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**Contact Information:**

Jimi Layman, Managing Editor  
Oklahoma Cities & Towns  
jlayman@oml.org  
(800) 324-6651  
(405) 528-7515

**JANUARY 2010**

**CITY OF STILLWATER HOSTS MUNICIPAL GROUPS**

The City of Stillwater hosted the January meetings of the OML Board of Directors, Legislative Committee, Oklahoma Municipal Services Corp. and Mayors Council of Oklahoma. A full day's business agenda included a report from OML Legislative Committee Chair Nancy Nichols, Edmond City Clerk, on the upcoming 2010 legislative session, appointment of Woodward City Manager Alan Riffel as Chair of the OMUP Steering Committee, election of Sand Springs Vice Mayor Mike Burdge as Chair of the Mayor's Council and initial planning of the June 24 – 26, 2010 MCO Mayor's Retreat in the City of Clinton. For more information click on the following: OML Board of Directors Meeting; OML Legislative Committee Meeting; Mayors Council of Oklahoma Meeting.

**JOIN IN ON THE LEGISLATIVE PROCESS — SHARE WITH US YOUR SPECIALITY**

One of the most important functions of the Oklahoma Municipal League is the lobbying initiatives that promote pro-municipal legislation and prevent potentially harmful bills from becoming law.

**LOBBYING TIPS FOR CITY OFFICIALS**

The 2010 Oklahoma Legislative Session will officially convene on Monday, Feb. 1, for the second session of the 52nd Legislature. With the 1,953 carry over bills from last year and the expected 2,000 of newly filed bills, we will begin the session with close to 4,000 active bills. Hundreds of registered lobbyists will be at the Capitol pushing their individual legislative agendas. It is important to understand your role as an advocate for cities and towns.

**MUNICIPAL LEADERS DAY AT THE CAPITOL SET FOR MARCH 22**

Mark your calendars now for March 22 to bring a carload of your officials, staff, and citizens under the capitol dome to let your legislative representatives know that "Cities Mean Business."

**RETAIL SUMMIT. THE HOW OF RETAIL DEVELOPMENT**

Looking to spur economic development and attract retailers to your municipality? Then you won't want to miss the OML Retail Summit on Thursday, Feb. 18, at the Moore Public Library, 225 South Howard.

**THE IMPORTANCE OF INTERNAL CONTROLS OVER MISAPPROPRIATION OF GOVERNMENT ASSETS**

It seems as though every other day, we hear of another instance of wrongdoing or lapse in moral judgment by government officials or employees. What can we do to put ourselves in a better position to prevent or detect such actions before they become a detriment to public trust? The key to preventing and detecting misappropriation of assets lies in the proper design and implementation of an effective system of internal control. A system of internal control is put in place to keep the government on course toward its goals and achievement of its mission, while at the same time minimizing surprises along the way.

## From OML President Robert Johnston

The last college football bowl game has been played, visitors have gone home (hopefully) and we have (possibly) finished taking down all of our holiday decorations; so it seems that the holiday season is now officially concluded and it is onward boldly and bravely into the New Year.

New Years provide us the promise of newness, a fresh beginning, and with the best of intentions - our 'resolutions' - to change our lives and our world for the better. Almost immediately, the perceptions and realities of the circumstances we face emerge and it is too easy to become discouraged by them.

The great American inventor, Thomas A. Edison, who was no stranger to life's failures and successes, said "Opportunity is missed by most people because it is dressed in overalls and looks like work." While it is likely not as simple as working our way out of present challenging times, we would do well to remember that we have been elected and appointed by our citizens not only to identify the challenges, but to meet those challenges in a timely and productive manner.

Active membership in the OML provides opportunities to work collaboratively, creatively and constructively to embrace the opportunities to do good things for the people we represent. I look forward to working with you in this New Year.



## From OML Executive Director Carolyn Stager

We at the League hope all of you enjoyed a wonderful holiday season and will be returning to work looking forward to developing opportunities in the New Year. The new decade has also dawned on challenges that will undeniably displace our day-to-day duties and expectations. In meeting these challenges, it is the League's hope that you will continue to place your trust in your association. We must work together as many with the strength and unity of one voice.

The 2010 Legislative session officially begins February 1, but in preparation OML has already catalogued 1,900 carryover bills from the 2009 session and are anticipating over 2,000 new bills will be filed during the 2010 session. The OML legislative team will review each and every one of the nearly 4,000 bills already submitted and will actively track hundreds of them. Legislative session employs all OML departments in the various aspects of the legislative process. You may entrust us to keep you timely apprised of legislative impacts on municipalities through the weekly Legislative Bulletins, GRIPS and DRIP GRIPS, along with targeted e-mail notifications through our new specialized E-List groups. Join OML as we work together to protect municipal revenues, build cities, maintain services and create good policy for your municipalities.

The Oklahoma Municipal League encourages all mayors, council members and other parties to become involved in the legislative session at the grass roots level. It is important to know your legislators and understand how the legislature works in order to get your message heard. Legislators and citizens need to understand that cities mean business for our state.

A priority in 2010 will be to continue our enhanced training for municipalities. OML is doubling efforts to focus on financial controls, to find and preserve existing revenue while searching for and developing new revenue. We have expanded our training effort by contractual agreements, yet we continue to faithfully offer our popular and well-attended workshops such as the Crawford CPAs Budget Process Workshop, Water Issues, and Practical Guide. The New Officials Institutes (NOIs) remain popular for both new and seasoned elected officials. We continue to offer sessions to help you become more knowledgeable and professionally functional in your communities. Look to the OML website, [www.oml.org](http://www.oml.org) to find information about upcoming training opportunities including retail development, leadership & succession planning and valuable instruction in a myriad of other beneficial topics.

We look forward to working together this year with all our members, our governing leadership and OML Board as we develop policies to move into the future together, providing for stronger and wiser cities and towns.

Let the session begin!



## OML Board of Directors Meeting

The City of Stillwater hosted the January meetings of the OML Board of Directors, Legislative Committee and Mayors Council of Oklahoma. Approximately thirty-five city and town officials enjoyed the meeting facilities of the city's Community Center. We wish to thank City Manager Dan Galloway and the municipal staff for their hospitality in making the day so enjoyable.

The OML Board discussed the following:

- Filing a brief in the Oklahoma Supreme Court in support of the City of Midwest City's Home Rule Charter challenge to state law's prohibition on breed specific regulation of dogs.
- Appointment of Woodward City Manager Alan Riffel as Chair of the Oklahoma Municipal Utility Providers (OMUP) Steering Committee.
- Appointment of the following to the OMUP Steering Committee: Marlow City Manager Janice Cain, Muskogee City Attorney John Vincent, Okmulgee City Manager Bob Baxter, Sayre City Manager Steve Tomberlin and Stillwater City Manager Dan Galloway. Appointment of Dan Blankenship, Stillwater Deputy City Manager to be the liaison between OMUP Steering Committee and the Technical Group.
- Approve nominees for the OMSC Board of Directors.
- A proposal from the Oklahoma Indian Affairs Commission for a liaison with the OML Board of Directors.
- Creating committees of board members to study various aspects of OML operations such as facilities, finances and services.
- Development of a business plan for the real property on the eastern side of the OML campus.

## The OML Legislative Committee discussed various state and federal legislative issues including:

- An update by Stillwater City Manager Dan Galloway, Chair of the OML Lobbying Strategy Group, on the prioritizing of our 2010 state legislative issues. High Priority issues are: population limitation for road construction/repairs, elimination of inconsistencies in the public competitive bidding act regarding public trusts, contracts, insurance and minor maintenance and repairs, joint effort with tag agents to allow tag agents to collect outstanding municipal fines and fees and requiring legislative proposals with a significant negative financial impact to be introduced in odd numbered years for consideration in the next year. For a complete report on this effort go to <http://www.oml.org/npps/story.cfm?ID=1772>.
- Update on our continuing national efforts to work with the National League of Cities and our counterparts nationwide to amend federal law granting rural water districts monopoly service territory if they have a federal loan. We seek to amend federal law to allow municipalities to purchase and retire Section 1926(b) loans and to change the rural water districts collateral for loans to the district's actual customers either in existence at the time of the loan or financed by the loan.
- Opposition to federal efforts by the hotel/motel industry to amend the Tourism Promotion Act to divert hotel/motel taxes from state and local governments. If the proposal is adopted, federal law would preempt your collection of these taxes as approved by your voters. In addition, online travel companies would be authorized to pocket the estimated national revenue loss of \$1 billion or, in the alternative, divert the majority of funding from all reservations with an estimated revenue loss of \$8.5 billion. For more detailed information on the issue go to <http://www.oml.org/npps/story.cfm?ID=1875>.

## **The Mayors Council of Oklahoma (MCO) acted on the following issues and events:**

- Sand Springs Vice Mayor Mike Burdge was elected MCO Chair and Piedmont Mayor Mike Fina was elected Vice Chair. New board members and alternates who were recently elected are Cordell Mayor Alex Damon, Collinsville Mayor Stan Sallee, Duncan Mayor Gene Brown, Elgin Mayor Larry Thoma, Ponca City Mayor Homer Nicholson, Tatum Mayor Jacqueline Williams and West Siloam Springs Mayor Elaine Carr.
- Mayor Fina led a discussion on MCO's new lobbying strategy designed to increase the number of mayors who actively lobby municipal issues at the State Capitol. The new program includes creation of four member lobbying teams of mayors to educate legislators on municipal issues and concerns on bills pending before their legislative committees.
- Discussion of the City of Cleveland Meth ordinance which makes the property owner liable for cleaning costs of real property where "cooking" has taken place. Under the ordinance, within two days of the discovery, the property owner must post a "Notice to the Public Warning" on the contaminated structure. The property must remain unoccupied until the property owner hires a contractor experienced in hazardous waste removal and remediation to clean up the contamination. A final report showing a comparative assessment of volatile organic compounds, pH, mercury, lead and methamphetamine before and after remediation must be submitted for approval by the city manager. For a copy of this ordinance click here: <http://www.oml.org/npps/story.cfm?ID=1821>. Mayor Damon of Cordell is active on a statewide meth awareness advisory board and will keep the mayors apprised of ways to prevent meth use.

Mayors are beginning to plan their June 24 to 26, 2010 retreat in the City of Clinton. This event is a great time for mayors to network with each other in a relaxed setting, participate in multiple training sessions to better serve the public, examine the host municipality's infrastructure and experience local museums, attractions and restaurants. The annual retreat was described by one mayor as "the highlight of the year."

## **Join in on the legislative process, share with us your specialty**

Monday, Feb. 1<sup>st</sup> the fun begins at the State Capitol. With nearly 2,000 carryover bills from last year and the nearly 2,000 expected to be filed this year, we are expecting a very busy legislative session. OML has developed a new program where you can participate in the process by joining one or more "E-List groups." Right now, we are gathering e-mail addresses from any municipal official, whether elected and appointed, as well as staff members who:

- ◆ want to be kept "in the loop" on certain subject matters
- ◆ are willing to provide testimony during the 2010 legislative session (not required to join an E-List) or,
- ◆ are willing to simply provide their perspective on a particular legislative matter.

Please fill out the form located under "What's Your Area of Expertise or Interest" at <http://www.oml.org/spgs/ahpg.cfm?spgid=8> to participate in this E-List project and return to Ginny Wilson at [ginny@oml.org](mailto:ginny@oml.org).

Our expectations for the E-list groups are to notify you, the "specialists" on topics such as code enforcement, public safety, water/environment, to name a few. In return, OML will ask you to provide your expert knowledge on the issues in communications with your legislators, possible attendance and/or testimony at committee hearings and being in the gallery when the bills that affect your municipality make it to the floor. With your cooperation and assistance, we can cover a multitude of issues from Annexation to Zoning and everything in-between, with a knowledgeable, powerful and united voice. That's why we at OML are looking to you.

We will continue to send Grassroots Involvement Program (GRIP) on issues that need immediate action. GRIP emails will usually be sent to municipal governing body officials & managers with individual email address and sometimes will include court clerks and attorneys. If you do not fall into one of those categories and would like to receive GRIP emails, please let us know and we will add you to the GRIP. All OML members who have provided us with their email addresses will continue to receive the OML Legislative Bulletin, which highlights the weekly events at the Capitol.

# Lobbying Tips for City Officials

The 2010 Oklahoma Legislative Session will officially convene on Monday, Feb. 1, for the second session of the 52nd Legislature. With the 1,953 carry over bills from last year and the expected 2,000 of newly filed bills, we will begin the session with close to 4,000 active bills. Hundreds of registered lobbyists will be at the Capitol pushing their individual legislative agendas. It is important to understand your role as an advocate for cities and towns.

## *What is lobbying?*

Lobbying means encouraging the passage, defeat or modification of legislation. Lobbying usually involves conveying views and information to legislators in order to influence or sway them toward the action you desire. With many legislative proposals under consideration in a short period of time, legislators depend on informed sources, such as lobbyists and local citizens to help them understand the potential impact of legislation on their constituents and the state.

## *Doesn't the League already have lobbyists?*

Yes, the League registers five of their staff as lobbyists; although on any given day there are usually only one or two physically present at the capitol. Duties of the League lobbyists include: guiding the League's policy process and enacting legislative strategies; collaborating with like-minded organizations on issues of mutual interest; representing municipal interests in negotiations with opposing entities and; serving as year-round liaisons with state agencies on behalf of League members.

However, legislators are more interested in knowing what the effect of a bill will be on their constituents rather than the opinion of a lobbyist. League lobbying staff is able to deliver the message but to hear a confirmation and how the issue "directly" affects the legislators' constituents carries much more weight. Only you can provide that insight and make it specific to your city or town.

Ideally, you should get to know your legislator so they will know your name and the position you hold. Building this relationship will prompt them to seek your opinion on issues affecting cities and towns in their district. They need to know that you are available and willing to provide your insight, experience and information to help them make informed decisions. Provide your legislator with your home, work, fax, cell numbers and your e-mail address so they can reach you at anytime. You want your legislator to consider your input before a vote, but don't wait for your legislator to take the initiative to call you. It is your responsibility to make sure your legislator understands the impact of proposed legislation on your city or town.

## *Who is the best person at city hall to make the contact?*

Input from all of a legislator's constituents is important, so you are encouraged to ask the most knowledgeable municipal official, department head, or staff person on a particular bill to make the contact. Always remember, an elected official calling another elected official has a big impact.

## *Do I have to register as a lobbyist?*

No. A lobbyist is an individual who is:

- Employed or retained by another for financial or other compensation
- To perform services that include lobbying.

A lobbyist IS NOT an individual whose lobbying activities are only incidental to, and are not a significant part of, the services provided by such individual to the client.

## *Is it better to write or to call my legislator?*

Legislation can move quickly, so a telephone call, followed with a letter, fax or e-mail restating your position is good, however, it is best to ask legislators how they prefer to be contacted. Some prefer communications by e-mail, others do not. Some may prefer a personal visit when they are home on weekends. In our modern age of communications, there are many options, so please check with your legislator to see what communication language they prefer. If you do not have a direct number or cell number for your legislator, you can call the Senate switchboard at (405) 524-0126 and the House of Representatives switchboard at (405) 521-2711 or (800) 522-8502 and ask for your particular house or senate member's office. You can also go online to get any legislator's contact information at the House or Senate homepages at <http://www.okhouse.gov/> or <http://www.oksenate.gov/>.

### ***How can I learn about a bill?***

A list of bills affecting cities and towns is published weekly in the OML's Legislative Bulletin. Once you know the number of the bill, you can look it up on the state's bill tracking web site at <http://www.lsb.state.ok.us/>. Once there, click on the Legislative Information System to explore the many options for checking bill status, creating your own tracking lists and much more. This year's annual Mayors Council (MCO) and OML Legislative Forum, is scheduled for Monday, March 22. This is another opportunity to be briefed on bills of interest to cities and towns and spend the day at the capitol lobbying your legislators.

### ***I called my legislator and he/she didn't seem to be aware of the bill I called about.***

With the sheer number of bills filed each legislative session, it is impossible for every legislator to know every bill. Additionally, much of the formal decision making in the legislature takes place in committees. Standing committees study and debate bills and decide whether or not to recommend them for passage. Your legislator may not have been on a committee reviewing a particular bill. It is still very important to express your support or opposition to a bill with your legislator. You can be the one to educate them on what it means to the particular community they represent. If the bill is voted out of a committee, it may be scheduled for floor debate. It is important your legislator know your perspective and how the bill affects the cities and towns they represent.

### ***What if I want to visit my legislator at the Capitol?***

Face-to-face visits are great and likely the most effective. However, it can sometimes be difficult to see legislators during session. It is a good idea to call and schedule an appointment. If you plan to come to the Capitol, please let the League lobbyists know. They may be able to assist you in finding a place to meet with your legislator or help you with your lobbying efforts. Also, parking at the Capitol can be challenging and since we're so close, you can just park here and we'll give you a ride over, drop you at the door and pick you up when you are ready to leave. Give us a call!

### ***What if my legislator asks me about an issue that I'm not sure about?***

If your legislator asks you about an issue you feel may be controversial, call the League and find out how the association has this bill listed (support, oppose, monitor, work, etc). It greatly helps all cities and towns if municipal officials speak to legislators with a unified and consistent voice on issues.

### ***What can I do if my legislator votes against a position I've asked them to support?***

You can ask them why they voted as they did. You may have an opportunity to do this if your legislator holds weekly meetings in your community. Otherwise, call them. Always remember that each legislator's constituents consist of, republican & democrats, management & labor, doctors, lawyers, insurance companies, etc. Many legislators say they base their vote on as few as a couple of phone calls on any given bill. Make your voice be heard!

How each legislator voted on a bill is published in the Legislative Journal the day after the vote. The published journals can be found in <http://www.lsb.state.ok.us> under the Senate and House homepages.

### ***Thank them for supporting your position.***

If your legislator has voted as you have asked them to on a given bill, thank them for their support (or opposition) as the case may be. This will go a long way in them remembering you the next time you ask.

It is very helpful to the League lobbyists if you will share with us any correspondence or communication you have with legislators. You can fax us at 405-528-7560, attention Missy or email copies of correspondence to [missy@oml.org](mailto:missy@oml.org) or [ginny@oml.org](mailto:ginny@oml.org).

Thanks for all you do in support of Oklahoma's cities and towns. We look forward to a successful 2010 session.

## **Municipal Leaders Day at the Capitol March 22**

Ok, so this is not a year to ask the legislature for more money for cities and towns. But, this is the year to:

- Promote more flexibility and autonomy so municipalities can meet their citizens service needs;
- Educate legislators and the public on the problems of municipal overdependence on sales tax, and
- Protect cities and towns from cuts in current services and costly outside mandates.

Mark your calendars now for March 22 to bring a carload of your officials, staff, and citizens under the capitol dome to let them know that “Cities Mean Business.”

Literally, “Cities Mean Business.” Growth in employment, growth in revenues, increased funding for services and improved quality of life are overwhelmingly dependent on what happens within the borders of Oklahoma cities and towns.

What can you encourage the legislature to do to help cities? 1) Support the Car Tag bill that will allow tag agents to collect outstanding municipal fines and fees before car licenses can be renewed. 2) Eliminate inconsistencies in the Public Competitive Bidding Act in regard to public trusts and construction contracts. 3) Require that legislation that has an adverse municipal financial impact be accompanied by an impact analysis and dedicated revenue to fund the impact. Proposals with more than \$100,000 in impact would have to be introduced one year and not considered until the next to allow for studied consideration.

And tell them what hurts cities and needs to stop: 1) Elimination of sales tax on groceries, 2) More, yes, many more, sales tax exemption proposals, and 3) Decrease or the elimination of REAP funding.

Join your fellow municipal officials in the House Chambers where we will provide informational briefings, updates on strategic issues, and ammunition to allow you to protect and grow your home town. Legislators count on their constituents to tell them about how these issues will help or hurt. They depend on municipal officials to educate them about pending legislation and the impact it could have on operating your community.

We will have lunch under the dome and visit with legislators in the afternoon. Bring your best “Cities Mean Business” attitude and we will provide the rest.

Remember “Cities Mean Business” and so do we!

### **If I Were Mayor—Winners to be Honored at Municipal Day at the Capitol**

In addition, we’ll recognize the top three winners of the “If I Were Mayor” contest. This year we received 289 entries from eighth grade students who gave us their ideas of what they would do as municipal leaders. We encourage you to bring along a high school or college student to share in this experience. The Day at the Capitol is an outstanding opportunity for local leaders to mentor young people, helping to promote awareness of the importance of local government, thus developing community leaders of tomorrow.

## **Retail Summit to feature ways to get the retail ball rolling**

Looking to spur economic development and attract retailers to your municipality? Then you won’t want to miss the OML Retail Summit on Thursday, Feb. 18, at the Moore Public Library, 225 South Howard. The Summit is being hosted by the City of Moore. Deidre Ebrey, Director of Marketing and Economic Development for Moore, has been instrumental in bringing this workshop to fruition.

The workshop will feature speakers from companies who specialize in working with cities of all sizes to attract retail, as well as experts from state and local governments who are well-versed in how to get the retail ball rolling!

Claudia San Pedro, vice president of investor relations and brand strategies for Sonic Corporation has been invited to address workshop delegates during lunch. Prior to joining Sonic, she served as the director for the Oklahoma Office of State Finance.

Speakers confirmed at press time include Carl Edwards and Jim Parrack from Price Edwards & Company who will go over the basics of recruiting retail and resources. Rickey Hayes, former economic director for the City of Owasso and currently principal of Retail Attractions will explain what is expected from a community and what makes a developer take notice. Linda Barnett, Director of the Oklahoma Main Street Center for the Oklahoma Department of Commerce will tackle how to bolster existing retail and creative new approaches. Explaining the advantages needed to attract retail development will be the task of Janet Yowell, executive director of the Edmond Economic Development

Authority. Dawn Cash, director of Tax Policy and Research for the Oklahoma Tax Commission will talk about how retail means business both for municipalities as well as the Oklahoma Tax Commission.

Rounding out the day will be a panel headed up by Deidre Ebrey, Director of Marketing and Economic Development for Moore. Panelists will include Johnathan Russell, president of Land Run Commercial Real Estate of Oklahoma City, and the focus will be on the use of incentives in attracting retail. Confirmation for additional panelists is in process.

“The Pay to Play panel is always an interesting topic for cities,” commented Ebrey. “I’ve served on this type of panel in Texas, Arkansas and at the National League of Cities a few years ago. Cities are unsure as to what type of incentives to offer and if they really make a difference. For the OML Retail Summit, I will describe the types of incentives the City of Moore has used successfully and the rationale behind them. Also on the panel is a developer who will help the audience see the need for incentives from their perspective. Opinions still remain on both sides of the coin regarding the use of incentives and our goal is to merely provide perspective.”

### City in the Spotlight

## **Midwest City survives hard times and thrives**

A community of 25 square miles, Midwest City’s southern boundary is adjacent to Tinker Air Force Base with four gates that lead directly onto the Base. The city was founded in 1942 by W. P. “Bill” Atkinson, a prominent businessman and builder in Oklahoma. The name Midwest City confuses some people because Midwest City is not in the Mid-West. The name actually has its roots with Tinker Air Force Base.

Tinker AFB was once named Midwest Air Depot, so when Midwest City was founded, the name seemed appropriate since those affiliated with the base would be living in the town. (That same name helps to identify why the East and West borders of the “Original Mile” are Midwest Blvd and Air Depot Blvd.). Midwest Air Depot was renamed to Tinker Air Force Base to honor Major General Clarence Tinker, a Native-American from Pawhuska, Oklahoma and the first American general to be killed on a mission in World War II.

The “Original Mile” is a one-square-mile area that was pre-planned by the city founders and held the first homes in Midwest City. The “Original Mile” helped to meet the growing need for housing that could be built quickly and affordably. The roads were designed in curves that prevented speeding and the design included civic and commercial areas as well. With the new population, a school was needed to educate the children. The first school was built in 1941 and was a combination of all grades.

Leaders of the community established goals and achievement of these goals was realized in 1951 when Midwest City was honored as “America’s Model City.” Today, Midwest City holds official designations of “Tree City USA” and “Certified City.” In 2009 the city was named by Business Week as the second best community in Oklahoma to raise kids. Midwest City obtained the prestigious ISO Class 1 rating in 2006 from the Insurance Services Office which makes it one of only 47 cities in the nation to have achieved this distinction.

A warm and friendly atmosphere created by the citizens and a quality of life, which places family first, defines the community. Located in Central Oklahoma, Midwest City serves as the economic trade center for Eastern Oklahoma County and is conveniently close to metropolitan area amenities.



This community of over 54,000 has much to brag about these days. Midwest Regional Medical Center, the state-of-the-art hospital in the city, is undergoing a \$25 million expansion to add an additional 100 beds. Despite a lagging economy, developers are busy in Midwest City building houses in several different residential developments in the city providing prospective homeowners with a myriad of choices.



City staff is proactively providing and meeting the long-term infrastructure needs of the city. This includes beginning a \$3 million upgrade of the water plant, completing four new fire stations and renovating one, remodeling the community center, purchasing a 20,000 square foot building to expand the adjoining public works complex, initiating engineering design for a \$25 million upgrade of the wastewater treatment plan, installing a new records management system for police, jail and court and computer-aided dispatch software, constructing \$405,000 worth of new sidewalks and in the process of constructing another \$720,000 in sidewalks. The city's new website has been completed and is much more user friendly and comprehensive than the old one.

Guy Henson, city manager for Midwest City, has served the city in various capacities since 1979 and has served as city manager for the past four years. He describes the citizens of his city as hardworking, patriotic and proud of their homes and extremely supportive of the military and the relationship with Tinker Air Force Base.

"This community is so strong and resilient," he said. "Even though it suffers blow after blow, the residents just pick themselves up, dust themselves off and get back to work helping others."

Over the past ten years or so the city has been victim to two of the most powerful tornados ever recorded, a crippling and highly destructive ice storm and consequent power outage, a fire storm that destroyed 12 houses and damaged several other houses and, most recently, the blizzard last month during which 14 inches of snow fell paralyzing the city for two days and making travel hazardous.," he explained. "But during all of these calamities, the strength of this community showed through with neighbors helping neighbors and strangers with the support and contributions of the city's civic organizations and business community."

The retail area on 29th Street had suffered for many years from neglect and economic decline. In fact, the shopping center located on either side of Mid America Blvd. was built when Midwest City was initially developed in the early 1940's and had not been well-maintained or updated in many years. Being the front door to the city directly north of Tinker AFB's main gate and the only impression some driving on I-40 ever got of Midwest City, area leaders determined that something had to be done to improve the area. The result was a shopping area anchored by Lowe's, Target, Penney's, Kohl's, Marshalls and Best Buy along with a variety of restaurants and smaller specialty shops which provides a regular monthly income stream to the city in the form of lease payments which are used to fund other city projects and needs.



Tourists will find a variety of recreational opportunities when visiting Midwest City. There are beautiful parks and walking trails and extremely popular playground areas. Easily accessible shopping and a wide variety of restaurants on SE 29th Street and up and down Air Depot are great reasons for everyone to get off I-40 here.

“During the summer, why fight the crowds at Whitewater Bay when Reno Swim and Slide, conveniently located at Reno and Douglas Blvd., has tunnel slides and a climbing wall and a variety of other aquatic activities for all ages,” he asked. “The Performing Arts Theater at Rose State College offers a variety of concerts, plays and shows throughout the year. At Christmas the Holiday Lights Spectacular in Joe B. Barnes Regional Park is a must see. In June of 2010 Star Spangled Salute will be hosting another air show at Tinker Air Force Base featuring the Thunderbirds and numerous other airplane acts and activities. It’s always a good idea to keep an eye on what’s happening at the Reed Center, Midwest City’s 60,000 square foot conference center, because the events there range anywhere from ballroom dance competitions to state political party conventions to equipment shows,” he enthused.

Henson’s goals for the future of his city show that Midwest City has no intention of slowing down.

“I want to diversify and expand the industrial base in the city, fill some of the retail holes in order to minimize leakage of sales tax dollars, make the community more walkable and enhance public transit opportunities and improve the existing housing stock and revitalize and/or redevelop certain existing residential and commercial areas,” he explained.

## **Blackshare Environmental Solutions team includes diverse specialities**

Blackshare Environmental Solutions is a full-service environmental engineering and consulting firm that assists clients in complying with environmental, health, and safety regulations. We were established in August 2000 by Derek T. Blackshare, our current CEO & President. The company’s headquarters is located at 5121 S. Wheeling Avenue in Tulsa, Oklahoma. We have regional offices in Oklahoma City and the Dallas/Ft. Worth area. We currently have 33 employees.



Our areas of expertise include Regulatory Compliance, Real Estate Transaction Assessments, NEPA Services, Field & Support Services, Site Investigation & Corrective Action, Title V Air Permitting, Wastewater and Stormwater, as well as Safety & Training.

Our client base is as diverse as our capabilities. We work with many industries such as oil & gas, heavy and light manufacturing, mineral & mining Companies, and real estate. We also have a strong presence in the government sector working with federal, state, tribal, and local municipalities, and airports both international and municipal. We have performed our services in many states including Oklahoma, Texas, Arkansas, Missouri, North and South Dakota, Colorado, New Mexico, Louisiana, and Kansas to name a few.

We are active members of OML, CCIM, AOA, OAPA, OKAA, EFO, ITEC, and Pipe Liners Club of Oklahoma.

A consulting company is only as good as its people. Blackshare Environmental Solutions takes great pride in its staff. The Blackshare Environmental Solutions team is comprised of professional engineers, biologists, chemists, geologists, hydro-geologists, and safety specialists. Beyond their exceptional qualifications, the members of the Blackshare staff are effective communicators — an essential tool in dealing with the varying requirements and specific goals of a diverse client base. The Blackshare team identifies the needs of the client before the project is undertaken by listening to the client first and then maintaining a sharp focus on the objectives throughout the project. Qualified, experienced, and responsive people all rolled into one company — that’s the Blackshare difference.

We have a number of Oklahoma cities as clients, as well as city governments in Texas, Arkansas, Missouri, and Kansas.

As we commemorate our ten year anniversary, we would most like OML members to know that our company is qualified to assist cities and towns located in Oklahoma with any environmental and regulatory compliance issues they may have.

If you would like more information about our company, please contact Kenneth Webb, our Client Services Manager at (918) 388-0970 or [kwebb@blackshare-env.com](mailto:kwebb@blackshare-env.com).

# The Importance of Internal Controls over Misappropriation of Government Assets

By Michael A. Crawford CPA

It seems as though every other day, we hear of another instance of wrongdoing or lapse in moral judgment by government officials or employees. What can we do to put ourselves in a better position to prevent or detect such actions before they become a detriment to public trust? The key to preventing and detecting misappropriation of assets lies in the proper design and implementation of an effective system of internal control. A system of internal control is put in place to keep the government on course toward its goals and achievement of its mission, while at the same time minimizing surprises along the way.

## What Internal Control Is

Internal control is broadly defined as an entity's process, affected by the entity's board, management, and personnel, designed to provide reasonable assurance regarding the achievement of certain objectives. In the context of financial management, these control processes should provide reasonable assurance that reliable and fairly presented financial statements will be prepared, financial-related laws and regulations will be complied with, and the government's assets will be adequately safeguarded.

## What Internal Control Is Not

Internal control is not a panacea. The internal control process can help an entity achieve its objectives. However, no matter how well designed and implemented it can only provide reasonable, not absolute, assurance of achieving those objectives. For example, although controls may be adequately designed and in place, control objectives may still be unachieved resulting from: (1) simple errors and mistakes, (2) faulty judgments in decision making, (3) circumvention by collusion, and (4) management override of controls. Finally, the design of internal controls must be considered within the context of resource constraints and cost effectiveness.

## Designing an Effective System of Internal Control

Internal control processes can generally be classified into one of the following five components of an integrated internal control framework:

1. Control environment — the tone of the organization influencing the control consciousness of its people, such as a well-communicated and understood code of conduct, an effective management style, and interest in controls by the governing body
2. Risk assessment — the identification and analysis of relevant risks to achieving the control objectives, such as risks of noncompliance with legal spending requirements, and risks of misappropriation of assets for personal use
3. Control activities — policies and procedures that help ensure actions are taken to address the identified risks, such as effective policies and procedures related to the segregation of incompatible duties, authorization and processing of purchase documents, and controls over access to cash and certain other assets
4. Information and communication — the information and communication systems, both manual and automated, that make it possible to operate, control, and report the entity's activities, such as an effective information technology systems, sufficient internal and external reporting systems, and proper channels of internal and external communications
5. Monitoring — the on-going monitoring and evaluation of the effectiveness of the other four components of the internal control framework through internal and external audit activities and governing body and management oversight; a well recognized system of monitoring can also be an effective deterrent to misappropriation of assets

For internal controls to be properly designed and operating effectively, each of these five integrated elements must be working together. The evaluation of the effectiveness of the design and operation of internal controls should be focused on the identification of control objectives, the specific risks associated with achieving those objectives, and the internal controls designed to minimize those risks. In other words, you should define (1) "what we want to accomplish", (2) "what could go wrong", and (3) "what we should do about it."

**PRACTICAL EXAMPLE:** One of the objectives of internal controls over misappropriation of assets (what we want to accomplish) is to ensure that all revenue collected is properly deposited and not misappropriated. When evaluating the effectiveness of internals in regards to this control objective, you could consider what specific risks exist that could result in not achieving the control objective (what could go wrong) and then identify the specific internal controls needed to minimize those risks (what we should do about it). This process is illustrated in the table below.

<b>Control Objective (what we want to accomplish):</b> Ensure that all revenue collected is properly recorded, deposited and not misappropriated.	
<b>Specific Risks (what could go wrong)</b>	<b>Controls to Minimize the Risks (what we should do about it)</b>
Cash receipts could be intentionally misappropriated and not recorded or deposited.	<p>Establish proper segregation of duties by assigning cash collections duties to individuals not involved in the billing, adjustment, and posting processes.</p> <p>Implement a daily cash drawer balancing process performed or witnessed by an individual not involved in the cash collection process.</p> <p>Compare daily cash postings in the revenue or receipt subsidiary ledgers with supporting cash receipts and the actual amount of cash collected and deposited.</p>
Cash receipts from one customer could be inappropriately applied to another customer's accounts.	Review aged accounts receivable reports on a timely basis and follow up on old or unusual outstanding balances.
Cash receipts may not be protected from unauthorized access.	<p>Use locking cash drawers and safes and ensure cash drawers and safes are locked when not in use.</p> <p>Make deposits on a daily basis and only keep minimal amounts in a safe or vault overnight.</p>

It is important to note that in the above example, the risks of not achieving the control objective of ensuring that all revenue collected is properly deposited and not misappropriated are addressed with internal control processes that specifically respond to each risk. This type of approach to identifying and addressing specific risks is the most effective way to prevent and detect misappropriation of assets in government from the perspective of the design of internal controls.

## **Establishing Key Controls**

While the design and implementation of an effective system of internal control requires a thorough evaluation of control objectives and risks, there are certain broad “key” types of controls that should be considered in the design of controls over misappropriation of assets. These controls include:

- Authorization and Approval – controls over billing, receipting, and spending that involve delegation of authority with specified limitations and approval requirements (e.g. identifying who is authorized to make certain purchases or authorize billing adjustments, setting limits where advance approval is needed, indicating who must review and sign documents for evidence of approval, etc.)
- Security over Access – controls over access to cash, other assets susceptible to theft, purchase authorization documents, signature stamps, checks, and computer system processes that safeguard assets from loss or misappropriation (e.g. maintaining locked safes, cash drawers, and frequently changed computer access codes)
- Segregation of Duties – controls that do not put a single individual in a position to be able to commit a fraud or misappropriate resources and then be able to conceal it (e.g. preventing the same individual from billing, collecting and posting utility revenue; or placing and order for goods or services, acknowledging the receipt of those goods, and authorizing payment)
- Review and Oversight – controls that provide sufficient monitoring over revenue and expenditure activities, the reconciliation and investigation of unresolved questions and differences, and the ultimate resolution of those questions or differences (e.g. a comparison of budget and actual amounts to look for unexplained variances, periodic internal audits, etc.)

## **Identifying and Addressing Fraud Risks**

Identifying fraud is difficult because unlike identifying errors in judgment or application, fraud involves an attempt to conceal. Therefore, it is important to be alert to certain conditions that may be present in your organization that could heighten the risk of fraudulent activity. Popular guidance in the area of fraud awareness indicates that most frauds contain all of the following three elements:

### 1. Motive or Pressure – the reason an individual decides to engage in fraudulent behavior

Examples:

- Unmanageable personal financial obligations
- Excessive gambling or other addictive vices
- Adverse employment relationships
- Living beyond one’s means

### 2. Opportunity – the condition that provides an individual the ability to perpetrate the fraud

Examples:

- Unrestricted access to cash or other assets
- Inadequate segregation of incompatible duties
- Inadequate monitoring or oversight
- Records are in disarray and difficult to follow or trace

### 3. Rationalization – the mindset of the individual that allows him or her to justify fraudulent actions

Examples:

- Employee displeasure or dissatisfaction with job or compensation, or revenge for unfair treatment
- Just a temporary borrowing that will be paid back
- Everyone does it, it is no big deal
- No harm, no foul

To enhance your ability to identify fraud in an organization, you must understand these three elements and constantly be alert for evidence of their existence and watch for warning signs (red flags) of potential fraud.

### **Identifying Potential Fraud Red Flags**

Indicators of a heightened risk of fraud resulting in misappropriation of government assets could include the following red flags that should not be discounted or overlooked:

- Employees are scared of superiors and there is evidence of management override, in other words management by passing controls or overriding lower-level decisions for personal gain
- Employees do not take or refuse to take vacations or extended periods of time off or carry unusually high unused leave balances
- Employees with fraud opportunities exhibit evidence of fraud motives or pressures, such as unusual behavior, personal financial problems, excessive gambling, living beyond their means
- Daily balancing of cash drawer shows consistent differences, especially in even dollar amounts
- Bank deposits are not being made on a timely and consistent basis
- Bank statements are difficult to reconcile to the accounting records or consistently have unreconciled differences
- IRS notices arrive for untimely tax deposits or failure to make required deposits
- Unexplained budget and actual variances for revenues or expenditures exist
- Certain transactions are subjected to “special” handling outside the normal policies and procedures
- Key purchasing or payment documentation is lacking or does not exist, such as no evidence of receiving advices
- Invoices are faxed, only in photocopy form, or appear altered
- Vendors have only post office box addresses
- Contracts or invoices are in amounts just under the dollar threshold that would require bidding or pre-approval
- There is evidence of excessive use of sole source purchases or certain vendors appear to consistently obtain all or an extraordinary share of the business
- Payments are made to unfamiliar employees or terminated employees
- Family relationships exist within the same entity or department where unusual or questionable spending has occurred
- Tips or complaints regarding misappropriation of assets or fraud are ignored or not followed up on

When any of these fraud red flags are present, they must not be ignored or overlooked. Appropriate follow up is needed to ensure they are not indicators of an actual fraud.

### **Tips for Preventing or Detecting Fraud**

Even the best of internal controls may not be sufficient to prevent or detect fraudulent activities because the individual(s) perpetrating the fraud are also doing their best to conceal the fraud. Therefore, it is especially important to be alert to the indicators of potential fraudulent activities. The following guidance will help you be more alert to potential fraud and enhance your ability to prevent or detect it.

1. Just Going through the Motions – avoid the work mentality of just doing the steps in a process without thinking about what you are doing; supervisors should reinforce with employees the need to pay attention to their tasks and the consequences for failure to be responsible in carrying out those tasks
2. See No Evil, Hear No Evil – avoid putting blind trust in any individual, thereby failing to recognize or acknowledge fraud warning signs or red flags; realize that anyone can commit fraud and when faced with warning signs prove to yourself that it is not fraud
3. It’s Good to be the King – look out for positional immunity, or in other words, upper level management or the governing body rationalizing that rules or controls don’t apply to them because of their position; these conditions generally present themselves as management override of existing processes or controls; identify someone within or outside the organization to whom you can report such activities without jeopardizing your job
4. New Kid on the Block – don’t give into to the thinking that new employees are not yet competent in their position and therefore not in a position to question why certain things are happening; new employees are generally not prejudiced by past policies, procedures, and practices; supervisors should take all employees questions seriously, and employees doing the questioning should question more than just a single individual

5. Where's All the Time Gone – beware of workload overload and do not use this excuse to rationalize why designed internal controls cannot be followed; for example, it may take more time to reconcile differences noted in bank reconciliations, but that reconciliation is essential to managing fraud risks; when faced with workload overload, reevaluate assignment of duties, and if necessary demand more resources by explaining the consequences of fraud
6. Don't Invade my Space – beware of employees who do not want any other individual performing their tasks or learning what they do; encourage cross-training, periodic rotation of duties, and mandatory vacations for all employees and positions
7. Must Not Be for my Eyes – be concerned when you are denied access to requested records that support the work to which you are assigned; report such activities and lack of openness to appropriate supervisors and do not give up on the unfulfilled request
8. It's None of my Business – don't look the other way when faced with signs of fraudulent or unethical behavior by rationalizing that the activities are none of my business; work to create an environment within the organization that fosters ethical and responsible behavior and the reporting of lapses in such behavior
9. It's Over my Head – avoid the failure to question activities, events, or transactions that appear unusual because you feel you do not fully understand the situation or circumstances; individuals involved in fraudulent activities often rely on the complexity of the circumstances to help them conceal such fraud; continue to educate yourself, and ask for simplification in reports and explanations
10. Just a Bad Apple in the Bunch – realize that even with the best of internal controls, some people are just “morally challenged” and are looking for ways to commit fraud or improperly benefit themselves or gain an advantage; do your due diligence in hiring employees and learning as much as possible about their background and ethics

Government officials are entrusted with public resources and are responsible for carrying out public functions efficiently, economically, effectively, and ethically, while achieving desired program objectives and providing public services. Therefore, it is essential that government officials and employees embrace the concepts of transparency and accountability for their use of public resources. An actual misappropriation of assets from embezzlement or wrongful spending or the mere perception of such acts through lack of transparency can be the downfall of public trust. An effective system of internal control must be put in place to keep the government on course toward its goals and objectives, to manage the risks associated with misappropriation of assets, and to maintain and protect the public trust.

# GRANTS & LOANS

## **Improving lives of youth, promoting educational opportunities**

Eligibility: Organizations that enhance the lives of youth and promote educational opportunities that significantly and positively impact children from birth through college.

Deadline: First week of March 2010.

Funds: \$500 to \$10,000.

Contact: Teresa Olson, Jostens Foundation, 3601, Minnesota Drive, Suite 400, Minneapolis, MN 55435; (952) 830-3235; [foundation@jostens.com](mailto:foundation@jostens.com).

The Jostens Foundation provides grant money to organizations that strive to improve the lives of youth and to promote educational opportunities that will have an impact on children from when they're born through their college years. The Jostens Foundation meets quarterly to review all Community Grant requests ranging between \$500 to \$10,000.

Application instructions may be found on the foundation's website under the section labeled in bold that states. "Application Procedure." If your organization intends to apply for a community grant, it may use the Minnesota Common Grant form.

Detailing the purpose of the Jostens Foundation grant breaks down like this: Describe in detail how the program works, including length of program, how often you meet, purpose of funds, etc.; describe the community need that your proposal addresses and how the focus was determined; describe specific activities for which you seek funding and who will carry out those activities; describe your overall goals and the ways in which you will meet these goals; and describe how the proposed activities will benefit your community and the long-term strategy for sustaining this effort.

In addition to the community grants, the Jostens Foundation offers funding through other initiatives, including Jostens Plants Projects, Jostens Employee Gift Matching, Scholarships, United Way, and In Kind.

If you have any questions about the Jostens Foundation grant program, contact Teresa Olson of the Jostens Foundation, at either (952) 830-3235 or [foundation@jostens.com](mailto:foundation@jostens.com).

For more information, visit <http://www.jostens.com/company/community/index.asp>.

## *Museums and Libraries*

### **Supporting current reading research, practice, and policy**

Eligibility: Members of the American Association of School Librarians.

Deadline: February 1, 2010.

Funds: \$2,500

Contact: AASL/Innovative Reading Grant, American Association of School Librarians, 50 East Huron St., Chicago, IL 60611; (800) 545-2433.

Through the American Association of School Librarians, the Innovative Reading Grant is being offered to members of the American Association of School Librarians. The purpose of the \$2,500 Innovative Reading Grant is to support the planning and implementation of a unique and innovative program for children, one that motivates and encourages reading (particularly with struggling readers). The deadline to apply for the Innovative Reading Grant is Feb. 1, 2010.

If you have any questions about the American Library Association's American Association of School Librarians Innovative Reading Grant, you should check out <http://www.ala.org/ala/mgrps/divs/aasl/aaslawards/innovativereading-grant/aaslreading.cfm>. You also may contact the American Library Association at (800) 545-2433.

# GRANTS & LOANS

## Gardening yields Project Orange Thumb initiative

Eligibility: Community garden groups, schools, youth groups, community centers, camps, clubs, and treatment facilities.

Deadline: February 19, 2010.

Funds: Up to \$2,000.

Contact: Fiskars, Attn: Project Orange Thumb, 780 Carolina St., Sauk City, WI 53583; (866) 347-5277, ext. 4357; orangethumb@fiskar.com.

Fiskars Brands Inc., a manufacturer of craft tools, garden tools, school products, and home and office supplies, believes that an orange thumb can yield positive results in terms of gardening. That is why it created a unique program that will award winners with goods and services. Fiskars Project Orange Thumb is open to community garden groups, schools, youth groups, community centers, camps, clubs, and treatment facilities. The main goal of the Project Orange Thumb grant program is to encourage, share, and inspire creative expression in gardening.

Project Orange Thumb will provide up to \$1,000 in Fiskars garden tools and up to \$1,000 in green goods.

If you have any questions about the Fiskars Project Orange Thumb, contact Fiskars at either (866) 347-5277, ext. 4357 or orangethumb@fiskars.com. This program is also open to organizations in other parts of the world. You can learn more about those guidelines on the Project Orange Thumb website.

For more information, visit [http://www.fiskars.com/content/garden\\_en\\_us/Garden/ProjectOrangeThumb](http://www.fiskars.com/content/garden_en_us/Garden/ProjectOrangeThumb).

# EMPLOYMENT OPPORTUNITIES

**911 OPERATOR:** City of El Reno Police Department is currently taking applications for the position of 911 Communication Operator. Duties include: Answering 911 emergency lines & non-emergency phones, Radio Dispatch calls for service for all emergency services (Police, Fire, EMS). Applicant must have the ability to multi-task and willing to work rotating shift hours. Starting pay \$13.26 per hour. Applications can be obtained at the Police Department or the HR office at 101 N Choctaw.

**POLICE CHIEF:** The City of Grandfield is accepting applications for the position of Police Chief. Full time CLEET certification is preferred, but not required. Starting salary during the six month probationary period will be \$2,000.00 a month with Health and Life insurance benefits. Benefits also include paid holidays, personal time, vacation and sick leave.

Interested persons should obtain an application at the office of the Grandfield City Clerk, 223 S. Main Street, Grandfield, OK 73546 or call 580-479-5215.

The City of Grandfield is an Equal Opportunity Employer.

# CALENDAR OF EVENTS

February 18, 2010

**RETAIL WORKSHOP**

Moore Public Library  
225 S. Howard, Moore

*Please note new date for this workshop.*

February 13, 2010

**NEW OFFICIALS INSTITUTE**

OSU Alumni Center  
201 ConocoPhillips OSU Alumni Center,  
Stillwater

March 22, 2010

**MCO/OML DAY AT THE CAPITOL**

State Capitol, Oklahoma City

April 8 & 9, 2010

**OMCCA/OMJA Spring Conference**

Reed Center  
5750 Will Rogers Road, Midwest City

April 16, 2010

**LEADERSHIP / SUCCESSION  
PLANNING WORKSHOP**

Public Service Center, Administration  
Building  
2004 Old Timbers Drive, Edmond

May 7, 2010

**GRANTS WORKSHOP**

Location TBA

June 3 & 4, 2010

**JUNE NEW OFFICIALS INSTITUTE**

Location TBA

June 10 & 11, 2010

**JUNE NEW OFFICIALS INSTITUTE**

Location TBA

June 24 – 26, 2010

**MCO MAYORS SUMMER RETREAT**

Clinton

July 14 – 16, 2010

**CMAO SUMMER CONFERENCE**

Hard Rock Hotel, Catoosa

August 13, 2010

**EMPLOYMENT SEMINAR**

Location TBA

September 9 & 10, 2010

**NLC/ICMA CRISIS WORKSHOP**

Oklahoma City

September 28 – 30, 2010

**OML/MESO/OMAG/OMRF  
ANNUAL CONFERENCE &  
EXPOSITION**

Cox Convention Center, Oklahoma City

October 20 – 22, 2010

**MCTFOA FALL CONFERENCE**

Stillwater

October 29, 2010

**OMCCA FALL CONFERENCE**

Reed Center, Midwest City

November 19, 2010

**WATER SUMMIT**

Location TBA

December 10, 2010

**PRACTICAL GUIDE WORKSHOP**

Location TBA