



## City of Broken Arrow

### Meeting Agenda Broken Arrow Economic Development Authority

*Chairperson Craig Thurmond*

*Vice Chair Scott Eudey*

*Trustee Mike Lester*

*Trustee Johnnie Parks*

*Trustee Debra Wimpee*

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**Monday, June 4, 2018**

**Council Chambers**

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**TIME: Follows City Council meeting which begins at 6:30 p.m. and the Broken Arrow Municipal Authority meeting which follows City Council.**

**1. Call to Order**

**2. Roll Call**

**3. Consideration of Consent Agenda**

- A. [18-498](#) Approval of Broken Arrow Economic Development Authority Meeting Minutes of May 15, 2018

**Attachments:** [5-15-2018 BAEDA Minutes](#)

- B. [18-36](#) Approval of the Broken arrow Economic Development Authority Claims List for June 04, 2018

**Attachments:** [06-04-18 BAEDA CL](#)

**4. Consideration of Items Removed from Consent Agenda**

**5. General Authority Business**

- A. [18-658](#) Consideration, discussion, and possible directive regarding the Contract for Economic Development services between the Broken Arrow Economic Development authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC) and authorization for the City Manager to execute a professional services agreement between BAEDA and Crawford Associates, P.C. for an audit of contractually expended funds pursuant to the BAEDA and BAEDC contract

**Attachments:** [Crawford Associates Professional Services Agreement](#)

**6. Executive Session - NONE**

**7. Adjournment**

**NOTICE:**

If you wish to speak at this evening's meeting, please fill out a "Request to Speak" form. The forms are available from the City Clerk's table or at the entrance door. Please turn in your form prior to the start of the meeting. Topics are limited to items on the currently posted agenda, or relevant business.

All cell phones and pagers must be turned OFF or operated SILENTLY during meetings.

Exhibits, petitions, pictures, etc., shall be received and deposited in case files to be kept at the Broken Arrow City Hall. If you are a person with a disability and need some accommodation in order to participate in this meeting, please contact the City Clerk at 918-259-2400 Ext. 5418 to make arrangements.

POSTED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.

\_\_\_\_\_  
City Clerk



# City of Broken Arrow

## Request for Action

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**File #:** 18-498, **Version:** 1

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**Broken Arrow City Council**  
**Meeting of: 06-4-2018**

**Title:**

Approval of Broken Arrow Economic Development Authority Meeting  
Minutes of May 15, 2018

**Background:**

Minutes recorded for the Broken Arrow Economic Development Authority Meeting.

**Cost:** \$0

**Funding Source:** Source

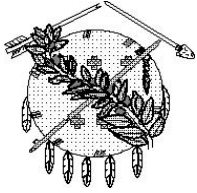
**Requested By:** Russell Gale, Assistant City Manager of Administration

**Approved By:** Michael L. Spurgeon, City Manager

**Attachments:** 5 15 18 BAEDA Meeting minutes

**Recommendation:**

Approve the minutes of May 15, 2018 for the Broken Arrow Economic Development Authority meeting.



# City of Broken Arrow

## Minutes Broken Arrow Economic Development Authority

City Hall  
220 S 1st Street  
Broken Arrow OK  
74012

*Chairperson Craig Thurmond*  
*Vice Chair Scott Eudey*  
*Trustee Mike Lester*  
*Trustee Johnnie Parks*  
*Trustee Debra Wimpee*

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**Tuesday, May 15, 2018**

**Council Chambers**

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### 1. Call to Order

Chairman Craig Thurmond called the meeting to order at approximately 7:45 p.m.

### 2. Roll Call

**Present: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

### 3. Consideration of Consent Agenda

Chairman Thurmond asked if there were any items to be removed from the Consent Agenda. There were none.

MOTION: A motion was made by Mike Lester, seconded by Johnnie Parks.

#### **Move to approve the Consent Agenda**

The motion carried by the following vote:

**Aye: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

#### **A. 18-497 Approval of Broken Arrow Economic Development Authority Meeting Minutes of May 1, 2018**

**There was no claims list for May 15, 2018**

### 4. Consideration of Items Removed from Consent Agenda

There were no items removed from the Consent Agenda. No action was required or taken.

### 5. General Authority Business

There was no General Authority Business.

### 6. Executive Session

There was no Executive Session.

### 7. Adjournment

The meeting adjourned at approximately 7:46 p.m.

MOTION: A motion was made by Debra Wimpee, seconded by Johnnie Parks.

#### **Move to adjourn**

The motion carried by the following vote:

**Aye: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

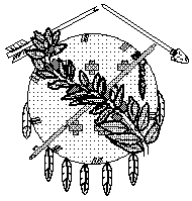
Attest:

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Chairman

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Secretary



# City of Broken Arrow

## Request for Action

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**File #: 18-36, Version: 1**

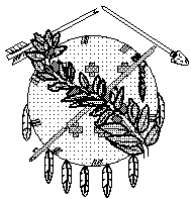
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PREPARED 5/31/18, 15:54:44  
PROGRAM GM314L  
CITY OF BROKEN ARROW

ACCOUNTS PAYABLE BY FUND/ DUE DATE

PAGE 54

FUND	087	BAEDA					
DATE	VENDOR	VENDOR	VOUCHER	I NVOI CE	ACCOUNT		AMOUNT
DUE	NO	NAME	NO	NO	NO		
5/29/2018	7824	BROKEN ARROW ECONOMIC	009664	JUNE 2018	087-1700-419.50-70		32,292.00
			009665	JUNE/2018	087-1700-419.50-70		17,500.00
					5/29/2018 TOTAL -		49,792.00
					FUND 087 TOTAL -		49,792.00



# City of Broken Arrow

## Request for Action

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**File #: 18-658, Version: 1**

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**Broken Arrow Economic Development Authority  
Meeting of: 06-04-2018**

**Title:**

Consideration, discussion, and possible directive regarding the Contract for Economic Development services between the Broken Arrow Economic Development authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC) and authorization for the City Manager to execute a professional services agreement between BAEDA and Crawford Associates, P.C. for an audit of contractually expended funds pursuant to the BAEDA and BAEDC contract

**Background:**

On July 21, 2009, the BAEDA began contracting with the BAEDC for economic development services for BAEDA. The current contract is in effect from July 1, 2015 until June 30, 2018 and provides that on or before the 30th day of each month.

The Contract provides that BAEDA has the right to annually cause an audit by an independent auditor to be made of the records of the BAEDC to the extent that they involve directly or indirectly the expenditure of funds appropriated to the BAEDC by BAEDA pursuant to the agreement. The Contract also provide that the books of accounts and related invoices are the property of the BAEDC. However, such records are open to the inspection of BAEDA or the City upon responsible notice.

Recently Broken Arrow City Manager Michael Spurgeon and officials from the Chamber and EDC discussed the renewal of the Contract. Pursuant to the Records and Audit provision of the Contracts and in order to provide maximum transparency on city funds, the City Manager recommends that BAEDA enter into a professional services agreement for an independent audit pursuant to the Records and Audit provision of the Contract. Staff recommends that Crawford & Associates be retained for completion of this audit. Crawford & Associates has experience in completing audits of this nature and have also been used by the City for audits, management reports and employee training.

It should be noted that completing the audit and negotiations for a new agreement are anticipated to take longer than June 30, 2018. As a result, a short extension of the current agreement may be required. The Authority will be updated and/or asked to take possible action at the June 18, 2018 meeting.

**Cost:** Not to exceed \$25,000.00

**Funding Source:** General Fund - General Government

**Requested By:** Norman Stephens, Economic Development Coordinator

**Approved By:** Michael L. Spurgeon, City Manager

**Attachments:** Crawford Associates, P.C. Professional Services Agreement

**Recommendation:**

- 1) Provide directive regarding the contract for Economic Development Services between BAEDA and BAEDC.
- 2) Approve and authorize execution of a professional service agreement with Crawford and Associates, P.C. for an audit pursuant to the BAEDA and BAEDC contract.





June 1, 2018

Mr. Craig Thurmond, Chairperson  
Broken Arrow Economic Development Authority  
220 S. 1st Street  
Broken Arrow, OK 74012

Chairperson and Trustees of the Authority:

Crawford & Associates is pleased that the Broken Arrow Economic Development Authority (the Authority) has expressed its confidence in our firm and our state and local government expertise through the request of this engagement letter.

Based on your request, we are prepared to provide contract compliance monitoring services to the City in conjunction with its two contracts (the Contracts) with the Broken Arrow Economic Development Corporation (the Corporation) contingent upon the Authority's approval. The purpose of this engagement letter is to identify the scope of services and confirm the terms of our engagement.

#### Scope of Services

The scope of the contract compliance monitoring services we will provide the Authority is outlined below.

1. Review of the Contracts provisions to become familiar with the accounting, reporting, and financial compliance requirements.
2. Tests of compliance with the terms of the Contracts related to the establishment and maintenance of separate accounting records of the Corporation with regards to the Contracts revenues and expenditures.
3. Tests of selected expenditures paid during FY 2017 and FY 2018 as noted in the Corporation's accounting records and charged to the contracts for evidence of appropriate supporting documentation and for compliance with the public purpose limitations within the Contracts.
4. Tests of the accuracy of selected bank statement reconciliations during FY 2017 and FY 2018 to the Corporation's accounting records for revenues and expenditures.
5. Review the accuracy of selected financial reports provided to the Authority by the Corporation as required by the Contracts.
6. Prepare a written report on the findings of our contract compliance monitoring services, including any recommendations to improve contract compliance and/or strengthen internal monitoring.

#### Authority's Responsibilities

The Authority is, and will continue to be, solely responsible for establishing and maintaining an effective accounting and internal control system, including, without limitation, systems designed to assure compliance with policies, procedures, applicable laws and regulations, and contract compliance.

Authority management and Trustees will be responsible for establishing the scope of the contract compliance monitoring services and the resources allocated to the work; such responsibility includes determining the nature, scope, and extent of the services to be performed by Crawford and Associates, providing overall direction and oversight for each service, and reviewing and accepting the results of the work.

The Authority agrees that any final reports issued by Crawford and Associates in the conduct of our services are intended solely for the information and use of the Authority, Authority staff, management and Trustees. Any such reports may include wording that describes the limitations on their use.

#### **Crawford & Associates Responsibilities**

Crawford & Associates is responsible for providing the services requested, as defined in the Scope of Services section of this letter. Such services will be performed in accordance with the applicable consulting professional standards of the American Institute of CPAs (AICPA).

Crawford & Associates will be responsible for reporting or otherwise communicating to Authority management and/or Trustees any findings or recommendations it determines necessary, resulting from the services provided. Because the scope of our engagement will be limited to certain contract compliance monitoring services and will not be a full scope audit, we can provide no form of assurance or opinion on compliance, and the engagement cannot be relied upon to disclose all errors, fraud, or illegal acts. However, we will report to you any such errors, fraud, illegal acts, contract noncompliance or other findings identified by us during the engagement.

#### **Access to Working Papers and Reports**

Any working papers prepared by Crawford and Associates in connection with performing the accounting and consulting services are the property of Crawford and Associates. Upon request, copies of any or all working papers and reports that Crawford and Associates considers to be nonproprietary will be provided to management of the Authority or authorized third parties. The Authority may make such copies available to its external auditors and to regulators in the exercise of their statutory oversight of the Authority. Such copies may not be made available to any other third party without the prior written consent from Crawford and Associates.

#### **Fees and Costs**

Fees and out-of-pocket expenses for this engagement will be billed as the work progresses and payable upon receipt of our invoices. Out-of-pocket expenses include such costs incurred by our firm in providing the services including travel, lodging, telecommunications, printing, document reproduction, and the like. Our fees for these services will be billed at our standard hourly rates, as follows, for the individual performing such services based on the actual number of hours of work, including travel time, performed by that individual.

Standard Hourly Rates:

- Firm President, Frank Crawford \$250
- Firm Shareholders \$165
- Firm Consulting Managers \$150
- Firm Accounting & Consulting Staff \$110
- Firm Clerical Staff \$45

We estimate that the fees for the scope of work defined in this engagement letter will not exceed \$17,000, plus normal and reasonable travel costs. If our findings result in the need for additional services, we will not proceed with such work without first obtaining Authority approval and an addendum to this agreement with additional fees, costs, and terms agreeable to both Crawford & Associates and the Authority. We will rely on the Authority to provide us with a copy of approved purchase order and monitor the cumulative fees and expenses charged. The Authority agrees to provide sufficient appropriation for all service requested prior to the services being performed.

The term of this engagement is a period from the date of acceptance to July 31, 2018. Crawford and Associates may perform additional services upon receipt of a formal request from the Authority with terms and conditions that are acceptable to the Authority and Crawford and Associates.

The agreements and undertakings of the Authority contained in this engagement letter, including, without limitation, responsibilities and those pertaining to restrictions on report use shall survive the completion or termination of this engagement.

**Acceptance**

Please indicate your acceptance of this agreement by signing in the space provided below and returning a copy of this engagement letter to us. A duplicate copy of this engagement letter should be retained for your records.

Respectfully submitted and agreed to by,



Crawford and Associates, P.C.

Accepted and Agreed to for the Broken Arrow Economic Development Authority:

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
**ASSISTANT CITY ATTORNEY**