



**BROKEN ARROW**

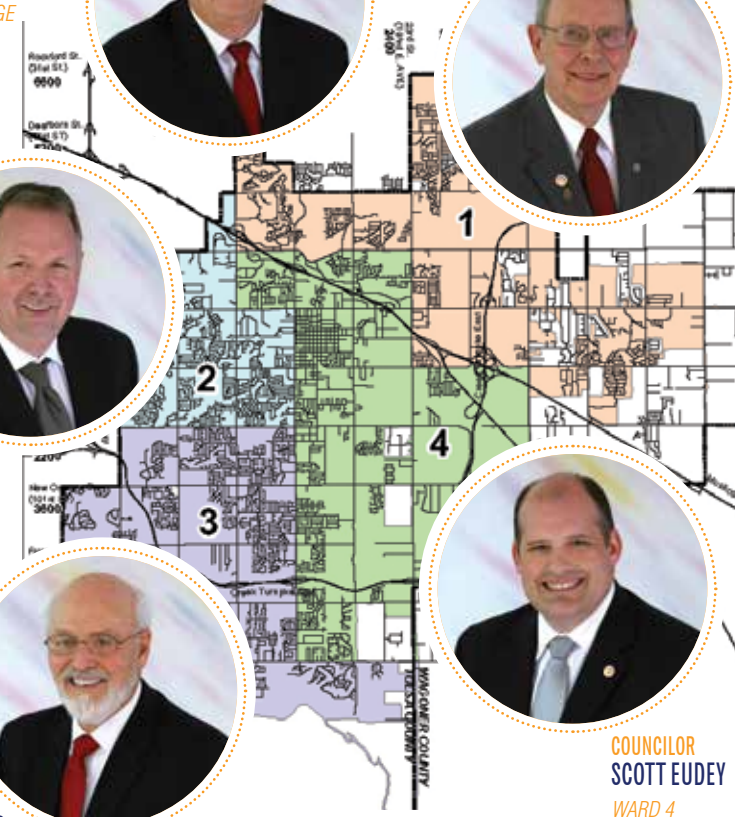
*Where opportunity lives*



**THRIVE!**  
**YOUR MONEY AT WORK**

2017 FINANCIAL REPORT

# LEADING THE WAY



**COUNCILOR JOHNIE PARKS**  
AT LARGE

**VICE MAYOR RICHARD CARTER**  
WARD 1

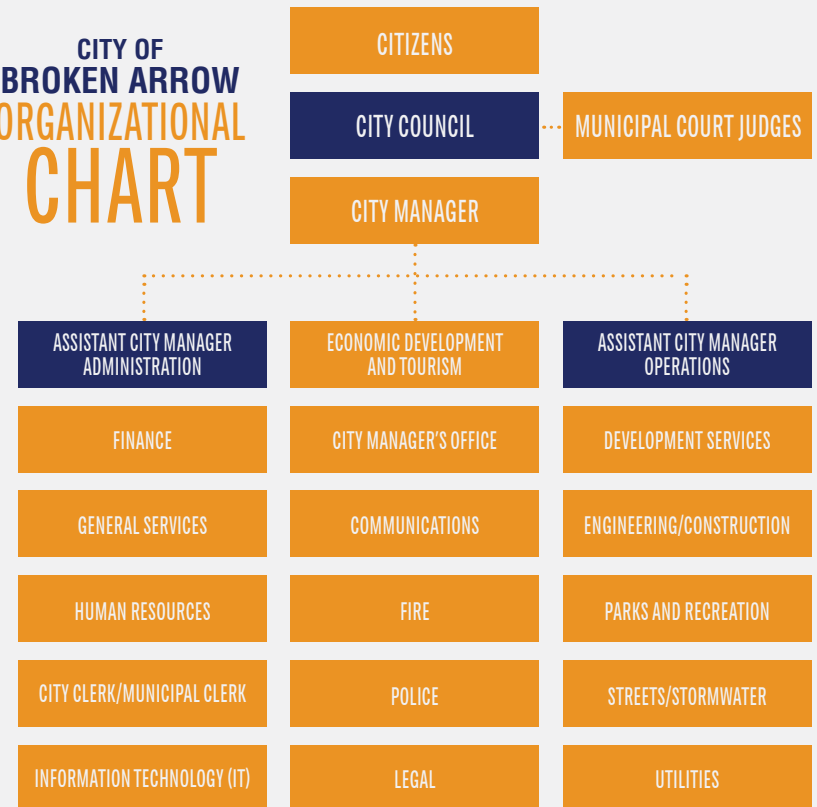
**MAYOR CRAIG THURMOND**  
WARD 2

**COUNCILOR MIKE LESTER**  
WARD 3

**COUNCILOR SCOTT EUDEY**  
WARD 4

**THE CITY OF BROKEN ARROW** operates under a Council-Manager form of government. The City Council hires the City Manager, who oversees daily operations within the City, much like a CEO is responsible for running a business. City employees provide high quality services that make Broken Arrow one of the best places to live in Oklahoma.

## CITY OF BROKEN ARROW ORGANIZATIONAL CHART



The five-member City Council is elected by wards with staggered terms for a period of four years. The Mayor and Vice Mayor are elected within the Council membership. City Council meetings are held at 6:30 p.m. on the first and third Tuesday of the month at City Hall, 220 S. First Street.

# PROMOTING TRANSPARENCY >>>



## MESSAGE FROM THE CITY MANAGER MICHAEL SPURGEON

On behalf of Mayor Craig Thurmond, the Broken Arrow City Council and Administration, I am pleased to provide our first annual City financial newsletter, which we're calling "Your Money at Work"! We are excited to provide this new transparency piece focusing specifically on some of the fundamental aspects of BA's finances and Fiscal Year (FY) work priorities.

The intent of the financial report is to provide citizens and businesses with information on where our revenues come from and how it is spent. We also want to provide the community with data regarding sales tax and property tax comparisons, along with our utility rate information.

As you will note, our primary revenue source for City services is sales tax, which is a very elastic, unstable, and regressive source of revenue. We currently do not receive any property (ad valorem) taxes for operations; only

repayment of General Obligation debt approved by voters. The current state-wide taxation model has not kept up with the way consumers shop and do business in today's markets. An on-going goal is to continually promote shopping local, which helps our businesses and generates sales tax for City operations.

As I complete my first year of service, I believe the biggest challenge for us going forward will be modernizing, repairing, and expanding our public utility infrastructure – our water, sewer, and stormwater. We are currently analyzing project costs and financing options. This is going to be an extremely expensive proposition, but is necessary to meet the needs

of our growing community. More information will be distributed throughout the fiscal year. Finally, a few of the top priorities for the Administration in FY 2017 are listed in the report. We are excited about all the projects planned and putting your tax dollars to work for all of us.

Best regards,

Michael Spurgeon  
City Manager

*"We're excited to provide this new transparency piece focusing on some of the fundamental aspects of BA's finances and Fiscal Year priorities."*

View the entire Fiscal Year 2017 Budget and 2018 Financial Plan at  
[BrokenarrowOK.gov/CITYBUDGET](http://BrokenarrowOK.gov/CITYBUDGET)



## VISION

The City of Broken Arrow will set the standard by providing the best municipal programs and services in our region, while promoting a positive environment for families, business, community organizations and visitors. Broken Arrow will continue to be a community that we are proud to call home.

THE CITY OF BROKEN ARROW, LIKE ALL MUNICIPALITIES IN OKLAHOMA, RELIES PRIMARILY ON SALES TAX REVENUE TO FUND OPERATIONS. OKLAHOMA IS THE ONLY STATE IN THE COUNTRY WHERE MUNICIPALITIES ARE ALMOST ENTIRELY DEPENDENT ON SALES TAX FOR GENERAL FUND OPERATIONS. SALES TAX MAKES UP THE LARGEST PERCENTAGE OF REVENUE IN BROKEN ARROW'S GENERAL FUND.



TOTAL REVENUE:  
**\$71,777,500**

### REVENUE EXPLAINED

- **Sales Tax** – a tax levied on the purchase of goods in Broken Arrow.
- **Use Tax** – a 3% tax assessed on purchases made from out-of-state vendors by local businesses and citizens.
- **Tobacco Tax** – a sales tax on cigarettes and other tobacco products, which is received by the State of Oklahoma. A portion of the funds is distributed to cities and counties.
- **Franchise Tax** – a tax assessed on utility companies that operate in the City (e.g., Cox Communications, Windstream, etc.).
- **Fines, Forfeitures & Assessments** – funds received by the municipal court.
- **Licenses & Permits** – revenues from building permits, business licenses, fireworks permits, and security system permits.
- **Charges for Service** – fees from Parks & Recreation activities and other services the City provides.
- **Transfers In** – funds transferred from the Broken Arrow Municipal Authority (BAMA) to cover the cost of overhead services provided to BAMA by the General Fund. These expenditures include Human Resources, Information Technology, City Manager's Office, Legal, and Finance.
- **Intergovernmental** – revenue received from other governmental entities - i.e., grants.



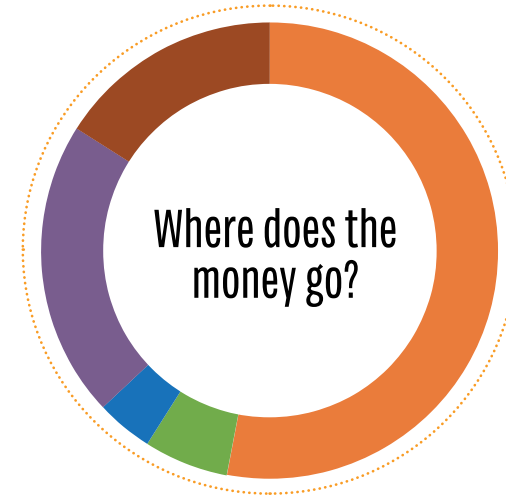
# MONEY OUT

FISCAL YEAR 2017 EXPENDITURES FOR GENERAL FUND OPERATIONS IS BUDGETED AT \$71,465,400. PUBLIC SAFETY REPRESENTS THE LARGEST CATEGORY AT 53% OF TOTAL BUDGETED EXPENDITURES.

## EXPENDITURES EXPLAINED

- **General Government** – expenses from the City Manager’s Office and the Finance, Information Technology, Human Resources, City Clerk, Legal and Development Services Departments.
- **Parks and Recreation** – expenses for City parks and recreation facilities.
- **Public Services** – expenses for streets, cemetery, and traffic signalization.
- **Transfers Out** – amounts transferred to the Broken Arrow Municipal Authority.
- **Public Safety** – expenses from the Police and Fire Departments. These amounts are transferred to the special revenue funds created after voters renewed the Vision 2025 sales tax to help fund public safety expenses.

## GENERAL FUND BUDGETED EXPENSES 2016-2017



TOTAL EXPENSES:  
**\$71,465,400**



## DID YOU KNOW?

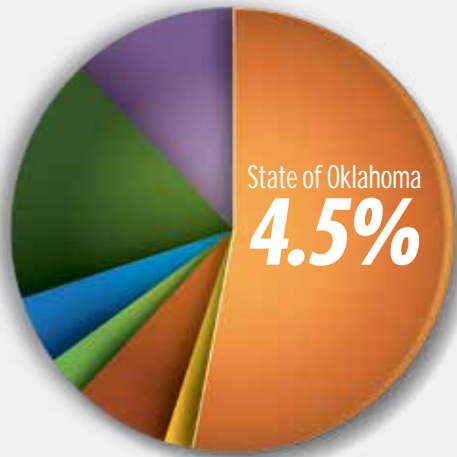
Broken Arrow has more than 800 acres of park land and manages 38 parks, including a trail system and nature center? Explore all of our facilities and programs at [BrokenarrowOK.gov/PARKS](http://BrokenarrowOK.gov/PARKS).

## Administration Top Priorities for 2017

- Construct Streetscapes Phase IV and Interactive Water Feature in the Rose District
- Implement Vision 2025 repurposing: hire additional police officers, firefighters, and plan street improvements
- Finalize the Utility Department's 10-year Capital Improvement Program
- Complete tourism asset and travel inventory
- Expand television programming on government access channel
- Continue economic development, job creation, and business attraction

# FOLLOW THE MONEY >>>

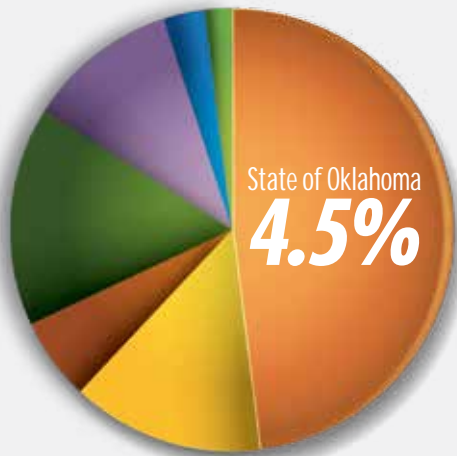
## CITY OF BROKEN ARROW SALES TAX RATE



————— Tulsa County —————

**State of Oklahoma 4.5%**  
**Tulsa County 0.367%**  
**STCI 0.5%**  
**Streets 0.25%**  
**Police & Fire 0.30%**  
**General Fund 1.5%**  
**BA Municipal Authority 1%**

Total Sales Tax Collected in Broken Arrow, Tulsa County is **8.417%** Effective 1/1/17



————— Wagoner County —————

**State of Oklahoma 4.5%**  
**Wagoner County 1.3%**  
**STCI 0.5%**  
**General Fund 1.5%**  
**BA Municipal Authority 1%**  
**Police & Fire 0.30%**  
**Streets 0.25%**

Total Sales Tax Collected in Broken Arrow, Wagoner County is **9.35%** Effective 1/1/17

## The State of Oklahoma Receives Largest Share of Sales Tax Revenue at 4.5%

This leaves 3.55% to be used locally in our community. 1.5% is set aside for General Fund Operations. 1% is for the Broken Arrow Municipal Authority, which oversees water, sewer, stormwater and trash services. 0.5% is dedicated to the Sales Tax Capital Improvement (STCI) fund. Tulsa County receives 0.37%.

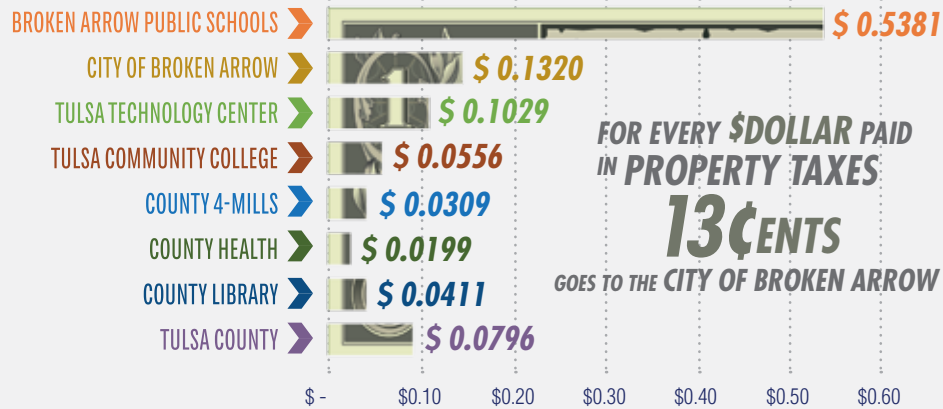
As a result of the Vision 2025 sales tax renewal voters approved in November 2015, Police and Fire will have a dedicated revenue source, starting January 1, 2017. Those public safety departments will divide 0.3% of sales tax revenue equally between them. The Vision tax renewal also provides dedicated revenue of 0.25% of the tax to the maintenance and repair of streets in BA.

## SALES TAX RATE COMPARISON EFFECTIVE JANUARY 1, 2017

Municipality	County	Sales Tax Rate
<b>Bixby</b>	Tulsa	<b>8.917%</b>
	Wagoner	<b>9.300%</b>
<b>Broken Arrow</b>	Tulsa	<b>8.417%</b>
	Wagoner	<b>9.350%</b>
<b>Edmond</b>	Oklahoma	<b>8.250%</b>
<b>Jenks</b>	Tulsa	<b>8.417%</b>
<b>Oklahoma City</b>	Oklahoma	<b>8.375%</b>
<b>Owasso</b>	Tulsa	<b>8.917%</b>
	Rogers	<b>9.833%</b>
<b>Tulsa</b>	Tulsa	<b>8.517%</b>

# YOUR PROPERTY TAX

## JURISDICTION:



\*Tax rates apply to Tulsa County properties in the Broken Arrow Public Schools District

## What does My Property Tax Pay For?

The property tax received by the City, also known as ad valorem tax, is used to pay the interest and principle on General Obligation Bonds. Voters approve these bonds to construct large ticket items, such as the building of roads, new infrastructure, public buildings, and parks facilities – improvements that ensure BA keeps up with growth and continues to provide a high quality of life. Property Tax is also used to pay for municipal judgments.

## How is My Property Tax Calculated?

Property taxes are calculated based on the value of your property. The County Assessor values your property, sets your tax rates and collects your taxes; however, state law governs how the process works.

## Is My Property Tax Used For Operating Expenses?

No, the City does not use property taxes for operations. This funding source is used specifically for capital projects and judgments only.

\*For Wagoner County property tax information, contact the Wagoner County Assessor's Office at 918-485-2367.

The average tax bill on a home worth \$100,000:



City of Broken Arrow	\$171.07
Broken Arrow Public Schools	\$697.38
Tulsa Technology Center	\$133.36
Tulsa Community College	\$72.06
County 4-Mills	\$40.05
County Health	\$25.79
County Library	\$53.27
Tulsa County	\$103.16
<b>Total Property Tax</b>	<b>\$1,296.13</b>

\*Example based on a Tulsa County home.

# 2017 PROJECTS

## STREETS

PROJECT	STATUS	COST	FUNDING
Repair, resurface Aspen Ave from Kenosha to Washington St	Under construction	<b>\$1,125,000</b>	2011 Bond
Resurface Leisure Park Subdivision streets	Under construction	<b>\$679,000</b>	2011 Bond
Construct Main St Streetscapes, Phase 4	Under construction	<b>\$1,298,100</b>	2014 Bond; Vision 2025 Surplus
Widen 37th St from Omaha to Albany St	Out for bids	<b>\$4,000,000</b>	2014 Bond
Widen New Orleans St from Aspen to Olive Ave	Ready to bid	<b>\$1,170,000</b>	2011 Bond
Widen 9th St from Elgin to El Paso St	Design complete; obtaining right-of-way	<b>\$4,230,400</b>	2011 Bond
Widen 23rd St from Kenosha to Houston St	Design complete; obtaining right-of-way	<b>\$2,931,200</b>	2014 Bond (plus incoming federal grants)
Widen 37th St from Houston to Albany St	In design	<b>\$2,100,000</b>	2011 Bond
Resurface Fairfax Subdivision streets	In design	<b>\$1,775,400</b>	2011 Bond
Widen Kenosha from Date to Main St	In design	<b>\$1,879,700</b>	2014 Bond
Widen Washington St from Garnett to Olive Ave	In design	<b>\$4,367,900</b>	2014 Bond
Reconstruct Old Town streets	TBD	<b>\$241,300</b>	2008 Bond
Resurface Aspen Ave from Washington to New Orleans St	TBD	<b>\$795,700</b>	2014 Bond
Resurface 7 miles of 2-lane arterial streets	TBD	<b>\$373,000</b>	2014 Bond
Resurface Arrow Subdivision streets	TBD	<b>\$939,900</b>	2014 Bond
Repair streets	TBD	<b>\$1,200,000</b>	Street Sales Tax

## PUBLIC SAFETY

PROJECT	STATUS	COST	FUNDING
Replace Fire Station #3	Land purchase pending	<b>\$4,733,900</b>	2011, 2014 Bond; Fire Sales Tax
Purchase land & design new Fire Station #7	Land purchase completed	<b>\$397,900</b>	2014 Bond
Improve Police/Fire Training Center	In design	<b>\$465,600</b>	2014 Bond, Police Sales Tax
Purchase self-contained breathing apparatus for firefighters	Ready to bid	<b>\$835,600</b>	2014 Bond
Purchase police vehicles	Purchase spring 2017	<b>\$720,000</b>	Police Sales Tax
Purchase ambulance for Fire Station #2	Ready to bid	<b>\$225,000</b>	Fire Sales Tax

## PARKS

PROJECT	STATUS	COST	FUNDING
Build outdoor tennis, basketball courts at Nienhuis Park	Under construction	<b>\$360,000</b>	2011 Bond
Convert two Nienhuis Park football fields to synthetic turf, add security lights	Ready to bid	<b>\$1,000,000</b>	2014 Bond
Construct Rose West Dog Park and trailhead restroom	Ready to bid	<b>\$473,000</b>	2014 Bond
Purchase parks land	In progress	<b>\$2,170,000</b>	2008 Bond
Improve Indian Springs Sports Complex	In design	<b>\$700,000</b>	2011 Bond
Construct Broken Arrow Creek Trail, Phase I	In design	<b>\$625,000</b>	Parks & Rec Capital Improvement
Improve soccer fields lighting at Indian Springs Sports Complex	TBD	<b>\$600,000</b>	2014 Bond
Build playground, restrooms, picnic pavilion, lighting at Chisholm Trail South Park	TBD	<b>\$950,000</b>	2014 Bond
Start design of adult softball 5-plex at Chisholm Trail South Park	TBD	<b>\$600,000</b>	2014 Bond
Construct new splash pad/playground at Leisure Park	TBD	<b>\$368,000</b>	2014 Bond
Construct 37th Street Park	TBD	<b>\$261,600</b>	2014 Bond
Construct Arrowhead Park playground	TBD	<b>\$125,000</b>	Capital Improvement
Construct Country Aire Park playground	TBD	<b>\$158,000</b>	2014 Bond
Construct a community trail network on Main Street	TBD	<b>\$500,000</b>	2014 Bond
Build restroom at Liberty Parkway Trail	TBD	<b>\$315,000</b>	2014 Bond
Build connection from banquet hall to clubhouse at Battle Creek Golf Club	TBD	<b>\$158,000</b>	2014 Bond
Build concessions, restrooms, umpire building at Arrowhead Park	TBD	<b>\$225,000</b>	2014 Bond

## OTHER

PROJECT	STATUS	COST	FUNDING
Build interactive water feature at Rose District Farmers Market	Near completion	<b>\$1,500,000</b>	Vision 2025 Surplus
Construct new trunk sewer line from Florence to Tucson street to accommodate new residential, commercial development	Under construction	<b>\$800,000</b>	Vision 2025 Surplus; Sewer Fund
Build Creative Arts Center in the Rose District	Land purchase pending	<b>\$1,400,000</b>	2014 Bond (plus pending private donations)
Design mobile app for citizens to report non-emergency issues via smartphone or computer	Release date fall 2016	<b>\$26,000</b>	BAMA; General Fund

## CONSTRUCTION TOTALS

Projects under construction/bidding/ready to bid	<b>\$13,465,700</b>
Projects in design/right-of-way acquisition	<b>\$27,777,000</b>



# UTILITY RATES WATER QUALITY

<i>WATER Charge per 1,000 Gallons</i>	<i>Inside City</i>	<i>Outside City</i>
<b>Single-family residential</b>	\$4.00	\$4.66
<b>Multi-family residential</b>	\$4.00	\$4.66
<i>SEWER Charge per 1,000 Gallons</i>		
<b>Residential</b>	\$2.67	\$3.16
<b>Commercial</b>	\$2.91	\$3.32
<b>Contract</b>	\$3.01	
<i>STORMWATER FEE</i>	\$5.01	



**OUR PRIMARY WATER SUPPLY IS THE CITY OF BROKEN ARROW OWNED AND OPERATED VERDIGRIS RIVER WATER TREATMENT PLANT.** The \$62 million state-of-the-art microfiltration plant came on line in April 2014 and produces approximately 19 million gallons per day (MGD) of treated water. Our secondary water source is the City of Tulsa connection at East 41st Street, which is capable of delivering up to four

(4) MGD. In July 2016, the City completed a second connection with the City of Tulsa at East 61st Street, which is capable of delivering up to five (5) MGD.

The City's top priority is to provide clean and good tasting water to its customers. Broken Arrow water is safe to drink and free of bacteria and harmful substances. Operators continuously monitor the water throughout the treatment and distribution system. When the water leaves the treatment plant and flows towards Broken Arrow homes and businesses, it not only meets, but surpasses all federal and state requirements for purity. We collect and analyze over 1,200 samples each year to ensure the water supplied to homes and businesses is of the highest quality.

## Did You Know?

Broken Arrow customers use an average of 12 million gallons of water per day (MGD). Usage can double to over 24 MGD during the hot summer months.

The City of Broken Arrow regularly tests its water to ensure it is safe for you to drink. Part of that process includes testing for lead and copper. Those substances enter drinking water mainly from corrosion of lead and copper containing plumbing materials. We are happy to report that samples we have tested indicate lead and copper are NOT an issue in our community.

## LEAD AND COPPER TEST RESULTS

<i>YEAR</i>	<i>2014</i>	<i>2013</i>	<i>2010</i>	<i>2006</i>	<i>2003</i>
<b>Copper Mg/L</b>	0.281	0.371	0.594	0.550	0.330
<b>Lead Mg/L</b>	0.002	0.002	0.000	0.002	0.000

## What do the Numbers Mean?

With a lead level of 0.002 mg/L, the City's recent samples are far below the Environmental Protection Agency's (EPA) action level of 0.015 mg/L. The copper level of 0.281 mg/L is also well below the action level of 1.3 mg/L.

## HOW DO WE TEST FOR LEAD?

- *Samples are collected from an interior faucet, and is the first draw sample collected from a cold water tap (kitchen or bathroom).*
- *The Tulsa County Health Department analyzes the samples and provides reports.*
- *The test result is shared with the homeowner who participated in the sample collection.*

For a complete look at Broken Arrow's water quality, view the latest Consumer Confidence Report at [BrokenarrowOK.gov/2015WATERREPORT](http://BrokenarrowOK.gov/2015WATERREPORT).

# BA BY THE NUMBERS >>>

**POPULATION 107,794**  
280TH LARGEST CITY IN THE U.S.

**LAND 55 square miles**

**MEDIAN HOME VALUE \$152,000**

**MEDIAN HOUSEHOLD INCOME \$66,250**

**MEDIAN AGE 36**

## Top 10 Employers

Broken Arrow Public Schools	2,090
Wal-Mart Stores	900
Northeastern State University	800
FlightSafety	735
City of Broken Arrow	675
Zeeco	647
Oklahoma Healthcare Services	460
Exterran, Inc.	360
A G Equipment Company	350
MicahTek, Inc.	350

Sources: U.S. Census Bureau, Broken Arrow Chamber of Commerce



## DID YOU KNOW?

**Broken Arrow is the 3rd largest manufacturing hub in Oklahoma. Over 350 clean and advanced manufacturers operate out of BA.**



## Phone Call Notification System

GET AUTOMATED CALLS ABOUT EMERGENCIES, OTHER URGENT EVENTS

The City of Broken Arrow uses a phone call notification system to distribute alerts regarding emergencies, neighborhood meetings and other important information. By signing up for notifications, you'll stay connected and ready for any event.

### Instructions:

1. Log onto [BrokenArrowOK.gov](http://BrokenArrowOK.gov) new page.
2. Go to the Public Information page.
3. Under Public Communication Methods, click on "Automated city-wide phone calls". This will take you to a
4. Click on "Sign Me Up".
5. Follow the instructions to receive alerts by phone, email and/or text. You may edit your subscription at any time.

## STAY IN TOUCH

### Connect

 [BrokenArrowOK.gov](http://BrokenArrowOK.gov)

 [Facebook/cityofba](https://www.facebook.com/cityofba)

 [Twitter@cityofba](https://twitter.com/cityofba)

 [YouTube/cityofbrokenarrow](https://www.youtube.com/c/cityofbrokenarrow)

There are many ways to connect with the City of Broken Arrow. Follow us on social media and visit our webpage often, [BrokenArrowOK.gov](http://BrokenArrowOK.gov), for the latest news, events and videos. You may also call us, or drop by to speak to an employee. We are here for you!

### Find Us

**Broken Arrow City Hall**  
**918-259-2400**  
**220 S. First Street**  
**Broken Arrow, OK 74012**



# BROKEN ARROW

*Where opportunity lives*

**CITY OF BROKEN ARROW**

**220 S. FIRST STREET**

**BROKEN ARROW, OK 74012**

PRSRT STD  
U.S. Postage  
PAID  
Broken Arrow, OK  
Permit No. 611