



FY 2010-2014 Five-Year Forecast

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Purpose

- To provide the Mayor and City Council with the information necessary to formulate strategies to address long-term issues and near-term needs
- To serve as a resource for citizens and the business community

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Outline of Forecast

- Economic Outlook (presented by Dr. Mark Snead, OSU)
- Financial Trend Monitoring System
- Revenue and Expenditure Trends and Projections
- Departmental Issues

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Financial Trend Monitoring System

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Financial Trend Monitoring System

- Adapted from ICMA handbook *Evaluating Financial Condition*
- Designed to provide an overall picture of Oklahoma City's financial condition
- Used 20 measures from ICMA list of 42 possible
- Looked at indicators in the economy in general and within the City's finances specifically

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What Can We Learn?

- Develop a better understanding of the City's financial condition
- Identify hidden and emerging problems and show where we have had success
- Present a straightforward picture of financial strengths and weaknesses

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Overall Results

- 15 Indicators Trending Positive
- 4 Indicators Trending Neutral
- 1 Indicator Trending Negative

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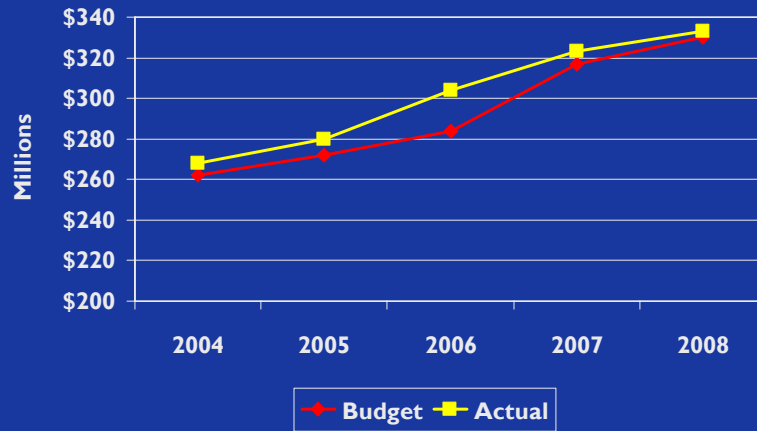
Positive Indicators

- Revenue Per Capita (was neutral)
- Tax Revenue
- Revenue Shortfall or Surplus
- Hotel/Motel Tax
- Sales Tax as a % of General Fund
- Employees per 1,000 citizens
- Fund Balance
- Liquidity
- Enterprise Operating Position
- Pension Funding Ratio
- Population
- Airport Activity
- Per Capita Personal Income
- Property Value
- Office Vacancy Rate

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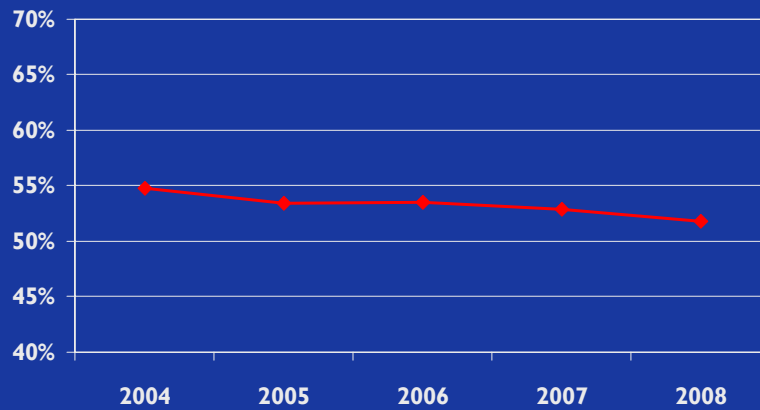
Revenue Shortfall or Surplus



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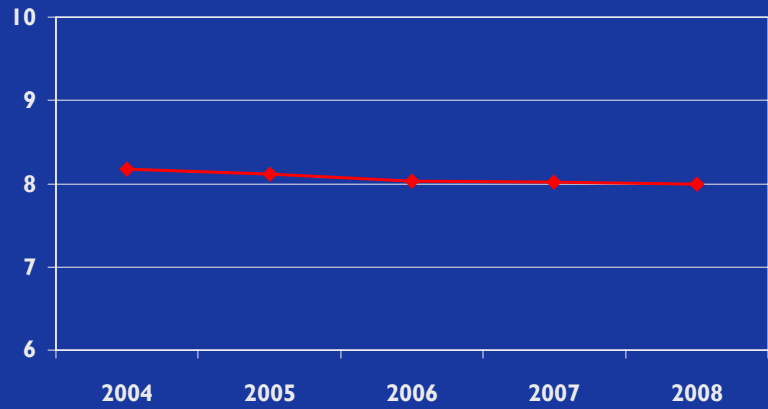
Sales Tax as a Percentage of the General Fund



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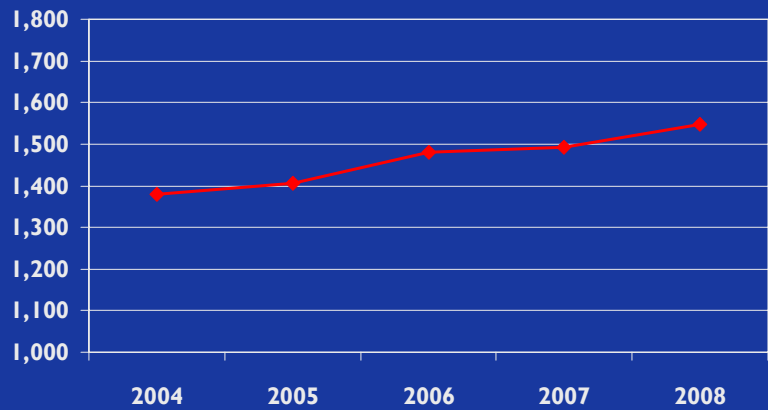
Employees Per 1,000 Citizens



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Revenue Per Capita (Adjusted for Inflation)



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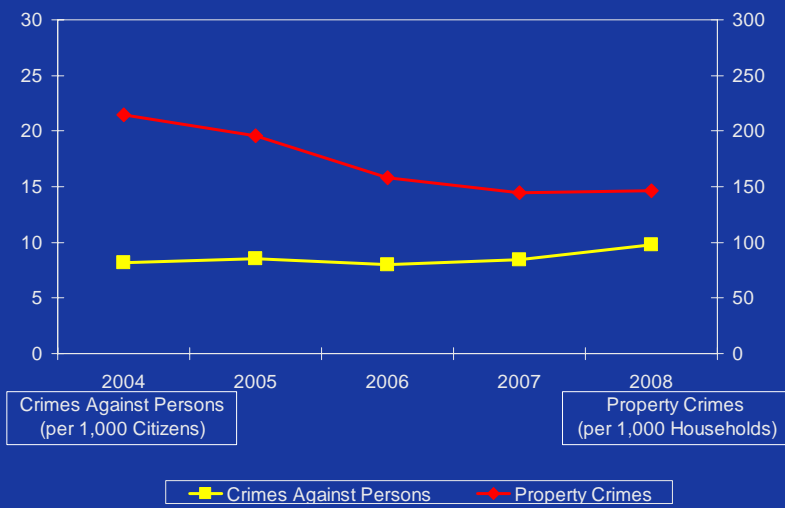
Neutral Indicators

- Long-Term Debt
- Employment Base
- *Crime Rate (was positive)*
- *Fringe Benefits (was negative)*

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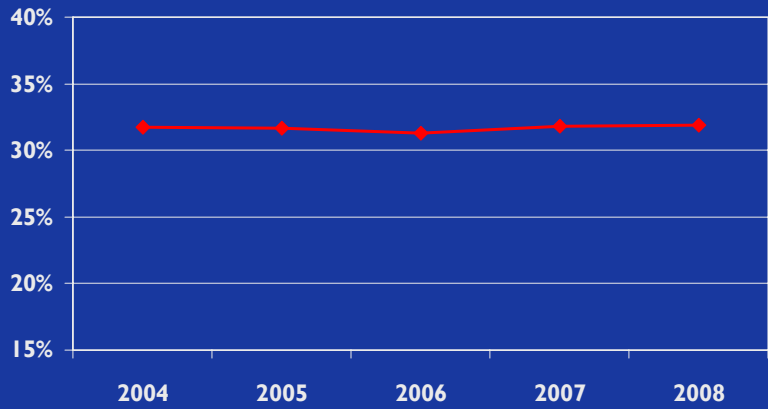
Crime Rate



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Fringe Benefits As a % of Salary and Overtime



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Negative Indicator

- Intergovernmental Revenue

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Intergovernmental Revenue as a % of Total Revenue



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Now What?

- Excellent overall rating
- Note that this system looks back not forward
- Continue monitoring and reporting on indicators annually

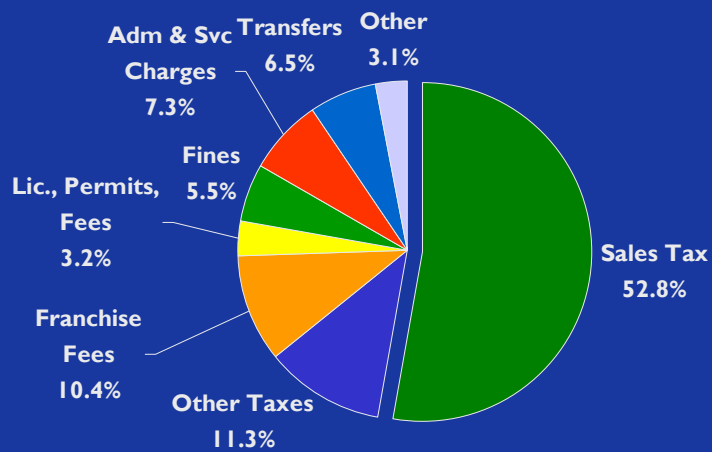
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Revenue Trends and Forecast



General Fund Revenue





Annual Revenue Growth Projected 2011-2014

- Sales Tax 4.3%
- Other Taxes 3.2%
- Franchise Fees 4.4%
- Other Revenue 1.7%

- Overall 3.7%

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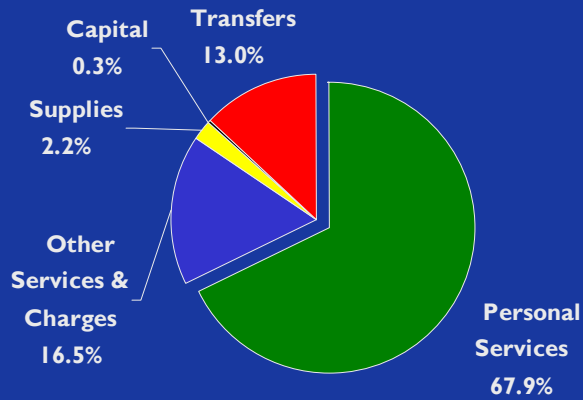


Expenditure Trends and Forecast

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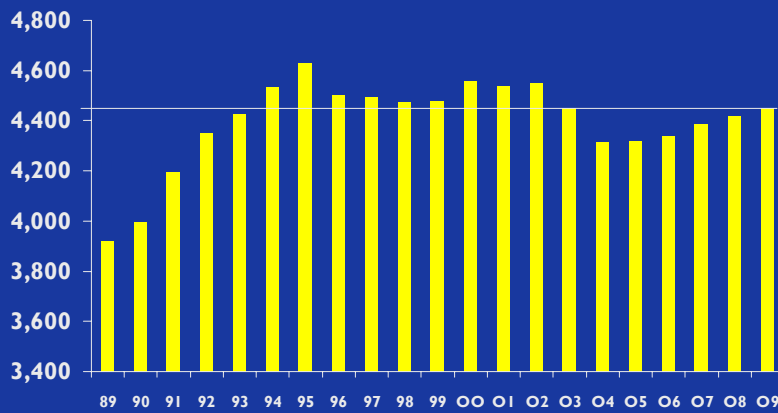
General Fund Budget



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Number of City Employees



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Annual Expenditure Growth Projected 2011-2014

- Personal Services 4.3%
- Contractual Svc 5.5%
- Supplies & Capital 3.5%
- Transfers 7.5%

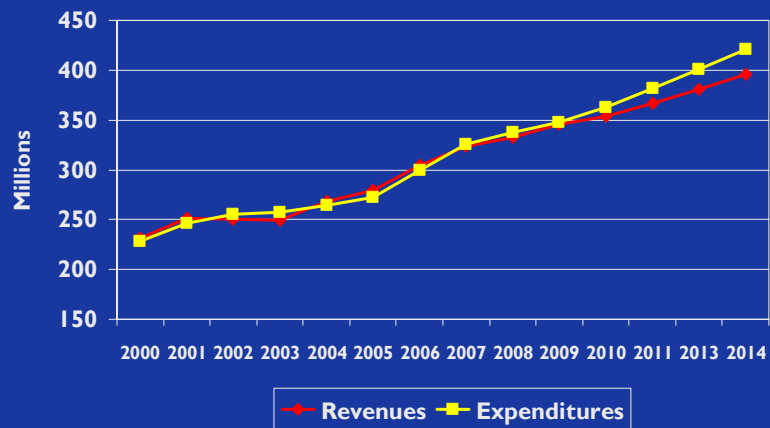
- Overall growth rate 4.9%

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Revenue Expenditure Gap

\$24.7 million by FY 2014



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Forecast Issues

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What are Forecast Issues?

- Top issues from each department
- General overview of the issue – not a detailed cost estimate
- Provides an “Early Warning System”

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Major Issue Categories

- Increased demand for services
 - Communications with the public
 - Planning initiatives
 - Ambassadors program in Police
 - Special events security
 - Technology support
 - Police staffing study
 - Fire staffing

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Major Issue Categories

- Increased demand for services
(Continued)
- Animal Welfare Services
 - Code Enforcement
 - Street Maintenance
 - Streetscape Maintenance
 - Audit
 - Legal

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Major Issue Categories

- Facilities needs
 - Records storage
 - ADA compliance
 - Fire station renovations
 - Police facilities
 - Multi-generational recreation center

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Major Issue Categories

- Other Capital needs
 - I-40/Lincoln Blvd interchange
 - Replacement/Upgrade of financial and HR information systems.
 - Fleet replacement

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FY 2010 Budget Outlook

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FY 2009 General Fund Revenue – Year-End Estimates

- Sales Tax - \$1.3 million above target
- Use Tax - \$0.6 million below target
- Franchise Fees - \$1.7 million above target
- Fines - \$1.0 million above target
- Service Charges - \$0.5 million below target
- Overall \$2.0 million over target

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FY 2010 Revenue Assumptions

- Sales Tax 3.6%
- Other Taxes -1.0%
- Franchises 0.6%
- Licenses/Fees 2.2%
- Fines/Forfeitures 0.2%

Amount projected over FY 2009 estimates

35



FY 2010 General Fund Expenditure Assumptions

- Increases over current year budget
 - Personal Services - \$8.5 million (3.6%)
 - Public Safety systems - \$1.1 million
 - COTPA - \$0.9 million
 - SMG (Due to Ford Center closure) - \$1.9 million
- EMSA membership program savings have not been reallocated

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FY 2010 General Fund Budget

Revenues	\$358.6 million
Expenditures	<u>(\$362.8 million)</u>
Funding Gap	(\$4.2 million)

- 1.5% budget cuts required for General Fund departments

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FY 2010 Budget Calendar

- May 5, 2009
 - Proposed budget presented
- May 12 - June 16, 2009
 - Council Finance Committee
- June 16, 2009
 - Adoption of FY 10 budget
- July 1, 2009
 - FY 10 budget takes effect

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