

## **Agreement Regarding Edmond Ordinance 2575**

The parties to this agreement are Fraternal Order of Police, Lodge 136, (FOP), International Association of Firefighters, Local 2359, (IAFF), and the City of Edmond (City). The purpose of this agreement is to resolve differences over the interpretation and application of City Ordinance Number 2575 approved by the City of Edmond voters on December 12, 2000.

The FOP and IAFF were the entities that sponsored an Initiative Petition in 2000 for additional funding for the Police and Fire Departments. Before the Petition process was completed the parties and City management worked together to draft what later became Ordinance 2575, the purpose of which was to also earmark new revenues for the Police and Fire Departments and to secure the future funding for both of those Departments. Part of the Ordinance set aside certain percentages of General Fund revenues for each Department.

The parties acknowledge that since the Ordinance passed in 2000 there have been changes in the nature and source of General Fund revenues. The parties also acknowledge that certain categories of those revenues, such as charges for services, need to be adjusted based on changes in those sources. In order to accommodate these changes and adhere to the original intent of the Ordinance, the parties agree to the following interpretations and applications of certain terms in the Ordinance:

1. Effective with the passage of the 2016-2017 City budget, and thereafter, the General Fund category of "charges for services" in paragraph 4 of Ordinance 2575 shall be interpreted to include an amount equal to 3.8% of the gross charges for utility service revenues of all City utilities in lieu of any utility right of way fees. City utilities shall include electricity, water and wastewater. This interpretation is not intended to affect any other aspect of "charges for services".
2. Effective with the passage of the 2016-2017 City Budget, and thereafter, the General Fund category of, "taxes" in paragraph 4 of Ordinance 2575 shall be interpreted to include sales tax, use tax, franchise tax, liquor tax, hotel/motel tax, alcohol and cigarette tax, and gas and vehicle tax, or any of these taxes that may be converted to another category of revenue. It shall not include any tax passed by the citizens of Edmond that is earmarked for a limited purpose other than General Fund revenues, for example the Parks Tax, Capital Improvement Tax of 2000 and the Public Safety Center Sales Tax of 2011.
3. The parties acknowledge that with regard to the development of the Hotel Conference Center the City has agreed to rebate all Hotel taxes back to the

developer for a period not to exceed 15 years, and therefore any hotel/motel taxes paid during the period of rebates, on that project only, will not be available for inclusion in the General Fund amounts from which the Police and Fire tax percentages are deducted.

4. The parties agree that intergovernmental revenues and grant funds that are received and to be used for a specific purpose shall not be included in the General Fund amounts from which the Police and Fire tax percentages are deducted.
5. The parties agree to perform a reconciliation of, or "true up", any differences between the budgeted gross revenues and actual gross revenues of the 5% utility right of way fees for fiscal years 2014-2015 and 2015-2016, as reflected in the CAFR. If the reconciliation results in the identification of additional gross revenues under the General Fund "charges for services" category applicable to paragraph 4 of Ordinance 2575 then the Edmond Public Safety Limited Tax Funds shall be credited with the correct amount based on the actual gross revenues. Thereafter, reconciliation between the budgeted revenues and actual revenues which are to be credited to the Edmond Public Safety Limited Tax Funds shall occur each year after the books close on September 30. Any adjustments to the Funds as a result of the reconciliation shall occur at that time.
6. The parties agree to jointly seek a Declaratory Judgment in Oklahoma County District Court to approve the foregoing interpretation and application of the terms of Ordinance 2575. Upon entry of an agreed Judgment in that matter, the parties agree that the Judgment shall establish the proper interpretation and application of the foregoing terms of said Ordinance and that no claims that are inconsistent with that interpretation and application shall be viable.

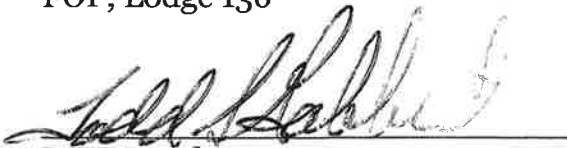
Signatures below indicate approval of the terms of this Agreement:



FOP, Lodge 136

2-22-16

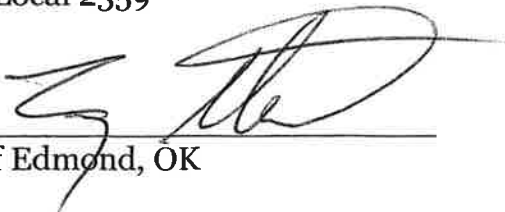
Date of signature



IAFF Local 2359

2/22/16

Date of signature



City of Edmond, OK

2/22/16

Date of signature