

To:

Honorable Mayor and City Councilors

From:

Michael Spurgeon, City Manager

Date:

May 19, 2017

Re:

Notes to Council

### 1. STAFF REPORTS / ITEMS REQUIRING IMMEDIATE ATTENTION

- Oklahoma Legislative Report May 14, 2017
- Staff Memo BAPS Freshman Academy Expansion Project

#### 2. GENERAL CORRESPONDENCE / NOTIFICATION

Press Release - Omaha Street Resurfacing to Begin May 23

#### 3. SPECIAL EVENTS / ACTIVITIES

N/A

Respectfully submitted,

Michael L. Spurgeon

jmh

Attachments

1. STAFF R	EPORTS / ITEM	S REQUIRIN	G IMMEDIATE	ATTENTION
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# Oklahoma Legislative Report for May 14, 2017



Prepared for: City of Broken Arrow

### **Budget Update**

Lawmakers and the public should have a clearer picture by Tuesday of what revenue-related measures lawmakers plan to consider to address fiscal year 2018's \$878 million shortfall, Senate Majority Floor Leader Greg Treat said Friday.

The Oklahoma Constitution prohibits the Legislature from taking up revenue measures during the final five days of the legislative sessions, May 22 to 26 this year. That means revenue bills must be passed by Friday, May 19, or Saturday, May 20, at the latest.

The Tuesday deadline, Treat explained, is needed so the bills can be considered in both the House and the Senate under each chamber's individual and joint rules.

Gov. Mary Fallin has made a point on social media of noting lawmakers have sent her and she has signed bills that will provide about \$45 million in new revenue for FY2018 so far. In a May 3 press conference, she said, "...we are nowhere close to getting our job done."

She has said she would veto a budget plan that did not provide adequate funding for state services.

An \$878 million shortfall would require across-the-board budget cuts totaling nearly 18.0 percent. House Republicans and Democrats talked Thursday of a \$400 million plan made up of a cigarette tax increase, \$215; limit on itemized deductions except charitable contributions, \$101

million; eliminating of a group of oil and gas tax incentives, \$45 million; and expansion of casino gaming, \$40 million.

A cigarette tax increase bill is awaiting House consideration. **HB 2372**, by Rep. Leslie Osborn, R-Mustang, and Sen. Kimberly David, R-Porter, adds a \$1.50 per pack tax to cigarettes. The bill creates the Health Care Authority Enhancement Fund, the Mental Health and Substance Abuse Enhancement Fund, the Human Services Enhancement Fund, Oklahoma State University Medical Authority Enhancement Fund and the Health Department Enhancement Fund and apportions the first \$185 million among the funds for FY2018. It apportions the full amount to the Health Care Enhancement Fund for subsequent fiscal years.

If approved by the House, it then must be approved by the Senate.

**HB 2403**, which sets a \$17,000 limit on the net amount of itemized deductions, excluding contributions to charitable organizations, allowed on an Oklahoma individual tax return for tax years 2017, 2018 and 2019, passed the Senate Joint Committee on Appropriations (JCAB) on a 19 to 18 vote Friday. It was approved Thursday by the House's JCAB and now awaits full House consideration.

Also awaiting House consideration is the bill eliminating a group oil and gas incentives. **HB 2377**, by Osborn and Porter, establishes a July 1, 2017, sunset date for the following gross production tax credit: secondary recovery projects; tertiary recovery projects; reestablished production; production enhancement projects; production of oil, gas or oil and gas from wells spudded or reentered between July 1, 1995, and July 1, 2015; and three-dimensional seismic shoots on or after July 1, 2000. The bill establishes a Sept. 30, 2017, deadline to submit claims for refunds. It provides that claims for refunds for production periods ending on or before December 31, 2016, shall be paid pursuant to the provisions of this subsection. It requires claims for refunds be paid in equal payments over 36 months and requires the first payment be made after July 1, 2018, but prior to August 1, 2018. The bill requires the Tax Commission to provide not later than June 30, 2018, a schedule of rebates to be paid out over the 36-month period to the operator or designated interest owner.

The proposal to expand casino gaming seems unlikely to pass. The Senate JCAB voted down its own version of the bill Friday, **SB 857**. It has yet to take up **HB 2376**, the House's original proposal.

SB 857, by David and Osborn, permits non-house-banked table games involving dice or roulette wheels. It also permits wagering on sporting events under certain conditions. The bill allows for modifications to the

Model Tribal Gaming Compact in relation to the definition of "covered games." It allows a tribe to conduct additional forms of gaming under the compact if additional game offering are approved by the Legislature. It approves an additional game offering in the form of non-house-banked table games. It defines "non-house-banked table game." The bill allows the tribe and governor to negotiate and execute a supplement to the tribal-state gambling compacts to operate non-house banked table games. It requires the supplement to the compact to be signed by provided individuals to be effective. It allows supplements to any compact to include other terms negotiated and agreed on by the tribe and governor. It requires a copy of the supplement to be submitted to the Secretary of the Interior for approval and publication. It requires the tribe, upon approval, to be deemed in agreement to pay a percentage of the monthly net win from non-house-banked table games. It requires the tribe be entitled to keep an amount equal to state payments from the common pool. It provides for construction. It requires the posting of any compact supplement to the Secretary of State's website 30 days prior to execution. It requires no compact modification, compact extension, compact supplement or other instrument of the like be effective until the posting.

HB 2376, by Osborn and David, authorizes non-house-banked table games involving a wheel, ball or dice to be used within the parameters of the Model Tribal Gaming Compact.

Those proposals, if all were approved, and those already approved fill approximately one-half of the hole. That would mean approximately 9.0 percent across-the-board cuts for agencies. Those cuts would be higher if agencies like the Department of Education, Department of Human Services and Oklahoma Health Care Authority were held harmless.

### **Priority Issues**

### State revenue misses estimate by 13 percent

State legislators said that April revenues would likely offset midyear borrowing from the state's Rainy Day Fund, but the numbers are in, and receipts were 13 percent below projections. The Office of Management and Enterprise Services announced the report Tuesday afternoon. The release said the shortcoming only adds to uncertainty, as agencies fear further cuts and the Legislature struggles to reach a budget agreement.

April receipts totaled about \$612 million, about \$90 million under projection. Fiscal 2017 collections so far are down about \$190 million.

#### Income tax bill heads to governor

House Bill 2348 would decouple the standard deduction rate for personal income taxes and freeze it at the fiscal 2017 limit. Under current law, Oklahoma's standard deduction rate has to match the federal rate, which gets raised regularly to adjust for inflation. The Trump administration has pitched raising the rate to \$15,000, more than doubling it.

#### Bill to cap itemized deductions passes House committee

House Republicans pitched a revenue measure that could raise about \$166 million, and it would do so largely by collecting more taxes from wealthy families. Unlike earlier revenue measures that were criticized for targeting the poor, a handful of the bills pitched during a House committee on Monday would affect higher earners and corporations. One of them, House Bill 2347, has gotten blowback since it passed 23-2.

### Oklahoma Senate Approves Repeal of Income Tax Cut Trigger

The Oklahoma Senate has given final legislative approval to a bill to repeal the trigger that would cut the state's individual income tax rate from 5 percent to 4.85 percent. The Senate voted 32-9 for the bill Monday, sending it to Gov. Mary Fallin who is expected to sign it. The bill would repeal 2014 legislation that provides a mechanism to reduce Oklahoma's top tax rate when tax collections increase by about \$100 million annually. Since then, revenues have plummeted and the state faces a budget hole of \$878 million next year. State finance officials have encouraged lawmakers to repeal the income tax cut until state revenues stabilize.

#### Lawmakers redo deduction bill to exclude charities

Legislation that would cap itemized deductions on state tax returns now excludes charitable giving from the limit. The latest version of the bill came about after concerns were expressed by nonprofits to carve out donations. The new bill, <a href="House Bill 2403">House Bill 2403</a>, still caps the amount of deductions that can be claimed to \$17,000 per year for the next three tax seasons.

Itemized deductions are useful in lowering a person's tax bill. Most Oklahomans take the simpler standard deduction, but taxpayers also can choose to identify and separately list each one.

A deduction can be claimed on charitable donations, medical expenses, property taxes, mortgage interest and some other out-of-pocket expenses.

The original bill would have boosted state revenue by an estimated \$166 million, but the latest version would draw in \$101.8 million, according to an analysis by House staff. The decision by House leadership to reexamine the bill came after 48 hours of heavy pressure from the nonprofit community and others, including the business community

### General Legislative Updates

# Oklahoma budget crisis: Impasse over gambling sinks \$400M revenue bill

An expansion of tribal casino roulette and dice games helped sink a \$400 million revenue package offered to Oklahoma Senate leadership Monday. Democrats and Republicans in the House and Senate offered differing accounts of what happened, but both sides of the Capitol said that the casino measure wouldn't find support in the Senate. State Sen. Mike Schulz, the Senate president pro tem, said he opposes allowing Las Vegas-style roulette and dice games in Oklahoma. The proposal, the details of which have not been publicly released, reportedly includes a provision that could eventually allow sports betting.

#### Oklahoma Gov. Fallin vetoes payday loan bill

A payday loan bill that had drawn strong opposition from many church leaders because of its financial impact on low-income families was vetoed Friday by Gov. Mary Fallin.

# Oklahoma Senate leader says teacher pay raise chances "slim to none" this year

As the Oklahoma legislative session heads into its final weeks, the leader of the Oklahoma Senate said it is unlikely teachers will receive a pay raise in 2017.

Both the Oklahoma House of Representatives and the Oklahoma Senate have passed teacher pay raise bills this session, but Senate President Pro Tem Mike Schulz says neither bill was heard by the other side.

"Teacher pay has been something we've talked about a long time, certainly the state question that was on the ballot last November brought a lot of attention to it," Schulz said. "In the senate, our position has always been we are dedicated to do a pay raise. It's going to be implemented over time somewhere in the neighborhood of \$5,000 to \$6,000 in a two to three year period."

Senator Schulz said there is a \$900 million shortfall in the budget this year which makes it nearly impossible to fund the pay raise this year.

"It'd be pretty silly to look at the common education budget and say we're going to cut you by two-percent but then give you a teacher pay raise," Schulz said. "That just seems silly and foolish to us to cut them on one hand but give them money on the other."

Senator Schulz said he does think a teacher pay raise will happen in the future, but the only thing the legislature controls is the minimum salary that teachers receive.

# Oklahoma schools now shorted \$93 million this year in state aid as revenue misses expectations again

Public schools learned Wednesday that their monthly payment from the state of Oklahoma would be shorted by an additional \$6.8 million, bringing the total reductions since January to \$93.4 million. The Oklahoma State Department of Education sent out a memo Wednesday ahead of Thursday payments to local schools notifying them that state revenue collections continue to fall short of expectations in both the 1017 Fund and the Common Education Technology Revolving Fund.

# City Council looking for ways to help 'food deserts' other than grocery store moratorium

City Councilors discussed a proposed moratorium on grocery stores in Tulsa's "food deserts" Wednesday, opting to look for other ways to bring healthier food choices to areas of need. The problem, as discussed Wednesday, is that full-service grocery stores may be getting stifled out of the market in food deserts due to the prevalence of grocery or convenience stores that offer only basic food items without fresh produce.

# TPS superintendent makes final pitch on budget cut recommendations

Tulsa Public Schools Superintendent Deborah Gist presented her final recommendations for budget reductions for the 2017-18 school year at a special board meeting Thursday evening. As TPS leaders continue to anticipate a \$12 million reduction in state aid for next school year, the school board is expected to vote Monday on Gist's recommendations to cut the district's budget to meet that funding gap.

#### Oklahoma's economy continues to show signs of rebound

Oklahoma took in more state revenues in April than it did in the same month last year as the state's economy continued to show signs of a rebound, state Treasurer Ken Miller announced Friday. The state's gross receipts for April were about \$1.2 billion, up \$34.1 million, or 2.9 percent, compared to April 2016.

#### Unemployment rate dips in 55 Oklahoma counties

State officials say the unemployment rate is dropping in most Oklahoma counties, though some counties remain well above the national rate for people out of work. The statewide jobless rate was 4.6 percent in February, just below the national rate of 4.7 percent.

# Bill to expand eligibility for Oklahoma's Promise scholarships would be a win for all Oklahomans

The Oklahoma Legislature is close to passing a bill (SB 529) to make Oklahoma's Promise scholarships available to more students. Available since 1996, these scholarships cover the cost of tuition for in-state

students at an Oklahoma public college or university if students complete a series of college-readiness requirements before high school graduation and maintain a passing GPA once in college. Expanding access to the program is necessary if Oklahoma wants to compete in the new economy where most high-paying jobs require advanced education.

# Extended horizontal drilling compromise reached by major Oklahoma energy associations

Longer horizontal drilling in nonshale formations in Oklahoma would be allowed under compromise legislation unveiled Tuesday.

Senate Bill 867 is supported by the Oklahoma Oil and Gas Association, Oklahoma Independent Petroleum Association and the Coalition of Oklahoma Surface and Mineral Owners.

Notably absent from the agreement is the Oklahoma Energy Producers Alliance, a new group formed by longtime operators of vertical wells. That group remains concerned about the encroachment of horizontal drilling on their vertical wells.

SB 867, by Senate President Pro Tempore Mike Schulz, R-Altus, and House Speaker Charles McCall, R-Atoka, would allow horizontal drilling longer than one mile in nonshale formations. Under current law, companies can only drill such "extended laterals" in shale formations or formations with "shale-like" characteristics.

#### Oklahoma lawmakers could halt Medicaid privatization

Oklahoma House lawmakers will consider whether to halt progress on privatizing Medicaid for the state's aged blind and disabled population.

After receiving direction from the Legislature, the Oklahoma Health Care Authority began soliciting proposals last year from private companies who want to take over that part of Medicaid's mission. Under the plan, a company picked to run the program would receive money up front to coordinate and integrate care for complex treatment, like those developed to address chronic illness.



INTEROFFICE MEMO

**To:** Honorable Mayor and City Councilors

From: Jennifer Hooks, Executive Assistant to the City Manager

**Date:** May 15, 2017

**Re:** Site Plan for BAPS Freshman Academy Expansion

Please find attached the site plan for the Freshman Academy Expansion. This work includes relocating the access road on the south side of New Orleans to align with First Place across the street.

Respectfully submitted,

Jennifer Hooks

Attachment

SOD

ROKEN ARROV

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www.SELS

SCOTT M. RODEHAVER 03/13/2017 18694

wallace

Wallace Engineering Structural Consultants, Inc Structural and Civil Consultants 200 East Mathew Brady Street Tulsa, Oklahoma 74103

Structural Consultants, Inc.

Structural and Civil Consultants
200 East Mathew Biody Street
Tulsa, Oklahoma 74103
918.584 5858, 800.364,5858

OKLAHOMA CA #1460

EXP DATE 6/30/17

BROKEN ARROW PUBLIC SCHOOLS FRESHMAN ACADEMY EXPANSION

JECT NO. R16.030
E DATE 01.25.17
E 01
WN BY HW
CKED BY AT

DRAWN BY HW
CHECKED BY AT
REVISION C
REVISION DATE 03.10.17



PLANNING SITE PLAN

C403

**BROKEN ARROW PUBLIC SCHOOLS** 

PROJECT ADDRESS: 301 WEST NEW ORLEANS STREET **BROKEN ARROW, OKLAHOMA 74011** 

**HYDRANT TEST RESULTS:** STATIC: 91 PSI RESIDUAL: 88 PSI FLOW: 1,353 GPM FLOW @ 20 PSI: 7,469 GPM

ATTN: BOB TOLOMEO

ratolomeo@baschools.org

OWNER:

Aerial Fire Truck
Lose sport see (ts)

EXISTING FIRE LANE

93' FROM BUILDING CORNER

EXISTING BUILDING

FIRE LANE

EXISTING FIRE HYDRANT

\*-----

SOD

Benchmark P-K Nail

ELEV=693.11

N=376928.5940

Benchmark

61' FROM REMOTE FDC

RELOCATED REMOTE FDC

EXISTING FIRE HYDRANT

LOCATION OF FIRE HYDRANT

RELOCATED FIRE HYDRANT

ROAD CENTERLINE

FF 696.38

**EXISTING FIRE LANE** 

OVERHEAD DOOR

POLYETHYLENE

POLY VINYL CHLORIDE

REINF CONCRETE PIPE

SINGLE GRATE CURB INLET

Benchmark

3/8" Iron Pin

E=2622017.1060

ELEV=690.80 N=376991.4990

RESTRAINED JOINT

PAVEMENT

ROOF DRAIN

RIGHT OF WAY

SQUARE FEET

TOP OF CURB

TOP OF GRATE

TOOLED JOINT

TOP OF RIM

TOP OF WALL

TOP OF FOOTING

TOP OF PAVEMENT

TOP OF SIDEWALK

**UNLESS NOTED OTHERWISE** 

SAW JOINT

Benchmark

3/8" Iron Pin ELEV=693.68

N=377606.4940 E=2621653.7280

Benchmark 3/8" Iron Pin ELEV=693.49

---- 660 ---- EXISTING MAJOR CONTOUR

PUG POWER UNDERGROUND

TVUG TV UNDERGROUND

——— SS ——— SANITARY SEWER LINE

————— WATER LINE

SF SILT FENCE

---- FLOW LINE DITCH

TUG TELEPHONE UNDERGROUND

POWER LINE OVERHEAD

FO-FO-FO-FIBER OPTIC CABLE UNDERGROUND GM

N=377237.4190 E=2621652.3490

PROPOSED ADDITION

EXISTING FIRE HYDRANT

EXISTING REMOTE FDC

LEGEND

CLEANOUT

FIRE HYDRANT

GAS / OIL WELL

PARKING COUNT

POWER POLE

PULL BOX

VALVE

**POWER MANHOLE** 

SANITARY MANHOLE

TELEPHONE MANHOLE

TELEPHONE PEDESTAL

LIFT STATION MANHOLE

TRANSFORMER PAD

WATER HYDRANT

WATER METER

WATER WELL

STEAM MANHOLE

STORM MANHOLE

LIGHT POLE

EMERGENCY PHONE

FIBER OPTIC MANHOLE

FIRE DEPT CONNECTION

AREA INLET

CLEAR

BACK OF CURB

**CONSTRUCTION JOINT** 

DOUBLE GRATE CURB INLET

HIGH DENSITY POLYETHYLENE

DRAINAGE BASIN

DOOR OPENING

**EXPANSION JOINT** 

FINISH FLOOR

FINISH GRADE

ISOLATION JOINT

INLET SEDIMENT TRAP

IRRIGATION

LINEAR FEET

FLOWLINE

HOSE BIB

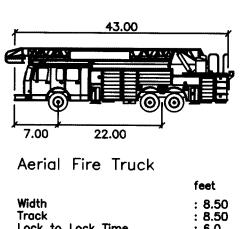
**DUCTILE IRON PIPE** 

**EXISTING BUILDING** 

918.259.4300

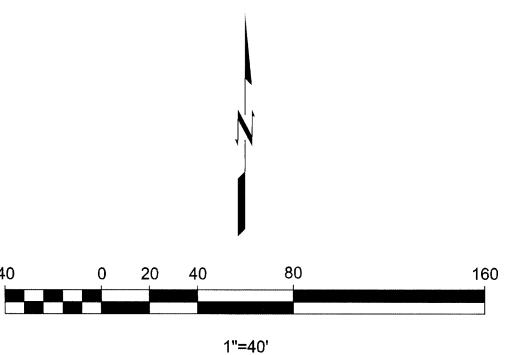
CONSTRUCTION TYPE: IIB W/ AUTOMATIC SPRINKLER BUILDING SQFT: 14, 735

**APPENDIX B REQUIREMENTS:** FIRE FLOW: 2,500 GPM 625 GPM W/ 75% REDUCTION



DRIVE PATH START DRIVE PATH END DIRECTION OF TRAVEL VEHICLE CENTERLINE V PATH EDGE

NOTE: THIS ENTIRE SHEET HAS BEEN ADDED





CAUTION NOTICE TO CONTRACTOR THE CONTRACTOR IS SPECIFICALLY CAUTIONED THE LOCATION AND ELEVATION OF EXISTING UTILITIES AS SHOWN ON THESE PLANS ARE BASED ON RECORDS OF THE VARIOUS UTILITY COMPANIES AND MEASUREMENTS TAKEN IN THE FIELD. THE INFORMATION IS NOT TO BE RELIED ON AS BEING EXACT OR COMPLETE. THE CONTRACTOR MUST CALL THE LOCAL UTILITY LOCATION CENTER AT LEAST 72 HOURS BEFORE ANY EXCAVATION TO REQUEST EXACT FIELD LOCATIONS OF THE UTILITIES

C 03.10.17 CITY COMMENTS

Structural and Civil Consultarits 200 East Mathew Brady Street Tulsa: Ox ahoma 74103 918 584 5858, 800 364.5858 OKLAHOMA CA #1460 EXP DATE 6/30/17

PROJECT NO.

DRAWN BY CHECKED BY REVISION REVISION DATE 03.10.17

SITE PLAN

	. CORRESPONDENCE / N	OTTETO A TION
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#### PRESS RELEASE

Contact: Krista Flasch Director of Communications City of Broken Arrow Phone: (918) 259-2400, ext. 5309

Mobile: (918) 409-7771

### Resurfacing Project on Omaha Street to Begin May 23

**Broken Arrow, Okla.** (5/19/2017) – The City of Broken Arrow Streets and Stormwater Department is expected to begin repaying a one-mile stretch of Omaha (51<sup>st</sup>) Street from Elm Place to Aspen Avenue starting May 23. The project is anticipated to be completed in mid-June, weather permitting.

During the construction work, traffic will be restricted to one lane of travel, depending on which side of the road is being worked on. Detour signs will be in place to direct drivers around the construction. We appreciate drivers' patience while this necessary roadwork is completed.

The Omaha Street repaying project costs \$85,000 and is being paid for through 2014 General Obligation Bonds.

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