



Annual Report 2010



Dear Citizens of Broken Arrow:

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"It was the best of times; it was the worst of times." While I'm sure Charles Dickens wasn't speaking of Broken Arrow when he penned these words to his "A Tale of Two Cities," it does seem to resonate in describing how 2010 was for all of us.

It was the worst of times in that we as a City, which depends heavily on sales tax to operate, felt the pain of the down economy. However, it truly was the best of times in that we fared better than most cities in Oklahoma through the efforts of our staff, and especially the hundreds of employees who serve this City every day.

While we didn't find it necessary to lay off employees, we did ask each one to fill in the gap of vacant positions. A task they did very professionally in making sure you received the very best service day in and day out.

We were very fortunate in the fact that we grew both in number of residents and the number of new businesses that chose to call Broken Arrow home.

As a City Council, we feel our top goals are to provide you with a Police and Fire department next to none. We are continuously ranked the first or second safest City in Oklahoma, and 34th in the country. Our ISO rating is a 2, which places your homeowners insurance as one of the least expensive in the state. We continue to move ahead of the curve in expanding, repairing and renovating our streets and our park system continues to grow to meet the ever increasing demand of our residents.

As we look forward to the future, the economy will still be something we will monitor closely, so we can be proactive rather than reactive. The Aspen and Creek Turnpike area will continue to grow improving our retail and employment base. We envision this becoming our next Target area for south BA.

We will begin the first phase of your Events Park, located along the Creek Turnpike and New Orleans. With this facility, you will see new opportunities coming to our city in both cultural and fun activities coming to this venue. And, in the interest of safety to all of our citizens, we will continue to be very aggressive in attacking the storm water issues throughout Broken Arrow.

Your City Council, as always, looks forward to input from each of you on how we can better serve your needs. Each of your councilors can be reached via e-mail and phone numbers found on the City's web page, www.brokenarrowok.gov. Please let us know how we can make Broken Arrow better for today, tomorrow and into the future.

Mike Lester
Mayor



A recent e-mail I received started: "I have lived in countries all over the world and I believe that Broken Arrow is the best place in the world to live." After reading this sentence I thought to myself, "I could have written that sentence."

During my military career, I lived in many cities in many different countries. When it came time to leave the military, I picked Broken Arrow as the place to raise my children. Broken Arrow's two fantastic school systems coupled with the Tulsa Technology Center and Northeastern State University-Broken Arrow provide an outstanding educational environment. BA provides a quality of life second to none with its exceptional public safety, outstanding parks system and wholesome environment. All who live here are truly blessed. I am especially blessed as I have the job as City Manager of this outstanding city. This annual report will provide you with background and information on 2010. We hope you find it interesting and informative.

Despite less than favorable economic conditions, the City of Broken Arrow continues to provide outstanding services to its residents. This year, the City's expenditures have been lower than the City's income. This has improved the City's economic position by increasing its Emergency Reserve Fund Balance to the required level. During 2010, the City continued its emphasis on public safety which resulted in the Police Department's crime statistics being lower and the Fire Department's response time to emergencies being faster than in 2009. Over the last eight years, the City has been ranked the safest or second-safest city in Oklahoma.

Improvement of streets and utilities also remain a high priority. Thanks to stimulus funding and the 2008 General Bond funding, there has been more than 80 lane miles of arterial and residential streets repaired this year.

The City's strong future as a commercial and industrial center is exemplified by the willingness of developers to invest in the City. The strong commercial growth that began during 2009 increased in 2010. This year, St. John Hospital and the adjacent Doctor's Building opened. Also opening in 2010 were two (2) major apartment complexes, a twelve (12) screen Cineplex, two (2) pharmacies and three (3) new restaurants. The City's continued growth was highlighted by the Flight Safety Complex nearing completion, and Enerflow announcing 500 new employees moving into a new plant on 23rd south of Omaha in 2011. Despite the economic conditions, this past year has seen very strong economic development and the future looks even brighter.

We invite you to join us in Broken Arrow, it is a great place to live.

Dave Wooden
City Manager

about your Council & your City

When a group of Creek Indians established a settlement near what is now our city, they called it "Broken Arrow." Broken Arrow is the name of the place where many of those same Creeks had lived when they were in Alabama -- before moving west on the Trail of Tears.

While many Americans think of the term "broken arrow" as meaning an act of peace by Native Americans a few hundred years ago, the Creeks who got that name did so because they broke branches of trees to make their arrows, rather than cutting them.

Today, the city has seen unprecedented growth and continues to set the pace in Northeastern Oklahoma for retail and residential development.

Broken Arrow operates under the City Council-City Manager form of government.

The city is divided into four wards, which are redrawn periodically in an effort to keep a fairly even population distribution in each. The City Council consists of one member from each of those wards and an at-large member.

While council members from the four wards must live in that ward, all registered voters in the city are eligible to vote on each. Each member serves four years, with elections held every two years. Council seats are rotated, so that in one election there are three seats before voters and in the next only two.

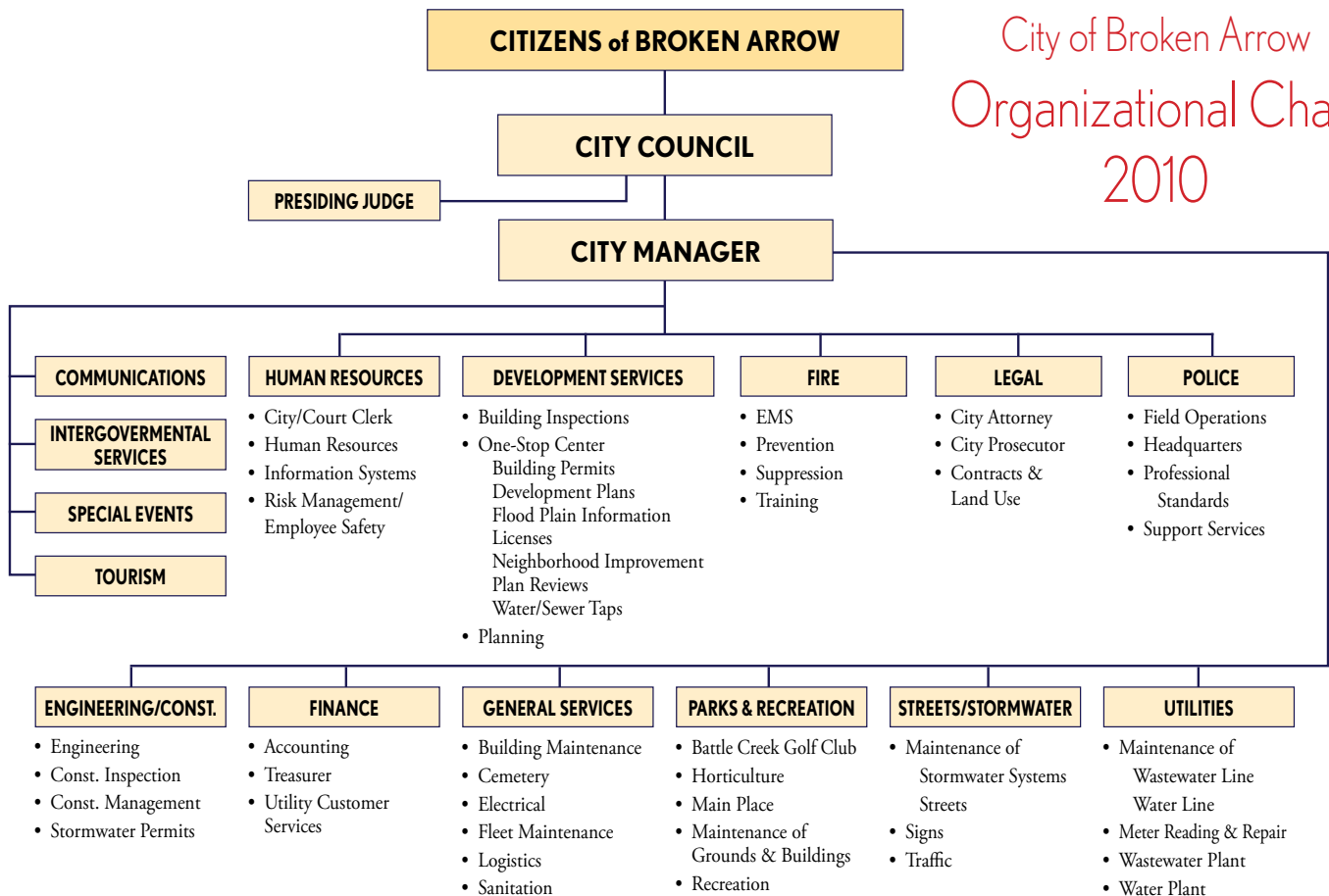
Under the City Council–City Manager form of government, the elected governing body is responsible for the legislative function of the municipality such as establishing policy, passing local ordinances, voting appropriations, and developing an overall vision.

The council is also responsible for hiring a City Manager. The City Manager is similar to that of corporate chief executive officer (CEO), providing professional management to the board of directors.

The City also manages the Broken Arrow Municipal Authority which governs utilities which includes water, wastewater, solid waste and stormwater services.

The City encompasses approximately 105 square miles within its fence line.

City of Broken Arrow Organizational Chart 2010



Boards and Commissions

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Vice Mayor Craig Thurmond



Councilman Wade McCaleb



Mayor Mike Lester

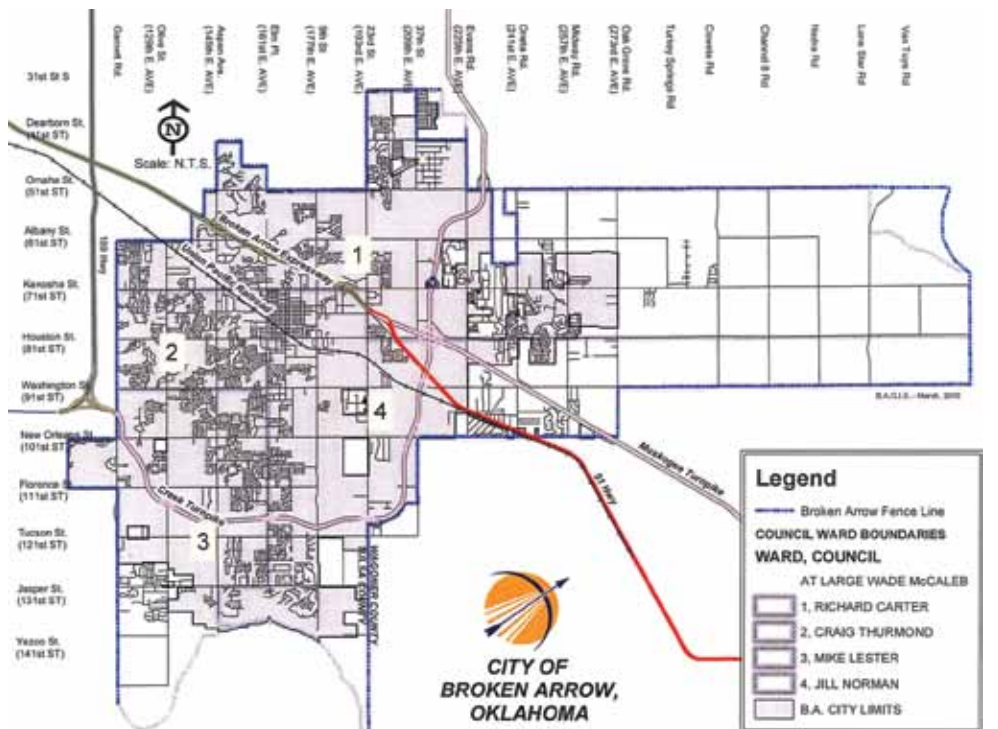


Councilman Richard Carter



Councilwoman Jill Norman

- City Council
- Board of Adjustment
- Broken Arrow Development Authority
- Broken Arrow Economic Development Authority (BAEDA)
- Broken Arrow Municipal Authority (BAMA)
- Convention & Visitors Bureau
- Downtown Advisory Board
- Low Impact Development
- Planning Commission
- Technical Advisory Committee
- TIF Review Committee





Norman Stephens

Economic Development Coordinator

Over the past year, the city of Broken Arrow has looked at ways to increase its involvement in economic development within the city.

In January 2010, the City Council initiated a review of the city's economic development process. This review included a look at internal and external economic development activities.

As a result of that review, the city created the Internal Economic Development Team and hired **NORMAN STEPHENS** as its **Economic Development Coordinator**.

Stephens retired from the Broken Arrow Police Department as Deputy Police Chief in January 2011 after 27 years of service and has been serving, on a part-time basis, as the Internal Economic Development Team Leader and Ombudsman for the development and construction process since July 2010.

The IEDT was created in March 2010 to work in conjunction with the Broken Arrow Economic Development Corporation. The team consists of members of city staff.

"Over the past year the EDC has worked closely with the City Manager and Council to re-engineer our collective approach to Economic Development. It became apparent during this process that we needed someone at City Hall to be a partner in the process--someone who was able to assist our team as well as developers. Norm is a great choice to fill this new position."

Wes Smithwick
President and CEO

Broken Arrow Economic Development Corporation



The city received 2 NATIONAL AWARDS in 2010.

MONEY Magazine announced its 2010 list of the "Best Places to Live," and Broken Arrow was the only city from northeastern Oklahoma to make the Top 100 – coming in at No. 81.

The magazine began its research for the Top 100 by looking at cities with populations between 50,000-300,000 and used statistics from data services company Onboard Informatics <<http://www.onboardinformatics.com/>> and crunched the numbers in order to zero in on America's best small cities for families.

Once the list was narrowed down, the magazine ranked the remaining places based on housing affordability, school quality, arts and leisure, safety, health care, diversity, and several ease-of-living criteria.

This is the second time Broken Arrow was ranked in Money Magazine's Top 100.



The city's web site also received a "Sunny Award" which awards state and local government grades on the subject of Web site transparency.

Broken Arrow was one of 112 out of 6,000 government sites to receive the award.

"When we received a C grade in March of 2010, we took it upon ourselves to make sure our Web site was above transparency standards," said City of Broken Arrow's Director of Communications Stephanie Higgins. "We took a good, hard look in 2010 and made the necessary changes. Our goal is for our residents to know what's going on within their government."

The award recognizes the best state and local government sites in America that exceeded transparency standards.

Events Park

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In 2008,
the Broken Arrow Parks &
Recreation Department created a
Parks & Recreation Master Plan.

A portion of that plan included a survey of residents.

More than 80 percent surveyed expressed a need for an Events Park large enough to accommodate events that currently take place in other communities. Events may include concerts, cultural events, festivals, fireworks displays, carnivals, and other destination-type venues that are typical for a community the size of Broken Arrow.

In latter 2008, the city presented residents the opportunity to vote for general obligation bonds to purchase 86 acres, located immediately east of the Creek Turnpike and north of New Orleans Street. The purchase was approved.

The location the of the park allows for easy access to the turnpike system from all regions of Oklahoma.

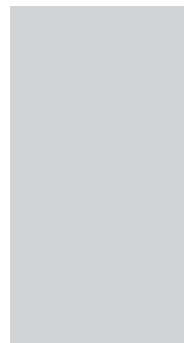
The Events Park Master Plan was presented in November 2010 in an effort to obtain suggestions from residents and was approved by the City Council in December 2010. The Master Plan, with phased increments identified for the full development of the park, addresses accommodation of events ranging in size from 150 to 15,000 people.

Phase I is currently under construction. This phase will provide the infrastructure to the area for events to begin utilizing the park as early as 2012.

This park will be an exciting addition to the city, not only as a venue for special events but also as an everyday park. A neighborhood park is being considered as part of the park features.

The next step in the development of the events park is to secure additional funds. In April 2011, the city will present a \$44.7 million bond package to voters that will include \$2.8 million for Events Park infrastructure. These funds will be used to build access roads, water and sewer lines and install traffic signals.

Future phases of the park include a multi-purpose event pavilion, amphitheater, splash pad and fishing dock. The park is scheduled to be completed, based on funding, in the next 10-15 years.





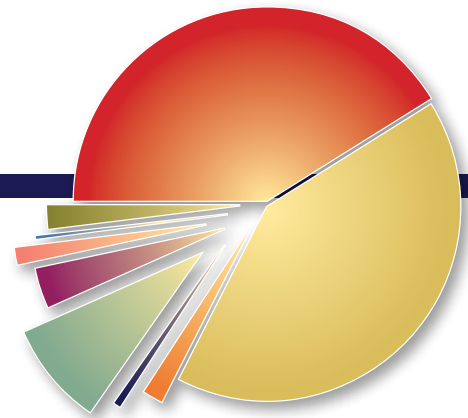
Existing Site Features



Operating Revenues

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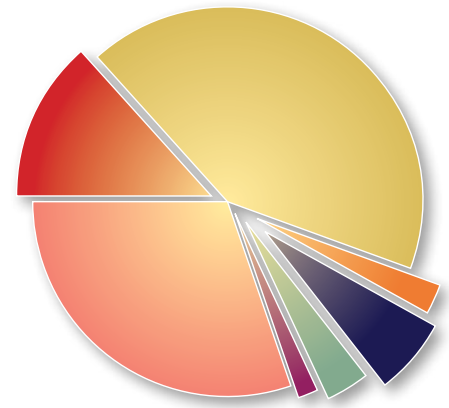
by SOURCE



	GENERAL FUND	BAMA	BATTLE CREEK GOLF COURSE	TOTAL	PERCENTAGE
SALES TAXES	30,054,650			30,054,650	41.2871 %
UTILITY FEES		30,058,538		30,058,538	41.2925 %
GOLF			1,161,193	1,161,193	1.5952 %
INTERGOVERNMENTAL	404,250	22,114		426,364	0.5857 %
CHARGES FOR SERVICES	6,281,045			6,281,045	8.6285 %
FINES & ASSESSMENTS	1,930,958	646,115		2,577,073	3.5402 %
LICENSES & PERMITS	855,252			855,252	1.1749 %
INVESTMENT INCOME	38,718	109,276		147,994	0.2033 %
OTHER	1,168,856	63,271		1,232,127	1.6926 %
TOTALS	40,733,729	30,899,314	1,161,193	72,794,236	100.0000 %

Operating Expenses

by FUNCTION



	GENERAL FUND	BAMA	BATTLE CREEK GOLF COURSE	TOTAL	PERCENTAGE
GENERAL GOVERNMENT	6,963,805	1,840,504		8,804,309	13.4237 %
PUBLIC SAFETY	27,744,195			27,744,195	42.3009 %
STREETS	1,608,173			1,608,173	2.4519 %
GENERAL SERVICES	569,401	3,605,883		4,175,284	6.3660 %
CULTURE/RECREATION	2,332,552			2,332,552	3.5564 %
GOLF			1,185,482	1,185,482	1.8075 %
PUBLIC WORKS		19,737,652		19,737,652	30.0936 %
TOTAL	39,218,126	25,184,039	1,185,482	65,587,647	100.0000 %

Revenue Detail FISCAL YEAR 2010

PERCENTAGE OF TOTAL

GENERAL FUND

Taxes:

Sales tax	25,313,291	84.2242 %	62.1433 %
Use tax	1,642,591	5.4653 %	4.0325 %
Tobacco tax	422,309	1.4051 %	1.0368 %
Franchise tax	2,676,459	8.9054 %	6.5706 %
Total Taxes	30,054,650	100.0000 %	73.7832 %

TOTAL INTERGOVERNMENTAL	404,250		0.9924%
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Charges for services:

Other	3,432,969	54.6560 %	8.4278 %
Ambulance	1,860,127	29.6149 %	4.5666 %
Inspections	403,606	6.4258 %	0.9908 %
Swimming pools & lessons	266,250	4.2389 %	0.6536 %
Cemetery	165,343	2.6324 %	0.4059 %
Parks and recreation	152,750	2.4319 %	0.3750 %
Total Charges for Services	6,281,045	100.0000%	15.4198%

Fines, forfeitures & assessments	1,930,958		4.7404%
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Licenses and permits:

Building permits	633,131	74.0286 %	1.5543%
Occupational licenses	182,819	21.3760 %	0.4488 %
Other fees	39,302	4.5954 %	0.0965 %
Total Licenses and Permits	855,252	100.0000 %	2.0996 %

Investment income	38,718		0.0951 %
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Miscellaneous:

Rental property	1,066,799	91.2686%	2.6190 %
Other	102,057	8.7314 %	0.2505 %
Total Miscellaneous	1,168,856	100.0000 %	2.8695 %

TOTAL GENERAL FUND	40,733,729		100.0000 %
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BAMA

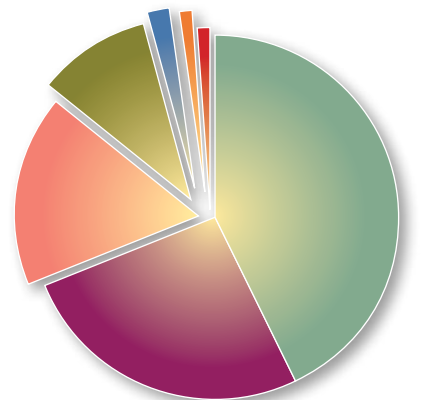
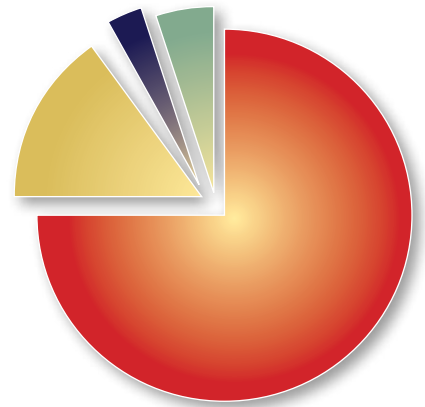
Utility Fees:

Water	13,342,801	44.3894 %	43.3348 %
Sewer	8,173,191	27.1909 %	26.5449 %
Sanitation	5,391,072	17.9352 %	17.5091 %
Stormwater	3,151,474	10.4845 %	10.2354 %
TOTAL UTILITY FEES	30,058,538	100.0000 %	97.6242 %

Fines & Assessments	646,115	2.1495 %	2.0985 %
Intergovernmental	22,114	0.0736 %	0.0718 %
Miscellaneous	63,271	0.2105 %	0.2055 %
Total BAMA	30,790,038		100.0000 %

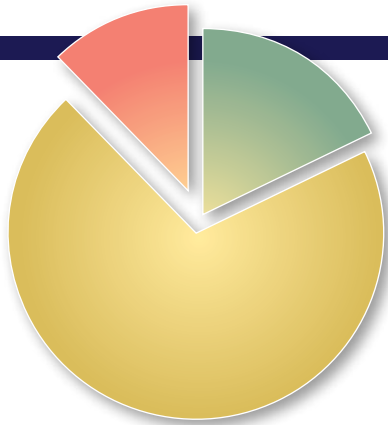
BATTLE CREEK GOLF COURSE

Golf	1,161,193		100.0000 %
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Expenses by department

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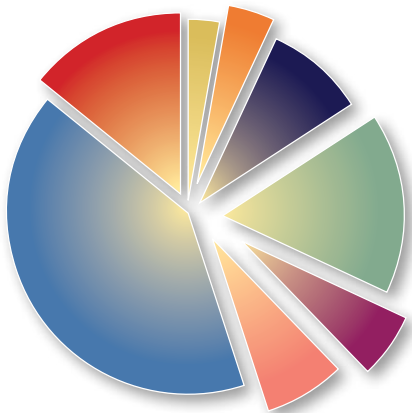


GENERAL FUND

The General Fund is the primary operating fund of the city. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Basic services such as police, fire, parks and general administration are reported in the General Fund. An example of a specialized fund, on the other hand, is the Sales Tax Capital Improvement (STCI) fund that accounts for financial resources used for the acquisition or construction of major capital facilities, or the Broken Arrow Municipal Authority which accounts for utilities.

BAMA

The Broken Arrow Municipal Authority (BAMA) is a public trust that oversees the operation of municipal utilities. This fund was created in July 1979 to finance, develop and operate water, sewer, sanitation, stormwater and Battle Creek Golf Course. Any issuance of debt requires a two-thirds approval. The City Council serves as trustees for the authority.



PERCENTAGE OF TOTAL

GENERAL GOVERNMENT

City manager	615,856	1.5703 %
Finance	629,256	1.6045 %
City attorney	687,434	1.7528 %
Human resources	2,178,610	5.5551 %
Development services	1,394,855	3.5567 %
General government	1,457,794	3.7171 %

Total General Government 6,963,805 17.7565%

PUBLIC SAFETY

Police	14,420,446	36.7698 %
Fire	12,761,893	32.5408 %
Development services - inspections	561,856	1.4326 %

Total Public Safety 27,744,195 70.7432%

PUBLIC SERVICES

Streets	1,608,173	4.1006 %
General services	569,401	1.4519 %
Culture & Recreation	2,332,552	5.9478 %

Total Public Services 39,218,126 11.5003%

BAMA

Finance	795,631	3.1593 %
General government	1,044,873	4.1489 %
General services	2,218,898	8.8107 %
Sanitation	3,877,052	15.3949 %
Engineering	1,386,985	5.5074 %
Stormwater	1,825,155	7.2473 %
Water	10,403,079	41.3082 %
Sewer	3,632,366	14.4233 %

TOTAL BAMA 25,184,039

BATTLE CREEK GOLF COURSE

GOLF 1,185,482

Government Debt

PAYABLE FROM PROPERTY TAX

GENERAL OBLIGATION BONDS	\$75,275,000
JUDGEMENTS	760,195

TOTAL PAYABLE FROM PROPERTY TAX **\$76,035,195**

PAYABLE FROM DEDICATED SALES TAX

2004 REVENUE NOTE	710,000
2008 REVENUE NOTE	2,425,000

TOTAL PAYABLE FROM DEDICATED SALES TAX **\$3,135,000**

PAYABLE FROM GENERAL FUND REVENUES

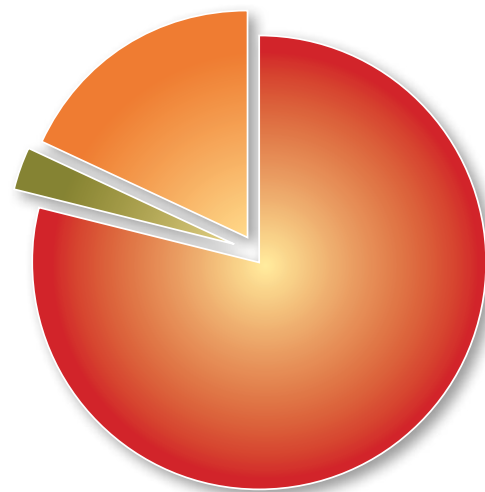
2004 CONSTRUCTION AND TERM LOAN **\$17,668,037**

TOTAL GOVERNMENTAL DEBT **\$96,838,232**

BUSINESS TYPE DEBT (BAMA)

PAYABLE FROM UILITY REVENUES & DEDICATED SALES TAX

NOTES PAYABLE **31,199,131**



DEBT SERVICE FUND

The Debt Service Fund is used to account for ad-valorem taxes levied by the City for use in retiring general obligation bonds, court-assessed judgments and their related expense and fiscal agent fee.

LONG TERM DEBT

Long Term Debt is defined as all long-term debt to be repaid from government activities, business-type activities proprietary fund and component unit resources are reported as liabilities incurred. The city utilizes three sources of income to retire debt which includes sales tax, property tax and utility revenue. In 2010, 3.2% was attributed to sales tax, 78.6% in property tax and 18.2% in utility revenues.

The debt consists of primarily accrued compensated absences, judgments payable, arbitrage rebate liability, liability for claims general obligation bonds payable, notes payable, capital lease obligations payable, revenue notes payable and revenue bonds payable



BROKEN ARROW
Where opportunity lives