



City of Broken Arrow

Minutes

Special Joint Meeting of Broken Arrow City Council, Broken Arrow Municipal Authority, and Broken Arrow Economic Development Authority

Mayor Craig Thurmond
Vice Mayor Scott Eudey
Council Member Johnnie Parks
Council Member Debra Wimpee
Council Member Christi Gillespie

Tuesday, May 28, 2020

Time 1:00 p.m.

Stoney Creek Conference Center
200 West Albany Street
Broken Arrow, OK

1. Call to Order for the Broken Arrow City Council, the Broken Arrow Municipal Authority, and the Broken Arrow Economic Development Authority

Mayor Craig Thurmond called the meeting to order at approximately 1:00 p.m.

2. Roll Call for the Broken Arrow City Council, the Broken Arrow Municipal Authority, and the Broken Arrow Economic Development Authority

Present: 5 - Christi Gillespie, Debra Wimpee, Johnnie Parks, Scott Eudey, Craig Thurmond

3. Pledge of Allegiance to the Flag

Mayor Thurmond led the Pledge of Allegiance to the Flag.

4. General Council Business

- A. 20-539 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 2020-2021 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 Michael Spurgeon thanked Stoney Creek for the use of the space for the Meeting. He stated present today to answer questions were the Broken Arrow Department Directors and members of Senior Staff. He noted the Budget covered the General Fund, BAMA, and all other Special Funds. He outlined and discussed the Meeting schedule, who would present each section, and what each section would contain. He noted if a second Budget Workshop were required the publications which had been made would require adjustment to meet all statutory requirements for public hearings; however, this was easily done.

Mayor Thurmond stated he felt questions should be asked following each presentation before moving on to the next presentation.

City Manager Spurgeon concurred. He noted any questions submitted previously were answered and these questions and answers had been distributed to all governing body members for review. He indicated the Broken Arrow economy pre-pandemic was healthier than many municipalities in Oklahoma, thanks to the excellent decision making of the City Council, BAMA, and BAEDA. He stated at the end of February sales tax and use tax were coming in a little over projected and expenditures were down over a million dollars. He noted coming into March, Broken Arrow was in excellent shape; however, then COVID-19 struck, and City Council began issuing proclamations to deal with the impending pandemic. He noted these proclamations necessarily closed public facilities and required the public to shelter in place. He explained Broken Arrow followed the guidelines of the governor's Safer at Home plan, as well as his OURS plan. He reported Broken Arrow was currently in phase II of reopening and hopefully would be able to transition to phase III in a week. He stated Broken Arrow had prepared for drastic revenue failures and loss. He reported the first sales tax revenue check received from the Oklahoma Tax Commission in early May (for period of March to April) represented a lesser loss of revenue than expected; use tax came in strong. He indicated the next sales tax revenue check would be received June 10 (for period of April to May) and until this was received it was difficult to have a full grasp on how the pandemic would affect Broken Arrow. He noted the Budget planned for a downturn in sales tax and a downturn in other revenues. He stated once the sales tax numbers were received Staff would be able to adjust the Budget as necessary.

City Manager Spurgeon indicated the Budget was built assuming the City would not receive any stimulus money; Broken Arrow submitted a package for reimbursement for

approximately \$150,000 dollars and had another package to submit in a couple days; in June Broken Arrow would submit reimbursement requests to the State of Oklahoma through the State's portal, and would continue to submit reimbursement requests as needed and as the opportunities arose. He explained he was mentioning this as these reimbursements would affect the Budget as well. He stated the Budget was currently very conservative. He noted there were a few typos in the Budget Message which he would correct and redistribute.

City Manager Spurgeon stated Broken Arrow operated on a Fiscal Year Budget which ran from July 1 to June 30 annually. He discussed the Municipal Budget noting it served the following purposes: It was a "blueprint" for providing municipal services; the Budget consisted of Personnel, Operating, and Capital expenses; it matched available resources with community needs; and the Executive Summary outlined the work plan and priorities for the organization. He reviewed and discussed the City's top priorities: maintaining fiscal soundness; Public Safety and Emergency Management preparedness; comprehensive economic development administration; affordable public utilities; and ongoing investments in public infrastructure.

City Manager Spurgeon indicated the Budget Book included: the City Manager's Budget Message; proposed revenue and expenditures for each fund; charts of revenue and expenses; proposed department budgets; special funds with proposed expenditures, revenues, and fund balance; proposed 2020 GO Bond sale; street maintenance plan; and Manual of Fees. He reviewed and discussed the following key budgeting practices: estimate revenues and expenditures conservatively, especially with COVID-19 Pandemic; ensure all funds balance; include built-in contingencies for the unexpected (build up reserves); and focus on long-term financial sustainability.

City Manager Spurgeon reviewed the basis for Budget recommendations which included implementation of Council's on-going number one goal to provide great services to the community; recover from the COVID-19 Pandemic; address increasing demands for public infrastructure and public services as a part of a growing community; and maintain City of Broken Arrow's great quality of life. He discussed the top four Budget concerns/challenges: 1) The State's over-dependency on sales tax; 2) Implementation of a sustainable revenue source for public safety operations; 3) Manage the budget during COVID-19 recovery; and 4) The Utility Department's implementation of the new rate model and complete CIP.

He indicated he had been told for the last three years by the State Legislature Oklahoma residents might be able to vote on the creation of public safety districts to help pay for police and fire services through Bill 1992; he was told Bill 1992 passed the House of Representatives, went to the Senate, and the Floor Leader, an Oklahoma Senator, refused to take the Bill to the Floor and the Bill failed. He stated this was disheartening. He stated this summer a couple of work sessions should be held to discuss options to help support public safety. He stated in anticipation of these work sessions he had Crawford and Associates prepare a report on the Life Ride program and had the City Attorney's Office prepare a memorandum discussing several options. He discussed the report on the Life Ride program and indicated he would distribute this to the City Council Members shortly. He discussed the Police Fund noting it looked healthy, but this was deceptive as 36% of this fund would be going to the newly hired officers. He discussed the Fire Fund noting it looked grim and would have to be increased to cover expenses. He asked the City Council Members to review these two funds and forward any questions to himself over the next couple of days.

He noted no layoffs or furloughs were being recommended at this time. He stated those who were deemed nonessential or were under the Governor's Safer at Home plan would be brought back to work very soon. He stated he froze fifteen positions and research would be done to see if some of these positions could be consolidated or altered to reduce expenses. He stated if Broken Arrow received stimulus funding reestablishing the fifteen frozen positions could be considered as well.

He stated because of the pandemic he was recommending the City not implement the fifth year of the rate increase model. He noted normal utility collection practices were recently reestablished; 5% of customers were unable to pay utilities and would need to set up payment plans to pay off unpaid utilities. He suggested implementing the fifth year of the model next year, or incorporating necessary rate increases into the next five-year model.

City Manager Spurgeon reviewed the sales tax break down and discussed who received what percentage of the sales tax. He reported the FY-2021 Proposed Municipal Budget was \$292,568,533 dollars which represented a \$15,077,639 dollar decrease, or 4.9% decrease, compared to the FY-2020 Municipal Budget of \$307,646,172 dollars. He discussed the budget items which contributed to the decrease including bond sales, capital improvement program reductions, project completions, and minor reductions in operating expenses. He stated Operational Expenses were \$122 million dollars, Capital Outlay was \$137 million dollars (last year capital outlay was approximately \$155 million dollars), and Debt Service was \$32 million dollars equaling a total budget of \$292 million dollars. He reported the

General Fund this year was \$90.8 million dollars and included expenditures, transfers out, and the ending fund balance. He noted last year's General Fund was \$95 million dollars; this represented a decrease of 4.4% in operating costs, transfers out (public safety sales tax funds), and reserved fund balances for this Fiscal Year.

City Manager Spurgeon discussed the FY-2021 General Fund Revenue Projections noting there was a decrease in overall revenues of \$1.9 million dollars, or 3% from last year's budget, but \$3.6 million dollars or 5.6% lower than estimated year end. He asked Cindy Arnold, Finance Director to discuss sales tax projections.

Finance Director Cindy Arnold explained Staff looked closely at sales tax and projected a 6.5% decrease and the Budget was designed to accommodate this decrease. She stated use tax was based on actual year end estimates as the use tax had not suffered during the pandemic. She noted all other current revenues were projected to decrease 4.9% equaling a projected decreased of 5.9% for all revenues combined.

City Manager Spurgeon discussed the BAMA Budget noting the total FY-2021 BAMA Budget was \$124 million dollars and included expenditures, transfers out, ending fund balance, capital outlay, and debt service. He reported this was almost 11% less than last year's budget of \$139 million dollars; the decrease was in operating costs, capital outlay, reserved fund balances, and debt service. He reviewed Budget highlights noting he was proposing a no rate increase (Year-5 of rate model), the City would be spending approximately \$4.5 million dollars (providing the revenue came in) for "pay as you go" capital work, and the proposed OWRB Projects equaled \$47 million dollars.

City Manager Spurgeon reviewed the Sales Tax Capital Improvement Fund (STCI) for FY-2021. He stated sales tax collected for STCI was 0.5% of 3.55% of City's sales tax, revenues were estimated at \$7 million dollars and STCI funds were used primarily for "pay as you go" capital expenses. He stated STCI Highlights included \$120,000 dollars for equipment and repairs at Battle Creek and \$700,000 dollars for new police vehicles; however, based on the Take Home program, this was not enough to keep the City where it needed to be with cycling out police vehicles. He stated he would like to come back later in the year and add \$300,000 dollars. He stated there was \$30,000 dollars proposed for the Korean War Memorial, \$871,000 dollars for City Property Roofs and A/C units, and \$110,000 dollars for the Neighborhood Improvement Plan. He asked Larry Curtis to discuss the Neighborhood Improvement Plan.

Mr. Curtis reported the Comprehensive Plan which City Council adopted last year was incorporated with suggestions and upgrades to certain area district plans within the City. He explained the Neighborhood Improvement Plan associated with that would help the City move in that direction. He noted the New Orleans plan had begun to be developed and this plan would help guide the City in the future with other area improvement plans.

City Manager Spurgeon noted the Annual Bass Pro debt service payment was \$1.9 million and would be paid off in 2026.

Council Member Wimpee asked if Bass Pro shop had intentions to renew its lease and stay with the City beyond 2026. City Manager Spurgeon stated he planned to speak with Mr. Morris (Bass Pro Shops) in the next year to discuss this.

City Manager Spurgeon stated Mr. Kenny Schwab would talk more extensively about the General Obligation Bonds Projects, but there was \$67 million dollars in current FY-2011, FY-2014, and FY-2018 GOB Projects, and the Proposed GO Bond Sale in FY 2021 was \$16.5 million dollars.

He stated BAMA CIP included \$46.9 million dollars in OWRB projects underway, \$1.6 million dollars for new utility vehicles and equipment, \$3.5 million dollars for Recycling/Trash Carts and \$900,000 dollars for three new refuse trucks. He stated next Tuesday City Council would hear a short presentation on the public education campaign for the recycling program.

He reported the FY-2021 Work Plan discussed communications and transparency; Economic Development Administration; the street maintenance program (Vision 2025 funds); GO Bond Program; and various programs and initiatives, new and ongoing.

City Manager Spurgeon stated, in conclusion, Broken Arrow's number one focus this year was recovering from the COVID-19 pandemic. He stated Staff built a conservative focus which would help ensure Broken Arrow continued to provide the level of services residents desired; while maintaining the modest tax implications taxpayers had come to expect. He stated he believed the initiatives and spending priorities recommended in this budget submission reflected not only the goals of the City Council, but also the priorities of the residents and taxpayers of Broken Arrow. He thanked the Finance Department, Directors and

Assistant City Managers for their work on this Budget.

Finance Director Cindy Arnold began her presentation regarding the Broken Arrow FY-2021 Budget. She reported there 29 total Funds. She displayed a list of the 29 Funds noting she would discuss a few of the Funds. She stated, as discussed earlier, sales tax was decreased by 6.5%; this was Fund wide and included street tax, police, and fire, etc. She stated use tax was based on estimated year end; licenses and permits we decreased by 9.7% from estimated year end; the BAMA Pilot fee was decreased based on water and sewer rates; court fines were decreased 15%; and the rest of revenue was based on historical information.

Ms. Arnold reported the General Fund Main Operating Fund total current revenues were budgeted at \$60 million dollars, Sales Tax \$35 million dollars, Use Tax \$6 million dollars, Franchise Fees \$4 million dollars, Electric \$1.6 million dollars, Gas/Cable/Telephone was \$2.4 million dollars, and Charges for Services was \$10 million dollars (Life Ride program). She stated total revenues were down overall 5.9%. She reported regarding General Fund Expenditures she had each department cut their operating expenses, health insurance rates remained the same, there was no across the board wage increase, merits were incorporated, and Worker's Comp remained the same at \$600,000 dollars. She reviewed General Fund Expenditures and Transfers Out noting an additional \$2.1 million dollars was needed to balance the Fire Sales Tax Fund this year. She stated the General Fund Balance included a Beginning Fund Balance of \$15.2 million dollars with Revenues of \$76 million and Expenditures of \$78 million dollars resulting in an Ending Fund Balance of \$12.7 million dollars. She reported out of the \$12.7 million dollar Ending Fund Balance there was an Emergency Fund Balance of \$9.7 million dollars which met the emergency fund balance requirement set by the Resolution passed in June 3, 2019 and Compensated Absences were \$3 million dollars.

Ms. Arnold reported BAMA's total current revenues were \$51.3 million dollars; this was based on no rate increase and estimated actual. She stated penalties would be less than the estimated year end due to suspended cost and penalties. She indicated Broken Arrow typically collected \$83,000 dollars a month in penalties and fines for late payments and cutoffs. She reported BAMA expenditures included personal services of \$20 million dollars, other services and charges were \$9.8 million dollars while material and supplies were \$9 million dollars for a total current expenditure of \$39 million dollars. She stated capital outlay was \$49 million dollars, debt service was \$13 million dollars, transfer out was \$14 million dollars to the General Fund and \$600,000 dollars to BAEDA. She stated \$901,000 dollars of fund balance was used this year leaving an estimated fund balance for June 30, 2021 at approximately \$8.3 million dollars. She reviewed BAMA Capital highlights noting out of the \$49 million dollars in Capital almost \$47 million dollars would be financed by loans. She stated some of the pay as you go capital included two rear loading sanitation trucks, a chlorine tank, blower replacement, half ton Quad cab truck, and Project Management Software. She noted BAMA would have to take a new loan for Sanitation, as the switch to recycling and the cart system would be costly. She stated she was in the process of securing an interest free loan from the Close Loop Fund (recycling specific loan company offering interest free loans) for the recycling part of the project; once approved, bank financing for the rest of the project would be secured; also, BAMA applied for a possible \$395,000 dollar grant which would help pay for carts and recycling promotion.

Ms. Arnold reviewed the Hotel and Convention Bureau: Motel Hotel Tax was 4% and on a normal year Broken Arrow collected between \$550,000 dollars and \$585,000 dollars; however, due to the pandemic this expectation was lowered to \$450,000 dollars. She noted there were some hotels who were having difficulty paying this tax at the moment. She reported there were a total of 14 hotels in Broken Arrow and the estimated ending fund balance was \$594,000 dollars for the Hotel and Convention Bureau fund.

Ms. Arnold reviewed STCI fund: Total Revenues were approximately \$7 million dollars; sales tax was less than last year by 6.5%. She stated expenditures included Capital Projects at \$9.9 million dollars; this included \$3.2 million dollars in rollovers and debt service of \$1.9 million dollars. She stated the estimated year end fund balance was \$4.5 million dollars. She stated STCI funded projects included: \$871,500 dollars in new roofs and HVAC for City Buildings; Special Projects (the Korean War Memorial, Community Garden, Landscape and Lighting City Hall, Retaining Wall-Hillside, and Economic Development); Neighborhood Improvement Plan (\$100,000 dollars); Police Vehicles (\$700,000 dollars); Body Cameras (\$130,000 dollars); and Fire Station alert upgrade (\$120,000 dollars).

Ms. Arnold discussed the Police Sales Tax Fund which had an estimated fund balance which was healthy. She noted all capital this year came from the STCI fund. She noted the largest piece of expenditures was salaries. She stated the Fire Sales Tax Fund reflected the reduced sales tax rate, and the estimated fund balance was only \$1 dollar.

Ms. Arnold discussed the Debt Service Fund (ad valorem taxes and GO Bonds) noting revenues were from property tax collection plus interest at \$17 million dollars and expenses

included the GO Bonds, interest, workman's compensation judgements, etc. She stated the ending estimated Fund Balance was a little over \$9 million dollars which was reserved for debt service and the millage rate was 16.79.

Ms. Arnold discussed Broken Arrow Economic Development Authority (BAEDA) reporting revenues were from monies collected in the TIF District (Rose District), taxes, and other were \$1.5 million dollars and interest brought in approximately \$5,000 dollars. She reported expenses included Debt Service (Flight Safety note), other services and charges, and Capital Outlay. She asked if there were any questions; there were none.

Mr. Arnold discussed the 2011 GO Bond Fund reporting all series had been sold and there was approximately \$4.6 million dollars left which would be spent as follows: Streets at \$3 million dollars, Quality of Life \$500,000 dollars, and Stormwater \$1 million dollars. She reported all series of the 2014 GO Bond had been sold, the Budget was a little over \$20 million dollars and would be spent as follows: Streets \$12 million dollars, Public Safety \$1.5 million dollars, Quality of Life \$1.7 million dollars, Public Buildings \$2 million dollars, and Stormwater \$2.8 million dollars. She noted all projects were named in this series. She discussed the 2018 GO Bond Fund noting the sale this year was for \$16.5 million dollars and the total Budget was \$42 million dollars which would be spent as follows: Streets \$12 million dollars, Public Safety \$5 million dollars, Quality of Life \$3 million dollars, Public Buildings \$2 million dollars, Stormwater \$870,000 dollars, and Drainage \$900,000 dollars.

Mayor Thurmond asked if there were any questions; hearing none, he indicated a brief recess was in order. A brief recess was taken and then the meeting resumed.

Assistant City Manager of Operations Kenny Schwab reported he would be discussing the 2018 GO Bond Program and reviewing the proposed projects and costs. He noted Staff would come before City Council in September with a list similar to what he was proposing. He explained changes to this list could occur between now and September. He stated the proposed sale for this year was \$16.5 million dollars. He stated all the 2011 and the 2014 bonds had been sold. He reported there were two Series of Bonds (2020A and 2020B). He explained Series 2020A was related to property and assets owned by the City and included Proposition 1 through Proposition 4. He noted Proposition 1 was Transportation and had eight projects. He discussed the following projects including information regarding the cost possible timeline of each: Widen Houston Street from Garnett Road to Olive Avenue, Widen Houston Street from Olive Avenue to Aspen Avenue, Widen Washington Street from Olive Avenue to Aspen Avenue, Widen Washington Street from 9th Street to 23rd Streets, Widen 9th Street from Houston Street from Washington Street, Rehabilitate and/or resurface various residential streets located throughout the city, Widen Albany Street from 23rd Street to 37th Street, and sidewalk improvements at various locations; these projects totaled \$8.97 million dollars.

City Manager Spurgeon reported he received an update from Travis Small yesterday regarding the road for the STEM Academy just east of the Casey's. He noted this road was a two-lane road which ran from County Line to 209th. He stated Staff was proposing a five-lane road from County Line Road to just east of the entrance to the STEM Academy (near 209th) at which point the road would go back to two lanes, but the City was proposing to add shoulders due to the steep drop off. He stated the City had an opportunity to narrow the road to three lanes rather than two at 209th, but due to funding this was not being done.

Mr. Schwab stated Staff did wish to make the road three lanes past 209th but was unsure how far funds could be stretched. He noted this was a challenging road to widen. Council Member Parks asked if the City needed to acquire most of the right-of-way for these road improvements. Mr. Schwab responded in the affirmative; the City would have to acquire most of the right-of-way; however, the STEM academy was required to dedicate right-of-way.

Vice Mayor Eudey asked if the right-of-way acquisition was contributing to the funding difficulties. Mr. Schwab responded in the affirmative; right-of-way acquisition was a contributing factor, but the biggest cost was associated with the vertical geometrics. He noted this project was not included in the 2018 GO bond program; it came in after the 2018 Bond program and the City Council moved funds of about \$4.4 million dollars from unnamed projects to this road. He noted the City knew this project was a little under funded from the beginning, but it was certainly better than nothing.

Vice Mayor Eudey asked about the 209th Street 2014 GO Bond project's timeline. Mr. Schwab responded the 209th Street 2014 GO bond project design was complete, the majority of the right-of-way had been acquired, and two weeks ago City Staff received an updated cost from ONG to move the high pressure gas line; ONG wanted \$3.4 million dollars to relocate the gas line. He explained the City had \$1 million dollars allocated to move the gas line and was struggling with the funds for this project. Vice Mayor Eudey stated this was concerning as the 2014 Bonds were completely named. He worried this would further delay the 209th

Street project. Discussion ensued regarding the funding difficulties for this project, the safety hazards of this road, the money being wasted patching this road, revisiting the priority of this project, resident complaints regarding 209th, the schools and projected schools along this road, unnamed project funds possibly going to 209th, and New Orleans Square funds.

Vice Mayor Eudey stated he was extremely frustrated by this situation.

Council Member Gillespie asked if there was no room for negotiation with ONG regarding the \$3.4 million dollar fee. Mr. Schwab responded historically ONG estimated fees higher than actual cost; however, lately the estimates were much closer to actual cost, for example the last project ONG estimated would cost \$1 million dollars and actual cost was \$850,000 dollars.

Discussion ensued regarding the project list, all projects being pressing projects, redistributing costs, the importance of the New Orleans Square project, the New Orleans Square intersection timeline, and the Elm and New Orleans Advisory Committee understanding the planning of this intersection would take time.

City Manager Spurgeon asked City Council to be aware of the needs of the New Orleans Square intersection.

Discussion ensued regarding road difficulties in Broken Arrow, the Casey's project being completed in the next few months and drawing additional traffic to an already congested area, the need to reassign funds to finish the 209th Street project, and the importance of prioritizing funds to finish the 209th Street project.

City Manager Spurgeon stated he understood. He recommended allowing City Staff to review the Proposition 1 package, have a conversation with ONG, and find a way to source funding for 209th. He stated he would bring this information back to City Council for review and possible approval. He indicated the New Orleans Square intersection was also important and should be considered.

Mr. Schwab noted the remaining incomplete roadway projects from 2011 and 2014 GO Bonds were slated to begin this summer or immediately and once the funds for these projects were "shored up" the City would know exactly what the shortfall was.

Mr. Schwab reported Proposition 2 was Public Safety and had one project: acquisition and equipping of fire trucks and/or ambulances \$500,000 dollars. He stated the funds would be used to replace an old fire truck at Fire Station 1 or Fire Station 7. He stated Proposition 3 was Quality of Life and had three identified projects: Improvements to Nienhuis Park Skate Park (construction money of \$600,000 dollars); Improvements to Arrowhead Park (\$300,000 dollars for shade structures); Construct new community trails near 1st Place (\$400,000 dollars). He reported this would be a trail head located between Arrowhead Park and the Senior Center connecting the two. He reported Proposition 4 was Public Facilities; projects included: Construct an Armed Forces Meeting Hall for \$1.34 million dollars (this project would be advertised in June); Construct a new Senior Citizens Center for \$3.22 million dollars (would begin later this year); Software upgrade for city facilities \$970,000 dollars (ERP third installment).

Mr. Schwab reported Series 2020B, Proposition 6, Drainage, was public monies being spent on properties the City had an investment in but did not necessarily own outright (easements for example). He stated the drainage improvement projects were divided by Basins: Adams Creek Basin, Broken Arrow Creek Basin, Haikey Creek Basin, and Elm or Aspen Creek Basins. He explained the funds totaled \$200,000 dollars for the drainage improvements and the Drainage Advisory Committee conducted research regarding where the money was most needed. He asked if there were any questions; there were none.

Director of Streets and Stormwater Rocky Henkel reported he would present the proposed FY-2021 Street Maintenance Program. He reported this was funded through the Street Sales Tax Fund: 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 control devices and signalization; the funding for this fund came from a twenty-five hundredths of one percent (0.25%) tax that was effective January 1, 2017.

Mr. Henkel reviewed and discussed the various Traffic Signal Projects. He reported Broken Arrow owned, operated, and maintained over 84 signalized intersections, one pedestrian crossing, and three street crossings. He stated to date, 32 of those 84 were upgraded with flashing yellow arrows and when the planned traffic signal projects were completed another 7 would be upgraded bringing the total number of upgraded intersections to 39. He reported Staff proposed to change the street name signs to LED street name signs for \$226,000 dollars.

Mr. Henkel reviewed and discussed the Street Repair projects. He displayed a chart which explained the PCI rating system which was used to determine which roads were repaired when. He noted a consultant was hired periodically to drive and rate the streets in Broken Arrow. He displayed and discussed a chart illustrating pavement quality/cost over time. He noted there were 1,249 lane miles for which Broken Arrow was responsible to maintain. He reviewed and discussed the concrete panel repair projects and resurfacing projects providing information regarding where the projects were located, the budgeted amount of each project, and the timelines of several. He discussed the miscellaneous projects which included street striping/markings of every arterial street, crack sealing, annual street and sidewalk maintenance, and high-density mineral bond preventive maintenance.

Mr. Henkel reviewed the totals of each project category: street signal projects - \$780,500 dollars (20% of the budget); concrete panel replacement projects - \$1.3 million dollars (32% of the budget); resurfacing projects - \$1 million (26% of the budget); and miscellaneous projects - \$895,000 dollars (22% of the budget); with a total proposed budget of \$4 million dollars. He displayed a map which illustrated where the various projects were located. He asked if there were any questions; there were none.

Finance Director Cindy Arnold reviewed the Manual of Fees. She noted there were very few changes to the Manual of Fees this year: Water, Sewer, and Stormwater fees had no increase; Water Tap Fees on page 10 had slight increases; Refuse Charges on page 11 had adjustments for the new recycling program; all Cemetery Fees on page 11 went up by 2.1% which was the Consumer Price Index (CPI) rate of 2.1%; and the Street Light fee was proposed to increase by \$1.00 to \$2.50 per month for two years until the project was paid for, then the fee would return to \$1.50 per month.

Mr. Henkel explained the increase in the Street Light fee would pay for the conversion of the lights along the Broken Arrow Expressway to LED lights.

Ms. Arnold noted there were no other changes in the Manual of Fees. She asked if there were any questions.

Council Member Wimpee asked if a work session specifically for the Manual of Fees would be scheduled. City Manager Spurgeon responded this could be done.

Council Member Gillespie asked about pool fees, pool cards, and pool capacity restrictions. Director of Parks and Recreation Matt Hendren responded pool cards were still available. He noted Tulsa County Health Department was not recommending limiting the capacity of the pool; therefore, the pool would operate at normal capacity and normal pricing, but only one of the three pools would be opened. Discussion ensued regarding opening only one of the three pools limiting the number of residents who were able to utilize the pool by 60%, the pool card not being a membership card, and the pool card enabling residents to enter the pool at a discounted rate.

City Manager Spurgeon reported next year PSO (Public Service Company of Oklahoma) was required to go before the voters to renew the franchise. He stated there was an opportunity to ask the voters, as part of the renewal, to increase the franchise fee to create a community fund or an economic development fund. He explained many communities had done this and designated the funds for something specific; he felt if the residents approved this increase it could generate \$900,000 dollars annually.

Mayor Thurmond asked at what percentage Mr. Spurgeon would propose the increase. City Manager Spurgeon responded he was unsure; he stated he believed it was 1%. He stated the City should consider this as a possibility. Discussion ensued regarding what these funds might be used for and the ability to dedicate these funds to something different annually. City Manager Spurgeon stated Mr. Michael Gordon (with PSO) would come speak to City Council regarding this possibility in August.

Council Member Parks asked if the City was doing a good job collecting from residents who utilized fire and fire rescue services. Fire Chief Moore responded in the affirmative. He noted a third-party billing agency was used for this purpose. Council Member Parks stated he would like to see what percentage of what was billed was recuperated. He stated he would like to be certain the best company was collecting these fees; he would hate to see the City lose the Life Ride program for lack of funding due to uncollected fees. Vice Mayor Eudey agreed.

Ms. Arnold stated she would get reports on the third-party billing. Vice Mayor Eudey stated this would be helpful. Discussion ensued regarding the importance of the fire department being reimbursed for services and promotion of the Life Ride program.

Council Member Parks commended City Manager Spurgeon for his work on the budget and his ability to present the budget in a manner which was understandable to those who were not

accountants. He stated he was pleased with this year's budget, especially in light of the difficulties caused by the pandemic. He stated he had dreaded going through the budget this year, but the budget review was pleasant, and he thanked those who worked hard to put it together.

Mayor Thurmond noted one resident had signed up to speak but had left the meeting. City Manager Spurgeon noted this resident sent him an email to set up a meeting to discuss the budget.

5. Remarks and Inquiries by Governing Body Members

There were no remarks or inquiries by Governing Body Members.

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

City Manager Spurgeon asked for any questions regarding the budget to be forward to himself.

Ms. Arnold reported the Budget Public Hearing would be held on June 2, 2020; on June 16, 2020, the Resolution to adopt the Budget and the Manual of Fees would be on the Agenda.

Vice Mayor Eudey asked if there was sufficient time to reprioritize the bond projects. Mayor Thurmond responded reprioritizing the bond projects was not necessarily part of the Budget. Ms. Arnold noted the bond projects could be changed around as needed after Budget approval.

City Manager Spurgeon discussed reprioritizing the projects, ONG, and the unnamed projects. He indicated he would present various project reprioritizing options to City Council this summer.

7. Adjournment for the Broken Arrow City Council, the Broken Arrow Municipal Authority, and the Broken Arrow Economic Development Authority

The meeting adjourned at approximately 3:10 p.m.

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

Move to adjourn


The motion carried by the following vote:

Aye: 5 - Christi Gillespie, Debra Wimpee, Johnnie Parks, Scott Eudey, Craig Thurmond



Mayor





City Clerk