



City of Broken Arrow

Special Joint Meeting Budget Workshop

City Hall
220 S 1st Street
Broken Arrow OK
74012

Mayor Debra Wimpee
Vice Mayor Christi Gillespie
Council Member Scott Eudey
Council Member Johnnie Parks
Council Member Lisa Ford

Tuesday, May 24, 2022

Time 3:30 p.m.

**Broken Arrow Public Safety Complex
Meeting Rooms 1 & 2
1101 N 6th Street
Broken Arrow, OK 74012**

1. Call to Order

Mayor Debra Wimpee called the meeting to order at approximately 3:30 p.m.

2. Roll Call

Present: 5 - Lisa Ford, Scott Eudey, Johnnie Parks, Christi Gillespie, Debra Wimpee

3. Pledge of Allegiance to the Flag

Mayor Wimpee led the Pledge of Allegiance to the Flag.

4. General Council Business

A. 22-650 Presentation, discussion, and possible direction regarding the revenues, expenditures and budgets of the City of Broken Arrow, Broken Arrow Municipal Authority, and the Broken Arrow Economic Development Authority, the proposed Fiscal Year 2023 Budgets and Financial Plans for the General Fund, Broken Arrow Municipal Authority, Broken Arrow Economic Development Authority and other funds of the City of Broken Arrow

City Manager Spurgeon reviewed what would be presented and discussed at today's Special Budget Meeting. He stated he was excited about this year's budget. He reviewed the agenda of his presentation.

City Manager Spurgeon began his presentation. He noted there was a process followed in development of the budget which culminated in today's meeting, the budget review, and the subsequent action required by the governing body. He stated financial sustainability was the most important factor in putting together a budget. He stated despite the fact that Broken Arrow has had a few good years, it was important to consider budget sustainability moving forward, putting measures in place to ensure Broken Arrow would be able to continue to operate efficiently.

City Manager Spurgeon stated the City of Broken Arrow operated on a Fiscal Year Budget Cycle from July 1 through June 30. He reported every year he put together a blueprint of the purposes of the municipal budget and the blueprint was for providing municipal services for the upcoming year; matched available resources with community needs; and outlined the work plan and priorities for the organization. He stated the City had the following priorities: maintaining fiscal soundness; public safety and preparedness; comprehensive economic development administration; affordable public utilities; ongoing investments in public infrastructure; and maintaining great quality of life in the community. He reported the budget book was available to the public and included the City Manager's Executive Summary; proposed revenues and expenditures for each fund; proposed department budgets; the special funds with proposed expenditures, revenues, and fund balances; the Street Maintenance Plan; the proposed 2022 GO Bond sale; the OWRB Loan Program; and the Manual of Fees.

City Manager Spurgeon discussed Broken Arrow's four key budgeting practices which included estimating revenues and expenditures conservatively; ensuring all funds balanced; built-in contingencies for the unexpected (fund reserves); and focusing on long-term financial sustainability. He discussed Broken Arrow's Basis for Budget Recommendations: implementation of City Council's on-going number one priority: providing great services to the community; addressing our increasing demands for public infrastructure and public services as a part of a growing community; and maintaining City of Broken Arrow's high quality of life.

City Manager Spurgeon reviewed a chart illustrating the sales tax rate and the breakdown of how sales taxes were distributed. He reported this year's FY-2023 Proposed Municipal Budget was \$311,373,303 dollars, representing a 2.62% increase over the FY-2022 Municipal

Budget of \$303,420,407 dollars. He reviewed a chart illustrating the breakdown of the FY-2023 expenses: operational expenses were \$141,931,798 dollars which was 8.86% over the previous year of \$130,357,915; capital outlay expenses were \$136,444,863 dollars which was 3.3% less than the previous year of \$141,097,731 dollars; and debt service was \$32,996,641 dollars which was 3.03% over last year of \$31,941,361 dollars; this totaled \$311,373,303 dollars. He discussed the increased operational expenses which were in part due to increased fuel and utility costs. He displayed and discussed a chart illustrating where Broken Arrow revenue was generated from; most was derived from taxes.

Vice Mayor Gillespie asked about revenue from interest.

Comptroller Tom Cook explained revenue from interest was the interest collected from Broken Arrow's bank accounts and was at the same rate as what any individual might collect from a checking or savings account, or CDs, or T-Bills. He noted this was not a very large revenue source for Broken Arrow.

City Manager Spurgeon asked Mr. Cook to explain transfers-in.

Mr. Cook explained transfers-in was the required transfer of funds for the Public Safety Departments (Police and Fire). He stated Ordinance required Broken Arrow to transfer 36.7% to the police public safety sales tax fund and 30.7% to the fire public safety sales tax fund. He explained the transfers-in were related to the Broken Arrow Municipal Authority.

City Manager Spurgeon displayed and discussed a slide illustrating what Broken Arrow expenses paid for: personnel expenses, capital outlay, debt service, etc.

Mr. Cook explained debt service was roughly \$13 million dollars in OWRB related loan debt, approximately \$17 million dollars in GO Bond debt, approximately \$2 million dollars Bass Pro, and then financing for TIF loans. He explained the Capital Outlay expenditures were for GO Bonds, pay-as-you-go capital expenditures, existing OWRB loans, and STCI.

City Manager Spurgeon discussed the FY-2023 General Fund, which was at \$121,397,199 dollars and included expenditures, transfers out, and ending fund balance. He noted the FY-2022 General Fund was \$110,929,856 dollars which represented an overall increase of 9.43%. He stated expenditures were 8.14%, transfers out (public safety sales tax funds) were 9.10% and ending fund balances were 12.07%. He reviewed the General Fund Revenues noting total revenues for FY-2023, not including transfers, was \$78,990,025 million dollars; FY-2023 revenues were up 8.6% over last year. He stated next year's Sales Tax was projected to be 1.5% over estimated actuals and other revenues were estimated to be about 2% over estimated actuals.

Mr. Cook explained during the last two years, during COVID, sales tax collection was historically high. He stated the finance team, being conservative at heart, budgeted the sales taxes to be 1.5% higher than the expected total sales tax collection for this year and for other revenues (community development fees, building permits, inspections, court fines, etc.) the finance department was estimating a 2% growth increase. He noted Broken Arrow continued to have near record numbers of permits issued.

City Manager Spurgeon asked if City Council was comfortable with these estimates.

Mayor Wimpee noted she did not expect to continue with historic high sales tax revenues given the state of affairs outside of Oklahoma.

Vice Mayor Gillespie noted Broken Arrow would not continue to bring in higher rates than anyone else; however, looking at incoming rooftops she felt there might be more growth than was being estimated, but she understood the importance of conservative estimates.

Council Member Scott Eudey stated he almost wanted to be more conservative. He stated he was concerned residents would pull back on spending over the next year, especially if the government did not get inflation under control, which under current national policies, it would not.

City Manager Spurgeon asked Mr. Curtis to discuss permits.

Community Development Director Larry Curtis reported Broken Arrow's growth showed new permits and licenses were coming in at the same level as last year. He stated Broken Arrow continued with a growth pattern. He stated with regulations put into place over the last year by City Council in regard to short term rentals, there was an uptick in these permits and licenses as well.

Council Member Eudey noted he read in the Wall Street Journal that with the increase in interest rates and new home costs, new housing starts would be diminishing for the next six

months or so. He stated he was genuinely concerned about Broken Arrow's new home buildouts continuing at the current rate due to rising interest rates.

Mr. Curtis concurred; Staff also had this concern. He stated in speaking with the Home Builders Association, Broken Arrow should start seeing a potential tap down and slow roll off toward the end of the year, but if the federal government increased interest rates with incremental steps, an incremental drop off would be expected as opposed to a huge drop off.

City Manager Spurgeon stated Staff was considering approaching City Council regarding establishing a Regional Planning Commission for Broken Arrow, in Wagoner County specifically, due to the growth in the area. He noted Broken Arrow growth would be to the east in the future and involving Wagoner County in the process might be a good idea.

Council Member Eudey stated he remembered discussing this a year ago.

Mr. Curtis agreed. He noted in 2019 when the Comprehensive Plan was adopted, City Council agreed a Regional Planning Commission should be considered due to growth on the Wagoner County side of the City. He stated Staff since discovered a City County Planning Commission would be a more appropriate option. He stated it would be an additional Planning Commission outside of the City Limits of Broken Arrow. He noted Broken Arrow's current Planning Commission would remain in place and this would be a new Planning Commission in partnership with Wagoner County incorporating the area within Broken Arrow's fence line, and possibly a little outside the fence line, to coordinate with Broken Arrow Public Schools.

Council Member Eudey asked if this would function similar to Team ABC.

Mr. Curtis responded in the affirmative. He stated it would function almost identical to Team ABC, except Team ABC regulated the zoning within the City of Broken Arrow while this new Planning Commission would only regulate areas outside of the City of Broken Arrow. He noted Staff was predicting, over the next 20 years, an additional 14,159 homes just in the Adams Creek Basin area alone. He stated it was projected an additional 550 homes would be constructed in the City of Broken Arrow every year, and an estimated 349 new homes in the Wagoner County area of Broken Arrow every year.

City Manager Spurgeon discussed the need for conservative estimates even with community growth, especially with current inflation.

Council Member Eudey asked, with this in mind, was an estimated 1.5% increase too aggressive.

City Manager Spurgeon stated he, Mr. Cook, Mr. Stephens, Mr. Schwab, and Ms. Arnold were comfortable with this number. He stated other communities in the area were projecting higher increases than this.

Vice Mayor Gillespie asked what the projected increase was last year.

Mr. Cook responded the projected increase last year was also 1.5%. He noted Staff had the same concerns last year as to the sustainability of the growth Broken Arrow had experienced the prior year.

Vice Mayor Gillespie stated typically in an election year, individuals held back from making capital investments. She stated considering this, Broken Arrow had excellent growth during the election year.

Council Member Eudey stated the inflation rate was alarming and he was concerned.

City Manager Spurgeon explained Finance looked at the budget and revenues regularly; if the revenues were not incoming as anticipated, Staff would look to scale back on expenditures.

Council Member Parks stated as long as Staff was monitoring the situation closely, he was comfortable with the projected tax increase. He noted he had concerns about the economy as well, but Broken Arrow was thriving at the moment and as long as Staff was monitoring the situation, he was content.

Finance Director Cindy Arnold reported the Finance Department reviewed top revenues on a monthly basis; if revenues began to decrease, Staff would notify the City Manager as soon as possible. She stated she felt projecting a 1.5% increase was conservative.

Council Member Eudey stated he was not trying to be negative; however, national policy was terrible at the moment and the effects of national policy would impact the nation, including Broken Arrow.

City Manager Spurgeon stated he was glad to be having this discussion; it was important for the Citizens of Broken Arrow to know the governing body was aware of the situation and had concerns. He noted the situation would be continually monitored and expenditures would be adjusted accordingly.

Mr. Cook stated Broken Arrow's primary sales tax came from Walmart and grocery stores and restaurants. He noted residents would continue to need to eat and he felt Broken Arrow had a bit of advantage as its sales taxes originated primarily from the purchase of necessities.

City Manager Spurgeon displayed and discussed charts illustrating General Fund Revenues and General Fund Department Expenditures. He stated in order to keep up with the demands of the City, he felt some positions needed to be added to the budget. He indicated there were 13 proposed new positions including four dispatchers for the police department. He stated most of the positions were support personnel; support personnel were incredibly important. He discussed the positions which were requested but were not included on the list. He discussed how the decisions were made regarding which positions to approve for the upcoming budget.

City Manager Spurgeon discussed the Sales Tax Improvement Fund. He noted voters approved half a percent of 3.55% of City's sales tax to be dedicated to STCI. He reported STCI revenues were estimated at \$9,625,199 dollars which would primarily be utilized for "pay as you go" capital expenses. He reviewed and discussed projects which would be funded by STCI including a bike expansion and roof repairs for Bass Pro.

Maintenance Services Director Ryan Baze reported Bass Pro had a large and expansive roof. He stated the flat roof portion had become worn due to the watershed across the roof. He stated this was a high need for the City of Broken Arrow as Broken Arrow had a large investment in the Bass Pro.

Council Member Eudey asked if the bike path expansion would include the piece on 1st which needed to be completed.

City Manager Spurgeon stated he was unsure.

Mr. Curtis explained the bike extension project was part of the grant received from INCOG, part of the 20% match, and the \$50,000 dollars STCI project was a part of this 20% match. He stated this would be the second part of the electric bikes ordered. He explained this was not an expansion of the bike trail; bike trail expansion would be through different funding.

City Manager Spurgeon stated he would obtain information about the bike path extension on 1st for Council Member Eudey.

Mr. Cook stated the City had a contract with ODOT for the completion of that mile of bike path. He stated he did not know the status of the contract, but he knew there was a current contract.

Director of Engineering and Construction Ethan Edwards concurred noting the first mile was being finished right now and the next phase would begin shortly.

Council Member Eudey explained he was asking about the area two blocks north of New Orleans on 1st, going from that point to Arrow Park.

Mr. Edwards stated that was a completely different phase.

Council Member Eudey asked when this phase of the bike path extension would begin.

City Manager Spurgeon stated he did not believe that bike path would be addressed until 2023 or 2024 as there were federal monies involved.

Mr. Edwards concurred.

City Manager Spurgeon stated he would get an update regarding this bike path for Council Member Eudey.

Council Member Lisa Ford asked if the 12-passenger van for the Parks and Recreation Department would be used to bring children from one park to another.

Parks and Recreation Director Matt Hendren responded the van would be a replacement van used for general purposes.

City Manager Spurgeon discussed the other STCI projects including fan replacement at the

farmer's market, Rose District gateway signage lighting, the Korean War Memorial installation and sand volleyball court installation.

Discussion ensued regarding the Korean War Memorial.

City Manager Spurgeon stated STCI would have a reserve of \$4 million to \$5 million dollars for use in emergency capital improvements.

Council Member Parks stated it was good to have reserve funds in STCI for unexpected capital improvements throughout the year.

City Manager Spurgeon agreed; flexibility to complete unexpected projects throughout the year was important.

Council Member Eudey stated the City needed a plan to complete the sidewalks along the main arteries.

City Manager Spurgeon agreed and noted another plan would be developed over the next three years to install sidewalks along the remaining main arteries.

Vice Mayor Gillespie stated it was especially important to install sidewalks near the schools.

City Manager Spurgeon discussed the ARPA funds and displayed a list of the projects for which he recommended ARPA funds be used. He stated he did not feel ARPA should be used for ongoing expenses; therefore, he was recommending ARPA funds be used for infrastructure, public safety, and economic development including broadband, cyber security, water, sewer and infrastructure for the Innovation District, BAMA sewer projects, New Orleans Square improvements, and Rose District improvements. He noted these projects were recommendations only.

Council Member Ford stated she would like to see funds for a biofilter to improve the taste and quality of Broken Arrow's water.

Council Member Eudey asked if this was a part of the membrane system at the water treatment facility.

Director of Utilities Charles Vokes discussed the biofilter noting it would cost between \$10 and \$20 million dollars. He stated the biofilter was not part of the membrane system; it would be an additional filter, similar to a carbon filter, filtering out tastes and odors, as well as many other contaminants. He stated the pilot study was very successful, but again it would cost between \$10 and \$20 million dollars to install the biofilter.

City Manager Spurgeon asked if the biofilter was being considered for a future project.

Mr. Vokes stated the majority of funding over the next few years would be going to the collection side of operations. He stated in three to five years this would balance out and then additional funding might be available for the biofilter project.

Council Member Eudey noted the City was currently looking for a replacement primary water source, and then the verdigris would become the secondary water source. He asked if focusing on a new primary water source was more important and the possibility of a biofilter could be considered if still needed once a new primary water source had been harnessed.

City Manager Spurgeon agreed obtaining a better water source which did not need a biofilter would be the better choice.

Council Member Eudey stated he would rather spend the funds on converting to a new water source which did not need as much filtration.

Council Member Ford agreed.

City Manager Spurgeon indicated Streets and Stormwater Director Rocky Henkel would present the next section of the budget.

Mr. Rocky Henkel stated the Street Sales Tax Fund was a Special Revenue Fund created for the purpose of improving, constructing, and maintaining City streets, sidewalks, and related stormwater improvements, including the acquisition and replacement of machinery, equipment, and materials, and including the installation of traffic controls devices and signalization. He stated the funding for this fund came from a twenty-five hundredths of one percent (0.25%) tax effective as of January 1, 2017. He noted this fund generated between \$3.5 million and \$4 million dollars. He discussed street signal projects funded by the Street Sales Tax Fund. He noted in 2016 the City's roads were evaluated and PCI ratings were

applied. He stated Broken Arrow maintained over 1,200 lane miles of roadway, 75% of which were asphalt and 25% of which were concrete. He noted Broken Arrow's roadways were worth over \$600,000 million dollars and were one of Broken Arrow's biggest assets. He noted Broken Arrow's overall PCI score was 70 which was good to very good. He indicated the consultant recommended Broken Arrow spend \$4.4 million dollars annually to maintain this score of 70, as such the Street Sales Tax Fund would not cover road maintenance annually; however, the Street and Stormwater Department had other funding sources such as the GO Bond package funds. He discussed the importance of continually maintaining the roads properly to avoid cost increases in the future. He reviewed the concrete panel repair projects identified for this year's budget, as well as the resurfacing projects and miscellaneous projects (street markings, sidewalk maintenance, alley improvements, etc.). He reviewed the residential rehabilitation projects identified.

Vice Mayor Gillespie asked why the road which ran by the dog pound was chosen as it had a PCI score of 72.

Mr. Henkel explained projects were chosen for roads within the PCI range of 25 to 75, and as the road in question was an arterial street, it had a high priority. He explained the City prioritized streets as such: arterials first, collectors second, and then residential streets.

Vice Mayor Gillespie asked if New Orleans by the Events Park was on the project list.

Mr. Henkel responded in the negative; New Orleans by the Events Park would be a transportation project.

Mr. Ethan Edwards stated Staff was working on an interlocal agreement with Wagoner County to address this portion of the road and Bridge 89 on S. County Line Road. He stated the City was in the process of relocating utilities along that stretch of New Orleans to the Events Park. He indicated as soon as this was completed the project would go out to bid. He stated he anticipated this happening within the next 60 days.

Vice Mayor Gillespie indicated there was a lot of buzz about this portion of road and she was hearing contradictory reports about what the County Commissioners were saying regarding this project.

City Manager Spurgeon explained the City had one lane going west, and the County had one lane going east. He noted the County Commission tried to obtain a grant from INCOG for this project but was having difficulty, so the City partnered with the County for this project. He asked Kenny Schwab to discuss this further.

Assistant City Manager Kenny Schwab explained in December last year, Broken Arrow Staff met with Commissioner Kelly and Rachel Cooper and discussed several ongoing projects and discussed how the City and County could work together. He stated Staff would be bringing an interlocal agreement to the City Council for consideration in June. He explained along New Orleans, Broken Arrow owned the north side of New Orleans. He reported Wagoner County had already acquired some right-of-way and moved some utilities. He explained as part of the "swap" with the County, the City would own, operate, and maintain New Orleans from 209th to 215th (the far eastern side of the Events Park); the City would build the full roadway width, operate it, and maintain it moving forward while Wagoner County would take New Orleans from 215th. He stated the project should be bid in June and construction was scheduled to begin the day after Scotfest.

City Manager Spurgeon asked what Wagoner County would take over as a part of the "swap."

Mr. Curtis responded Wagoner County would take Bridge 89 as a part of the swap. He noted counties had access to funds for bridges which were not available to cities, while cities had access to funds for roads which were not available to counties. He stated Broken Arrow would take 209th from New Orleans south to 115th (about 1.5 miles); Wagoner County would take County Line from 141st to 161st (2 miles).

Discussion continued regarding the interlocal agreement, when the contract would be awarded, and when construction might begin.

Vice Mayor Gillespie asked about street markings.

Mr. Henkel responded street marking paint was fairly typical, but beads were laid down to make the paint more reflective. He noted Staff was considering neon paint and how it might respond to traffic and whether it might meet the required specifications. He stated the rate at which street markings faded was directly related to the amount of traffic there was on the road: more traffic equaled quicker fading.

City Manager Spurgeon discussed the Broken Arrow Municipal Authority (BAMA) FY-2023 Budget which totaled \$134,514,587 dollars and included expenditures, transfers out, ending fund balance, capital outlay, and debt service. He stated this was a reduction over last year's BAMA budget of \$143,946,201 dollars, with a decrease of 6.6% in operating costs, capital outlay (5-year CIP implementation), reserved fund balances, and debt service (OWRB loans).

Mr. Tom Cook explained last year BAMA budgeted for the anticipated OWRB loan for which BAMA would apply for in the fall; he explained this year it was decided not to include the potential OWRB loan in the budget for two reasons: Staff was unsure of the exact size of the potential loan due to the current interest rate market. He noted the anticipated potential \$20 million dollar OWRB loan was not included in this year's BAMA budget; if it had been included the budget would be \$154 million dollars this year as compared with last year (\$144 million dollars).

City Manager Spurgeon reviewed BAMA Budget Highlights: A rate increase was necessary to pay for ongoing operations, planned capital improvements and OWRB debt service; the FY-2023 budget for BAMA was based on the same rate increases as last year: 5.5% water, 7% sewer and 9% stormwater; \$2,601,200 million dollars for "pay as you go" capital work; the proposed additional OWRB Projects of \$19,270,000 million dollars and the total OWRB projects in process in FY-2023 equaled \$58,054,504 million dollars.

Mr. Cook explained once the new OWRB loans were approved the budget would be amended to incorporate the new OWRB loans.

City Manager Spurgeon displayed and discussed a chart which illustrated Broken Arrow Municipal Authority revenues.

Council Member Eudey noted the rate study could modify the rates in Fiscal Year 2023.

Mr. Cook stated this budget included, as budgeted revenue, the 5.5% increase for water, 7% increase for sewer and 9% increase for stormwater. He stated the City did not have a finalized rate model yet; this would come before BAMA later.

Council Member Eudey stated it was important to keep in mind the rate study underway currently could impact the budgeted rate increases.

City Manager Spurgeon concurred. He noted he believed the rate study would come before BAMA near labor day. He displayed and discussed charts which illustrated Broken Arrow Municipal Authority expenses. He reviewed pay as you go capital projects which included replacement vehicles, fleet attachments, tractors, etc. He reviewed the BAMA Utility Projects, or Clean Water Loan projects.

Mr. Schwab noted BAMA was taking out just under \$20 million dollars in loan money, almost \$18.5 million of which was related to Clean Water (wastewater, collection, treatment, etc.). He stated over the next few years, Broken Arrow needed to focus energy and effort on fixing the collection system. He stated drinking water would be less than \$1 million dollars. He reviewed some of the projects including improvements to a couple of lift stations and trunk sewer line projects.

City Manager Spurgeon reviewed General Obligation Bond projects. He noted the proposed GO Bond sale for FY-2023 was for \$43 million dollars. He stated previously the projected sale amount was \$33 million dollars, but with the City's growth this number was increased.

Finance Director Cindy Arnold stated the net assessed value gave the City its bonding capacity up to \$43 million dollars. She stated incorporated in the \$43 million dollars was a slight increase in the interest rates. She noted for both the OWRB and the GO Bonds, the City was speeding the process in an attempt to close as soon as possible. She stated as soon as July 1 arrived, the City would apply for the OWRB, and the City was in the preparation stages for the official statement for the GO Bonds. She stated the plan was to bring the GO Bond official statement at the end of June to set the sale for the end of the July and close in August to maximize capacity in case the interest rate increased.

City Manager Spurgeon discussed the 2018 GO Bond projects which included many road widening and improvement projects. He reviewed Proposition 2, 3, and 4 projects.

Mr. Curtis stated Staff was working to determine which projects could be moved forward with immediately. He noted the second phase of Washington could move forward immediately, and the two miles of Houston would be done together, but after Washington was completed.

Discussion ensued regarding a walking path project.

City Manager Spurgeon stated in pages 15 through 28 of the City Manager Budget Message he attempted to highlight some of the projects, initiatives, and endeavors the City was working toward. He discussed how he worked within the parameters of his position, and what he expected of other City Staff Members. He discussed Staff transparency and the communication process model, including regular communications and weekly meetings. He noted typically this system worked very well, Staff did not need hand-holding, but of course there were always issues which might arise. He indicated he felt very good about the leadership team. He stated he prided himself on knowing what was going on within the organization. He noted with 900 employees, and a \$311 million dollars budget, good leaders were important. He stated he was very proud of the Broken Arrow Leadership Team who were very proactive as opposed to reactive. He stated the CM Budget Message on pages 15-28 focused and highlighted communications and transparency; economic development administration and initiatives; the new street maintenance program (Vision 2025 and GOB funds); approved and proposed BAMA projects; and various programs and initiatives (new and ongoing). He stated this year's work plan was very aggressive with a lot of road projects and economic development projects.

City Attorney Dennis recommended a motion for a recess.

MOTION: A motion was made by Scott Eudey, seconded by Christi Gillespie.

Move to recess

The motion carried by the following vote:

Aye: 5 - Lisa Ford, Johnnie Parks, Scott Eudey, Christi Gillespie, Debra Wimpee

Mayor Wimpee called the meeting to order.

City Manager Spurgeon discussed the Police Sales Tax Fund revenues: Sales Tax of \$2.8 million dollars, other revenues of \$118,500 dollars, transfer from General Fund of \$28.9 million dollars and transfer from E-911 of \$1 million dollars. He stated the total revenues were \$32.9 million dollars. He discussed the Police Sales Tax Fund expenses which totaled \$32,786,330 dollars which was approximately \$200,000 dollars less than revenues. He noted a decision was made to hire five police officers per year for a certain number of years.

Council Member Ford asked about the "other" category of expenses for the police.

Police Chief Brandon Berryhill explained "other" expenses could include radio system maintenance, janitorial services, etc.

Ms. Arnold stated "other" services also included utilities, telephone, etc.

City Manager Spurgeon stated a complete breakdown of the Police Budget was included in the Budget Book. He stated the two largest departments in the budget were for public safety. He noted it was important to have a safe community and this could only be done if the public safety departments were well funded. He stated Broken Arrow had an excellent relationship with the Fraternity of Police with regard to labor management. He stated there was a need for additional police officers and dispatchers. He indicated currently 157 sworn positions were authorized in the budget, but the City only had 146 positions filled. He stated a plan was in place which proposed to hold two academies per year for the next two fiscal years. He noted, if possible, each academy would have up to 12 recruits. He explained with anticipated retirements, this should fill the police department with the 157 authorized positions.

Chief Berryhill explained the PD had to hire 24 new officers by November 2024 to reach authorized strength as there were retirements coming up. He explained why there would be so many police officers retiring due to new pension rules and regulations and noted across the State police departments would be losing senior leadership as a result. He stated JoinBAPD.com was the website if any were interested in applying. He noted the police officer hiring process took approximately one year and it would be a challenge to hire 24 new officers in two years.

City Manager Spurgeon stated at some point the authorized number of police officers would need to be raised even further; it was important to reach the current maximum authorized number of officers and allow the Police Chief to reevaluate the Police Department's needs. He stated discussions had been held with Broken Arrow Public Schools Superintendent and Staff regarding the schools creating a campus police or contributing to the police as five police officers were dedicated to the school district. He stated he believed the school district was close to forming a campus police department which would free up the currently dedicated school officers.

Vice Mayor Gillespie asked about the process of hiring a police officer from another police department. She asked if these potential hires had to go through the academy again.

Chief Berryhill responded in the affirmative. He explained Broken Arrow had its own police

academy which was three months longer than mandated by the State. He stated in the past lateral transfer hires were made without requiring the officers to attend Broken Arrow Police Academy and it was discovered if new hires were not trained in the Broken Arrow way from day one, there were problems. He discussed some of the things taught during the Broken Arrow Academy which were Broken Arrow specific.

Vice Mayor Gillespie noted Broken Arrow had a difficult time hiring new officers. She asked if transfer hires from other departments lost rank during the transfer.

Chief Berryhill stated the Collective Bargaining Unit required individuals to serve as officers for a certain amount of time before being tested for sergeant, and again before being tested for captain. He stated transfer hires did not lose time served in the state pension system, and fortunately Broken Arrow PD pay was good enough that most transfer hires quickly caught back up to previous salaries. He stated word of mouth and professional reputation were the best ways to bring in good applicants; Broken Arrow was not fighting for good applicants as individuals wanted to live and work in Broken Arrow.

Discussion ensued regarding hiring police officers in Broken Arrow; the Broken Arrow Police Academy; Broken Arrow being a desirable place to live and work; the challenges involved in training 12 new hires; reserve officer programs; the 38 week training program for reserve officers; and the financial cost associated with reserve officers even though reserve officers were volunteers.

Chief Berryhill discussed the need for additional dispatchers and changing the dispatchers to 12 hour shifts. He stated once the Department had enough dispatchers, the retention rate would improve, training dispatchers would be easier, and Broken Arrow would better attract dispatchers from other areas.

Council Member Ford asked if the five additional dispatchers were hired, would the dispatchers be moved to 12 hour shifts.

Chief Berryhill responded in the affirmative. He noted with 24 people in the hiring cycle, FTO's training officers, and more trainees in the academy, the Police Department would have to maximize its technology. He stated the PD would be looking to maximize its surveillance equipment, the software program (not yet deployed) included a citizen's crime report system online which would maximize service calls. He stated the new software system would allow real time crime analysis, GO spatial, and would enable the PD to deploy its officers in a smarter manner. He noted signalizations and cameras were being upgraded to work better with the PD.

City Manager Spurgeon asked if there were any questions for Jamie Ott, Emergency Management Director. He noted the Mr. Ott was working to obtain a grant for sirens and continually worked toward disaster preparedness.

Council Member Ford asked if the emergency management department was funded through the Police Department Budget.

City Manager Spurgeon responded in the affirmative. He reviewed the Police Sales Tax Capital: \$800,000 dollars for police cars; \$50,000 dollars for an intersection license plate reader; \$229,400 dollars for miscellaneous equipment; \$160,000 dollars for animal shelter improvements; and \$24,000 for a golf cart and trailer.

Council Member Eudey stated he understood the City was having difficulty obtaining police cars.

Chief Berryhill stated the police department had been purchasing Dodge Durangos and Chargers for a while. He noted Chargers would no longer be built in 2024. He stated bids were coming in for the Chevy Tahoe. He stated the vendors on state bid had made orders to the manufacturers, and what Broken Arrow was able to obtain depended upon what the vendors obtained. He stated the difficulties were a result of the supply chain issues and hopefully this would be a temporary difficulty. He explained he would not know the price of the vehicles until the vendor received the orders from the manufacturer; at that point he would know whether there would be cost crisis or not.

Council Member Ford asked about the license plate readers for intersections.

Chief Berryhill explained there were several different vendors for this system, and the technology was the same as what was seen on the turnpike. He explained these were high speed cameras which could read a license plate as vehicles were driving through intersections.

Council Member Ford asked what the police would do with this information.

Chief Berryhill explained this information would be helpful in vehicle theft situations; if a vehicle were stolen and a license plate reader camera caught the plate, the police would be alerted. He noted these cameras would not be for speed enforcement purposes, but for search and recovery purposes. He noted the Police Department would choose a vendor who would not share the information; the information collected would be for law enforcement purposes only.

Council Member Eudey asked how the public would be reassured this information would not be used in a negative manner.

Chief Berryhill stated this system would be audited regularly to ensure the information collected would not be utilized for the wrong reasons.

Council Member Ford asked if the system would also read paper tags.

Chief Berryhill responded in the negative; paper tags were not in the database.

City Manager Spurgeon asked about the body cameras.

Chief Berryhill stated the body cameras were working well. He noted his only complaint was the information storage was expensive. He stated the body cameras worked to curb complaints against officers and the officers liked the body cameras. He noted the body camera footage worked well to protect officers from false claims.

City Manager Spurgeon discussed the Collective Bargaining Agreement with the FOP which included an increase in personnel costs. He noted at some point the public would have to consider public safety districts; however, his focus was on aggressive economic development efforts to increase local shopping and extend the life of the police sales tax fund without having to go to the voters for a possible tax increase. He stated he hoped not to need this until sometime between 2027 and 2030.

Vice Mayor Gillespie asked about the public safety districts. She asked if the City would be coordinating with other municipalities.

City Manager Spurgeon responded in the affirmative. He noted this was a discussion held at Cities United. He stated the switch to public safety districts would be a tax increase and the municipalities would work to make the switch around the same time, as was done with the vision repurposing.

Mayor Wimpee noted the public education campaigns would also align with the other municipalities.

City Manager Spurgeon continued to discuss the public safety districts, how to divide up the taxes, and presenting the change to the public.

Council Member Ford asked if salaries could be paid with the 911 funds.

City Manager Spurgeon responded in the affirmative. He noted a portion of the 911 monies would help pay for the additional dispatchers.

City Manager Spurgeon discussed the Fire Sales Tax Fund revenues and expenses noting total revenues equaled \$27.1 million dollars and total expenses equaled \$25.8 million dollars. He noted whatever was leftover at the end of the year went right back into the Fire Fund. He stated the estimated balance of the Fire Fund at the end of June 30, 2023, should be \$9,120,000 dollars. He stated he was going to recommend over hiring by six additional firefighter paramedics to help with staffing the Department.

Fire Chief Jeremy Moore made a presentation about the Fire Department and its duties. He noted the Fire Department covered Broken Arrow city limits and 50 square miles outside of the city limits (approximately 100 square miles of fire and EMS transport). He displayed and discussed a map of the Fire Department's area of service. He discussed the number of vehicles there were in the Fire Department. He stated the Fire Department's goal was a four minute response time. He discussed the Fire Department service and staff members. He discussed how the Fire Department was staffed daily including field staffing, as well as personnel staffing, and the number of staff members the Fire Department had to employ to ensure the necessary number of personnel were on duty at all times.

City Manager Spurgeon asked how much it cost to bring someone in to work 24 hours.

Chief Moore responded it varied according to an individual's salary; however, on average, it cost approximately \$1,000 dollars per day for one person. He discussed how retirements and

new hire training affected staffing levels and made it difficult to keep staffing at optimal levels. He explained “over-hiring” six additional employees would better enable the Fire Department to have the necessary and optimal number of employees on duty at all times without requiring as much overtime. He reviewed the hiring process. He displayed and discussed a chart illustrating current staffing levels compared to staffing levels with six additional staff members.

Vice Mayor Gillespie asked how many individuals would be going into the Fire Academy.

Chief Moore responded if the Fire Department over-hired by six, there would be six new hires, plus however many existing vacancies there were in the Fire Department. He stated currently the Department had one vacancy. He explained with the addition of an eighth fire truck, this program would really just keep the Fire Department running at the current minimum staffing levels. He noted with the increases in vacation time and other benefits, the number of individuals needed to properly staff the Fire Department had increased; however, the number of hires did not increase which has created very thin staffing margins.

Vice Mayor Gillespie asked how often the Fire Department had an academy.

Chief Moore responded typically there was an academy annually; however, there was no academy the year of the pandemic.

Vice Mayor Gillespie asked how many new hires typically attended the academy.

Chief Moore responded the number of attendees directly correlated with the number of vacancies. He explained the next academy would host the additional six over-hires, plus however many vacancies there were in the Department, for example, if there were three vacancies there would be nine individuals in the next academy class.

Vice Mayor Gillespie asked if an academy would be held for three individuals if there were only three vacancies.

Chief Moore indicated this had not happened in his seven years with the Fire Department; the smallest academy had seven individuals and the largest 25.

City Manager Spurgeon noted during his time with Broken Arrow he had never seen an academy class as small as three.

Chief Moore noted the Fire Department lost between five and seven employees per year.

Council Member Eudey stated he did not feel the term “over-hiring” was an accurate term. He stated it seemed the Fire Department was simply hiring in anticipation of filling vacant spots. He noted there were not going to be individuals sitting around doing nothing.

City Manager Spurgeon concurred. He explained he called it over-hiring as it was over-hiring the number of people the Fire Department was authorized to hire.

Council Member Eudey stated this was not the case; the Fire Department was hiring in anticipation of what would be needed.

Vice Mayor Gillespie agreed.

Chief Moore stated the Fire Department was hiring for more positions than were budgeted.

Vice Mayor Gillespie stated she felt “over-hire” was jargon.

Mr. Cook explained technically the Fire Department was hiring more than the allotted number of employees, but by the time training was completed the numbers would balance out and the number of employees would be back to the allotted number.

City Manager Spurgeon stated anytime a department hired more than the authorized number of personnel, the term was “over-hire.”

Vice Mayor Gillespie stated to a layperson it would sound as if the Fire Department were hiring more than the needed number of personnel, and she did not feel this was the case.

Council Member Eudey agreed.

City Manager Spurgeon agreed noting the Fire Department was simply hiring in anticipation of the needed number of employees.

Council Member Parks noted when you over-hired it was typically in an effort to cut back on

paying out overtime. He asked about the Union and firefighter's view of overtime.

City Manager Spurgeon asked how much Chief Moore anticipated the Fire Department would spend on overtime this year.

Chief Moore responded approximately \$1.2 million dollars. He stated the burden would be shifted out of the overtime budget into payroll theoretically. He explained \$750,000 dollars was budgeted in overtime, but the Department spent \$1.2 million dollars this year. He stated when overtime was extremely saturated it became burdensome to the firefighters, especially in terms of mandatory overtime; however, on the other end of the spectrum, when overtime became unavailable or less available, overtime became more desirable. He noted firefighters wanted to be able to come in and pick up overtime every now and then but did not want to be required to work overtime weekly.

Vice Mayor Gillespie stated this was understandable.

Council Member Parks noted over-hiring in an effort to cut back on overtime would most likely save the City and Fire Department money in salaries.

Chief Moore stated this was the theory; \$600,000 dollars would be spent on six payroll salaries, at least \$500,000 dollars would be saved in overtime payout, more opportunities for firefighters to participate in extra training would become available, more opportunities to provide fire trucks for special events and emergencies without extra cost would become available, and most importantly, firefighter fatigue would be lessened.

Council Member Ford asked about the challenges faced by the Fire Department in filling open academy spaces.

Chief Moore responded the Fire Department was not facing the same types of challenges the Police Department were facing; the Fire Department had no difficulty recruiting. He discussed what the Fire Department looked for in a new hire.

Council Member Ford asked if Broken Arrow was still partnering with Tulsa Community College.

Chief Moore responded in the negative.

City Manager Spurgeon noted the Broken Arrow Fire Department had high standards for the Fire Academy, EMT Training, and new hires. He discussed firefighters who chose to complete EMT training as well. He reported on April 4, 2022, there was an excellent labor management meeting, in which the Union President and Members of the Executive Committee, Chief Moore, Chief Berryhill, Norm Stephens and himself were present and talked about nonemergency transports. He noted the discussions in this regard would continue. He stated the Union presented information regarding the number of runs, impact of the runs, etc., and it was clear Broken Arrow was reaching a point in which it would need additional firefighters. He noted there was one fire station left in the bond package and the City needed to decide what to do with these funds, replace a station or construct a new station.

City Manager Spurgeon closed his remarks saying he wished to bring the number of firefighters up to 157 to effectively evaluate operations. He noted a decision would need to be made regarding the eighth fire station; should the City replace or add a fire station.

Council Member Eudey noted the City recently invested a lot of money in renovating a fire station.

Chief Moore reported in 2017 the City invested approximately \$100,000 dollars in Station 1 for mold remediation.

Council Member Eudey asked if this station was structurally sound.

Chief Moore responded in the affirmative. He stated he would recommend adding a new station as opposed to further renovations for Station 1. He pointed out on the map the general area he would recommend placing a new fire station (northeastern portion of the City) in order to ensure response times were around four minutes throughout the City

Council Member Ford asked about the current response time.

Chief Moore displayed a map and noted any call coming from an area outside the red zone would take longer than four minutes to respond to; he believed there were some areas in which response time was eight to nine minutes. He stated if a new fire station were constructed near the existing training center in the northeast, the northeast response times

would decrease to four minutes, plus response times would improve for the central portion of Broken Arrow as Station 6 would no longer need to respond to the northeastern portion of Broken Arrow.

Council Member Eudey noted the same could be said for the northwestern portion of Broken Arrow as those fire stations would no longer be required to respond to the northeastern portion of Broken Arrow.

Chief Moore concurred.

Discussion ensued regarding Tulsa constructing a new fire station which would also be able to respond to Broken Arrow territory and Broken Arrow responding to Tulsa calls.

Council Member Eudey stated LifeRide should be reviewed and discussed for possible revision.

City Manager Spurgeon stated discussions would continue regarding the eighth ambulance, nonemergency transport, LifeRide, and a new fire station and how to best provide emergency services to the Citizens of Broken Arrow.

Council Member Parks asked if Broken Arrow would hire a consultant to make recommendations regarding the possibility of a new fire station as opposed to other options.

Chief Moore stated the Ludwig Report approved by City Council in 2016 recommended adding a new fire station in the northern portion of Broken Arrow in the next ten years.

Council Member Parks stated it was important to follow the expert's advice.

Chief Moore concurred.

Council Member Eudey noted the benefit was the City had land in the recommended area for a new fire station.

Chief Moore noted he recommended putting the new station by the training center as the City did have land in the area, but also due to the GIS information available. He noted soil tests were currently being conducted on the training center property to see if construction of a fire station was feasible. He noted while the fire station might not be built on the actual training center property, it was the area recommended by the Ludwig Report and Chief Steward's GIS information report.

Council Member Eudey asked if he could have a copy of the Power Point presentation.

City Manager Spurgeon indicated he would send out copies to all the City Council Members. He thanked Chief Moore and Chief Berryhill.

Mr. Tom Cook reviewed the changes in the Manual of Fees: There were small increases to Development Fees including Inspections, Annexation, Comprehensive Plan and Zoning Fees. He stated utility rate changes were pending the adoption of the rate model. He noted tap fees went up to reflect actual costs, cemetery fees went up with the CPI of 2%, and a few changes in Medical Services were made to reflect actual drug costs.

Mr. Curtis stated in comparison with neighboring municipalities, Broken Arrow's rates were relatively low or reasonable for services provided.

Mayor Wimpee asked about the jump from \$87 dollars to \$150 dollars for the commercial burn permit, and the residential solar panel permit which went from \$63 dollars to \$150 dollars.

Mr. Curtis stated in regard to the solar panel permit the industry standards for permit costs were generally associated with the installation and was typically a percentage of the installation cost. He explained the City chose to establish flat rate instead, as this would prevent permit costs increasing to upwards of \$300 dollars which could happen if the City used the percentage rate standard. He noted in regard to commercial burning, citizens had been raising concerns in this regard, and the City had higher costs associated with these permits as they required more regulation; therefore, the cost has gone up in an effort to recuperate costs.

Discussion ensued regarding home burn permits as opposed to outdoor firepits or outdoor fireplaces.

City Manager Spurgeon discussed LifeRide. He reported implemented in 2015 as a voluntary program, LifeRide was a program where Broken Arrow residents were charged a monthly fee

to cover all out-of-pocket costs when emergency ambulance service/care was provided by BAFD EMS. He stated initially the fee was established at \$5.45 per month as that was the same rate EMSA charged Tulsa residents. He stated the city had 39,526 utility customers with participation in LifeRide at 68.7%; however, there has been a steady decrease in the percentage of utility customers participating in LifeRide from 90.4% in FY2016, 76.2% in FY2019 to the current 68.7% in FY2022. He stated currently, 12,056 customers have opted out of the LifeRide program. He stated a report completed by Crawford and Associates analyzed Broken Arrow's LifeRide program and advised expenditures for ambulance services far exceeded revenues. He explained in order to maintain the present service levels, Broken Arrow needed to consider requiring all residents to participate in the program. He stated Crawford and Associates could analyze what rate would be needed to cover the cost of service and the Council could then set the monthly rate as part of the Manual of Fees. He stated a discussion needed to be held in this regard. He stated this charge would be easily defensible as a utility charge; however, obtaining a Crawford analysis to explain why this charge was needed would be important for justification purposes. He stated LifeRide could be an effective income to support Broken Arrow EMS services. He asked City Council to consider this as an option.

Council Member Parks asked if this was a mandatory fee in Tulsa.

Chief Moore responded in the negative.

Council Member Parks asked if Tulsa's participation rate had fallen as quickly as Broken Arrow's participation rate. He stated he felt this was a reasonable mandatory utility fee to be added to improve quality of life in Broken Arrow as he did not want to lose EMT service for these areas.

Council Member Eudey asked, for those who did not have LifeRide, was it difficult to collect ambulance fees. He noted those who did not have LifeRide were getting the same benefit as those who had LifeRide, especially if those without LifeRide were simply not paying the ambulance fees.

Mr. Cook explained those who did not pay the ambulance fees were turned over to collections, but these collections agencies did not report delinquencies to crediting agencies which rendered collection less effective. He stated it was the opinion of Broken Arrow's legal department, and others, that municipal ambulance fees did not fit credit reporting criteria.

Council Member Eudey stated a debt was a debt.

Mr. Cook stated collection agencies would not report ambulance fees to crediting agencies.

Council Member Eudey stated it was unfair to those who were paying for the services if those who were not paying for the service continued to receive the same exact service without penalty of fees. He stated he would like to see the percentage of unpaid ambulance fees.

Mr. Cook stated he could get this information from EMS.

Vice Mayor Gillespie asked about the demographics of those who were not paying the LifeRide fees. She stated if the lower income demographic were opting out of the \$60 dollar per year service fee because they did not want to lose any of their social security check, it might be understandable; however, if someone from a higher income demographic opted out it was much less understandable.

City Manager Spurgeon stated he would obtain this information as well.

Mayor Wimpee asked how often information regarding LifeRide was sent out.

Mr. Cook stated enrollment for LifeRide was in October and social media blitzes were sent out; however, targeting mailers were not sent out.

Discussion ensued regarding educating the public regarding LifeRide.

Council Member Eudey stated those who were not paying the fee had an advantage over those who were paying the fee if the City was not collecting ambulance fees from those who did not have LifeRide.

Vice Mayor Gillespie asked if Medicare/Medicaid members had out of pocket expenses for emergency services.

Mr. Cook responded it depended upon supplemental coverage; however, in his experience basic Medicare did not cover the full cost of an ambulance ride. He explained while the Fire

Department had an agreement with Medicare to accept a certain amount for ambulance services, that amount did not cover actual costs.

Chief Moore stated the federal government had a program which helped supplement Medicare ambulance service costs; Broken Arrow was enrolled in this program.

Council Member Eudey stated it was important to be fair to all.

City Manager Spurgeon stated he felt everyone should be required to pay as EMS services were costly and it was important to be able to provide everyone the best care and the best coverage.

Council Member Eudey stated Broken Arrow provided a superior product and there was price to be paid for said product.

City Manager Spurgeon stated he would obtain all the requested information and at some point, this conversation would be continued with City Council providing direction. He stated, in closing, "We've built a conservative focus that will help ensure Broken Arrow continues to provide the level of services that residents desire, while maintaining the modest tax implications taxpayers have come to expect. I believe that the initiatives and spending priorities recommended in this budget submission reflect not only the goals of the City Council, but also the priorities of the residents and taxpayers of BA."

City Manager Spurgeon thanked City Council, the Broken Arrow Leadership Team, Cindy Arnold and team, Tom Cook and team, the City Manager's team, Kenny Schwab, Norm Stephens, Cricket, and Makala, and the citizens of Broken Arrow. He thanked the presenters, Chief Moore, and Chief Berryhill.

Council Member Ford asked when this meeting would be available on the website.

City Manager Spurgeon stated he would make the meeting available for viewing.

Finance Director Cindy Arnold thanked all.

5. Remarks and Inquiries by Governing Body Members

Council Member Ford thanked everyone for their efforts in regard to the budget.

Council Member Parks stated the budget was informative and easy to read.

6. Remarks and Updates by City Manager, including Recognition of Recent Accomplishments by Employees and Elected Officials

There were no remarks or updates by City Manager.

7. Adjournment

The meeting adjourned at 6:56pm.

MOTION: A motion was made by Johnnie Parks, seconded by Scott Eudey.

Move to adjourn

The motion carried by the following vote:

Aye: 5 - Lisa Ford, Johnnie Parks, Scott Eudey, Christi Gillespie, Debra Wimpee

Mayor

City Clerk