Levies (1)
		Amount	Percentage of Levy	Amount
2015	1,202	1,160	97%	16
2016	1,150	1,078	94%	62
2017	1,013	992	98%	38
2018	934	895	96%	44
2019	962	922	96%	38
2020	1,008	976	97%	29
2021	699	639	91%	96
2022	121	159	131%	22
2023	569	565	99%	21
2024	1,074	1,102	103%	9

(1) Collections of property taxes in Oklahoma are made at the County level. Information received from Payne County for collected delinquent amounts does not include the original levy year.

Note: Total collections for July through October 2024 are \$2,577 in current taxes and \$16,110 in delinquent taxes.

CITY OF STILLWATER, OKLAHOMA

TAXABLE SALES BY CATEGORY (1)

LAST TEN FISCAL YEARS

(in thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Retail trade	\$ 480,420	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503	\$ 507,064	\$ 536,154	\$ 579,134	589,883	\$ 593,616
Accommodation and food services	148,904	154,198	154,052	161,040	161,562	150,159	155,762	197,648	200,441	208,288
Wholesale	51,578	42,187	38,811	44,628	38,728	34,891	35,898	45,024	49,228	49,222
Utilities	46,131	41,983	43,885	45,169	46,255	42,656	44,177	52,142	59,768	54,679
Information	25,393	25,041	24,427	23,039	22,658	22,728	22,471	24,706	23,677	22,049
Education services	14,818	4,801	11,449	27,145	23,582	81	90	109	155	174
Manufacturing	14,454	17,096	15,074	15,060	11,880	5,503	12,466	15,429	17,567	18,427
Unclassified	7,592	26,363	15,627	3,107	2,229	3,368	2,546	2,528	4,338	6,127
Other services (except Public Administration)	7,801	7,847	7,692	7,966	8,661	8,513	8,913	10,194	11,033	12,861
Real estate, rental, and leasing	12,796	11,966	14,289	13,262	14,454	11,351	10,191	11,501	14,574	14,316
Arts, entertainment, and recreation	3,955	3,898	4,349	4,061	4,267	6,364	6,244	8,305	8,053	8,006
Professional, scientific, and technical services	2,800	2,670	2,789	3,034	3,169	3,519	4,520	5,180	4,572	5,548
Transportation and warehousing	2,435	2,630	2,935	2,887	2,740	2,647	3,517	3,419	3,906	3,767
Finance and insurance	292	252	356	468	583	584	697	548	542	648
Construction	1,609	1,172	2,123	1,469	1,584	1,817	1,734	2,422	2,498	2,298
Mining, quarrying, and oil and gas extraction	755	127	46	3	104	20	72	140	186	209
Administrative, support, waste management, and rem	269	306	382	635	523	380	433	404	1,214	1,836
Agriculture, forestry, fishing, and hunting	70	64	72	82	103	173	154	153	258	343
Health care and social assistance	17	20	337	615	372	241	858	515	370	535
Public administration	5	(8)	(2)	0	32	4	175	6	65	2
All other outlets	-	-	-	-	-	-	-	-	-	1
Total	<u>\$822,094</u>	<u>\$823,125</u>	<u>\$798,232</u>	<u>\$823,122</u>	<u>\$810,989</u>	<u>\$802,063</u>	<u>\$847,074</u>	<u>\$959,507</u>	<u>\$992,328</u>	<u>\$1,002,952</u>
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
Total tax rate	<u>3.5%</u>	<u>3.5%</u>	<u>3.5%</u>	<u>3.5%</u>	<u>3.5%</u>	<u>3.5%</u>	<u>3.5%</u>	<u>3.5%</u>	<u>4.0%</u>	<u>4.0%</u>

(1) Source: Oklahoma Tax Commission

(2) Dedicated sales tax of 1.0% was effective July 1, 2022. This additional tax was to expire September 30, 2026 but was extended until June 30, 2032.

Note: The State of Oklahoma retains 0.5% of the sales tax collected as an administrative fee.

CITY OF STILLWATER, OKLAHOMA
DIRECT AND OVERLAPPING SALES TAX RATES (1)
 LAST TEN CALENDAR YEARS

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
2015	3.50%	4.50%	0.813%
2016	3.50%	4.50%	0.813%
2017	3.50%	4.50%	0.813%
2018	3.50%	4.50%	0.813%
2019	3.50%	4.50%	0.813%
2020	3.50%	4.50%	0.813%
2021	3.50%	4.50%	0.813%
2022	3.50%	4.50%	0.813%
2023	4.00%	4.50%	0.813%
2024	4.00%	4.50%	0.813%

(1) Sales tax is a major revenue source of the General Fund for the City of Stillwater. Sales tax is collected by local merchants and remitted to the State of Oklahoma Tax Commission by the 15th of the month following its receipt. The Tax Commission returns the City's portion of the sales tax to the City by the 15th of the following month. Beginning in 1979, an additional 1% sales tax was levied by the City for use by the Stillwater Utilities Authority (SUA) (i.e., a Public Trust which operates the water, sewer and electric utilities of the City). The sales tax dedicated for the SUA is received by the City's General Fund and is immediately transferred to SUA.

(2) The City portion of sales tax increased to 4.00% effective July 1, 2022. The additional 0.50% is dedicated to fund transportation (street) projects. This additional tax will expire June 30, 2032.

(3) Stillwater is located in Payne County which initiated a 0.5% sales tax effective January 1, 1994. The 0.5% sales tax expired and was replaced with a 0.375% sales tax effective January 1, 1999. The Payne County sales tax was increased to 0.5% effective April 1, 2000. The Payne County sales tax was increased to 0.75% effective April 1, 2006. The Payne County sales tax was increased to 0.813% effective April 1, 2013.

CITY OF STILLWATER, OKLAHOMA
ELECTRIC UTILITY CUSTOMERS AND SALES BY TYPE
 LAST TEN FISCAL YEARS

		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>
Commercial:	Average monthly customers	2,369		2,387		2,430		2,448		2,466		2,483		2,484		2,529		2,540		2,545
	Annual sales	\$ 18,115,939	\$	17,426,665	\$	18,255,860	\$	18,531,334	\$	18,413,545	\$	17,029,618	\$	17,036,886	\$	20,098,237	\$	23,373,889	\$	22,518,085
	Percentage of total annual sales	39%		39%		40%		40%		39%		39%		38%		39%		40%		41%
Residential:	Average monthly customers	18,278		18,576		18,526		18,619		18,853		18,981		19,195		19,407		19,599		19,612
	Annual sales	\$ 22,477,571	\$	21,431,632	\$	22,043,277	\$	22,787,588	\$	22,873,131	\$	21,963,322	\$	22,543,574	\$	25,630,084	\$	29,781,644	\$	28,245,309
	Percentage of total annual sales	48%		48%		48%		49%		49%		50%		51%		50%		51%		51%
Industrial/Institutional:	Average monthly customers	5		5		5		5		5		5		5		5		5		5
	Annual sales	\$ 5,991,449	\$	5,587,646	\$	5,435,577	\$	5,547,897	\$	5,432,937	\$	4,958,654	\$	4,852,467	\$	5,564,744	\$	5,190,362	\$	4,322,844
	Percentage of total annual sales	13%		13%		12%		12%		12%		11%		11%		11%		9%		8%

CITY OF STILLWATER, OKLAHOMA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1) (2)
AS OF JUNE 30, 2024
(in thousands of dollars)

<u>Governmental Unit:</u>	<u>Bonds Outstanding</u>	<u>Percentage Applicable to</u>		<u>Estimated Share of</u>
		<u>City of Stillwater Property</u>	<u>Owners / Patrons</u>	
				<u>Overlapping Debt</u>
Debt repaid with property taxes:				
Stillwater Independent School District #16 (3)	\$ 58,765	82.28%	\$	48,351
City of Stillwater GO Bond	\$ 8,846	100.00%	\$	8,846
Debt repaid with other governmental revenues:				
Notes Payable	\$ 5,922	100.00%	\$	5,922
Lease & SBITA Obligations	\$ 375	100.00%	\$	375
Total direct and overlapping debt			<u>\$</u>	<u>63,494</u>

(1) Stillwater School District and Payne County include all of the City of Stillwater and extend beyond the physical boundaries of the City. This schedule estimates the portion of governmental debt that is borne by the property owners (via property taxes) and patrons (via sales tax) of the City of Stillwater.

(2) Computation assumptions: For debt repaid with property taxes, the percentage of assessed property within the City of Stillwater in relation to the assessed value of the school district (which extends beyond the city limits) was used.

(3) Sources: assessed value data, school and county amounts - Payne County Assessor's Office

CITY OF STILLWATER, OKLAHOMA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-type Activities				Debt as				
	General Obligation Bonds	Lease and SBITA Obligations (1)	Direct Borrowing - Notes Payable	Revenue Bonds	Notes Payable	Direct Borrowing - Notes Payable	Lease and SBITA Obligations (1)	Total Primary Government	Personal Income (in thousands of dollars)	Percentage of Personal Income	Population	Total Debt Per Capita	
2015	\$ 4,724,678	-	-	\$ 68,211,090	\$ 20,666,471	\$ 3,257,684	-	\$ 96,859,923	\$ 2,912,363	3.3%	48,967	1,978.07	
2016	3,856,281	-	-	67,977,127	17,540,437	3,121,682	-	92,495,527	2,854,057	3.2%	49,504	1,868.45	
2017	2,993,059	-	-	67,743,165	26,534,027	3,106,081	-	100,376,332	2,882,278	3.5%	49,829	2,014.42	
2018	2,129,838	-	-	66,214,202	30,109,922	3,212,738	-	101,666,700	2,987,591	3.4%	50,391	2,017.56	
2019	1,271,617	-	-	64,650,240	35,531,350	2,356,079	-	103,809,286	3,067,772	3.4%	50,299	2,063.84	
2020	413,396	-	-	63,031,277	38,226,074	2,650,462	-	104,321,209	3,243,810	3.2%	48,394	2,155.66	
2021	-	-	-	61,357,314	39,947,530	3,152,707	-	104,457,551	3,531,531	3.0%	48,134	2,170.14	
2022	9,351,254	63,254	-	59,613,352	37,452,467	2,682,795	21,724	109,184,846	3,684,949	3.0%	49,160	2,221.01	
2023	9,333,588	608,964	-	57,789,389	40,803,897	10,320,905	60,557	118,917,300	3,871,954	3.1%	49,525	2,401.16	
2024	8,845,969	375,482	5,921,651	55,890,427	41,842,696	12,032,020	34,855	124,943,100	**	**	**	**	

** Data not available at time of publication

(1) Amounts were recognized with the implementation of GASB statement 87 in FY22 and GASB statement 96 in FY23.

CITY OF STILLWATER, OKLAHOMA
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUES
AND PER CAPITA BONDED DEBT
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Total Primary Government	Accumulated Resources Restricted to Repayment of General Bonded Debt	Net General Bonded Debt	Population	Net Bonded Debt Per Capita (1)	Total Estimated Actual Value (in thousands)	Net Bonded Debt per \$1,000 of Assessed Value
2015	\$ 4,724,678	\$ 4,724,678	\$ 230,786	\$ 4,493,892	48,967	91.77	\$ 2,586,096	1.74
2016	3,856,281	3,856,281	209,523	3,646,758	49,504	73.67	2,724,395	1.34
2017	2,993,059	2,993,059	188,857	2,804,202	49,829	56.28	2,856,605	0.98
2018	2,129,838	2,129,838	139,552	1,990,286	50,391	39.50	3,032,737	0.66
2019	1,271,617	1,271,617	152,309	1,119,308	50,299	22.25	3,159,123	0.35
2020	413,396	413,396	162,401	250,995	48,394	5.19	3,349,544	0.07
2021	-	-	-	-	48,134	-	3,414,377	-
2022	9,351,254	9,351,254	673,299	8,677,955	49,160	176.52	3,596,088	2.41
2023	9,333,588	9,333,588	671,370	8,662,218	49,525	174.91	3,780,500	2.29
2024	8,845,969	8,845,969	772,489	8,073,480	**	**	3,875,570	2.08

** Data not available at time of publication

CITY OF STILLWATER, OKLAHOMA
PLEDGED REVENUE COVERAGE (1)
 LAST TEN FISCAL YEARS
(dollars in thousands)

Oklahoma Water Resources Board Notes and 2005 and 2014 Revenue Bonds							2007 and 2010 Revenue Notes (2)				
Fiscal Year	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Pledged Transportation Sales Tax	Debt Service			
				Principal	Interest	Coverage		Principal	Interest	Coverage	
2015	\$ 78,625	\$ 45,920	\$ 32,705	\$ 1,190	\$ 2,281	9.42	\$ 2,050	\$ 1,805	\$ 123	1.06	
2016	77,026	43,485	33,541	1,214	3,289	7.45	2,051	1,880	69	1.05	
2017	83,843	47,075	36,768	1,759	3,303	7.26	874	960	14	0.90	
2018	85,941	47,599	38,342	3,598	3,458	5.43	-	-	-	-	
2019	83,389	48,522	34,867	3,661	3,549	4.84	-	-	-	-	
2020	80,975	44,822	36,153	3,743	3,564	4.95	-	-	-	-	
2021	97,230	62,172	35,058	4,249	3,572	4.48	-	-	-	-	
2022	95,925	68,252	27,673	4,264	3,528	3.55	-	-	-	-	
2023	105,778	65,070	40,708	5,178	3,376	4.76	-	-	-	-	
2024	104,833	60,811	44,022	4,037	3,447	5.88	-	-	-	-	

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) The revenue note is payable solely from sales tax revenue equal to one half of the one-half cent transportation sales tax collected by the City.

CITY OF STILLWATER, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Public safety	202.5	202.0	203.8	196.5	200.5	193.0	206.0	206.0	203.5	200.0
Recreation and culture (1) (2)	67.3	51.5	60.0	35.0	33.5	32.0	32.0	32.0	33.5	36.5
General government	50.3	55.3	51.3	53.5	54.0	56.0	53.5	50.5	52.0	51.0
Financial administration	17.0	17.0	17.0	15.0	15.0	14.0	13.5	14.5	15.5	14.5
Streets and highways	29.0	42.0	37.0	35.0	34.0	34.0	37.0	40.0	37.0	38.0
Engineering and public works administration	6.0	7.0	6.0	5.0	5.5	6.5	6.5	6.5	7.0	8.0
Health and welfare	20.0	18.0	13.0	13.5	13.5	12.0	12.0	13.0	12.5	12.0
Business-type activities:										
Electric, water, and wastewater operations	158.3	156.8	157.3	145.5	159.5	153.5	137.0	146.5	151.5	149.0
Sanitation operations	29.0	31.0	28.0	27.0	28.0	29.0	28.0	28.0	30.0	29.0
Airport operations	5.8	10.8	11.5	10.5	15.5	17.0	16.0	18.5	19.0	19.0
Total	585.2	591.4	584.9	536.5	559.0	547.0	541.5	555.5	561.5	557.0

Source: City Payroll Division

(1) In March 2018 Henderson Golf assumed management of Lakeside Golf Course.

(2) In April 2018 Stillwater YMCA Center assumed management of the municipal pool.

CITY OF STILLWATER, OKLAHOMA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Recreation and culture										
Athletic fields	23	23	23	23	23	23	23	23	23	23
Tennis courts	7	8	8	8	8	8	8	8	8	8
Neighborhood/community parks	22	22	22	22	22	22	22	22	22	22
Lakeside Golf Course - acreage	160	160	160	160	160	160	160	160	160	160
Streets and highways										
Streets (miles)	216	234	234	234	234	235	236	237	212	212
Traffic signals	65	65	67	67	67	67	67	67	67	67
Business-type activities:										
Electric										
Power plants	1	1	1	1	1	1	1	1	1	1
Substations	8	8	8	8	8	8	8	8	8	8
Miles of 69KV line	21.3	21.3	21.3	24.1	25.7	24.3	24.3	24.3	24.3	23.9
Water										
Water plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	6	13	13	14	12	13	12	12	12	12
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	15	16	16	16	16	16	16	17	17

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Public safety										
Traffic citations	2,574	4,719	5,980	5,511	5,668	5,782	2,339	3,172	2,818	4,284
Parking tickets	11,135	12,243	10,565	13,110	9,531	8,160	4,242	9,714	9,099	8,687
Police calls for service	33,241	39,508	38,496	40,573	38,999	33,232	27,597	62,017	34,924	42,822
Animals handled by Animal Welfare	2,081	1,977	2,161	2,088	2,076	2,062	1,237	1,544	1,635	1,512
Fire calls for service	4,453	4,678	5,362	5,859	4,721	3,588	3,530	4,132	4,100	4,303
Recreation and culture										
Acres mowed (1)	4,829	4,829	16,524	18,103	13,970	16,016	13,821	9,864	9,351	7,334
Program participants (2)	1,990	2,368	2,469	2,048	2,065	1,849	0	87	326	687
Senior Center daily average attendance (2)	63	65	53	56	50	47	31	40	45	50
Multi Arts participants (3)	-	-	-	-	-	-	-	-	-	-
Swimming pool admissions (4)	11,431	10,723	10,751	-	-	-	-	-	-	-
Lakeside Golf Course - rounds of golf (5)	27,651	27,103	26,952	18,824	-	-	-	-	-	-
Volumes in library (6)	101,941	98,312	92,134	87,916	100,035	72,071	83,487	79,274	79,366	80,272
Total circulation of library materials (6)	362,895	373,257	368,164	352,953	374,176	331,493	322,190	345,025	357,006	422,364
Community Center admissions (2)	138,807	123,538	125,715	136,735	183,689	81,510	23,670	62,900	59,165	80,210
General government										
Supported micro-computers by IT	450	450	450	450	475	475	477	482	520	560
Helpdesk/trouble calls by IT	2,050	2,800	2,500	2,800	3,200	3,325	3,300	3,300	3,450	3,770
Ordinances drafted	35	36	26	31	31	15	22	21	26	16
Financial administration										
Computer generated accounts payable checks	2,374	2,414	2,876	2,721	2,249	2,229	2,643	4,360	4,732	5,090
Budget revisions/amendments processed	271	281	404	361	449	527	752	873	744	832
Requisitions reviewed	1,515	1,295	1,390	1,119	1,018	1,979	4,190	4,062	4,265	4,730
Municipal court cases	6,532	8,009	6,957	7,346	8,375	7,703	3,530	4,100	3,785	3,767
Streets and highways										
Feet of striping (7)	54,269	106,305	15,750	30,320	12,364	15,284	21,329	18,658	24,824	34,123
Signs made	250	451	541	1,095	1,115	1,116	1,118	1,492	903	1,105
Crack sealant (blocks) (8)	16,475	9,090	88	76	16	147	6	0	81	9,090
Slurry sealant (blocks)	8	-	-	-	-	-	-	-	-	-
Concrete replacement (cu. yds.)	1,425	516	974	923	1,006	727	700	720	593	514
Health and welfare										
Developments reviewed	66	65	67	74	103	120	120	129	100	101
Permits issued	2,784	2,760	3,040	2,181	2,064	2,728	2,961	2,790	2,688	2,898
Code enforcement inspections (9)	6,061	5,204	811	2,230	3,334	1,040	1,260	1,616	508	2,114
High grass and weed cases (9)	635	699	101	143	279	121	315	254	279	512
Trees and shrubs planted	-	-	501	450	10	8	-	-	550	8

CITY OF STILLWATER, OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (continued)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	20,624	20,476	20,921	21,071	21,324	21,470	21,684	21,941	22,143	22,162
Water connections	17,015	17,077	18,695	18,779	18,783	18,856	18,980	19,230	19,366	19,563
Waterline repairs (10)	300	189	216	225	225	191	278	376	382	311
Water treated (million gallons)	2,400	4,472	2,586	2,209	1,849	1,877	2,402	2,437	2,434	2,724
Sewage treated (million gallons)	1,799	1,776	1,671	1,596	1,746	1,728	1,655	1,851	1,483	1,963
Sanitation operations										
Landfill usage (tons)	19,006	19,076	20,200	21,072	21,041	21,079	22,107	22,147	22,650	22,894
Yard waste hauled (tons)	1,424	1,233	992	1,121	1,185	1,185	838	616	1,102	1,163
Fleet operations										
Vehicles maintained	573	575	580	495	507	522	522	533	568	552
Fleet job orders completed	5,095	3,886	2,256	2,166	2,223	2,199	2,300	2,215	2,117	1,991
Airport operations										
Air traffic operations (avg month)	5,526	5,765	5,899	6,520	6,154	5,096	6,314	6,601	6,448	6,045

- (1) Acres mowed times number of times mowed.
- (2) In March 2020, the Mayor issued a proclamation declaring a state of emergency to combat COVID-19; the proclamation specified that City Hall and City-owned facilities shall close and all programming and/or events be postponed until expiration of the declaration. In May 2020, the Mayor issued an amendment effective June 2020 reopening City Hall, the Stillwater Community Center, the Stillwater Public Library, and City Park facilities; however, the Senior Activity Center, the Swimming Pool at Couch Park, and City programs remained closed. On February 26, 2021, the Mayor issued a proclamation reopening the Senior Activity Center and the Swimming Pool.
- (3) Operation of the Multi Arts programming was assumed by The Friends of the Multi Arts Center, Inc from May 1, 2012 to July 1, 2017; Oklahoma State University was granted operation of Multi Arts on July 1, 2017.
- (4) Stillwater YMCA Center assumed management of the municipal pool in April 2018
- (5) 2018 data is for the period of July 1, 2017 through February 28, 2018; Henderson Golf assumed management of golf course on March 1, 2018.
- (6) In 2020, the Library began doing a physical inventory count of volumes rather than using a calculation that accounts for changes in volumes since 1990.
- (7) 2016 measurement includes contracted longline striping
- (8) Measured in lbs. in 2014-2016.
- (9) Measured based on number of contacts in 2014-2016 & 2018; 2017 & 2019-2024 measured per case.
- (10) Includes water main and service line repairs.

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA
PRINCIPAL EMPLOYERS (1)
 CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>Current Year</u>			<u>Nine Years Ago</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oklahoma State University	5,598	1	21%	4,882	1	20%
Stillwater Medical Center	1,375	2	5%	929	2	4%
Stillwater Public Schools	943	3	4%	811	3	3%
City of Stillwater	582	4	2%	587	4	2%
Wal-Mart (2)	361	5	1%	399	5	2%
Stan Clark Companies	279	6	1%	140		
Oncue Marketing	262	7	1%	165	9	1%
OK State Dept. of Career Tech	207	8	1%	229	6	1%
Stillwater Designs/Kicker Audio	189	9	1%	186	8	1%
ASCO Aerospace USA	177	10	1%	0		
National Standard	62			200	7	1%
Simmons Bank (3)	41			145	10	1%
Others:						
Meridian Technology Center	159			130		
Frontier Electronics	147			101		

(1) Sources: human resource departments of various local employers

(2) Current year excludes Wal-Mart location on 6th street as information was not able to be obtained

(3) In May 2018, BankSNB converted to Simmons Bank

CITY OF STILLWATER, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (in thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Schooling (3)		K-12 School Enrollment (4)	Post-Secondary Enrollment (4)	Unemployment Rate (5)
					Percentage High- School Graduate or Higher	Percentage Bachelor's Degree or Higher			
2015	48,967	\$ 2,912,363	\$ 36,757	23.7	95.2%	48.7%	6,285	28,030	4.2%
2016	49,504	2,854,057	29,093	23.6	95.1%	48.4%	6,137	27,842	4.2%
2017	49,829	2,882,278	29,450	23.8	95.2%	48.4%	6,742	28,119	3.5%
2018	50,391	2,987,591	37,195	25.5	94.4%	47.7%	6,524	27,557	3.9%
2019	50,299	3,067,772	38,276	25.5	93.6%	43.7%	6,512	30,765	2.9%
2020	48,394	3,243,810	40,487	25.6	93.3%	44.7%	6,029	26,252	4.4%
2021	48,134	3,531,531	43,952	25.6	93.1%	45.5%	6,259	26,589	2.6%
2022	49,160	3,684,949	45,416	25.2	95.1%	51.0%	6,486	26,624	3.4%
2023	49,525	3,871,954	47,401	**	**	**	6,278	27,077	3.0%
2024	**	**	**	**	**	**	6,303	27,826	3.0%

** Data not available at time of publication

(1) Population estimates provided by the City of Stillwater Department of Community Development and the U.S. Census Bureau.

(2) Personal Income estimates and Per Capita Personal Income provided by U.S. Department of Commerce.

(3) Median age and educational attainment provided by U.S. Census Bureau. Education attainment refers to those persons 25 years or older.

(4) Enrollment figures are for the Fall Semester immediately following the fiscal year indicated and include pre-k full-time students.
 Post-secondary enrollment includes enrollment at Oklahoma State University-Stillwater, Northern Oklahoma College-Stillwater,
 and full/half-time students at Meridian Technology Center.

(5) Unemployment rate provided by Bureau of Labor Statistics and is for Payne County.



Stillwater Electric Utility

The average residential electric utility customer used approximately 10,534 kilowatts an hour in 2024. Stillwater Electric Utility is installing approximately 4,400 LED streetlight fixtures in an effort to be more energy efficient while also increasing traffic safety with brighter and higher quality lighting.



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CITY OF STILLWATER, OKLAHOMA

**SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES**

Year Ended June 30, 2024



CITY OF STILLWATER, OKLAHOMA

**SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES
Year Ended June 30, 2024**

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**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 Members of the City Council
City of Stillwater, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the “City”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated December 18, 2024. Our report includes a reference to other auditors who audited the financial statements of the Stillwater Medical Center Authority (the “Medical Center”) as described in our report on the City’s financial statements. The financial statements of the Medical Center were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Medical Center or that are reported on separately by those auditors who audited the financial statements of the Medical Center.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 that we consider to be a significant deficiency.

HSPG & ASSOCIATES, PC

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

HSPG & Associate, P.C.

December 18, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Stillwater, Oklahoma's (the City'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 the City's major federal programs for the year ended June 30, 2024. The City'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, the City complied, in all material respects, with the 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, 2024.

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 the City 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 the City'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 the City's federal programs.

HSPG & ASSOCIATES, PC

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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 the City'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 the City'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 the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City'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 the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basis financial statements. We issued our report thereon dated December 18, 2024, which contained unmodified opinions on those financial statements. Our audit report includes a reference to other auditors. Our audit was performed for the purpose of forming opinions on those financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

HSPG & Associates, P.C.

December 18, 2024

CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Grant Number	Assistance Listing Number	Expenditures
<u>U.S. Department of Housing and Urban Development:</u>			
Community Development Block Grants:			
Passed through Oklahoma Department of Commerce:			
COVID-19 Utility & Rent Assistance	CDBG-CV	14.228	\$ 195,556
Community Development Block Grant	18266 CDBG SC 21	14.228	55,805
Total U.S. Department of Housing and Urban Development			251,361
<u>U.S. Department of Justice:</u>			
Internet Crimes Against Children Grant:			
Passed through Oklahoma State Bureau of Investigation:			
Oklahoma Internet Crimes Against Children	FY24 ICAC Grant	16.800	3,714
Total U.S. Department of Justice			3,714
<u>U.S. Department of Transportation</u>			
Airport Improvement Programs:			
Airport Improvement Program - Master Plan Update	3-40-0090-033-2021	20.106	55,136
COVID-19 American Rescue Plan Act	3-40-0090-035-2022	20.106	309,888
Airport Improvement Program - BIL Grant #1	3-40-0090-038-2022	20.106	74,497
Airport Improvement Program - BIL Grant #2	3-40-0090-039-2023	20.106	715,965
Terminal Construction Grant	3-40-0090-040-2023	20.106	715,965
Sub-total			1,871,451
Passed through Oklahoma Highway Safety Office			
State and Community Highway Safety	PT-24-03-42-01	20.600	10,432
Total U.S. Department of Transportation			1,881,883
<u>U.S. Department of Treasury</u>			
Coronavirus State and Local Fiscal Recovery Funds:			
Passed through Oklahoma Water Resources Board			
COVID-19 - ARP-23-0135-G	-	21.027	1,383,080
Passed through State of Oklahoma:			
COVID-19 - American Rescue Plan Act	-	21.027	4,001,604
Total U.S. Department of Treasury			5,384,684
<u>National Endowment for the Humanities:</u>			
Grants to States:			
Passed through Oklahoma Department of Libraries:			
Health Literacy Project	-	45.310	9,000
eMedia	-	45.310	50,000
LTSA Emedia Grant	-	45.310	50,000
OLA Conference Grant	-	45.310	1,725
Total National Endowment for the Humanities			110,725
<u>U.S. Department of Energy</u>			
State Energy Programs:			
Passed through Oklahoma Department of Commerce			
Energy Efficiency Lighting Retrofit Program 2023	19382 Sep 23	81.041	67,564
Total U.S. Department of Energy			67,564
<u>U.S. Department of Homeland Security:</u>			
Public Assistance - Disaster Grant:			
Passed through Oklahoma Department of Emergency Management:			
June 2023 Storms	DR-4721	97.036	45,223
Emergency Management Performance Grants:			
Emergency Management Performance Grant	EMPG-24	97.042	25,000
Emergency Management Performance Grant	EMPG-23	97.042	25,000
Sub-total			50,000
Assistance to Firefighters Grant:			
Fire Assistance Grant	EMW-2021-FG-02169	97.044	85,846
Building Resilient Infrastructure and Communities Grants:			
Hazard Mitigation Assistance - Stormwater Master Plan	EMT-2021-PC-001/PDMC-PL-06-OK-2019-002	97.047	40,727
Ice Storm- October 2021	DR-4575	97.047	81,258
Sub-total			121,985
Total U.S. Department of Homeland Security			303,054
Total expenditures of federal awards			\$ 8,002,985

See accompanying notes to schedule of expenditures of federal awards.

CITY OF STILLWATER, OKLAHOMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Stillwater, Oklahoma (the City) under programs of the federal government for the year ended June 30, 2024. The City's reporting entity is defined in Note 1 to the City's basic financial statements. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or, where applicable, cash flows of the City.

2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 of the City's basic financial statements. The expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3) Subrecipients

The City did not provide federal awards to subrecipients during the year ended June 30, 2024.

CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

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? _____ yes X no

Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor’s report issued on noncompliance
for major federal programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish
Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

**CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Finding

None

Internal Control Finding

Finding 2024-001

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – PRIOR YEAR FINDINGS

There were no findings in the prior year that were required to be reported.

CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Financial Statement Finding

Finding 2024-001 Power Plant Inventory

Criteria: Controls should be in place to ensure inventories of materials and supplies are recorded at a weighted average cost that includes all costs incurred to acquire an item and to ensure items remain in inventory until utilized in production.

Condition: At year-end, the City made top-level adjustments to capitalize the same invoices that were expensed during the year as both inventory and capital assets resulting in an audit entry recorded by the City to correct an overstatement of capital assets and an understatement of expenses of approximately \$950,000. Also, adjustments to inventory costs based on previously recorded invoices did not consider vendor discounts and freight and duties charges incurred to acquire certain items resulting in an audit entry recorded by the City to correct a net overstatement of inventory and an understatement of expenses of approximately \$385,000.

Cause: The City's power plant inventory is not tracked within the accounting system but is adjusted periodically based on calculations performed in an Excel spreadsheet. The City expenses capital purchases throughout the year but makes adjustments at year-end to set up capital assets to be maintained in the system and reduce expenses based on review of invoices recorded throughout the year. The processes to record inventory and capital assets from previously expensed items are performed by separate personnel which creates the risk of overstating assets and reducing expenses by more than actual invoice amounts.

Effect: Certain costs to acquire items could be excluded from inventory and adjustments to record items as expense or capital assets could be made prior to items being utilized in production and removed from inventory.

Recommendation: The City should consider accounting for its power plant inventory through its accounting system or implement additional reviews to ensure that all costs incurred to acquire items are included in inventory and items purchased are reflected only as inventory until the items are utilized in production.

Views of Responsive Officials of Auditee: Based upon Finding 2024-001, the City will transition the power plant inventory from a periodic system tracked outside its accounting system to a perpetual system tracked within its accounting system. The City will also review the inventory and capital asset processes and institute additional controls and training where needed.

CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2024

Financial Statement Findings – Internal Control

Identifying number: 2024-001

Significant Deficiency

Finding: At year-end, the City made top-level adjustments to capitalize the same invoices that were expensed during the year as both inventory and capital assets resulting in an audit entry recorded by the City to correct an overstatement of capital assets and an understatement of expenses of approximately \$950,000. Also, adjustments to inventory costs based on previously recorded invoices did not consider vendor discounts and freight and duties charges incurred to acquire certain items resulting in an audit entry recorded by the City to correct a net overstatement of inventory and an understatement of expenses of approximately \$385,000.

Action taken or planned: Based upon Finding 2024-001, the City will transition the power plant inventory from a periodic system tracked outside its accounting system to a perpetual system tracked within its accounting system. The City will also review the inventory and capital asset processes and institute additional controls and training where needed.

Anticipated completion: June 30, 2025

Responsible parties: Christy Cluck and Jared Thulin

CITY OF STILLWATER, OKLAHOMA

PASSENGER FACILITY CHARGE PROGRAM AUDIT

Year Ended June 30, 2024



CITY OF STILLWATER, OKLAHOMA

PASSENGER FACILITY CHARGE PROGRAM AUDIT

Year Ended June 30, 2024

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The City of Stillwater, Oklahoma financial statements and related notes for the year ended June 30, 2024 were audited by HSPG & Associates, PC and issued under a separate cover.

The 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 was issued by HSPG under a separate cover.

Independent Auditor's Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance; and Report on Schedule of Passenger Facility Charges Collected and Expensed.	1-3
Schedule of Passenger Facility Charges Collected and Expensed.	4
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE PASSENGER
FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGES
COLLECTED AND EXPENSED**

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

Opinion on Compliance for the Passenger Facility Charge Program

We have audited the City of Stillwater, Oklahoma’s (the “City’s”) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the “Guide”) issued by the Federal Aviation Administration (“FAA”) that could have a direct and material effect on the City’s passenger facility charge program for the year ended June 30, 2024.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2024.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 the passenger facility charge program. Our audit does not provide a legal determination of the City’s 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 the City’s passenger facility charge program.

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 to express an opinion on the City’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 GAAS, *Government Auditing Standards*, and the Guide will always detect a material misstatement when it exists. The risk of not detecting material noncompliance 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.

HSPG & ASSOCIATES, PC

5400 N Grand Blvd, Suite 330 • Oklahoma City, Oklahoma 73112 • Phone: 405.844.9995 • Fax: 405.844.9975

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 judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, 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 the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City'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 Guide, but not for the purpose of expressing an opinion on the effectiveness of the City'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 the passenger facility charge 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 a material noncompliance with a type of compliance requirement of the passenger facility charge 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 the passenger facility charge 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 Auditors' 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 described 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 Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charges Collected and Expended

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 18, 2024, which contained unmodified opinions on those financial statements. Our audit report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges collected and expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

HSPG & Associates, P.C.

December 18, 2024

CITY OF STILLWATER, OKLAHOMA
STILLWATER REGIONAL AIRPORT
SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
For the Year Ended June 30, 2024

	Cumulative Program Total June 30, 2023	For the Quarter Ended				For the Year Ended June 30, 2024	Cumulative Program Total June 30, 2024
		September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024		
Revenues:							
Passenger facility charges	\$ 291,479	\$ 34,135	\$ 33,355	\$ 38,566	\$ 30,940	\$ 136,996	\$ 428,475
Interest	1,370	753	753	753	753	3,012	4,382
Total revenues	<u>292,849</u>	<u>34,888</u>	<u>34,108</u>	<u>39,319</u>	<u>31,693</u>	<u>140,008</u>	<u>432,857</u>
Expenses:							
Application # 2020-01-C-00-SWO:							
001 - Reconstruct north portion of apron (design and construction)	-	-	-	73,830	-	73,830	73,830
002 - Acquire aircraft rescue and firefighting vehicle	212,560	-	-	-	-	-	212,560
003 - PFC application preparation expenses	18,537	-	-	-	-	-	18,537
Total expenses	<u>231,097</u>	<u>-</u>	<u>-</u>	<u>73,830</u>	<u>-</u>	<u>73,830</u>	<u>304,927</u>
Net passenger facility charges revenue	<u>\$ 61,752</u>	<u>\$ 34,888</u>	<u>\$ 34,108</u>	<u>\$ (34,511)</u>	<u>\$ 31,693</u>	<u>\$ 66,178</u>	<u>\$ 127,930</u>

CITY OF STILLWATER, OKLAHOMA
NOTES TO THE SCHEDULE OF PASSENGER
FACILITY CHARGES COLLECTED AND EXPENDED
For the Year Ended June 30, 2024

Note 1 – General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the local imposition of passenger facility charges (PFC) and use of PFC revenues on Federal Aviation Administration (FAA) approved projects.

On August 14, 2020, the FAA approved a \$4.50 PFC collection at Stillwater Regional Airport (SWO) beginning on October 1, 2020 and concluding on August 1, 2026 (PFC Application Number: 2020-01-C-00-SWO). The total approved amount of PFC revenue that SWO can collect is \$751,098.

Note 2 – Basis of Accounting

The accompanying schedule of passenger facility charges collected and expended presents the revenues received from PFC and expenses on approved projects on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

CITY OF STILLWATER, OKLAHOMA

**PASSENGER FACILITY CHARGE PROGRAM AUDIT
SUMMARY OF AUDITOR'S RESULTS**

For the Year Ended June 30, 2024

Summary of Auditor's Results

- | | |
|--|------------|
| 1. Type of report issued on schedule of passenger facility charges (PFC) collected and expensed. | Unmodified |
| 2. Type of report on PFC compliance. | Unmodified |

Findings Required to be Reported by the Guide

None.



December 18, 2024

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the “City”) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. Effective July 1, 2023, the City applied the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective January 1, 2023, the City’s discretely presented component unit (Stillwater Medical Center Authority) applied the provisions of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. The implementation of these statements had no impact on the City’s beginning of year net position. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Reported liabilities and related amounts and disclosures for the City’s pension and other post-employment benefits, which are derived from actuary studies and employ numerous estimates.

Estimated provisions for the allowance for doubtful accounts, primarily related to utility receivables and court fines, which are based on applying historical percentages and current economic conditions.

Estimated losses relating to workers compensation claims, which are based on actuarially determined amounts.

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Estimated losses relating to health insurance claims, which are based on a study prepared by the City's third-party administrator calculating the lag time between claims incurred and claims paid.

Estimated fair value of investments which is determined using quoted prices in active markets, benchmark curves, benchmarking of like securities, sector groupings, or matrix pricing.

Estimated useful lives of depreciable capital assets which are determined based on the expected nature and use of each asset.

Discount rate and term of leases and subscription-based information technology arrangements (SBITA) used to measure lease liabilities, lease receivables, and SBITA liabilities which are based on the interest rate implicit in the agreement and the contractual term adjusted for any renewal, termination, or purchase options that are expected to be exercised.

We evaluated the methods, assumptions, and data used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Footnotes IV and V disclose the City's pension and OPEB obligations and the key estimates used in developing the estimated liabilities, assets and related reporting provisions.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements detected as a result of audit procedures were corrected by management:

- An entry to decrease capital assets and increase expenses by approximately \$950,000 for Stillwater Utilities Authority and Business-type Activities related to the purchase of power plant inventory that was recorded as both inventory and capital assets at year-end.
- An entry to decrease inventory and increase expenses by approximately \$394,000 for Stillwater Utilities Authority and Business-type Activities related to vendor discounts of approximately \$467,000 and freight and duties charges of approximately \$73,000 not being included in the calculations of the weighted average cost of inventory.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The City uses Crawford & Associates, P.C. to assist the City with drafting its annual financial statements. To our knowledge, no consultation took place that involved unusual or new applications of accounting principles.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the City's budgetary comparison schedules, pension plan and other post-employment benefit funding schedules, and management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the City's other supplementary information which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

HSPG & Associates, P.C.

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.c. CC-25-02
Previous/Related Action:	• CC-20-129, August 3, 2020: FY20 Pavement Management Program (PMP) • CC-21-67, April 19, 2021: FY21 Pavement Management Program (PMP) • CC-23-54, April 3, 2023: Poe and Associates Consulting Engineers Project Management Support • CC-24-34, April 1, 2024: FY24 Plan • CC-24-143, December 16, 2024: Reasonable extension of 15 additional days to the time period for awarding the contract for Project 25TR05; Bid No. 46-2024.
Background/Issue:	• The FY20 & FY21 Pavement Management Plans (PMP) included improvements to Hall of Fame, Washington to Knoblock; McElroy, Main to Jardot; and Manning, McElroy to Sunrise. • McElroy Road Pavement Repair (20TR07) was bid previously on September 21, 2022. The bid received was more than double the Engineer's Estimate and exceeded available funding. • On April 1, 2024, staff presented a plan to utilize Transportation Sales Tax Funds to complete previous FY20 & FY21 projects including Manning, McElroy, and Hall of Fame (20TR07/21TR06). • Providing support, Poe and Associates has completed plans and documents for Bid and Construction of the McElroy, North Manning, and Hall of Fame Avenue Roadway Improvements Project.
Proposal/Solution:	• Project includes diamond grinding of concrete pavement, selected full depth repair (FDR) sites, crack sealing, and related work. • The project was advertised for bids on November 2, 2024. • Bids were opened on December 11, 2024. The bids received are as follows:

	Total Base Bid		Additive Alternate #1 Bid
	Engineer's Estimate	\$1,809,736.50	\$456,500.00
	Rudy Construction Co.	\$1,887,172.75	\$550,625.00
	Emery Sapp & Sons, Inc.	\$1,899,518.42	\$485,075.00
	J Lee Enterprises	\$1,940,594.60	\$675,026.25
	LOPP CONSTRUCTION LLC	\$1,967,084.34	\$692,409.25
	Diamond Surface, Inc.	\$2,078,840.50	\$507,596.75
	Interstate Improvement, Inc.	\$2,489,637.65	\$492,875.00
	- Both staff and Poe and Associates have reviewed the bid package and recommend the project be awarded to Rudy Construction Co. at a construction bid price of \$1,887,172.75 (Base Bid only). - During a meeting of the Transportation Project Advisory Committee (TPAC) on December 19, 2024, the committee took action to recommend commencement of the project.		
Financial Source/Impact:	Sufficient funds are available in the Transportation Sales Tax Fund.		
Related Strategic Priority:	#4 CONNECTED SPACES		
Recommended Action/Motion:	Staff recommends a motion to: - Award a Unit Price Contract to Rudy Construction for \$1,887,172.75; - Authorize the City Manager to execute the Contract and related documents; - Authorize total construction expenditures of \$2,119,900.00 which includes construction contract, testing and contingency; and - Approve Budget Amendment in the amount of \$1,255,189.00 from the Transportation Sales Tax Fund		
Prepared By:	Bill Millis, Engineering Proj. Mgr.		
Reviewed By:	Candy Staring		
	Brady Moore		

Teresa Kadavy

Submitted By:

Brady Moore, City Manager

Attachments

1. 25TR05 Budget Amendment
2. 25TR05 Budget Revision 1



Budget Amendment Request

For Budget Year 2025

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 12/13/2024

Requested by: Candy Staring

Department: Transportation

Explanation:

Expenditures:

Increase budget appropriations for the award of the 25TR05 McElroy, North Manning, and Hall of Fame Avenue Roadway Improvements (formerly 20TR07 & 21TR06). Funding is from the Transportation Sales Tax Fund.

Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:					
McElroy, Manning, and Hall of Fame	2604035 - 54009	25TR05260	\$ 864,711	\$ 1,255,189	\$ 2,119,900
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
Decrease:					
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0

Net Change: (will usually result in a total increase or decrease)

\$ 1,255,189

Reviewed by Department Manager:

Date:

Reviewed by Finance:

Date:

Approved by CMO:

Date:

Approved by City Council:

☐ Yes

☐ No

Date:

Processed by Finance:

Date:

Set ID:

Date Sent to SA&I:

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**City of Stillwater
Budget Revision #2925**

Date: 1/06/2025

Budget Year: 2025

Requested: casi.jackson

Department: City Engineering

Explanation: Moving available funds that were approved by City Council on August 3, 2020, for 20TR07 and on April 19, 2021, for 21TR06 to the 25TR05 project.

SetID:

Increase:

Account Name	Account Number	Project Number	Current Budget	Amount of Change	New Budget
McElroy, Manning, Hall of Fame	2604035-54009	25TR05260	\$0	\$864,711	\$864,711

Decrease:

Account Name	Account Number	Project Number	Current Budget	Amount of Change	New Budget
Diamond Grind Construction	2604035-54009	20TR07260	\$659,711	\$659,711	\$0
Diamond Grind Construction	2604035-54009	21TR06260	\$205,000	\$205,000	\$0

Approval:

Submitted: 01/06/25 8:32 am - casi.jackson

Department Head: 01/06/25 8:55 am - candy.staring

Finance Approval: 01/06/25 9:47 am - Michelle.Wilhelm

CMO Approval: 01/06/25 9:50 am - brady.moore

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.d. CC-25-03				
Previous/Related Action:	• CC-20-129, August 3, 2020: FY20 Pavement Management Program (PMP) • CC-21-67, April 19, 2021: FY21 Pavement Management Program (PMP) • CC-23-54, April 3, 2023: POE and Associates Consulting Engineers project management support. • CC-24-34, April 1, 2024: FY24 Plan • CC-24-143, December 16, 2024: Reasonable extension of 15 additional days to the time period for awarding the contract.				
Background/Issue:	• The FY20 and FY21 Pavement Management Plans (PMPs) included joint and crack sealing in various locations across the City. • At the April 1, 2024 City Council meeting, Staff presented a plan to utilize available Transportation Sales Tax funds to undertake previous FY20 and FY21 Projects. • Providing support, Poe and Associates completed plans and documents for bid and construction of the Joint and Crack Sealing Project.				
Proposal/Solution:	• The project was advertised for bids on November 2, 2024. • Bids were opened on December 11, 2024. The bids received are as follows:<table><tr><td>Engineer's Estimate</td><td>\$590,000</td></tr><tr><td>Scodeller Construction, Inc.</td><td>\$720,400</td></tr></table> • Both Staff and Poe & Associates have reviewed the bid package and recommend the project be awarded to Scodeller Construction, Inc. • The contract is a work order-based agreement, is configured to allow performance of a maximum amount	Engineer's Estimate	\$590,000	Scodeller Construction, Inc.	\$720,400
Engineer's Estimate	\$590,000				
Scodeller Construction, Inc.	\$720,400				

	of \$750,000 during the contract year, and includes the option of renewing the agreement for an additional year. The construction bid form was used to establish a basis-of-bid for bidding purposes. • During a meeting of the Transportation Project Advisory Committee (TPAC) on December 19, 2024, the committee took action to recommend commencement of the project.
Financial Source/Impact:	• Budget Revisions in the amounts of \$200,000 and \$300,000 from the FY20 and FY21 Crack Sealing projects were previously approved. • An additional \$300,000 is necessary to award the project. Sufficient funds are available in the Transportation Sales Tax fund.
Related Strategic Priority:	#4 CONNECTED SPACES
Recommended Action/Motion:	Staff recommends a motion to: • Award a work order-based contract to Scodeller Construction, Inc. for up to \$750,000 within the first contract year; • Authorize the City Manager to execute the contract and related documents; • Authorize total construction expenditures of \$800,000 which includes construction contract, testing and contingency; • Approve Budget Amendment in the amount of \$300,000 from the Transportation Sales Tax Fund.
Prepared By:	Bill Millis, Engineering Proj. Mgr.
Reviewed By:	Candy Staring Brady Moore Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. Budget Amendment - 25TR07

Budget Amendment Request
 For Budget Year 2025

Date: 01/13/2025

Department: Transportation

Requested by: Candy Staring

Explanation:

Increase budget appropriations for the award of the 25TR07 Joint and Crack Sealing project (formerly 20TR01 and 21TR05).
 Funding is from the Transportation Sales Tax fund.

Increase:

Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Crack Sealing	2604035 - 54009	25TR07260	\$ 500,000	\$ 300,000	\$ 800,000
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0
	-				\$ 0

Decrease:

Net Change: (will usually result in a total increase or decrease)

\$ 300,000

Reviewed by Department Manager: Candy Staring

Date: 1/7/2025

Reviewed by Finance: _____

Date: _____

Approved by CMO: _____

Date: _____

Approved by City Council: _____

Date: _____

Processed by Finance: _____

Date: _____

Set ID: _____

Date Sent to SA&I: _____

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REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.e. CC-25-04									
Previous/Related Action:	• CC-24-17, March 4, 2024: Approve budget revision utilizing unused funds from Project 22AP01105 - Rehab 4/22 taxiway. • CC-24-105, August 5, 2024: Reject all bids for T-Hangar due to inadequate funding.									
Background/Issue:	• Over a period of time, the apron around Airport T-Hangar 2 has deteriorated. In order to prevent damage to client aircraft, SWO staff proposed an overlay for the apron. • The bid previously received for this project was over budget and was rejected due to lack of funding. • The project was re-packaged to remove scope and cost for future re-bidding.									
Proposal/Solution:	• The T-Hangar 2 Overlay project was advertised for bids on November 2, 2024. • Bids were opened on December 11, 2024. The bids received are as follows: <table><tr><td></td><td>Total Base Bid</td><td>Additive Alt Bid #1</td></tr><tr><td>Engineer's Estimate</td><td>\$139,505.00</td><td>\$11,928.00</td></tr><tr><td>Haskell Lemon Group, LLC</td><td>\$189,655.00</td><td>\$13,845.00</td></tr></table> • Staff reviewed the bid package and recommends the project be awarded to Haskell Lemon Group, LLC at a construction bid price of \$189,655.00 (Base Bid only).		Total Base Bid	Additive Alt Bid #1	Engineer's Estimate	\$139,505.00	\$11,928.00	Haskell Lemon Group, LLC	\$189,655.00	\$13,845.00
	Total Base Bid	Additive Alt Bid #1								
Engineer's Estimate	\$139,505.00	\$11,928.00								
Haskell Lemon Group, LLC	\$189,655.00	\$13,845.00								
Financial Source/Impact:	Sufficient funding is available from current project funding.									
Related Strategic Priority:	#4 CONNECTED SPACES #1 EFFECTIVE SERVICES & ACCOUNTABLE GOVERNMENT									
Recommended Action/Motion:	Staff recommends a motion to: • Award a Unit Price Contract to Haskell Lemon Group, LLC for \$189,655.00;									

- Authorize the City Manager to execute the Contract and related documents;
- Authorize total construction expenditures of \$213,621.00 which includes construction contract, testing and contingency.

Prepared By:	Bill Millis, Engineering Proj. Mgr.
Reviewed By:	Candy Staring
	Brady Moore
	Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

None

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.f. CC-25-05
Previous/Related Action:	
Background/Issue:	Chapter 37, Article IV establishes requirements and aligns with the City's goal of ensuring utility companies/providers that are occupying, or desires to occupy, public rights of way (ROW) are in compliance with the City's ROW occupancy management code provision. City Code Section 37-205(c) requires each entity that occupies, or desires to occupy, the public ROW within the City to first register as an occupant and seek the approval of the City Council. It is important to note that if permission is granted for occupancy of the right-of-way, final approval to construct in the right-of-way will be after review of the Occupancy Right-of-Way Construction Permits with required engineered plans pursuant to Section 37-207, whether it be a underground construction and/or pole attachment agreement. Dobson Technologies, LLC dba Dobson Fiber has advised that they currently have 942 linear feet of underground fiber and 7,453 linear feet of aerial attached to 63 poles to which a Pole Attachment Agreement is being prepared with Stillwater Electric Utility. Dobson also seeks approval for additional utility in the ROW.
Proposal/Solution:	Development Services Director recommends approval of Dobson Technologies, LLC dba Dobson Fiber to occupy the public right-of-way.
Financial Source/Impact:	This approval requires fees collected for registration and for occupancy of the right-of-way according to the established fee schedule.
Related Strategic Priority:	#2 MOTIVATED MANAGEMENT #4 CONNECTED SPACES
Recommended Action/Motion:	Motion to approve Development Services Director's recommendation to approve Dobson Technologies, LLC dba Dobson Fiber as a Right-of-Way Occupant.
Prepared By:	David Barth, Director of Community Development
Reviewed By:	David Barth

	Brady Moore
	Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. Dobson OCC Permit App w_Support Documents

OCCUPANCY PERMIT APPLICATION

Per Ch. 37, Section 37-205: Each rights-of-way occupant with more than one hundred (100) linear feet of facilities shall apply for an occupancy permit.

Per Ch. 37, Sec. 37-204(b): Application fee of \$200.00 is to be submitted with application.

Occupancy Permit #: _____ Date Issued: _____



Occupancy Fee

Per Ch. 37, Sec. 37-206(a)

Amount Paid: \$ _____



Inspection Fee and Service Charge

Per Ch. 37, Sec. 37-206(b)

Date Paid: _____

Per Sec. 37-205(a)(1) and (2):

Name of the Owner/Operator of the facility:	Dobson Fiber
Form of Business:	Fiber Optic Provider
Mailing Address:	14101 Wireless Way, Suite 300 Oklahoma City, OK 73134
Company's Main Phone Number:	(918) 932-0012
Primary Contact:	Kevin Robbins
Primary Contact Email Address:	krobbins@dobson.net
Primary Contact's Phone Numbers: Office and Cell	(918) 932-0012 (405) 434-8217

Linear Feet of Facility: 919 Feet

Applicant may present a copy of a "Certificate of Convenience and Necessity" issued pursuant to Oklahoma Administrative Code (OAC), Section 165:55, in lieu of paragraphs (1) through (10) below.

Applicant Sign Off	The following are required for processing and completion of this application. These documents must be original with signatures, where applicable.	City Sign Off
	Evidence of compliance with the provisions of title 63 Oklahoma Statutes, Sections 142.1, <i>et seq.</i> , the "Oklahoma Underground Facilities Damage Prevention Act," as amended	1

RIGHTS-OF-WAY OCCUPANCY PERMIT APPLICATION Per Ch. 37, Section 37-205

	Occupant's Registration Number: _____ as-built maps and all other information required by Section 37-213 . ☐ System Map ☐ As-Built Plans ☐ Initial Plan Submittal	?
	Demonstration of the applicant's technical ability to construct and operate the proposed or existing facilities, including identification of key personnel	
	A demonstration of the applicant's legal qualifications to construct and operate any proposed or existing facilities, including but not limited to a demonstration that the applicant has the necessary authority under Oklahoma law to construct a facility. The applicant shall not be issued an occupancy permit if it files materially misleading information in its application or intentionally withholds information that the applicant lawfully is required to provide	
	A statement prepared by a certified public accountant regarding the applicant's financial ability to complete any construction proposed, and to meet any time frame proposed. (If an applicant is a joint venture or partnership, the same information shall be provided for each participant in the joint venture or partnership.)	
	A statement of the applicant's prior experience in facility ownership and construction, and an identification of each locality in which the applicant or any of its principals have, or have had, a license, franchise or other authorization or any interest therein, including the name, address and phone number of each local authority, and references from each authority	
	If relying on the financial or technical resources of another person/affiliate, proof is required under paragraphs (5) and (7)	
	Existing or proposed agreements entered with any other person relating to any facilities installed, to be owned, operated, managed or leased by the applicant	
	The amount of linear feet of the rights-of-way occupied by facilities owned, operated, managed or leased by the ROW occupant at June 30, 20_____: _____ LF	
	The technical standards that the applicant proposes to follow in constructing the facilities	
DS	An engineering site plan showing: • The proposed locations of the applicant's facilities, including any manholes or overhead poles, • The size, type and proposed depth of any conduit or other enclosures, and • The relationship of the system to all existing poles, utilities, sidewalks, pavement, telecommunication facilities and other improvements within the rights-of-way	✓
DS	Any additional information the City may require, which is reasonably necessary for ROW management	
DS	Proof of Insurance as required per Ch. 37, Section 37-210	cg
DS	REFERENCE: Sec. 37-206(a) and (b): Occupancy Fees AND Inspection Fee and Service Charge Sec. 37-210: Insurance Sec. 37-211: Indemnification Sec. 37-213: Record Maintenance	

RIGHTS-OF-WAY OCCUPANCY PERMIT APPLICATION Per Ch. 37, Section 37-205

I do hereby certify that I/We are in compliance with Article IV, Rights-of-Way Occupancy Management of the Stillwater City Code.

Donald Smock for Dobson Fiber
Signature

9/9/2004
Date

Donald Smock, OSP Permit Coordinator
Print Name and Title

(COMPANY SEAL)

TO BE COMPLETED BY
CITY OF STILLWATER:

Verified as complete by: _____ Date: _____
Signature

Print Name and Title

City Council Hearing Date: _____ (Subject to Change)

702

5

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

DBD APPLICATION OF INTELLEQ COMMUNICATIONS)
CORPORATION FOR A CERTIFICATE OF PUBLIC) CAUSE NO. PUD 200300256
CONVENIENCE AND NECESSITY TO PROVIDE)
LOCAL EXCHANGE AND LONG DISTANCE)
TELECOMMUNICATIONS SERVICES WITHIN) ORDER NO. 478839
THE STATE OF OKLAHOMA)

FINAL ORDER
GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY
TO INTELLEQ COMMUNICATIONS CORPORATION TO PROVIDE
COMPETITIVE LOCAL EXCHANGE AND INTEREXCHANGE LONG DISTANCE
SERVICES IN THE STATE OF OKLAHOMA

HEARINGS: July 10, 2003
Before Maribeth D. Snapp, Administrative Law Judge

APPEARANCES: Ron Comingdear and Mary Kathryn Kunc, Attorneys
Intelleg Communications Corporation
David Dykeman, Acting Deputy General Counsel
Public Utility Division, Oklahoma Corporation Commission

BY THE COMMISSION:

The Corporation Commission (Commission) of the State of Oklahoma being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration and action the Application of Intelleg Communications Corporation ("Applicant" or "Intelleg") for a Certificate of Convenience and Necessity authorizing it to provide competitive local exchange services and interexchange long distance telecommunications services throughout the State of Oklahoma, and approval of its initial long distance tariff for the State of Oklahoma.

PROCEDURAL HISTORY

On May 9, 2003, Intelleg filed an Application with the Commission to obtain a Certificate of Convenience and Necessity to provide competitive local exchange services and interexchange long

distance telecommunications services throughout the State of Oklahoma. The specific service areas for Intelleg's local exchange telecommunications services will be designated from time to time by service area descriptions filed with and approved by the Commission. The service areas designated by the Applicant at this time are all of the local exchange areas presently certificated to SBC Oklahoma's ("SBC") and VALOR Telecommunications, L.L.C. ("VALOR"). Intelleg is requesting statewide authority for its long distance services. On June 11, 2003, Intelleg filed an Amended Application requesting approval of its tariff for resold long distance services.

On June 5, 2003, Prefiled Testimony was filed by J. Lyle Dewey, on behalf of the Applicant. Testimony of Commission Staff Witness, Ms. Lillie R. Simon, was filed on July 24, 2003. Consistent with the Commission's rules, the Applicant published notice in newspapers of general circulation within the State of Oklahoma on June 20, and June 24, 2003 respectively, Applicant filed Proofs of Publications with the Commission.

SUMMARY OF TESTIMONY

Mr. J. Lyle Dewey, Secretary/Treasurer of Intelleg, testified on behalf of the Applicant. Mr. Dewey stated that his Prefiled Testimony was accurate and the pleadings with their attachments filed in this case are true and correct to the best of his knowledge. He further testified that the purpose of the above-entitled Application was to request Commission approval to provide competitive local exchange services throughout the State of Oklahoma, initially in the exchanges served by SBC and VALOR; and resold long distance services on a statewide basis. Mr. Dewey stated that Intelleg was requesting approval of their Oklahoma long distance tariff, and would file the appropriate tariff for their competitive local exchange offerings once interconnection agreements were entered into.

Mr. Dewey further testified that Intelleg's request in the Application is to initially provide local exchange telecommunications services in the exchanges served by SBC and VALOR. He

stated that if in the future the Applicant should ever decide to expand its services into areas served by a rural telephone company, that Intelleg would make a bona fide request to these companies pursuant to the Telecommunications Act of 1996 and all applicable state rules.

Mr. Dewey also testified that Intelleg will comply with all applicable rules and regulations, including the contribution to the Oklahoma Universal Service Fund, and assessment of the Public Utility Assessment Fee, and any other applicable fees. Mr. Dewey further testified that the Company would notify each regional council responsible for administering emergency telephone number service, in whose district any portion of the provider's intended service area lies. Mr. Dewey's testimony was entered as evidence into the cause.

Counsel for the Commission Staff stated that a small correction to the Cause Number in Ms. Lillie R. Simon's Prefiled Testimony needed to be made. The correction was noted, and Ms. Simon's Testimony was entered as evidence into the cause.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds that it has jurisdiction over the above-entitled cause pursuant to Art. IX, Section 18 of the Oklahoma Constitution, 17 O.S. §131 *et seq.*, OAC 165:55 and OAC 165:56.

The Commission further finds that Intelleg has complied with the notice requirements prescribed by 17 O.S. §133. The Commission further finds that Intelleg's Application, and its attachments, and prefiled testimony of Mr. Dewey and Ms. Simon, should be admitted into the record. The Commission finds that based on the evidence presented, Intelleg's officers and management personnel have the requisite experience and managerial skills in the telecommunications business and possess the technical, managerial and financial resources to provide competitive local exchange and resold interexchange long distance telecommunications

services in the State of Oklahoma. Further, the Commission finds that no objections to Intelleg's Application have been filed with the Commission.

The Commission further finds the granting of this application to be in the public interest. Therefore, the Commission finds that Intelleg's Application should be granted, that Intelleg should be granted a Certificate of Convenience and Necessity to provide competitive local exchange and resold interexchange long distance telecommunications services throughout the State of Oklahoma, with the company's local exchange services being initially limited to the exchanges served by SBC and VALOR.

The Commission further finds the Intelleg's intrastate long distance service tariff should be approved.

ORDER

IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that Intelleg's Application requesting a Certificate of Convenience and Necessity to provide competitive local exchange and resold interexchange long distance telecommunications services throughout the State of Oklahoma, with the company's local exchange services being initially limited to the exchanges served by SBC and VALOR is hereby approved.

IT IS FURTHER THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that the Applicant is granted a waiver of OAC 165:55-3-1(f), and if at any time in the future Intelleg makes the decision to collect deposits, the Applicant will comply with the Commission's rules.

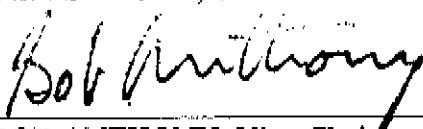
IT IS FURTHER THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that the request for approval of Intelleg's intrastate long distance tariff is hereby

approved. The Applicant shall provide two copies of its tariff bearing this Cause, Order No. and effective date to the Director of the Public Utility Division.

IT IS FURTHER THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF Oklahoma that all of the findings of the Commission are hereby adopted.

CORPORATION COMMISSION OF OKLAHOMA

DENISE BODE, Chairman



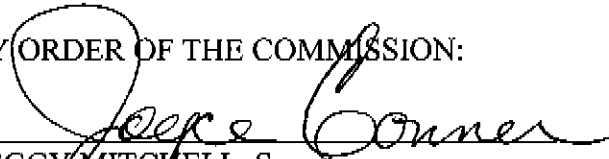
BOB ANTHONY, Vice-Chairman



JEFF CLOUD, Commissioner

DONE AND PERFORMED This August day of ~~July~~, 2003.

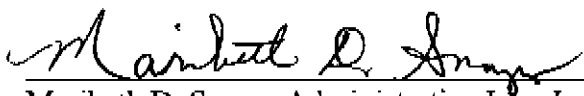
BY ORDER OF THE COMMISSION:



~~PEGGY MITCHELL, Secretary~~
JOYCE CONNER, Acting Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings, Conclusions and Order are the Report and Recommendations of the Administrative Law Judge.



Maribeth D. Snapp, Administrative Law Judge

7-28-03

Date

NOTICE AND FILING OF NAME CHANGE)
BY INTELLEQ COMMUNICATIONS, LLC)
FOR A NAME CHANGE TO DOBSON)
TECHNOLOGIES TRANSPORT AND) CAUSE NO. PUD 201300045
TELECOM SOLUTIONS LLC)

NOTICE OF NAME CHANGE

Notice is hereby given pursuant to Oklahoma Administrative Code ("OAC") 165:55-5-10.4 that Intelleq Communications, LLC, has changed its name from Intelleq Communications, LLC, to Dobson Technologies Transport and Telecom Solutions, LLC (" the Company").

This is a change in name in accordance with Amended Articles of Organization filed with the Oklahoma Secretary of State and is not the result of a change in control or merger/acquisition activity. This change does not affect the rates, terms or conditions of service currently provided to the Company's Oklahoma Customers and accordingly no changes have been made to its tariff. The Company's new Corporate Name will be Dobson Technologies Transport and Telecom Solutions LLC, and the name change to the tariff will be implemented with each tariff revision going forward.

The Company submits as "Attachment A" the Amended Certificate of Incorporation filed with the Oklahoma Secretary of State.

Notice is further given that upon the submission of the Notice of Name Change to the Director of the Public Utility Division, Dobson Technologies Transport and Telecom Solutions, LLC, will be the new company name.

WHEREFORE, The Company respectfully requests that this filing become effective without Commission order and permit the tariff be effective as of the originally filed effective date.

Respectfully Submitted,

DOBSON TECHNOLOGIES TRANSPORT AND
TELECOM SOLUTIONS, LLC

By: 

KENDALL PARRISH, OBA #15039
RON COMINGDEER, OBA #1835
RON COMINGDEER & ASSOCIATES, PC
6011 N. Robinson
Oklahoma City, OK 73118
(405) 848-5534
hunter@comingdeerlaw.com
kparrish@comingdeerlaw.com

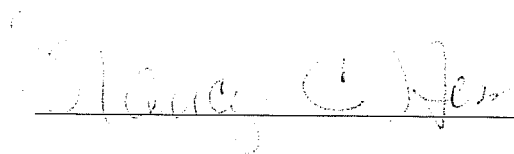
CERTIFICATE OF MAILING

On this 17th day of April, 2013, a true and correct copy of the foregoing was mailed, e-mailed or hand-delivered to:

Brandy Wreath, Director,
Public Utility Division
Oklahoma Corporation Commission
2101 N. Lincoln Blvd.
Oklahoma City, OK 73105
B.Wreath@occcemail.com

William L. Humes
Nicole King
Jerry Sanger
Office of the Attorney General
313 N.E. 21st Street
Oklahoma City, Oklahoma 73105
Bill.Humes@oag.ok.gov
nicole.king@oag.ok.gov
jerry.sanger@oag.ok.gov

Elizabeth Cates
Mary Candler
Office of General Counsel
Oklahoma Corporation Commission
2101 North Lincoln Boulevard
Oklahoma City, OK 73152
e.cates@occcemail.com
m.candler@occcemail.com



OFFICE OF THE SECRETARY OF STATE



**AMENDED CERTIFICATE
OF
LIMITED LIABILITY COMPANY**

WHEREAS, the Amended Articles of Organization of

**DOBSON TECHNOLOGIES - TRANSPORT AND TELECOM
SOLUTIONS, LLC**

an Oklahoma limited liability company has been filed in the office of the Secretary of State as provided by the laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



*Filed in the city of Oklahoma City this
13th day of March, 2013.*

Kary V. Pearson

Secretary of State

AMENDED ARTICLES OF ORGANIZATION
OF INTELLEQ COMMUNICATIONS, LLC

I hereby execute the following articles for the purpose of amending the articles of organization of an Oklahoma limited liability company pursuant to the provisions of Title 18, Section 2011:

1. A) The name of the limited liability company is:

INTELLEQ COMMUNICATIONS, LLC

- B) AS AMENDED: The name of the limited liability company:

DOBSON TECHNOLOGIES - TRANSPORT AND TELECOM SOLUTIONS, LLC

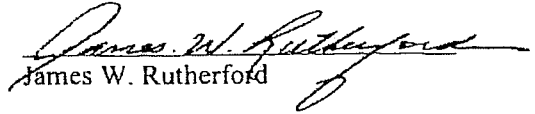
2. The date of filing the original Articles of Organization: December 28, 2007

3. The E-Mail address of the primary contact for the registered business:

trent.leforce@dobsontechnologies.com

IN WITNESS WHEREOF, these Amended Articles of Organization have been executed on the 13th day of March, 2013.

MANAGER


James W. Rutherford

03/13/2013 01:30 PM

OKLAHOMA SECRETARY OF STATE



SOS



21352540004

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

NOTICE AND FILING OF LICENSE TO USE THE
NAME “DOBSON FIBER” BY DOBSON TELEPHONE
COMPANY, INC.; MCLOUD TELEPHONE
COMPANY, INC.; DOBSON TECHNOLOGIES –
TRANSPORT AND TELECOM SOLUTIONS, LLC;
LAVACA TELEPHONE COMPANY, INC. D/B/A
PINNACLE TELECOM; PINNACLE TELECOM, LLC;
& VANTAGE TELECOM, LLC

CASE NO. PUD 2022-000054

ORDER NO. 730055

FINAL ORDER

The Corporation Commission (“Commission”) of the State of Oklahoma being regularly in session and the undersigned Commissioners present and participating, there comes on for consideration and action the Notice and Filing of License to Use the Name “Dobson Fiber,” filed by Dobson Telephone Company, Inc.; Dobson Telephone Company, Inc. d/b/a McCloud Telephone Company; Dobson Technologies – Transport and Telecom Solutions, LLC; Lavaca Telephone Company, Inc. d/b/a Pinnacle Communications; Pinnacle Telecom, LLC d/b/a Pinnacle Long Distance; and Vantage Telecom, LLC d/b/a Newroads Telecom d/b/a Pinnacle Telecom (collectively, the “Parties”), to request the Commission approve the usage of the name “Dobson Fiber” for all of their business operations in the State of Oklahoma.

I. PROCEDURAL HISTORY

On June 14, 2022, the Parties filed a Notice and Filing of License to Use the Name “Dobson Fiber” (“Notice”).

On August 30, 2022, the Parties filed a First Amended Notice and Filing of License to Use the Name “Dobson Fiber” (“Amended Notice”). The purpose of the Amended Notice was to remove Pinnacle Telecom, LLC from the Notice and amend tariff pages.

No party intervened in this Case, and no objections to the approval of the requested relief was filed.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission makes the following findings of fact and conclusions of law:

1. The Commission has jurisdiction over the issues presented in this Case pursuant to Article IX, Section 18, of the Oklahoma Constitution, 17 O.S. §§ 131 *et seq.*, and OAC 165:55. The Parties are each subject to the authority and jurisdiction of the Commission because each individual company was granted authority to provide telecommunications services by this Commission.

2. Dobson Technologies, Inc., which is affiliated with each of the Parties, owns the tradename “Dobson Fiber” and has licensed the use of this name to the Parties to provide service under a

unified name for all their business operations. The Parties are authorized to use the name "Dobson Fiber" in the State of Oklahoma.

3. The Parties stated that licensing the name "Dobson Fiber" for use by Dobson's affiliates will have no customer impact as there will be no effect on the rates or services offered to customers. Use of the name "Dobson Fiber" will benefit customers as it will provide clarity and consistency to customer bills and communications.

4. Attached to the Notice as Exhibit B is an Affidavit signed by Trent LeForce, Chief Financial Officer for Dobson Technologies, Inc., certifying that the revised tariffs contain the same rates, terms, and conditions as previously approved by the Commission. The only changes made to the tariffs are to revise the Title Pages to reflect the licensed name change and to update the Check Sheets.

5. Notice of the filing was sent to the Director of the Public Utility Division ("PUD"); therefore, notice is proper.

6. The Commission's PUD reviewed the Notice and Amended Notice with the attached exhibits and the amended tariff pages for each company. PUD reviewed the amended tariff pages and confirmed that each amend the company name where appropriate.

7. Notice to each Party's customers has been achieved via customer bills regarding the use of the licensed name "Dobson Fiber," while complying with all truth-in-billing requirements.

8. The amended tariff pages for each company should be approved.

9. Each Party shall clearly display on each customer's bill or invoice the legal name of the company providing service and the licensed name of "Dobson Fiber."

III. ORDER

THE COMMISSION ORDERS that Dobson Telephone Company, Inc.; Dobson Telephone Company, Inc. d/b/a McLoud Telephone Company; Dobson Technologies – Transport and Telecom Solutions, LLC; Lavaca Telephone Company, Inc. d/b/a Pinnacle Communications; and Vantage Telecom, LLC d/b/a Newroads Telecom submit conformed copies of their respective tariffs to the Director of the Public Utility Division, within thirty (30) days following the issuance of this Order, bearing this Case and Order number and effective date.

CORPORATION COMMISSION OF OKLAHOMA


DANA L. MURPHY, CHAIRMAN


BOB ANTHONY, VICE CHAIRMAN


J. TODD HIATT, COMMISSIONER

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this Order, as shown by their signatures above, this 22nd day of November, 2022.

BY ORDER OF THE COMMISSION:




Amy L. Cummings, Commission Secretary



**STATEMENT/AFFIDAVIT OF EXISTING OCCUPANCY OF DOBSON TECHNOLOGIES, INC. d/b/a
DOBSON FIBER**

STATE OF OKLAHOMA)
)SS
COUNTY OF OKLAHOMA)

TO THE CITY OF STILLWATER, OKLAHOMA:

The undersigned, being of lawful age and upon his oath, does affirm and state as follows:

1. I am the Director of OSPE, Utility Agreements for Dobson Technologies, Inc. d/b/a Dobson Fiber ("Dobson Fiber"), and have the requisite information and knowledge in order to submit this Statement.

2. As of the date of this Statement, Dobson Fiber has 942 linear feet of underground utility within the public right of way of the City limits of Stillwater, Oklahoma.

3. As of the date of this Statement, Dobson Fiber has 7,453 linear feet of aerial utility within the public right of way of the City limits of Stillwater, Oklahoma, and is attached to 62 utility poles owned by the City of Stillwater in the City limits of Stillwater, Oklahoma.

4. The billing address for Dobson Fiber for purposes of the annual billing statement from the City of Stillwater is:

Dobson Technologies, Inc. d/b/a Dobson Fiber

Attn: Kevin Robbins, Director of OSPE, Utility Agreements

14101 Wireless Way, Suite 300

Oklahoma City, Oklahoma 73134

5. The contact personnel of Dobson Fiber for matters associated with the above statements are Kevin Robbins, email address krobbs@dobson.net, and Donald Smock, email address dsmock@dobson.net.

FURTHER AFFIANT SAIETH NOT.

14101 Wireless Way, Suite 300 | Oklahoma City, OK 73134 | 855.5.DOBSON |
DOBSON.NET



Dobson Technologies, Inc. d/b/a Dobson Fiber

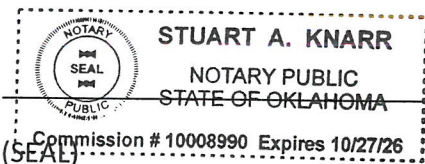
By: 

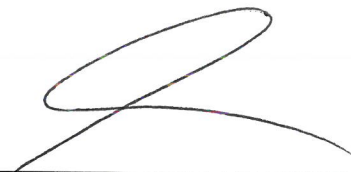
Name/Title: Kevin Robbins, Director of OSPE, Utility Agreements

CERTIFICATION

Subscribed and sworn to before me this 2nd day of December, 2024, by Kevin Robbins, as Director of OSPE, Utility Agreements of Dobson Technologies, Inc. d/b/a Dobson Fiber, for the uses and purposes therein set forth.

My Commission Expires:




NOTARY PUBLIC

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.g. CC-25-06
Previous/Related Action:	
Background/Issue:	Chapter 37, Article IV establishes requirements and aligns with the City's goal of ensuring utility companies/providers that are occupying, or desires to occupy, public rights of way (ROW) are in compliance with the City's ROW occupancy management code provision. City Code Section 37-205(c) requires each entity that occupies, or desires to occupy, the public ROW within the City to first register as an occupant and seek the approval of the City Council. It is important to note that if permission is granted for occupancy of the right-of-way, final approval to construct in the right-of-way will be after review of the Occupancy Right-of-Way Construction Permits with required engineered plans pursuant to Section 37-207, whether it be a underground construction and/or pole attachment agreement. Vero Fiber Networks has completed an Occupancy Permit Application seeking Council authorization to occupy the public right-of-way and have stated they have no existing network within Stillwater's right-of-way.
Proposal/Solution:	Development Services Director recommends approval Vero Fiber Networks to occupy the public right-of-way.
Financial Source/Impact:	This approval requires fees collected for registration and for occupancy of the right-of-way according to the established fee schedule.
Related Strategic Priority:	#2 MOTIVATED MANAGEMENT #4 CONNECTED SPACES
Recommended Action/Motion:	Motion to approve Development Services Director's recommendation to approve Vero Fiber Networks as a Right-of-Way Occupant.
Prepared By:	David Barth, Director of Community Development
Reviewed By:	David Barth Brady Moore Teresa Kadavy

Submitted By:	Brady Moore, City Manager
----------------------	---------------------------

Attachments

1. Occupancy ROW Permit Application w_Support Documents

**Community Development Department**

723 S. Lewis Street/P.O. Box 1449

Stillwater, OK 74076-1449

Office: 405.742.8220

Web: stillwaterok.gov

OCCUPANCY PERMIT APPLICATION

Per Ch. 37, Section 37-205: Each rights-of-way occupant with more than one hundred (100) linear feet of facilities shall apply for an occupancy permit.

Per Ch. 37, Sec. 37-204(b): Application fee of \$200.00 is to be submitted with application.

Occupancy Permit #: _____ Date Issued: _____

☐
Occupancy Fee

Per Ch. 37, Sec. 37-206(a)

Amount Paid: \$ _____

☐
Inspection Fee and Service Charge

Per Ch. 37, Sec. 37-206(b)

Date Paid: _____

Per Sec. 37-205(a)(1) and (2):

Name of the Owner/Operator of the facility:	Vero Fiber Networks
Form of Business:	LLC
Mailing Address:	PO Box 1110, Boulder CO 80306
Company's Main Phone Number:	315-730-6209
Primary Contact:	Diane Lipa
Primary Contact Email Address:	dlipa@veronetworks.com
Primary Contact's Phone Numbers: Office and Cell	630-926-9676

Linear Feet of Facility: 75,574

Applicant may present a copy of a "Certificate of Convenience and Necessity" issued pursuant to Oklahoma Administrative Code (OAC), Section 165:55, in lieu of paragraphs (1) through (10) below.

Applicant Sign Off	The following are required for processing and completion of this application. These documents must be original with signatures, where applicable.	City Sign Off
	Evidence of compliance with the provisions of title 63 Oklahoma Statutes, Sections 142.1, <i>et seq.</i> , the "Oklahoma Underground Facilities Damage Prevention Act," as amended	

RIGHTS-OF-WAY OCCUPANCY PERMIT APPLICATION Per Ch. 37, Section 37-205

	Occupant's Registration Number: _____ as-built maps and all other information required by Section 37-213 . ☐ System Map ☐ As-Built Plans ☐ Initial Plan Submittal	
	Demonstration of the applicant's technical ability to construct and operate the proposed or existing facilities, including identification of key personnel	
	A demonstration of the applicant's legal qualifications to construct and operate any proposed or existing facilities, including but not limited to a demonstration that the applicant has the necessary authority under Oklahoma law to construct a facility. The applicant shall not be issued an occupancy permit if it files materially misleading information in its application or intentionally withholds information that the applicant lawfully is required to provide	
	A statement prepared by a certified public accountant regarding the applicant's financial ability to complete any construction proposed, and to meet any time frame proposed. (If an applicant is a joint venture or partnership, the same information shall be provided for each participant in the joint venture or partnership.)	
	A statement of the applicant's prior experience in facility ownership and construction, and an identification of each locality in which the applicant or any of its principals have, or have had, a license, franchise or other authorization or any interest therein, including the name, address and phone number of each local authority, and references from each authority	
	If relying on the financial or technical resources of another person/affiliate, proof is required under paragraphs (5) and (7)	
	Existing or proposed agreements entered with any other person relating to any facilities installed, to be owned, operated, managed or leased by the applicant	
	The amount of linear feet of the rights-of-way occupied by facilities owned, operated, managed or leased by the ROW occupant at June 30, 20_____: _____ LF	
	The technical standards that the applicant proposes to follow in constructing the facilities	
	An engineering site plan showing: • The proposed locations of the applicant's facilities, including any manholes or overhead poles, • The size, type and proposed depth of any conduit or other enclosures, and • The relationship of the system to all existing poles, utilities, sidewalks, pavement, telecommunication facilities and other improvements within the rights-of-way	
	Any additional information the City may require, which is reasonably necessary for ROW management	
	Proof of Insurance as required per Ch. 37, Section 37-210	
	REFERENCE: Sec. 37-206(a) and (b): Occupancy Fees AND Inspection Fee and Service Charge Sec. 37-210: Insurance Sec. 37-211: Indemnification Sec. 37-213: Record Maintenance	

RIGHTS-OF-WAY OCCUPANCY PERMIT APPLICATION Per Ch. 37, Section 37-205

I do hereby certify that I/We are in compliance with Article IV, Rights-of-Way Occupancy Management of the Stillwater City Code.

David Hill
Signature

September 06 2024
Date

David Hill, VP of Operations
Print Name and Title

(COMPANY SEAL)

TO BE COMPLETED BY
CITY OF STILLWATER:

Verified as complete by: _____ Date: _____
Signature

Print Name and Title

City Council Hearing Date: _____ (Subject to Change)

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF	)	
VERO FIBER NETWORKS, LLC FOR A	)	CAUSE NO. PUD 202200006
CERTIFICATE OF CONVENIENCE AND	)	(ECF CASE NO. PUD 2022-000006)
NECESSITY TO PROVIDE RESOLD AND	)	
FACILITIES BASED LOCAL EXCHANGE,	)	ORDER NO. <u>725348</u>
INTRASTATE INTEREXCHANGE, ACCESS AND	)	
DATA TELECOMMUNICATIONS SERVICES	)	
WITHIN THE STATE OF OKLAHOMA	)	

**FINAL ORDER GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY
AND APPROVAL OF INITIAL TARIFF**

The Corporation Commission ("Commission") of the State of Oklahoma being regularly in session and the undersigned Commissioners present and participating, there comes on for consideration and action the Application of Vero Fiber Networks, LLC ("Vero"), seeking a Certificate of Convenience and Necessity ("CCN") authorizing it to provide competitive local exchange, intrastate interexchange, access and data telecommunications services on a resold and facilities-based basis throughout the State of Oklahoma, in accordance with Oklahoma Administrative Code ("OAC") 165:55 and 165:56. With respect to the authority sought pursuant to OAC 165:55, Vero seeks statewide authority with an initial local exchange service territory limited to the exchanges of Southwestern Bell Telephone Company d/b/a AT&T Oklahoma, Valor Telecommunications of Texas, LLC d/b/a Windstream Communications of the Southwest, Oklahoma Windstream, LLC and Windstream Oklahoma, LLC. With respect to the authority sought pursuant to OAC 165:56, Vero seeks statewide authority and a statewide service territory.

I. PROCEDURAL HISTORY

On January 28, 2022, Vero filed an Application with the Commission seeking the issuance of a CCN authorizing it to provide competitive local exchange, intrastate interexchange, access and data telecommunications services on a resold and facilities-based basis, throughout the State of Oklahoma, with an initial service territory limited to the exchanges of Southwestern Bell Telephone Company d/b/a AT&T Oklahoma, Valor Telecommunications of Texas, LLC d/b/a Windstream Communications of the Southwest, Oklahoma Windstream, LLC and Windstream Oklahoma, LLC, and approval of its initial tariff.

On March 2, 2022, Vero filed a Motion for Protective Order, with a Notice of Hearing, which was set and heard on March 10, 2022.

On March 15, 2022, the Commission issued Order No. 724194, an Order Granting Motion for Protective Order.

On March 30, 2022, a Proof of Publication document was filed showing publication in the *Altus Times*, *Ardmore Ardmoreite*, *Durant Daily Democrat*, *Guymon Herald*, *Idabel-McCurtain Gazette*, *The Oklahoman*, and *Tulsa World* newspapers.¹

On March 31, 2022, Vero filed a Certificate of Service of Notice certifying that notice of the application was sent via U.S. mail to political subdivisions, including county clerks, public schools, and municipalities, in accordance with 17 O.S. §§ 131(B) and 132.

On April 7, 2022, Vero filed an Amended Application clarifying the requested authority area and initial territory, and to revise its proposed initial tariffs to be consistent with the clarifying information.

No objections to the Application were filed. The Public Utility Division (“PUD”) reviewed the Application and Amended Application and determined that Vero met the qualifications to provide the requested services as set forth in Commission rules. PUD recommends the Commission issue an order granting a CCN authorizing Vero to provide competitive local exchange, intrastate interexchange, access and data telecommunications services on a resold and facilities-based basis, throughout the State of Oklahoma. With respect to the authority sought pursuant to OAC 165:55, Vero’s initial service territory should be limited to the exchanges of Southwestern Bell Telephone Company d/b/a AT&T Oklahoma, Valor Telecommunications of Texas, LLC d/b/a Windstream Communications of the Southwest, Oklahoma Windstream, LLC and Windstream Oklahoma, LLC, as requested in Vero’s Application and Amended Application. Further, with respect to the authority sought pursuant to OAC 165:56, Vero should be granted a statewide authority and a statewide service territory.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission makes the following finding of facts and conclusions of law.

1. The Commission has jurisdiction over the subject matter and persons. Notice was given as required by law and the rules of the Commission. Authority to grant the Application arises under OKLA. CONST. art. IX, § 18, and 17 O.S. §§ 131 *et seq.*
2. Vero seeks to provide competitive local exchange, intrastate interexchange, access and data telecommunications services on a resold and facilities-based basis. With respect to the authority sought pursuant to OAC 165:55, Vero seeks statewide authority with an initial local exchange service territory limited to the exchanges of Southwestern Bell Telephone Company d/b/a AT&T Oklahoma, Valor Telecommunications of Texas, LLC d/b/a Windstream Communications of the Southwest, Oklahoma Windstream, LLC and Windstream Oklahoma, LLC. With respect to the authority sought pursuant to OAC 165:56, Vero seeks statewide authority and a statewide service territory.
3. Vero provided the Commission with all the information and documents required by the Commission.

¹ See Cause No. PUD 201000012 Order No. 574330.

4. Vero demonstrated that it possesses sufficient technical, managerial and financial ability to provide the requested telecommunications services and complied with the requirements of OAC 165:55 and OAC 165:56.
5. Vero published notice of the Application once a week for two (2) consecutive weeks in those newspapers of general circulation reasonably calculated to inform telephone service providers and interested persons throughout the State of Oklahoma of Applicant's request for statewide authority and, therefore, has satisfied the requirements of 17 O.S. § 132.
6. Vero's notice to the political subdivisions has satisfied the requirements of 17 O.S. §§ 131(B) and 132.
7. No objection to the Application has been filed.
8. Vero has satisfied all requirements prescribed by Commission rules relating to the issuance of a CCN under OAC 165:55 and 165:56.
9. Any future changes to Vero's service territory will comply with OAC 165:55-17-3.
10. Vero's proposed initial tariff is fair, reasonable, in the public interest, and should be approved.

III. ORDER

THE COMMISSION THEREFORE ORDERS consistent with the above findings of fact and conclusions of law, that the Application of Vero Fiber Networks, LLC for a Certificate of Convenience and Necessity, authorizing Vero Fiber Networks, LLC to provide competitive local exchange, intrastate interexchange, access and data telecommunications services on a resold and facilities-based basis throughout the State of Oklahoma is approved, and a Certificate of Convenience and Necessity is hereby granted.

THE COMMISSION FURTHER ORDERS that the initial service territory will be limited to the exchanges of Southwestern Bell Telephone Company d/b/a AT&T Oklahoma, Valor Telecommunications of Texas, LLC d/b/a Windstream Communications of the Southwest, Oklahoma Windstream, LLC and Windstream Oklahoma, LLC, for authority granted pursuant to OAC 165:55, and that the initial service territory will be statewide for authority granted pursuant to OAC 165:56.

THE COMMISSION FURTHER ORDERS that the initial tariff of Vero Fiber Networks, LLC is approved.

THE COMMISSION FURTHER ORDERS Vero Fiber Networks, LLC shall submit conformed tariff sheets to the Director of the Public Utility Division, bearing this cause, order number and effective date, within thirty (30) days of this Order.

OKLAHOMA CORPORATION COMMISSION


DANA L. MURPHY, Chairman


BOB ANTHONY, Vice-Chairman

J. TODD HIETT, Commissioner

DONE AND PERFORMED by the Commissioners participating in the making of the above and foregoing Final Order, as shown by their signatures above, this 5th day of May, 2022.

[S E A L]




AMY L. CUMMINGS, Commission Secretary

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.h. CC-25-07
Previous/Related Action:	None
Background/Issue:	Grubbs Properties, LLC, owns property addressed as 28 Elmwood Circle and is requesting a minor subdivision of the property. The existing utility easement along the north boundary of the property does not provide adequate access for the City to maintain the existing sewer line along the north side of the property.
Proposal/Solution:	Grubbs Properties, LLC has agreed to provide an additional 10-foot utility easement to provide the area necessary for maintenance of the sewer line. The proposed easement area consists of 850 square feet (0.0195 acres). Acceptance of easements is routine and there are no practical alternatives.
Financial Source/Impact:	There is no additional financial impact from the acceptance of this easement.
Related Strategic Priority:	#4 CONNECTED SPACES
Recommended Action/Motion:	Motion to accept the utility easement and authorize the Mayor to execute the easement document.
Prepared By:	Diana Hood, Associate Planner
Reviewed By:	David Barth Brady Moore Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. SUB24-08 - Utility Easement proposed

GENERAL UTILITY EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Grubbs Properties, LLC, an Oklahoma limited liability company, certifies that they own and possess all rights, title, and interest to the following described real property situated in Payne County, State of Oklahoma, to-wit:

A 10 foot wide utility easement being the South Ten (10) feet of the North Fifteen (15) feet of the West Half of Lot Eighteen (18) and the South Ten (10) feet of the North Fifteen (15) feet of Lot Nineteen (19), Block Three (3), ELMWOOD ADDITION to the City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

and further that the undersigned, in consideration of the sum of One Dollar (\$1.00), in hand paid and other good and valuable consideration, for them, their heirs, successors, executors, administrators, and assigns do hereby grant, bargain, sell, and convey unto the City of Stillwater, Oklahoma, a Municipal Corporation, its successors and assigns, an easement for the installation, operation and maintenance of utilities through, over, under, and across the portions of the above-described property for the purpose of utilities, together with the right of ingress and egress to and from same, for the purpose heretofore stated.

A 10 foot wide utility easement being the South Ten (10) feet of the North Fifteen (15) feet of the West Half of Lot Eighteen (18) and the South Ten (10) feet of the North Fifteen (15) feet of Lot Nineteen (19), Block Three (3), ELMWOOD ADDITION to the City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

The easement contains 850 square feet or 0.0195 acres more or less and is subject to all recorded easements and rights of way thereof.

Except as herein granted, the grantors shall continue to have the full use and enjoyment of the properties herein granted or described for appropriate purposes. At no time shall the grantors commit a use, occupation or enjoyment thereof that might cause a hazardous condition and no building, structure or obstruction shall be located or constructed on said easement by the grantors, their successors or assigns, nor shall the grantors allow said easement to be encumbered in any way so that the City of Stillwater shall not be afforded access to said utilities at any and all times.

Grubbs Properties, LLC


Mark Grubbs, Manager

STATE OF OKLAHOMA)
) ss.
COUNTY OF CANADIAN)

Before me, a Notary Public in and for said County and State on this 30th day of November 2021, personally appeared, Mark Grubbs as Manager of Grubbs Properties, LLC, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such limited liability company, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Kacie D. Pate-Garcia
NOTARY PUBLIC

My Commission Expires: 01/28/2027
My Commission Number: 15000877



(SEAL)

STATE OF OKLAHOMA)
) ss.
COUNTY OF PAYNE)

NOW, on this _____ day of _____, 2021, the City Council of the City of Stillwater, State of Oklahoma, a municipal corporation, acting for and in behalf of said municipal corporation, during regular session, does hereby approve and accept from the named Grantor this delivered general utility easement and directs the Mayor and Clerk of said City of Stillwater to indicate the same by their signatures and seal of the City of Stillwater, State of Oklahoma.

WILLIAM H. JOYCE, MAYOR
CITY OF STILLWATER, OKLAHOMA

(SEAL)

ATTEST:

TERESA KADAVY, CITY CLERK
CITY OF STILLWATER, OKLAHOMA

Approved as to form and legality this _____ day of _____, 20██.

KIMBERLY CARNLEY, CITY ATTORNEY
CITY OF STILLWATER, OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.i. CC-25-08
Previous/Related Action:	
Background/Issue:	Staff is seeking sponsorship funding to replace the playground equipment heavily used by the community at Myers Park. The playground is currently shutdown due to safety concerns. A recent survey was completed, and the public is requesting the City locate funding to replace the playground equipment and re-open the park. This park is located in an older neighborhood surrounded by single family housing units so many children and grandchildren rely on this park for their outdoor activities. It is anticipated that \$17,500 will only partially fund the playground equipment replacement project. Replacing this playground is estimated to cost between \$60,000-\$80,000 which will include equipment for both toddlers and older children as well as safety surfacing.
Proposal/Solution:	Staff has requested and GRDA has approved sponsorship funding up to \$17,500 for the Myers Park Playground Equipment. Once complete staff will put up signage giving recognition to GRDA for their sponsorship.
Financial Source/Impact:	GRDA sponsorship funds of \$17,500 will pay for a portion of the playground equipment cost. Staff will seek additional funding opportunities for the remainder of the cost.
Related Strategic Priority:	#5 UNIQUE CULTURE
Recommended Action/Motion:	Motion to approve budget amendments reflecting revenue and expenditure of sponsorship grant funds from Grand River Dam Authority totaling \$17,500 for Myers Park Playground Equipment.
Prepared By:	Barbara Bliss, Community Resources Director
Reviewed By:	Loren Smith Brady Moore Teresa Kadavy

Submitted By:	Brady Moore, City Manager
----------------------	---------------------------

Attachments

1. PR - Myers Park Playground Equipment - 1.13.2025 - Revenue
2. PR - Myers Park Playground Equipment - 1.13.2025 - Expenditure

Budget Amendment Request

For Budget Year 2025

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 01/13/2025

Department: Events and Recreation

Requested by: Barbara Bliss

Explanation:

Revenue:
Increase revenue projection to include a sponsorship from Grand River Dam Authority (GRDA) for Myers Park Playground Equipment.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Myers Park Playground Equipment	1015010 - 43000	25PR01101	\$ 0	\$ 17,500	\$ 17,500
		-				\$ 0
		-				\$ 0
		-				\$ 0
		-				\$ 0
Decrease:		-				\$ 0
		-				\$ 0
		-				\$ 0
		-				\$ 0
		-				\$ 0

Net Change: (will usually result in a total increase or decrease)

\$ 17,500

Reviewed by Department Manager: Lo Smith

Date: 01/07/2025

Reviewed by Finance: _____

Date: _____

Approved by CMO: _____

Date: _____

Approved by City Council: ☐ Yes ☐ No

Date: _____

Processed by Finance: _____

Date: _____

Set ID: _____

Date Sent to SA&I: _____

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[Click Here to Clear Form](#)

[Click Here to Print](#)

Budget Amendment Request

For Budget Year 2025

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 01/13/2025

Department: Events and Recreation

Requested by: Barbara Bliss

Explanation:

Expenditure:
Appropriate funds for Myers Park Playground Equipment funded by a Grand River Dam Authority (GRDA) sponsorship.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Myers Park Playground Equipment	1015010 - 54006	25PR01101	\$ 0	\$ 17,500	\$ 17,500
		-				\$ 0
		-				\$ 0
		-				\$ 0
		-				\$ 0
Decrease:		-				\$ 0
		-				\$ 0
		-				\$ 0
		-				\$ 0
		-				\$ 0

Net Change: (will usually result in a total increase or decrease)

\$ 17,500

Reviewed by Department Manager: Lo Smith

Date: 01/07/2025

Reviewed by Finance: _____

Date: _____

Approved by CMO: _____

Date: _____

Approved by City Council: ☐ Yes ☐ No

Date: _____

Processed by Finance: _____

Date: _____

Set ID: _____

Date Sent to SA&I: _____

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REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.j. CC-25-09
Previous/Related Action:	
Background/Issue:	Staff is requesting a public hearing to close approximately 91,188 square feet of Right-of-Way located in the Northgate Commercial Area. The closing is for a majority of the Right-of-Way of Northgate Drive and Benjamin Street. Per Stillwater City Code Section 23.60, the City Council must set a date for the consideration of a closing request. The fixed date must be a minimum of 30-days in advance in order for the proper notification to be met. Staff recommends setting the hearing date to February 24, 2025.
Proposal/Solution:	Staff recommends setting a public hearing date of February 24, 2025 for closing of requested area.
Financial Source/Impact:	There is no financial impact.
Related Strategic Priority:	#4 CONNECTED SPACES
Recommended Action/Motion:	Motion to set a public hearing for February 24, 2025 to considering said closing.
Prepared By:	Diana Hood, Associate Planner
Reviewed By:	David Barth Brady Moore Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. CL24-04 CC Memo to set PH

MEMORANDUM

DATE: January 13, 2025
HEARING DATE: February 24, 2025
TO: Stillwater City Council
FROM: Diana Hood, Associate Planner
SUBJECT: Closing a Portion of Right-of-Way for Northgate
Commercial Area First Section Northgate Drive and
Benjamin Street

Staff is requesting a public hearing to close approximately 91,188 square feet of Right-of-Way located in the Northgate Commercial Area. The closing is for a majority of the Right-of-Way of Northgate Drive and Benjamin Street.

Per Stillwater City Code Section 23.60, the City Council must set a date for the consideration of a closing request. The fixed date must be a minimum of 30-days in advance in order for the proper notification to be met. Staff recommends setting the hearing date to February 24, 2025.

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	4.k. CC-25-10
Previous/Related Action:	• CC-23-115, July 10, 2023: Amendment to PSA with McFarland for Terminal Design. • Resolution CC-23-22, July 10, 2023: authorization and approval of applications for FY24 FAA funds and FY24 OEC funds. • Resolution CC-24-16, May 20, 2024: authorization and approval of application for 2024 Terminal Program • CC-23-155, October 2, 2023: Selection of Lippert Bros. as CMAR for Terminal, parking and parking access road. • CC-24-97, July 15, 2024: Approved the award of contracts by CMAR for Terminal Construction Work Package. • CC-24-106, August 5, 2024: Approval of amendment with McFarland Architects • CC-24-107, August 5, 2024: Approve Amendment No. 1 to the CMAR Agreement for the Terminal Construction and conversion to GMP. • CC-24-129, November 4, 2024: Accept deeds of dedication for additional right-of-way • CC-24-146, December 16, 2024: Approval of Amendment No. 2 to the CMAR Agreement
Background/Issue:	Amendment No. 2 to the Terminal CMAR Agreement, presented to City Council under CC-24-146 on December 16, 2024, excluded exhibits and contained a scrivener's error in cost summary information. The exhibits provide for an Interim Guaranteed Max Price (IGMP) of \$25,547,582 and a Project Work Package #2 conversion to Lump Sum for \$660,445. Project Work Package #1, which includes Pre-Construction Services and the Terminal Building, was previously converted to Lump Sum for \$18,622,424.
Proposal/Solution:	Corrected Amendment No. 2, with exhibits, to the CMAR Agreement is attached hereto. The corrections do not change the Interim Guaranteed Maximum Price or the Conversion to Lump Sum totals previously approved by City Council.
Financial Source/Impact:	No additional funding is required.

Related Strategic Priority:	#4 CONNECTED SPACES
Recommended Action/Motion:	Staff recommends a motion to approve the corrections to Amendment No. 2 including exhibits to the Terminal CMAR Agreement with Lippert Brothers, Inc.
Prepared By:	Candy Staring, Engineering Dir.
Reviewed By:	Candy Staring
	Brady Moore
	Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. Corrected Am2 w-exhibits

**AMENDMENT TO
AGREEMENT FOR CONSTRUCTION MANAGEMENT AT RISK SERVICES**

Amendment No. 2

1. Background Data:

- a. Effective Date of Owner-CMAR Agreement: June 17, 2024
- b. Owner: City of Stillwater, Oklahoma
- c. CMAR: Lippert Bros., Inc.
- d. Project: Stillwater Airport Terminal Building and Improvements

2. Background Information:

- a. The contract identified above ("Agreement") was executed as a Construction Manager at Risk contract in accordance with the Oklahoma Construction Management Act for Political Subdivisions, 61 O.S. § 215 et seq.
- b. A portion of the work identified as "Bid Package #1" was previously awarded by the Owner and is underway. The Agreement was amended on August 6, 2024 to adopt the parties' agreement that the GMP for the relevant portion of the work including Pre-Construction Services and Bid Package #1 is \$18,622,424.00, as detailed in Exhibit C-1 to Amendment No. 1.
- c. This Amendment No. 2 provides for the following contract amendments:
 - i. Amends the Agreement to revise Total Project IGMP to include all Phases of the Stillwater Regional Airport Terminal Building and Improvements Project. Award of any Project Work Package is contingent on receipt of federal funds or specific action by the City Council to appropriate funds sufficient for the Project.
 - ii. Amends the Agreement to clarify that Olsson Inc. shall serve as Project Engineer for Phase 2, Access Road Relocation and Roundabout Development, of the Project; Phase 3, North Triangle Parking and Lighting; and Phase 4, South Parking and Lighting.
 - iii. Amends the Agreement to revise the bonding requirements of the CMAR.
 - iv. Amends the Agreement to clarify that the Construction Manager's Fee is 4.75%.
 - v. Amends the Agreement for a portion of work identified as "Project Work Package 2" for partial Phase 2 work. Construction Manager is prepared to enter into written agreements with subcontractors and suppliers. Exhibit C-2 to this Amendment No. 2 sets forth the relevant partial conversion of guaranteed maximum price for the relevant portion of work.

3. Amendment:

The Agreement is amended as follows:

- a. The current Agreement IGMP reflects Phase 1 of the Project which is generally described as construction of the new Terminal Building. The parties agree that the IGMP should be amended to include all phases of the Project which includes construction of the new terminal building and additional improvements. The amended Total IGMP and a general description of the Project Phases are set forth in Amended Exhibit B and Amended Exhibit B-2 attached hereto. The parties to this Agreement understand and acknowledge that the Project is funded in part by federal funds and that award of any Project Work Packages provided for in the Agreement is contingent on the receipt of federal funds or other action by the City Council to appropriate funds sufficient for any Project Work Package or Phase of Work provided for herein.
- b. The City of Stillwater has entered into a separate Agreement for Engineering Services with Olsson, Inc. for Phase 2, Access Road Relocation and Roundabout Development; Phase 3, North Triangle Parking and Lighting; and Phase 4, South Parking and Lighting of the Project. For Phase 2, 3, and 4 only, the parties agree that references in the Agreement to Engineer shall mean Olsson, Inc.
- c. Article 22, Performance, Payment and Defect Bonds, shall be amended as follows: The Construction Manager shall furnish a Performance Bond, Statutory Bond, and Maintenance Bond in forms acceptable to the Owner. The surety on each bond will be a duly authorized surety company satisfactory to the Owner and licensed to do business in the State of Oklahoma. The aggregate amount of each bond will be equal to the Cost of the Work (or IGMP if GMP not yet determined). The Construction Manager shall provide bonds for any self-performed work as well as any work where the total cost of the work is less than \$50,000. The Construction Manager shall require that all subcontractors provide bonds when the cost of the work is more than \$50,000.
- d. The parties agree that the Construction Manager's Fee pursuant to the Agreement dated June 17, 2024 shall be 4.75%. Any reference in Amendments or Exhibits to the Agreement that reference a CMAR fee to the contrary shall be considered a scrivener's error and the CMAR Fee of 4.75% shall be applicable.
- e. Exhibit C-2 attached hereto provides for the partial conversion of guaranteed maximum price for the relevant portion of work identified as "Project Work Package 2" for partial Phase 2 work.

4. **Effect of Contract Provisions:** All provisions contained within the Agreement dated June 17, 2024 and any amendments thereto shall remain in full force and effect and shall be binding on the parties except as amended herein and pursuant to all other properly executed amendments.

5. **Effective Date:** This Amendment No. 2 is effective upon signature of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed by the duly authorized officers or representatives on the dates set forth below.

OWNER:

CONSTRUCTION MANAGER AT RISK:

City of Stillwater, Oklahoma
a municipal corporation

Lippert Bros., Inc.

By: 

By: 

Title: Brady Moore, City Manager

Title: T.M. Lippert, President

Date Signed: 12/24/24

Date Signed: 1-3-25

AMENDED EXHIBIT B

**TO THE AGREEMENT FOR AT RISK CONSTRUCTION MANAGEMENT SERVICES
SUMMARY OF THE PROJECT TOTAL INTERIM GUARANTEED MAXIMUM PRICE**

Summary of Total Project IGMP

Preconstruction Services	\$30,124.00
Cost of Direct Project Support	\$1,409,245.00
<u>Cost of the Work</u>	
Phase 1 <i>Terminal Building</i>	\$16,346,200.00
Phase 2 <i>Water Utilities & AIAR Relocation & Roundabout Development</i>	\$ 4,075,619.00
Phase 3 <i>North Triangle Parking & Lighting</i>	\$ 795,531.00
Phase 4 <i>South Parking Lot & Lighting</i>	\$ 1,239,361.00
Construction Contingency Fee (2.00% of Cost of Work)	\$514,742.00
Construction Manager's Fee (4.75% of Cost of Direct Project Support and Cost of the Work)	\$1,136,760.00
<u>Alternates</u>	
<i>List any accepted alternates. If not alternates note "NONE".</i>	
Alternates Sub-total	NONE
Project Total Interim Guaranteed Maximum Price	\$25,547,582.00

AMENDED EXHIBIT B-2

TO THE AGREEMENT FOR AT RISK CONSTRUCTION MANAGEMENT SERVICES INTERIM GUARANTEED MAXIMUM PRICE

Cost of Direct Project Support – Not to Exceed Amount **\$1,409,245.00**

Includes but is not limited to: ALL "NTE" items below:

1. Project Manager
2. Project Superintendent
3. Assistant Superintendent
4. Project Coordinator
5. General Superintendent
6. Jobsite Office Trailer Rental
7. Jobsite fax machine
8. Jobsite computers/printers
9. Jobsite office furniture
10. Ice, cups and water coolers
11. Miscellaneous office supplies
12. Phone service
13. Cellular Phone service
14. Fax machines and office equipment
15. Postage/courier expense
16. Electrical Consumption-Job Site Trailer
17. Record document reproduction costs
18. Miscellaneous printing (bid set by owner)
19. Data Processing Costs

Cost of the Work – Not to Exceed Amount **\$ 22,456,711.00**

Includes but is not limited to:

1. Subcontractor bids
2. Building Permits
3. Electric Consumption during Project
4. Temporary storage
5. Temporary toilets
6. Temporary Barricades
7. Temporary fencing
8. First-aid equipment
9. Temporary fire protection
10. Fire extinguishers
11. Project sign
12. OSHA/jobsite Signage
13. Temporary water service
14. Temporary Heat/Cooling/Ventilation
15. Temporary and Final HVAC Filters
16. Temporary Weather Protection
17. Small tools
18. Insurance
19. Bonds
20. Builders Risk

Agreement for At Risk Construction
Management Service for
Stillwater Airport Terminal Building & Improvements

21. Daily/Weekly Project clean-up
22. Final Cleaning
23. Waste containers (dumpsters)
24. Truck leases
25. Mileage and Material Transportation Cost
26. Temporary Electric Service to Building
27. Testing

Construction Contingency (2% of Cost of the Work)	\$514,742.00
Construction Manager's Fee (4.75% of Cost of Direct Project Support and Cost of Work)	\$1,136,760.00

Preconstruction Services:	\$30,124.00
----------------------------------	--------------------

Alternates:

[List any accepted alternates]

Total for accepted Alternates	NONE
-------------------------------	------

TOTAL INTERIM GMP	\$25,547,582
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EXHIBIT C-2

TO THE AGREEMENT FOR AT RISK CONSTRUCTION MANAGEMENT SERVICES GUARANTEED MAXIMUM PRICE, PARTIAL CONVERSION

Stillwater Airport Terminal Building and Improvements

Summary of Partial Conversion to GMP

Project Work Package 2 (PWP 2) – Partial Phase 2 (Phase Two- Bid Group #01)

Correction
made to
Exhibit C-2.

WP 2 Cost of Direct Project Support	\$53,965.00
WP 2 Cost of the Work	\$42,809.00 ^{TML} \$564,719

WP 2 Construction Contingency (2%)	\$12,374.00
------------------------------------	-------------

Fee (4.75% of WP 2 Direct Project Support And Cost of Work)	\$29,387.00
--	-------------

Alternates

List any accepted alternates. If not alternates note "NONE".

Alternates Sub-total	NONE
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Total Work Package 2/ Partial Guaranteed Maximum Price	\$660,445.00
---	---------------------

RECOMMENDED:

By: K R
Owner: City of Stillwater

Name: Kellie Reed

Title: Airport Director

Date: 12/17/24

ACCEPTED:

By: J. Brady Moore
Owner: City of Stillwater

Name: Brady Moore

Title: City Manager

Date: 12/24/24

ACCEPTED:

By: T.M. Lippert
Construction Manager: Lippert Bros., Inc.

Name: T.M. Lippert

Title: President

Date: 1-3-25

Agreement for At Risk Construction
Management Service for
Stillwater Airport Terminal Building & Improvements

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding, executed the ____ day of _____, 2024, between the City of Stillwater, Oklahoma, a municipal corporation ("Stillwater"), Stillwater Economic Development Authority, a public trust ("SEDA"), and the Board of Education of Independent School District Number 16 of Payne County, Oklahoma ("SPS"), witnesseth:

WHEREAS, the Amended Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan) (Project Plan) is the framework to authorize legal, financial and community strategies to accelerate redevelopment of the core areas of Stillwater; and

WHEREAS, Stillwater approved the Project Plan creating Increment District No. 3, City of Stillwater ("TIF3") on June 18, 2018 with a July 18, 2018 effective date; and

WHEREAS, Project Plan was amended on November 19, 2018 to provide direct and indirect increment language; and

WHEREAS, Project Plan was amended on October 7, 2019 to correct the formula for allocation of indirect increment to the taxing jurisdictions; and

WHEREAS, minor amendments to the Project Plan were approved on March 27, 2023 including clarifying the methods by which the capital payment obligations to the SPS may be satisfied; and

WHEREAS, the Project Plan provides for payment of \$2,882,500 to SPS; and

WHEREAS, Stillwater and SPS have agreed to the amount and timeframe for payment of the \$2,882,500; and

WHEREAS, Stillwater intends to authorize the Stillwater Economic Development Authority, a public trust ("SEDA"), to approve a funding plan for the payments to SPS; and

WHEREAS, Stillwater or SEDA will render payments to SPS on the schedule listed below; and

WHEREAS, the funding plan is subject to compliance with applicable law.

THE CITY OF STILLWATER AND THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NUMBER 16 OF PAYNE COUNTY, OKLAHOMA HEREBY ENTER INTO THIS MEMORANDUM OF UNDERSTANDING SETTING FORTH THEIR SHARED INTENT AND TENTATIVE AGREEMENT REGARDING THE PAYMENT OF FUNDS PROVIDED FOR IN THE AMENDED STILLWATER (RE) INVESTMENT PLAN (A STILLWATER DOWNTOWN/CAMPUS LINK PROJECT PLAN). SHOULD ACTUAL TAX COLLECTIONS DIFFER FROM PROJECTED TAX COLLECTIONS IN A MATERIAL WAY (POSITIVE OR NEGATIVE), THE AGREED-UPON PAYMENT SCHEDULE IS SUBJECT TO AMENDMENT.

Payment by June 30	Amount
2025	\$375,000
2026	\$115,000
2027	\$118,000
2028	\$120,000
2029	\$123,000
2030	\$125,000
2031	\$128,000

2032	\$131,000
2033	\$134,000
2034	\$137,000
2035	\$140,000
2036	\$143,000
2037	\$146,000
2038	\$149,000
2039	\$153,000
2040	\$156,000
2041	\$160,000
2042	\$163,000
2043	\$166,500

CITY OF STILLWATER, OKLAHOMA
a municipal corporation

William H. Joyce, Mayor

BOARD OF EDUCATION SCHOOL DISTRICT NUMBER 16 OF
PAYNE COUNTY, OKLAHOMA

Marshall Baker, President

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	7.a. CC-25-11
Previous/Related Action:	December 3rd, 2024 Planning Commission Meeting (SUP23-07)
Background/Issue:	The applicant requests review and approval of a Specific Use Permit to operate a Medical Marijuana dispensary at the property addressed as 121 South Main Street. The subject property is located on the northeast side of Stillwater, on the east side of Main Street between Elm Avenue and Maple Avenue. The subject property currently holds a commercial building. The applicant is requesting a specific use permit to operate a Medical Marijuana dispensary in the Commercial General (CG) zoning district. The applicant, Blue Sky Buds, LLC doing business as BRIXX Cultivation is currently located at 135 South Main Street.
Proposal/Solution:	The Planning Commission recommended approval of this SUP request with 4-0 vote based upon the following findings: • The Land Development Code allows for Medical Marijuana dispensaries to operate in the Commercial General (CG) zoning district with a Specific Use Permit. • The Comprehensive Plan calls for Commercial at the property's location.
Financial Source/Impact:	There are no impacts to the City budget.
Related Strategic Priority:	#2 MOTIVATED MANAGEMENT #5 UNIQUE CULTURE
Recommended Action/Motion:	Motion to accept the Planning Commission's recommendation and approve the Specific Use Permit for the property located at 121 South Main Street.
Prepared By:	Diana Hood, Associate Planner
Reviewed By:	David Barth Brady Moore Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. APP and Checklist - 121 S Main - BRIXX
2. Area Map
3. OMMA License - 121 S Main - BRIXX
4. Permission to Operate - 121 S Main - BRIXX
5. Floor Plan - 121 S Main - BRIXX
6. Draft 12.03.2024 PC Mtg Summary

CITY OF STILLWATER - DEVELOPMENT SERVICES DEPARTMENT
APPLICATION FOR REVIEW/ACTION

ZONING:

- ☐ Map Amendment
☐ Planned Unit Dev.
 ☐ Preliminary
 ☐ Final
 ☐ Subdivision
 ☐ Amendment
☒ Specific Use Permit
☐ Annexation

SUBDIVISION:

- ☐ Lot Split
☐ Commercial Minor Subdivision
☐ Minor Subdivision
☐ Preliminary Plat
☐ Final Plat

OTHER:

- ☐ Closing
☐ Drainage Plans/Study
☐ Drilling Permit
☐ Improvement Plans
☐ Right-of-Way Agreement
☐ Small Business Permit
☐ Text Amendment

SITE PLANS:

- ☐ Minor Amendment
☐ Final Drill Site Dev. Plan

Title of Subdivision/Plan/Use: Blue Sky Buds LLC dba Brix

Owner(s) of Property: SZ Rentals c/o Jennifer Sanders

Owner(s) Address: 9213 Lupine Rd Yukon, OK 73099

Owner(s) Phone/Fax/Email: jennifersanders51@yahoo.com (405)334-6116

Applicant/Developer of Property: Josh Wilson

Applicant/Developer Address: 505 E 58th St Stillwater, OK 74074

Applicant/Developer Phone/Fax/Email: josh@brixxcultivation.com (817)219-6000

Design Engineer address/phone/fax/email & Registration No.: _____

Surveyor address/phone/fax/email & Registration No.: _____

Address or Description of Property to be Subdivided/Developed: 121 S Main St Stillwater, OK 74074

Original Tract Deed Book and Page Number: _____

Number of Acres in Development: _____

Number of Lots Created: _____

Current Zoning/Requested Zoning: Commercial General

Reason for zoning request/use permit/map amendment (describe project):

Dispensary

This application must be accompanied by the appropriate checklist for the type of item being submitted for review. This application must be completed, signed, and dated by the Applicant and Owner(s).

We do hereby certify that the information provided herein is both complete and accurate to the best of our knowledge, and we understand that any inaccuracies may be considered just cause for invalidation of this application and any action taken on this application.

[Signature] 11/1/2024
Applicant/Preparer Date

[Signature] 11/2/14
Owner/Agent (with documentation) Date

Applicant/Preparer Date

Owner/Agent (with documentation) Date

For City of Stillwater Use Only:

CASE NO#: _____

Submission Date: _____

Processing Tract: IRC 11/13, PC 12/3, CC 117

Approval Date: _____

Fees: _____ Number of Copies: _____

**City of Stillwater
Specific Use Permit (SUP)
Chapter 23, Article 6, Division 7**

Applications will be accepted Monday through Friday, from 8:30 AM to 11:30 AM
Per Resolution CC-2007-16

Because the uses identified as requiring specific use permits are more intense or have a greater impact than those permitted by right, such uses shall be evaluated based upon their ability to locate next to less intensive uses. This CHECKLIST identifies the items needed. All items indicated as **SUCH** are required for the submittal to be considered complete.

APPLICANT	REQUIREMENTS	CITY
	Section 23-180	
✓	COMPLETED APPLICATION FORM AND CHECKLIST	
✓	FILING FEE: NEW CONSTRUCTION @ \$350.00 PLUS \$0.01/SQ FOOT OF BUILDING OR EXISTING BUILDING @ \$250.00 SHALL BE PAID UPON VERIFICATION OF COMPLETE SUBMITTAL.	
✓ p/c 1020	A TYPEWRITTEN LIST, CERTIFIED BY A LICENSED ABTRACTOR, ATTORNEY, ENGINEER OR ARCHITECT OF ALL PROPERTY OWNERS WITHIN 300 FEET OF THE SUBJECT PROPERTY AND AN ELECTRONIC/DIGITAL COPY CAPABLE OF BEING REPRODUCED AS MAILING LABELS. THE OWNERSHIP LIST SHALL NOT HAVE BEEN PREPARED MORE THAN 30 DAYS PRIOR TO SUBMISSION OF APPLICATION. <i>emailed 11/4</i>	
✓	TYPED LEGAL DESCRIPTION EMAILED TO DIGITALS@STILLWATER.ORG <i>emailed 11/7/2018</i>	
Don't need	COPY OF EXISTING OR PROPOSED RESTRICTIVE COVENANTS	
	BUILDING ELEVATION DRAWINGS AND CONSTRUCTION MATERIALS WHEN ABUTTING A RESIDENTIAL DISTRICT.	
	ELECTRONIC PDF DRAWING, EMAILED TO DIGITALS@STILLWATER.ORG shall show the following:	
<i>emailed 5/11/18 attached</i>	a. Dimensions of the site, including easements and rights-of-way, and location with respect to streets and adjacent properties;	
	b. Dimension of buildings and location with respect to property boundaries;	
	c. Location and type of existing and proposed outdoor features such as signs, fences, landscaping, or outdoor light fixtures;	
	d. Location, arrangement, and dimensions of off-street parking and loading spaces and access drives;	
	e. Number of residential dwelling units, if any, per structure;	
	f. Any other physical features or characteristics which may be unique to the property or particular use proposed;	
	g. Existing use of abutting/adjoining properties	
	h. Existing zoning of the subject property and the abutting/adjoining properties;	
	i. Location of existing and proposed public utilities	
	j. Distance from any public place as defined in Oklahoma Administrative Code Title 310, Chapter 681 (Per Ordinance No. 3416)	
✓	COPY OF OKLAHOMA STATE DEPARTMENT OF HEALTH MEDICAL MARIJUANA LICENSE FOR ☐ COMMERCIAL GROWER ☐ PROCESSING/MANUFACTURING ☒ DISPENSARY/RETAIL (PER ORDINANCE No. 3416)	
Don't need	FINAL DRAINAGE STUDY AND FINAL DRAINAGE PLAN (ARTICLE 19)	

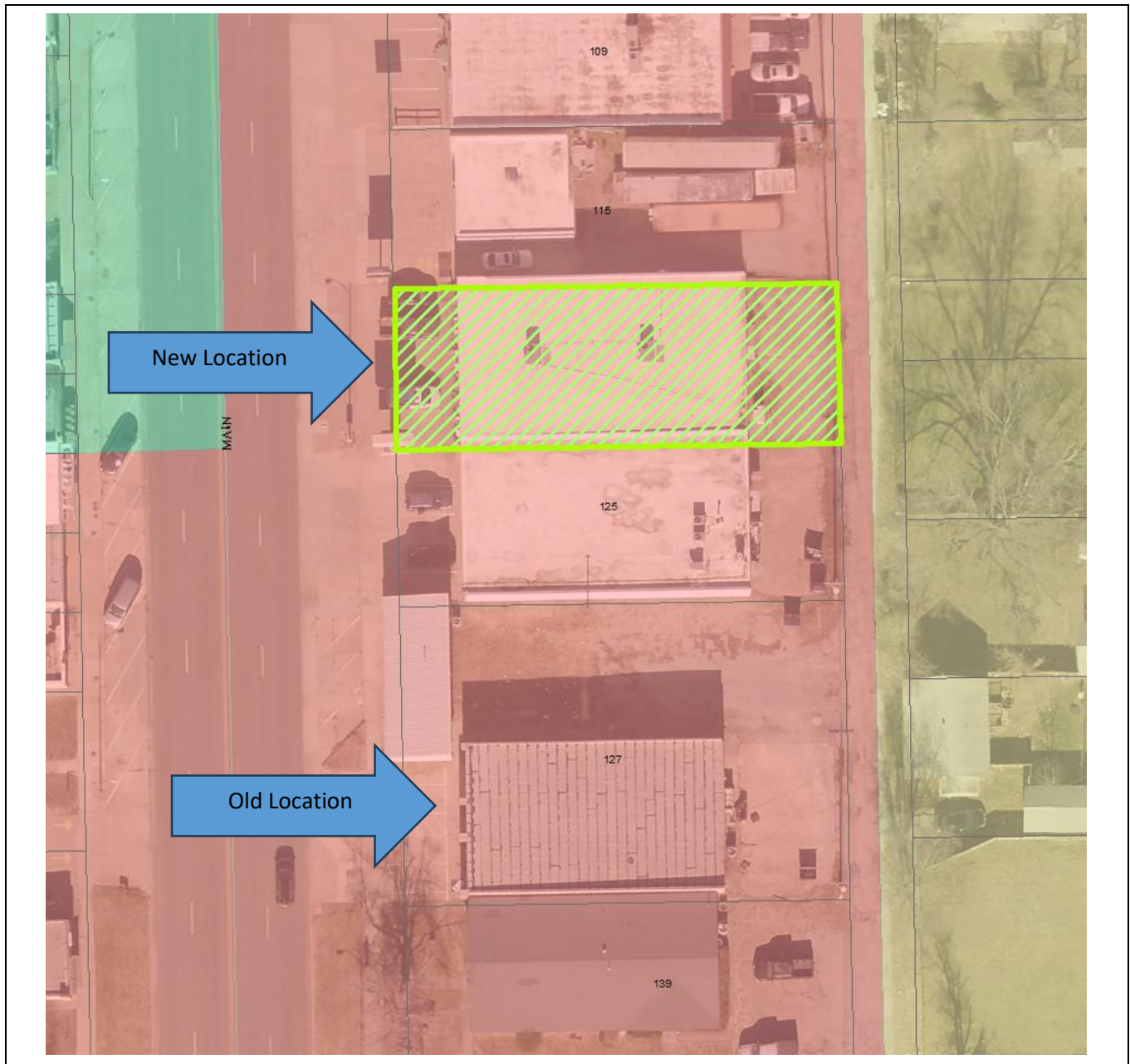
City of Stillwater
Specific Use Permit (SUP)
Chapter 23, Article 7, Division 7

INFORMATIONAL
Required fire flows. Appendix B (2009 IFC)
Hydrant spacing Section 507.5 and Appendix C (2009 IFC)
Sprinkler requirements, Section 903 (IFC)
Annual Inspections will occur to verify continual compliance with the conditions of approval of the SUP

Certification: I hereby certify that the information provided herein is both complete and accurate to the best of my knowledge and I understand that any inaccuracies may be considered just cause for invalidation of this application and any action taken on this application.


Preparer's Signature


Date



Stillwater OKLAHOMA
stillwaterok.gov

Project Type: Specific Use Permit (SUP23-07)
Request: Specific Use Permit to operate a Medical Marijuana Dispensary
Address: 121 S Main St.
Applicant: Blue Sky Bud d/b/a BRIXX



State of Oklahoma

License Certificate

NON-TRANSFERABLE

Commercial Dispensary License

HEREBY GRANTED TO

Blue Sky Buds LLC

121 S Main St, Stillwater, Oklahoma, 74074

The license issued by the Oklahoma Medical Marijuana Authority to certify the above has fulfilled the requirements of 63 O.S. §§ 420 et seq.; 63 O.S. §§ 427.1 et seq.; 63 O.S. §§ 428 et seq.; and the OKLAHOMA ADMINISTRATIVE CODE at Title § 442. The license is subject to the representations made on the application therefor and may be suspended or revoked for cause as provided by law and rule. The licensee shall observe and comply with all applicable laws, ordinances, rules, and regulations of the State of Oklahoma.

Adria A. Berry

Adria Berry
Executive Director
Oklahoma Medical Marijuana Authority



OKLAHOMA
Medical Marijuana Authority

License Number: **DAAA-N7HP-C56Y**

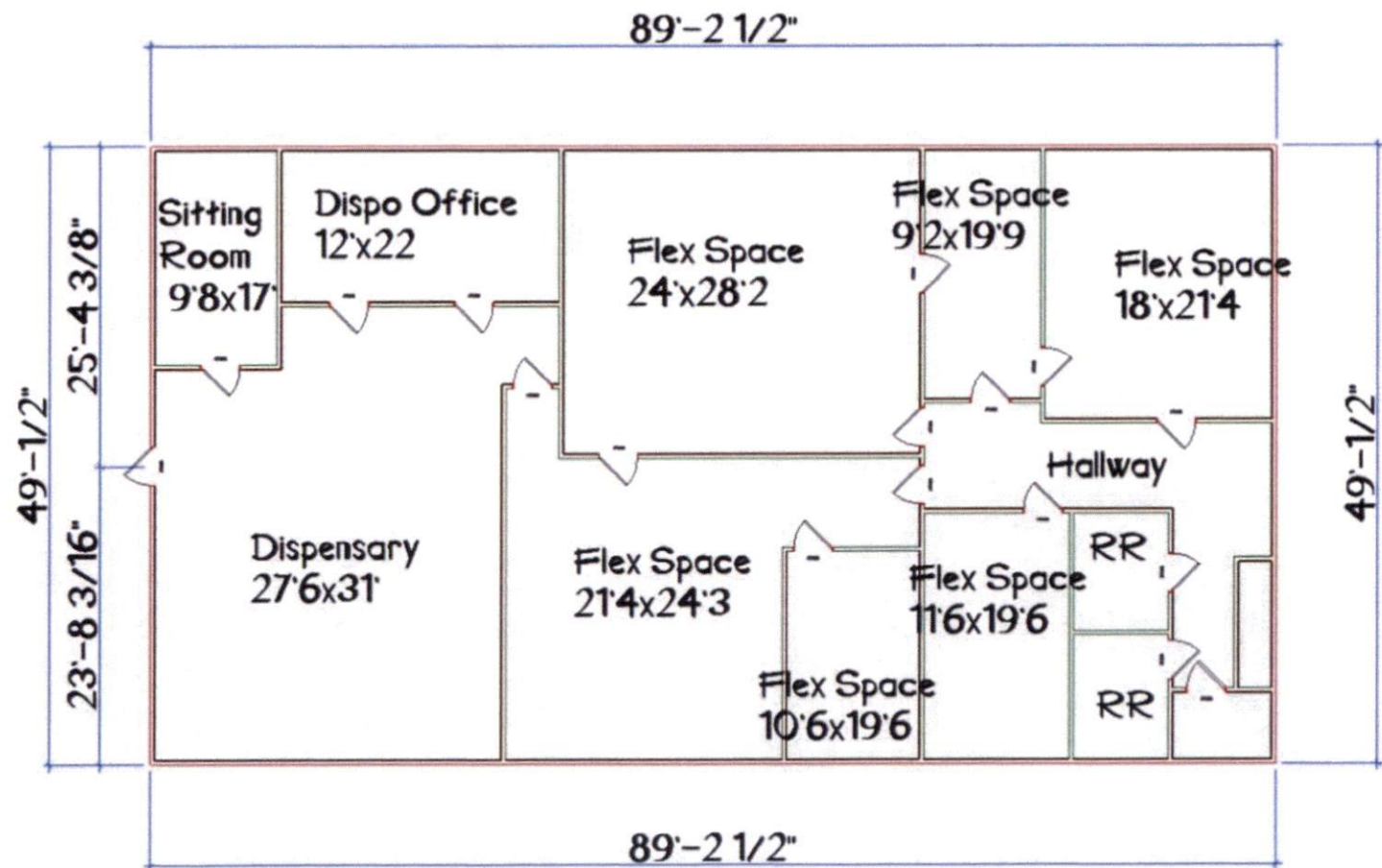
Expiration Date: **01/10/2025**

SZ Rentals
Jennifer Sanders
9213 Lupine Rd
Yukon, OK 73099

City of Stillwater,

To whom it may concern we give permission for Blue Light LLC, dba Brixx, to operate a cannabis dispensary that follows all state and local laws concerning the operation of a cannabis dispensary in the State of Oklahoma and Payne county.

Sincerely,
Jennifer Sanders
405-334-6116
Jennifersanders51@yahoo.com



STILLWATER PLANNING COMMISSION SUMMARY
REGULAR MEETING OF DECEMBER 3RD, 2024
IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING
LAW, THE AGENDA WAS POSTED November 26th, 2024, IN THE
MUNICIPAL BUILDING AT 723 SOUTH LEWIS STREET

MEMBERS PRESENT

Jana Phillips, Chair
Riley Williams, Vice Chair
Mark Prather, Member
Mike Shanahan, Member

MEMBERS ABSENT

David Peters, Member

STAFF PRESENT

Kim Payne, City Attorney
Jacquelyn Porter, City Planner
Joshua Brown, Project Manager
Cindy Gibson, Administrative Services
Alexandria Maged, Administrative Assistant
Staff Absent
Diana Hood, Associate City Planner

1. CALL MEETING TO ORDER.

2. PUBLIC HEARING:

- c. Receive public comment regarding a request from Josh Wilson for Blue Sky Buds LLC, d/b/a/ BRIXX Cultivation for a SPECIFIC USE PERMIT (SUP23-07) to allow a medical marijuana dispensary at property addressed as 121 S. Main Street in the Commercial General (CG) district.

Chair Phillips introduces the item and asks for staff presentation.

Jacquelyn Porter, City Planner, presents the item and asks if there are any questions.

Chair Phillips asks for clarification of what happens to the existing specific use permit for the previous address. Mrs. Kim Payne, Assistant City Attorney clarifies that once the owner or use for the building changes the specific use permit is no longer active.

Chair Phillips invites the applicant or their representative up to present.

Mr. Josh Willson, 505 W 58th St., Stillwater comes to the podium to answer questions.

Chair Phillips asks if it's the applicant's intent to keep the second location open when the address being applied for opens. Mr. Wilson says no, they plan to close the first location; and at most, they would both be open for a month while transitioning.

Chair Phillips opens the public hearing and asks if there is anyone that wishes to speak in favor of this item; none respond. Chair Phillips asks if there is anyone that wishes to speak in opposition of this item; none respond. Chair Phillips closes the public hearing and asks for staff to present findings and alternatives.

Jacquelyn Porter presents the findings and alternatives, which are:
Findings:

1. The Land Development Code allows a Medical Marijuana Dispensary in the Commercial General (CG) zoning district with a Specific Use Permit.
2. The change in business location requires a new Specific Use Permit, per Sec. 23-180 of the Land Development Code.
3. The Comprehensive Plan calls for Commercial uses at the property's location.

Alternatives:

1. Accept findings and recommend that the City Council approve the proposed specific use permit as presented.
2. Find that the specific use permit is not an appropriate use for the property based upon the impacts to the surrounding vicinity and do not recommend that the City Council approve the request.
3. Find that additional information or discussion is needed prior to making a recommendation and table the request to a certain date.

Vice Chair Williams motions to accept the findings and approve the specific use permit as presented, Commissioner Shanahan seconds.

Roll Call:	Phillips	Williams	Prather	Shanahan	Peters
	Yes	Yes	Yes	Yes	Absent

Time: 6 minutes

- a. Receive public comment regarding a request from Jason Johnson for a MAP AMENDMENT (MA24-13) to rezone property addressed as 701 W. Highpoint Drive from Commercial General (CG) to Commercial Business (CB) district.

Chair Phillips introduces the item and asks for staff presentation.

Jacquelyn Porter, City Planner, presents the item and asks if there are any questions; none respond.

Chair Phillips invites the applicant or their representative up to present.

Mr. Stephen Gose, Gose & Associates, 113 E 8th comes to the podium:

- Explains that the client is looking to purchase these apartments and convert them to owner occupied condos.
- This is the only zoning district in the code that allows owner occupied condos.

Commissioner Williams asks if the client is looking to purchase these lots or has purchased these lots. Mr. Gose says their client has a contract that is contingent on this rezoning.

Chair Phillips notes that the maximum lot coverage in CB is 100% and there are no setback requirements if the surrounding lots are CG, which they are, so they could build all the way to the property lines. Mr. Gose said yes if the current project is torn down, yes in this zoning that could happen as there are not setbacks or parking requirements; however, that is not what their client is looking to do, they are hoping to convert the existing to unit ownership.

Chair Phillips asks if there are further questions for Mr. Gose; none respond.

Chair Phillips opens the public hearing and asks if there is anyone that wishes to speak in favor of this item; none respond. Chair Phillips asks if there is anyone that wishes to speak in opposition of this item; none respond. Chair Phillips closes the public hearing and asks for staff to present findings and alternatives.

Jacquelyn Porter presents the findings and alternatives to the commissioners which are:

Findings:

1. The Land Development Code allows for rezoning of land via Map Amendments.
2. Condominiums are only allowed in Commercial Business (CB) zoning district as a permitted use by right.
3. The Comprehensive Plan calls for commercial uses in this area.

Alternatives:

1. Accept findings and recommend that the City Council approve the proposed map amendment as presented.
2. Find that the map amendment is not an appropriate use for the property based upon the impacts to the surrounding vicinity and do not recommend that the City Council approve the map amendment.
3. Find that additional information or discussion is needed prior to making a recommendation and table the request to a certain date.

Commissioner Prather motions to accept the findings and approve the Map Amendment as presented, Vice Chair Williams seconds.

Roll Call:	Phillips	Williams	Prather	Shanahan	Peters
	Yes	Yes	Yes	Yes	Absent

Time: 7 minutes

- b. Receive public comment regarding a request from Pioneer Investment Group, LLC for a MAP AMENDMENT (MA24-14) to rezone property addressed as 3118-3124 E. 4th Avenue from Small Lot Single-Family (RSS) to Two-Family and Multi-Family (RTM) district

Chair Phillips introduces the item and asks for staff presentation.

Jacquelyn Porter, City Planner, presents the item and asks if there are any questions; none respond.

Chair Phillips invites the applicant or their representative up to present; none respond.

Chair Phillips opens the public hearing and asks if there is anyone that wishes to speak in favor of the item.

Ms. Ashley Hernandez Torez, 3110 E 3th comes to speak:

- Lives north of the lot.
- Is not in favor or opposed to it, at this time, but would like to have further discussion with the applicant.
- Has concerns about the location of the parking/drive.

- Has some additional questions about, if this is a larger construction project, how that would affect their neighborhood such as if there were nails in the road that damaged tires or how quiet hours would be affected.

Mrs. Payne states that she can answer the last point; if there were damages that would be a civil matter between the citizen and the developer; the developer would also have to follow the hours stated in the City's Disturbing the Peace code; the only exception to that would be if it was a really hot summer and they needed a special permit to do an early morning pour for concrete, but that is rare.

Chair Phillips asks if anyone else would like to speak in favor or opposition; none respond.

Chair Phillips closes the public hearing and invites staff back to present the findings and alternatives.

Jacquelyn Porter presents the findings and alternatives to the commissioners which are:

Findings:

1. The Land Development Code allows for rezoning of land via Map Amendments.
2. Condominiums are only allowed in Commercial Business (CB) zoning district as a permitted use by right.
3. The Comprehensive Plan calls for commercial uses in this area.

Alternatives:

1. Accept findings and recommend that the City Council approve the proposed map amendment as presented.
2. Find that the map amendment is not an appropriate use for the property based upon the impacts to the surrounding vicinity and do not recommend that the City Council approve the map amendment.
3. Find that additional information or discussion is needed prior to making a recommendation and table the request to a certain date

Commissioner Prather motions to differ to the next Planning Commission meeting of December 17th, 2024. Vice Chair Williams seconds.

Roll Call:	Phillips	Williams	Prather	Shanahan	Peters
	Yes	Yes	Yes	Yes	Absent

Time: 8 minutes

d. MEETING SUMMARY FOR REVIEW AND POSSIBLE ACTION:

- a. Accept the October 28th, 2024 City Council and Planning Commission Joint Study Session Special Meeting minutes.

Chair Phillips asks if there are any questions, comments or suggested edits; none respond.

Commissioner Shanahan motions to approve the minutes as presented. Vice Chair Prather seconds.

Roll Call:	Phillips	Williams	Prather	Shanahan	Peters
	Yes	Yes	Yes	Yes	Absent

Time: 2 minutes

e. MISCELLANEOUS ITEMS FROM STAFF, PLANNING COMMISSIONERS OR CITY ATTORNEY
FOR DISCUSSION AND POSSIBLE ACTION:

- a. Next Planning Commission Meeting is December 17th 2024.

f. ADJOURN

ADJOURNMENT. This regular meeting of the Stillwater Planning Commission was called for adjournment by Vice Chair Williams, Commissioner Shanahan at approximately 5:57 PM on December 3rd, 2024 the next regularly scheduled meeting will be held Tuesday, December 17th, 2024 at 5:30 p.m. in the City Commission Hearing Room, Municipal Building, 723 South Lewis Street.

Drafted by – Alexandria Maged, Administrative Assistant
Reviewed by – Cindy Gibson, Administrative Manager

Approved by - _____
Stillwater Planning Commission

DRAFT

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025

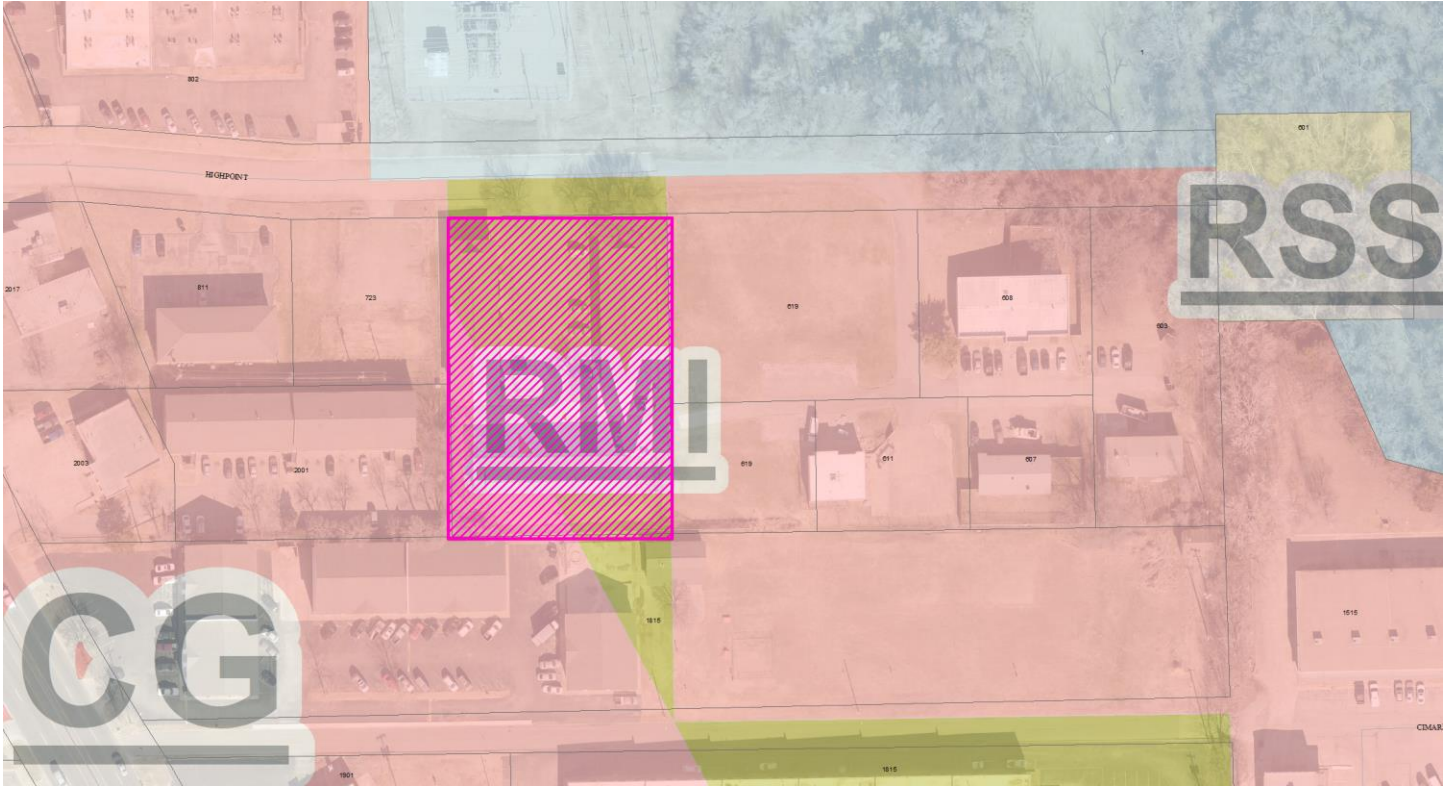


Agenda Item:	7.b. CC-25-12
Previous/Related Action:	December 3, 2024 Planning Commission Meeting (MA24-13)
Background/Issue:	The applicant requests review and approval of a Map Amendment to rezone the property addressed as 701 West Highpoint Drive from Multi-Family Intermediate (RMI) and Commercial General (CG) to Commercial Business (CB). The subject property is located in the northeast area of Stillwater, near the intersections of West Highpoint Drive and North Boomer Road. The subject property is currently zoned Multi-Family Intermediate (RMI) with the southwest corner zoned Commercial General (CG) with three multifamily structures on the property. The rezoning request is made by the applicant to Commercial Business (CB) to allow the existing facility to be converted from apartments to condominiums for potential parking and/or commercial redevelopment. Commercial Business (CB) is the only zoning district that defines condos as permitted use by right. The applicant requests review and approval of a Map Amendment to rezone the property addressed as 701 West Highpoint Drive from Multi-Family Intermediate (RMI) and Commercial General (CG) to Commercial Business (CB). Commercial General surrounds the subject property with Public located to the north for Boomer Lake. Remington Ranch Apartments is located to the south. The new Stillwater High School, previously Cimarron Plaza, is located in the vicinity to the Southeast.
Proposal/Solution:	Planning Commission recommended approval with a 4-0 vote based upon the following findings: • The Land Development Code allows for rezoning of land via Map Amendments. • Condominiums are only allowed in Commercial Business (CB) zoning district as a permitted use by right. The Comprehensive Plan calls for commercial uses in this area.
Financial Source/Impact:	There are no impacts to the City budget.

Related Strategic Priority:	#5 UNIQUE CULTURE #2 MOTIVATED MANAGEMENT
Recommended Action/Motion:	Motion to accept the Planning Commission recommendation and approve the Map Amendment for the properties addressed as 701 West Highpoint Drive.
Prepared By:	Diana Hood, Associate Planner
Reviewed By:	David Barth
	Brady Moore
	Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. Area Map
2. Zoning Comparison Chart, RMI CG to CB
3. Draft 12.03.2024 PC Mtg Summary



Stillwater. OKLAHOMA
stillwaterok.gov

Project Type: Map Amendment (MA24-13)
Request: RMI and CG to CB
Address: 701 W Highpoint Ave.
Applicant: Gose & Associates o/b/o MPH Investments Properties

ZONING COMPARISON CHART

	RMI (Residential Multi-Family Intermediate)	CG (Commercial General)	CB (Commercial Business)
Min Lot Size	15,000 square feet	No min requirements	No min requirements
Min Lot Width/Depth	75/130 feet	No min requirements	No min requirements
Max Structure Height	50 feet	No max height	No min requirements
Min Front Yard	20 feet/10 feet from alley	25 feet	No min requirements
Min Side Yard - boundary with:			
Residential district	5 feet	20 feet	20 feet
Commercial district	25 feet	No min requirements	No min requirements
Industrial district	25 feet	No min requirements	No min requirements
Min Rear Yard - boundary with:			
Residential district	20 feet	20 feet	25 feet
Any other district	20 feet	No min requirements	No min requirements
Max Lot Coverage	40 percent	50 percent	100 percent
Landscaping/Screening (earth berms, shrubs, fences, man-made materials, trees)	No requirements	Required when abutting RSS, RSL, RMH, RT or RM; 70% opaque up to 3-feet tall and 40% opaque up to 5-feet tall	Required when abutting RSS, RSL, RMH, RT or RM; 70% opaque up to 3-feet tall and 40% opaque up to 5-feet tall; 1+ story structure requires 6-foot high landscape buffer when adjacent to residential district
Permitted Uses by Right (Uses in <i>italic</i> are allowed in both zoning districts)	• Boarding house/Rooming house • <i>Churches and Religious Institutions</i> • <i>Free-standing Self Service Facilities</i> • Multiple-family with max gross density of 30 units per acre • Parking lot/garages • Townhome • Two-family (duplex)	• Arts & Entertainment • Bed & Breakfast, Hotel, Motel • Beverage Services • Churches & Religious Institutions • Financial Institutions & Services • Food Services • Free-Standing Self-Service • Health Care & Social Assistance • Information • Parking Lots/Garages • Personal & Laundry Services • Personal Storage & Warehousing • Professional & Administrative Offices • Recreation • Research & Development • Retail Trade • Transportation Activities • Utilities • Vehicle & Equipment Sales/Service • Wholesale Trade	• Arts and Entertainment • Bed and Breakfast, Hotel, Motel • Beverage Services • Boarding houses/Rooming houses • Educational Services • Financial Institutions and Services • Food Services • Free-Standing Self Service Facilities • Mixed Use • Multi-family • Parking Lots/Garages • Personal and Laundry Services • Professional and Administrative Office and Services • Public Administration and Service • Recreation • Retail Trade • Townhome • Unit (condominium) Ownership

STILLWATER PLANNING COMMISSION SUMMARY
REGULAR MEETING OF DECEMBER 3RD, 2024
IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING
LAW, THE AGENDA WAS POSTED November 26th, 2024, IN THE
MUNICIPAL BUILDING AT 723 SOUTH LEWIS STREET

MEMBERS PRESENT

Jana Phillips, Chair
Riley Williams, Vice Chair
Mark Prather, Member
Mike Shanahan, Member

MEMBERS ABSENT

David Peters, Member

STAFF PRESENT

Kim Payne, City Attorney
Jacquelyn Porter, City Planner
Joshua Brown, Project Manager
Cindy Gibson, Administrative Services
Alexandria Maged, Administrative Assistant
Staff Absent
Diana Hood, Associate City Planner

1. CALL MEETING TO ORDER.

2. PUBLIC HEARING:

- d. Receive public comment regarding a request from Jason Johnson for a MAP AMENDMENT (MA24-13) to rezone property addressed as 701 W. Highpoint Drive from Commercial General (CG) to Commercial Business (CB) district.

Chair Phillips introduces the item and asks for staff presentation.

Jacquelyn Porter, City Planner, presents the item and asks if there are any questions; none respond.

Chair Phillips invites the applicant or their representative up to present.

Mr. Stephen Gose, Gose & Associates, 113 E 8th comes to the podium:

- Explains that the client is looking to purchase these apartments and convert them to owner occupied condos.
- This is the only zoning district in the code that allows owner occupied condos.

Commissioner Williams asks if the client is looking to purchase these lots or has purchased these lots. Mr. Gose says their client has a contract that is contingent on this rezoning.

Chair Phillips notes that the maximum lot coverage in CB is 100% and there are no setback requirements if the surrounding lots are CG, which they are, so they could build all the way to the property lines. Mr. Gose said yes if the current project is torn down, yes in this zoning that could happen as there are not setbacks or parking requirements; however, that is not what their client is looking to do, they are hoping to convert the existing to unit ownership.

Chair Phillips asks if there are further questions for Mr. Gose; none respond.

Chair Phillips opens the public hearing and asks if there is anyone that wishes to speak in favor of this item; none respond Chair Phillips asks if there is anyone that wishes to speak in opposition of this item;

none respond. Chair Phillips closes the public hearing and asks for staff to present findings and alternatives.

Jacquelyn Porter presents the findings and alternatives to the commissioners which are:

Findings:

1. The Land Development Code allows for rezoning of land via Map Amendments.
2. Condominiums are only allowed in Commercial Business (CB) zoning district as a permitted use by right.
3. The Comprehensive Plan calls for commercial uses in this area.

Alternatives:

1. Accept findings and recommend that the City Council approve the proposed map amendment as presented.
2. Find that the map amendment is not an appropriate use for the property based upon the impacts to the surrounding vicinity and do not recommend that the City Council approve the map amendment.
3. Find that additional information or discussion is needed prior to making a recommendation and table the request to a certain date

Commissioner Prather motions to accept the findings and approve the Map Amendment as presented, Vice Chair Williams seconds.

Roll Call:	Phillips	Williams	Prather	Shanahan	Peters
	Yes	Yes	Yes	Yes	Absent

Time: 7 minutes

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



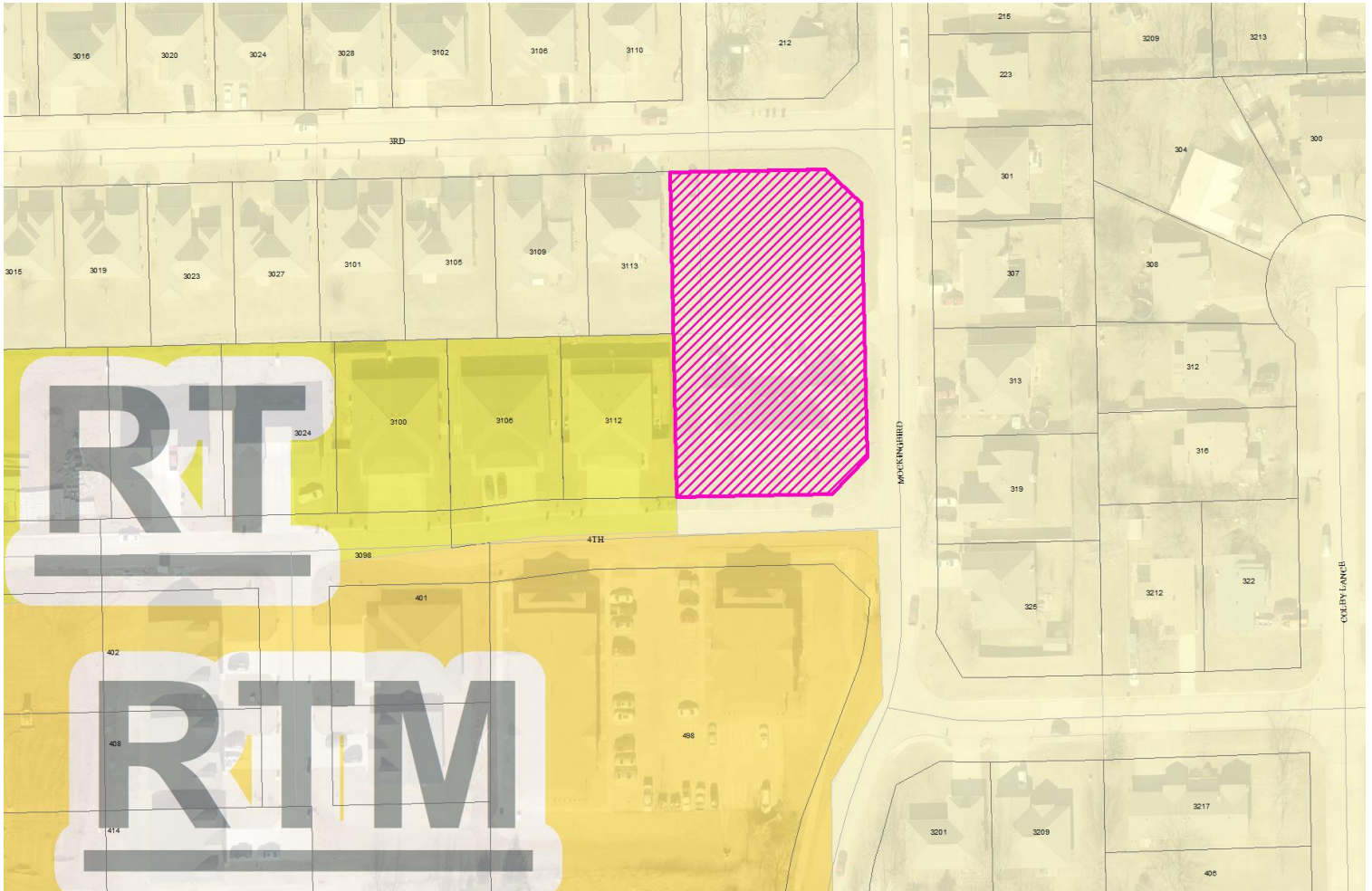
Agenda Item:	7.c. CC-25-13
Previous/Related Action:	December 3, 2024 Planning Commission December 17, 2024 Planning Commission
Background/Issue:	The applicant requests review and approval of a Map Amendment to rezone the property addressed as 3118-3124 E. 4th Avenue from Small Lot Single-Family (RSS) to Two-Family and Multi-Family (RTM). The subject property is located in the northeast area of Stillwater, with three street frontages along East 3rd Avenue, South Mockingbird Lane, and East 4th Avenue. The subject property is currently zoned Small Lot Single-Family (RSS) with single multifamily structure (quadplex), with frontage on East 4th Avenue and parking/access off South Mockingbird Lane. The applicant is requesting to rezone to Two-Family and Multi-Family (RTM) to allow for the use to add two new duplex structures north of the existing quadplex. The Future Land Use Map within the Comprehensive Plan indicates that the desired land use for the subject property is High Density Residential (10-3). Small Lot Single-Family (RSS) is located to the north, east, and a portion to the northwest of the subject property, and Two-Family Residential (RT) is located to the southwest of the subject property, with Two-Family and Multi-Family (RTM) to the south at Saddle Creek Apartments.
Proposal/Solution:	Planning Commission recommended approval with a 5-0 vote based upon the following findings: • The Land Development Code allows for rezoning of land via Map Amendments. • Two-Family and Multi-Family (RTM) is located to the south of the subject property. • The Comprehensive Plan calls for high density residential uses in this area.
Financial Source/Impact:	None
Related Strategic Priority:	#4 CONNECTED SPACES
Recommended Action/Motion:	Motion to accept the Planning Commission recommendation and

approve the Map Amendment for the property addressed as 3118-3124 East 4th Avenue.

Prepared By:	Diana Hood, Associate Planner
Reviewed By:	David Barth
	Brady Moore
	Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. Area Map
2. Zoning Comparison Chart, RSS to RTM
3. Draft 12.03.2024 PC Mtg Summary



Stillwater OKLAHOMA
stillwaterok.gov

Project Type: Map Amendment (MA24-14)
Request: Rezone from RSS to RTM
Address: 3124 E 4TH AVE
Applicant: Pioneer Investment Group, LLC

ZONING COMPARISON CHART		
	RSS (Residential Single Family Small Lot)	RTM (Residential Two-family and Multi-family)
Min Lot Size	5000 square feet	20,000 square feet
Min Lot Width/Depth	50/100 feet	100/130 feet
Max Structure Height	35 feet	35 feet
Min Front Yard	20 feet/10 feet from alley	20 feet/10 feet from alley
Corner lot optional setback	Front: 20 feet Street Side: 15 feet	N/A
Min Side Yard - boundary with:		
Residential district	5 feet	5 feet
Commercial district	15 feet	15 feet
Industrial district	15 feet	15 feet
Min Rear Yard - boundary with:		
Residential district	20 feet	20 feet
Any other district	20 feet	20 feet
Max Lot Coverage	No max limit	40 percent
Landscaping/Screening (earth berms, shrubs, fences, decorative man-made materials, trees)	No requirements	Required for parking lots only
Permitted Uses by Right (Uses in <i>italic</i> are allowed in both zoning districts)	• Conventional single-family • Residential design manufactured homes	• Boarding House/Rooming House • Church and Religions Institutions • Multiple-family with a maximum gross density of 20 units per acre • Townhome • Two-family (duplex)

STILLWATER PLANNING COMMISSION SUMMARY
REGULAR MEETING OF DECEMBER 3RD, 2024
IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING
LAW, THE AGENDA WAS POSTED November 26th, 2024, IN THE
MUNICIPAL BUILDING AT 723 SOUTH LEWIS STREET

MEMBERS PRESENT

Jana Phillips, Chair
Riley Williams, Vice Chair
Mark Prather, Member
Mike Shanahan, Member

MEMBERS ABSENT

David Peters, Member

STAFF PRESENT

Kim Payne, City Attorney
Jacquelyn Porter, City Planner
Joshua Brown, Project Manager
Cindy Gibson, Administrative Services
Alexandria Maged, Administrative Assistant
Staff Absent
Diana Hood, Associate City Planner

1. CALL MEETING TO ORDER.

2. PUBLIC HEARING:

- e. Receive public comment regarding a request from Pioneer Investment Group, LLC for a MAP AMENDMENT (MA24-14) to rezone property addressed as 3118-3124 E. 4th Avenue from Small Lot Single-Family (RSS) to Two-Family and Multi-Family (RTM) district

Chair Phillips introduces the item and asks for staff presentation.

Jacquelyn Porter, City Planner, presents the item and asks if there are any questions; none respond.

Chair Phillips invites the applicant or their representative up to present; none respond.

Chair Phillips opens the public hearing and asks if there is anyone that wishes to speak in favor of the item.

Ms. Ashley Hernandez Torez, 3110 E 3th comes to speak:

- Lives north of the lot.
- Is not in favor or opposed to it, at this time, but would like to have further discussion with the applicant.
- Has concerns about the location of the parking/drive.
- Has some additional questions about, if this is a larger construction project, how that would affect their neighborhood such as if there were nails in the road that damaged tires or how quiet hours would be affected.

Mrs. Payne states that she can answer the last point; if there were damages that would be a civil matter between the citizen and the developer; the developer would also have to follow the hours stated in the City's Disturbing the Peace code; the only exception to that would be if it was a really hot summer and they needed a special permit to do an early morning pour for concrete, but that is rare.

Chair Phillips asks if anyone else would like to speak in favor or opposition; none respond.

Chair Phillips closes the public hearing and invites staff back to present the findings and alternatives.

Jacquelyn Porter presents the findings and alternatives to the commissioners which are:

Findings:

1. The Land Development Code allows for rezoning of land via Map Amendments.
2. Condominiums are only allowed in Commercial Business (CB) zoning district as a permitted use by right.
3. The Comprehensive Plan calls for commercial uses in this area.

Alternatives:

1. Accept findings and recommend that the City Council approve the proposed map amendment as presented.
2. Find that the map amendment is not an appropriate use for the property based upon the impacts to the surrounding vicinity and do not recommend that the City Council approve the map amendment.
3. Find that additional information or discussion is needed prior to making a recommendation and table the request to a certain date

Commissioner Prather motions to differ to the next Planning Commission meeting of December 17th, 2024. Vice Chair Williams seconds.

Roll Call:	Phillips	Williams	Prather	Shanahan	Peters
	Yes	Yes	Yes	Yes	Absent

Time: 8 minutes

REPORT TO: CITY COUNCIL

MEETING DATE: JANUARY 13, 2025



Agenda Item:	9.a. CC-25-14
Previous/Related Action:	
Background/Issue:	• Ordinance #3457 outlines the Airport Advisory Board's functions. Among those, the ordinance defines one such function as <i>"annually review the schedule of airport rates and charges, the consumer price index and all other metrics and measures used for leases and other multi-year agreements and make necessary recommendations regarding these items to the City Council for the upcoming fiscal year."</i> • The Airport Advisory Board reviewed and approved the proposed 2024-2025 Rates and Charges on November 21, 2024. • The Airport's annual Rates and Charges, once adopted, span the fiscal year starting July 1, 2024 and ending June 30, 2025. • In summary, Rates and Charges remained unchanged except for removing fax and copy fees due to lack of use, updating lock change fees per cost of occurrence, revising the wording of the Airport Rescue and Fire Fighting (ARFF) section to include capturing Index A flights that were not previously charged to support, and revising fees associated with air carrier charter aircraft to be charged per occurrence rather than per roundtrip A larger update to the Airport's Rates and Charges will be part of a broad Citywide analysis and update
Proposal/Solution:	The proposed 2024-2025 Rates and Charges are before Council for adoption.
Financial Source/Impact:	The rates and charges help cover the cost of airport services and/or adequately adjust our lease rates requiring annual CPI review and adjustment.
Related Strategic Priority:	#1 EFFECTIVE SERVICES & ACCOUNTABLE GOVERNMENT
Recommended Action/Motion:	Airport staff recommend adoption of the proposed 2024-2025 Rates and Charges.
Prepared By:	Kellie Reed, Airport Director
Reviewed By:	Kellie Reed

	Christy Cluck
	Teresa Kadavy
Submitted By:	Brady Moore, City Manager

Attachments

1. RESOLUTION NO. CC-2025-1 and EXHIBIT A

RESOLUTION NO. CC-2025-1

**“A RESOLUTION ESTABLISHING THE STILLWATER REGIONAL
AIRPORT RATES AND CHARGES SCHEDULE”**

WHEREAS, Stillwater Regional Airport Advisory Board (SRAAB) is charged with annually reviewing the schedule of airport rates and charges, the consumer price index and all other metrics and measures used for leases and other multi-year agreements and making necessary recommendations regarding these items to the city council for the upcoming fiscal year; and

WHEREAS, SRAAB has reviewed and approved the schedule attached hereto as Exhibit “A” which sets rates and charges for Stillwater Regional Airport; and

WHEREAS, City Council has reviewed the attached schedule of rates and charges adopted by SRAAB and finds that they are necessary and appropriate.

NOW THEREFORE, BE IT RESOLVED, the Stillwater City Council hereby adopts the attached schedule of rates and charges for Stillwater Regional Airport in the amounts indicated in Exhibit “A” and incorporated herein.

PASSED AND ADOPTED this 13th day of January 2025.

CITY OF STILLWATER, OKLAHOMA
a Municipal Corporation

WILLIAM H. JOYCE, MAYOR

(SEAL)
ATTEST:

TERESA KADAVY, CITY CLERK

APPROVED AS TO FORM AND LEGALITY this 13th day of January 2025.

KIMBERLY CARNLEY, CITY ATTORNEY

EXHIBIT A



Stillwater Regional Airport

Terminal: 2020-1 West Airport Road
Administration: 3304 N. Airport Industrial
Access Rd.
Stillwater, Oklahoma 74075

Office: 405.372.7881
Fax: 405.372.8460

www.Stillwater.org - www.FlyStillwaterOk.com

2024-2025 Rates and Charges

Service	Description	Rate
ADMINISTRATIVE FEES		
Conference Room Rental	Half Day	\$ 40
	Full Day	\$ 70
Airport Identification /Access Card	SIDA/Sterile (new and renewal)	\$60.00
	AOA Badges (new and renewal)	\$30.00
	Replacement of Damaged	\$15.00
	No-Return terminated/expired	\$50.00
	Contractor Deposit	\$50.00
	Driver Access (up to 2 vehicles)	\$20.00
Security Violations	1 st Violation	\$50.00
	2 nd Violation	\$100.00
	3 rd Violation	\$200.00
Lost Badges	1 st Violation	\$65.00
	2 nd Violation	\$115.00
	3 rd Violation	\$215.00
Airport Security Escort Fee	<i>Hourly fee, per employee, for providing on-airport escort. (1 hour minimum)</i>	\$ 40.00 / Hour
Charter and Holiday After Hours Staffing Fee	Hourly employee rate for holiday or after-hours minimum required staffing <i>*Holidays defined as those observed by the City of Stillwater; after hours defined as between the hours of 11pm and 4am.</i>	\$40/hour* 2 hour minimum for callback
Fuel Flowage Fee	AV Gas and Jet A Fuel	\$ 0.20
Lock Change Fee	Re-key lock and replace key(s)	actual cost per occurrence
	<i>*Lost Key(s) require Lock Change</i>	
Land Rental	AIRSIDE	\$ 0.24 psfpy FMV
	LANDSIDE <i>Over 2 acres will be negotiated</i>	
Hay & Pasture Lease	Per Bid	Per Bid

AIRCRAFT PARKING/HANGAR FEES

SE=Single Engine ME=Multi-Engine		
Tie-Down/Ramp Parking	SE or ME Nightly* TURBO/JET Nightly* Non-Signatory/Nightly Signatory/Nightly	\$ 10/night \$ 25/night \$.40/1000 lbs/night Included In Agreement
<i>Discount may apply to flight schools with multiple aircraft</i>	<i>*1st night free with fuel purchase of 10 gallons or more</i>	
	Based SE or ME-Monthly	\$ 50
T-Hangar 1 and 2	SE or ME Monthly	\$ 250
Port-A-Port Hangars	SE or ME Monthly	\$ 170
Large Group Hangars	2 or 4 Place Monthly 6 Place Monthly ME Twin Monthly	\$ 140 \$ 160 \$ 175
	<i>Rates vary with size of aircraft</i>	
LANDING/FACILITY FEES		
24 hours PPR Required for All Charters		
Landing Fee	0-7,999 LBS	\$ 15
	8,000 LBS + (Non-Scheduled)	\$ 1.30 / 1,000 LBS
	8,000 LBS + (Scheduled)	\$.95 / 1,000 LBS *Signatory Airline Rates Negotiated
Terminal Space	* Signatory Airline Rates Negotiated	\$ 21.25 / SQ FT
Level 1 Facility Fee	Screening Set-Up Not- Required; facility and ramp access with required staffing.	\$ 260.00
Level 2 Facility Fee	Screening Set-Up Required but Screeners NOT provided by airport; facility and ramp access with required staffing	\$ 525.00

Level 3 Facility Fee	Screening Set-up Required and up to 5 Screeners provided by airport (4 plus 1 supervisor); Facility and ramp access with required staffing.	\$ 2,000.00 * <i>\$200.00 extra per additional screener requested</i> <i>\$35/hr/screener for delays over 120 minutes.</i> <i>50% Charge Cancellations within 4-12 hrs of flight;</i> <i>100% Charge cancellations within 4 hrs of flight;</i> <i>* Rates may be adjusted due to screening cost increase</i>
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OTHER FEES		
Spill Containment and Clean Up Fee	Hourly fee per employee, for spill mitigation requiring activation of the SWO Spill Prevention Control and Countermeasure Plan (SPCCP)	\$ 75 / Hour* *Plus Supplies and Disposal Fees
ARFF Standby (Non-scheduled and/or non-signatory support)	ARFF Standby Index B or below	\$270.00
	ARFF Standby Index C	\$310.00 Plus materials/clean up if response required
ARFF Delay Standby	ARFF Standby Index A, B or C for flight delay over one (1) hour of scheduled arrival/departure time	\$270.00
Law Enforcement Support Fee	<i>Arrangements Made Through Stillwater Police Department for LEO Support</i>	SPD Overtime Rate plus \$25
Rolling Stairs Fee		\$ 35.00 per use
Jet Bridge Fee		\$ 75.00 per use
Truck Stairs Fee		\$175.00 per use
24 Hour PPR Required for Non-Scheduled ARFF Standby Additional Charges May be Imposed for Stillwater Fire Department Response		

RESOLUTION NO. CC-2025-2

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STILLWATER AND THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY APPROVING THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF STILLWATER, THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY, AND KIPPER LLC

WHEREAS, the City of Stillwater (“City”) and the Stillwater Economic Development Authority (“Authority”) are committed to fostering economic growth by promoting non-retail development within the City to retain and expand employment opportunities, attract significant capital investment, enhance the local tax base, stimulate economic growth, improve quality of life, and strengthen the community; and

WHEREAS, Kipper LLC (“Developer”) intends to develop a data center campus within the City’s corporate boundaries, classified as business type described by U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision, which is expected to generate substantial capital investment, create high-quality employment opportunities, and contribute to the economic advancement of the community; and

WHEREAS, the Local Development Act, 62 O.S. § 850, et seq. (“Local Development Act”), enacted by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, empowers the governing bodies of cities, towns, and counties to provide incentives, exemptions and other forms of relief from taxation to encourage development in areas experiencing economic stagnation or decline; and

WHEREAS, the City and the Authority have caused the preparation of the Stillwater Data Center Economic Development Agreement by and among the City, the Authority (“SEDA”), and the Developer to define the respective obligations of the parties with respect to the initial two phases of the data center campus development (“Development Agreement”); and

WHEREAS, the City and the Developer contemplate entering into a separate water and wastewater agreement to implement the water and wastewater allocations specified in the Development Agreement, without obligating the City to provide additional capacity beyond the allocations established therein; and

WHEREAS, the City, the Authority, and the Developer acknowledge that subsequent phases of the data center campus development will require execution of one or more supplemental development agreements (“Supplemental Development Agreements”); and

WHEREAS, the City and the Authority find it necessary and beneficial to finalize the terms governing the first two phases of the data center campus development, and therefore deem it appropriate and desirable to approve and execute the Development Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STILLWATER AND THE BOARD OF TRUSTEES OF THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY:

1. The Stillwater Data Center Economic Development Agreement by and among the City of Stillwater (“City”), the Stillwater Economic Development Authority (the “Authority,”) and Kipper LLC (“Development Agreement”), is hereby approved.

2. The Mayor and the Chairman of the Authority are authorized and directed to finalize and execute the Development Agreement, to make corrections and adjustments thereto as may be appropriate and advised by Special Counsel for Economic Development, to take necessary and appropriate implementing actions, and to perform the agreements and obligations contained in the Development Agreement.

3. The Mayor, City staff, and the Chairman and officers of the Authority, with the assistance of Special Counsel for Economic Development, are authorized and directed to approve, prepare, finalize, execute, and/or record, as applicable, all supporting documents and instruments that are necessary and appropriate to implement and carry out the terms of the Development Agreement.

4. Any separate Water and Wastewater Agreement, as contemplated under the Development Agreement, and any Supplemental Development Agreements related to future phases of the data center campus shall be subject to separate review and approval by the City Council and the Authority prior to execution.

PASSED AND APPROVED this 13th day of January, 2025, by the City Council of the City of Stillwater.

William H. Joyce, Mayor

ATTEST:

Teresa Kadavy, City Clerk

(SEAL)

PASSED AND APPROVED this 13th day of January, 2025, by the Board of Trustees of the Stillwater Economic Development Authority.

William H. Joyce, Chairman

ATTEST:

Teresa Kadavy, Secretary

(SEAL)

REVIEWED for form and legality.

Special Counsel for Economic Development

**STILLWATER DATA CENTER
ECONOMIC DEVELOPMENT AGREEMENT**

BY AND AMONG

THE CITY OF STILLWATER, OKLAHOMA,

**THE STILLWATER ECONOMIC DEVELOPMENT
AUTHORITY,**

AND

KIPPER LLC

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**STILLWATER DATA CENTER ECONOMIC DEVELOPMENT AGREEMENT
BY AND AMONG THE CITY STILLWATER, OKLAHOMA, THE STILLWATER
ECONOMIC DEVELOPMENT AUTHORITY, AND KIPPER LLC**

THIS STILLWATER DATA CENTER ECONOMIC DEVELOPMENT AGREEMENT (“**Agreement**”) is made on or as of this _____ day of January, 2025 (“**Effective Date**”), by and among the City of Stillwater, Oklahoma, a municipal corporation (“**City**”), the Stillwater Economic Development Authority, an Oklahoma public trust (“**Authority**”), and Kipper LLC, a Delaware limited liability company (“**Developer**”). Developer, City, and Authority are each a “**Party**” and collectively, the “**Parties**” to this Agreement.

RECITALS:

A. The City and the Authority have an interest in promoting economic development by creating non-retail development opportunities within the City of Stillwater as a method of retaining and expanding employment in the area, attracting major investment, enhancing the tax base, stimulating economic growth, improving the community’s quality of life, and otherwise strengthening the community.

B. The Developer desires to develop a data center campus meeting the business type described by U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision, within the City’s corporate boundaries, which will generate substantial capital investment, create desirable new employment opportunities within the City, and will have other positive impacts to the community.

C. The Local Development Act, 62 O.S. § 850, et seq. (“**Local Development Act**”) was passed by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, and empowers the governing bodies of cities, towns, and counties to provide incentives, exemptions and other forms of relief from taxation for enterprise areas and reinvestment areas that are exhibiting economic stagnation or decline.

D. As authorized by the Local Development Act, the City Council of the City of Stillwater (“**City Council**”) by Ordinance No. 3546 approved the Stillwater Data Center Economic Development Project Plan (“**Project Plan**”) and the creation of six tax incentive districts to facilitate, support, and incentivize the proposed development.

E. The parties wish to set forth the manner in which the proposed development is to be undertaken and implemented, and therefore deem it appropriate to approve and execute this Agreement.

IN CONSIDERATION of the mutual covenants and agreements contained herein, the City, the Authority, and the Developer hereby agree as follows:

Article I. SUBJECT OF AGREEMENT

Section 1.01 Scope of Agreement. This Agreement sets forth the Parties’ respective obligations with respect to the development of Phase 1 and Phase 2 of the Project, as defined in Section 1.02 below and in accordance with the Project Plan. The Agreement does not address the

terms and conditions of any other Phases of the Project, except as otherwise detailed herein. The future Phases of the Project, if any, shall be governed by the terms and conditions of a Supplemental Economic Development Agreement by and among the Parties. The initial term of this Agreement (“**Initial Term**”) shall commence on the Effective Date and terminate on the twentieth (20th) anniversary of the Commencement Date. The “**Commencement Date**” shall be the date of issuance of a Certificate of Occupancy or notice of substantial completion of Phase 1 pursuant to Section VII.D. of the Project Plan. Following the Initial Term, this Agreement shall automatically renew for successive one (1) year periods (“**Term**”), subject to the terms of this Agreement, provided the Developer remains a customer of the City for domestic water and wastewater. The Developer acknowledges that certain benefits referenced in this Agreement, including franchise fees and tax exemptions have separate terms and conditions that may expire or terminate prior to the end of the Term.

A. Reservation of Governmental Authority; Non-Discrimination. This Agreement does not limit or restrict the City’s ability or rights to exercise of its future legislative or governmental authority, nor does it attempt to delegate its rate-making responsibilities as prohibited by Article 18, Section 7 of the Oklahoma Constitution. The approvals and commitments made in this Agreement are limited to the City’s exercise of its proprietary authority and shall not be construed to restrict or affect the City’s future legislative or police powers, particularly with respect to the health, safety, and welfare of the community. The City and Developer acknowledge that future modifications to municipal laws or regulations may be necessary, not only for the protection of public health, safety, and welfare, but also for other legitimate municipal purposes. The Developer agrees that such changes, when made in good faith and applied uniformly, will not constitute a breach of this Agreement, provided they are enacted to serve public interests. The City agrees that any special assessments, taxes, or charges will be determined in accordance with Applicable Rules (defined below) and will not be designed or applied in a manner that unfairly or discriminatorily targets the Project. To the extent permitted by law, the City agrees that it will not support any legislative or regulatory measure that would repeal, modify, or amend Section 39-78 of the Stillwater Codified Ordinances, or any successor provision(s) thereto, in any manner so as to eliminate or limit the application of any state sales tax exemption set forth in the Oklahoma sales tax code to any sales tax liability of the Developer relating to or arising from construction or operation of Phase 1 and Phase 2 of the Project under the Stillwater Codified Ordinances.

B. Applicable Rules. The Developer shall fulfill its obligations under this Agreement in compliance with the requirements established by this Agreement and all provisions of the City of Stillwater’s Code of Ordinances (“**Code**”), the City’s Design and Construction Standards (“**Standards**”), and all other applicable laws, rules, statutes, requirements, and regulations, whether local, state, or federal, that govern or apply to the Project, all as may be amended or modified from time to time (collectively, the Code, Standards and other laws, rules, statutes, requirements, and regulations, are the “**Applicable Rules**”). The Applicable Rules extend to all pre-construction and construction activities.

C. Incentives. The City hereby agrees, subject to the terms, conditions, and limitations hereinafter provided, to provide to the Developer assistance in facilitating the granting of an exemption on 100% of the ad valorem taxes and special assessments assessed against the real property and 100% of the ad valorem taxes and special assessments assessed against the personal property that will comprise, constitute and encompass each Phase (defined in Section 1.02) of the

Project for a period of 25 years (commencing with the effective date of each Tax Incentive District (defined below) as set forth in the Project Plan. The approved Project Plan and Tax Incentive Agreement (as defined below) offer incentives to the Developer for each Phase of the development to help offset its costs of infrastructure and utility capacity required to serve the Project. In exchange, the local taxing jurisdictions and the City will receive certain annual payments from the Developer, as provided in the Tax Incentive Agreement. This additional source of funding will bolster the City's economic development initiatives, contribute to the financing of vital public infrastructure needs, and fulfill the capital and operational needs essential to the City's growth.

D. Tax Incentive Districts. Using the tools of the Local Development Act, the Project Plan creates six (6) Tax Incentive Districts, one for each potential Data Center ("**Tax Incentive District**"). By considering approval of the Project Plan, the City aims to stimulate new private investment, and ensure that the Stillwater Public Schools, the Meridian Technology Center, Payne County, and the Payne County Department of Health (collectively, the "**Taxing Entities**") receive direct revenue as a result of the Project in the form of annual PILOTs for each Data Center developed, as further described in Section 5.02 herein and in the Tax Incentive Agreement by and between the City, the Developer, and each of the Taxing Entities attached hereto as Exhibit A (the "**Tax Incentive Agreement**"). Because of the potential scope of the Developer's investment, the Project is likely to promote further private investment and economic development from related businesses throughout the area, including new businesses that locate to the area and existing local businesses that supply goods or services to the Project. The combination of increased revenue to the Taxing Entities and private economic development from the Project is likely to enhance the value of other real property in the area and to promote the general public interest.

E. City Approvals and Support. For all approvals required of the City under this Agreement and in connection with the implementation of Phase 1 and Phase 2 of the Project, the City agrees to act in good faith to timely review and process the Developer's submittals, provided such submittals are complete, accurate, and timely, and in accordance with this Agreement and Applicable Rules. For purposes of this Agreement, good faith review by the City shall mean reasonable efforts to provide timely feedback and decisions within standard administrative timelines, subject to the complexity of the submission and other relevant considerations. The City reserves the right to request additional submittals, revisions, or supplemental information as necessary to ensure compliance with this Agreement, Applicable Rules or to address unforeseen circumstances that may arise during the review process.

Where the Developer requests support and cooperation from the City that does not require formal City action, approval, or involvement, but facilitates the development, the City agrees to consider such requests. The City will provide support at its discretion, subject to resource availability and the following conditions: (1) the support will not provide greater benefits to the Developer than typically afforded to other developers or projects, (2) the support aligns with the City's interests and public policy objectives, and (3) the support does not conflict with or disadvantage potential opportunities, funding, or priorities of the City. Notwithstanding the above, the City will provide a point of contact to assist the Developer in facilitating interactions with the City throughout the development of Phases 1 and 2 of the Project (the "**City Point of Contact**"). In this role, the City Point of Contact will respond to reasonable requests of the Developer to coordinate meetings between representatives of the Developer and its development teams and City representatives related to the City's development process. While these meetings may also involve other non-City

building, regulatory, and/or utilities officials; however, the City Point of Contact is not responsible for arranging meetings with these external parties. The assistance by the Point of Contact will be within the constraints of available resources and must not hinder or interfere with his or her capacity to fulfill other City functions or projects.

F. Commitment to Renewable Energy. The Developer agrees to make best efforts to maximize the use of carbon-free energy sources in the execution of the Project, by prioritizing the procurement of energy from renewable sources such as solar, wind, hydroelectric, geothermal, or biomass. The Developer will review and adjust its energy strategies as necessary to enhance its renewable energy utilization.

Section 1.02 Description of Project.

A. Project Description

(i) The Developer will invest at least \$500,000,000.00 to construct, equip, and operate an approximately 300,000 square foot data center that meets U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision, together with roadways, driveways, utility installations, access, surface parking, fencing, screening, exterior lighting, and landscape improvements (a “**Data Center**”), as well as certain ancillary buildings, structures and infrastructure that support or are related to the data center campus operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings, within the Project Area (defined in Section 1.03), and creating approximately thirty (30) high quality jobs in the City. Thereafter, the Developer may undertake the development of up to five (5) additional Data Centers, establishing a Data Center campus on the Project Area, each of similar magnitude in scale, cost, and employment (collectively, the “**Project**”), subject to the terms of this Agreement for Phase 1 and Phase 2 and the terms of any Supplemental Economic Development Agreements executed by the Parties for any subsequent Phase.

(ii) The Developer intends to proceed with the Project in phases. The term “**Phase**” as used herein refers to all new investments in real and personal property within a Tax Incentive District. The term “**Project**” shall refer to all Phases that are constructed in the Project Area, however, the precise number and size of Data Centers is subject to change.

B. Offsite Improvements

(i) The Developer is solely responsible, and shall, at its own expense, undertake the development of all required Public Improvements (defined below) and private improvements that are necessary to support and facilitate the Project (collectively, the “**Offsite Improvements**”). As required by the Applicable Rules, development of the Offsite Improvements shall include, without limitation, the design, construction, renovation, improvement, equipping, installation, and completion of the applicable Offsite Improvements, along with all necessary right-of-way acquisitions and all requisite studies, reports, analyses, and other preparatory activities and work required under the Applicable Rules and needed to complete the Offsite Improvements. Offsite Improvements do not include an outer loop trail or rails to trails program, which, if undertaken, are at the cost and election of the City.

(ii) The Developer covenants and agrees to reconstruct and resurface E. Richmond

Road, between W. Perkins Road and N. Jardot Road. These improvements include, but are not limited to, right-of-way acquisitions, grading, road widening, road repaving, and installing upgraded water (and, if applicable, sewer lines) to meet the increased demands of the Project (“**Richmond Road Improvements**”). The Developer acknowledges that the Richmond Road Improvements are being undertaken as a contractual obligation to facilitate and support the Project and required if the Developer proceeds with the Project. The Richmond Road Improvements, together with any other public improvements necessary to serve the Project, which may include, without limitation, additional road improvements and associated right-of-way acquisitions, utility upgrades and expansions (including water, sewer, electric, and telecommunications), storm water improvements, traffic management and infrastructure (including traffic signals and signs), public lighting, pedestrian infrastructure, and sidewalks (are collectively referred to herein as the “**Public Improvements**.”

(iii) The Developer shall engage a qualified consultant to manage the acquisition of all right-of-way and/or easements required for the Public Improvements. The Developer’s consultant is authorized to acquire these right-of-way and/or easements for the benefit of, and for the future dedication to, the City. The City shall not incur any costs associated with these acquisitions, which will be the sole responsibility of the Developer.

(iv) Without limiting the foregoing, the Developer shall submit to the City for its review and approval all plans, reports, studies, tests, calculations, analyses, applications, and other documentation and information required by the Applicable Rules. By way of example, but without limitation, before commencing construction activities for the Public Improvements, the Developer shall submit to the City for review and approval plans and specifications prepared by a professional engineer for said improvements (the “**Plans**”). To the extent required in the Applicable Rules, the Developer shall provide the City with redacted copies of the contracts executed by the Developer and its contractors for the construction of any Public Improvements, provided such redactions do not interfere with the City’s ability to confirm the scope of the work under the contracts and consistency with the City’s approved Plans, the contractor’s performance and payment bonds, if applicable, along with evidence of full and complete payment to said contractors, lien waivers executed by contractors and subcontractors, and other pertinent matters concerning the Public Improvements.

(v) The Developer shall provide the City with a Maintenance Bond equal to one hundred percent (100%) of the entire cost of materials, equipment, and labor for the Public Improvements, which shall be enforceable by the City, indicating the contractor will be responsible for any defects in the Public Improvements due to faulty materials and/or workmanship for a period of one (1) year from date of final acceptance by the City (“**Maintenance Bond**”).

(vi) Upon completion of each Public Improvement, the Developer shall dedicate the Public Improvements and submit to the City as-built construction plans and the Maintenance Bond for acceptance by the City Council. The Developer agrees to deliver to the City clear and unencumbered title to all Public Improvements. Upon City Council acceptance, title to all Public Improvements shall be vested in the City and the Developer relinquishes any right, title or interest in and to such Public Improvements and any part thereof. It is understood and agreed that the City shall have no liability or responsibility in connection with such Public Improvements until acceptance by City Council.

C. Project Approvals

(i) The Parties acknowledge and agree that the Developer is entitled, and has a vested right under this Agreement, to develop and operate Phases 1 and 2 of the Project, subject to the terms and conditions of this Agreement and all Applicable Rules. The Developer's vested rights in Phases 1 and 2 include, without limitation, the right to remodel, renovate, rehabilitate, rebuild, or replace any portion of Phase 1 and Phase 2 of the Project (including the right to replenish equipment used in operating the Project), all subject to and in accordance with this Agreement and Applicable Rules. Such actions must be carried out in compliance with all Applicable Rules that may then be in effect. The Development of all other Phases of the Project, beyond Phases 1 and 2, shall be subject to the terms and conditions of a Supplemental Economic Development Agreement to be executed by the Parties.

(ii) The Parties acknowledge and agree that certain actions have been and will be taken by the Developer for approval by the City (whether by City staff or any body, board, or commission) to authorize Phase 1 and Phase 2 of the Project, as generally identified on Exhibit B attached hereto. Given the preliminary stage of planning and the evolving nature of the information about the development, Exhibit B is provided for illustrative purposes only and does not constitute a binding or exhaustive list of all actions, submissions, or approvals that may be required to implement Phase 1 and Phase 2. The City reserves the right to require additional or different actions as necessary to comply with Applicable Rules or address evolving but nondiscriminatory project requirements.

(iii) The Developer may develop subsequent Phases of the Project in such order and at such rate and times as the Developer deems appropriate within the exercise of its sole and absolute discretion, subject to the terms of a Supplemental Economic Development Agreement. The Developer acknowledges that the City has been developing a new Comprehensive Plan, known as Envision Stillwater 2045, over the past year and a half, which is anticipated to be adopted by the City in Spring 2025. The City confirms the adoption of the Envision Stillwater 2045 Plan is not required for the development of Phases 1 and 2 the Project.

D. Other Cooperation

(i) **Letters of Support.** At the Developer's request, the City may, at its discretion, provide letters of support for applications for public roadwork or other project funding from local, state, or federal sources, consistent with the provisions of Section 1.01.E. The City will not provide support for private financing.

(ii) **Utility Connections.** The Developer will be responsible for extending water and wastewater lines to the Project Area at interconnection points identified on the Development Plans and Specifications approved by the City pursuant to Section 6.02 of this Agreement. The Developer will be responsible for all design, permitting and construction costs.

(iii) **Public Services.** The City will provide public services to the Project Area for Phases 1 and 2 of the Project to the extent and in the same manner that those services are provided by the City to any similarly situated recipient, including police services and any other public services the City currently or hereafter provides.

(iv) **Permits and Approvals.** The Developer shall be responsible for obtaining all necessary approvals and permits from private, governmental or quasi-governmental agencies having jurisdiction over the Project Area or the Project, including, but not limited to, ODEQ, ODOT, and railroad companies, as required for the development and/or operation of Phases 1 and 2 of the Project under this Agreement. The City will cooperate in good faith as described in Section 1.01.E. to complete any City-required actions within a reasonable time.

(v) **Easement Cooperation.** The Developer has identified certain utility easements, identified and described on Exhibit C attached hereto, that interfere with the development of Phase 1 and Phase 2 of the Project. The City agrees to support the Developer's actions to relocate these easements, provided such support is in accordance with Applicable Rules. All costs and expenses associated with any easement removals or relocations, including design, engineering, and construction, shall be borne by the Developer.

Section 1.03 Boundaries of Project Area and Incentive Districts.

A. The Project Area is the area in which the Project will be developed, and all Project activities occur.

B. The Project Area contains approximately 386.698 acres of land located in the City of Stillwater and can be generally described as a portion of land located south of East Richmond Road, north of East Airport Road, east of North Perkins Road (Hwy-177) and west of North Jardot Road (the "**Project Area**"). Depictions and legal descriptions of the boundaries of the Project Area and each Tax Incentive District are included in **Exhibit D** to this Agreement, subject to minor amendments as set forth in the Project Plan and Tax Incentive Agreement.

Section 1.04 Relationship of the Parties. This Agreement specifically does not create any partnership or joint venture between the parties hereto or render any Party liable for any of the debts or obligations of any other Party.

ARTICLE II. CONDITIONS PRECEDENT TO OBLIGATIONS

The effectiveness of this Agreement is subject to the fulfillment of the following conditions precedent:

A. The Developer must acquire all property within the Project Area, though certain portions of that property may be subsequently transferred to utility holders and lie outside the Project Area.

B. The Developer must work with the City to create parcels with City review and approval, in accordance with and as required by this Agreement and Applicable Rules. Upon securing City approval of the parcels, the Developer shall be responsible for any required recording with the Payne County Clerk's office.

C. The City must approve and adopt the Project Plan in accordance with the Local Development Act, as described in Article IV, including all necessary provisions and authorizations to grant the exemptions described herein.

D. The Tax Incentive Agreement must be approved and adopted by the Taxing Entities within

60 days following the City's approval of the Project Plan.

ARTICLE III. PHASES OF THE PROJECT

Section 3.01 Phases 1 and 2 Commencement Dates. Upon satisfaction of the conditions precedent described in this Agreement, the Developer expects to commence the development of Phase 1 of the Project, which in any event shall be no later than two (2) years from the Effective Date of this Agreement absent excused delays as set forth herein. The Developer must provide written notice to the City that it intends to commence Phase 2 within two (2) years after completion of Phase 1. If the Developer fails to commence development of Phase 2 within two (2) years after such notice, the City may terminate the undeveloped Tax Incentive Districts. For purposes of this Section, completion of Phase 1 means the effective date of the Tax Incentive District for Phase 1, determined pursuant to Section VII.D. of the Project Plan.

Section 3.02 Termination of Future Phases. If the Developer has completed Phase 2 but the development of Phase 3 has not commenced within 10 years after adoption of the Project Plan, then the undeveloped Tax Incentive Districts for Phases 3, 4, 5, and 6 shall terminate.

Section 3.03 Development of Future Phases.

A. Upon execution of a Supplemental Economic Development Agreement by the City, the Authority, and the Developer for Phases 3 through 6 of the Project, whether one or more, the Developer shall undertake the development of each such Phase in accordance with the Supplemental Economic Development Agreement(s).

B. If Phase 2 has been completed and the Developer thereafter commences Phase 3 pursuant to an executed Supplemental Economic Development Agreement (including design, engineering, permitting, construction for the site and/or associated infrastructure) within 10 years of the adoption of the Project Plan, then the Tax Incentive Districts for Phases 3, 4, 5, and 6 will become effective as of January 1 of the year in which the tenth anniversary of approval of the Project Plan occurs.

C. If the Developer has not commenced Phase 4 of the Project pursuant to an executed Supplemental Economic Development Agreement within 12 years of the adoption of the Project Plan, then the undeveloped Tax Incentive Districts for Phases 4, 5, and 6 shall terminate. If the Developer has not commenced Phase 5 of the Project pursuant to an executed Supplemental Economic Development Agreement within 14 years of the adoption of the Project Plan, then the undeveloped Tax Incentive Districts for Phases 5 and 6 shall terminate. If the Developer has not commenced Phase 6 of the Project pursuant to an executed Supplemental Economic Development Agreement within 16 years of the adoption of the Project Plan, then the Tax Incentive District for Phase 6 shall terminate.

Section 3.04 Authority Purchase Option. The Developer grants the Authority an exclusive option to purchase any undeveloped property located within a terminated Tax Incentive District for any Phase, subject to the terms of this Section 3.04 ("**Option to Purchase**"). The Option to Purchase shall remain valid for a period of one (1) year from the effective date of termination of each Tax Incentive District ("**Option Period**"). During the Option Period, the Developer shall not solicit, market, or otherwise offer the undeveloped property for sale to any

third party. The purchase price for the undeveloped property within a terminated Tax Incentive District shall be a pro rata portion of the original cost incurred by the Developer to acquire the Project Area (“**Option Price**”). Should the Authority exercise an Option to Purchase and subsequently sell the property, the Authority agrees to remit to the Developer fifty percent (50%) of any net proceeds that exceed the Option Price. In addition, the Authority agrees to use good faith efforts to facilitate any sale of the property acquired under this Section to a party whose intended use will not interfere with, or be incompatible with, the Project. The specific uses deemed incompatible with the Project are described on Exhibit E attached hereto. Furthermore, the Authority and the City agree that the City will not support the creation of a tax incentive district within a Tax Incentive District terminated hereunder for a competing data center development. Additionally, neither the City nor the Authority will provide direct incentives or financial assistance to a competing data center development within any Tax Incentive District terminated pursuant to this Agreement.

If the Authority elects to exercise the Option to Purchase property located within a Tax Incentive District terminated hereunder, and such property has not been previously platted (or otherwise separated into parcels), the Developer shall plat (or otherwise create one or more transferable parcels consistent with the Applicable Rules) the property prior to the conveyance, unless the Authority agrees in writing to assume the platting obligation. If the Authority intends to transfer or develop the property for its own purposes, the Authority shall assume the platting obligation and costs unless otherwise agreed in writing. If the Authority assumes the platting obligation, the Developer agrees to cooperate and provide any necessary approvals, documentation, access (subject to Secure Access Protocols, defined below) or assistance to facilitate the preparation and submission of plat applications. The party responsible for platting shall prepare and submit preliminary and final plats for City review and approval in accordance with City regulations. The City agrees to process such applications in good faith and within reasonable administrative timelines, consistent with Section 1.01.E. The Developer and the Authority may execute interim agreements as necessary to facilitate access, use, or other required actions. Additionally, the Developer will record easements, licenses, and/or covenants granting access and use to reasonably accommodate and facilitate any actions required for platting and the Authority’s acquisition of the property.

ARTICLE IV. CITY AND AUTHORITY OBLIGATIONS

Section 4.01 Project Plan.

A. By adoption of Resolution No. CC-2024-8 on April 1, 2024, the City Council declared an intent to consider the creation and adoption of a proposed project plan and potential incentive districts pursuant to the Local Development Act to help facilitate the Project, and established a Review Committee to review, make findings with respect to the eligibility and financial impacts of, and to make a recommendation to the City Council concerning the proposed project plan and incentive districts.

B. The City caused the preparation of a proposed Data Center Economic Development Project Plan with the supporting Tax Incentive Districts (“**Project Plan**”). The Project Plan includes, inter alia, the following provisions: (i) findings that the entirety of the Project Area and the Tax Incentive Districts are within an “enterprise area,” as defined by 62 O.S. § 853(6), due to its location within

an enterprise zone designated by the Oklahoma Department of Commerce, and are also a reinvestment area, as defined by the Local Development Act; (ii) the creation of the six (6) Tax Incentive Districts for each Phase of the Project, with each Tax Incentive District having a term of twenty-five years from their respective effective dates (“**Exemption Term**”), (ii) a determination of the effective date for each of the Tax Incentive Districts; (iii) approval of a one hundred percent (100%) exemption on all qualifying new investments in real and personal property in each Tax Incentive District throughout the Exemption Term, with no ad valorem taxes being assessed against such property, (iii) the Developer’s obligations to pay PILOTs to the Taxing Entities, to pay Franchise Fees as provided herein, and to pay Community Betterment Payments to the City, and (iv) a provision that the boundaries of the Tax Incentive Districts may be adjusted, all as more particularly described therein.

C. The Review Committee has completed its review of the proposed Project Plan, made findings regarding the Project Plan and eligibility of the Project Area and Tax Incentive Districts, and made findings regarding the financial impacts on the affected taxing jurisdictions and business activities within the Project Area. By Resolution dated July 16, 2024, the Review Committee unanimously recommended approval of the Project Plan.

D. By Resolution No PC-2024-1, the Stillwater Planning Commission unanimously determined that the proposed Project Plan is in conformance with the City’s Comprehensive Plan and recommended approval of the Project Plan.

E. The City held two public hearings, as required by the Local Development Act, and after the second public hearing, approved the proposed Project Plan. The City shall, and in compliance with the processes and requirements of the Local Development Act, promptly tender the Tax Incentive Agreement to each affected Taxing Entity for approval.

Section 4.02 Incentives. Subject to the City’s approval and adoption of the Project Plan and the terms, conditions, and limitations contained in this Agreement, the City shall provide public assistance in the form of a tax exemption in the amount equal to 100% all qualifying new investments in real and personal property in each Tax Incentive District throughout the Exemption Term for a period of 25 years (commencing with the activation of each of the Tax Incentive Districts as set forth in the Project Plan).

Section 4.03 Certificate of Completion. Within thirty (30) days after the Developer has submitted evidence that verifies the completion of each Phase of the Project (as evidenced by the issuance of a Certificate of Occupancy or notice of substantial completion pursuant to Section VII.D. of the Project Plan) and the incurrence of at least \$500,000,000 in construction and equipment costs per Phase, the Authority shall issue a Certificate of Completion to the Developer. This certificate will confirm that the Developer has fulfilled its construction and development obligations for that phase of the Project as outlined in the Agreement. The evidence required from the Developer will consist of documentation reasonably requested by the Authority to confirm completion and compliance, which may include certifications or summaries prepared by the Developer’s independent auditor or other third-party professionals, limited to the scope necessary to verify construction requirements and expenditures. To respect the Developer’s confidentiality requirements, the Authority may conduct virtual meetings or in-person reviews of relevant information without retaining documentation.

Section 4.04

Allocation of Water and Wastewater Capacity.

A. Allocations. Based on information provided by the Developer in the Appendices 1, 1-A, and 2 attached hereto and made a part hereof with respect to its water and wastewater requirements for Phases 1 and 2 of the Project, the City will allocate the water and wastewater capacities (“**Initial Allocations**”) and the additional water and wastewater capacities (“**Additional Allocation 1**”), all as described in and in accordance with the specifications of Appendix 1 and subject to the terms of this Agreement. The City’s commitment to provide Additional Allocation 1 is subject to the City’s completion of Projects 1, 2 and 3, as described in Appendix 1. The City will be responsible for all costs associated with Projects 1, 2, and 3, identified in Appendix 1. The City shall not be liable for delays in completion of Projects 1, 2, and 3 caused by circumstances beyond its control, as described in Section 8.04, or due to funding constraints.

The City makes no commitment and is under no obligation to provide water and wastewater allocations beyond the Initial Allocation and the Additional Allocation 1, upon completion of Projects 1, 2, and 3. The Developer acknowledges that any additional capacity beyond Additional Allocation 1 may be addressed through an amendment to this Agreement, the W&WW Agreement (defined below) or Supplemental Economic Development Agreement(s) by and among the Parties.

The City and the Developer agree to cooperate in good faith to enter into a separate water and wastewater agreement (the “**W&WW Agreement**”) with the understanding that the W&WW Agreement is intended to address the implementation of the allocations provided under this Agreement and shall not obligate the City to provide water or wastewater capacity beyond the Initial Allocation and Additional Allocation 1, as outlined in this Agreement, unless expressly agreed to therein. All terms of the W&WW Agreement shall be mutually agreed, with the Parties working in good faith. The W&WW Agreement may include, but is not limited to, the following terms: (i) a schedule for informational meetings between the Parties, (ii) progress on Projects 1, 2 and 3, (iii) and any agreed upon modifications or changes to the foregoing. The W&WW Agreement may also establish parameters for deviations from the Initial Allocations and Additional Allocation 1, enabling the City to adjust allocations based on verified usage determined from metered data. Pursuant to the W&WW Agreement, the Parties will engage in good faith to assess opportunities for reallocating unused capacity based on the Developer’s verified historical usage. For example, if the Developer’s average usage over a consecutive three-year period, beginning twelve months following the certificate of occupancy, falls below a threshold percentage (to be determined in the W&WW Agreement) of the allocated capacity, the City may reallocate unused capacity as provided in the W&WW Agreement. While the City agrees to approach the W&WW Agreement in good faith, all of its terms shall be subject to mutual agreement and shall not adversely affect the City’s ability to serve its other users or achieve its broader infrastructure planning objectives.

B. Water and Wastewater Infrastructure. The Developer shall be responsible for all design, permitting, and construction costs for all water and wastewater private infrastructure (and public infrastructure to the extent required to interconnect with existing public water and wastewater infrastructure adjacent to the Project) required for the Developer’s operations. This includes installing and extending public water and public sewer lines, Developer’s water and sewer mains, and backflow preventative equipment and other measures to ensure compliance with applicable environmental laws, City Standards, state and federal regulations and to minimize the

possibility of contaminating the City's water supply system. All public water and wastewater infrastructure designs and construction plans shall be subject to the City's prior review and approval. The City reserves the right to inspect all work to ensure compliance with approved plans and applicable standards and building codes.

Water meters and related appurtenances will be installed by the Developer, at the Developer's expense and dedicated to the City. The Developer agrees to grant the City an easement, at no cost to the City, with rights of ingress and egress (subject to the Secure Access Protocols if applicable to the location), for the purpose of maintaining and reading the meters and conducting other activities necessary to perform the City's obligations. The water meter must be compatible with the City's advanced metering infrastructure (AMI) system.

The Developer shall be solely responsible for the maintenance and repair of all constructed private water and wastewater infrastructure improvements in accordance with applicable standards. The Developer shall promptly address any malfunctions or deficiencies.

C. Rate Determinations. The City will contract with a rate consultant to provide a study that will inform the water and wastewater rate conditions for the Initial Allocation and Additional Allocation 1.

(i) The study is expected to establish a new customer class for the Developer and potentially other large water and wastewater users. This new customer class will ensure that the rates reflect benefits of serving high-volume consumers, while maintaining fairness across all customer classes. The Developer agrees to submit, upon request, all information and documentation as reasonably required for the study. The Developer agrees to reimburse the City for the full cost of the study, up to \$50,000, within 30 days of the Developer's receipt of the invoice from the City.

(ii) Development of Rate Components. Building on the foundational data provided in the Appendices 1, 1-A, and 2 attached hereto, and other information developed through the study, the following base principles will guide the study and the development of rates for the Initial Allocation and Additional Allocation 1 to ensure cost recovery and efficient resource management: (1) recovery of all costs for the City with the Developer paying its allocated share of water and wastewater and (2) the City will not approve rates that discriminate against the Developer. The City retains full discretion to direct the rate consultant to consider all relevant factors and industry practices to ensure rates are sustainable and accurately reflect the true cost of service, while maintaining equitable access for all customer classes over time. To ensure clarity and flexibility in the rate development process, the City anticipates that these factors may include, but are not limited to, the terms of this Agreement, future growth projections, regulatory changes, environmental and resource considerations, short- and long-term capital improvements, operational and maintenance costs, infrastructure depreciation and lifecycle costs, evolving industry standards, risk and contingency factors, economic conditions, and data from similarly situated jurisdictions.

D. Ongoing Industrial Wastewater Quality Assessments. All industrial wastewater quality collection, testing, analysis, and reporting shall be conducted by the Developer in accordance with Applicable Rules. The W&WW Agreement may include, among other things, additional processes and procedures for ongoing industrial wastewater quality assessment not covered by Applicable

Rules. The requirements of this Section 4.04.D shall cease to be applicable in the event the Developer is no longer an industrial wastewater customer of the City.

E. Alternative Water and Sewer Services.

(i) Water Wells and Rainwater. The City will not object if the Developer elects to install, construct and maintain infrastructure and equipment related to establishment of redundant and/or backup water supply and sewer resources, subject to the Developer's compliance with the Applicable Rules and any other applicable state and federal laws and regulations. Any backup water supply must be isolated from the City's water distribution system.

(ii) On-Site Wastewater Treatment. The Developer may, and the City will not object to the same, establish redundant and/or back up sewer resources and install, construct and maintain infrastructure and equipment related to such establishment of redundant and/or backup sewer resources; provided, that the use of any such redundant and/or backup sewer resources shall be subject to the Developer's compliance with the Applicable Rules and in accordance with applicable state and federal laws and regulations.

F. Service Disruption and Communication. The City acknowledges that the availability of, and ability to deliver, water and wastewater is essential to the uninterrupted operation of each Phase of the Project due to the critical, twenty-four (24) hours per day, seven (7) days per week operations. To support the Project:

(i) The City commits to providing the Developer with reasonable advance notice of planned maintenance activities or other service disruptions that may impact water and wastewater services, as may be further detailed in the W&WW Agreement (defined in Section 4.04.A.). The Developer commits to providing the City with reasonable advance notice of any significant changes, in amounts and times as may be set forth in the W&WW Agreement, to the water and wastewater demands as provided in Appendix 1-A.

(ii) In the event of an unplanned service interruption or outage, the City will activate its emergency response plan to quickly assess the situation and commence remedial actions, and the City will use reasonable efforts to notify the Developer. The City will make reasonable efforts to identify the cause of such service interruption as soon as possible, and will commence appropriate repair, restoration and maintenance measures to restore full water and wastewater operations and service to each Phase of the Project, as applicable. The City will diligently pursue these measures until full service is restored. The City shall maintain maintenance records for the water and wastewater systems, and, upon reasonable notice and request therefor, such records shall be made available for review by the Developer.

(iii) The Developer acknowledges the critical importance of City's obligations to ensure public health and safety during any disruption of service. As such, the City's restoration efforts must first address the needs, in the following priority: (a) healthcare facilities, including hospitals and clinics, where water supply continuity is crucial for patient care and medical operations. (b) public services (including police, fire, and emergency response services) that are vital for public safety and crisis management, and (c) residential areas to ensure citizens have access to essential water services for drinking, sanitation, and hygiene.

(iv) In the event of a drought or other shortage, the City will prioritize maintaining water and wastewater services in accordance with the priorities outlined in sub-section (iii) above. The City will use its commercially reasonable efforts to minimize curtailments affecting industrial class users (including Developer), provided such efforts do not impair the City's ability to fulfill its obligations to healthcare facilities, public safety services, and residential areas.

(v) The W&WW Agreement may provide for cooperation between the City and the Developer with respect to water and wastewater contingency planning.

(vi) In the event of a malfunction or failure in the Developer's water or wastewater systems that could impact the City, the Developer will use reasonable efforts to notify the City as soon as practicable, detailing the anticipated impact of the issue. The Developer shall exercise commercially reasonable business judgment to promptly minimize harm and restore functionality. If the Developer fails to promptly address such malfunctions, the City reserves the right to take all appropriate action under the Applicable Rules to protect public health, safety, and infrastructure. To the extent required by the Applicable Rules, the Developer shall maintain comprehensive maintenance records for its water and wastewater systems, including inspection reports, repair logs, and any associated documentation. Upon reasonable notice, and to the extent provided in the Applicable Rules, the Developer shall provide such records for review by the City to ensure compliance with applicable standards and to assist in preventing future disruptions.

G. Future Phases. The terms and conditions of this Section 4.04 apply exclusively to Phase 1 and Phase 2. Water and wastewater capacity, infrastructure costs, rates and other terms for subsequent phases, if pursued by the Developer, will be determined and documented in one or more Supplemental Economic Development Agreements executed by the Parties. The City has identified potential future water and wastewater projects, a non-exhaustive list of which is set forth in **Exhibit I**, but the City is not in any way obligated to take any action to implement these future potential projects.

Section 4.05 Relocation of Electric Transmission and Distribution Facilities

(i) Agreement to Relocate. The Developer has requested, and the City, through the Stillwater Utilities Authority, has agreed to relocate the electric transmission and distribution facilities that currently extend across the Project Area, as further set forth in the attached **Exhibit F**.

Section 4.06 Electric Service. The City, through the Stillwater Utilities Authority, agrees to provide permanent electric service up to a maximum of 69kV for construction, commissioning, and non-critical operations such as office space, lighting, and other auxiliary services for the Project.

Additionally, the City, at the Developer's request, will provide the Facilities, as defined in the Memorandum of Understanding attached as **Exhibit G-1**, temporary medium voltage service (up to 69 kV) for critical operations until high voltage service (above 69kV) is delivered. The City's current design provides for electric service at 12.47kV or below for construction, commissioning, and temporary operations, as discussed between the City and the Developer's engineering team and reflected in **Exhibit G-2** attached hereto. The City has no objection to increasing the service

capacity up to 69kV, as outlined in the MOU, provided the Developer is responsible for the associated costs, including design, engineering, and construction expenses on the Developer's side of the meter.

The provision of electric service shall be strictly governed by the Terms and Conditions of Service adopted by the City of Stillwater and the Stillwater Utilities Authority, as amended from time to time.

ARTICLE V. DEVELOPER COSTS; PILOT AND REVENUE PAYMENT OBLIGATIONS

Section 5.01 Costs of Phase 1 and Phase 2 of the Project.

A. To qualify for the exemptions set forth in the Project Plan and the Tax Incentive Agreement, the Developer shall be responsible for all costs of construction, renovation, improvement, equipping, repair, and installation of all applicable public and private improvements associated with Phase 1 and Phase 2 of the Project, if undertaken, at no expense to the City or the Authority.

B. All Public Improvements must be constructed in accordance with the Plans approved by the City in accordance with the provisions of Section 1.02.B. of this Agreement. Each Phase of the Project must be constructed in accordance with the Development Plans and Specifications approved by the City. Additionally, the Developer is responsible for and shall secure or cause the appropriate parties to secure, at the Developer's expense, all governmental approvals in connection with (a) the construction and completion of the Public Improvements; (b) the preparation of the Project Area for construction; (c) the construction, completion, and occupancy of each Phase of the Project; and (d) the ongoing development and operation of each Phase of the Project. This includes, without limitation, compliance with all applicable zoning, building code, and environmental laws.

C. The Developer may be entitled to cost recovery from Public Improvements if those improvements benefit other users. The Developer is eligible to benefit from the City's process for recoveries or repayments for public infrastructure, such as through tie-in or tap fees.

Section 5.02 PILOT Payments and Community Betterment Payments. Pursuant to the Project Plan and the Tax Incentive Agreement, the Developer shall make annual Payment in Lieu of Taxes (PILOT) payments to the Taxing Entities for each Phase of the Project, beginning in the PILOT Commencement Year for each Phase. These payments will be made in the amounts initially established and adjusted thereafter, as described in detail in the Project Plan and the Tax Incentive Agreement.

The Developer shall also make an annual payment to the City, herein a "**Community Betterment Payment**," beginning in the PILOT Commencement Year for each of Phase 1 and Phase 2, if developed. The initial annual Community Betterment Payment for Phase 1 shall be One Hundred Thirty-Two Thousand Four Hundred Thirty-Two and No/100 Dollars (\$132,432.00). After the first annual payment, the Community Betterment Payment to the City will increase by one percent (1.00%) each year for each Phase. The Community Betterment Payment for Phase 2 will follow the same payment schedule as Phase 1. For example, if Phase 1 is complete in 2026, with a PILOT Commencement Year of 2027, and Phase 2 is complete in 2032, with a PILOT Commencement

Year of 2033, then in 2033, the Developer shall make two equal Community Betterment Payments to the City, one for each Phase, each in the amount of \$140,579.

The Community Betterment Payment for Phases 3, 4, 5, and 6, if any, will be definitively established pursuant to Supplemental Development Agreement(s) between the City and the Developer.

Section 5.03 OG&E Franchise and Franchise Fees. The City shall receive a franchise fee from OG&E equal to three percent (3%) of gross revenues generated from OG&E's sale of electricity to the Developer ("**Franchise Fee**"). The Franchise Fee is established by Ordinance No. 3543 adopted by the City on August 20, 2024, and approved by voters at a special election held on November 5, 2024, in accordance with applicable laws of the State of Oklahoma and the Stillwater City Charter. The Franchise Fee ordinance is attached and incorporated as Exhibit H.

A. Phase 1 and 2 of the Project. During the Term of the Tax Incentive Districts for Phase 1 and Phase 2 of the Project, to the extent the Developer uses OG&E for electric service, the following provisions regarding the Franchise Fee shall apply: The City will retain all Franchise Fees collected from OG&E, up to an annual sum of \$4.5 million ("**Initial Franchise Fee Cap**"). In the event OG&E cannot implement the franchise fee cap, the City agrees to apportion any Franchise Fees collected by the City that exceed the Initial Franchise Fee Cap within a given calendar year will be either applied to an obligation in this Agreement of the Developer to the City or remitted to the Developer, as authorized by Article X, Section 6C.B of the Oklahoma Constitution and 62 O.S. §854 of the Local Development Act. If any such apportionment is to be made hereunder, it will be remitted to the Developer within 30 days of the City's receipt of any fees in excess of the Initial Franchise Fee Cap. The City will provide documentation of the apportioned funds remitted to the Developer, including a copy of the remittance from OG&E. The City will also provide the Developer with an annual reconciliation of the Franchise Fees. When the Initial Franchise Fee Cap is reached, this cap will increase by two percent (2%) annually. Apportioned funds remitted to the Developer will be calculated based on the Franchise Fee amounts collected that exceed the Initial Franchise Fee Cap, as thereafter adjusted to reflect the annual increase. This Franchise Fee shall be in lieu of any other City franchise, excise, license, occupation, privilege, permit, or other fees, taxes or assessments related to the Developer's purchase of electricity from OG&E. Upon termination or expiration of the Tax Incentive Districts for Phase 1 and Phase 2, the cap on the Franchise Fee and remittances to the Developer hereunder shall expire. These provisions apply exclusively to Phase 1 and Phase 2 of the Project.

B. Phases 3, 4, 5, and 6 of the Project. The City and the Developer shall negotiate in good faith to establish the terms for any potential rebates to the Developer in connection with Franchise Fees collected by the City for each of Phases 3, 4, 5, and 6 of the Project. Such terms will be provided in the Supplemental Economic Development Agreements for the future phases, whether one or more, by and among the Parties.

ARTICLE VI. CONSTRUCTION OF THE PROJECT

Section 6.01 Scope and Development Compliance. Each Phase of the Project shall be developed in compliance with this Agreement and Applicable Rules, and as set forth above in section 5.01, the Developer shall be responsible, at its expense, for the construction, equipping,

and installation of the improvements. This includes, without limitation, the Developer securing all permits and approvals required by the City and any other governmental agency having jurisdiction over such construction, development, or work. Building permits will be issued by the City in accordance with the Applicable Rules. The City shall process all required permits, approvals, and applications in good faith and within reasonable administrative timelines consistent with Section 1.01.E. of this Agreement.

Section 6.02 Platting; Development Plans and Specifications.

A. Platting. To the extent required by Applicable Rules, the Developer shall submit and obtain the City's approval of preliminary and final plats for all property within each Tax Incentive District associated with Phases 1 and 2 and all property to be transferred to utility holders in support of the development. The City acknowledges the Developer has previously submitted an application to plat the Project Area. The Developer may, in its discretion, proceed with platting all such property. Recognizing that platting the Project Area requires the Developer to extend adequate infrastructure and access to each platted lot and that this Agreement only contemplates the development of Phases 1 and 2 of the Project, the City agrees the Developer may proceed with its original submission, revise its submitted plat application to allow for preliminary and final platting for Lots 1 and 2 (for Phases 1 and 2 development) and Lot 7 (the property to be transferred to OG&E), which may be re-numbered given the phased approach for platting, or may pursue another path to create transferable parcels, all in accordance with the Applicable Rules. Platting obligations and timelines shall align with the Applicable Rules. The City retains the authority to review and approve all plat submissions to ensure compliance with applicable regulations, including requirements for infrastructure, access, and other development standards.

B. Development Plans and Specifications. All construction, equipping, and installation work for each Phase of the Project shall be performed in accordance with the Development Plans and Specifications approved by the City. For each Phase, the Developer shall prepare and submit Development Plans and Specifications to the City for its review and approval. As used herein, the term “**Development Plans and Specifications**” means all plans, reports, studies, information and other submittals required by the City to ensure each Phase is developed in compliance with this Agreement and Applicable Rules, provided that the Developer may identify trade secret, security and other confidential information, which the City will redact.

As part of its submission, the Developer shall identify any existing publicly dedicated easements that it requests be removed or relocated to accommodate Phase 1 and Phase 2 of the Project. For each such easement, the Developer must submit detailed removal or relocation plans, including proposed new easements and utility layouts in the event of a relocation, for the City's review and approval. The Developer shall bear all costs and responsibilities associated with the removal, relocation, and installation of any affected utilities and the establishment of new easements in a relocation event. This includes, but is not limited to, design, permitting, construction, and restoration of any public or private property impacted by the relocation. For non-publicly dedicated easements affecting the development, the Developer shall independently coordinate with the applicable easement holders and assume all financial responsibility for the removal, relocation and/or installation of affected utilities.

All landscaping, screening, and tree planting requirements are subject to the City's review and

approval of Development Plans and Specifications.

The Developer acknowledges that fees applicable to each Phase of the Project will be determined in accordance with Applicable Rules, as they may be modified or amended from time to time. The City will assess such fees in a manner consistent with the Applicable Rules and its standard practices and procedures in effect at the time the fees are imposed, and in comparison to similar developments, where applicable. The City makes no representations or commitments regarding the specific fees that will apply to each Phase of the Project.

C. Noise Restriction. The Parties agree that noise levels shall be less than or equal to 65dBA limit at any receiving property line (excluding generator noise during maintenance events or emergencies, e.g. power outages).

Section 6.03 Construction Schedule. The Developer shall commence Offsite Construction and Phase 1 within two (2) years of the Effective Date, subject to extension pursuant to Section 8.04 herein and completion of conditions precedent within City control. The Developer shall diligently prosecute all construction activities to completion. “**Offsite Construction**” as used herein shall mean and include the Richmond Road Improvements described in Section 1.02.B. of this Agreement.

Section 6.04 Rights of Access. For the purpose of ensuring compliance with the Applicable Rules and for the purposes of fire and police protection, representatives of the City and the Authority shall have the right of access to the Project Area, without charges or fees, and subject to Developer’s Secure Access Protocols as defined herein:

A. Access shall be at normal construction hours during the period of construction, and between 9am and 5pm once construction has completed, with at least forty-eight (48) hours’ advance written notice to Developer (except in an emergency), subject to compliance with Developer’s sign-in, security and applicable access control and safety rules (“**Secure Access Protocols**”) and without unreasonably interfering with the activities of the Developer.

B. Representatives of the Authority granted security clearance will check in with the on-site managers at the security gate.

C. All such representatives of the City and the Authority shall carry proper government and City-issued identification, shall ensure their own safety, assuming the risk of injury, and shall not interfere with the construction or operational activities.

D. The City’s representative(s) shall be issued access control badges and be accompanied by Developer’s security escorts at all times; and when all activity by City’s representative(s) has been completed the representative(s) shall check out at the security gate.

Nothing in this Section 6.04 shall restrict the ability of the City or any other authorized government entity or agency from having access to the Project Area pursuant to the Code or other applicable local, state, or federal law.

The City, the Authority, and the Developer agree to cooperate in good faith in facilitating access to the Project Area for construction purposes, provided that the City and the Authority shall incur

no financial obligations in connection with its construction inspections.

Section 6.05 Indemnification. The Developer shall defend, indemnify, assume all responsibility for, and hold the Authority, the City, and the Stillwater Utilities Authority, and their respective elected and appointed officers, trustees, employees and agents, harmless from all costs (including reasonable attorney's fees and costs) from third-party claims, demands, liabilities or judgments (except those which have arisen from the willful misconduct or negligence of the Authority, the Stillwater Utilities Authority, or the City, their officers, trustees, employees and agents) for injury or damage to property and injuries to persons, including death, arising out of or resulting from any of the Developer's activities under this Agreement, whether such activities or performance thereof be by the Developer or anyone directly or indirectly contracted with or employed by the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement, but only to the extent caused by the negligent acts or omissions of the Developer or anyone directly or indirectly contracted with or employed by the Developer and specifically excluding all such costs, claims, demands and liabilities sustained or suffered by representatives of the City or the Authority that are accessing the Project Area as contemplated by Section 6.04.

Section 6.06 Liability Insurance.

A. In addition to the indemnification of the Authority, the Stillwater Utilities Authority, and the City required in Section 6.05 hereof, the Developer shall take out and maintain, or cause the general contractor(s) for each Phase of the Project to take out and maintain, during the period set forth in subsection D of this Section, a commercial general liability policy in the amount of \$10,000,000.00 combined single limit bodily injury and property damage any one occurrence/\$20,000,000.00 general aggregate naming the Authority as an additional insured.

B. The Developer shall furnish or cause to be furnished a certificate (or certificates) of insurance setting forth the general provisions of the insurance coverage. This certificate(s) of insurance shall evidence the naming of the Authority as an additional insured under the policy (or policies). The Developer agrees to notify or cause the general contractor(s) to notify (whichever is applicable) the Authority of any cancellation or termination of the coverage at least 30 days in advance of the effective date of any such cancellation or termination. Coverage provided hereunder by the Developer or if applicable, its general contractor(s), shall be primary insurance and non-contributory with any insurance maintained by the Authority, and the policies shall contain such an endorsement. The required certificate(s) shall be filed with the Authority at the time set forth in subsection D of this Section below.

C. The Developer shall also furnish or cause to be furnished to the Authority evidence satisfactory to the Authority that any contractor with whom it has contracted for the performance of work on the Project or otherwise pursuant to this Agreement carries workers compensation insurance as required by law at the time set forth in subsection D of this Section below.

D. The insurance obligations set forth in this Section shall commence on or prior to the date that Developer commences construction of each Phase of the Project and shall remain in effect until the Authority issues the Certificate of Completion for each Phase of the Project. The Developer may elect to self-insure, either through its parent company or another entity with

sufficient financial strength, by providing satisfactory evidence of a comprehensive self-insurance program and any appropriate re-insurance, subject to the City's approval, which will not be unreasonably withheld, provided the Developer demonstrates financial capacity to meet all insurance obligations under this Agreement.

Section 6.07 Local, State and Federal Laws. The Developer shall carry out the provisions of this Agreement in conformity with the Applicable Rules, state and federal laws and regulations.

Section 6.08 Nondiscrimination.

A. Generally. The Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, familial status, marital status, age, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Project Area. The covenant established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority, its successors and assigns. The covenants contained in this Section 6.08.A. shall remain for the duration of the term of each Tax Incentive District.

B. Contractors. The Developer, for itself, its successors and assigns, and any contractor with whom Developer has contracted for the performance of work on the Project Area, agrees that in the construction of each Phase of the Project, the Developer shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, age, sex, marital status, handicap, national origin or ancestry.

Performance under the provisions of this subsection shall not be considered as or constitute "Events of Default" or a "default" under Section 8.01 of this Agreement.

Section 6.09 Taxes and Assessments. Subject to the applicable exemptions provided pursuant to this Agreement, the Developer shall pay, or cause to be paid, when due (unless contested in good faith) all sales taxes, real estate taxes and assessments on the Project Area which the Developer is responsible to pay under Oklahoma law.

Section 6.10 Encumbrances and Liens. Except as permitted by this Agreement, prior to completion of each Phase of the Project and the issuance of the Certificate of Completion therefor, the Developer shall not place or allow to be placed on the Project Area or any part thereof any uncontested mechanic's or materialman's lien, any mortgage, trust deed, encumbrance or lien other than as expressly allowed by this Agreement. For purposes of clarity, Developer shall be allowed to place mortgage liens on the Project Area that secure indebtedness to any construction or permanent lender or the Authority with respect to the Project or any portion thereof.

Section 6.11 Transfers and Assignments.

A. Transfer of the Project Area. Subject to Subsection (B) below, at any time during the

Term of this Agreement, Developer shall not be entitled to make any total or partial sale, transfer, conveyance or assignment of the Project Area, or any portion thereof, to a third-party without the prior written approval of the Authority and the City, which approval shall not be unreasonably withheld.

B. Assignment of the Agreement. During the term of this Agreement, Developer shall not, without prior written approval of the Authority and the City, fully or partially assign any of its rights and obligations under this Agreement. The foregoing restrictions on the Developer's right to transfer or assign its rights and obligations under this Agreement shall not apply to, and do not require the prior written approval of the Authority or the City, for any transfer and assignment of Developer's rights and obligations under this Agreement by the Developer to any affiliate controlling, controlled by, or under common control with Developer or Developer's parent company. The Developer shall provide written notice to the City and the Authority promptly following any such assignment. Furthermore, any transfer and full or partial assignment of any of its rights and obligations under this Agreement by the Developer permitted under this Section 6.11.B. shall require the assignee to assume in writing all of Developer's obligations under this Agreement; provided, however, the City and Authority acknowledge and agree that the Developer may partially assign its tax exemption rights under the Tax Incentive Agreement, referenced herein, to an affiliate that will own only personal property within the Project Area without requiring any partial assignment of this Agreement and without requiring the affiliate to assume all obligations under the Tax Incentive Agreement, provided the Developer remains responsible for all obligations under the Tax Incentive Agreement, including but not limited to the payment of PILOTs and Community Betterment Payments as required therein. The Developer shall not assign, delegate, or transfer any rights or obligations under this Agreement, in whole or in part, to any foreign entity or entity that is controlled by, under common control with, or acting on behalf of a foreign entity of concern, as defined under 31 CFR Part 800, the Foreign Investment Risk Review Modernization Act (FIRREA), or other applicable U.S. regulations. Any such assignment must receive prior written consent from the City and all relevant governmental authorities, including, where applicable, the Committee on Foreign Investment in the United States (CFIUS) or any other federal agencies with oversight over national security concerns. Any assignment of this Agreement in violation of this Section 6.11.B. shall be void.

C. Termination of Tax Increment Districts. In the event the Developer transfers fee ownership by a total or partial sale of the Project Area, or any portion thereof, to a third party ("**Third Party Purchaser**") without a corresponding full or partial assignment of this Agreement to the Third Party Purchaser in accordance with the terms set forth in Section 6.11.B., the Authority and the City shall be entitled to terminate, dissolve, or modify the Tax Incentive Districts and amend the Taxing Entity Agreement.

D. The rights and obligations of this Agreement shall inure to the benefit of and bind the parties' respective successors and/or assigns.

E. The provisions of Sections 6.11.B and C shall not apply to any partial transfers of the Project Area or assignments of Developer's rights and obligations under this Agreement by the Developer to a utility provider for the purpose of installing utilities or utility infrastructure at the Project Area.

Section 6.12 Maintenance. Upon completion of the Improvements, the Developer, and all successors and assigns in interest to the Developer, shall be obligated to maintain the Project and all Improvements situated on the Project Area in accordance with the Applicable Rules.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01 Developer Representations and Warranties. The Developer represents and warrants the following:

A. The Developer represents that it is a duly organized limited liability company and is currently in existence under the laws of the State of Delaware. The Developer is authorized to conduct business in the State of Oklahoma and is not in violation of any provisions of its certificate of formation, operating agreement, or any other agreement governing the Developer, or any law of the State of Delaware or the State of Oklahoma affecting Developer's ability to perform under this Agreement.

B. The Developer represents that it has the full power and authority to execute this Agreement and this Agreement shall constitute a legal, valid and binding obligation of the Developer in accordance with its terms, and the consent of no other party is required for the execution and delivery of this Agreement by the Developer or the consummation of the transactions contemplated hereby, subject to laws relating to bankruptcy, moratorium, insolvency, or other laws affecting creditor's rights generally and subject to general principles of equity.

C. The Developer represents that the execution and delivery of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by or in conflict with, and will not result in a breach of, other provisions of its certificate of formation, operating agreement or any other agreement governing the Developer or with any evidence of indebtedness, mortgages, agreements, or instruments of whatever nature to which the Developer is a party or by which it may be bound, and will not constitute a default under any of the foregoing.

D. To the knowledge of the undersigned representative of the Developer, there is not currently pending any action, suit, proceeding or investigation, nor is any such action threatened which, if adversely determined, would materially adversely affect the Developer or the Project, or impair the ability of the Developer to carry on its business substantially as now conducted or result in any substantial liability not adequately covered by insurance (including any approved self-insurance program).

E. The Developer warrants that it has not paid or given and will not pay or give any officer, employee or agent of the City or the Authority any money or other consideration for obtaining this Agreement. The Developer further represents that, to its best knowledge and belief, no officer, employee or agent of the City or the Authority who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision making process with regard to the Project, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project, or in any activity, or benefit therefrom, during or after the term of this Agreement.

F. All utility services necessary for the development and construction of the first phase of the Project are, or by completion of the Project will be, available to the Project Area, including water, storm and sanitary sewer facilities, electric and gas utilities, and telephone services.

G. The Developer will make commercially reasonable efforts to create a minimum of thirty (30) new quality positions of employment in the City of Stillwater upon the successful completion of each of Phase 1 and Phase 2 of the Project (“**Jobs Requirements**”). These positions shall be classified as "quality positions," defined herein as jobs that meet or exceed the following criteria: (i) offer wages that are competitive within the industry; (ii) provide comprehensive employment benefits including health insurance and other standard benefits commensurate with full-time employment status; and (iii) ensure compliance with all applicable local, state, and federal labor laws and regulations.

Within thirty (30) days following the issuance of the final certificate of occupancy for each Phase, the Developer shall provide certification to the City confirming the creation and filling of new quality positions. The certification must include the number of positions and aggregate payroll of the Developer or its affiliates at the Project. If the Developer is unable to meet the Jobs Requirements, it will file reports each year with the City and the Authority detailing the number of jobs created, the reasons for any shortfall, and the steps being taken to meet the Jobs Requirements, until Developer satisfies the Jobs Requirements in full.

H. Neither this Agreement nor any statement or document referred to herein or delivered by the Developer pursuant to this Agreement contains any statement which Developer knows to be untrue or omits to state a material fact known to Developer that is necessary to make the statements made herein or therein not misleading.

Section 7.02 Authority Representations and Warranties. The Authority represents and warrants the following:

A. The Authority is a duly organized and validly existing public trust under the laws of the State of Oklahoma and as such, is a duly constituted authority of the City and an agency of the State of Oklahoma.

B. The Authority is fully empowered to enter into this Agreement and to perform the transactions contemplated thereby and generally to carry out its obligations hereunder and thereunder. The Authority has duly authorized its Chairperson, or in its Chairperson’s absence, its Vice Chairperson, to execute and deliver this Agreement and all other documentation required to consummate the transaction contemplated herein on behalf of the Authority.

C. The Authority represents that the execution and delivery of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by or in conflict with, and will not result in a breach of, its trust indenture or any other agreement governing the Authority and will not violate any provision or constitute a default under any indenture, agreement or instrument to which the Authority is currently bound or by which it is affected.

D. To the knowledge of the undersigned officer of the Authority, there is no action, suit, proceeding or inquiry at law or in equity pending or threatened, affecting the Authority wherein

any unfavorable decision, ruling or finding would materially adversely affect the Authority's ability to perform under this Agreement or under any other instrument pertinent to the transaction contemplated herein to which the Authority is a party.

E. In connection with the negotiation and performance of this Agreement, the Authority, on behalf of itself and the City, represents and warrants that it has complied, and covenants that it shall comply with all applicable anti-corruption laws, rules, and regulations.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default. Subject to receipt of a notice to cure given pursuant to Section 8.02 and failure by the defaulting party to cure or diligently pursue a cure in accordance therewith, the following shall constitute "Events of Default" or a "default" hereunder and under each of the instruments executed pursuant to this Agreement:

A. A material default by any Party in the performance or observance of any covenant, agreement, or condition contained in this Agreement, any instrument executed pursuant to this Agreement, or under the terms of any other instrument delivered in connection with this Agreement, including, without limitation, the material falsity or breach of any representation, warranty or covenant;

B. A material variance from the approved Development Plans and Specifications, unless such deviation is approved in writing by the City;

C. Any representation, statement, certificate, schedule or report made or furnished to the other Party in this Agreement or as required by this Agreement which proves to be knowingly false or intentionally erroneous in any material respect at the time of its making or any warranty of a continuing nature which ceases to be complied with in any material respect; or

D. The initiation of bankruptcy or receivership proceedings by or against a Party and the pendency of such proceedings for 60 days.

Section 8.02 Remedies. Upon the occurrence of an Event of Default, the non-defaulting party will provide the defaulting party with notice and 90 days opportunity to commence to cure any Event of Default described in Section 8.01. Such notice shall identify with specificity the action(s) or omission(s) of the defaulting party constituting the default. However, if any such default or breach is one not reasonably susceptible of being cured within 90 days, and the defaulting party is diligently pursuing a cure of such default or breach, the time for curing shall be extended accordingly. If the defaulting party fails to commence actions to cure such default or breach within 90 days of receiving such notice and thereafter pursue such cure with reasonable diligence (as may be extended as set forth in the prior sentence), the non-defaulting party may take any one or more of the following actions, provided such action is not disproportionate to the Event of Default: (a) terminate the Agreement, (b) terminate, dissolve, or modify the Tax Incentive Districts; (c) amend or terminate the Tax Incentive Agreement; (d) pursue any remedy available at law or in equity; (e) for any monetary breach (e.g. failure to make a payment due to the City), bring an action or otherwise exercise its rights under the Applicable Rules; and (f) for any breach of a non-monetary obligation, undertake self-help measures to fulfill the defaulting party's non-monetary obligations, with the right to recover the costs therefor from the defaulting party. Under

no circumstances shall either Party be entitled to indirect consequential, or punitive damages for any breach or default of this Agreement, including any loss of incremental sales tax or loss of incremental ad valorem tax arising from Developer's failure to construct the Project itself or any Phase thereof.

Section 8.03 Termination.

A. If the Developer fails to submit the Development Plans and Specifications to the City, or fails to commence and complete construction, and, if such default is not cured within ninety (90) days of the City's notice of default, then the City may, in its sole reasonable discretion, terminate this Agreement, by providing written notice thereof to the Developer. Thereafter, the Parties will have no further rights or liabilities hereunder, except those rights and obligations intended to survive termination.

B. If the Developer determines, in its sole discretion, that it will not acquire the Project Area, the City shall have the right, in its sole discretion, to terminate this Agreement by providing written notice to the Developer. Thereafter, the Parties will have no further rights or liabilities hereunder, except those rights and obligations intended to survive termination.

C. If any of the conditions precedent described in Article II of this Agreement are not satisfied, and any such failure shall not be cured within ninety (90) days after written notice from the Developer, to the extent such failure is susceptible to cure, then the Developer, in its sole discretion, may terminate this Agreement by providing written notice to the City and Authority. Thereafter, the Parties will have no further rights or liabilities hereunder, except those rights and obligations intended to survive termination.

D. The Developer shall have the right to terminate this Agreement for any reason at any time.

E. If this Agreement is terminated as a result of an Event of Default by the Developer, following the expiration of applicable notice and cure periods, or pursuant to Section 8.03 of this Agreement, the Developer shall reimburse the City for all reasonable costs, fees, and expenses incurred in connection with this Agreement, related agreements, and project-related activities. Such reimbursement shall be made within ninety (90) days of the effective date of termination and shall include the City's time, resources, and documented out-of-pocket expenses paid to third parties in preparing, negotiating, and finalizing the Project Plan, the Tax Incentive Agreement, this Agreement, and other actions related to project implementation, up to \$350,000.00. This reimbursement obligation shall be in addition to any other remedies available to the City under this Agreement, or at law or in equity, provided such remedies are reasonable and directly related to the Developer's default.

Section 8.04 Enforced Delay; Extension of Times of Performance.

A. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where the Party seeking the extension has acted diligently and delays or defaults are due to events beyond the reasonable control of the Party such as but not limited to: default of another party; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; pandemics; quarantine restrictions;

freight embargoes; invasion, lack of transportation; litigation; unusually severe weather; governmental delay; or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform.

B. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the City, the Authority and the Developer, which agreement to extend will not be unreasonably withheld, conditioned or delayed.

Section 8.05 Non-liability of Officials, Employees and Agents of the Authority or the City. No official, employee or agent of any Party shall be personally liable to any other Party, or any successor in interest, pursuant to the provisions of this Agreement, for any default or breach under this Agreement.

ARTICLE IX. MISCELLANEOUS

Section 9.01 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if (a) delivered personally by courier (including overnight delivery service such as Federal Express), (b) sent by registered or certified mail, postage prepaid, return receipt requested and addressed as set forth below or to such other address as the Party concerned may substitute by written notice to the other, or (c) sent by electronic mail with confirmation thereof, provided that if sent by electronic mail, a duplicate copy is sent contemporaneously by one of the other methods described in (a) or (b) above. All notices shall be deemed received (i) if delivered personally, the day of delivery, or (ii) if given by mail, within three days (excluding Saturdays, Sundays and holidays recognized by national banking associations) after being mailed:

To the City	City of Stillwater 723 S. Lewis Street Stillwater, OK 74074 Attention: Brady Moore, City Manager Brady.moore@stillwaterok.org
To the Authority:	Stillwater Economic Development Authority 212 S.W. 9th Street Stillwater, OK 73501 Attention: General Manager Brady.moore@stillwaterok.org
With copy to:	Center for Economic Development Law 301 N. Harvey Ave., Suite 200 Oklahoma City, OK 73102 Attention: Dan Batchelor and Lisa Harden danbatchelor@econlaw.com lisaharden@econlaw.com
To the Developer:	Kipper LLC % McAfee & Taft 8th Floor, Two Leadership Square

211 N Robinson Ave
Oklahoma City, OK 73102
Attn: Simon Bright
simon.bright@mcafeetaft.com

Section 9.02 Amendment. This Agreement may not be amended or modified in any way, except by an instrument in writing executed by each Party hereto and approved in writing by the Developer, the City, and the Authority.

Section 9.03 Non-Waiver; Cumulative Remedies. No failure on the part of any Party to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any Party of any right hereunder preclude any other or further right thereof. The remedies herein provided are cumulative and not alternative.

Section 9.04 Applicable Law. This Agreement and the documents issued and executed hereunder shall be deemed to be a contract made under the laws of the State of Oklahoma. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Oklahoma, without regard to its conflict of laws principles. Nothing in this Agreement shall be construed to or interpreted as creating a joint venture or partnership between the City, the Authority, and the Developer.

Section 9.05 Descriptive Headings. The descriptive headings of the articles and sections of this Agreement are for convenience only and shall not be used in the construction of the terms hereof.

Section 9.06 Integrated Agreement. This Agreement constitutes the entire agreement between the parties hereto, and there are no agreements, understandings, warranties or representations between the parties regarding the Project other than those set forth herein.

Section 9.07 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.

Section 9.08 Counterparts. This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same Agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

Section 9.09 Construction of this Agreement. The Parties acknowledge and agree that each Parties' counsel has reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

Section 9.10 Severability. If any provision of this Agreement, or its application to any person, is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the extent possible. In any event, invalidation of any provision of this Agreement, or its application to any person, shall not affect any other provisions of this Agreement or its application to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect.

Section 9.11 Estoppel Certificate. At any time, and from time to time, the Developer may deliver written notice to the City, and the City may deliver written notice to the Developer, requesting that such Party certify in writing that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended, or if amended, the identity of each amendment; (iii) the requesting Party is not then in breach of this Agreement, or if in breach, a description of each such breach; and (iv) any other factual matters reasonably requested (an “**Estoppel Certificate**”). The City’s City Manager and Deputy City Manager, or their authorized designee, may execute, on behalf of the City, any Estoppel Certificate requested by the Developer which complies with this provision. The City acknowledges that an Estoppel Certificate may be relied upon by transferees or successors in interest to the Developer and by mortgagees holding an interest in the Project Area.

Section 9.12 Recording of Memorandum. The Parties will record a memorandum of this Agreement with the Payne County, Oklahoma, Recorder’s Office, to give public notice of the existence of this Agreement. This memorandum shall specifically reference the Developer’s grant of the Option to Purchase in favor of the Authority, along with any other material terms necessary to effectively reflect the Parties’ rights and obligations under this Agreement, without disclosing the full terms of this Agreement.

Section 9.13 Effect of Other Vested Rights. This Agreement does not abrogate any rights established or preserved by any applicable law, by any other agreement or contract executed by the City and the Developer connection with the Project, or that have vested or may vest pursuant to common law or otherwise.

Section 9.14 Confidential Information. The City agrees to protect from disclosure trade secret and/or confidential information of the Developer’s to the maximum extent permitted by law. The Developer’s trade secrets disclosed to the City include, but are not limited to, the Appendices attached hereto and the underlying information therefrom. In the event the City receives a public records request that includes Developer information, the City will, as a courtesy, make reasonable efforts to notify the Developer within five (5) business days of receipt of such request. The Developer may then pursue any legal remedies available to it, including requesting a protective order or asserting appropriate exclusions or redactions under applicable public records laws. The City, however, will comply with its legal obligations to respond to public records requests in accordance with the timelines and procedures mandated by law. The Developer acknowledges that the City cannot delay or modify its response to such requests beyond what is allowed by applicable public records laws.

Section 9.15 Further Assurances. Upon request, each Party agrees (i) to furnish to the other Party such further information, (ii) to execute and deliver to the other Party such other documents, and (iii) to do such other acts and things reasonably required for the purpose of carrying out the intent of this Agreement.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed this _____ day of _____, 2025.

**STILLWATER ECONOMIC DEVELOPMENT
AUTHORITY, a public trust**

By: _____
William H. Joyce, Chairman

ATTEST:

By: _____
Secretary

(SEAL)

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF PAYNE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by William H. Joyce, Chairman of the Stillwater Economic Development Authority, a public trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the date and year first above written.

Notary Public

My Commission No.: _____
My Commission Expires: _____

(Notary Stamp or Seal)

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed this _____ day of _____, 2025.

THE CITY OF STILLWATER, OKLAHOMA,
a municipal corporation

By: _____
Mayor William H. Joyce

ATTEST:

By: _____
City Clerk

(SEAL)

Approved as to form and legality this _____ day of _____, 2025.

By: _____
Special Counsel for Economic Development

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF PAYNE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Mayor William H. Joyce, Mayor of the City of Stillwater, Oklahoma.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the date and year first above written.

Notary Public

My Commission No.: _____
My Commission Expires: _____

(Notary Stamp or Seal)

IN WITNESS WHEREOF, the Developer has caused this Agreement to be duly executed this _____ day of _____, 2025.

Kipper LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) SS:
COUNTY OF _____)

Personally appeared before me, the undersigned authority in and for the said county and state, on this _____ day of _____, 2025, within my jurisdiction, the within named _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed in the above and foregoing instrument and acknowledged that he or she executed the same in their representative capacity, and that by their signature on the instrument, and as the act and deed of said entity upon behalf of which they acted, executed the above and foregoing instrument, after first having been duly authorized so to do.

Notary Public

My Commission No.: _____

My Commission Expires: _____

(Notary Stamp or Seal)

EXHIBITS TABLE OF CONTENTS

Exhibit A	Tax Incentive Agreement
Exhibit B	Preliminary Project Approvals
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Exhibit D	Legal Descriptions and Depictions
Exhibit E	Incompatible Uses
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Exhibit G-1	Memorandum of Understanding (Power)
Exhibit G-2	MV – Temporary Power
Exhibit H	Franchise Fee Ordinance
Exhibit I	Conceptual Future Water and Wastewater Projects

Confidential Appendices Omitted as they contain Trade Secrets

EXHIBIT A
TAX INCENTIVE AGREEMENT

LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2025, by and among Kipper LLC, a Delaware limited liability company (the “**Company**”), the City of Stillwater, Oklahoma, a municipal corporation (the “**City**”), the Board of Education of Independent School District Number 16 of Payne County, Oklahoma (the “**Stillwater Public Schools**”), the Board of Education of the Meridian Technology Center (“**Meridian Technology Center**”), the Board of County Commissioners of Payne County (the “**County**”), and the Board of the Payne County Health Department (the “**Health Department**”) (collectively, Stillwater Public Schools, Meridian Technology Center, the County, and the Health Department are the “**Taxing Entities**”) (the Company, the City, and the Taxing Entities are collectively referred to as the “**Parties**”, each a “**Party**”).

WITNESSETH:

WHEREAS, the Company intends to develop on certain parcels of property within the City, as more particularly described in Exhibit A attached hereto (the “**Property**”), one or more data center facilities and may develop certain ancillary buildings, structures and infrastructure that support or are related to the data center operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings, all of which are part of the computer infrastructure, data processing, hosting and related services classification (collectively the “**Project**”¹); and

WHEREAS, on July 16, 2024, the Stillwater Planning Commission by its Resolution No. PC-2024-1, a true and correct copy of which is attached hereto as Exhibit B, recommended the approval of the Stillwater Data Center Economic Development Project Plan (the “**Project Plan**”) pursuant to the Oklahoma Local Development Act, 62 O.S. § 851, et seq. (the “**Act**”), without any amendments thereto in accordance with Section 858 of the Act; and

WHEREAS, on July 10, 2024, the Stillwater Local Development Act Review Committee by its Resolution, a true and correct copy of which is attached hereto as Exhibit C, recommended the approval of the Project Plan pursuant to the Act in order to provide ad valorem property tax abatements for the Project; and

WHEREAS, after the public hearings required by the Act, the City adopted and approved the Project Plan and this Agreement by Ordinance No. 3546, a true and correct copy of which is attached hereto as Exhibit D (the “**Project Plan Ordinance**”), and created six (6) tax incentive districts, Incentive Districts “1,” “2,” “3,” “4,” “5,” and “6” (the “**Incentive Districts**” and each an “**Incentive District**”); and

WHEREAS, each of the Taxing Entities and the City have determined that it is appropriate and desirable, in order to ensure the economic viability of the Project, that the Taxing Entities, which would otherwise share in the ad valorem taxes applicable to the Property, provide each Phase (as defined below) a one hundred percent (100%) twenty-five (25) year ad valorem tax

¹ The term “Project” shall refer to all Phases that are constructed on the Property.

EXHIBIT B

PRELIMINARY PROJECT APPROVALS*

Approval Item	Approval Body	Project deliverables	Required for
Map Amendment (rezone)	- Planning Commission - City Council	- Application, fee	Project industrial use
Text Amendment (code change)	- Planning Commission - City Council		Project use type
Preliminary Plat	- Planning Commission	- Application, Fee, Traffic Impact Study, Drainage Report, Prelim Plat	Lot platting
Commercial Use-By-Right	- Administrative	- Application, Fee, Site Development Plans, Utility Plans, Building Plans; Drainage Study	Site Development Permit, Building Permit
Final Plat	- Planning Commission - City Council	- Application, Fee, Improvement Plans, Drainage Report, Final Plat	Lot platting
Richmond Road Improvement Plans	- Administrative -Dedication of Public Improvements must be approved and accepted by City Council	- Improvement Plans -Dedication -Maintenance Bond	Public Roadway Improvements
Construction Drive Plans	- Administrative	- Improvement Plans, Application, ODOT Agreement, Traffic Impact Study	Drive off of Perkins (requires ODOT approval)

*The approvals and actions listed in this Exhibit B are not exhaustive and not intended to limit the City's ability to require additional actions, submissions, and approvals as are necessary for the implementation of Phase 1 and 2 of the Project, or as may be required under Applicable Rules.

EXHIBIT C

EASEMENTS

The City will work cooperatively to remove or relocate the below easements, in accordance with the Agreement and subject to Applicable Rules, all without any costs to the City.

<u>Grantor</u>	<u>Grantee</u>	<u>Purpose</u>	<u>Date</u>	<u>Filing</u>	<u>Details</u>	<u>Next Steps</u>
Commissioners Land Office	Stillwater Utility Authority	Road & Utility Corridor	5/10/1988	Bk. 882, Pg. 466	50-100' road and utility easement.	- Road easement to be released from Property - Power easement to be relocated within Property
City of Stillwater	Evans & Associates Construction	Access Easement	6/13/1988	Bk. 880, Pg. 376	33' access easement.	
Evans and Associates Construction	City of Stillwater	Road & Utility Easement	5/25/1988	Bk. 880, Pg. 378	50' road and utility easement.	
Evans and Associates Construction	City of Stillwater	Electric Easement	12/2/1988	Bk. 895, Pg. 631	15' SUA powerline easement.	
Evans and Associates Construction	City of Stillwater	Correction to Easement	3/2/1989	Bk. 900, Pg. 335	15' SUA powerline easement.	

EXHIBIT D

PROJECT AREA AND TAX INCENTIVE DISTRICT LEGAL DESCRIPTIONS

The Project Area will consist of the area within which all of the Incentive Districts are located.

Project Area Legal Description

A tract of land located in the Northeast Quarter (NE/4), Northwest Quarter (NW/4), and Southwest Quarter (SW/4), and Southeast Quarters (SE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on March 13, 2024 as follows:

COMMENCING at the SW/C, SW/4, S36-T20-R2E monumented by a 1" Rail Road Spike; thence with a BASIS OF BEARING of N 00°41'24" W along the west line of the SW/4 a distance of 2638.58 feet to the NW/C, SW/4, SEC36-T20N-R3E monumented by a 1/2" Rebar AND the POINT OF BEGINNING;

Thence along the west line of the NW/4 with a bearing of N 00°42'47" W a distance of 2630.81 feet to the NW/C, NW/4 SEC36-T20N-R2E monumented by a Railroad Spike; Thence with a bearing of N 89°13'38" E along the north line of the NW/4 a distance of 2629.53 feet to the NE/C, NW/4 SEC36-T20N-R2E monumented by a 1/2" Rebar; Thence with a bearing of N 89°18'29" E along the north line of the NE/4 a distance of 2630.74 feet to the NE/C, NE/4, SEC36-T20N-R2E monumented by a Mag Nail; Thence with a bearing of S 00°49'51" E along the east line of the NE/4 a distance of 2122.35 feet to a point on the East Line of NE/4, SEC36-T20N-R2E, also being a point on the Northerly Rail Road R/W line of Eastern Oklahoma Railway particularly described in Book 7, Page 208; Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.96 feet, having a chord bearing of S 27°41'11" W and a chord distance of 761.36, and an arc length of 763.73 feet to a point on said Northerly Rail Road R/W Line; Thence with a bearing of N 54°28'57" W a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line; Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2773.96 feet, having a chord bearing of S 40°33'13" W and a chord distance of 487.07 feet, and an arc length of 487.70 to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802; Thence with a bearing of S 44°24'34" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802; Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.69 feet, having a chord bearing of S 51°55'38" W and a chord distance of 616.73, and an arc length of 617.99 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802; Thence with a bearing of S 59°21'10" W a distance of 1676.22 feet to a point on said Northerly Rail Road R/W Line; Thence with a bearing of S59°21'10" W a distance of 614.77 feet to a point on said Northerly Rail Road R/W Line; Thence in a southwesterly direction with a tangent curve turning to the left with a radius of 2915.05 feet, having a chord bearing of S 55°26'11" W and a chord distance of 387.62 feet, and an arc length of 387.91 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap Hitech; Thence with a bearing of N 00°47'43" W along the west line of the east 60 acres of the SW/4 a distance of 2333.99 feet to a point on the north line of the SW/4, SEC36-T20N-R2E

monumented by a 1/2" pipe; Thence along said north line of said SW/4 with a bearing of N 89°28'48" E a distance of 1645.64' back to the POINT OF BEGINNING.

Less and Except:

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36 N 89° 18' 29" E, a distance of 452.85 feet; Thence departing said North line S 00° 00' 42" W, a distance of 1143.51 feet; Thence S 89° 59' 34" W, a distance of 1,189.48 feet; Thence N 00° 00' 04" E, a distance of 1,128.25 feet to a point on the North line of the Northwest Quarter of said Section 36; Thence along said North line N 89° 13' 38" E, a distance of 736.95 feet back to the POINT OF BEGINNING.

Containing 16,844,572 square feet OR 386.698 acres more or loss

The boundaries of six (6) proposed Incentive Districts, whose dates of creation are proposed to be deferred for a period of up to ten years, are described as follows:

Incentive District 1 Legal Description

A tract of land located in the Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northeast Quarter of said Section 36, Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet; Thence departing said East line, S 89° 59' 44" W, a distance of 2,200.10 feet; Thence N 00° 00' 01" E, a distance of 1,516.34 feet to a point on the North line of said Northeast Quarter; Thence along said North line N 89° 18' 29" E, a distance of 2,177.89 feet back to the POINT OF BEGINNING.

Containing 3,347,887 square feet OR 76.857 acres more or less.

Incentive District 2 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northeast Quarter of said Section 36, Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet to the POINT OF BEGINNING;

Thence S 00° 49' 52" E, a distance of 579.72 feet to a point being a non-tangent curve to the right also being a point on the Northeasterly Railroad Right-Of-Way line recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence along the Northwestern Right-Of-Way line for the next six (6) calls: (1) Along said curve to the right having a radius of 2,799.14 feet, an arc length of 763.70 feet, and having a chord bearing of S 27° 41' 41" W, a chord length of 761.34 feet to a point of non-tangency; (2) Thence N 54° 28' 57" W, a distance of 20.00 feet to a non-tangent curve to the right; (3) Thence along curve to the right having a radius of 2773.96 feet, an arc length of 487.70 feet, and having a chord bearing of S 40° 33' 14" W, a chord length of 487.07 feet to a point of non-tangency; (4) Thence S 44° 24' 34" E, a distance of 20.00 feet to a non-tangent curve to the right; (5) Thence along curve to the right having a radius of 2793.69 feet, an arc length of 617.99 feet, and having a chord bearing of S 51° 55' 38" W, a chord length of 616.73 feet to a point of non-tangency; (6) Thence S 59° 19' 00" W, a distance of 1,221.25 feet; Thence departing from said Northwestern Right-Of-Way line N 00° 00' 12" E, a distance of 1,155.08 feet; Thence N 00° 00' 00" W, a distance of 1,075.36 feet; Thence N 00° 00' 00" E, a distance of 399.42 feet; Thence N 89° 59' 44" E, a distance of 2,200.12 feet back to the POINT OF BEGINNING.

Containing 4,111,928 square feet OR 94.397 acres more or less.

Incentive District 3 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36; Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1645.61 feet; Thence along the West line of Lot Four (4) Richmond Road & Highway 177 Addition, S 00° 48' 02" E, a distance of 334.80 feet to the POINT OF BEGINNING;

Thence N 89° 59' 20" E, a distance of 1,399.15 feet; Thence S 00° 00' 12" W, a distance of 1,155.08 feet to a point on the Northwestern line of a Railroad Right-Of-Way recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence continuing along said Northwestern line S 59° 19' 00" W, a distance of 1,223.40 feet to a non-tangent curve to the left; Thence along said curve having a radius of 2915.00 feet, an arc length of 387.91 feet, and having a chord bearing of S 55° 26' 11" W, a chord length of 387.62 feet to a point of non-tangency; Thence departing said Northwestern line N 00° 47' 43" W, a distance of 1999.19 feet back to the POINT OF BEGINNING.

Containing 2,172,023 square feet OR 49.878 acres more or less.

Incentive District 4 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) and Northeast Quarter (NE/4) and Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36; Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1622.33 feet to the POINT OF BEGINNING;

Thence N 00° 00' 46" W, a distance of 740.78 feet; Thence N 89° 59' 20" E, a distance of 1427.27 feet; Thence S 00° 00' 00" W, a distance of 1075.36 feet; Thence S 89° 59' 20" W, a distance of 1399.15 feet; Thence N 00° 48' 02" W, a distance of 334.80 feet; Thence continuing along said South line S 89° 28' 48" W, a distance of 23.28 feet back to the POINT OF BEGINNING.

Containing 1,526,135 square feet OR 35.035 acres more or less.

Incentive District 5 Legal Description

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36, N 89° 18' 29" E, a distance of 452.85 feet; Thence departing said North line and along the East line of Lot Seven (7) in Richmond Road & Highway 177 Addition, S 00° 00' 42" W, a distance of 1143.51 feet to the POINT OF BEGINNING;

Thence S 00° 02' 04" E, a distance of 372.20 feet; Thence S 00° 00' 00" W, a distance of 399.42 feet; Thence S 89° 59' 20" W, a distance of 1,427.27 feet; Thence N 00° 00' 17" E, a distance of 210.20 feet; Thence N 90° 00' 00" E, a distance of 237.55 feet; Thence N 00° 00' 00" W, a distance of 562.17 feet; Thence N 89° 59' 34" E, a distance of 1,189.48 feet to the POINT OF BEGINNING.

Containing 968,675 square feet OR 22.238 acres more or less.

Incentive District 6 Legal Description

A tract of land located in the Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northwest Corner of the Northwest Quarter of said Section 36, Thence along the North line of said Section 36 N 89° 13' 38" E, a distance of 1,892.59 feet; Thence departing from said North line S 00° 00' 03" W, a distance of 1690.42 feet; Thence S 89° 56' 04" W, a distance of 237.57 feet; Thence S 00° 00' 00" W, a distance of 209.93 feet; Thence S 00° 00' 46" E, a distance of 740.78 feet to a point on the South line of the Northwest Quarter of said Section 36; Thence along said South line S 89° 28' 48" W, a distance of 1622.33 feet to the Southwest corner of the Northwest Quarter; Thence departing said South line and along the West line of the Northwest Quarter of said Section 36 N 00° 42' 47" W, a distance of 2630.81 feet back to the POINT OF BEGINNING.

Containing 4,717 996 square feet OR 108.310 acres more or less.

MAP OF PROJECT AREA AND INCENTIVE DISTRICTS

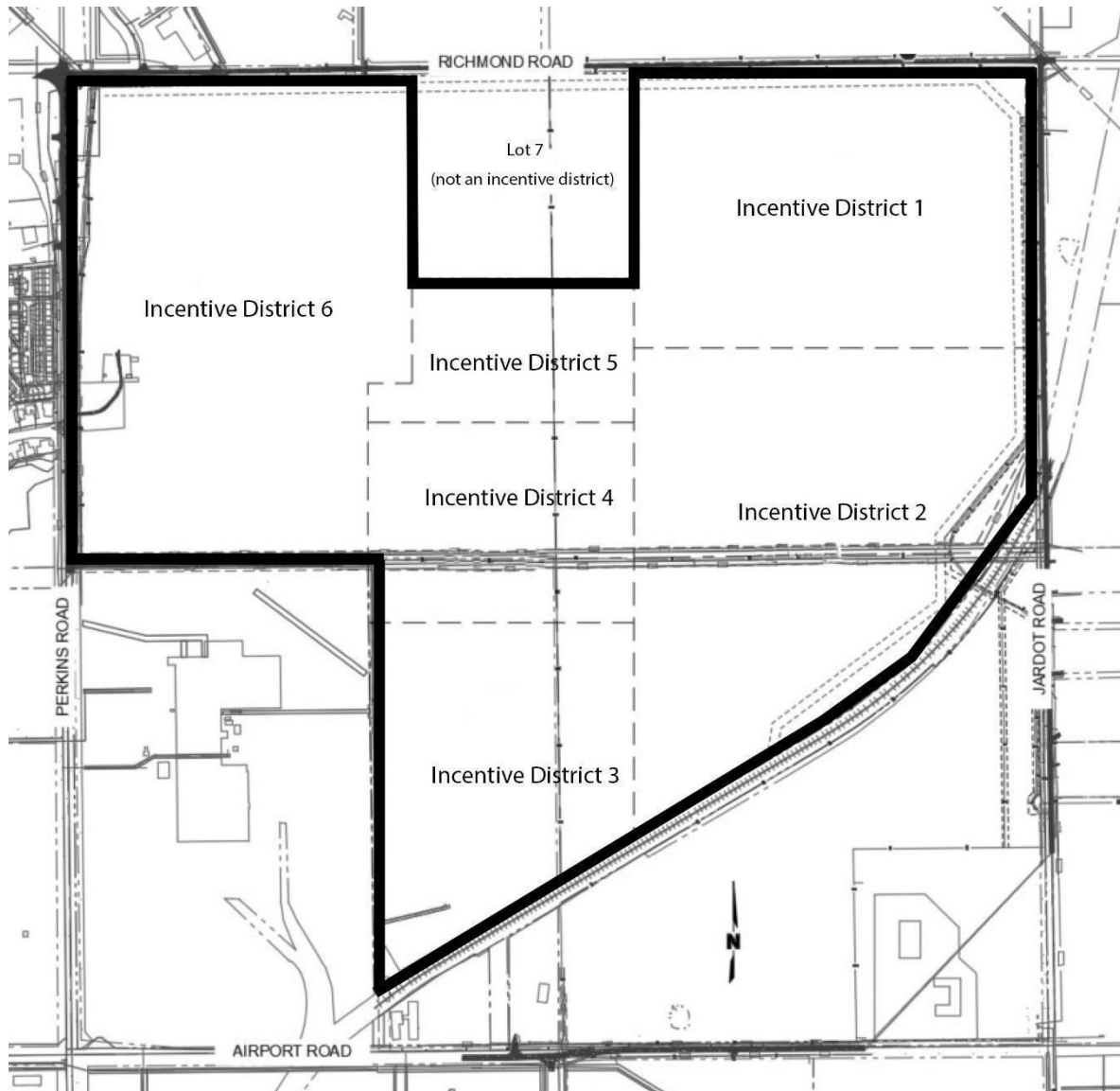


EXHIBIT E

SPECIFIC USES DEEMED INCOMPATIBLE WITH THE PROJECT

1. Business or use that is a nuisance, fire or explosive hazard or creates vibrations, fumes, dust, vapors, or particulate matters;
2. Junk yard or dumping or disposal of waste;
3. Blasting or drilling, smelting, or mining (surface or subsurface) operations;
4. Residential;
5. Gasoline or service station; and
6. Commercial radio or television towers.

EXHIBIT F
UTILITY RELOCATION LETTER



Stillwater Electric Utility
411 E. Third Street
Stillwater, OK 74074

Office: 405.533.8411
[email:loren.smith@stillwaterok.gov](mailto:loren.smith@stillwaterok.gov)

Date: 8/8/24

Kipper LLC
c/o McAfee & Taft
8th Floor, Two Leadership Square
211 N. Robinson Ave., Oklahoma City, OK 73102
Attn: Simon W. Bright
Email: simon.bright@mcafeetaft.com

Subject: Rohan Relocation of Electric Transmission and Distribution Facilities
WF1159514

Dear Kipper LLC:

This letter is in response to your request for the Rohan Relocation of Electric Transmission and Distribution Facilities for the subject project. The City of Stillwater Terms and Conditions for utility service requires that the customer pay in advance the full estimated cost of materials, equipment and third-party services that are necessary to complete the requested Rohan Relocation of Electric Transmission and Distribution Facilities.

Based on the information that you have provided, including the scope and map depiction (Exhibit A hereto) and using current materials, equipment and services costs, the estimated customer cost to complete the relocation alignment to the new 100' easement around the southern and portions of the western perimeter of the site (the "Rohan Relocation of Electric Transmission and Distribution Facilities") is \$738,830. The City anticipates the Electric Utility Relocation Work will be completed within approximately 12 months from easement acquisition.

Full payment in the amount of the estimated cost is required before the work will be scheduled. Upon the completion of the work, the actual cost will be calculated, and adjustments will be made if necessary. If actual costs are less than the advance payment, a refund will be made to the customer and if actual costs are more than the advance payment, the customer will be required to make payment for the difference.

If during the course of the construction, it is apparent that the actual construction costs are or will exceed the original estimate by more than 10 percent, the electric installation work will cease until sufficient payment is made to cover the additional estimated costs.

If you choose to proceed with the requested Rohan Relocation of Electric Transmission and Distribution Facilities, please send a check payable to the City of Stillwater or wire transfer in the amount of \$738,830 to the following address:

Stillwater Electric Utility
% Finance Department
405-742-8287
PO Box 1449
Stillwater, Oklahoma 74076

Bank: Simmons Bank
ABA No: 082900432
Account No: 882006173160

Please include a copy of this letter or other reference to the project name and location with your check to ensure proper handling. If you have any questions, please feel free to call Vernon Hall at 405-742-8367.



Sincerely,

Lo Smith

Loren Smith
Electric Utility Director
Stillwater Electric Utility

ACCEPTED AND AGREED:

Kipper LLC

DocuSigned by:

Simon Bright

26392EED98CA4BB

Name: Simon Bright

Title: Authorized Signatory

Date: 8/21/2024





LEGEND

- PROPERTY BOUNDARY
- PROPOSED LOT LINE
- PROPOSED MV POWER LINE EASEMENT
- PROPOSED HV POWER LINE EASEMENT
- PROPOSED OIL LINE EASEMENT
- PROPOSED MV/CONSTRUCTION POWER LINE
- PROPOSED CITY INSTALLED MV POWER LINE

Electric Easement in favor the City of Stillwater, Oklahoma
recorded in Book 895, page 631, Correction Electric
Easement recorded in Book 900, page 335.



REVISIONS		
NO.	DATE	DESCRIPTION

DRAWN: ROHAN
APPRVD:
PROJECT ADDRESS: CONFIDENTIAL
PROJ. NO.: 023-04868

MV & TEMPORARY POWER EXHIBIT
SCALE: 1" = 250'

SHEET NUMBER:
EX-021
PAPER SIZE: E (36"x48")
PHASE:



EXHIBIT G-1

MEMORANDUM OF UNDERSTANDING (POWER)

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“**MOU**”) is made effective as of September 10th, 2024 by Kipper LLC (“**Kipper**”), the Stillwater Utilities Authority, a public trust (“**SUA**”), and Oklahoma Gas & Electric Company (“**OG&E**”) (collectively “**Parties**”) to memorialize the understanding of the Parties as follows:

WITNESSETH:

WHEREAS, Kipper owns, or will own, property within the incorporated limits of the City of Stillwater, Oklahoma, as reflected in the map attached herein as **Exhibit “A”**, and intends to utilize such property for the purpose of constructing and operating industrial electric consuming facilities, including offices and all other buildings and infrastructure Kipper deems necessary (collectively “**Facilities**”);

WHEREAS, the Facilities will require electric service at various voltages.

WHEREAS, Kipper desires optionality to receive electric service for the Facilities, including potentially receiving electric service from OG&E or the SUA or both, and such services may commence at different times. As an example, the Facilities may receive medium voltage service (up to 69kV) for construction, commissioning, and non-critical operations (e.g., office space, lighting, etc.) from the SUA; with high voltage service (above 69kV) for critical operations from OG&E. Moreover, if required, the Facilities may receive temporary medium voltage service (up to 69 kV) from the SUA for critical operations until high voltage service (above 69kV) is delivered by OG&E.

WHEREAS, Oklahoma law (e.g., 11 O.S. § 21-121, 17 O.S. § 190.7) prohibits electric suppliers from furnishing retail electric service to an electric consuming facility which is currently being served by another electric supplier, or which was being served and the electric facilities are in place to render such service, unless the entities involved have agreed by mutual written consent to such transaction. The Parties intend this MOU to serve as such written mutual consent to Kipper’s optionality to receive electric service for the Facilities, as contemplated herein.

WHEREAS, in order to facilitate the construction and operation of the Facilities, the Parties agree that the Facilities, or any individual electric consuming facility which is a part of the Facilities, should be entitled to receive retail electric service from either or both OG&E and the SUA, regardless of whether the Facilities are composed of one or more buildings and/or infrastructure, even if such services commence at different times, as contemplated herein.

NOW THEREFORE, the Parties agree as follows:

The Facilities, or any individual electric consuming facility which is a part of the Facilities, regardless of whether composed of one or more buildings and/or infrastructure, are entitled to receive retail electric service from either or both OG&E and the SUA, even if such services commence at different times or if such services are only temporary, as contemplated herein.



Specific terms and conditions with respect to the provision of electric service by the SUA, including rates, are more particularly described in that certain Stillwater Data Center Economic Development Agreement between Kipper, the City, and the Stillwater Economic Development Authority, except such terms and conditions will not limit the Facilities' service options under this MOU. This agreement is intended to survive in the event of Kipper's assignment of the Facilities to another entity.

[Signature page follows]



IN WITNESS WHEREOF, the parties hereunto affix their signatures to this Agreement.

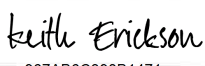
KIPPER LLC

By: 

Name: Simon W. Bright

Title: Authorized Signatory

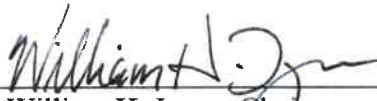
OKLAHOMA GAS & ELECTRIC COMPANY

By: 

Name: Keith Erickson

Title: Vice President

STILLWATER UTILITIES AUTHORITY,
a public trust

By: 
William H. Joyce, Chairman

ATTEST:


Teresa Kadavy, Secretary



Exhibit "A"
Property Map

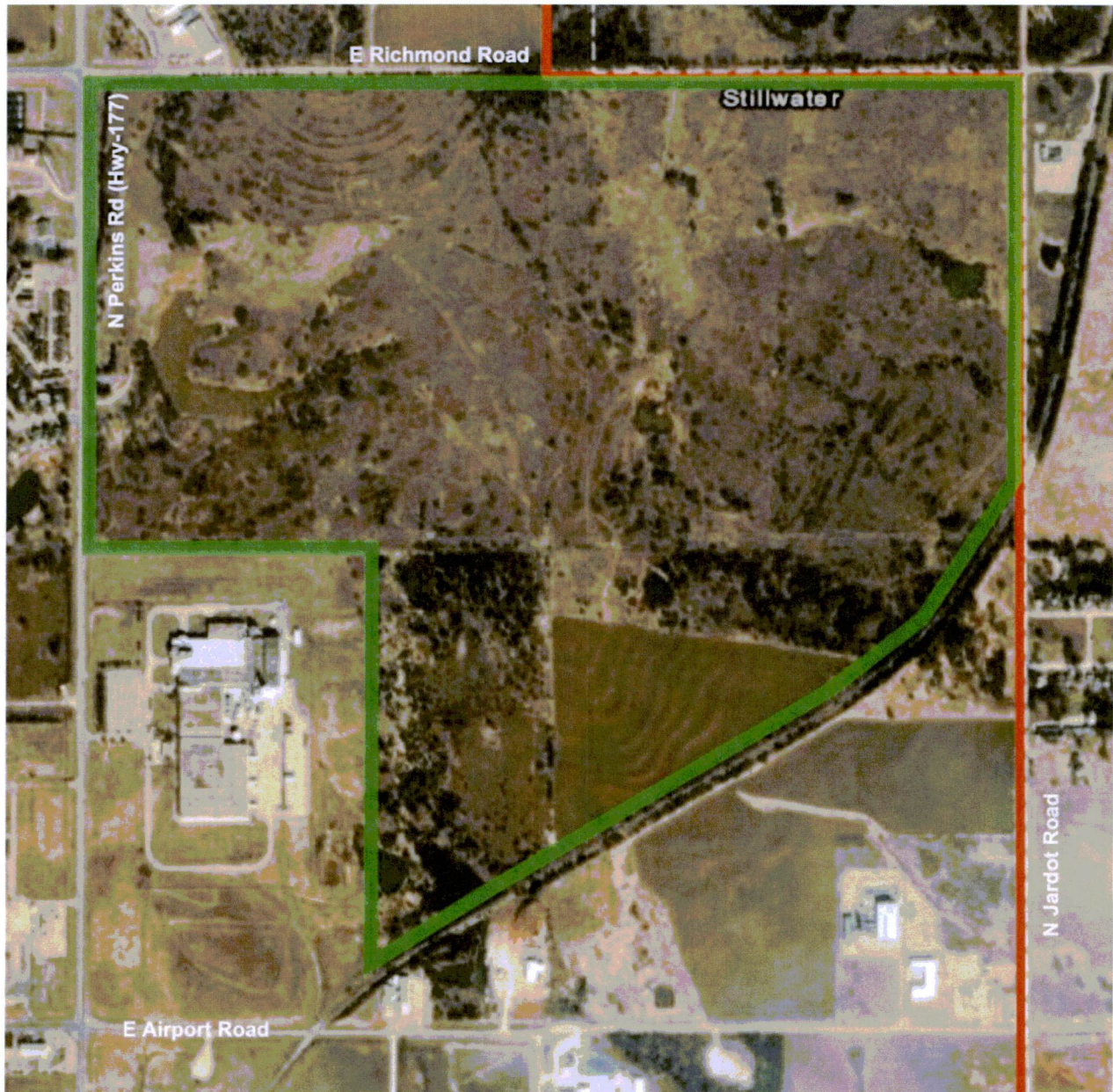


EXHIBIT G-2

MV TEMPORARY POWER EXHIBIT

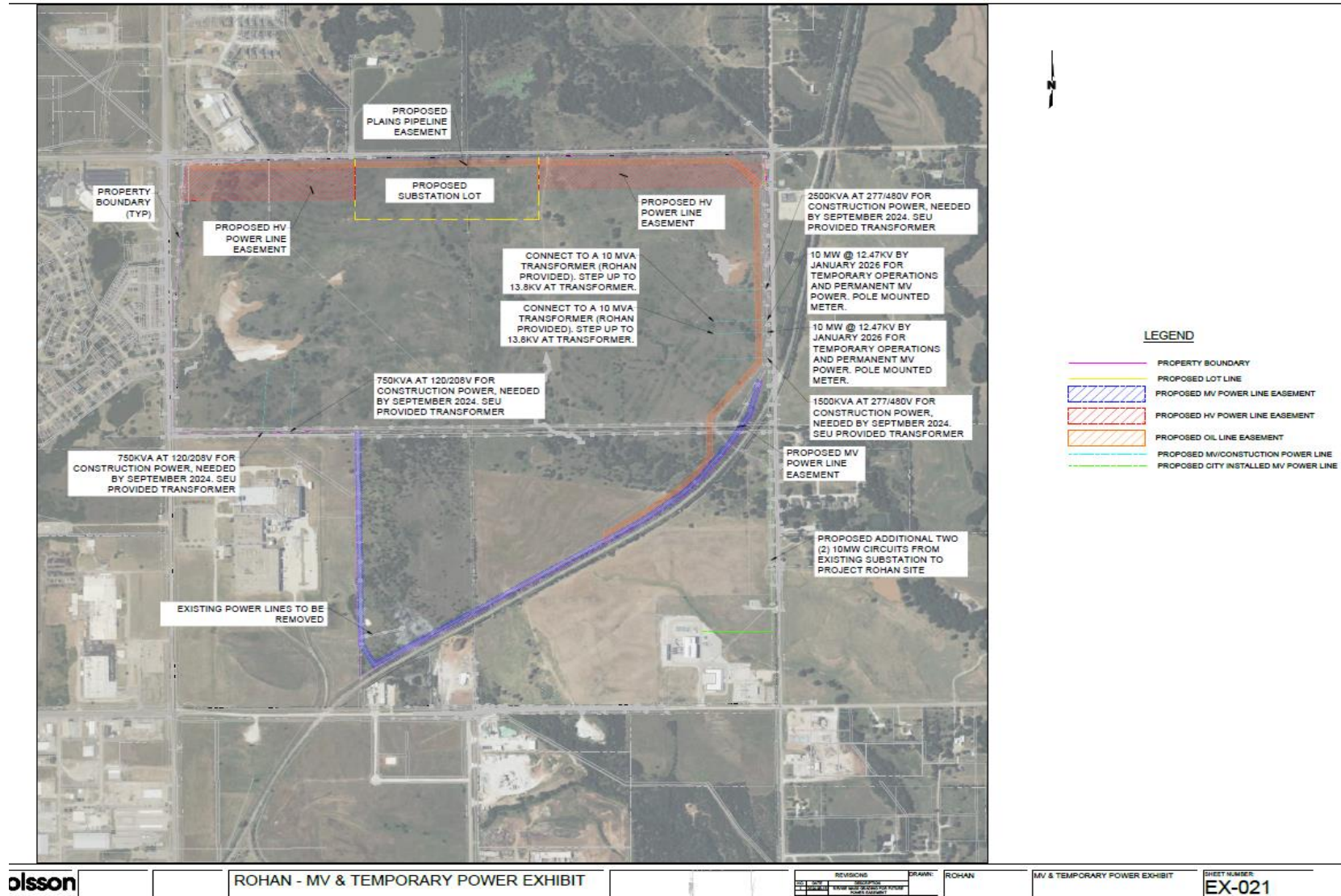


EXHIBIT H
FRANCHISE FEE ORDINANCE

ORDINANCE NUMBER 3543

AN ORDINANCE GRANTING TO THE OKLAHOMA GAS AND ELECTRIC COMPANY, AN OKLAHOMA CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO PRODUCE, TRANSMIT, DISTRIBUTE AND SELL ELECTRICITY FOR ALL PURPOSES FOR WHICH IT MAY BE USED BY KIPPER LLC, ITS AFFILIATES AND SUBSIDIARIES, ON SPECIFIC PROPERTY MORE PARTICULARLY DESCRIBED ON EXHIBIT A ATTACHED HERETO, AND THE RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE A SYSTEM OF POLES, WIRES, CONDUITS AND OTHER FACILITIES AND EQUIPMENT IN, UPON, ACROSS, UNDER AND OVER THE STREETS, ALLEYS, PUBLIC GROUNDS OR WAYS IN THE CITY FOR THE LIMITED PURPOSE OF PROVIDING ELECTRICITY TO SAID PROPERTY, IN ACCORDANCE WITH THE CITY'S RIGHT OF WAY MANAGEMENT ORDINANCES AND POLICIES; FOR A PERIOD OF TWENTY-FIVE (25) YEARS; PROVIDING COMPENSATION TO THE CITY; ORDERING AN ELECTION, AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA:

SECTION 1. The word "City" as hereinafter used shall mean and designate the City of Stillwater, Payne County, Oklahoma, , the word "Company" as hereinafter used shall mean and designate the Oklahoma Gas and Electric Company, a corporation organized and existing under and by virtue of the laws of the State of Oklahoma and its successors and assigns, and the word "Kipper" as hereinafter used shall mean and designate Kipper, LLC, its affiliates, subsidiaries, and its facilities that are built on the property described in Exhibit A attached hereto (the "Kipper Property") and located wholly within the limits of the City.

SECTION 2. (a) The City hereby grants to the Company the right, privilege and authority to produce, transmit, distribute and sell electricity within and to the Kipper Property, which is within corporate limits of the City, for all purposes for which it may be used and provided from Company, and the right, privilege and authority to construct, maintain and operate a system of poles, wires, conduits, transformers, substations, and other facilities and equipment in, upon, across, under and over the streets, alleys, public grounds or ways on Kipper Property and in portions of said City necessary to extend service to the Kipper Property, subject to the City's right of way management plan and ordinances, for the purpose of producing, transmitting, distributing and selling electricity therein to Kipper. It is the express intent of the City that this franchise granted to Company under this ordinance shall be limited to service to Kipper at the Kipper Property.

(b) The franchise hereby granted to Company to service Kipper at the Kipper Property shall be effective from and after the date of approval of this Ordinance by the qualified electors of the City and acceptance by the Company and shall remain in full force and effect for a period of twenty-five (25) years. Nothing in this Ordinance shall be construed to prevent the City from granting an electric franchise to any other person, firm, or corporation.

SECTION 3. The Company shall construct, operate and maintain its property in such manner as will, consistent with necessity, not obstruct nor impede traffic unduly.

SECTION 4. The Company shall defend and indemnify the City against all liability for injury to any person or property caused by the negligence of the Company in the construction, operation and maintenance of its property within the City.

SECTION 5. Electric service provided hereunder to Kipper on the Kipper Property and rates charged therefor shall be in accordance with orders, rules and regulations of the Corporation Commission of the State of Oklahoma or other governmental authority having jurisdiction.

SECTION 6. The Company shall have the right to assign this franchise and the assignee by written acceptance thereof shall be bound by all the provisions hereof. An authenticated copy of such assignment and acceptance shall be filed with the Clerk of the City.

SECTION 7. (a) From and after the approval and acceptance of this franchise, and in consideration of the granting of this franchise, the Company agrees to pay and shall pay the City an annual franchise fee in an amount equal to three percent (3%) of its gross revenues arising from the sale of electricity within the corporate limits of the City to the Kipper Property.

(b) The Company shall abide by any order, rule or regulation of the Corporation Commission of the State of Oklahoma requiring the listing separately of all or any portion of such franchise fee on electric bills to customers.

(c) Such franchise fees paid by the Company to the City shall be in lieu of all other franchise, excise, license, occupation, privilege, inspection, permit, or other fees, taxes or assessments, except ad valorem taxes.

SECTION 8. A special election is hereby called for the purpose of submitting this Ordinance to the qualified electors of the City residing within its corporate limits for their approval or disapproval, provided the Company shall pay the cost of such election. The election shall be held on the 5th day of November, 2024, between the hours of 7:00 a.m. and 7:00 p.m. The Mayor of the City of Stillwater is authorized and directed to issue an election proclamation calling such election and is further directed to take all steps that may be necessary for holding the election and for the submission of this Ordinance to the qualified electors of the City. If a majority of the qualified electors of the City voting thereon fail to approve this franchise at said election, no rights shall accrue hereunder.

SECTION 9. In case the franchise hereby granted is approved at said election, the Company shall, within thirty (30) days from the date of such approval, file with the Clerk of the City, in writing, its acceptance. In the event the Company fails to accept within the said period, such failure shall be deemed a rejection of the franchise.

SECTION 10. This franchise is granted by the City solely for the purpose of providing service to the Kipper Property and shall in no way be interpreted as replacing or otherwise modifying any other franchise granted by the City to the Company.

SECTION 11. Emergency Clause. It being immediately necessary for the preservation of the public health, peace and safety that an emergency is declared to exist, by reason whereon this ordinance shall become effective from and after the date of publication and upon official certification of the election results by the Payne County Election Board.

PASSED AND APPROVED this 20 day of August, 2024, with the Emergency Clause voted on and approved separately.

CITY OF STILLWATER, OKLAHOMA

By: William H. Joyce
William H. Joyce, Mayor

ATTEST:

Teresa Kadavy
Teresa Kadavy, City Clerk



EMERGENCY CLAUSE

THE EMERGENCY CLAUSE IS HEREBY PASSED, APPROVED AND ADOPTED THIS 20 DAY OF August, 2024.

William H. Joyce
William H. Joyce, Mayor

ATTEST:

Teresa Kadavy
Teresa Kadavy, City Clerk



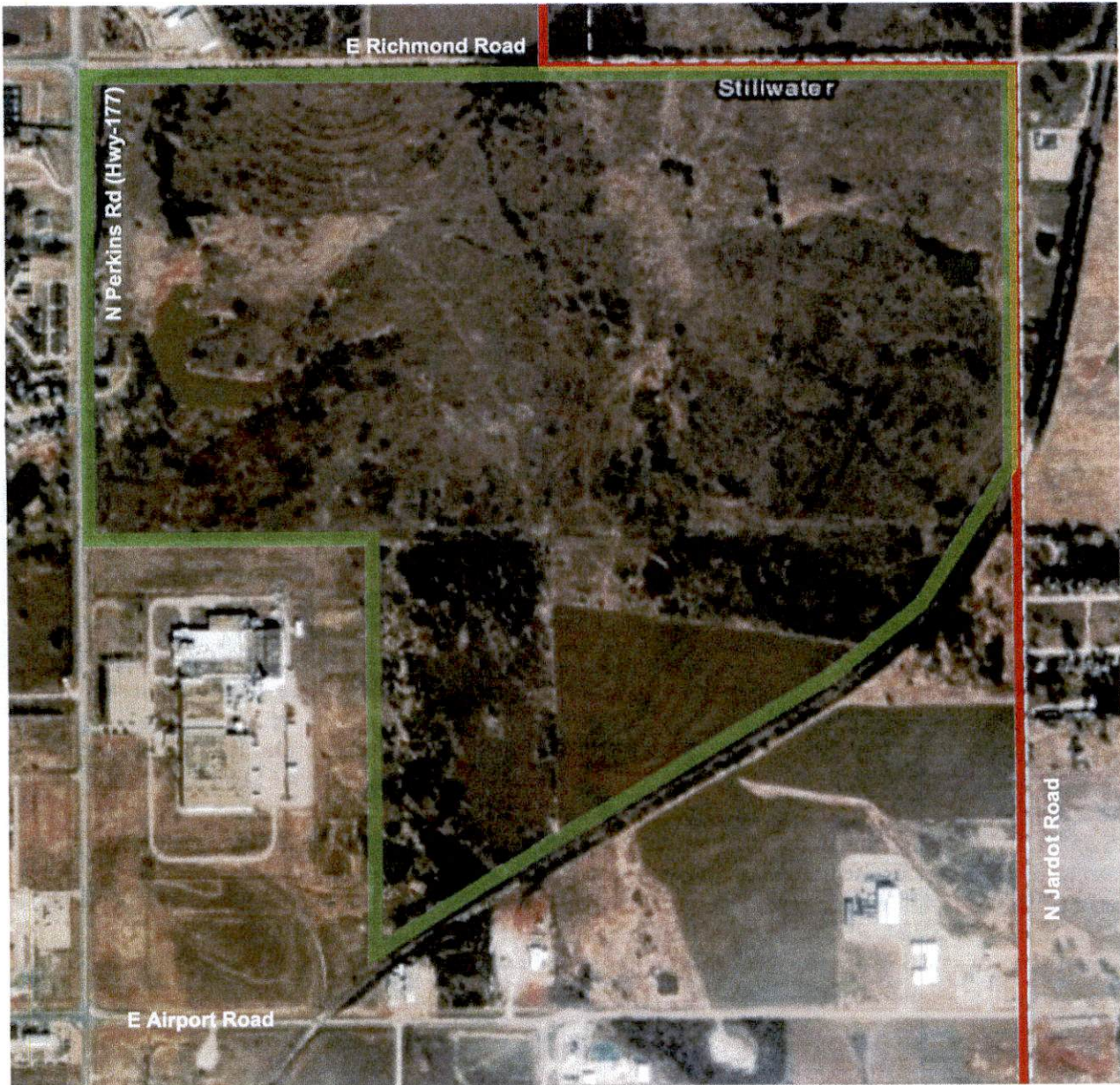
Approved as to form and legality, this 20 day of August, 2024.

Kimberly Carnley
Kimberly Carnley, City Attorney

First Reading: 8/19/2024
Second Reading: 8/20/2024

EXHIBIT A
MAP EXHIBIT AND LEGAL DESCRIPTION

Map Exhibit



Legal Description

A tract of land located in the Northeast Quarter (NE/4), Northwest Quarter (NW/4), and Southwest Quarter (SW/4), and Southeast Quarters (SE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on March 13, 2024 as follows:

COMMENCING at the SW/C, SW/4, S36-T20-R2E monumented by a 1" Rail Road Spike; thence with a BASIS OF BEARING of N 00°41'24" W along the west line of the SW/4 a distance of 2638.58 feet to the NW/C, SW/4, SEC36-T20N-R3E monumented by a 1/2" Rebar AND the POINT OF BEGINNING;
Thence along the west line of the NW/4 with a bearing of N 00°42'47" W a distance of 2630.81 feet to the NW/C, NW/4 SEC36-T20N-R2E monumented by a Railroad Spike;
Thence with a bearing of N 89°13'38" E along the north line of the NW/4 a distance of 2629.53 feet to the NE/C, NW/4 SEC36-T20N-R2E monumented by a 1/2" Rebar;
Thence with a bearing of N 89°18'29" E along the north line of the NE/4 a distance of 2630.74 feet to the NE/C, NE/4, SEC36-T20N-R2E monumented by a Mag Nail;
Thence with a bearing of S 00°49'51" E along the east line of the NE/4 a distance of 2122.35 feet to a point on the East Line of NE/4, SEC36-T20N-R2E, also being a point on the Northerly Rail Road R/W line of Eastern Oklahoma Railway particularly described in Book 7, Page 208;
Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.96 feet, having a chord bearing of S 27°41'11" W and a chord distance of 761.36, and an arc length of 763.73 feet to a point on said Northerly Rail Road R/W Line;
Thence with a bearing of N 54°28'57" W a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line;
Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2773.96 feet, having a chord bearing of S 40°33'13" W and a chord distance of 487.07 feet, and an arc length of 487.70 to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;
Thence with a bearing of S 44°24'34" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;
Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.69 feet, having a chord bearing of S 51°55'38" W and a chord distance of 616.73, and an arc length of 617.99 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;
Thence with a bearing of S 59°21'10" W a distance of 1676.22 feet to a point on said Northerly Rail Road R/W Line;
Thence with a bearing of S 59°21'10" W a distance of 614.77 feet to a point on said Northerly Rail Road R/W Line;
Thence in a southwesterly direction with a tangent curve turning to the left with a radius of 2915.05 feet, having a chord bearing of S 55°26'11" W and a chord distance of 387.62 feet, and an arc length of 387.91 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap Hitech;
Thence with a bearing of N 00°47'43" W along the west line of the east 60 acres of the SW/4 a distance of 2333.99 feet to a point on the north line of the SW/4, SEC36-T20N-R2E monumented by a 1/2" pipe;
Thence along said north line of said SW/4 with a bearing of N 89°28'48" E a distance of 1645.64' back to the POINT OF BEGINNING.

CONTAINING 18,196,038 SQUARE FEET OR 417.723 ACRES, MORE OR LESS

EXHIBIT I

Preliminary Conceptual Options for Increasing Water Capacity									
Infrastructure Phase	Cost Estimate	Estimate Accuracy (- / +%)	Costs, \$M (with Accuracy Adder)	Raw Water Capacity, MGD	Treatment Capacity, MGD	North East Zone Capacity, MGD	Current Status	End to end duration (months)	Description
Upgrade 2 + Partial FWPS Upgrade	\$64,520,000	30%	\$83,876,000	24.00	24.00	13.50	Future Project	24-30	WTP Upgrade to 24 MGD + Upgrade NEZ pumps to 12.0 MGD Firm Capacity + Upgrade Raw Pumping Capacity
Upgrade B - includes 2 MGD Capacity increase in NEZ	TBD	-	TBD	24.00	24.00	15.50	Future Project	TBD	Increase NEZ pumping capacity (likely new pumps) to 14 MGD Firm Capacity
Upgrade C - includes 6 MGD capacity increase to NEZ	TBD	-	TBD	30.00	30.00	21.50	Future Project	TBD	WTP Upgrade to 30 MGD + Increase NEZ pumps to 20 MGD + New Transmission Main from Sea Dog Lane/Burris Road Intersection to Perkins Road EST and IWU site +Upgrade Raw Pumping Capacity
TOTAL	\$64,520,000	-	\$83,876,000					-	-
	Costs are in 2023 dollars based amounts provided in Black Veatch memo updated by City of Stillwater		30% accuracy added to cost estimates						
						Capacity includes new 12.0 MGD NEZ pumping capacity + 1.5 MGD assumed from CZ connection			
						Capacity includes new 14.0 MGD NEZ pumping capacity + 1.5 MGD assumed from CZ connection			
						Capacity includes new 20.0 MGD NEZ pumping capacity + 1.5 MGD assumed from CZ connection			
						Max Demand for NEZ, July 2012	4.86		
DISCLAIMER: The water and wastewater improvement projects outlined herein including their cost estimates, timelines for construction, and the capacities added or potentially available to Rohan, are subject to change without notice. These project concepts are preliminary options developed by the City of Stillwater to illustrate potential methods of providing additional water and wastewater capacity. They: (1) do not constitute commitments, guarantees, or assurances of future action, and (2) are subject to feasibility studies, funding availability, regulatory approvals, and evolving City priorities. The City assumes no liability for reliance on these preliminary concepts.									
Dated: December 16, 2024									

Preliminary Conceptual Options for Increasing Wastewater Collection and Treatment Capacity

Infrastructure Phase	Cost Estimate	Estimate Accuracy (- / +%)	Costs (with Accuracy Adder)		End to end duration (months)	Description
Upgrade 1	\$27,600,000	30%	\$35,880,000		24-36	(Ultimate Phase) New lift station to WWTP, 18" force main parallel to ex. gravity sewer; Requires changes in operations at WWTP to handle increased flow
TOTAL	\$27,600,000	-	\$35,880,000		-	-

Costs are in 2023 dollars based amounts provided in Black Veatch memo updated by City of Stillwater

30% accuracy added to cost estimates with the exception of the FWPS which is under construction

Note: Information provided in this table is based upon data provided in report from Black and Veatch, CITY OF STILLWATER - PROJECT ROHAN, dated May 20, 2020

DISCLAIMER: The water and wastewater improvement projects outlined herein including their cost estimates, timelines for construction, and the capacities added or potentially available to Rohan, are subject to change without notice. These project concepts are preliminary options developed by the City of Stillwater to illustrate potential methods of providing additional water and wastewater capacity. They: (1) do not constitute commitments, guarantees, or assurances of future action, and (2) are subject to feasibility studies, funding availability, regulatory approvals, and evolving City priorities. The City assumes no liability for reliance on these preliminary concepts.

Dated: December 16, 2024

CONFIDENTIAL APPENDICES OMITTED AS THEY CONTAIN TRADE SECRETS

ORDINANCE NO. 3552

AN ORDINANCE REZONING A TRACT OF LAND LOCATED AT 701 W. HIGHPOINT DRIVE FROM MULTI-FAMILY INTERMEDIATE (RMI) AND COMMERCIAL GENERAL (CG) TO COMMERCIAL BUSINESS (CB).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA:

Parcel located at 701 W Highpoint Dr:

A TRACT OF LAND IN THE NORTHWEST QUARTER (NW/4) OF THE NORTHWEST QUARTER (NW/4) OF SECTION ELEVEN (11), TOWNSHIP NINETEEN (19) NORTH, RANGE TWO (2) EAST OF THE INDIAN MERIDIAN, PAYNE COUNTY, OKLAHOMA, ACCORDING TO THE U.S. GOVERNMENT SURVEY THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF LOT SIX (6), HIGH POINT ADDITION, THENCE NORTH 89°00' EAST ON THE SOUTH LINE OF HIGH POINT DRIVE, AS DISTANCE OF 175 FEET; THENCE SOUTH 255.2 FEET; THENCE SOUTH 89°40' WEST A DISTANCE OF 175 FEET; THENCE NORTH 253.9 FEET TO THE POINT OF BEGINNING.

be and the same is hereby rezoned from RMI (MULTI-FAMILY INTERMEDIATE) AND CG (COMMERCIAL GENERAL) TO CB (COMMERCIAL BUSINESS).

PASSED, APPROVED, AND ADOPTED THIS ____ DAY OF _____, 2025.

WILLIAM H. JOYCE, MAYOR

(SEAL)
ATTEST:

TERESA KADAVY, CITY CLERK

APPROVED AS TO FORM AND LEGALITY THIS ____ DAY OF _____, 2025.

TAMMY EWING, ASSISTANT CITY ATTORNEY

First Reading: 01/13/2025
Second Reading:

ORDINANCE NO. 3553

AN ORDINANCE REZONING A TRACT OF LAND LOCATED AT 3118 - 3124 E. 4TH AVENUE FROM SMALL LOT SINGLE-FAMILY RESIDENTIAL (RSS) TO TWO-FAMILY AND MULTI-FAMILY (RTM).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA:

Parcels located at 3118 – 3124 E. 4th AVENUE:

Lots One (1), Two (2), Three (3) and Four (4), in Block Five (5), BRUSH CREEK MEADOW 1ST ADDITION, a part of the Southeast Quarter (SE/4) of Section Eighteen (18), Township Nineteen (19) North, Range Three (3) East of the Indian Meridian, City of Stillwater, Payne County, State of Oklahoma, according to the recorded plat thereof And

Lot Forty-five (45), Forty-six (46), Forty-seven (47), and Forty-eight (48), in Block Five (5), BRUSH CREEK MEADOW 1ST ADDITION, a part of the Southeast Quarter (SE/4) of Section Eighteen (18), Township Nineteen (19) North, Range Three (3) East of the Indian Meridian, City of Stillwater, Payne County, State of Oklahoma, according to the recorded plat thereof

And

A tract of land described as Beginning at the Northwest corner of Lot Forty-five (45), in Block Five (5), BRUSH CREEK MEADOW 1ST ADDITION, a part of the Southeast Quarter (SE/4) of Section Eighteen (18), Township Nineteen (19) North, Range Three

(3) East of the Indian Meridian, City of Stillwater, Payne County, State of Oklahoma, according to the recorded plat thereof; THENCE, Westerly along an extension of the North line of said Lot 45, a distance of 20 feet to a point on the West line of the recorded plat of BRUSH CREEK MEADOW 1ST ADDITION, THENCE, Southerly, along the West line of the recorded plat of BRUSH CREEK MEADOW 1ST ADDITION to a point on an extension of the South line of said Lot Four (4), in Block Five (5), BRUSH CREEK MEADOW 1ST ADDITION, said point being 16 feet westerly of the Southwest corner of Lot 4; THENCE Easterly along the extension of the South line of said Lot 4, a distance of 16 feet to the Southwest Corner of said Lot 4; THENCE North, along the West line of said Lot 4, a distance of 115.00 feet to the Northwest corner of said Lot 4; THENCE East along the North line of said Lot 4, a distance of 4 feet, to the Southwest corner of said Lot 45; Thence North along the West line of said Lot 45, a distance of 115.00 feet to the Northwest corner of said Lot 45, also being the POINT OF BEGINNING; said land sometimes referred to as Lot A BRUSH CREEK MEADOW 1ST ADDITION.

be and the same is hereby rezoned from RSS (SMALL LOT SINGLE-FAMILY RESIDENTIAL) to RTM (TWO-FAMILY AND MULTI-FAMILY).

PASSED, APPROVED, AND ADOPTED THIS ____ DAY OF _____, 2025.

WILLIAM H. JOYCE, MAYOR

(SEAL)
ATTEST:

TERESA KADAVY, CITY CLERK

APPROVED AS TO FORM AND LEGALITY THIS ____ DAY OF _____, 2025.

TAMMY EWING, ASSISTANT CITY ATTORNEY

First Reading: 01/13/2025
Second Reading:

ORDINANCE NO. 3546

AN ORDINANCE APPROVING AND ADOPTING THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN AND SUPPORTING INCENTIVE DISTRICTS, PURSUANT TO THE OKLAHOMA LOCAL DEVELOPMENT ACT; IDENTIFYING AND ESTABLISHING SIX INCENTIVE DISTRICTS; DESIGNATING AND ADOPTING PROJECT AREA AND INCENTIVE DISTRICT BOUNDARIES; DEFERRING THE NUMERICAL DESIGNATIONS AND EFFECTIVE DATES FOR THE INCENTIVE DISTRICTS; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF STILLWATER AND THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE STILLWATER PLANNING COMMISSION; APPROVING AND ADOPTING A TAX INCENTIVE AGREEMENT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY

WHEREAS, the City of Stillwater, Oklahoma, a municipal corporation (the “City”) has caused to be prepared the Stillwater Data Center Economic Development Project Plan and Supporting Incentive Districts (“Project Plan”), in accordance with the Oklahoma Local Development Act, 62 O.S. §850, *et seq.* (“Act”); and

WHEREAS, the purpose of the Project Plan is to provide the incentives necessary to support at least Five Hundred Million Dollars (\$500,000,000) in initial private investment by Kipper LLC (“Company”) in the first Phase (defined herein) of the development of a data center campus (meeting U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 Revision), with the potential for five (5) additional Phases of development of similar magnitude, on approximately 386.698 acres of land within the City’s corporate boundaries to be acquired by the Company (collectively, the “Project”); and

WHEREAS, each developed Phase will include a data center comprised of approximately 300,000 square feet (each a “Data Center”), together with certain ancillary buildings, structures and infrastructure that support or are related to the data center campus operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings; and

WHEREAS, the Company desires to develop a Data Center in each of the six Phases, however, the Company may construct fewer Data Centers, resulting in fewer Phases; and

WHEREAS, the term “Phase” as used herein refers to all new investments in real and personal property within an Incentive District (defined herein); and

WHEREAS, the Project Plan supports the City’s objectives to promote economic development, to stimulate private investment, to reverse economic stagnation or decline, to expand employment, and to enhance the tax base, and thereby making possible investment that would be difficult without the adoption of the Project Plan; and

WHEREAS, pursuant to the Act, the City Council previously established the Data Center Economic Development Review Committee (“Review Committee”), comprised of a representative of the City, a representative of the Stillwater Planning Commission (“Planning Commission”), representatives of each of the affected taxing jurisdictions (including the Board of Education of Independent School District Number 16 of Payne County, Oklahoma, the Board of Education of the Meridian Technology Center, the Board of Payne County Commissioners, and the Board of the Payne County Health Department, collectively, the “Taxing Entities”), and three members of the public at large, one of whom is a representative of the business community in the City of Stillwater; and

WHEREAS, the Review Committee has reviewed the proposed Project Plan, the proposed Project Area and the proposed Incentive Districts (temporarily identified in the Project Plan and this Ordinance as “Incentive Districts “1,” “2,” “3,” “4,” “5,” and “6”) (“Incentive Districts”) in accordance with the criteria specified in the Act and has determined that the Incentive Districts are eligible for designation as an incentive district and for development under the Act and that the financial impacts on the affected taxing jurisdictions and business activities from implementation of the Project Plan are positive; and

WHEREAS, the Review Committee has adopted a resolution of its findings and recommends to the City Council the approval of the Project Plan, including the proposed Incentive Districts; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms to the Stillwater 2030 C3 Comprehensive Plan; and

WHEREAS, the Planning Commission has adopted a resolution recommending to the City Council the approval of the Project Plan, including the proposed Incentive Districts; and

WHEREAS, the Project Area and the proposed Incentive Districts, which share the same boundaries, are within a state designated enterprise zone and therefore meet the definition of an enterprise area as defined by the Act; and

WHEREAS, the Project Area, including the Incentive Districts, is located within a reinvestment area as defined by the Act; and

WHEREAS, the projected investment and development are difficult, but possible, within the proposed Project Area and Incentive Districts if the Project Plan is adopted and implemented; and

WHEREAS, the qualifying tax incentive provided in the Project Plan is a necessary component in generating economic development in the proposed Project Area and Incentive Districts; and

WHEREAS, the implementation of the Project Plan and the establishment of the proposed Incentive Districts will work in conjunction with existing programs and other locally implemented economic development efforts in order to encourage economic development in the proposed Project Area; and

WHEREAS, the Project is expected to generate substantial new investment within the proposed Incentive Districts and to stimulate additional indirect economic benefits outside of the Project Area which would not occur without the Project; and

WHEREAS, the Project Plan provides tools which will supplement and not supplant or replace normal public functions and services; and

WHEREAS, the boundaries of the proposed Incentive Districts do not dissect any similar area nor create an unfair competitive advantage; and

WHEREAS, maximum effort has been made to allow full public knowledge and participation in the application of the Act in the review and approval of the Project Plan; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the Project Plan, as prescribed by the Act, the Oklahoma Open Meetings Act, 25 O.S. § 301, *et seq.*, and other applicable law; and

WHEREAS, pursuant to published notice, at a regular meeting of the City Council held on August 19, 2024, members of the public were provided information, including an analysis of potential positive and negative impacts, and had questions answered regarding the Project Plan; and

WHEREAS, pursuant to published notice, at a regular meeting of the City Council held on September 9, 2024, all persons present were given an opportunity to be heard for and against the Project Plan; and

WHEREAS, the City and the Stillwater Economic Development Authority shall be authorized and designated to carry out certain provisions of the Project Plan, pursuant to the Act; and

WHEREAS, Section 856 of the Act authorizes the City to defer determination of the effective dates of the proposed Incentive Districts, provided that the determination is not more than ten (10) years after the date of approval of the Project Plan; and

WHEREAS, the City finds that it is in the best interest of the overall success of the Project to defer the determination of the effective dates of the Incentive Districts until a later date, which date must be determined within ten (10) years of the date of approval of the Project Plan; and

WHEREAS, the City retains the right, pursuant to the Act, to make minor amendments to the Project Plan; and

WHEREAS, as required by Article 10, Section 6C of the Oklahoma Constitution and pursuant to Sections 865 and 866 of the Act, the governing bodies of all taxing entities whose taxes are to be included in the incentives to be provided by the Incentive Districts will be requested to approve and execute a written agreement with the City Council providing for the same; and

WHEREAS, the incentives described in the Project Plan and the Tax Incentive Agreement (defined herein) are designed to grant a one hundred percent (100%) ad valorem tax exemption on

all new investment attributable to property qualifying under U.S. Industry Number 518210 of the NAICS Manual, 2017 Revision, within each Incentive District, during the twenty-five year duration of each Incentive District, upon the terms and conditions set forth in the Project Plan (“Incentive District Exemptions”); and

WHEREAS, the City has caused to be prepared a written agreement by and among the Taxing Entities, the City, and the Company, as the prospective owner of the Property and the recipient of the Incentive District Exemptions, as required by Sections 865 and 866 of the Act (“Tax Incentive Agreement”), setting forth the terms and conditions applicable to the Incentive District Exemptions; and

WHEREAS, the City has caused the preparation of an Economic Development Agreement by and among the City, the Stillwater Economic Development Authority (“SEDA”), and the Company delineating the parties’ respective obligations applicable to the first two Phases of development of the Project (“Development Agreement”), with the understanding that the City, SEDA, and the Company will execute one or more supplemental development agreements for any subsequent Phases the Company elects to develop (“Supplemental Development Agreement”); and

WHEREAS, in consideration of the Incentive District Exemptions granted for all Incentive Districts, the Company has agreed to make certain direct payments in lieu of taxes (“PILOT Payments”) to the Taxing Entities for the duration of each Incentive District, as more particularly described in and subject to the terms and conditions of the Tax Incentive Agreement, the Development Agreement, and the Project Plan; and

WHEREAS, in consideration of the Incentive District Exemptions granted for the Incentive Districts created for Phase 1 and Phase 2 of the Project, the Company has agreed to make certain direct payments to the City, described as Community Betterment Payments, and for the City to receive a franchise fee on the revenues generated from the sale of electric power to the Company (“Franchise Fees”), with the understanding that any such payments to the City for any subsequent Phases will be determined in accordance with a Supplemental Development Agreement, all as more particularly described in and subject to the terms and conditions of the Tax Incentive Agreement, the Development Agreement, and the Project Plan; and

WHEREAS, the revenue sources expected to finance eligible Project Costs pursuant to the Project Plan are comprised of the Community Betterment Payments and Franchise Fees received by the City throughout the duration of the Incentive Districts created for Phase 1 and Phase 2 of the Project; and

WHEREAS, the City deems it appropriate and desirable and in the best interest of the City and its citizens to approve and adopt the Project Plan, including the establishment of the Incentive Districts, and to approve and adopt the Tax Incentive Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA THAT:

SECTION 1. In order to develop the Project Area, the City of Stillwater elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Act, which authorize the use

of incentives, exemptions, and other forms of relief from taxation for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline.

SECTION 2. The Project Plan is hereby approved and adopted, as recommended by the Planning Commission and by the Review Committee. As used herein the “Project Plan” shall mean the document titled “Stillwater Data Center Economic Development Project Plan” with a cover page indicating the Review Committee recommended approval on July 10, 2024, and the Planning Commission recommended approval on July 16, 2024, and comprised of a cover sheet, a table of contents, ten (10) pages of text, and four (4) exhibits labeled Exhibits A, B, C, and D.

SECTION 3. All actions taken and all recommendations and findings made in connection with the Project Plan by the Planning Commission and the Review Committee are hereby ratified and confirmed, including, but not limited to, the designation and selection of representatives to the Review Committee by the City and each Taxing Entity, the selection of the three members of the public at large who serves on the Review Committee, the findings of conformance with the Stillwater 2030 C3 Comprehensive Plan, eligibility of the proposed Incentive Districts, and positive financial impacts on the affected taxing jurisdictions, and the recommendations for approval.

SECTION 4. The City Council hereby adopts the following findings:

A. Findings Regarding the Project Plan; Eligibility of the Project Area and Incentive Districts:

1. The Project Area and the proposed Incentive Districts “1”, “2”, “3”, “4”, “5”, and “6”, City of Stillwater (“Incentive Districts”) proposed in the proposed Data Center Economic Development Project Plan are entirely within a state designated enterprise zone and therefore meet the definition of an “enterprise area” under the Local Development Act (62 O.S. § 853(5), (6)). Enterprise Areas qualify for use of the tools of the Local Development Act pursuant to 62 O.S. §856(B)(4)(a).
2. The Project Area and the Incentive Districts proposed in the proposed Data Center Economic Development Project Plan comply with the statutory definition of a “reinvestment area” under the Local Development Act (62 O.S. § 853(17)) due to the fact that the area lacks public improvements necessary to reverse economic stagnation and to attract major investment in the area. Reinvestment Areas qualify for use of the tools of the Oklahoma Local Development Act pursuant to 62 O.S. §856(B)(4)(a).
3. The improvement of the Project Area is likely to enhance the value of other real property in the area and to promote the general public interest.
4. The level of investment, development, and economic growth desired by the City is difficult, but possible, within the Project Area and Incentive Districts if the provisions of the Local Development Act are utilized.
5. The incentives to be provided through the Incentive Districts are a necessary component in stimulating the proposed investment in the Project Area and Incentive

Districts, which would not have occurred without the provision of the incentive pursuant to the Act.

6. The incentives to be provided through the Incentive Districts will be used in conjunction with existing programs and efforts and other locally implemented economic development efforts.

B. Findings Regarding Financial Impacts on the Affected Taxing Jurisdictions and Business Activities within the Project Area and Incentive Districts:

1. As described in Section IX of the Project Plan, substantial public costs that may arise will be funded directly by the private development within the Incentive Districts.
2. The development anticipated by the project may result in a modest increase in demand for services by or in costs to the affected taxing jurisdictions, but that the PILOT Payments to be paid by the Company to the affected taxing jurisdictions, as described in Section X.B. of the Project Plan and other positive impacts will offset any increased costs for additional service demands upon those affected taxing jurisdictions.
3. The public revenue anticipated to result from the development described in the Project Plan includes increased tax revenue from economic growth and benefits outside of the Incentive Districts.
4. The economic benefits of the Project Plan for the affected taxing jurisdictions and the community as a whole offset any adverse financial impacts of the Project Plan on the affected taxing jurisdictions.
5. The aggregate impacts of the affected taxing jurisdictions and on business activities from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section V of the Project Plan.

SECTION 5. For identification purposes and until such time that the City Council officially numbers, designates, and makes effective each of the Incentive Districts established under this Ordinance, the Incentive Districts shall be identified temporarily as Incentive Districts No. “1”, “2”, “3”, “4”, “5”, and “6”, City of Stillwater, as shown on Exhibit A of the Project Plan, and may be commonly referred to as Incentive Districts No. 1, 2, 3, 4, 5, and 6, as depicted on Exhibit A of the Project Plan.

SECTION 6. The designation, naming, and effective dates of each Incentive District are deferred pending the fulfillment of the conditions set forth in the Project Plan and the Development Agreement, provided that such deferred action shall be made within ten (10) years of the City Council’s adoption of this Ordinance approving the Project Plan, as follows:

Phases 1 and 2: The Incentive Districts for Phases 1 and 2 shall become effective and provide the Incentive District Exemption upon the earlier of (a) the completion of a Data Center within that Incentive District as evidenced by the issuance of the final, unrestricted certificate of

occupancy for the Data Center (“Certificate of Occupancy”), or (b) January 1 after the date of issuance of the Certificate of Occupancy. In lieu of a Certificate of Occupancy, the Company may deliver notice of substantial completion to the City to trigger the effective date, which shall be January 1 immediately following the issuance of the notice of substantial completion.

Commencement of Phase 1: Upon the fulfillment of the conditions precedent described in the Development Agreement, the Company is to commence the development of Phase 1 of the Project. The Company must provide written notice to the City of its intent to commence Phase 2 within two (2) years of completion of Phase 1. Should the Company fail to initiate development of Phase 2 within this period, the City may terminate the undeveloped Incentive Districts.

Subsequent Phases: If Phase 2 is completed within the stipulated two-year timeframe, and the Company commences Phase 3 pursuant to a duly executed Supplemental Development Agreement, which includes design, engineering, permitting, construction for the site and/or associated infrastructure, within ten (10) years of the City Council’s adoption of this Ordinance approving the Project Plan, then the Incentive Districts for Phases 3, 4, 5, and 6 will become effective as of January 1 of the year marking the tenth anniversary of approval of the Project Plan.

If the Company has not commenced Phase 4 of the Project pursuant to an executed Supplemental Economic Development Agreement within 12 years of the adoption of this Project Plan, then the undeveloped Incentive Districts for Phases 4, 5, and 6 shall terminate. If the Company has not commenced Phase 5 of the Project pursuant to an executed Supplemental Economic Development Agreement within 14 years of the adoption of the Project Plan, then the undeveloped Incentive Districts for Phases 5 and 6 shall terminate. If the Company has not commenced Phase 6 of the Project pursuant to an executed Supplemental Economic Development Agreement within 16 years of the adoption of the Project Plan, then the Incentive District for Phase 6 shall terminate.

Termination of Subsequent Phases: Conversely, if upon completion of Phase 2, Phase 3 has not commenced within ten (10) years of the adoption of this Ordinance, the Incentive Districts for Phases 3, 4, 5, and 6 shall terminate.

Confirmation and Notice: Upon satisfaction of the conditions, the City Council will, by resolution, confirm the effective date, designation, and name of each Incentive District. If the City Council has not passed such resolution: (a) within thirty (30) days following the issuance of a Certificate of Occupancy or delivery of written notice by the Company to the City of substantial completion or (b) by December 15, whichever is earlier, the City Manager shall immediately provide written notice confirming the effective date, designation, and name of each Incentive District to each of the Taxing Entities, the Payne County Assessor, and the Company. In accordance with Section 856(B)(2) of the Act, no Incentive District Exemptions may become effective more than ten (10) years after the City Council’s adoption of this Ordinance approving the Project Plan.

SECTION 7. Once an Incentive District is made effective pursuant to Section 6 of this Ordinance, the Incentive District shall be effective for a period of twenty-five (25) fiscal years from its effective date (the “Incentive District Term”).

SECTION 8. The boundaries of the Project Area are depicted on Exhibit A of the Project Plan and are hereby designated and adopted as follows:

A tract of land located in the Northeast Quarter (NE/4), Northwest Quarter (NW/4), and Southwest Quarter (SW/4), and Southeast Quarters (SE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on March 13, 2024 as follows:

COMMENCING at the SW/C, SW/4, S36-T20-R2E monumented by a 1" Rail Road Spike; thence with a BASIS OF BEARING of N 00°41'24" W along the west line of the SW/4 a distance of 2638.58 feet to the NW/C, SW/4, SEC36-T20N-R3E monumented by a 1/2" Rebar AND the POINT OF BEGINNING;

Thence along the west line of the NW/4 with a bearing of N 00°42'47" W a distance of 2630.81 feet to the NW/C, NW/4 SEC36-T20N-R2E monumented by a Railroad Spike; Thence with a bearing of N 89°13'38" E along the north line of the NW/4 a distance of 2629.53 feet to the NE/C, NW/4 SEC36-T20N-R2E monumented by a 1/2" Rebar; Thence with a bearing of N 89°18'29" E along the north line of the NE/4 a distance of 2630.74 feet to the NE/C, NE/4, SEC36-T20N-R2E monumented by a Mag Nail; Thence with a bearing of S 00°49'51" E along the east line of the NE/4 a distance of 2122.35 feet to a point on the East Line of NE/4, SEC36-T20N-R2E, also being a point on the Northerly Rail Road R/W line of Eastern Oklahoma Railway particularly described in Book 7, Page 208;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.96 feet, having a chord bearing of S 27°41'11" W and a chord distance of 761.36, and an arc length of 763.73 feet to a point on said Northerly Rail Road R/W Line; Thence with a bearing of N 54°28'57" W a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2773.96 feet, having a chord bearing of S 40°33'13" W and a chord distance of 487.07 feet, and an arc length of 487.70 to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence with a bearing of S 44°24'34" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.69 feet, having a chord bearing of S 51°55'38" W and a chord distance of 616.73, and an arc length of 617.99 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence with a bearing of S 59°21'10" W a distance of 1676.22 feet to a point on said Northerly Rail Road R/W Line;

Thence with a bearing of S59°21'10" W a distance of 614.77 feet to a point on said Northerly Rail Road R/W Line;

Thence in a southwesterly direction with a tangent curve turning to the left with a radius of 2915.05 feet, having a chord bearing of S 55°26'11"W and a chord distance of 387.62 feet, and an arc length of 387.91 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap Hitech;

Thence with a bearing of N 00°47'43" W along the west line of the east 60 acres of the

SW/4 a distance of 2333.99 feet to a point on the north line of the SW/4, SEC36-T20N-R2E monumented by a 1/2" pipe;
Thence along said north line of said SW/4 with a bearing of N 89°28'48" E a distance of 1645.64' back to the POINT OF BEGINNING.

Less and Except:

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northwest Quarter of said Section 36,
Thence along the North line of the Northeast Quarter of said Section 36 N 89° 18' 29" E, a distance of 452.85 feet;
Thence departing said North line S 00° 00' 42" W, a distance of 1143.51 feet;
Thence S 89° 59' 34" W, a distance of 1,189.48 feet;
Thence N 00° 00' 04" E, a distance of 1,128.25 feet to a point on the North line of the Northwest Quarter of said Section 36;
Thence along said North line N 89° 13' 38" E, a distance of 736.95 feet back to the POINT OF BEGINNING.

Containing 16,844,572 square feet OR 386.698 acres more or loss

SECTION 9. Incentive District No. "1", whose boundaries are set forth below, is hereby created, but is to be effective at a later date as determined by Council, in accordance with the Project Plan. The boundaries of Incentive District No. "1", City of Stillwater are hereby designated and adopted as follows:

A tract of land located in the Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northeast Quarter of said Section 36,
Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet; Thence departing said East line, S 89° 59' 44" W, a distance of 2,200.10 feet; Thence N 00° 00' 01" E, a distance of 1,516.34 feet to a point on the North line of said Northeast Quarter; Thence along said North line N 89° 18' 29" E, a distance of 2,177.89 feet back to the POINT OF BEGINNING.

Containing 3,347,887 square feet OR 76.857 acres more or less.

SECTION 10. Incentive District No. "2", whose boundaries are set forth below, is hereby created, but is to be effective at a later date as determined by Council, in accordance with the Project Plan. The boundaries of Incentive District No. "2", City of Stillwater are hereby designated and adopted as follows:

A tract of land located in the Southeast Quarter (SE/4) and Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northeast Quarter of said Section 36,
Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet to the POINT OF BEGINNING;
Thence S 00° 49' 52" E, a distance of 579.72 feet to a point being a non-tangent curve to the right also being a point on the Northeasterly Railroad Right-Of-Way line recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence along the Northwestern Right-Of-Way line for the next six (6) calls:
(1) Along said curve to the right having a radius of 2,799.14 feet, an arc length of 763.70 feet, and having a chord bearing of S 27° 41' 41" W, a chord length of 761.34 feet to a point of non-tangency;
(2) Thence N 54° 28' 57" W, a distance of 20.00 feet to a non-tangent curve to the right;
(3) Thence along curve to the right having a radius of 2773.96 feet, an arc length of 487.70 feet, and having a chord bearing of S 40° 33' 14" W, a chord length of 487.07 feet to a point of non-tangency;
(4) Thence S 44° 24' 34" E, a distance of 20.00 feet to a non-tangent curve to the right;
(5) Thence along curve to the right having a radius of 2793.69 feet, an arc length of 617.99 feet, and having a chord bearing of S 51° 55' 38" W, a chord length of 616.73 feet to a point of non-tangency;
(6) Thence S 59° 19' 00" W, a distance of 1,221.25 feet;
Thence departing from said Northwestern Right-Of-Way line N 00° 00' 12" E, a distance of 1,155.08 feet;
Thence N 00° 00' 00" W, a distance of 1,075.36 feet;
Thence N 00° 00' 00" E, a distance of 399.42 feet;
Thence N 89° 59' 44" E, a distance of 2,200.12 feet back to the POINT OF BEGINNING

Containing 4,111,928 square feet OR 94.397 acres more or less.

SECTION 11. Incentive District No. "3", whose boundaries are set forth below, is hereby created, but is to be effective at a later date as determined by Council, in accordance with the Project Plan. The boundaries of Incentive District No. "3", City of Stillwater are hereby designated and adopted as follows:

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36;
Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1645.61 feet;
Thence along the West line of Lot Four (4) Richmond Road & Highway 177 Addition, S 00° 48' 02" E, a distance of 334.80 feet to the POINT OF BEGINNING;

Thence N 89° 59' 20" E, a distance of 1,399.15 feet; Thence S 00° 00' 12" W, a distance of 1,155.08 feet to a point on the Northwestern line of a Railroad Right-Of-Way recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence continuing along said Northwestern line S 59° 19' 00" W, a distance of 1,223.40 feet to a non-tangent curve to the left; Thence along said curve having a radius of 2915.00 feet, an arc length of 387.91 feet, and having a chord bearing of S 55° 26' 11" W, a chord length of 387.62 feet to a point of non-tangency; Thence departing said Northwestern line N 00° 47' 43" W, a distance of 1999.19 feet back to the POINT OF BEGINNING.

Containing 2,172,023 square feet OR 49.878 acres more or less.

SECTION 12. Incentive District No. "4", whose boundaries are set forth below, is hereby created, but is to be effective at a later date as determined by Council, in accordance with the Project Plan. The boundaries of Incentive District No. "4", City of Stillwater are hereby designated and adopted as follows:

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) and Northeast Quarter (NE/4) and Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36; Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1622.33 feet to the POINT OF BEGINNING;
Thence N 00° 00' 46" W, a distance of 740.78 feet; Thence N 89° 59' 20" E, a distance of 1427.27 feet;
Thence S 00° 00' 00" W, a distance of 1075.36 feet; Thence S 89° 59' 20" W, a distance of 1399.15 feet;
Thence N 00° 48' 02" W, a distance of 334.80 feet; Thence continuing along said South line S 89° 28' 48" W, a distance of 23.28 feet back to the POINT OF BEGINNING.

Containing 1,526,135 square feet OR 35.035 acres more or less.

SECTION 13. Incentive District No. "5", whose boundaries are set forth below, is hereby created, but is to be effective at a later date as determined by Council, in accordance with the Project Plan. The boundaries of Incentive District No. "5", City of Stillwater are hereby designated and adopted as follows:

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36, N 89° 18' 29" E, a distance of 452.85 feet;

Thence departing said North line and along the East line of Lot Seven (7) in Richmond Road & Highway 177 Addition, S 00° 00' 42" W, a distance of 1143.51 feet to the POINT OF BEGINNING;
Thence S 00° 02' 04" E, a distance of 372.20 feet; Thence S 00° 00' 00" W, a distance of 399.42 feet;
Thence S 89° 59' 20" W, a distance of 1,427.27 feet; Thence N 00° 00' 17" E, a distance of 210.20 feet;
Thence N 90° 00' 00" E, a distance of 237.55 feet; Thence N 00° 00' 00" W, a distance of 562.17 feet;
Thence N 89° 59' 34" E, a distance of 1,189.48 feet to the POINT OF BEGINNING.

Containing 968,675 square feet OR 22.238 acres more or less.

SECTION 14. Incentive District No. "6", whose boundaries are set forth below, is hereby created, but is to be effective at a later date as determined by Council, in accordance with the Project Plan. The boundaries of Incentive District No. "6", City of Stillwater are hereby designated and adopted as follows:

A tract of land located in the Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northwest Corner of the Northwest Quarter of said Section 36,
Thence along the North line of said Section 36 N 89° 13' 38" E, a distance of 1,892.59 feet;
Thence departing from said North line S 00° 00' 03 " W, a distance of 1690.42 feet;
Thence S 89° 56' 04" W, a distance of 237.57 feet;
Thence S 00° 00' 00" W, a distance of 209.93 feet;
Thence S 00° 00' 46" E, a distance of 740.78 feet to a point on the South line of the Northwest Quarter of said Section 36; Thence along said South line S 89° 28' 48" W, a distance of 1622.33 feet to the Southwest corner of the Northwest Quarter; Thence departing said South line and along the West line of the Northwest Quarter of said Section 36 N 00° 42' 47" W, a distance of 2630.81 feet back to the POINT OF BEGINNING.

Containing 4,717,996 square feet OR 108.310 acres more or less.

SECTION 15. The following Project and Incentive District authorizations are hereby approved:

A. The City of Stillwater is designated as the principal entity responsible for implementation and is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, including the power to make minor amendments to the Project Plan in accordance with Section 858(D) of the Act;

B. The Stillwater Economic Development Authority, a public trust with the City as its sole beneficiary, shall have the authority to carry out certain provisions of the Project Plan,

including all necessary, appropriate, and supporting steps described in the Project Plan, as well as the authority to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act except for approval of the Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13, and 16 of Section 854 of the Act; and

C. The City Manager, J. Brady Moore, or his successor in office, shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan.

SECTION 16. The revenue sources to the City, as described in Sections XI and XII of the Project Plan, comprised of Community Betterment Payments and Franchise Fees generated from sale of electric power to the Company throughout the Incentive District Term of the Incentive Districts created for Phase 1 and Phase 2 of the Project, (a) shall be used to pay eligible Project Costs under Section XII of the Project Plan, (b) shall constitute special funds of the City or, at the direction of the City, the Stillwater Economic Development Authority, a public trust, and (c) shall not be subject to annual appropriation as a part of the general fund of the City.

SECTION 17. The Tax Incentive Agreement is hereby adopted and approved. As used herein the “Tax Incentive Agreement” shall mean the document by and among the Company, the City and the Taxing Entities, comprised of 14 pages of text, signature pages, an Exhibit Table of Contents, 13 exhibits labeled Exhibits A, B, C, D, E, F, G, H, I, J, K, L.1, and L.2, and titled “Local Development Act Tax Incentive Agreement.”

SECTION 18. Subject to the terms of the Tax Incentive Agreement, the incentive to be provided within an Incentive District shall be a one hundred percent (100%) ad valorem tax exemption on all new investment attributable to property qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 Revision, within each Incentive District, for the duration of the Incentive District Term, during which no ad valorem taxes shall be assessed against such property (“Incentive District Exemptions”). The Incentive District Exemptions shall not include Public Service Property, if any, located within each Incentive District; provided that “Public Service Property” shall be defined as property of all railroads, air carriers and public service corporations assessed annually by the State Board of Equalization pursuant to 68 O.S. § 2847 and Article 10, § 21 of the Oklahoma Constitution.

SECTION 19. In demonstration of compliance with the requirements of Section 6C of Article X of the Constitution of the State of Oklahoma and the requirements of Section 865 of the Act, the City directs the Tax Incentive Agreement be submitted to the Taxing Entities for their review, consideration, and adoption within sixty (60) days of City Council’s approval of this Ordinance.

SECTION 20. The Project Plan is determined to be feasible and desirable and is hereby approved.

SECTION 21. REPEALER. All Ordinances or parts of Ordinances in conflict with this Ordinance are hereby repealed to the extent of the conflict only.

SECTION 22. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this Ordinance.

SECTION 23. EMERGENCY CLAUSE. It being immediately necessary for the preservation of the peace, health, safety, and public good of the City of Stillwater, and the citizens thereof, that the provisions of this Ordinance take effect and be put into full force and effect, an emergency is declared to exist by reason whereof this Ordinance shall take effect immediately and be put in full force and effect from and after the date of its enactment, as provided by law.

PASSED AND APPROVED in an open meeting of the City Council of Stillwater, Oklahoma on the ____ day of January, 2025, with the Emergency Clause voted on and approved separately.

CITY OF STILLWATER

By: _____

William H. Joyce, Mayor

ATTEST:

Teresa Kadavy, City Clerk

(SEAL)

EMERGENCY CLAUSE

THE EMERGENCY CLAUSE IS HEREBY PASSED, APPROVED AND ADOPTED THIS ____ DAY OF JANUARY, 2025.

William H. Joyce, Mayor

ATTEST:

Teresa Kadavy, City Clerk

(SEAL)

Approved as to form and legality this ____ day of January, 2025:

Special Counsel for Economic Development

First Reading: October 7, 2024

Second Reading:



STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

A Project Plan under the Oklahoma Local Development Act, 62 O.S. §§ 850–869

PREPARED BY:

THE CITY OF STILLWATER, OKLAHOMA

**Mayor Will Joyce
Vice Mayor Amy Dzialowski
Councilor Christie Hawkins
Councilor Kevin Clark
Councilor Tim Hardin**

WITH THE ASSISTANCE OF:

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301 North Harvey, Suite 200
Oklahoma City, Oklahoma 73102
(405) 232-4606
www.econlaw.com**

**RECOMMENDED FOR APPROVAL BY REVIEW COMMITTEE: JULY 10, 2024
RECOMMENDED FOR APPROVAL BY PLANNING COMMISSION: JULY 16, 2024**

STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

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STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

I. INTRODUCTION

A leading company specializing in data processing and storage, acting through a subsidiary entity, Kipper LLC (the “**Company**”), has proposed to undertake the development of a data center campus in the City of Stillwater. The proposed development may consist of up to six phases, with each phase estimated to cost at least \$500 million. This Project Plan will offer incentives to the Company for each phase of the development to help offset its costs of infrastructure and utility capacity required to serve the data center development. In exchange, the local taxing jurisdictions and the City of Stillwater (“**City**”) will receive certain annual payments from the Company, as provided below. This additional source of funding will bolster the City’s economic development initiatives, contribute to the financing of vital public infrastructure needs, and fulfill the capital and operational needs essential to the City’s growth.

II. PROJECT DESCRIPTION

This “**Project Plan**,” adopted under the Local Development Act, 62 O.S. § 850, *et seq.* (the “**Act**”), is designed to provide the economic incentives necessary to stimulate at least five hundred million dollars (\$500,000,000) in initial private investment by the Company in the City of Stillwater with the potential for five (5) additional phases of development of similar magnitude (the “**Project**”).¹ The Company constructs and operates data centers, and intends to construct a data center campus within the Project Area (as defined below).

The Company intends to proceed with the Project in phases. The term “**Phase**” as used herein refers to all new investments in real and personal property within an Incentive District. Each developed Phase will include a data center comprised of approximately 300,000 square feet (each a “**Data Center**”), together with certain ancillary buildings, structures and infrastructure that support or are related to the data center campus operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings; however, the precise number and size of Data Centers is subject to change.²

Each Phase of the Project will be undertaken in accordance with this Project Plan and the terms of an Economic Development Agreement among the City, the Stillwater Economic Development Authority, a public trust (“**SEDA**”), and the Company (“**Economic Development Agreement**”). The Economic Development Agreement will establish a mutually beneficial relationship to implement long-term obligations of the parties and incentivize implementation.

¹ The term “Project” shall refer to all Phases that are constructed in the Project Area.

² The Taxing Entities (as defined below) acknowledge that the Company desires to build six (6) Phases, with a Data Center in each of the Incentive Districts but may construct fewer Data Centers resulting in fewer Phases.

Using the tools of the Act to create six (6) tax incentive districts (the “**Incentive Districts**”), one for each potential Data Center, the City aims to ensure that the Project occurs within the City. In addition to stimulating new private investment, this Project Plan also aims to ensure that the Taxing Entities (as defined herein) receive direct revenue as a result of the Project in the form of annual payments in lieu of taxes (“**PILOTs**”) for each Data Center developed, as further described in Section X.B. herein and in a tax incentive agreement by and between the City, the Company, and each of the Taxing Entities (the “**Tax Incentive Agreement**”). Because of the potential scope of the Company’s investment, the Project is likely to promote further private investment and economic development from related businesses throughout the area, including new businesses that locate to the area and existing local businesses that supply goods or services to the Project.

The combination of increased revenue to local taxing entities and private economic development from the Project is likely to enhance the value of other real property in the area and to promote the general public interest.

III. BOUNDARIES OF PROJECT AREA AND INCENTIVE DISTRICTS

A. The “**Project Area**” is the area in which Project activities will take place. The Project Area contains approximately 386.698 acres of land located in the City of Stillwater. The Project Area is divided into six (6) Incentive Districts, where the tax incentives described herein will be provided, with each Incentive District encompassing one Phase of the Project. All the Phases and Incentive Districts will be located within the jurisdictional boundaries of the Stillwater Public School District. The Incentive Districts are contiguous, and the boundaries of the combined Incentive Districts are identical to the boundaries of the Project Area.

B. Depictions of both the Project Area and each Incentive District are included in **Exhibit A** to this Project Plan.

C. The Project Area can be generally described as a portion of land located south of East Richmond Road, north of East Airport Road, east of North Perkins Road (Hwy-177) and west of North Jardot Road. Detailed legal descriptions of the boundaries of the Project Area and each Incentive District are included in **Exhibit B** to this Project Plan.

IV. ELIGIBILITY

The entirety of the Project Area and the Incentive Districts are within an “enterprise area,” as defined by 62 O.S. § 853(6), due to its location within an enterprise zone designated by the Oklahoma Department of Commerce. The entirety of the Project Area is also a reinvestment area, as defined by the Oklahoma Local Development Act. Public improvements are required to reverse economic stagnation or decline, to serve as a catalyst for expanding employment, to attract investment, and to preserve and enhance the tax base.

V. OBJECTIVES

The principal objectives of this Project Plan and the Incentive Districts are:

- A. To attract the Project and the accompanying investment and development to the City, which would not occur without the tax incentives described in this Project Plan.
- B. To generate new revenues for Stillwater Public Schools, the Meridian Technology Center, Payne County, and the Payne County Department of Health (collectively, the “**Taxing Entities**”) in the form of annual PILOTs for each Phase developed as part of the Project, in accordance with Section X.B and as more particularly described in the Tax Incentive Agreement and the Economic Development Agreement.
- C. To generate new revenues for the City through Community Betterment Payments and Franchise Fees (each as defined below), in accordance with Section 11, and as more particularly described in the Economic Development Agreement.
- D. To achieve the City’s economic development goals and objectives.
- E. To spur economic development in the surrounding area and generate additional wealth for local and regional businesses through the Company’s consumption of local services for its data center campus.
- F. To foster research, technological, and career-training partnerships between the Company and community institutions, including OSU and Meridian Technology Center.
- G. To create and attract new temporary and permanent high-quality jobs to the community.

VI. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for this Project Plan, including all necessary, appropriate and supportive steps will consist principally of (i) offering tax incentives available under the Act to support the Project, which are designed to attract and expand investment and quality employment opportunities within the Project Area, (ii) administering this Project Plan, (iii) supporting and accelerating the City’s economic development initiatives, and (iv) enhancing the City’s capabilities to fund capital projects and operational requirements.

VII. ESTABLISHMENT OF INCENTIVE DISTRICTS

- A. This Project Plan creates six (6) Incentive Districts, identified herein as Incentive Districts “1,” “2,” “3,” “4,” “5,” and “6”, and as illustrated on **Exhibit A** attached hereto. Pursuant to 62 O.S. §856(B)(2), the City Council is authorized to defer determination of the effective date of each Incentive District. All Incentive Districts must be made effective within ten (10) years of the date of adoption of this Project Plan.
- B. Concurrently with approval of this Project Plan, the City, SEDA, and the Company shall enter into an Economic Development Agreement providing for the development of Phase 1 and Phase 2 of the Project. The Company must provide written notice to the City that it intends to commence Phase 2 within two (2) years of completion of Phase 1. If the Company fails to commence development of Phase 2 within two (2) years of such notice, the City may terminate the undeveloped Incentive Districts.

C. Upon execution of a Supplemental Economic Development Agreement by the City, SEDA, and the Company for Phases 3 through 6 of the Project, whether one or more, the Company shall undertake the development of each such Phase in accordance with the Supplemental Economic Development Agreement(s).

D. The effective date for the Incentive Districts for Phases 1 and 2 shall be the later of: (i) the completion of a Data Center within that Incentive District as evidenced by the issuance of the final, unrestricted certificate of occupancy for the Data Center (“**Certificate of Occupancy**”), or (ii) January 1 after the date of issuance of the Certificate of Occupancy. In lieu of a Certificate of Occupancy, the Company may deliver notice of substantial completion to the City to trigger the effective date, which shall be January 1 immediately following the issuance of the notice of substantial completion.

E. If the Company has completed Phase 2 but the development of Phase 3 has not commenced within 10 years of adoption of this Project Plan, then the undeveloped Incentive Districts for Phases 3, 4, 5, and 6 shall terminate.

F. If Phase 2 has been completed and the Company thereafter commences Phase 3 pursuant to an executed Supplemental Economic Development Agreement (including design, engineering, permitting, construction for the site and/or associated infrastructure) within 10 years of the adoption of this Project Plan, then the Incentive Districts for Phases 3, 4, 5, and 6 will become effective as of January 1 of the year in which the tenth anniversary of approval of this Project Plan occurs.

G. If the Company has not commenced Phase 4 of the Project pursuant to an executed Supplemental Economic Development Agreement within 12 years of the adoption of this Project Plan, then the undeveloped Incentive Districts for Phases 4, 5, and 6 shall terminate. If the Company has not commenced Phase 5 of the Project pursuant to an executed Supplemental Economic Development Agreement within 14 years of the adoption of the Project Plan, then the undeveloped Incentive Districts for Phases 5 and 6 shall terminate. If the Company has not commenced Phase 6 of the Project pursuant to an executed Supplemental Economic Development Agreement within 16 years of the adoption of the Project Plan, then the Incentive District for Phase 6 shall terminate.

H. Each Incentive District shall have a term of twenty-five years from its effective date (“**Term**”). For each Incentive District, all qualifying new investments in real and personal property in the Incentive District made after approval of this Project Plan and throughout the Term shall be afforded a one hundred percent (100%) exemption and no ad valorem taxes shall be assessed against such property.

I. Because the Project site plan is subject to change, if a Data Center is constructed that is located within the boundaries of more than one Incentive District, then the City, Taxing Entities, and Company agree to the following: First, if an adjustment of the Incentive District boundaries can be made that would result in the Data Center being located within a single Incentive District and would not result in an addition to an Incentive District constituting more than five percent of

that Incentive District in accordance with 62 O.S. § 858(D), the City Manager will administratively adjust the Incentive District boundaries via a minor amendment in accordance with Sections VIII.E and VIII.F without any further legislative action required. If such an adjustment of the Incentive District boundaries cannot be made, then the exemption for all Incentive Districts in which the Data Center is located will be made effective on January 1 following the issuance of a Certificate of Occupancy or notice of substantial completion for the Data Center in accordance with Section VII.D. Any subsequently constructed qualifying Project buildings, including Data Centers, that are completed within an Incentive District for which the effective date has already commenced, will still be subject to the ad valorem tax exemption for the remaining Term of that Incentive District. The Company will pay an annual PILOT for each Data Center constructed.

VIII. PROJECT AND INCENTIVE DISTRICT AUTHORIZATIONS

A. Principal Entity. The City is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to 62 O.S. § 854, including all powers set forth in this Project Plan and the Tax Incentive Agreement. SEDA is authorized to enter into the Economic Development Agreement and Supplemental Economic Development Agreements, and to assist in performing obligations thereunder.

B. Economic Development Agreement. Concurrent with the adoption of this Project Plan, the Company shall enter into an Economic Development Agreement with the City for development of Phase 1 and Phase 2. The Economic Development Agreement shall provide for the joint and complementary endeavors of the parties with respect to the data center development, the provision and expansion of public infrastructure and utility services, Community Betterment Payments and Franchise Fees, pursuant to Section XI, and the continuing efforts of the parties to stimulate and implement economic development activities for the benefit of the community with respect to Phase 1 and 2. Thereafter, the City, SEDA, and the Company may enter into one or more Supplemental Economic Development Agreements setting forth the terms with respect to Phases 3 through 6.

C. Tax Incentive Agreement. Within sixty (60) days of the adoption of this Project Plan, the Company shall enter into a Tax Incentive Agreement with the City and every Taxing Entity, as required by 62 O.S. § 865(A) and (B).

D. Person in Charge. The City Manager, J. Brady Moore, or his successor in office or his designee, shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan.

E. Implementation Authorizations and Delegation of Authority. The City is authorized to enter into the Tax Incentive Agreement with the Company and other Taxing Entities. The City shall not determine the effective date of any Incentive District until the Tax Incentive Agreement has been approved and executed by every Taxing Entity whose taxes will be subject to the incentives provided under this Project Plan, as required by 62 O.S. § 865(A) and (B). The City officers, SEDA, and the City Manager are authorized to provide such information, to execute, certify or furnish documents, and to take any measures necessary and incidental to carrying out

the provisions of this Project Plan, and to make minor amendments to this Project Plan as provided in Section F of this Article.

F. Minor Amendments. The City reserves the right to approve minor amendments to the Project Plan, as provided in the 62 O.S. § 858(D), where desirable and appropriate to implement and achieve the objectives of this Project Plan, as long as any such amendment does not change the character or purpose of the plan. These minor amendments include adding to the area of any Incentive District, so long as the additions, considered on a cumulative basis during the twenty-five (25) year term of each Incentive District, do not exceed five (5) percent of the area of the Incentive District.

IX. COSTS OF THE PROJECT

The costs of the Project, including any required public infrastructure, will be funded by the Company, and would not occur without the incentives provided pursuant to this Project Plan.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT, AND ASSOCIATED FINANCIAL IMPACTS

A. Projected Private Investment. The total estimated private investment is expected to be at least Five Hundred Million Dollars (\$500,000,000.00) for each Phase. The Company plans to develop up to two Phases in the near term, with an additional four Phases potentially planned for future development. Private investment in the Project Area is expected to consist of the construction, operation, and maintenance of the Project. The direct, indirect, and induced economic impacts are estimated to range between \$750 million to \$1.25 billion per Phase.

B. Projected Public Revenues.

1. PILOT Payments to Taxing Entities. Pursuant to this Project Plan and the Tax Incentive Agreement, the Company shall make annual PILOT payments to the Taxing Entities, as follows:

a. Phase 1 and 2. For each of Phase 1 and Phase 2 of the Project, the Company shall make annual PILOT payments to the Taxing Entities beginning in the year immediately following the year in which a Certificate of Occupancy or notice of substantial completion is issued for a Data Center per Section VII.D. (the “**PILOT Commencement Year**”). The initial annual PILOT payment for Phase 1 will total Eight Hundred Sixty-Seven Thousand Five Hundred Sixty-Eight and No/100 Dollars (\$867,568.00). This amount will be disbursed to the Taxing Entities as follows:

Taxing Entity	Initial Annual Payment for Phase 1	Share of Total PILOT Payments
Stillwater Public Schools	\$624,022.98	71.93%
Meridian Technology Center	\$135,599.18	15.63%
Payne County	\$89,984.51	10.37%
County Health Department	\$17,961.33	2.07%
Total	\$867,568.00	100%

After the first annual payment, the PILOT payments to each Taxing Entity will increase by one percent (1.00%) each year. The PILOT payments for Phase 2 will be set using the same schedule as Phase 1. For instance, if Phase 1 is completed in 2026 with a PILOT Commencement Year of 2027, and Phase 2 is completed in 2032 with a PILOT Commencement Year of 2033, then in 2033, the Company shall pay two equal PILOTS, each in the total amount of \$920,940.00. These payments will be allocated to the Taxing Entities in the same proportions established above for Phase 1.

b. Phases 3 through 6. For Phases 3 through 6 of the Project, the initial PILOT for each Phase will be the product of the PILOT applicable to Phase 1 in the amount indicated in the table above and the quotient of the CPI in the PILOT Commencement Year for the applicable Phase divided by the CPI in the year 2024. In other words, the initial PILOT for each Phase shall be calculated as follows:

Phase 1 PILOT from the table above $\times \frac{\text{CPI in PILOT Commencement Year for applicable Phase}}{\text{CPI in 2024}}$

Thereafter, the PILOT for that Phase will increase by one percent (1.00%) each year. For purposes of this Project Plan, CPI refers to the annual average of United States Department of Labor, Bureau of Labor Statistics, Revised Consumer Price Index for All Urban Consumers (CPI-U): U.S. Cities Average, all items index (Reference Base 1982-84 equal 100) (“CPI”).

Projections for the PILOT Payments payable to the Taxing Entities for all Phases are contained in the attached Financial Projections Appendix.

C. Financial Impact on Taxing Jurisdictions. In general, each potential Phase of the Project is likely to result in a modest increase in demand for services from the affected Taxing Entities, both during the construction and operation of each Phase. Thus, for instance, each potential Phase may result in modest increases in enrollment in Stillwater Public Schools and demands for Health Department services. However, any new costs associated with additional Phases are likely to be substantially outweighed by both the direct PILOTs to these Taxing Entities described in Section X.B. herein and further direct and indirect economic development that may result from the Project.

With respect to Stillwater Public Schools in particular, valuation increases associated with the Project will not cause a reduction in the calculation of state school aid. The Oklahoma State School Aid formula specifically excludes any such increased valuation within active Incentive Districts in calculating chargeable income in both Foundation Aid and Salary Incentive Aid. Such values

also are excluded from the valuations used to set debt limitations and sinking fund levies (for all taxing jurisdictions, not just school districts).

D. Financial Impacts on Business Activities. The Project will have a positive economic impact and impacts on business activities within the Project Area and the greater Stillwater community, region, and state, primarily due to the relatively low number of permanent employees anticipated, which mitigates the impact on the affected taxing jurisdictions, and due to expenditures with local contractors.

The Project is anticipated to create thirty (30) high quality jobs per phase, along with hundreds of construction jobs and significant expenditures with local contractors during both the construction and the operation of each Phase, all of which may draw additional payroll/income to the area per Phase. Most importantly, the Project Plan revenues will enable the City to enhance quality of life through public improvements and accelerate investment and development activities through approved economic development plans.

XI. ECONOMIC DEVELOPMENT FINANCING AND REVENUE SOURCES

The City and SEDA will plan, approve, finance, and implement public funding initiatives and economic development activities utilizing funding sources created by the undertaking of this Project Plan.

A. Financing Revenue Sources. The revenue sources expected to finance eligible Project Costs pursuant to this Project Plan, are those funds provided to the City pursuant the Economic Development Agreement between the City and the Company for Phases 1 and 2, and any Supplemental Economic Development Agreement for the future Phases, described as follows:

1. Community Betterment Payments. The Company shall make an annual payment to the City, herein a “Community Betterment Payment”, for each Phase of the Project, beginning in the PILOT Commencement Year. The initial annual Community Betterment Payment for Phase 1 shall be One Hundred Thirty-Two Thousand Four Hundred Thirty-Two and No/100 Dollars (\$132,432.00). After the first annual payment, the amount of the Community Betterment Payment to the City will increase by one percent (1.00%) each year for each Phase. The Community Betterment Payment for Phase 2 will follow the same payment schedule as Phase 1. For example, if Phase 1 is complete in 2026, with a PILOT Commencement Year of 2027, and Phase 2 is complete in 2032, with a PILOT Commencement Year of 2033, then in 2033, the Company shall make two equal Community Betterment Payments to the City, one for each Phase, each in the amount of \$140,579. For Phases 3 through 6 of the Project, the Community Betterment Payment for each Phase will be determined as provided in Supplemental Development Agreement(s) between the City and the Company.

2. Franchise Fee. During the Term of the Incentive Districts for Phase 1 and Phase 2 of the Project, to the extent the Company uses OG&E, the City shall receive a franchise fee equal to three percent (3%) of gross revenues generated from the sale of electric power to the Company. This fee shall not exceed an annual maximum cap of \$4.5 million. Upon reaching this cap, it shall

be subject to an annual increase of two percent (2%). This franchise fee shall be in lieu of any other City franchise, excise, license, occupation, privilege, permit, or other fees, taxes or assessments on purchases of electricity from OG&E. Upon termination or expiration of the Incentive Districts for Phase 1 and Phase 2, the cap shall expire. The City and the Company shall thereafter negotiate in good faith to establish a suitable franchise fee. These provisions apply exclusively to Phase 1 and Phase 2 and shall remain subject to change for all future Phases.

In the event OG&E is not the Company's selected provider, the Company and the City will engage in good faith discussions to establish an equitable revenue obligation payable to the City is in place, on mutually agreeable terms, provided the benefit to the City shall be no less than that stipulated for Phase 1 and Phase 2.

B. Other Contributions and Payments. The City and SEDA may utilize revenues from other sources, as well as Community Betterment Payments and Franchise Fees to pay eligible Project Costs. Additional financing may be provided by state local government matching payments pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.*

C. Financial Reports and Audits. The activities undertaken by the City or SEDA pursuant to this Project Plan shall be accounted for and publicly reported by the appropriate and necessary annual fiscal year audits and reports. Annual reports on the operation of each Incentive District shall be prepared and submitted to the Oklahoma Department of Commerce and each Taxing Entity pursuant to 62 O.S. §§ 860(F) and 867(B). A summary of these annual reports shall be published in a newspaper of general circulation in the City of Stillwater, as required by 62 O.S. § 867(C).

D. Other Necessary and Supporting Costs. SEDA or another public entity designated by the City is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the Project Plan and the construction of improvements therein in addition to Project Costs to be financed pursuant to this Project Plan.

XII. ESTIMATED REVENUES AND BUDGET OF PROJECT COSTS

The projected revenue and expenditures attributable to Phase 1 and Phase 2 of the Project, over 25 years, are:

Revenues:

Phase 1 Community Betterment Payments	\$ 3,740,303
Phase 2 Community Betterment Payments	\$ 3,970,407
Phase 1 Franchise Fees	\$ 51,750,000
Phase 2 Franchise Fees	\$ 51,750,000
Total Project Revenues³	\$ 111,210,710

³ The projected Franchise Fee revenues represent the City's estimates and are not projections provided by the Company. Project revenues shall be special funds of the City to be held in a separate account of the City.

Eligible Project Costs:

Project Administration (1%)	\$ 1,112,107
Parks & Public Spaces Operations/Facilities Maint. (30%)	\$ 33,363,213
Parks & Public Amenities/Facilities Improvements (29%)	\$ 32,251,106
Public Infrastructure and Economic Development (40%)	\$ 44,484,284

Total Eligible Project Costs⁴ **\$ 111,210,710**

In the event additional public costs become necessary or appropriate under this Project Plan, the City may approve such costs at any time, subject to availability of funding and subject to constitutional and statutory restrictions.

Projections for Phases 1 through 6 are provided in the attached Financial Projections Appendix. The Community Betterment Payments and Franchise Fees to the City for the future phases will be determined pursuant to Supplemental Economic Development Agreement(s) between the City and the Company. Thereafter, the City shall adopt a supplement to this Project Plan authorizing the budget for the future phases.

XIII. LAND USE

A. Current land uses and conditions of the real property in the Project Area are shown on the map attached as **Exhibit C**, “Existing Uses and Conditions.” The proposed improvements to and the proposed uses of the Project Area are shown on **Exhibit D**, “Proposed Improvements and Uses.”

B. To accommodate the Project, the City has previously approved a zoning change with respect to certain portions of the Project Area. The Project conforms to the City’s Comprehensive Plan.

⁴ Any funds not disbursed or pledged under a specific budget category may be allocated to any other budget category.

EXHIBIT A: DEPICTION OF PROJECT AREA AND INCENTIVE DISTRICTS

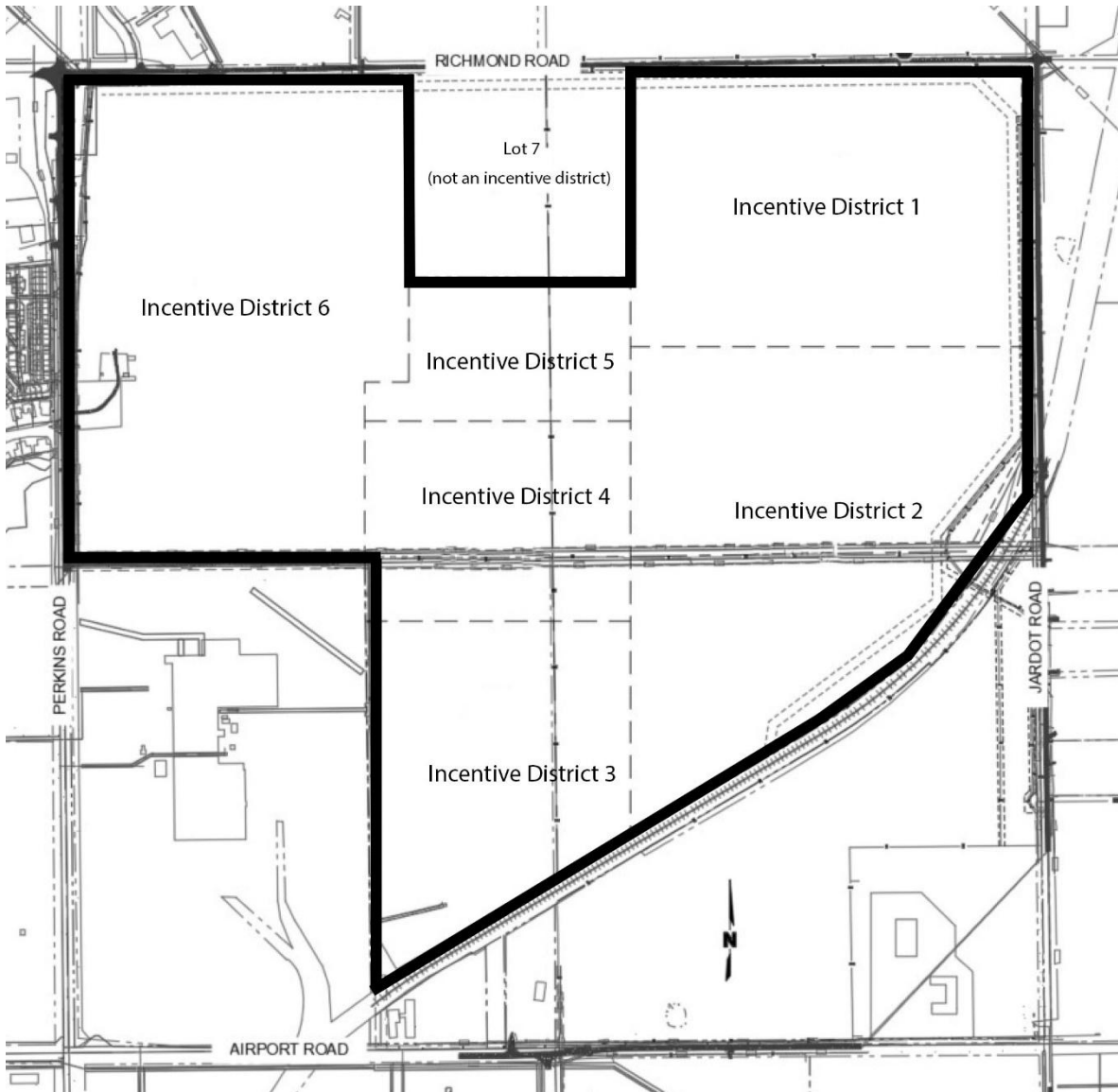


EXHIBIT B: PROJECT AREA AND INCENTIVE DISTRICT LEGAL DESCRIPTIONS⁵

The Project Area will consist of the area within which all of the Incentive Districts are located.

Project Area Legal Description

A tract of land located in the Northeast Quarter (NE/4), Northwest Quarter (NW/4), and Southwest Quarter (SW/4), and Southeast Quarters (SE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on March 13, 2024 as follows:

COMMENCING at the SW/C, SW/4, S36-T20-R2E monumented by a 1" Rail Road Spike; thence with a BASIS OF BEARING of N 00°41'24" W along the west line of the SW/4 a distance of 2638.58 feet to the NW/C, SW/4, SEC36-T20N-R3E monumented by a 1/2" Rebar AND the POINT OF BEGINNING;

Thence along the west line of the NW/4 with a bearing of N 00°42'47" W a distance of 2630.81 feet to the NW/C, NW/4 SEC36-T20N-R2E monumented by a Railroad Spike;

Thence with a bearing of N 89°13'38" E along the north line of the NW/4 a distance of 2629.53 feet to the NE/C, NW/4 SEC36-T20N-R2E monumented by a 1/2" Rebar;

Thence with a bearing of N 89°18'29" E along the north line of the NE/4 a distance of 2630.74 feet to the NE/C, NE/4, SEC36-T20N-R2E monumented by a Mag Nail;

Thence with a bearing of S 00°49'51" E along the east line of the NE/4 a distance of 2122.35 feet to a point on the East Line of NE/4, SEC36-T20N-R2E, also being a point on the Northerly Rail Road R/W line of Eastern Oklahoma Railway particularly described in Book 7, Page 208;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.96 feet, having a chord bearing of S 27°41'11" W and a chord distance of 761.36, and an arc length of 763.73 feet to a point on said Northerly Rail Road R/W Line;

Thence with a bearing of N 54°28'57" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2773.96 feet, having a chord bearing of S 40°33'13" W and a chord distance of 487.07 feet, and an arc length of 487.70 to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence with a bearing of S 44°24'34" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.69 feet, having a chord bearing of S 51°55'38" W and a chord distance of 616.73, and an arc length of 617.99 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence with a bearing of S 59°21'10" W a distance of 1676.22 feet to a point on said Northerly Rail Road R/W Line;

Thence with a bearing of S59°21'10" W a distance of 614.77 feet to a point on said Northerly Rail Road R/W Line;

⁵ Note that until City Council approves this Project Plan, the legal descriptions set forth herein remain subject to review and revision based on updated surveys and related information.

Thence in a southwesterly direction with a tangent curve turning to the left with a radius of 2915.05 feet, having a chord bearing of S 55°26'11"W and a chord distance of 387.62 feet, and an arc length of 387.91 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap Hitech;

Thence with a bearing of N 00°47'43" W along the west line of the east 60 acres of the SW/4 a distance of 2333.99

feet to a point on the north line of the SW/4, SEC36-T20N-R2E monumented by a 1/2" pipe;

Thence along said north line of said SW/4 with a bearing of S 89°28'48" W a distance of 1645.64' back to the POINT OF BEGINNING.

Less and Except:

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36 N 89° 18' 29" E, a distance of 452.85 feet;

Thence departing said North line S 00° 00' 42" W, a distance of 1143.51 feet;

Thence S 89° 59' 34" W, a distance of 1,189.48 feet;

Thence N 00° 00' 04" E, a distance of 1,128.25 feet to a point on the North line of the Northwest Quarter of said Section 36;

Thence along said North line N 89° 13' 38" E, a distance of 736.95 feet back to the POINT OF BEGINNING.

Containing 16,844,572 square feet OR 386.698 acres more or loss

The boundaries of six (6) proposed Incentive Districts, whose dates of creation are proposed to be deferred for a period of up to ten years, are described as follows:

Incentive District 1 Legal Description

A tract of land located in the Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northeast Quarter of said Section 36, Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet; Thence departing said East line, S 89° 59' 44" W, a distance of 2,200.10 feet; Thence N 00° 00' 01" E, a distance of 1,516.34 feet to a point on the North line of said Northeast Quarter; Thence along said North line N 89° 18' 29" E, a distance of 2,177.89 feet back to the POINT OF BEGINNING.

Containing 3,347,887 square feet OR 76.857 acres more or less.

Incentive District 2 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northeast Quarter of said Section 36, Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet to the POINT OF BEGINNING;

Thence S 00° 49' 52" E, a distance of 579.72 feet to a point being a non-tangent curve to the right also being a point on the Northeasterly Railroad Right-Of-Way line recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence along the Northwestern Right-Of-Way line for the next six (6) calls:

(1) Along said curve to the right having a radius of 2,799.14 feet, an arc length of 763.70 feet, and having a chord bearing of S 27° 41' 41" W, a chord length of 761.34 feet to a point of non-tangency;

(2) Thence N 54° 28' 57" W, a distance of 20.00 feet to a non-tangent curve to the right;

(3) Thence along curve to the right having a radius of 2773.96 feet, an arc length of 487.70 feet, and having a chord bearing of S 40° 33' 14" W, a chord length of 487.07 feet to a point of non-tangency;

(4) Thence S 44° 24' 34" E, a distance of 20.00 feet to a non-tangent curve to the right;

(5) Thence along curve to the right having a radius of 2793.69 feet, an arc length of 617.99 feet, and having a chord bearing of S 51° 55' 38" W, a chord length of 616.73 feet to a point of non-tangency;

(6) Thence S 59° 19' 00" W, a distance of 1,221.25 feet;

Thence departing from said Northwestern Right-Of-Way line N 00° 00' 12" E, a distance of 1,155.08 feet;

Thence N 00° 00' 00" W, a distance of 1,075.36 feet;

Thence N 00° 00' 00" E, a distance of 399.42 feet;

Thence N 89° 59' 44" E, a distance of 2,200.12 feet back to the POINT OF BEGINNING.

Containing 4,111,928 square feet OR 94.397 acres more or less.

Incentive District 3 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36;

Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1645.61 feet;

Thence along the West line of Lot Four (4) Richmond Road & Highway 177 Addition, S 00° 48' 02" E, a distance of 334.80 feet to the POINT OF BEGINNING;

Thence N 89° 59' 20" E, a distance of 1,399.15 feet; Thence S 00° 00' 12" W, a distance of 1,155.08 feet to a point on the Northwestern line of a Railroad Right-Of-Way recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence continuing along said Northwestern line S 59° 19' 00" W, a distance of 1,223.40 feet to a non-tangent curve to the left; Thence along said curve having a radius of 2915.00 feet, an arc length of 387.91 feet, and having a chord bearing of S 55° 26' 11" W, a chord length of 387.62 feet to a point of non-tangency; Thence departing said Northwestern line N 00° 47' 43" W, a distance of 1999.19 feet back to the POINT OF BEGINNING.

Containing 2,172,023 square feet OR 49.878 acres more or less.

Incentive District 4 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) and Northeast Quarter (NE/4) and Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36; Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1622.33 feet to the POINT OF BEGINNING;

Thence N 00° 00' 46" W, a distance of 740.78 feet; Thence N 89° 59' 20" E, a distance of 1427.27 feet;

Thence S 00° 00' 00" W, a distance of 1075.36 feet; Thence S 89° 59' 20" W, a distance of 1399.15 feet;

Thence N 00° 48' 02" W, a distance of 334.80 feet; Thence continuing along said South line S 89° 28' 48" W, a distance of 23.28 feet back to the POINT OF BEGINNING.

Containing 1,526,135 square feet OR 35.035 acres more or less.

Incentive District 5 Legal Description

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36, N 89° 18' 29" E, a distance of 452.85 feet;

Thence departing said North line and along the East line of Lot Seven (7) in Richmond Road & Highway 177 Addition, S 00° 00' 42" W, a distance of 1143.51 feet to the POINT OF BEGINNING;

Thence S 00° 02' 04" E, a distance of 372.20 feet; Thence S 00° 00' 00" W, a distance of 399.42 feet;

Thence S 89° 59' 20" W, a distance of 1,427.27 feet; Thence N 00° 00' 17" E, a distance of 210.20 feet;
Thence N 90° 00' 00" E, a distance of 237.55 feet; Thence N 00° 00' 00" W, a distance of 562.17 feet;
Thence N 89° 59' 34" E, a distance of 1,189.48 feet to the POINT OF BEGINNING.

Containing 968,675 square feet OR 22.238 acres more or less.

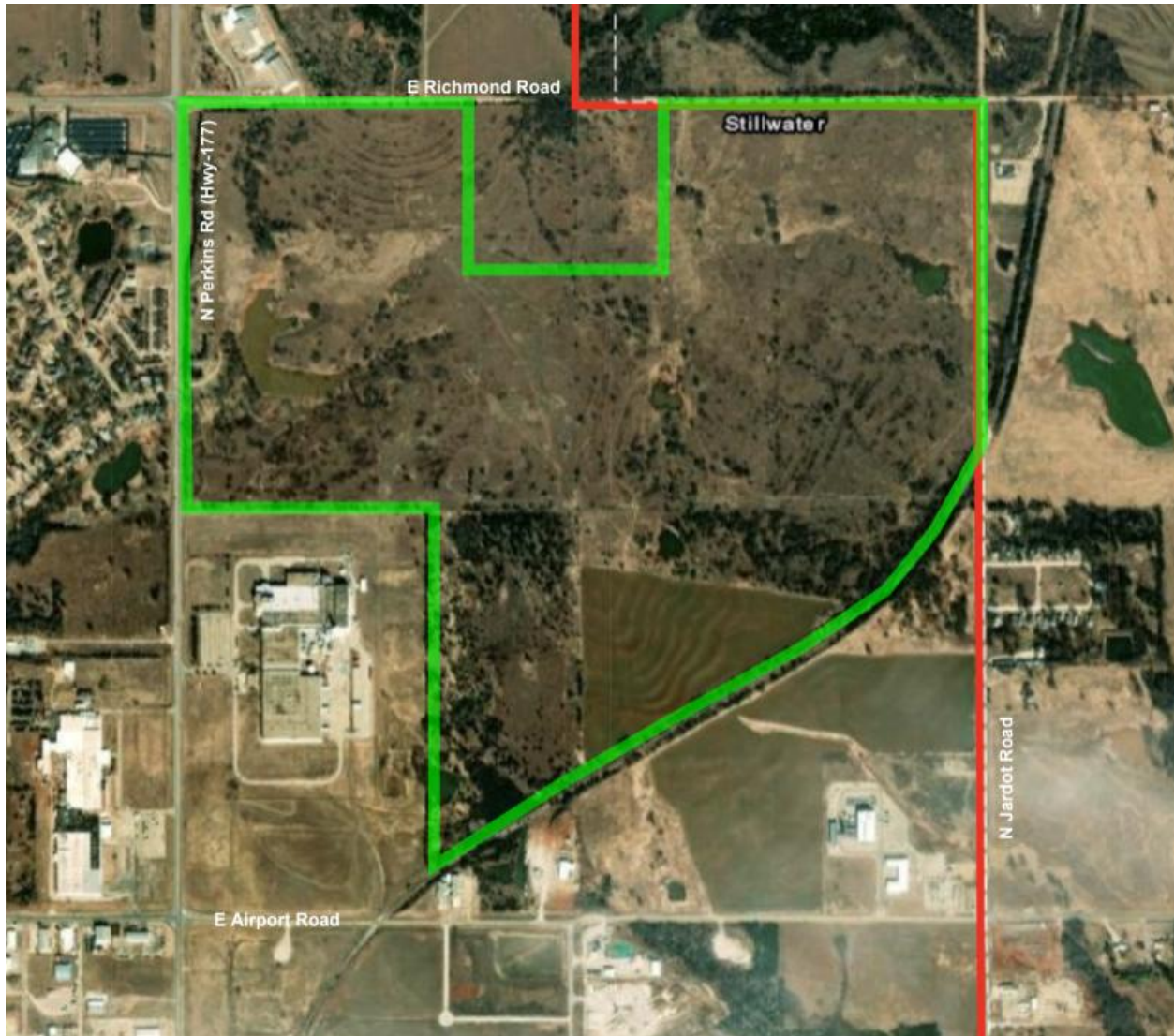
Incentive District 6 Legal Description

A tract of land located in the Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northwest Corner of the Northwest Quarter of said Section 36, Thence along the North line of said Section 36 N 89° 13' 38" E, a distance of 1,892.59 feet;
Thence departing from said North line S 00° 00' 03 " W, a distance of 1690.42 feet;
Thence S 89° 56' 04" W, a distance of 237.57 feet;
Thence S 00° 00' 00" W, a distance of 209.93 feet;
Thence S 00° 00' 46" E, a distance of 740.78 feet to a point on the South line of the Northwest Quarter of said Section 36; Thence along said South line S 89° 28' 48" W, a distance of 1622.33 feet to the Southwest corner of the Northwest Quarter; Thence departing said South line and along the West line of the Northwest Quarter of said Section 36 N 00° 42' 47" W, a distance of 2630.81 feet back to the POINT OF BEGINNING.

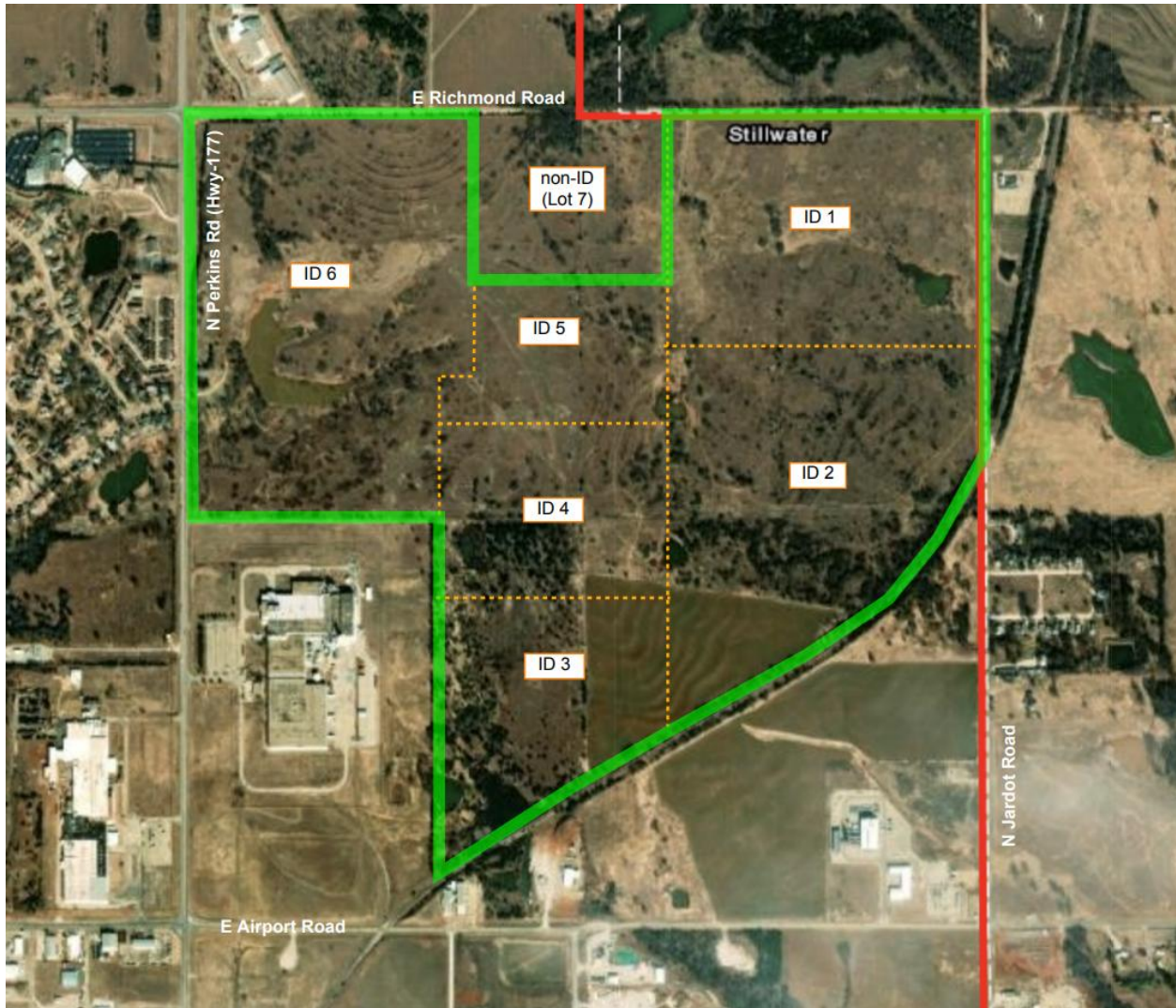
Containing 4,717 996 square feet OR 108.310 acres more or less.

EXHIBIT C: EXISTING USES AND CONDITIONS



The Project Area is currently undeveloped and has been used for limited agricultural purposes (grazing and crop leases). After the passage of City of Stillwater Ordinance No. 3535 on May 8, 2024, the entirety of the Project Area is zoned IG General Industrial District in anticipation of the development of the Project.

EXHIBIT D: PROPOSED IMPROVEMENTS AND USES



The Project Area will be developed as a data center campus. The public works and improvements for the Project will include infrastructure necessary to deliver water to and transport wastewater from the Project Area, and road improvements to Richmond Road. Additional water and wastewater infrastructure may be necessary to accommodate future phases of the Project.

LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2025, by and among Kipper LLC, a Delaware limited liability company (the “**Company**”), the City of Stillwater, Oklahoma, a municipal corporation (the “**City**”), the Board of Education of Independent School District Number 16 of Payne County, Oklahoma (the “**Stillwater Public Schools**”), the Board of Education of the Meridian Technology Center (“**Meridian Technology Center**”), the Board of County Commissioners of Payne County (the “**County**”), and the Board of the Payne County Health Department (the “**Health Department**”) (collectively, Stillwater Public Schools, Meridian Technology Center, the County, and the Health Department are the “**Taxing Entities**”) (the Company, the City, and the Taxing Entities are collectively referred to as the “**Parties**”, each a “**Party**”).

WITNESSETH:

WHEREAS, the Company intends to develop on certain parcels of property within the City, as more particularly described in Exhibit A attached hereto (the “**Property**”), one or more data center facilities and may develop certain ancillary buildings, structures and infrastructure that support or are related to the data center operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings, all of which are part of the computer infrastructure, data processing, hosting and related services classification (collectively the “**Project**”¹); and

WHEREAS, on July 16, 2024, the Stillwater Planning Commission by its Resolution No. PC-2024-1, a true and correct copy of which is attached hereto as Exhibit B, recommended the approval of the Stillwater Data Center Economic Development Project Plan (the “**Project Plan**”) pursuant to the Oklahoma Local Development Act, 62 O.S. § 851, et seq. (the “**Act**”), without any amendments thereto in accordance with Section 858 of the Act; and

WHEREAS, on July 10, 2024, the Stillwater Local Development Act Review Committee by its Resolution, a true and correct copy of which is attached hereto as Exhibit C, recommended the approval of the Project Plan pursuant to the Act in order to provide ad valorem property tax abatements for the Project; and

WHEREAS, after the public hearings required by the Act, the City adopted and approved the Project Plan and this Agreement by Ordinance No. 3546, a true and correct copy of which is attached hereto as Exhibit D (the “**Project Plan Ordinance**”), and created six (6) tax incentive districts, Incentive Districts “1,” “2,” “3,” “4,” “5,” and “6” (the “**Incentive Districts**” and each an “**Incentive District**”); and

WHEREAS, each of the Taxing Entities and the City have determined that it is appropriate and desirable, in order to ensure the economic viability of the Project, that the Taxing Entities, which would otherwise share in the ad valorem taxes applicable to the Property, provide each Phase (as defined below) a one hundred percent (100%) twenty-five (25) year ad valorem tax

¹ The term “Project” shall refer to all Phases that are constructed on the Property.

exemption on all new investment attributable to property qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision within each Incentive District, upon the terms and conditions as provided for herein (collectively, the “**Incentive District Exemptions**”), all as authorized by Article 10, §6(C) of the Oklahoma Constitution, Section 860(B) of the Act, the Project Plan, the Project Plan Ordinance, and other applicable authorizations; and

WHEREAS, the Company desires to develop the Project in phases (each a “**Phase**”) with the term Phase as used herein referring to all structures developed or improved within an Incentive District, as well as all new investment in personal property located or installed within an Incentive District, at any time after approval of the Project Plan that would be subject to ad valorem taxation but for the Incentive District Exemptions; and

WHEREAS, the Company anticipates that each Phase will include an approximately 300,000 square foot data center (each, a “**Data Center**”); however, the precise number, location, and size of Data Centers is subject to change in the Company’s sole discretion as a result of market and other business conditions; and

WHEREAS, the Company anticipates that the Phases may include ancillary buildings, structures and infrastructure that support or are related to the data center campus operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings; and

WHEREAS, the Taxing Entities and the City intend to create the Incentive Districts, in order (i) to promote economic development within the Project Area (as defined in the Project Plan) or Property which is an existing enterprise zone as defined by Section 853(6) of the Act, and (ii) to reverse economic stagnation or decline, to serve as a catalyst for expanding employment, and to attract investment and to preserve and enhance the tax base within the Property, which the City designated as a reinvestment area as defined by the Section 853(17) of the Act in the Project Plan Ordinance; and

WHEREAS, the Taxing Entities, City, and Company are entering into this Agreement to, among other things, satisfy the requirements of Sections 865 and 866 of the Act, which provide, respectively that (i) each Taxing Entity must enter into an agreement with the City in order for tax incentives or exemptions to be granted under the Act for that Taxing Entity’s portion of the ad valorem tax, and (ii) the City must enter into an agreement with the Company as the prospective owner of the Property and the recipient of the Incentive District Exemptions to set forth the terms and conditions applicable to the Incentive District Exemptions; and

WHEREAS, in consideration of the Incentive District Exemptions to be provided under this Agreement, the Company has agreed to make Community Betterment Payments (defined herein) to the City and payments in lieu of taxes to the other Taxing Entities in such amounts and at such times as further described in Section 5 of this Agreement; and

WHEREAS, the City and Taxing Entities have determined that it is appropriate, desirable, and in the public interest to approve the Incentive District Exemptions, pursuant to the terms of this Agreement, and that the Incentive District Exemptions will assist in strengthening the

economic viability of the City of Stillwater, Oklahoma, as a whole, and more particularly in relation to the Project Plan; and

WHEREAS, the City, through the Project Plan Ordinance, has approved the adoption of this Agreement; and ,

WHEREAS, the Stillwater Public Schools through Resolution _____ adopted on _____ (a true and correct copy of which is attached hereto as Exhibit E), Meridian Technology Center through Resolution _____ adopted on _____ (a true and correct copy of which is copy attached hereto as Exhibit F), the County through Resolution _____ adopted on _____ (a true and correct copy of which is attached hereto as Exhibit G), the Health Department through Resolution _____ adopted on _____ (a true and correct copy of which is attached hereto as Exhibit H) have approved the adoption of this Agreement (collectively, the “**Taxing Entity Approvals**” and each a “**Taxing Entity Approval**”); and

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, the parties agree as follows:

1. Incorporation of Recitals.

The Parties acknowledge and agree that the recitals set forth above are a material part of this Agreement and are incorporated herein by reference.

2. Project.

a. Purpose.

The objectives of this Agreement are:

- (i) To attract the Project and the accompanying investment and development to the City, which would not occur without the tax incentives described in this Agreement.
- (ii) To generate new revenues for the City in the form of Community Betterment Payments and for each of the Taxing Entities in the form of annual payments in lieu of taxes (“**PILOTS**”) for each Data Center constructed as part of the Project, in accordance with Section 5 of this Agreement.

b. Project Scope.

The Project will consist of up to six (6) Phases corresponding to the six (6) Incentive Districts, with each Phase of the Project estimated to consist of at least five hundred million dollars (\$500,000,000) in private investment by the Company.

The Parties further acknowledge that the Company retains complete control and discretion over the number of Phases developed as well as the rate, timing, and order of development of the Project, and that nothing herein shall be construed to require the Company to construct or develop any particular Phase, Data Center, structure, building, or facility, or to develop the Incentive Districts in any particular order or according to any particular timeline, except as otherwise provided in the Economic Development Agreement described in Section 4.b(ii) below. Except as

expressly provided otherwise in Section 4 herein, the Taxing Entities and City shall have no right to condition the amount or term of the Incentive District Exemptions provided herein based on the rate, timing, or order of development of the Project or the Incentive Districts.

Further, because the Project will be constructed in Phases over an extended period, the Parties acknowledge that, although the Company anticipates developing one Data Center per Phase, the Company may construct Data Centers that overlap the boundaries of more than one Incentive District or multiple Data Centers in one Phase, as discussed Section 4 herein, subject to the payment of PILOTs and Community Betterment Payments for each Data Center constructed, per Section 5.

3. Approval of the Tax Abatement.

Pursuant to Section 865 of the Act, the City and each of the Taxing Entities hereby (i) agree to the Incentive District Exemptions, subject to the terms and conditions of this Agreement; (ii) approve the form of the Project Plan Ordinance, the creation of each Incentive District pursuant to the Project Plan Ordinance, and all Incentive District Exemptions provided pursuant to the Project Plan Ordinance and this Agreement; (iii) waive any defects within or relating to the Project Plan Ordinance and this Agreement; and (iv) agree to relinquish for the duration of the Incentive District Term for each Incentive District any and all tax revenues attributable to the Phase, including, for the avoidance of doubt, all real property taxes and personal property taxes in excess of the Base Value, as defined herein, which the Parties agree is the value attributable to new investment after approval of the Project Plan.

Each of the Taxing Entities and the City represents and warrants that, in accordance with Sections 857 and 865 of the Act, its respective Taxing Entity Approval was made by a majority vote of its governing body, and that no member of the governing body was ineligible under Section 857 of the Act to vote on the Taxing Entity Approval.

4. Tax Abatement Terms.

a. The Incentive District Exemptions.

In accordance with Section 860(B) of the Act and the Project Plan Ordinance, all new value attributable to investment qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision within each Incentive District made after the effective date of the Project Plan shall be afforded a one hundred percent (100%) exemption for the duration of the Incentive District Term, during which no ad valorem taxes shall be assessed against such property. The incentive provided under the Act and this Agreement shall not include Public Service Property, if any, located within each Incentive District; provided that “Public Service Property” shall be defined as property of all railroads, air carriers and public service corporations assessed annually by the State Board of Equalization pursuant to 68 O.S. § 2847 and Article 10, § 21 of the Oklahoma Constitution.

b. Activation of the Incentive District Exemptions.

(i) In accordance with the Project Plan Ordinance, each Incentive District shall, unless sooner terminated pursuant to the terms of the Economic Development Agreement described in subsection (ii) below, become effective and provide the Incentive District Exemption upon the

earlier of (a) January 1 of the year immediately following the completion of a Data Center within that Incentive District, as evidenced by the issuance of a certificate of occupancy or delivery of written notice by the Company to the City of substantial completion, or (b) January 1 of the year in which the tenth anniversary of the Project Plan Ordinance occurs, which the Parties anticipate to be January 1, 2035 (each an **“Exemption Activation Condition”** with the date of activation being the **“Exemption Effective Date”**). In accordance with Section 856(B)(2) of the Act, no Incentive District Exemptions may become effective more than ten years after approval of the Project Plan.

Upon or prior to the occurrence of an Exemption Activation Condition, as applicable, the City will, in accordance with the Project Plan Ordinance, confirm the Exemption Effective Date, designation, and name of each Incentive District by resolution or by action of the City Manager; provided, however, that if City Council has not passed such resolution: (a) within thirty (30) days following the issuance of a certificate of occupancy or delivery of written notice by the Company to the City of substantial completion or (b) by December 15, whichever is earlier, the City Manager shall immediately, and in all cases prior to the Exemption Effective Date, confirm the Exemption Effective Date, designation, and name of each Incentive District. Upon confirmation of the Exemption Effective Date, designation, and name of any Incentive District, the City Manager shall promptly deliver written notice to the Payne County Assessor (**“County Assessor”**), each of the other Taxing Entities, and the Company identifying the Incentive District activated and the Exemption Effective Date (the **“Incentive District Commencement Notice”**).

(ii) Concurrently with this Agreement, the City, the Stillwater Economic Development Authority, a public trust (**“SEDA”**), and the Company shall enter into an Economic Development Agreement providing for the development of Phase 1 and Phase 2 of the Project. The Company must provide written notice to the City that it intends to commence Phase 2 within two (2) years of completion of Phase 1. If the Company fails to commence development of Phase 2 within two (2) years of such notice, the City may terminate the undeveloped Incentive Districts, and, pursuant to the terms set forth in the Economic Development Agreement, SEDA may acquire the Company’s remaining portions of the Property.

Upon execution of a Supplemental Economic Development Agreement by the City, SEDA, and the Company for Phases 3 through 6 of the Project, whether one or more, the Company shall undertake the development of each such Phase in accordance with the Supplemental Economic Development Agreement(s). If Phase 2 has been developed but the development of Phase 3 has not commenced within 10 years of adoption of the Project Plan, then any remaining undeveloped Incentive Districts shall terminate. If Phase 2 has been developed and Phase 3 has commenced development (including design, engineering, permitting, construction for the site and/or associated infrastructure) within 10 years of the adoption of the Project Plan, the remaining undeveloped Incentive Districts will become effective. Thereafter, if development of Phase 4 has not commenced within 12 years of the adoption of the Project Plan, then any remaining undeveloped Incentive Districts shall terminate. If development of Phase 5 has not commenced within 14 years of the adoption of the Project Plan, then any undeveloped Incentive Districts shall terminate.

c. Exemption Term.

In accordance with the Project Plan Ordinance, the Incentive District Exemption for each Incentive District shall be effective for a period of twenty-five (25) tax years following the applicable Exemption Effective Date (the “**Incentive District Term**”).

d. Exemption Calculation.

Pursuant to an assessment performed by the County Assessor promptly after adoption of the Project Plan (in any event no later than the assessment performed for tax year 2026 setting the assessed value as of January 1, 2026), the County Assessor shall determine the base value of each Incentive District (the “**Base Values**” and each a “**Base Value**”). The Base Value shall be the total market value of real and personal property within an Incentive District multiplied by the assessment ratio. When determined, the Base Values shall be provided on Exhibit I, and deemed approved by all Parties pursuant to this Agreement. The Base Value shall not include any value attributable to construction-in-process, personal property owned by contractors or other, unrelated entities on the site (even if subject to taxation), or personal property owned by the Company or its affiliates that will be used in Data Center operations qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 (even if subject to taxation prior to the Exemption Effective Date). The Parties waive any defect or irregularities with respect to the determination of the Base Values. The Base Value shall be subject to ad valorem taxation. Upon receipt of an Incentive District Commencement Notice, the County Assessor shall ensure that, as of the applicable Exemption Effective Date and for the duration of the applicable Incentive District Term, no ad valorem taxes are assessed against any qualifying exempt property (including land value) above the Base Value in that Incentive District. For clarity, the exemption extends to any increases in land value over the base land value provided that the use of the land remains eligible for the exemption, and for avoidance of doubt, the Incentive District Exemption shall apply to all new investment attributable to property qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision made in the Incentive District above the applicable Base Value, in accordance with Section 860(B) of the Project Plan. For additional clarity, if any improvements supporting the Data Center operations and qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 are constructed or located within an Incentive District prior to the construction of a Data Center, such improvements shall be subject to property taxation until such time as the construction of a Data Center triggers the Exemption Commencement Date for that Incentive District. On and after the Exemption Commencement Date, such improvements shall be exempt throughout the Incentive District Term.

e. Minor Amendments to the Incentive District Boundaries.

Although the Company anticipates that it will construct one Data Center per Incentive District, the Parties acknowledge and agree that the site plan, including the anticipated size, location, and number of Data Centers, is subject to change at the Company’s sole discretion. If the Company constructs a Data Center that is located within the boundaries of more than one Incentive District, then the City Manager, acting on behalf of the City in accordance with Section VI of the Project Plan, shall first endeavor to adjust the Incentive District boundaries in accordance with the following: If an adjustment of the Incentive District boundaries can be made

that would result in the Data Center being located within a single Incentive District and would not result in an addition to an Incentive District constituting more than five percent (5%) of that Incentive District, then the City Manager in accordance with Sections VIII.D and VIII.F of the Project Plan, Section 858(D) of the Act, and this Agreement will, prior to sending the Incentive District Commencement Notice, administratively approve an amendment to the Project Plan adjusting the boundaries of the Incentive Districts such that the Data Center is in one Incentive District, without any further legislation required. The Company shall reasonably cooperate with the City Manager in providing information necessary for the City Manager to make the foregoing determinations.

f. Activation if a Data Center is Located Within Multiple Incentive Districts.

If the City Manager cannot adjust the Incentive District boundaries in accordance with the previous Section, then the occurrence of the Exemption Activation Condition will trigger the activation of each Incentive District in which a portion of the Data Center is located, with the Incentive District Exemption Effective Date for each such Incentive District being January 1 of the immediately subsequent calendar year.

If, for example, construction of a Data Center is completed in 2027 and a portion of the Data Center is located in Incentive District 3 and another portion is located in Incentive District 4, the Incentive District Commencement Notice would indicate that both Incentive Districts 3 and 4 will have an Exemption Effective Date of January 1, 2028.

The Parties further acknowledge and agree that, in accordance with Section 4(a) of this Agreement, any buildings, including Data Centers, that are subsequently constructed within an Incentive District after the Exemption Effective Date will be subject to the Incentive District Exemption for the remaining Incentive District Term. In accordance with Section 5 of this Agreement, the Company will pay one annual PILOT for each Data Center constructed on the Property regardless of the number of Incentive Districts activated.

5. Payments in Lieu of Taxes (“PILOTS”) and Community Betterment Payments.

For each Data Center constructed on the Property, the Company will make an annual PILOT payment for each year that the Data Center is exempted from ad valorem taxation pursuant to an Incentive District Exemption (each, an “**Exemption Year**”), generally commencing in the year immediately following the year in which a certificate of occupancy is issued for the Data Center or in the year immediately following the year in which the Company provides written notice to the City of substantial completion (the “**PILOT Commencement Year**”) until the last year of the applicable Incentive District Term.

Phase 1 and 2. For each of Phase 1 and Phase 2 of the Project, the Company shall make annual PILOT payments to the Taxing Entities beginning in the PILOT Commencement Year. The initial annual PILOT payment for Phase 1 will total Eight Hundred Sixty-Seven Thousand Five Hundred Sixty-Eight and No/100 Dollars (\$867,568.00). This amount will be disbursed to the Taxing Entities as follows:

Taxing Entity	Initial Annual Payment for Phase 1	Share of Total PILOT Payments
Stillwater Public Schools	\$624,022.98	71.93%
Meridian Technology Center	\$135,599.18	15.63%
Payne County	\$89,984.51	10.37%
County Health Department	\$17,961.33	2.07%
Total	\$867,568.00	100%

After the first annual payment, the PILOT payments to each Taxing Entity will increase by one percent (1.00%) each year, as illustrated in Exhibit J. The PILOT payments for Phase 2 will be set using the same schedule as Phase 1. For instance, if Phase 1 is completed in 2026 with a PILOT Commencement Year of 2027, and Phase 2 is completed in 2032 with a PILOT Commencement Year of 2033, then in 2033, the Company shall pay two equal PILOTS, each in the total amount of \$920,941. These payments will be allocated to the Taxing Entities in the same proportions established above for Phase 1.

Phases 3 through 6. For Phases 3 through 6 of the Project, the initial PILOT for each Phase will be the product of the PILOT applicable to Phase 1 in the amount indicated in the table above and the quotient of the CPI in the PILOT Commencement Year for the applicable Phase divided by the CPI in the year 2024. In other words, the initial PILOT for each Phase shall be calculated as follows:

$$\text{Initial Phase 1 PILOT from the table above} \times \frac{\text{CPI in PILOT Commencement Year for applicable Phase}}{\text{CPI in 2024}}$$

Thereafter, the PILOT for that Phase will increase by one percent (1.00%) each year. For purposes of this Project Plan, CPI refers to the annual average of United States Department of Labor, Bureau of Labor Statistics, Revised Consumer Price Index for All Urban Consumers (CPI-U): U.S. Cities Average, all items index (Reference Base 1982-84 equal 100) (“CPI”).

For the avoidance of doubt, the Company shall not be obligated to make an annual PILOT associated with any Incentive District unless or until the completion of a Data Center within that Incentive District triggers a PILOT Commencement Year. The Parties agree that, in the event an Incentive District becomes effective before a Data Center is completed within that Incentive District, all increases in assessed property value within the Incentive District, if any, will remain taxable until the PILOT Commencement Year as though the Incentive District Exemption had not commenced. For all such Incentive Districts, the City Manager will promptly, upon issuance of a certificate of occupancy for a Data Center or upon receipt from the Company of notice of substantial completion of a Data Center, provide written notice of the PILOT Commencement Year to the County Assessor, each of the other Taxing Entities, and the Company and thereafter, all value within the Incentive District attributable to property qualifying under U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision in excess of Base Value shall be subject to the exemption.

Community Betterment Payments. The Company shall make an annual payment to the City, herein a “**Community Betterment Payment**”, for each Phase of the Project, beginning in the PILOT Commencement Year. The initial annual Community Betterment Payment for Phase 1

shall be One Hundred Thirty-Two Thousand Four Hundred Thirty-Two and No/100 Dollars (\$132,432.00). After the first annual payment, the amount of the Community Betterment Payment to the City will increase by one percent (1.00%) each year for each Phase, as illustrated in Exhibit J. The Community Betterment Payment for Phase 2 will follow the same payment schedule as Phase 1. For example, if Phase 1 is complete in 2026, with a PILOT Commencement Year of 2027, and Phase 2 is complete in 2032, with a PILOT Commencement Year of 2033, then in 2033, the Company shall make two equal Community Betterment Payments to the City, one for each Phase, each in the amount of \$140,579. For Phases 3 through 6 of the Project, the Community Betterment Payment for each Phase will be determined as provided in Supplemental Development Agreement(s) between the City and the Company.

The Company shall make the PILOTs and Community Betterment Payments described in this Section 5 to the applicable Taxing Entities and City by January 1 of each Exemption Year for the duration of the Incentive District Term of each Incentive District (the “**Payment Date**”) delivered to the City and Taxing Entities at their respective notice addresses provided in Section 14 below, unless written payment instructions are otherwise provided to the Company by the Taxing Entities and the City no later 30 days prior to the Payment Date. All PILOT amounts paid to Meridian Technology Center shall be donations for capital projects and improvements, to be deposited into Meridian Technology Center’s building fund.

6. Annual Report.

Pursuant to Section 860(F) and Section 867(B) of the Act (collectively, the “**Reporting Statutes**”), on or before the ninetieth (90th) day following the end of each fiscal or tax year, the City Manager or his or her designee shall prepare and submit the reports required by those sections (the “**Annual Reports**”) for each Incentive District to the Oklahoma Department of Commerce and the chief executive officer of each Taxing Entity. For each Incentive District, commencing in the year following the Exemption Commencement Year and each year thereafter during the Incentive District Term, the Company shall provide to the City by no later than February 1 a report in the form attached hereto as Exhibit K to assist the City with its Annual Reports.

Pursuant to Section 860(F) of the Act, a copy of each Annual Report shall be provided to any member of the public by the Oklahoma Department of Commerce upon request. The City shall also publish a summary of the Annual Report in a newspaper of general circulation in the City of Stillwater, as required by Section 867(C) of the Act.

7. Term.

This Agreement shall be effective upon execution by the City and the Company, and shall be effective with respect to each Taxing Entity upon execution by that Taxing Entity (with the provisions hereof effective as to each portion of the Property upon the Company closing on and accepting fee simple title to that portion of the Property), and shall remain in effect, unless terminated earlier subject to its terms, until the final Payment Date for the final Exemption Year of any Incentive District Term. The Company reserves the right to terminate this Agreement at any time at its sole discretion; provided, however, that the Company shall remain liable for any PILOTs and Community Betterment Payments owed for any Exemption Years in which a Data Center was exempted pursuant to this Agreement.

8. Default.

a. Default by the Company.

The Company shall be in default of this Agreement only if it breaches an obligation under this Agreement and such breach or failure is not cured within ninety (90) days after the date of written notice by the City or any of the Taxing Entities. If such breach is not susceptible to cure within 90 days, the Company shall not be in default so long as it commences curative action within 90 days and continues to diligently pursue cure thereafter.

Notwithstanding the above, in the event the Company fails to make a PILOT payment to a Taxing Entity or a Community Betterment Payment to the City on or before the Payment Date, the overdue amounts will incur interest at an annual rate of six percent (6%) until paid in full. Furthermore, the City and each Taxing Entity reserve the right to file a lien against the Property where the Data Center is located until all outstanding PILOT amount(s) and Community Betterment Payment(s) are paid in full.

b. Default by the City or Taxing Entities.

The City or any of the other Taxing Entities shall be in default of this Agreement if it breaches an obligation under this Agreement, and such breach or failure is not cured within ninety (90) days after the date of written demand by the Company or any other Taxing Entity, as applicable. If the breach is not susceptible to cure within 90 days, the Taxing Entity shall not be in default so long as it commences curative action within 90 days and continues to diligently pursue cure thereafter. Neither the City nor any Taxing Entity shall be permitted to terminate this Agreement or take any action that would decrease the amount or term of the Incentive District Exemptions provided herein based on the breach of the City or another Taxing Entity without the consent of the Company.

9. Remedies.

After the passage applicable notice and cure periods as provided herein, the non-defaulting Party shall have the right to terminate this Agreement, and to pursue all remedies available hereunder at law and in equity. The rights and remedies of the Parties, whether provided by law or by this Agreement, shall be cumulative, and the exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other Party. In addition, upon termination of this Agreement, the City shall be entitled to terminate, dissolve, or modify the Incentive Districts.

10. Force Majeure.

For the purpose of any of the provisions of the Agreement, none of the City, the Taxing Entities or the Company, as the case may be, or any successor in interest, shall be considered in breach of, or default in, its obligations under an event of force majeure in the performance of such obligations due to unforeseeable causes beyond a Party's control and without its fault or negligence, including, but not restricted to, acts of God, acts of public enemies, acts of terrorism, acts of the federal government, acts of any of the other persons or entities not Parties to this

Agreement, fires, floods, tornadoes, epidemics, pandemics, quarantine restrictions, strikes, industrial disputes, freight, embargoes, and unusually severe weather or delays of contractors or subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Taxing Entities or the City, as the case may be, shall be extended for the period of the force majeure as reasonably determined by the Parties; provided, that a Party seeking the benefit of the provisions of this Section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other Parties thereof in writing, and of the cause or causes thereof, and requested an extension for the anticipated period of the forced delay.

11. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. The Company may assign or partially assign this Agreement at its sole discretion, without the express approval of the City or any other Taxing Entity, to another entity (each a “**Successor**”), including to any Successor controlling, controlled by, or under common control with the Company (each an “**Affiliate**”). After any assignment, all references to Company herein shall thereafter be a reference to such Successor with respect to any rights, entitlements, and obligations occurring or arising after the date of such assignment and within the scope of such assignment.

Provided, however, that as a condition to the right to receive tax exemptions as set forth in this Agreement, any Successor shall execute and deliver to the City and all other Taxing Entities a full or partial assignment agreement (each an “**Assignment**”) in substantially the forms attached hereto as Exhibit L.1 and Exhibit L.2, as applicable, pursuant to which such Successor assumes all or a portion of the rights, entitlements, and obligations of the Company under this Agreement as provided therein; provided that the Company may reasonably modify or supplement the form of the Assignments to accurately reflect the rights, entitlements, or obligations being assigned so long as such assignment does not purport to assign any rights, entitlements, or obligations beyond those provided in this Agreement. Upon the receipt by the City and all other Taxing Entities of an Assignment, the Successor shall have all or a portion of the rights and entitlements, including without limitation, rights to tax exemptions, and obligations as the “Company” under this Agreement, in the same manner and with like effect as if the Successor had been the original Company and a signatory to this Agreement, all as specified in the Assignment.

In the event the Company transfers fee ownership by a total or partial sale of the Project Area, or any portion thereof, to a third party (“**Third Party Purchaser**”) without a corresponding full or partial assignment of this Agreement to the Third Party Purchaser in accordance with the terms of this Section 11, the City shall be entitled to terminate, dissolve, or modify the corresponding Incentive Districts and amend this Agreement.

12. Cooperation.

The Parties agree to reasonably cooperate with one another and take all actions necessary to effectuate the intent of this Agreement and the Project Plan. The City Manager shall reasonably accommodate requests by the Company for minor amendments as permitted in the Act.

13. Estoppel Certificate.

Within thirty (30) days after a request from the Company, the City and any other Taxing Entities shall execute and deliver to Company a certificate stating: (i) that this Agreement is in full force and effect, if the same is true; (ii) that Company is not in default under any of the terms, covenants or conditions of the Agreement, or, if Company is in default, specifying same; and (iii) such other matters as Company reasonably requests.

14. Notice.

Any and all notices required by this Agreement shall be addressed to the following, or other such party or address as either party designates in writing, by certified mail, postage prepaid, or by hand or overnight delivery:

If to the City:

The City of Stillwater Oklahoma
Attn: City Manager
723 S. Lewis St.
Stillwater, OK 47074

If to Stillwater Public Schools:

Board of Education of Stillwater Public Schools
Attn: Board President
314 S. Lewis St.
Stillwater, OK 74074

If to Meridian Technology Center:

Board of Education of Meridian Technology Center
Attn: Board President
1312 S. Sangre Rd.
Stillwater, OK 74074

If to the Board of County Commissioners of Payne County:

Board of County Commissioners of Payne County
Payne County Administration Building
315 W. 6th Ave., Suite 200/201
Stillwater, OK 74074

If to the Payne County Health Department:

Payne County Health Department

Attn: Director
1321 W. 7th Ave.
Stillwater, OK 74074

If to the Company:

McAfee & Taft
% Kipper LLC
Attn: Simon Bright
8th Floor, Two Leadership Square
211 N Robinson Ave
Oklahoma City, OK 73102
Email: simon.bright@mcafeetaft.com

With a copy to:

Vorys, Sater, Seymour and Pease LLP
Attn: Rebecca E. Wilson
52 E. Gay St.
Columbus, OH 43215
Email: rewilson@vorys.com

15. Amendment.

This Agreement may not be supplemented or modified except in a written agreement properly executed by the Parties. All Exhibits and documents referenced in this Agreement are incorporated into this Agreement by reference and are an integral part of this Agreement.

16. Severability.

If any provision of this Agreement is determined to be to any extent invalid, illegal, or unenforceable, it will be deemed stricken from this Agreement. All other provisions of this Agreement will remain in full force and effect. The stricken provision will then be deemed replaced with one that is valid and enforceable and that comes closest to expressing the Parties' original intent.

17. Applicable Law.

The laws of the State of Oklahoma (excluding its conflict of laws rules that would apply the laws of another jurisdiction) exclusively apply to this Agreement. Any claim arising directly or indirectly from or relating to this Agreement must be filed and maintained exclusively in a court of competent jurisdiction in the state or federal courts located in Oklahoma. The Parties submit to that jurisdiction and venue for all purposes.

18. Authority.

Each Party represents and warrants to the other that: (1) it has full authority and power to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement is fully empowered to do so; and (3) no consent or authorization is necessary from any third party.

19. Counterparts

This Agreement may be executed in multiple counterparts, each of which shall constitute an original of this instrument. It shall not be necessary for the signature of more than one party to appear on any single counterpart. The exchange of executed counterparts of this Agreement or of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement, and such counterparts may be used in lieu of the original for all purposes.

20. Entire Agreement

This Agreement, including its Exhibits and documents delivered by its terms and incorporated in it, together with the Economic Development Agreement and its exhibits, constitute the entire agreement between the Parties pertaining to its subject matter. All prior and contemporaneous written or oral agreements and communications between the Parties are superseded by this Agreement and the Economic Development Agreement.

21. Section Headings

Section and subsection headings are included herein for the convenience of the Parties and shall not affect the meaning or interpretation of this Agreement.

[Signatures follow on separate pages.]

CITY SIGNATURE PAGE FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

“CITY”

The City of Stillwater, Oklahoma,
a municipal corporation

ATTEST:

Teresa Kadavy, City Clerk

(SEAL)

By: _____
William H. Joyce, Mayor

Approved as to form and legality this ____ day of _____, 2025.

[Name], Special Counsel for Economic Development

SCHOOL DISTRICT SIGNATURE PAGE FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

“STILLWATER PUBLIC SCHOOLS”

Board of Education of Independent School District Number
16 of Payne County, Oklahoma

By: _____
Dr. Marshall Baker, Board President

(SEAL)

ATTEST:

By: _____
Secretary

MERIDIAN TECHNOLOGY CENTER SIGNATURE PAGE FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

“MERIDIAN TECHNOLOGY CENTER”

Board of Education of School District
Number 16 of Payne County, Oklahoma

By: _____
Sherri Huneycutt, Board President

(SEAL)

ATTEST:

By: _____
Secretary

COUNTY SIGNATURE PAGE FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

“COUNTY”

Board of County Commissioners, Payne County

By: _____
Zach Cavett, District 1 Commissioner, Chairman

By: _____
Seth Condley, District 2 Commissioner

By: _____
Rhonda Markum, District 3 Commissioner

ATTEST:

Glenna Craig, Payne County Clerk

(SEAL)

Approved as to form this ____ day of _____, 2025.

_____, District Attorney

HEALTH DEPARTMENT SIGNATURE PAGE FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

“HEALTH DEPARTMENT”

Payne County Health Department

By: _____
Kelli Rader, Director

(SEAL)

ATTEST:

By: _____
Secretary

COMPANY SIGNATURE PAGE FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

“COMPANY”

Kipper LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

COUNTY ASSESSOR ACKNOWLEDGEMENT FOR
LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

Reviewed and Acknowledged:

“COUNTY ASSESSOR”

By: _____

Name: _____

Title: _____

Exhibit Table of Contents

Exhibit A: Description of the Property

Exhibit B: Copy of Stillwater Planning Commission Resolution

Exhibit C: Copy of Stillwater Local Development Act Review Committee Resolution

Exhibit D: Copy of Project Plan Ordinance

Exhibit E: Copy of Stillwater Public Schools Agreement Adoption Resolution

Exhibit F: Copy of Meridian Technology Center Agreement Adoption Resolution

Exhibit G: Copy of County Agreement Adoption Resolution

Exhibit H: Copy of Health Department Agreement Adoption Resolution

Exhibit I: Incentive District Base Values

Exhibit J: PILOT Escalation Schedule

Exhibit K: Annual Reporting Form

Exhibit L.1: Form of Assignment and Assumption Agreement (Project Site Transfer)

Exhibit L.2: Form of Assignment and Assumption Agreement (Exempt Property)

Exhibit A

Description of the Property

Total Project Area or Property Legal Description

A tract of land located in the Northeast Quarter (NE/4), Northwest Quarter (NW/4), and Southwest Quarter (SW/4), and Southeast Quarters (SE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on March 13, 2024 as follows:

COMMENCING at the SW/C, SW/4, S36-T20-R2E monumented by a 1" Rail Road Spike; thence with a BASIS OF BEARING of N 00°41'24" W along the west line of the SW/4 a distance of 2638.58 feet to the NW/C, SW/4, SEC36-T20N-R3E monumented by a 1/2" Rebar AND the POINT OF BEGINNING;

Thence along the west line of the NW/4 with a bearing of N 00°42'47" W a distance of 2630.81 feet to the NW/C, NW/4 SEC36-T20N-R2E monumented by a Railroad Spike;

Thence with a bearing of N 89°13'38" E along the north line of the NW/4 a distance of 2629.53 feet to the NE/C, NW/4 SEC36-T20N-R2E monumented by a 1/2" Rebar;

Thence with a bearing of N 89°18'29" E along the north line of the NE/4 a distance of 2630.74 feet to the NE/C, NE/4, SEC36-T20N-R2E monumented by a Mag Nail;

Thence with a bearing of S 00°49'51" E along the east line of the NE/4 a distance of 2122.35 feet to a point on the East Line of NE/4, SEC36-T20N-R2E, also being a point on the Northerly Rail Road R/W line of Eastern Oklahoma Railway particularly described in Book 7, Page 208;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.96 feet, having a chord bearing of S 27°41'11" W and a chord distance of 761.36, and an arc length of 763.73 feet to a point on said Northerly Rail Road R/W Line;

Thence with a bearing of N 54°28'57" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2773.96 feet, having a chord bearing of S 40°33'13" W and a chord distance of 487.07 feet, and an arc length of 487.70 to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence with a bearing of S 44°24'34" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.69 feet, having a chord bearing of S 51°55'38" W and a chord distance of 616.73, and an arc length of 617.99 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;

Thence with a bearing of S 59°21'10" W a distance of 1676.22 feet to a point on said Northerly Rail Road R/W Line;

Thence with a bearing of S59°21'10" W a distance of 614.77 feet to a point on said Northerly Rail Road R/W Line;

Thence in a southwesterly direction with a tangent curve turning to the left with a radius of 2915.05 feet, having a chord bearing of S 55°26'11"W and a chord distance of 387.62 feet, and an arc length of 387.91 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap Hitech;

Thence with a bearing of N 00°47'43" W along the west line of the east 60 acres of the SW/4 a distance of 2333.99

feet to a point on the north line of the SW/4, SEC36-T20N-R2E monumented by a 1/2" pipe; Thence along said north line of said SW/4 with a bearing of S 89°28'48" W a distance of 1645.64' back to the POINT OF BEGINNING.

Less and Except:

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36 N 89° 18' 29" E, a distance of 452.85 feet;

Thence departing said North line S 00° 00' 42" W, a distance of 1143.51 feet;

Thence S 89° 59' 34" W, a distance of 1,189.48 feet;

Thence N 00° 00' 04" E, a distance of 1,128.25 feet to a point on the North line of the Northwest Quarter of said Section 36;

Thence along said North line N 89° 13' 38" E, a distance of 736.95 feet back to the POINT OF BEGINNING.

Containing 16,844,572 square feet OR 386.698 acres more or loss

Incentive District 1 Legal Description

A tract of land located in the Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northeast Corner of the Northeast Quarter of said Section 36, Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet; Thence departing said East line, S 89° 59' 44" W, a distance of 2,200.10 feet; Thence N 00° 00' 01" E, a distance of 1,516.34 feet to a point on the North line of said Northeast Quarter; Thence along said North line N 89° 18' 29" E, a distance of 2,177.89 feet back to the POINT OF BEGINNING.

Containing 3,347,887 square feet OR 76.857 acres more or less.

Incentive District 2 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Northeast Quarter (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northeast Quarter of said Section 36, Thence along the East line of the said Northeast Quarter S 00° 49' 50" E, a distance of 1542.63 feet to the POINT OF BEGINNING;

Thence S 00° 49' 52" E, a distance of 579.72 feet to a point being a non-tangent curve to the right also being a point on the Northeasterly Railroad Right-Of-Way line recorded at Book 7, Page

208 in the records of Payne County Clerk's Office; Thence along the Northwestern Right-Of-Way line for the next six (6) calls:

- (1) Along said curve to the right having a radius of 2,799.14 feet, an arc length of 763.70 feet, and having a chord bearing of S 27° 41' 41" W, a chord length of 761.34 feet to a point of non-tangency;
 - (2) Thence N 54° 28' 57" W, a distance of 20.00 feet to a non-tangent curve to the right;
 - (3) Thence along curve to the right having a radius of 2773.96 feet, an arc length of 487.70 feet, and having a chord bearing of S 40° 33' 14" W, a chord length of 487.07 feet to a point of non-tangency;
 - (4) Thence S 44° 24' 34" E, a distance of 20.00 feet to a non-tangent curve to the right;
 - (5) Thence along curve to the right having a radius of 2793.69 feet, an arc length of 617.99 feet, and having a chord bearing of S 51° 55' 38" W, a chord length of 616.73 feet to a point of non-tangency;
 - (6) Thence S 59° 19' 00" W, a distance of 1,221.25 feet;
- Thence departing from said Northwestern Right-Of-Way line N 00° 00' 12" E, a distance of 1,155.08 feet;
- Thence N 00° 00' 00" W, a distance of 1,075.36 feet;
- Thence N 00° 00' 00" E, a distance of 399.42 feet;
- Thence N 89° 59' 44" E, a distance of 2,200.12 feet back to the POINT OF BEGINNING.

Containing 4,111,928 square feet OR 94.397 acres more or less.

Incentive District 3 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36;

Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1645.61 feet;

Thence along the West line of Lot Four (4) Richmond Road & Highway 177 Addition, S 00° 48' 02" E, a distance of 334.80 feet to the POINT OF BEGINNING;

Thence N 89° 59' 20" E, a distance of 1,399.15 feet; Thence S 00° 00' 12" W, a distance of 1,155.08 feet to a point on the Northwestern line of a Railroad Right-Of-Way recorded at Book 7, Page 208 in the records of Payne County Clerk's Office; Thence continuing along said Northwestern line S 59° 19' 00" W, a distance of 1,223.40 feet to a non-tangent curve to the left;

Thence along said curve having a radius of 2915.00 feet, an arc length of 387.91 feet, and having a chord bearing of S 55° 26' 11" W, a chord length of 387.62 feet to a point of non-tangency;

Thence departing said Northwestern line N 00° 47' 43" W, a distance of 1999.19 feet back to the POINT OF BEGINNING.

Containing 2,172,023 square feet OR 49.878 acres more or less.

Incentive District 4 Legal Description

A tract of land located in the Southeast Quarter (SE/4) and Southwest Quarter (SW/4) and Northeast Quarter (NE/4) and Northwest Quarter (NW/4) of Section Thirty-Six (36), Township

Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Southwest Corner of the Northwest Quarter of said Section 36; Thence along the South line of said Northwest Quarter S 89° 28' 48" E, a distance of 1622.33 feet to the POINT OF BEGINNING;

Thence N 00° 00' 46" W, a distance of 740.78 feet; Thence N 89° 59' 20" E, a distance of 1427.27 feet;

Thence S 00° 00' 00" W, a distance of 1075.36 feet; Thence S 89° 59' 20" W, a distance of 1399.15 feet;

Thence N 00° 48' 02" W, a distance of 334.80 feet; Thence continuing along said South line S 89° 28' 48" W, a distance of 23.28 feet back to the POINT OF BEGINNING.

Containing 1,526,135 square feet OR 35.035 acres more or less.

Incentive District 5 Legal Description

A tract of land located in the Northwest Quarter (NW/4) and Northeast Quarters (NE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

COMMENCING at the Northeast Corner of the Northwest Quarter of said Section 36, Thence along the North line of the Northeast Quarter of said Section 36, N 89° 18' 29" E, a distance of 452.85 feet;

Thence departing said North line and along the East line of Lot Seven (7) in Richmond Road & Highway 177 Addition, S 00° 00' 42" W, a distance of 1143.51 feet to the POINT OF BEGINNING;

Thence S 00° 02' 04" E, a distance of 372.20 feet; Thence S 00° 00' 00" W, a distance of 399.42 feet;

Thence S 89° 59' 20" W, a distance of 1,427.27 feet; Thence N 00° 00' 17" E, a distance of 210.20 feet;

Thence N 90° 00' 00" E, a distance of 237.55 feet; Thence N 00° 00' 00" W, a distance of 562.17 feet;

Thence N 89° 59' 34" E, a distance of 1,189.48 feet to the POINT OF BEGINNING.

Containing 968,675 square feet OR 22.238 acres more or less.

Incentive District 6 Legal Description

A tract of land located in the Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on August 3, 2024 as follows:

BEGINNING at the Northwest Corner of the Northwest Quarter of said Section 36, Thence along the North line of said Section 36 N 89° 13' 38" E, a distance of 1,892.59 feet;

Thence departing from said North line S 00° 00' 03 " W, a distance of 1690.42 feet;

Thence S 89° 56' 04" W, a distance of 237.57 feet;
Thence S 00° 00' 00" W, a distance of 209.93 feet;
Thence S 00° 00' 46" E, a distance of 740.78 feet to a point on the South line of the Northwest Quarter of said Section 36; Thence along said South line S 89° 28' 48" W, a distance of 1622.33 feet to the Southwest corner of the Northwest Quarter; Thence departing said South line and along the West line of the Northwest Quarter of said Section 36 N 00° 42' 47" W, a distance of 2630.81 feet back to the POINT OF BEGINNING.

Containing 4,717 996 square feet OR 108.310 acres more or less.

Map of Property and Incentive Districts

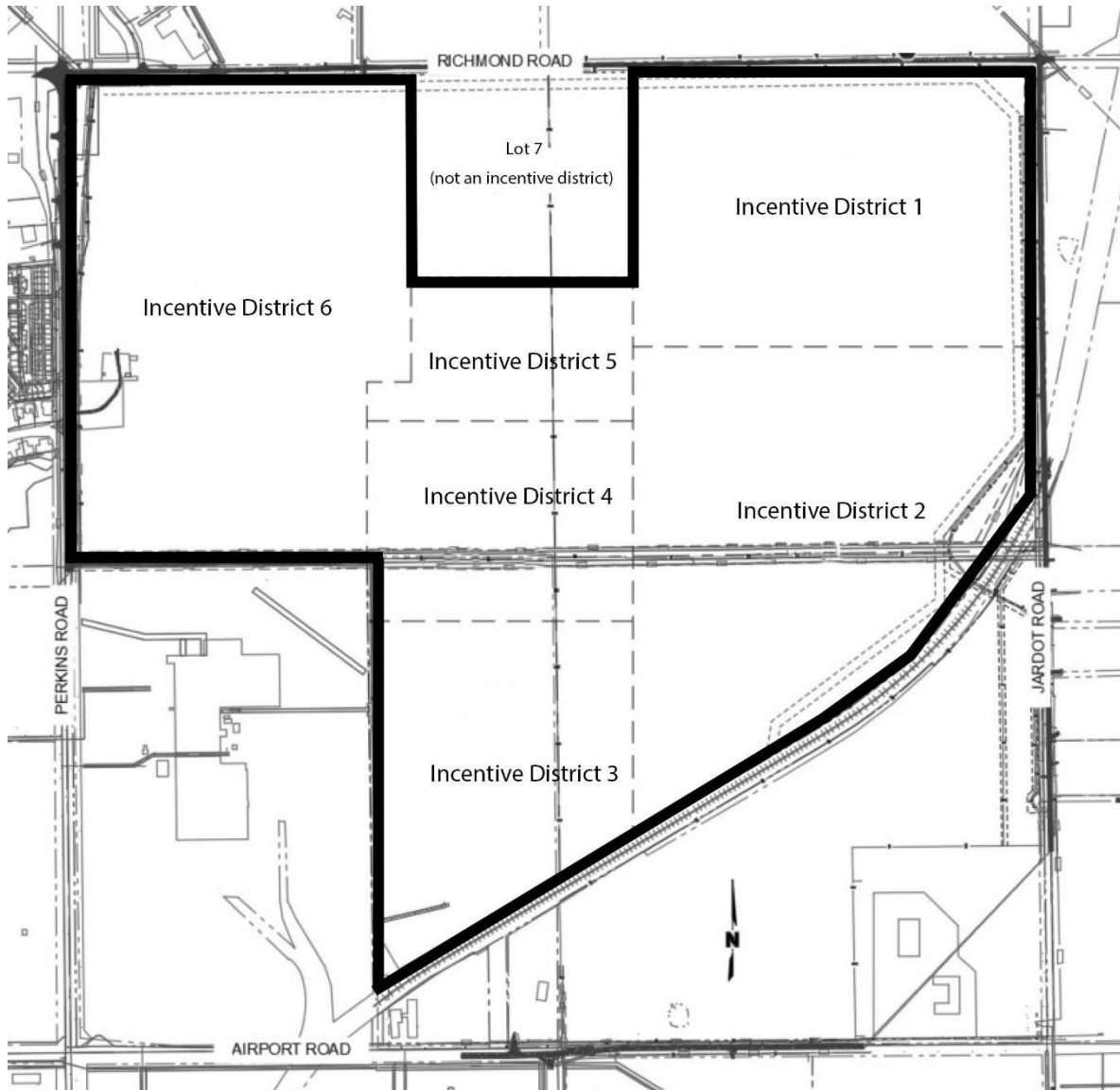


Exhibit B

Copy of Stillwater Planning Commission Resolution

RESOLUTION NO. PC-2024-1

RESOLUTION DETERMINING THAT THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN IS IN CONFORMANCE WITH THE STILLWATER 2030 C3 COMPREHENSIVE PLAN AND RECOMMENDING TO THE CITY OF STILLWATER APPROVAL AND ADOPTION OF THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

WHEREAS, it is an objective of the City of Stillwater, Oklahoma (“City”) to promote economic development within its boundaries in order to attract investment, enhance the tax base, stimulate economic growth, and improve the quality of life in and around the City; and

WHEREAS, development within the City will promote the public good, general welfare, economic security, and prosperity of the City and its inhabitants; and

WHEREAS, the Stillwater Data Center Economic Development Project Plan (the “Project Plan”) is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.* (“Act”); and

WHEREAS, the provisions of the Act provide procedures for developing a qualified area such as the project area described in the Project Plan; and

WHEREAS, the Project Plan establishes a project area and six (6) incentive districts, creates a budget of estimated project costs to support and implement public funding initiatives and economic development activities within the City utilizing funding sources created under the Project Plan, and offers incentives to attract the development of a data center campus within the proposed project area, which is comprised of real property located south of East Richmond Road, north of East Airport Road, east of North Perkins Road (Hwy-177) and west of North Jardot Road, in the City of Stillwater, Payne County, State of Oklahoma; and

WHEREAS, the Project Plan provides an economic structure and incentives authorized by the Act necessary to generate private investment; and

WHEREAS, the Project Plan is designed to achieve the City’s development objectives, stimulate private investment, increase quality jobs, and enhance the tax base for the City; and

WHEREAS, consistent with the Local Development Act, the Planning Commission has reviewed the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time, and the Project Plan; and

WHEREAS, the Project Plan is appropriate and desirable in order to support efforts to achieve the objectives of the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time; and

WHEREAS, the Planning Commission finds it appropriate and desirable to recommend to the City Council of the City that it approve and adopt the Project Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF STILLWATER, OKLAHOMA:

1. That the Stillwater Data Center Economic Development Project Plan is hereby declared to be in conformance with the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time; and
2. That the Planning Commission recommends to the City Council of the City of Stillwater that it approve and adopt the Stillwater Data Center Economic Development Project Plan.

PASSED AND APPROVED this 16th day of July, 2024.




Chairperson

ATTEST:


City Clerk

Exhibit C

Copy of Stillwater Local Development Act Review Committee Resolution

FINDINGS OF THE DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN REVIEW COMMITTEE

WHEREAS, the Local Development Act, 62 O.S. § 850, et seq. (“Act”) was passed by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, and empowers the governing bodies of cities, towns, and counties to provide incentives, exemptions and other forms of relief from taxation for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline; and

WHEREAS, the City Council of the City of Stillwater (“City Council”) may consider the creation of one or more tax incentive districts to facilitate, support, encourage, or incentivize public and private economic development to carry out development or redevelopment of areas within the City of Stillwater (“City”) qualifying under the Act; and

WHEREAS, by adoption of Resolution No. CC-2024-8 on April 1, 2024, the City Council declared an intent to consider the creation and adoption of a proposed project plan and potential incentive districts pursuant to the Act to help facilitate a data center project located generally north of E. Airport Road, south of E. Richmond Road, east of N. Perkins Road and west of N. Jardot Road (the “Project Area”), and established this Review Committee to review, make findings with respect to the eligibility and financial impacts of, and to make a recommendation to the City Council concerning the proposed project plan and incentive district; and

WHEREAS, the membership of the Review Committee consists of representatives from every taxing jurisdiction whose taxes or special assessments might be impacted by the project plan and incentive districts plus three members representing the public-at-large who were selected by the other Review Committee members at an initial meeting held on July 9, 2024, from a list of seven names submitted by Mayor Will Joyce, chairperson of the Review Committee; and

WHEREAS, the Review Committee has completed its review of the proposed Data Center Economic Development Project Plan (“Project Plan”), and such other information as it has deemed relevant, and makes the following findings:

A. Findings Regarding Project Plan; Eligibility of the Project Area and Incentive Districts.

1. The Project Area and the proposed Incentive Districts “1”, “2”, “3”, “4”, “5”, and “6”, City of Stillwater (“Incentive Districts”) proposed in the proposed Data Center Economic Development Project Plan are entirely within a state designated enterprise zone and therefore meet the definition of an “enterprise area” under the Local Development Act (62 O.S. § 853(5), (6)). Enterprise Areas qualify for use of the tools of the Local Development Act pursuant to 62 O.S. §856(B)(4)(a).
2. The Project Area and the Incentive Districts proposed in the proposed Data Center Economic Development Project Plan comply with the statutory definition of a “reinvestment area” under the Local Development Act (62 O.S. § 853(17)) due to the fact that the area lacks public improvements necessary to reverse economic stagnation and to attract major investment in the area. Reinvestment Areas qualify

for use of the tools of the Oklahoma Local Development Act pursuant to 62 O.S. §856(B)(4)(a).

3. The level of investment, development, and economic growth desired by the City is difficult, but possible, within the Project Area and Incentive Districts if the provisions of the Local Development Act are utilized.
4. The incentives to be provided through the Incentive Districts are a necessary component in stimulating the proposed investment in the Project Area and Incentive Districts, which would not have occurred without the provision of the incentive pursuant to the Act.
5. The incentives to be provided through the Incentive Districts will be used in conjunction with existing programs and efforts and other locally implemented economic development efforts.

B. Findings Regarding Financial Impacts on the Affected Taxing Jurisdictions and Business Activities within the Project Area and Incentive Districts.

1. As described in Section IX of the Project Plan, substantial public costs that may arise will be funded directly by the private development within the Incentive Districts.
2. The development anticipated by the project may result in a modest increase in demand for services by or in costs to the affected taxing jurisdictions, but that the PILOT Payments to be paid by the Company to the affected taxing jurisdictions, as described in Section X.B. of the Project Plan and other positive impacts will offset any increased costs for additional service demands upon those affected taxing jurisdictions.
3. The public revenue anticipated to result from the development described in the Project Plan includes increased tax revenue from economic growth and benefits outside of the Incentive Districts.
4. The economic benefits of the Project Plan for the affected taxing jurisdictions and the community as a whole offset any adverse financial impacts of the Project Plan on the affected taxing jurisdictions.
5. The aggregate impacts of the affected taxing jurisdictions and on business activities from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section V of the Project Plan.

RESOLUTION RECOMMENDING APPROVAL

WHEREAS, the Data Center Economic Development Project Plan Review Committee (“Review Committee”), comprised of a representative of the City of Stillwater, a representative of the Stillwater Planning Commission (“Planning Commission”), a representative of each of the affected taxing jurisdictions, namely including Payne County, Stillwater Planning Commission, Stillwater Public Schools, Payne County Health Department, and Meridian Technology Center, and three members of the public at large, one of whom is a representative of the business community in the City of Stillwater, has reviewed the Project Plan; and

WHEREAS, the findings of the Review Committee demonstrate that the proposed Project Area and Incentive Districts meet the conditions for eligibility; and

WHEREAS, the findings of the Review Committee demonstrate that the probable financial impacts on the affected taxing jurisdictions and business activities within the Project Area and Incentive Districts are positive; and

WHEREAS, the findings of the Review Committee demonstrate that approval of the Project Plan by the City of Stillwater is appropriate, including revised legal descriptions of the Project Area and Incentive Districts based on final, updated surveys.

NOW, THEREFORE, BE IT RESOLVED by the Data Center Economic Development Project Plan Review Committee that approval of the proposed Data Center Economic Development Project Plan, including creation of the proposed Incentive Districts “1”, “2”, “3”, “4”, “5”, and “6”, City of Stillwater, as set forth in the Project Plan, is hereby recommended.

ADOPTED by the Data Center Economic Development Project Plan Review Committee this 10 day of July, 2024, and **SIGNED** by its Chairperson.

APPROVED:


CHAIRPERSON

I, Ashlyn Garis, acting Secretary of the Data Center Economic Development Project Plan Review Committee, certify that the foregoing resolution was duly adopted at a special meeting of the Data Center Economic Development Project Plan Review Committee, held at Stillwater City Hall, 723 S. Lewis, Room 2073, in Stillwater, Oklahoma, on the 10 day of July, 2024; that said meeting was held in accordance with the Open Meeting Act of the State of Oklahoma; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said resolution was adopted by a majority of those present.


ACTING SECRETARY

Exhibit D

Copy of Project Plan Ordinance

Exhibit E

Copy of Stillwater Public Schools Agreement Adoption Resolution

Exhibit F

Copy of Meridian Technology Center Agreement Adoption Resolution

Exhibit G

Copy of County Agreement Adoption Resolution

Exhibit H

Copy of Health Department Agreement Adoption Resolution

Exhibit I

Incentive District Base Value Assessments

The Base Value for each Incentive District is equal to the total market value of real and personal property within the Incentive District multiplied by the assessment ratio. Within 90 days of the adoption of the Project Plan, the County Assessor has certified the Base Value for each Incentive District, as set forth in the table below. The Parties acknowledge that the County Assessor has taken into consideration the prospective purchase price of the property at \$10,500 per acre in calculating Base Value. The Company will reasonably cooperate with the County Assessor to provide documentation required to verify the prospective purchase price to the reasonable satisfaction of the County Assessor.

<u>Parcel</u>	<u>Acreage</u>	<u>Percentage of Total Project Area Acreage</u>	<u>TID Base Value</u>
<u>Total Project Area</u>	<u>386.698</u>	<u>100%</u>	
<u>Incentive District 1</u>	<u>76.857</u>		
<u>Incentive District 2</u>	<u>94.397</u>		
<u>Incentive District 3</u>	<u>49.878</u>		
<u>Incentive District 4</u>	<u>35.035</u>		
<u>Incentive District 5</u>	<u>22.238</u>		
<u>Incentive District 6</u>	<u>108.310</u>		

Exhibit J

PILOT and Community Betterment Payment Escalation Schedule (per Data Center)

The following tables illustrate the estimated PILOT and Community Betterment Payment escalation schedule for Phase 1 and Phase 2, assuming that 2027 is the first PILOT Commencement Year for the first Data Center and 2033 is the first PILOT Commencement Year for the second Data Center.

Phase 1 PILOT and Community Betterment Payments						
Calendar Year		Stillwater Public Schools PILOT	Tech. Center PILOT	County PILOT	Health Dept. PILOT	Community Betterment Payments
Year	2024	Project Plan Approval				
Year	2025	Construction Year				
Year	2026	Earliest Possible Construction Completion Year				
Year 1	2027	\$ 624,023	\$ 135,599	\$ 89,985	\$ 17,961	\$ 132,432
Year 2	2028	\$ 630,263	\$ 136,955	\$ 90,884	\$ 18,141	\$ 133,756
Year 3	2029	\$ 636,566	\$ 138,325	\$ 91,793	\$ 18,322	\$ 135,094
Year 4	2030	\$ 642,932	\$ 139,708	\$ 92,711	\$ 18,506	\$ 136,445
Year 5	2031	\$ 649,361	\$ 141,105	\$ 93,638	\$ 18,691	\$ 137,809
Year 6	2032	\$ 655,854	\$ 142,516	\$ 94,575	\$ 18,878	\$ 139,187
Year 7	2033	\$ 662,413	\$ 143,941	\$ 95,520	\$ 19,066	\$ 140,579
Year 8	2034	\$ 669,037	\$ 145,381	\$ 96,476	\$ 19,257	\$ 141,985
Year 9	2035	\$ 675,727	\$ 146,834	\$ 97,440	\$ 19,450	\$ 143,405
Year 10	2036	\$ 682,485	\$ 148,303	\$ 98,415	\$ 19,644	\$ 144,839
Year 11	2037	\$ 689,310	\$ 149,786	\$ 99,399	\$ 19,840	\$ 146,287
Year 12	2038	\$ 696,203	\$ 151,284	\$ 100,393	\$ 20,039	\$ 147,750
Year 13	2039	\$ 703,165	\$ 152,797	\$ 101,397	\$ 20,239	\$ 149,228
Year 14	2040	\$ 710,196	\$ 154,325	\$ 102,411	\$ 20,442	\$ 150,720
Year 15	2041	\$ 717,298	\$ 155,868	\$ 103,435	\$ 20,646	\$ 152,227
Year 16	2042	\$ 724,471	\$ 157,426	\$ 104,469	\$ 20,853	\$ 153,749
Year 17	2043	\$ 731,716	\$ 159,001	\$ 105,514	\$ 21,061	\$ 155,287
Year 18	2044	\$ 739,033	\$ 160,591	\$ 106,569	\$ 21,272	\$ 156,840

Phase 1 PILOT and Community Betterment Payments						
Calendar Year		Stillwater Public Schools PILOT	Tech. Center PILOT	County PILOT	Health Dept. PILOT	Community Betterment Payments
Year 29	2045	\$ 746,424	\$ 162,197	\$ 107,635	\$ 21,484	\$ 158,408
Year 20	2046	\$ 753,888	\$ 163,819	\$ 108,711	\$ 21,699	\$ 159,992
Year 21	2047	\$ 761,427	\$ 165,457	\$ 109,798	\$ 21,916	\$ 161,592
Year 22	2048	\$ 769,041	\$ 167,111	\$ 110,896	\$ 22,135	\$ 163,208
Year 23	2049	\$ 776,731	\$ 168,782	\$ 112,005	\$ 22,357	\$ 164,840
Year 24	2050	\$ 784,499	\$ 170,470	\$ 113,125	\$ 22,580	\$ 166,489
Year 25	2051	\$ 792,344	\$ 172,175	\$ 114,256	\$ 22,806	\$ 168,153
TOTAL		\$ 17,624,406	\$ 3,829,755	\$ 2,541,450	\$ 507,285	\$ 3,740,303

Phase 2 PILOT and Community Betterment Payments						
Calendar Year		Stillwater Public Schools PILOT	Tech. Center PILOT	County PILOT	Health Dept. PILOT	Community Betterment Payments
Year 1	2033	\$ 662,413	\$ 143,941	\$ 95,520	\$ 19,066	\$ 140,579
Year 2	2034	\$ 669,037	\$ 145,381	\$ 96,476	\$ 19,257	\$ 141,985
Year 3	2035	\$ 675,727	\$ 146,834	\$ 97,440	\$ 19,450	\$ 143,405
Year 4	2036	\$ 682,485	\$ 148,303	\$ 98,415	\$ 19,644	\$ 144,839
Year 5	2037	\$ 689,310	\$ 149,786	\$ 99,399	\$ 19,840	\$ 146,287
Year 6	2038	\$ 696,203	\$ 151,284	\$ 100,393	\$ 20,039	\$ 147,750
Year 7	2039	\$ 703,165	\$ 152,797	\$ 101,397	\$ 20,239	\$ 149,228
Year 8	2040	\$ 710,196	\$ 154,325	\$ 102,411	\$ 20,442	\$ 150,720
Year 9	2041	\$ 717,298	\$ 155,868	\$ 103,435	\$ 20,646	\$ 152,227
Year 10	2042	\$ 724,471	\$ 157,426	\$ 104,469	\$ 20,853	\$ 153,749
Year 11	2043	\$ 731,716	\$ 159,001	\$ 105,514	\$ 21,061	\$ 155,287
Year 12	2044	\$ 739,033	\$ 160,591	\$ 106,569	\$ 21,272	\$ 156,840
Year 13	2045	\$ 746,424	\$ 162,197	\$ 107,635	\$ 21,484	\$ 158,408
Year 14	2046	\$ 753,888	\$ 163,819	\$ 108,711	\$ 21,699	\$ 159,992
Year 15	2047	\$ 761,427	\$ 165,457	\$ 109,798	\$ 21,916	\$ 161,592
Year 16	2048	\$ 769,041	\$ 167,111	\$ 110,896	\$ 22,135	\$ 163,208
Year 17	2049	\$ 776,731	\$ 168,782	\$ 112,005	\$ 22,357	\$ 164,840
Year 18	2050	\$ 784,499	\$ 170,470	\$ 113,125	\$ 22,580	\$ 166,489
Year 29	2051	\$ 792,344	\$ 172,175	\$ 114,256	\$ 22,806	\$ 168,153
Year 20	2052	\$ 800,267	\$ 173,897	\$ 115,399	\$ 23,034	\$ 169,835
Year 21	2053	\$ 808,270	\$ 175,636	\$ 116,553	\$ 23,265	\$ 171,533

Phase 2 PILOT and Community Betterment Payments						
Calendar Year		Stillwater Public Schools PILOT	Tech. Center PILOT	County PILOT	Health Dept. PILOT	Community Betterment Payments
Year 22	2054	\$ 816,352	\$ 177,392	\$ 117,719	\$ 23,497	\$ 173,249
Year 23	2055	\$ 824,516	\$ 179,166	\$ 118,896	\$ 23,732	\$ 174,981
Year 24	2056	\$ 832,761	\$ 180,958	\$ 120,085	\$ 23,969	\$ 176,731
Year 25	2057	\$ 841,089	\$ 182,767	\$ 121,286	\$ 24,209	\$ 178,498
TOTAL		\$ 18,708,662	\$ 4,065,362	\$ 2,697,801	\$ 538,494	\$ 3,970,407

Exhibit K

Annual Reporting Form

City of Stillwater – TID Annual Reporting Form

Project Name: _____

Project Location: _____

Incentive District: # _____

Reporting Period: _____ to _____

Reporting Criteria	
Entities receiving exemptions	
Description of exempted property and improvements	
Fair market value of property exempted	
Exemption term remaining	

EXHIBIT L.1

TO LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

Form of Assignment and Assumption Agreement to be utilized if all or a portion of the Project Area and all development thereon is transferred

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Assignment Agreement**”) is made and entered into by and between Kipper LLC (the “**Company**”) and _____, a _____ (the “**Successor**”). Except as otherwise provided herein, capitalized terms used herein shall have the same meanings as in the Local Development Act Tax Incentive Agreement between Kipper, LLC, a Delaware limited liability company (“**Company**”), the City of Stillwater, Oklahoma, a municipal corporation (the “**City**”), the Board of Education Independent School District Number 16 of Payne County, Oklahoma (“**Stillwater Public Schools**”), the Board of Education of Meridian Technology Center (the “**Technology Center**”), the Board of County Commissioners of Payne County (the “**County**”), and the Board of the Payne County Health Department (the “**Health Department**”) (collectively, Stillwater Public Schools, Meridian Technology Center, the County, and the Health Department are the “**Taxing Entities**”) (the Company, the City and the Taxing Entities are collectively referred to as the “**Parties**”, each a “**Party**”), dated _____ (the “**Tax Incentive Agreement**,” a copy of which is attached hereto as Exhibit A and incorporated herein).

WITNESSETH:

WHEREAS, on _____, the City adopted the Project Plan Ordinance, approving the Project Rohan Economic Development Project Plan in order to provide ad valorem property tax abatements for the Project on the Property (both as defined in the Tax Incentive Agreement), and at the same time passed six (6) Incentive District Ordinances approving six (6) Incentive Districts on the Property, all as specified in the Incentive District Ordinances and the Tax Incentive Agreement; and

WHEREAS, on _____, the Company and the Taxing Entities entered into the Tax Incentive Agreement setting forth the terms and conditions of the Incentive District Exemptions; and

WHEREAS, by virtue of a transfer of [a portion of] the Property, the Successor on _____, 20__ (the “**Transfer Date**”) has or will succeed to the interest of the Company (or a successor to the Company) in [all of the Property] [a portion of the Property] as identified on Exhibit B, including all personal and real property thereon (the “**Transferred Property**”); and

WHEREAS, the Successor wishes to obtain all of the benefits and incur all of the obligations of the Tax Incentive Agreement with respect to the Transferred Property, as well as any additional property later developed, located or installed within or on the Transferred Property, and, as agreed in the Tax Incentive Agreement, the City and other Taxing Entities shall make these benefits available to the Successor on the terms set forth in the Tax Incentive Agreement as long as the Successor executes this Assignment Agreement.

NOW, THEREFORE, in consideration of the circumstances described above, the covenants contained in the Tax Incentive Agreement, and the benefit to be derived by the Successor from the execution hereof, the Parties hereto agree as follows:

1. From and after the Transfer Date, the Company hereby assigns (a) all of the obligations, agreements, covenants and restrictions set forth in the Tax Incentive Agreement to be performed and observed by the Company with respect to the Transferred Property, and (b) all of the benefits, rights and entitlements of the Tax Incentive Agreement with respect to the Transferred Property. From and after the Transfer Date, the Successor hereby (i) agrees to be bound by, assume and perform, or ensure the performance of, all of the obligations, agreements, covenants and restrictions set forth in the Tax Incentive Agreement to be performed and observed by the Company with respect to the Transferred Property; and (ii) certifies to the validity, as to the Successor as of the Transfer Date, of all of the representations, warranties and covenants made by or required of the Company that are contained in the Tax Incentive Agreement; provided, however, that to the extent such representations, warranties and covenants are related to the Property, the Successor's certification is limited to the Transferred Property (if less than the Property). Such obligations, agreements, covenants, restrictions, representations, and warranties include, but are not limited to, those contained in the following Sections of the Tax Incentive Agreement: Section 2 ("Project"), Section 4 ("Tax Abatement Terms"), Section 5 ("Payments in Lieu of Taxes"), Section 6 ("Annual Report"), Section 8 ("Default"), Section 9 ("Remedies"), and Section 11 ("Successors and Assigns").

2. Pursuant to Section 11 of the Tax Incentive Agreement, the Company and Successor acknowledge that the City and other Taxing Entities have permitted this assignment to Successor as provided herein, such that Successor shall have all of the benefits, rights, and entitlements, including without limitation the right to utilize Incentive District Exemptions for all Transferred Property and any other property within or on the Transferred Property, in the same manner and with like effect as if the Successor had been an original signatory (i.e., the Company) to the Tax Incentive Agreement.

3. The City, on behalf of each of the Taxing Entities, acknowledges through the Transfer Date that the Tax Incentive Agreement is in full force and effect, confirms the Company has complied with the Tax Incentive Agreement with respect to the Transferred Property, and releases the Company from liability for any defaults occurring after the Transfer Date with respect to the Transferred Property.

4. Notices to the Successor with respect to the Tax Incentive Agreement shall be given as stated in Section 14 thereof, addressed as follows:

[Successor Name
Successor Mailing Address
Successor Email Address]

IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be executed by their duly authorized representatives to be effective as of _____.

COMPANY

Kipper, LLC a [state limited liability company]

By:_____

Print Name: _____

Title:_____

SUCCESSOR

[Name of Successor]

By:_____

Print Name: _____

Title:_____

ACKNOWLEDGED AND AGREED

The City of Stillwater, Oklahoma

By:_____

Print Name: _____

Title: City Manager

EXHIBIT A
TO ASSIGNMENT AND ASSUMPTION AGREEMENT

Copy of the Tax Incentive Agreement

EXHIBIT B
TO ASSIGNMENT AND ASSUMPTION AGREEMENT

Description of the Transferred Property

EXHIBIT L.2
TO LOCAL DEVELOPMENT ACT TAX INCENTIVE AGREEMENT

**Form of Partial Assignment and Assumption Agreement to be utilized for any Successor
that will own exempt property within the Project Area**

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Partial Assignment Agreement**”) is made and entered into by and between Kipper LLC (the “**Company**”) and _____, a _____ (the “**Successor**”), effective this ____ day of ____, [Year] (the “**Effective Date**”). Except as otherwise provided herein, capitalized terms used herein shall have the same meanings as in the Local Development Act Tax Incentive Agreement between Kipper, LLC, a Delaware limited liability company (“**Company**”), the City of Stillwater, Oklahoma (the “**City**”) and the Board of Education of the Independent School District Number 16 of Payne County, Oklahoma (“**Stillwater Public Schools**”), the Board of Education of (“**Meridian Technology Center**”), the Board of County Commissioners of Payne County (the “**County**”), and the Board of the Payne County Health Department (the “**Health Department**”) (collectively, Stillwater Public Schools, the Technology Center, the County, and the Health Department are the “**Taxing Entities**”) (the Company, the City and the Taxing Entities are collectively referred to as the “**Parties**”, each a “**Party**”), dated _____ (the “**Tax Incentive Agreement**,” a copy of which is attached hereto as Exhibit A and incorporated herein).

WITNESSETH:

WHEREAS, on _____, the City adopted the Project Plan Ordinance, approving the Project Rohan Economic Development Project Plan in order to provide ad valorem property tax abatements for the Project on the Property (both as defined in the Tax Incentive Agreement), and at the same time passed Incentive District Ordinances approving six (6) Incentive Districts on the Property, all as specified in the Incentive District Ordinances and the Tax Incentive Agreement; and

WHEREAS, on _____, the Company and the Taxing Entities entered into the Tax Incentive Agreement setting forth the terms and conditions of the Incentive District Exemptions; and

WHEREAS, the Successor will own certain real or personal property constituting a portion of the Project, as described more particularly on Exhibit B attached hereto and incorporated herein, and which property may be supplemented or replaced from time to time (“**Successor Property**”); and

WHEREAS, the Successor wishes to obtain a portion of the benefits of the Tax Incentive Agreement, and, as agreed in the Tax Incentive Agreement, the City and other Taxing Entities shall make these benefits available to the Successor on the terms set forth in the Tax Incentive Agreement as long as the Successor executes this Partial Assignment Agreement.

NOW, THEREFORE, in consideration of the circumstances described above, the covenants contained in the Tax Incentive Agreement, and the benefit to be derived by the Successor from the execution hereof, the Parties hereto agree as follows:

1. From and after the Effective Date, the Company hereby assigns a portion of the benefits of the Tax Incentive Agreement, including without limitation, the right to utilize Incentive District Exemptions for all Successor Property, subject to the terms and conditions of the Tax Incentive Agreement.

2. From and after the Effective Date, the Company hereby (i) agrees to remain bound by and perform all obligations, agreements, covenants and restrictions set forth in the Tax Incentive Agreement to be performed and observed by the Company; and (ii) certifies to the validity of all of the representations, warranties and covenants made by or required of the Company that are contained in the Tax Incentive Agreement. Such obligations, agreements, covenants, restrictions, representations, and warranties of the Company include, but are not limited to, those contained in the following Sections of the Tax Incentive Agreement: Section 2 (“Project”), Section 4 (“Tax Abatement Terms”), Section 5 (“Payments in Lieu of Taxes”), Section 6 (“Annual Report”), Section 8 (“Default”), Section 9 (“Remedies”), and Section 11 (“Successors and Assigns”).

3. Pursuant to Section 11 of the Tax Incentive Agreement, the Company and Successor acknowledge that the City and other Taxing Entities have permitted this assignment to Successor, such that Successor shall certain, benefits, entitlements, and rights as provided herein, including without limitation, the right to Incentive District Benefits for all Successor Property, in the same manner and with like effect as if the Successor had been an original signatory (i.e., the Company) to the Tax Incentive Agreement.

4. Notices to the Successor with respect to the Tax Incentive Agreement shall be given as stated in Section 14 thereof, addressed as follows:

[Successor Name
Successor Mailing Address
Successor Email Address]

IN WITNESS WHEREOF, the parties have caused this Partial Assignment Agreement to be executed by their duly authorized representatives to be effective as of _____.

COMPANY

Kipper, LLC a [state limited liability company]

By: _____

Print Name: _____

Title: _____

SUCCESSOR

[Name of Successor]

By:_____

Print Name: _____

Title:_____

EXHIBIT A
TO PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

Copy of the Tax Incentive Agreement

EXHIBIT B
TO PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

Description of Successor Property

ORDINANCE NO. 3551

AN ORDINANCE REZONING TRACTS OF LAND LOCATED AT 1324 EAST 6th AVENUE FROM COMMERCIAL GENERAL (CG) TO COMMERCIAL SHOPPING -PLANNED UNIT DEVELOPMENT (CS-PUD).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA:

Parcels located at 1324 EAST 6th AVENUE:

1324 E 6TH AVE (Book 2525, Page 800)

A PART OF LOT ONE (1), PARKERSVILLE, AN ADDITION TO THE CITY OF STILLWATER, PAYNE COUNTY, STATE OF OKLAHOMA, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 1; THENCE NORTH 190 FEET; THENCE EAST 238 FEET; THENCE SOUTH 190 FEET; THENCE WEST 238 FEET TO THE POINT OF BEGINNING, ACCORDING TO THE RECORDED PLAT THEREOF.

be and the same is hereby rezoned from (CG) Commercial General to (CS-PUD) Commercial Shopping-Planned Unit Development, and such ordinance shall incorporate by reference the Statement of Intent and Site Plan, Exhibit A, approved with this rezoning and is thereby made a part this ordinance as if fully set out herein.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF JANUARY 2025.

WILLIAM H. JOYCE, MAYOR

(SEAL)
ATTEST:

TERESA KADAVY, CITY CLERK

APPROVED AS TO FORM AND LEGALITY THIS 13TH DAY OF JANUARY, 2025.

TAMMY EWING, ASSISTANT CITY ATTORNEY

First Reading: 12/16/2024
Second Reading: 01/13/2025