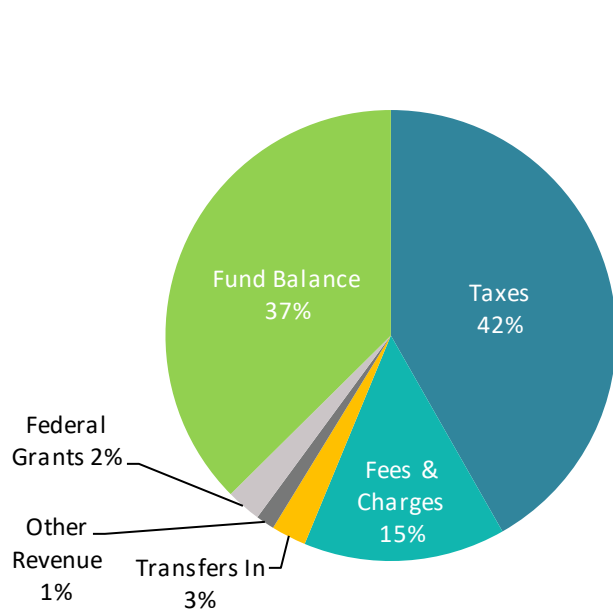


CONSOLIDATED BUDGET OVERVIEW

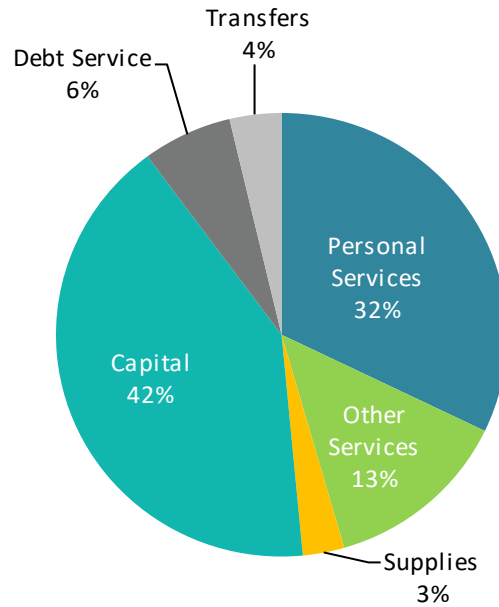
CONSOLIDATED OVERVIEW REVENUE AND EXPENDITURE SUMMARY FOR ALL FUNDS

	Actual FY17	Adopted FY18	Adopted FY19
Revenue Overview			
Taxes	\$559,322,721	\$584,504,187	\$652,974,115
Fees & Charges	219,852,568	233,487,329	226,667,242
Transfers In	28,949,154	43,152,169	39,180,526
Other Revenue	22,339,829	19,767,166	20,909,861
Federal Grants	63,604,539	39,289,655	39,071,631
Fund Balance	0	519,815,186	585,082,491
Total Revenue	\$894,068,810	\$1,440,015,692	\$1,563,885,866
Expenditure Overview			
Personal Services	\$443,276,236	\$468,737,013	\$502,612,259
Other Services	105,522,524	200,966,045	209,312,375
Supplies	31,409,944	49,594,883	46,501,607
Capital	183,840,713	559,517,704	647,126,940
Debt Service	87,183,798	106,086,208	100,263,063
Transfers	63,725,650	59,113,839	58,069,622
Total Expenditures	\$914,958,865	\$1,444,015,692	\$1,563,885,866

FY19 REVENUES



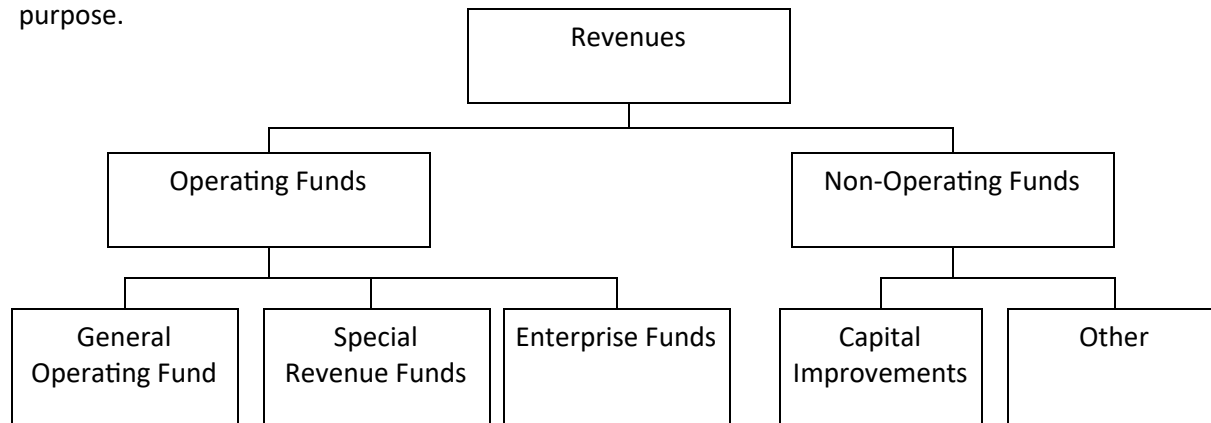
FY19 EXPENDITURES



REVENUE SUMMARY

WHEN REVENUE IS DEDICATED TO A PARTICULAR PURPOSE, THE CITY HAS GENERALLY CHOSEN TO ESTABLISH A SEPARATE FUND TO ENSURE THAT ALL OF THE DEDICATED REVENUE IS SPENT FOR ITS INTENDED PURPOSE.

The City derives revenue from a myriad of sources. Some revenues are dedicated to specific purposes, such as the MAPS 3 Sales Tax or the tariff on phone service dedicated to the E-911 service. Other revenues are not dedicated to a particular program or service and are deposited in the City’s General Fund. A fund is an accounting method for segregating revenues and expenditures for a specific purpose.



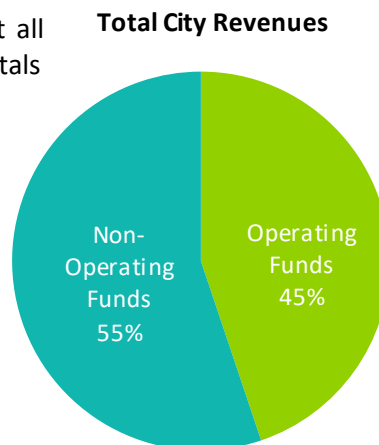
- | | | | | |
|--|--|---|---|--|
| <ul style="list-style-type: none"> • General Fund • Internal Service Funds | <ul style="list-style-type: none"> • Court Administration and Training Fund • Emergency Management Fund • Fire Sales Tax Fund • Hotel/Motel Tax Fund* • MAPS Operations Fund* • MAPS 3 Use Tax Fund* • Medical Service (Ambulance) Program Fund • OCMAPS Sales Tax Fund* • Police Sales Tax Fund* • Police/Fire Capital Equipment Use Tax Fund • Zoo Sales Tax Fund | <ul style="list-style-type: none"> • Airports Fund • Solid Waste Management Fund • Stormwater Drainage Utility Fund* • Public Transportation and Parking Cash Fund • Water/Wastewater Fund | <ul style="list-style-type: none"> • Better Streets, Safer City Fund Sales Tax Fund • Better Streets, Safer City Fund Use Tax Fund • Capital Improvement Projects Fund • City and Schools Capital Use Tax Fund • Hotel/Motel Tax Fund* • Impact Fees Fund • MAPS Operations Fund* • MAPS Sales Tax Fund • MAPS 3 Sales Tax Fund • MAPS 3 Use Tax Fund • OCMAPS Sales Tax Fund* • OKC Tax Increment Financing Fund • Police Sales Tax Fund* • Police/Fire Capital Equipment Sales Tax Fund • Sports Facilities Sales Tax Fund • Sports Facilities Use Tax Fund • Stormwater Drainage Utility Fund* • Street and Alley Fund | <ul style="list-style-type: none"> • Asset Forfeiture Fund • Debt Service Fund • Grants Management Fund • OKC Improvement and Special Assessment District Fund • Special Purpose Fund |
|--|--|---|---|--|

* These funds have both an operating and non-operating component

OPERATING FUNDS

Before beginning the discussion of revenues, it should be noted that all projected growth rates for FY19 were based on estimated year end totals for FY18.

The City classifies its funds as either operating or non-operating. The distinction is that some funds, and, in some cases, portions of funds, directly support operations and other funds provide for capital improvements or are so limited in their purpose that they do not support daily operations. This allows decision-makers to segregate operating costs from the total cost for the organization so that significant changes in capital funding are not misinterpreted as a significant change in operational costs.

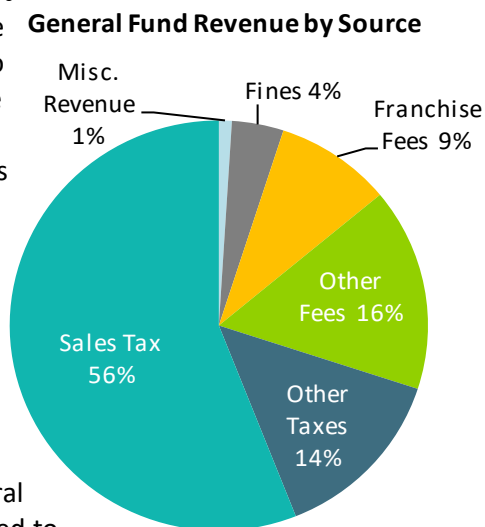


An example of this is dedicated sales taxes. In recent years, the citizens of Oklahoma City have approved several limited-term dedicated sales taxes to fund capital improvements. When the MAPS 3 Sales Tax began on April 1, 2010, there was a significant increase in the revenue of those funds which are being used for capital improvements. Because of this distinction, the portion of the Sales Tax used for capital improvements was classified as non-operating and the small portion used to fund the MAPS 3 Project Office was classified as operating.

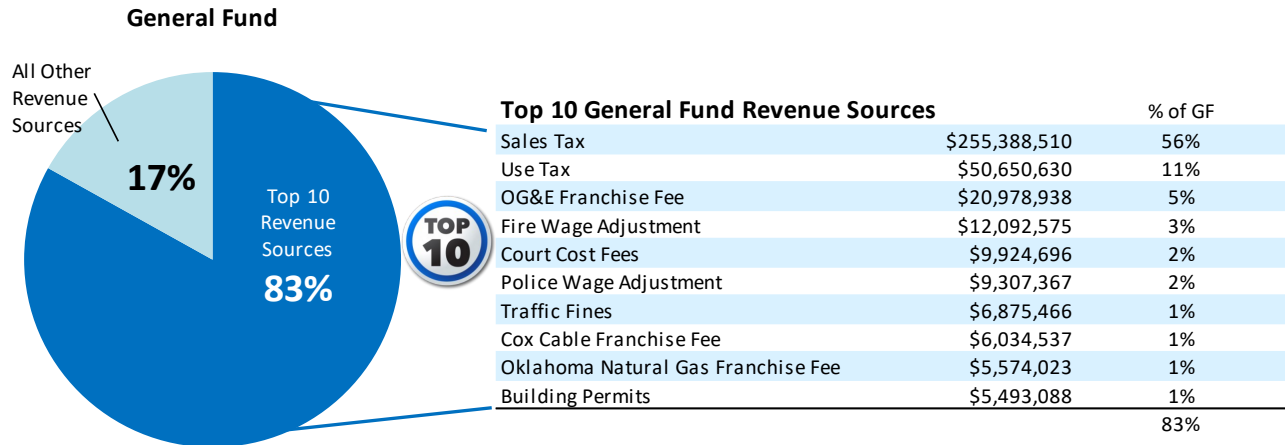
The Operating Funds category includes three major types of funds: General Operating Funds, Special Revenue Funds and Enterprise Funds, all of which will be discussed further; however, the bulk of the discussion focuses on the General Fund, the City’s largest fund at \$460 million or 29% of the FY19 budget.

GENERAL FUND

The General Fund has hundreds of individual revenue sources ranging from daily fishing permits to building permits to sales tax. Similar sources are grouped into categories as shown in the chart below. Overall, the General Fund is projected to grow 11% in FY19; 2% is growth on the base budget and the other 9% is growth due to a 1/4 cent increase in Sales and Use Tax that went into effect January 1, 2018 and an increase in the use tax base due to a change in state law that requires most online retailers to collect and remit tax. The narrative on the following pages examines each of the major revenue categories in the General Fund and the short term factors that influenced the revenue projections. Also highlighted in the narrative and the table on page B-4 are the top 10 individual revenue sources that, when combined, account for 83% of the FY19 General Fund budget.



As the pie chart at right, and the table at the top of the next page indicate, the largest single source of revenue in the General Fund is Sales Tax. As such, the most time and effort is dedicated to forecasting this revenue source.



GENERAL FUND - TAXES

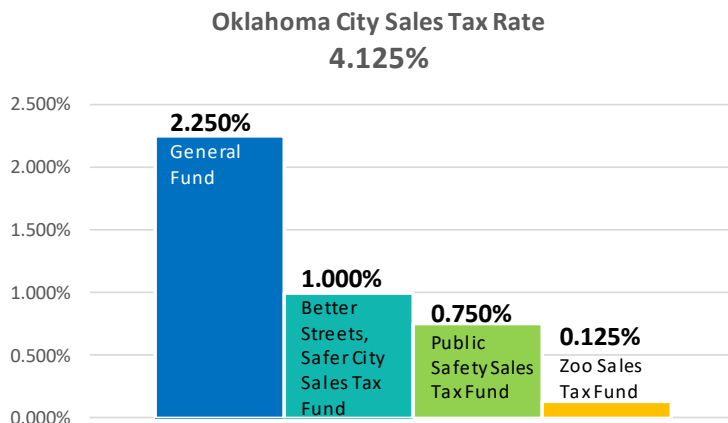
The largest category of revenue in the General Fund, at 69%, is taxes. Within the taxes category, all revenue sources are authorized by the State and collected by the Oklahoma Tax Commission.



Sales Tax

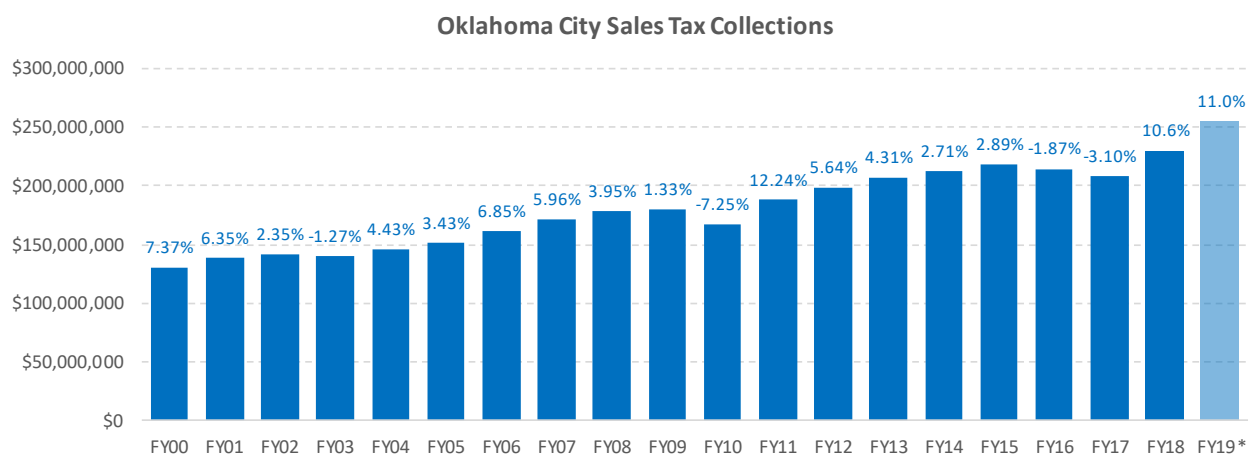
Sales Tax is the largest single revenue source for the General Fund and the City. Sales tax is applied to most retail transactions, as provided by State law, and is collected by local vendors who then remit the revenue to the Oklahoma Tax Commission. The City maintains agreements with the Oklahoma Tax Commission for administration and enforcement services associated with sales and use taxes. The City levies a total of 4.125% in sales tax. Combined with the State levy of 4.5%, the total state and municipal sales tax rate charged within corporate Oklahoma City limits is 8.625%.

The City’s 4.125% sales tax levy is divided between various funds as authorized by voters as shown in the table below. The General Fund receives the largest portion of sales tax at 2.250% and benefited when voters passed a one-quarter cent increase that was effective January 1, 2018. The City’s day-to-day operations are funded from the General Fund. Better Streets, Safer City is a 27-month temporary one-cent sales tax in effect through March 31, 2020. The sales tax is projected to generate \$240 million to fund street resurfacing, street enhancements, sidewalks, trails, and bicycle infrastructure.



The Public Safety Sales Tax is a permanent 0.750% sales tax split evenly between Police and Fire. The Zoo Sales Tax is a permanent 0.125% (1/8 cent) sales tax that can only be used for capital improvements and operations at the zoo. This section will focus on the 2.25% authorized for general operations while the dedicated sales taxes that account for the remaining 1.875% will be discussed in the Special Revenue Operating Funds section of this chapter.

Projecting sales tax has always been challenging since it is complicated by many local and national factors. As reflected in the chart on page B-42 sales tax growth can be volatile. For example, the City experienced two consecutive years of declines in FY16 and FY17 due to a contracting energy sector and an additional layer of economic weakness in the local economy described by Dr. Russell Evans in his Economic Outlook for the City as, “The national inventory cycle following the regional commodity cycle created a recession-like environment for local sales tax collections.” The last time Oklahoma City experienced two years in a row of sales tax declines was 30 years ago in FY86 and FY87. Dr. Evans is the Director and Research Economist at the Steven C. Agee Economic Research and Policy Institute at OCU, and presented his economic outlook to the City Council at the February 6, 2018 budget workshop. Dr. Evans provided input into the projection of Sales Tax for FY19 in addition to analysis of trends and general economic conditions. The outlook was for the local labor market conditions to improve through the Spring of 2018 and for the local economy to transition from a recovery phase to a market fundamental phase with the turn of the fiscal year. Although growth is expected to slow in FY19, we still anticipate consistent, strong, economic conditions based on earnings and employment projections. The City used this guidance to develop its baseline projection of 3.0% growth in Sales Tax in FY19 which is on par with the 20-year average growth rate of 3.16%. When base growth is combined with growth from the permanent 1/4 cent increase in sales tax approved by voters, effective January 1, 2018, the **sales tax growth projection for FY19 is 11.0%** as shown in the chart below. The increased sales tax collections were largely dedicated to Public Safety. In FY18 the increased sales tax collections restored 48 police officer positions and 21 fire fighter positions; added 81 police officer and 36 fire fighter positions; increased the overtime budget for both police and fire until the additional positions can be filled; and added five positions to Public Works to manage street resurfacing projects. In FY19, the 1/4 cent increase is projected to generate \$28 million in sales tax collections for the General Fund.



*Sales Tax Collection Projections



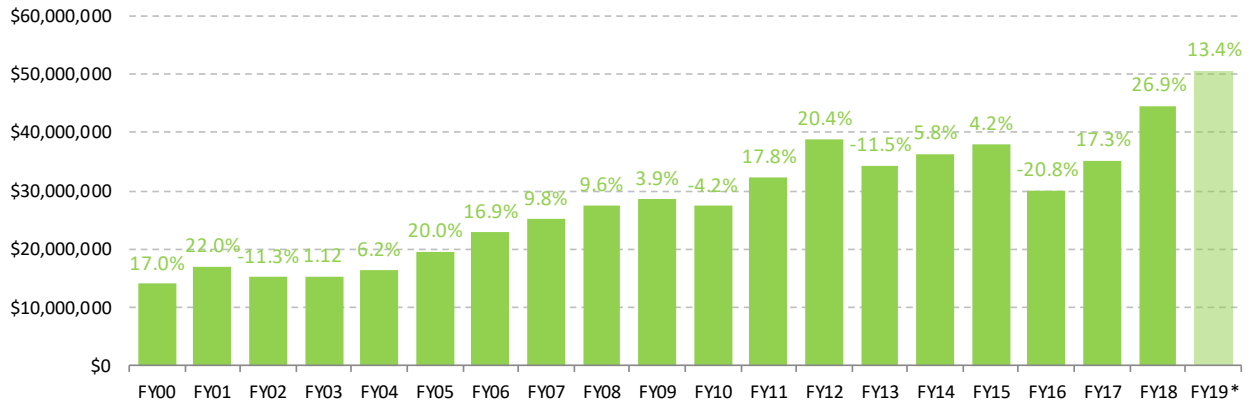
GENERAL FUND - OTHER TAXES

Use Tax

Use tax is levied on goods that are bought in other states and then imported to Oklahoma for use. This tax is applied in lieu of sales tax because the goods were originally bought outside the state. It is assumed that the purchaser either did not pay sales tax in the state in which the goods were purchased or received a rebate after paying the Use Tax. The Use Tax rate is 4.125% of the purchase price, with 3.125% going to the General Fund and 1.0% going to the Better Streets, Safer City Use Tax Fund. The Better Streets, Safer City Use Tax will expire March 31, 2020.

Use Tax is much more volatile than Sales Tax as the largest remitters are typically commercial entities with remittances based on their business activity which is not always cyclical. For example, the 21% decline in FY16 was due to a refund issued to a taxpayer who remitted taxes to Oklahoma City in error for several years. Growth in FY17 was below expectations as the local economy was still feeling the impact of a contracting energy sector. In FY19, use tax is projected to grow at 13.4% due to the one-quarter cent tax increase, a change in state law that requires most online retailers to collect and remit tax, and growth of 5% on base collections which is the 10-year average growth rate. Overall, Use Tax collections are projected to be \$50.7 million and make up 11% of the FY19 General Fund revenue budget.

Oklahoma City Use Tax Collections



*Use Tax Collection Projections

Excise Tax

In FY05, State law changed the taxation of tobacco products and exempted them from sales tax, but implemented an excise tax designed to make it more expensive to purchase tobacco products on a per unit basis. Municipalities receive a portion of the excise tax from the state. Since implementation, revenue has averaged \$4.9 million per year. With consistent collections, FY19 revenue is projected to remain flat at \$4.9 million which is 1.1% of the General Fund revenue budget.



Commercial Vehicle Tax and Motor Fuels Tax

Commercial Vehicle Tax and Motor Fuels Tax are both collected by the state with municipalities receiving a portion of the tax based on their share of the population. The taxes are restricted for street maintenance and will fund 44% of the \$12.9 million Public Works Department General Fund budget for street repair and maintenance. Growth in FY19 is projected at 2% based on long term average growth rates. When the two taxes are combined they are expected to generate \$5.7 million or 1.2% of the General Fund revenue budget.

Occupation Tax

Occupation taxes are levied by the City for specific occupations when the City is the principal place of business for the occupation. The first type of Occupation Tax is on retail gasoline filling stations, retail diesel stations and retail oil stations and is a tax on each pump. The second type of Occupation Tax is on businesses or occupations related to alcoholic beverages. A change in state law that is effective October 1, 2018 will allow consumers the ability to purchase stronger beer and wine at grocery stores and convenience stores, as well as refrigerated beer in traditional liquor stores. The change is expected to increase the number of businesses or occupations required to pay an occupation tax in FY19. When added to existing occupation taxes, which were previously recorded to the Licenses, Permits, and Fees category, the FY19 budget is expected to grow 52% in FY19 to \$1.5 million and account for 0.3% of the General Fund revenue budget.

Alcoholic Beverage Tax

Alcoholic Beverage Tax is a “sin” tax levied by the state with a percentage passed on to counties and municipalities based on their share of population. The tax is paid by wholesalers and is assessed by the ounce; it is reflected in the retail price of the alcohol. There is also a 13.5% tax on mixed drinks served at bars and restaurants. The Alcoholic Beverage Tax is projected to grow at 2% in FY19 which is the 3-year average growth rate and produce \$1.0 million in FY19. It is one of the smaller revenue sources in the General Fund revenue budget.

GENERAL FUND - FRANCHISE FEES

Franchise and Utility Fees are charged to public utilities for the use of public rights of way for their infrastructure. This category is the second largest within the General Fund accounting for 9% of the FY19 General Fund Budget.



Oklahoma Gas and Electric (OG&E) Franchise Revenue

The largest single source of franchise revenue is a 3% franchise fee on gross receipts of OG&E, the primary electric utility in Oklahoma City. Electric franchise revenue is significantly influenced by the weather and the cost of fuel. While much of OG&E's power is generated from coal which enjoys much more stable prices, natural gas is also a significant fuel source used for electricity production. A nine-month rate increase implemented by OG&E due to higher fuel costs and grid congestion, is projected to generate a 12% increase in collections in FY18. In FY19, a 7% decline from the FY18 year end estimate is projected as OG&E decreased rates when the price of natural gas declined and grid congestion lessened. The OG&E franchise fee is third in the list of top 10 revenue sources for the General Fund. Collections in FY19 are projected to be \$21 million which is 4.6% of the General Fund revenue budget.



Oklahoma Natural Gas (ONG) Franchise Revenue

ONG is the natural gas utility in Oklahoma City and pays a 3% franchise fee on gross revenues. ONG also collects franchise revenue for the City from customers who buy their natural gas from other suppliers and who use ONG only to transport the natural gas. This assessment is made on the estimated cost of the gas transported by ONG and was the result of the change in the franchise agreement between ONG and the City approved by voters on October 11, 2005. The total ONG franchise revenue is projected to be \$5.6 million, a 1% increase from FY18 year end projections for growth in the customer base as prices are projected to remain stable. ONG Franchise Fee revenue is the ninth largest revenue source in the General Fund revenue budget as noted in the table at the top of page B-4.



Cox Communications Franchise Revenue

Cox Communications is the cable television provider in Oklahoma City and pays a 5% franchise fee on all cable television-related revenues to the City. Cox Communications also offers phone service and pays a 2% fee on those services, as do all other telephone companies. In FY19, franchise revenue from Cox Communications is expected to decline 1% from FY18 year end estimates. The projection is based on three years of declines in remittances and may be attributed to the national trend of cable subscribers cancelling pay TV services and opting for online video services, as well as, as more subscribers relinquishing their traditional land lines for cell phones. Collections in FY19 are projected to be \$6 million which is 1.3% of the General Fund revenue budget and puts Cox Communications Franchise Fees at number eight on the list of top 10 revenue sources.

City Water, Wastewater and Solid Waste Fees in Lieu of Franchise Fees

Utilities providing water, wastewater, and solid waste services are operated by trusts that are separate legal entities from the City. These enterprises pay a 2% fee to the City for use of the public right of ways. Revenue from all three utilities is expected to be \$5.8 million in FY19 or 1.3% of the General Fund revenue budget. Growth of 2.5% on water and wastewater and growth of 5% on Solid Waste is projected in FY19. The growth is attributed to an increase in the number of customers served and rate increases that are funding enhanced solid waste service levels, a capital program improvement that will address long-term water supply through 2060 and regulatory compliance.

Other Utility Fees

There are smaller electricity companies or cooperatives, telephone and cable television providers and a steam and chilled water utility that all serve portions of Oklahoma City and pay utility fees. The revenue from all of these companies is expected to total \$3.6 million in FY19, a decline of 4% from FY18 year end projections. The projected declines are based on growth patterns from the last three years which are similar to the activity in the Cox Communications Franchise Fee where subscribers are cancelling pay TV services and opting for online video services, as well as, more subscribers relinquishing their traditional land lines for cell phones.

GENERAL FUND - LICENSES, PERMITS, AND FEES

The licenses, permits, and fee revenue comes from a variety of sources such as business licenses, fishing permits, building permits, and fees for becoming a pre-qualified contractor. The category represents 3% of the General Fund revenue budget.



Building Permits

The single largest revenue source in the Licenses, Permits and Fees category is Building Permits which is number 10 on the list of top 10 General Fund revenue sources. A building permit is required for any person to, construct, alter, repair, enlarge, move or demolish any primary or accessory structure. After two years of decline, FY18 is projected to end with 3% growth as the local economy improved. In FY19, base growth of 2% is projected as residential and commercial building is expected to tick up slightly and a new building related permit for insulation is fully implemented. An additional \$0.5 million for a building permit from a single economic development project that is in the final stages of negotiation was also included in the FY19 projection of \$5.3 million which is 1.2% of the General Fund revenue budget.

Other Licenses, Permits and Fees

The FY19 projections for the remaining revenue sources were based on three and five year averages with no one-time events or anomalies identified. When combined, the growth rate for the remaining revenue sources remained flat when building permits was excluded. The remaining revenue sources are projected to generate \$7.6 million in FY19 which is 1.7% of the General Fund revenue budget.

GENERAL FUND - SERVICE CHARGES

Service Charges are based on the specific services provided and are generally paid on a per use basis.



Police and Fire Wage Adjustment Reimbursements



The dedicated 3/4 cent Sales Tax for Public Safety, when approved by voters, provided compensation increases for uniformed police and fire positions that were funded in the General Fund. Annually, the dedicated public safety sales tax makes payments to the General Fund (wage adjustment) to compensate the General Fund for higher compensation paid to uniformed Police and Fire employees. Both the police and fire wage adjustments have projected growth of 3% in FY19 due to personnel related costs such as salaries, merit, retirement, health insurance and other benefits. The Fire Wage Adjustment is budgeted at \$12.1 million and is the fourth largest General Fund revenue source, providing 2.6% of the FY19 General Fund revenue budget. The Police Wage Adjustment is slightly less at \$9.3 million and is the sixth largest General Fund revenue source providing 2% of the FY19 General Fund revenue budget.

Other Service Charges

Other significant revenue sources in the Service Charges category include: Payments from General Obligation Bonds for engineering and project management services provided on construction projects budgeted at \$4.8 million; Parks charges for things such as admission to family aquatic centers, rentals of various Parks facilities and charges for participation in recreational leagues budgeted at \$1.2 million; Police charges to local school districts for security and crossing guard services at \$1.7 million; and Engineering fees for review of infrastructure in development plans before construction begins budgeted at \$2.2 million. Overall, Service Charges (excluding the wage adjustments) are expected to generate \$15 million in FY19, which is a 12% increase from FY18 year end estimates. The growth is largely attributed to parking meter fees due to a rate increase in the hourly rate and some meters coming back in service that had been temporarily unavailable due to construction projects in the central business district. Other service charges are 3% of the FY19 General Fund revenue budget.

GENERAL FUND - FINES

The Fine Category is comprised of various fines and court fees that are processed by the City's Municipal Court. The City is one of two municipalities in the State of Oklahoma that has a Municipal Court of Record.



Court Cost Fees

Court Cost fees are assessed and collected to pay for the actual cost of prosecution. Fewer cases filed with the court and implementation of criminal justice reform has resulted in declining revenue for the last three years as well as reduced expenses in the City's contract for jail services. In FY19, court cost fees are projected to decline 3%, the three-year average, as additional changes are made in response to criminal justice reform. Court costs fees are the fifth largest revenue source in the General Fund and are 1.9% of the General Fund revenue budget.



Traffic Fines

Traffic fines are the seventh largest revenue source in the General Fund. Although there have been fewer cases filed with the court for the last three years with a corresponding decline in revenue, the number of cases filed is projected to stabilize in FY19 and revenue remain flat at \$6.9 million which is 1.5% of the FY19 General Fund revenue budget.

Other Fines

The remaining fines and fees include smaller revenue sources such as parking fines, bond fees, mailing fees, jail cost recovery fees, environmental fines, etc. In FY19 the combined sources have projected collections of \$4.7 million which is growth of 3% due to parking meters being put back in service after being unavailable due to construction in the central business district. All other fines and fee sources were projected to remain flat based on history for the last three years. These remaining fines and fees are 1% of the FY19 General Fund revenue budget.

GENERAL FUND - OTHER

This includes the smaller categories of revenue including Administrative Charges, Other Revenue, Transfers and Fund Balance.

Administrative Charges

Administrative Charges are 4.9% of the FY19 General Fund revenue budget and are assessed to other City funds and entities for administrative services such as accounting, personnel, payroll, audit, and other functions provided by General Fund departments. Payments made by entities such as the Airports, Water/Wastewater Utilities, the Golf System, and the Zoo are expected to total \$22.4 million in FY19 which is a 2.74% decline from FY18 year end estimates. Most administrative charges declined due to budget reductions made by the departments providing the service. However, there were other significant changes including a \$2.7 million reduction due to contracting out operation of the Civic Center Music Hall, a performing arts and special events venue, to a non-profit foundation beginning in FY19; a \$0.6 million reduction in bank service charges due to the Utilities department making a change to their business process relating to credit card payments. Those bank fees will now be paid directly by the Oklahoma City Water Utilities Trust (OCWUT); and a \$2.8 million increase from OCWUT signing a service agreement with the Public Works Department to provide utility cut repairs, rather than contracting with an outside vendor, which is expected to increase the timeliness of repairs.

Other Revenue

Other revenue includes the smaller sources such as interest, rebates, and royalties. The category is projected to have collections of \$4.2 million in FY19 which is growth of 12% from FY18 year-end estimates. Growth was widespread across the various sources, but the most significant increases were from projected interest rate increases and timing of payments. The Other Revenue category is 0.9% of the FY19 General Fund revenue budget.

Transfers

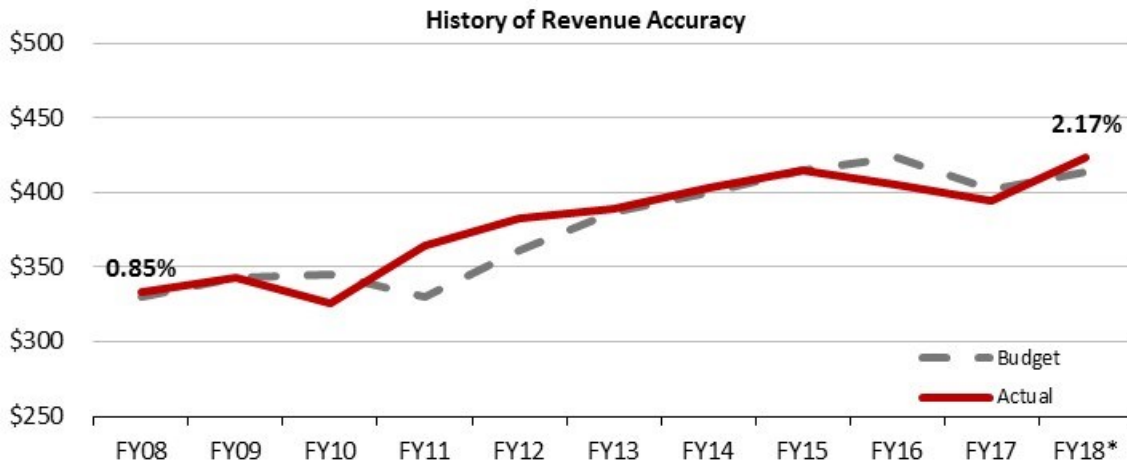
Transfers are payments made to the General Fund from other City funds. The category can vary greatly from year to year depending on the status of projects. In FY19, the Transfers category is projected to be \$2.5 million which is an increase 268% due to a transfer from Courts Capital Improvement Program to reimburse the General Fund for budgeted expenses. In total, the Transfers category is 0.5% of the General Fund revenue budget.

Fund Balance

No fund balance is budgeted in FY19 which is a \$2.0 million decline from FY18. The use of budgeted fund balance to partially support the annual transfer to the Capital Project Fund had been declining for the last several years. In FY19, the annual transfer will be supported by recurring General Fund revenue from the sources described earlier in this section. Additionally, the City’s financial policies were amended in FY18 to increase the unbudgeted fund balance range from 8-15% of the General Fund budget to 14-20% of the General Fund budget to align with best practices and GFOA recommendations. The unbudgeted fund balance will be available to help with cash flow during the year and to help make up for a shortfall if revenues do not reach the levels projected.

GENERAL FUND HISTORICAL REVENUE SHORTFALL OR SURPLUS

The chart below illustrates the differences between General Fund revenue projections and revenues actually received each fiscal year. Significant continued variances in actual collections from projected amounts, whether it be shortfall or surplus, can be reason for concern. Either scenario could indicate a changing economy or inaccurate forecasting techniques. Additionally, credit rating organizations use this indicator to review the quality of financial management in a local government since variances between budget and actual results are considered indicative of management’s financial planning capabilities. For the eighth year in a row the City has earned the highest bond ratings possible from two of the nation’s most respected financial rating services. The City received a AAA rating from Standard & Poor’s and a Aaa rating from Moody’s Investor Service. In FY08 and FY09 collections were within 1% of projections; in FY10 actual revenue was 6% less than projected due to the recession. In FY11 and FY12, Oklahoma rebounded stronger than expected with variances of 10% and 6%. In FY13, FY14, and FY15 revenue was within 1.0% of projections. In FY16, the contraction in the energy sector contributed to revenue collections missing projection by almost 4% and a prolonged weakened local economy that reflected inventory adjustments accounted for a shortfall of 2% in FY17. Back to back revenue declines are rare and the last time it occurred was more than 30-years ago. In FY18, revenues are expected to exceed projections by 2% as the City has once again recovered from an economic downturn stronger than projected. The average variance over the 11 years depicted in the graph was 3% which is outside the City’s stated goal of having revenues within 2% of projections. The City continues to work with Dr. Russell Evans and Oklahoma City University to refine forecast estimates.



*FY18 Estimate

INTERNAL SERVICE FUNDS

Internal Service Funds are in departments that provide services to most other City departments. They generate revenue by charging departments for those services. The majority of the charges assessed to departments are set at the beginning of each year based on past usage. The two exceptions are for fuel and postage, which are charged to departments based on current usage and current prices. The other internal service funds are Information Technology, Risk Management which is in the Finance Department, the Print Shop which is in the City Manager's Office, and Fleet Services which is in the General Services Department. Internal service funds have a FY19 budget of \$53.8 million which is growth of 3%. Major changes to each internal service fund are summarized in the department section of the budget book. These funds combined are 3% of the \$1.56 billion FY19 budget.

SPECIAL REVENUE OPERATING FUNDS

Special Revenue Funds have a revenue source or sources that are dedicated to a specific purpose.

Police, Fire and Zoo Sales Tax Funds

The Police, Fire and Zoo Sales Tax funds are supported by dedicated portions of the City's sales tax collections. In each of these funds, the forecast for sales tax revenue growth is 3%. This is same rate of growth as projected for base sales tax in the General Fund. These funds also receive interest and other miscellaneous revenues related to their operation, although those other sources make up less than 2% of the revenue total. In the Police Sales Tax Fund, a portion of these funds support operations and a portion supports non-operating capital activities.

MAPS 3 Use Tax Fund

The MAPS 3 Use Tax Fund was supported by a temporary 1% Use Tax adopted after the MAPS 3 Sales Tax was approved. The Use Tax expired December 31, 2017. Through FY18 a portion of the MAPS 3 Use Tax was budgeted for public safety capital funding, which is included in the non-operating section. The remaining fund balance will be used to support administration and oversight of the MAPS 3 projects and is budgeted in the operating fund. The FY19 budget is \$4.79 million and flat compared to FY18. The fund balance is projected to fund the administration and oversight through at least FY20 when most MAPS 3 projects will have been completed or nearing completion.

Court Administration and Training Fund

The Court Administration and Training Fund will decrease 91% in FY19 from \$2.5 million to \$0.2 million. The large decline is due to a reduction of \$0.6 million in budgeted fund balance that was used in FY18 for one-time capital expenses related to construction of the City's new Municipal Court building and a change in business process related to pass through collections. The Municipal Court collects various State-mandated fees assessed on court citations and charges and then passes those through to the State on a monthly basis. In FY19, the procedure of the pass through will change. The City will no longer budget the pass through as a revenue and expense since the fees are not the City's; instead, the collections will be reflected in the General Ledger as assets and liabilities. This change results in a budget reduction of \$1.8 million. The Court Administration and Training Fund is allowed to retain some of the revenue from state mandated fees to train Court, Police, and Legal staff. Those revenues are based on the specific citations and cases that go through the City's court system each year and will stay in this fund. Although citations and cases are down, the \$0.2 million in training fees are expected to remain flat due to rate increases from the state.

Emergency Management Fund

The Emergency Management Fund supports the E-911 system for Oklahoma City and is budgeted at \$8.5 million in FY19. The Fund is supported by tariffs on both cell phone and traditional telephone lines that are assessed on each user. While traditional landline tariff revenue has been declining in recent years, the approval of cell phone tariff revenue by the voters in FY06 was a major addition to the Emergency Management Fund along with a \$0.25 per line increase that went into effect January 1, 2017 of which the City keeps \$0.20 and the State \$0.5 for oversight functions. Even with the addition of cell phone tariff revenue, the General Fund is still expected to support E-911 operations through a transfer of \$2.7 million in FY19. Overall, the budget for this fund will decrease 2.4% in FY19 due to a \$0.3 million reduction in the IT chargeback.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund FY19 budget is \$24.4 million and is supported by a 5.5% hotel occupancy tax. This Fund is divided between operating activities dedicated to the promotion of special events, convention and tourism development and non-operating activities dedicated to the capital development at the State Fairgrounds. The projection for Hotel/Motel Tax was developed in consultation with some of the major hoteliers in Oklahoma City and officials with the Convention and Visitor's Bureau. Overall revenue from the Hotel/Motel Tax fund is projected to increase 12% from FY18 adopted budget due to the Hotel Tax experiencing growth of 6.5% in FY18 and growth of 2.5% projected for FY19. Growth on interest earnings and additional budgeted fund balance make up the remaining increases.

Medical Service Program Fund

The Medical Service Program Fund was created in FY10. This fund handles revenue and expenses associated with the Medical Service Program adopted by the City Council on December 8, 2008, which makes it possible for households to pay \$3.65 per month on their City utility bill in exchange for EMSACare benefits from the Emergency Medical Services Authority (EMSA). The primary benefit of EMSACare is that it covers all out-of-pocket expenses for any emergency ambulance transport. EMSA still collects from insurance or other responsible parties, but does not charge EMSACare participants for copays, deductibles or other out-of-pocket expenses. The FY19 budget of \$7 million is flat compared to FY18 as the program experiences little change in membership from year to year. Program fees are expected to generate \$6.8 million in FY19 with interest earnings funding the remaining budget.

Metropolitan Area Projects (MAPS) Operations Fund

The Metropolitan Area Projects (MAPS) Operations Fund was originally funded by a City Council dedicated Use Tax during the same period of the MAPS Sales Tax. The Fund was established to provide for the maintenance, capital replacement, and operations of the MAPS projects. The FY19 budget is \$0.6 million, a 15% decline, due to the spend down of fund balance which is the primary source of revenue. The MAPS Operations Fund also has a non-operating component that funds capital replacement at the MAPS projects.

Oklahoma City Metropolitan Area Public Schools (OCMAPS) Sales Tax Fund

The Oklahoma City Metropolitan Area Public Schools (OCMAPS) Sales Tax Fund was originally funded by a 1% Sales Tax dedicated to supporting capital projects at public schools that serve kids in Oklahoma City. The Sales Tax expired on December 31, 2008. While the tax was in effect, a reserve was established to continue to fund project management and oversight of remaining projects and funding. The operating portion of the fund was closed in FY17.

ENTERPRISE FUNDS

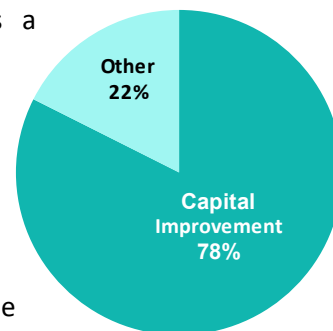
Enterprise Funds are supported by the revenue generated by operations in their specific areas. Enterprise Funds have been established for operations at the **Airports, Solid Waste Management, Stormwater Drainage, Public Transportation and Parking, and Water and Wastewater Utilities**. With the exception of the Stormwater Drainage Utility, all of these funds have a public trust that oversees operations and receives all revenues. Revenues in each of the enterprises may be growing at a different rate than growth reflected in the City funds and each trust's revenue budget is individually based on customer rates and expected usage. The trusts generally make capital investments directly and the transfer to City funds support operations.

The one Enterprise Fund that is not supported by a trust is the **Stormwater Drainage Utility**. All revenue for Stormwater Drainage activities comes from a fee on all water utility bills based on the size of the water line. Revenues are expected to grow 3.6% in FY19. The Stormwater Drainage Utility Fund is the only Enterprise Fund to also have a capital component in the non-operating funds section.

NON-OPERATING FUNDS

As mentioned earlier, the City classifies its funds as either operating or non-operating. The distinction is that some funds, and, in some cases, portions of funds, directly support operations and other funds provide for capital improvements or are so limited in their purpose that they do not support daily operations. This ensures significant changes in capital funding or other non-operating activities are not misinterpreted as a significant change in operational costs. In FY19, the budget for Non-Operating Funds is \$876.6 million, an increase of 11%, and is comprised of Capital Improvements and other Non-Operating Funds. The Non-Operating Funds are 55% of the total FY19 budget.

Non-Operating Funds



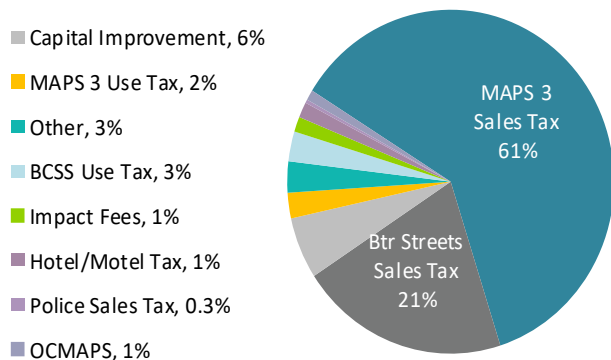
CAPITAL IMPROVEMENTS

The majority of non-operating funds are for capital improvements and have a FY19 budget of \$722.7 million, an increase of 15%. Many of the funds receive most of their revenue from other funds, such as the **Capital Improvement Projects (CIP) Fund**, the **Oklahoma City Tax Increment Financing (TIF) Fund** and the **Stormwater Drainage Fund**. As such, the revenue projections for these funds are based on the level of transfer budgeted in the originating fund.

There are three Non-Operating Funds that are largely for capital improvement and are supported directly by taxes that will be in effect during FY19: the Better Streets, Safer City Sales Tax Fund, the Better Streets, Safer City Use Tax Fund and the Hotel/Motel Tax Fund.

The **Better Streets, Safer City Sales Tax Fund** was created in FY18 after voters passed a temporary, 27-month, one-cent sales tax that went into effect on January 1, 2018. The tax is restricted to funding street resurfacing, street enhancements, sidewalks, trail and bicycle infrastructure such as bike lanes. The FY19 budget is \$149 million. Sales Tax collections were projected to grow at 3%, the same as all sales tax supported funds, and generate \$111 million. An additional \$38 million in fund balance was budgeted.

Non-Operating Funds - Capital Improvement



The **Better Streets, Safer City Use Tax Fund** was established at the same time as the Sales Tax Fund and is a temporary, 27-month, one-cent Use Tax that will primarily be used to fund public safety fleet and equipment replacements. The Use Tax is projected to grow at 5%, the same rate as all other use tax supported funds. The FY19 budget of \$20 million is comprised of \$15 million in use tax collections and \$5 million in budgeted fund balance.

The **MAPS 3 Sales Tax Fund** is the largest non-operating fund and was created after voters

REVENUE SUMMARY

passed the MAPS 3 initiative on December 8, 2009. The one percent sales tax went into effect on April 1, 2010 and expired December 31, 2017. The tax will fund eight distinct capital projects. The FY19 budget is \$442 million, a decline of 2.5%, due to some projects being completed. The budget is primarily fund balance budgeted for several of the capital projects that are in design or have begun construction, including the largest project, a new convention center that will break ground this summer and open in 2020.

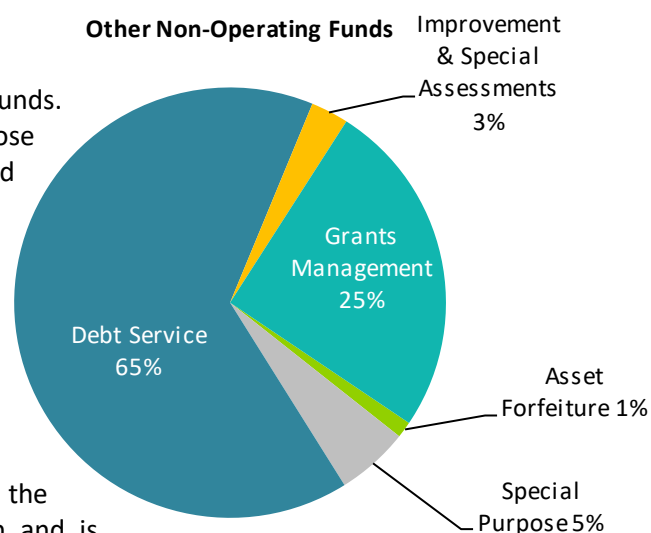
The **MAPS 3 Use Tax Fund** is used for public safety fleet replacement and was being used to help fund the new Municipal Courts building. The FY19 budget, comprised of fund balance, is \$17 million and a decline of 53% as purchases will be completed and fleet replacement transitioned to the Better Streets, Safer City Use Tax Fund.

The **Hotel/Motel Tax Fund** supports three distinct purposes: convention and tourism development, promotions for specific events, and capital improvements at the Fairgrounds. It is this last capital portion of the Hotel/Motel Tax that is classified as Non-Operating. The ballot approved by voters dedicated 6/11ths of the Hotel/Motel Tax for improvements at the Fairgrounds. Revenue in FY19 for the Non-Operating portion of the Hotel/Motel Tax matches the projection for the Operating portion. With other revenue and fund balance included, the FY19 non-operating budget totals \$10.5 million.

Several Funds have Fund Balance as their primary source of revenue and the projects they support are winding down or do not currently require major capital investment. They are the **City and Schools Capital Use Tax**, **MAPS Sales Tax Fund**, the **Oklahoma City Sports Facilities Improvement Sales Tax**, the **Oklahoma City Sports Facilities Improvement Use Tax**, the **Police Sales Tax Capital Fund**, the **Police and Fire Capital Equipment Sales Tax Fund**, **Street and Alley Fund**, and the **MAPS Operations Fund**. The revenue budgets for FY19 for each of these funds are based primarily on the level of projected Fund Balance remaining at the end of FY18.

OTHER NON-OPERATING FUNDS

The Other Non-Operating Funds are budgeted at \$154 million in FY19, a decline of 4%, due largely to debt service and special purpose funds. Most of these funds are so limited in their purpose that they do not support daily operations and typically have a stream of revenue from an outside source or another fund in addition to a significant fund balance. In these cases, the Non-Operating Fund is serving to accumulate revenue for a specific purpose. Funds that fall into this category include the **Asset Forfeiture Fund** and the **Special Purpose Fund**.



The **Debt Service Fund** is the largest fund in the Other Non-Operating category at \$100 million and is supported directly by property taxes that will be in effect during FY19. Property tax collections are projected to be \$92.7 million in FY19, an increase of 8.5%. The tax rate or mill levy is based on assessed property values, projected debt service requirements and anticipated judgments. By

State law, municipalities may only use property tax for General Obligation bond debt service and judgments. Property taxes cannot be used for operations. There is no legal limit on the level of debt service since voters must approve all debt. The City Council has adopted an informal policy that the City will attempt to keep the mill levy for property tax at 16 mills. Although the mill levy has varied over the years based on the timing of new bond issues and growth in assessed values, the City has not exceeded the 16 mill rate since the policy originated. Overall, the budget declined 5% in FY19 due to a reduction in budgeted fund balance of \$12 million, or 86%.

Although not technically supported by a tax, the **Oklahoma City Improvement and Special District Fund** operates much like a tax. This fund is comprised of five Business Improvement Districts (BID) (Downtown, Stockyards, Western Avenue, Capitol Hill, and Adventure District) and one Special Improvement District (SID) for improvements on the underground concourse. Each of these districts has petitioned the City to enact assessments on property owners in the districts to support improvements and services above what is provided by the City. The City collects the assessments and contracts with an outside entity to provide the services or improvements. As such, the City acts as a conduit for these funds and they are characterized as Non-Operating Funds. The anticipated revenue is based on the assessments which are reviewed each year and amended based on needs. The FY19 budget of \$4.4 million, is a 14% increase due to projected increases in assessments from increased property values and a boundary expansion of the Downtown BID.

Grant Funds are included in the budget book to provide a more accurate picture of the City's financial situation and to comply with the requirements of the Municipal Budget Act. The amounts shown as revenue in these funds are estimates of grant awards based on the best judgment of the departments that utilize grants funding. Grant Funds are classified as non-operating funds because the activities supported by grants would typically not be provided without the grant funding. The FY19 budget of \$39 million is flat compared to FY18.

The **Special Purpose Fund** is used primarily for donations to the City. The FY19 budget is \$8.4 million, a decrease of 16% due to a decline in projected donations and a decline in the use of budgeted fund balance as some of the projects that donations were made for have been completed.

REVENUE DETAIL TABLE

	Actual FY17	Adopted FY18	Adopted FY19
General Operating Funds			
General Fund			
Taxes			
Sales Tax	\$208,087,104	\$222,162,633	\$255,388,510
Use Tax	35,218,294	38,484,526	50,650,630
Other Taxes	4,826,120	4,728,036	4,868,995
Commercial Vehicle Tax	4,327,752	4,324,158	4,481,420
Motor Fuels Tax	1,144,110	1,174,371	1,205,611
Occupational Tax	0	0	1,478,565
Alcoholic Beverage Tax	973,359	972,625	1,028,394
Total Taxes	\$254,576,739	\$271,846,349	\$319,102,125
Franchise/Utility Fees			
Oklahoma Natural Gas	\$5,094,914	\$5,013,738	\$5,574,023
Oklahoma Gas & Electric	20,125,834	20,143,218	20,978,938
Caddo Electric Coop.	162,848	175,527	165,430
Oklahoma Electric Coop.	1,235,022	1,220,871	1,305,294
Tri-Gen	396,770	383,936	395,741
AT&T	330,752	329,034	267,909
AT&T Video	1,599,650	1,544,088	1,120,951
Cox Cable	6,351,811	6,031,939	6,034,537
Cox Fibernet	300,069	294,000	259,570
Other Telephone	224,994	132,311	125,000
Utility Fees - Water	2,558,887	2,807,948	2,776,558
Utility Fees - Wastewater	1,751,759	1,904,006	1,859,653
Utility Fee - Solid Waste	1,003,415	1,065,561	1,114,106
Total Franchise/Utility Fees	\$41,136,725	\$41,046,177	\$41,977,710
Licenses, Permits, and Fees			
Abandoned Building Registration	\$31,685	\$10,043	\$30,000
Fire Prevention Permits	201,993	189,692	200,074
Alarm Permits	663,663	637,324	586,416
Police Alarm Fees	531,904	483,362	565,976
Oil & Gas Well Inspections	273,466	240,906	313,721
General Licenses	780,858	638,447	683,219
Building Permits	4,746,038	4,807,402	5,493,088
Electrical Wiring Permits	1,429,536	1,456,486	1,277,916
Plumbing Permits	1,540,631	1,540,596	1,588,326
Boiler & Elevator Permits	240,026	250,208	219,733
Offsite Wagering Fee	43,898	43,187	34,820
Pre-Qualification Application Fee	64,300	57,136	51,366
Refrig. & Forced Air Permits	1,043,831	987,771	997,631
Sidewalk & Paving Fees	391,493	454,585	374,619
Work Zone Permits	35,219	35,800	31,933
Other Fees	118,233	46,875	46,237
Hunting and Fishing Permits	175,087	169,253	175,637
Mixed Bev./Bottle Club License	633,455	633,854	0

REVENUES

	Actual FY17	Adopted FY18	Adopted FY19
Vending Stamps	164,372	159,067	146,754
Bike Share Program	6,482	0	0
Garage Sale Permits	128,826	128,744	110,606
Total Licenses, Permits, & Fees	\$13,244,994	\$12,970,738	\$12,928,072
Administrative Charges			
Airport Administrative Payments	\$872,587	\$819,234	\$760,060
Airport Police Payments	3,081,534	3,223,334	3,270,618
Water/Wastewater Admin Payments	6,736,194	6,281,826	6,113,259
Drainage Utility Administrative Payment	1,090,416	1,092,807	1,056,128
Solid Waste Mgmt. Admin Payments	913,617	858,536	819,463
Convention & Tourism Admin Payments	318,111	348,816	337,095
Zoo Administrative Payments	242,000	266,200	266,200
Golf Administrative Payments	81,252	79,095	72,696
Other Administrative Payments	118,541	118,116	118,171
MAPS3 Administrative Payments	1,028,713	1,082,364	1,017,224
Risk Management Administrative Payments	849,563	843,963	733,644
Public Transportation Administrative Pmts.	962,828	919,994	961,205
Parking Administrative Payments	366,183	156,341	155,728
IT Administrative Payments	1,621,993	1,417,445	1,501,171
Print Shop Administrative Payments	112,945	113,764	107,397
Fleet Services Admin Payments	78,911	54,845	64,361
Banking Fee Payments	663,305	693,865	162,739
Nuisance Abatement Payments	726,817	739,483	700,407
Civic Center Payments	2,952,034	2,791,766	0
Mowing, Litter, and Landscaping Adm Payments	227,454	1,281,072	4,152,892
Total Administrative Charges	\$23,044,998	\$23,182,866	\$22,370,458
Other Service Charges			
Bond Fund Engineering, Legal, Other Services	\$4,606,847	\$5,781,078	\$4,849,946
Econ Dev, TIF Engineering, Legal, Other Svcs	409,230	447,023	449,258
Animal Shelter Fees	267,703	270,958	309,816
Engineering Fees	2,153,287	2,102,243	2,259,151
Planning Fees	791,458	769,503	837,225
Fire Service Recovery	42,000	28,000	28,000
Fire Wage Adjustment Reimbursement	11,954,223	11,725,894	12,092,575
Police Wage Adjustment Reimbursement	9,178,545	9,003,236	9,307,367
Police Fees	2,075,440	2,309,521	2,206,697
Parking Meters	1,265,945	1,748,545	1,721,907
Reimbursement - Grants	332,813	178,741	180,316
Refunds and Reimbursements - Operating	841,225	1,337,337	796,804
Mowing Services - OCRRA	35,393	0	0
Damage to City Property	146,242	149,270	150,000
Recreation Fees	1,191,797	1,202,983	1,233,524
Total Other Service Charges	\$35,292,150	\$37,054,332	\$36,422,586

	Actual FY17	Adopted FY18	Adopted FY19
Fines			
Traffic Fines	\$7,378,939	\$7,559,653	\$6,875,466
Parking Fines	1,623,314	1,658,395	1,584,310
Court Fees	10,568,338	10,391,394	9,761,354
Court of Record, Jury Division	1,598,933	1,517,307	1,325,944
Criminal Court	466,886	423,232	386,569
Jail Cost Recovery Program	244,673	153,150	307,229
Other Fines	20,700	22,500	17,800
Juvenile Fines	201,472	191,038	163,342
Total Fines	\$22,103,255	\$21,916,669	\$20,422,014
Other Revenue			
Leases	\$2,157,543	\$2,585,953	\$2,318,106
Sale of City Property	20,782	100,000	46,072
Check Service Charge	525	516	660
Royalties	83,544	84,871	110,145
Miscellaneous	2,476,871	559,358	703,582
Wrecker Service Payments	50,640	51,700	48,708
Operating Interest	552,557	566,439	1,000,000
Total Other Revenue	\$5,342,462	\$3,948,837	\$4,227,273
Transfers			
Transfers from OCPPA - DAS	\$175,000	\$175,000	\$150,000
Transfers - Miscellaneous	55,788	1,116,406	2,361,205
Total Transfers	\$230,788	\$1,291,406	\$2,511,205
Fund Balance	\$0	\$2,543,333	\$0
Total General Fund	\$394,972,110	\$415,800,707	\$459,961,443
Internal Service Funds			
Interest	\$113,973	\$30,000	\$30,000
Information Technology	23,546,904	24,672,490	25,736,586
Risk Management	14,140,712	15,092,326	14,992,620
Print Shop	844,310	913,412	943,691
Fleet Services	8,139,087	9,463,511	9,549,877
Licenses, Permits and Fees	0	0	0
Other	153,741	209,055	209,055
Services	9,878	0	0
Fund Balance	0	1,700,289	2,301,218
Total Internal Service Funds	\$46,948,604	\$52,081,083	\$53,763,047
Total General Operating Funds	\$441,920,714	\$467,881,790	\$513,724,490

REVENUES

	Actual FY17	Adopted FY18	Adopted FY19
Special Revenue Funds			
Court Administration & Training Fund			
Fees	\$1,985,200	\$2,542,360	\$193,929
Fines	961	174	0
Interest	10,705	10,961	2,283
Fund Balance	0	1,225,959	33,788
Total Court Administration & Training Fund	\$1,996,867	\$3,779,454	\$230,000
Emergency Management Fund			
Tariffs	\$5,262,986	\$5,492,034	\$5,616,562
Interest	14,852	16,183	26,889
Transfers	3,197,544	2,834,556	2,726,334
Fund Balance	0	357,361	120,000
Total Emergency Management Fund	\$8,475,382	\$8,700,134	\$8,489,785
Fire Sales Tax Fund			
Sales Tax	\$39,016,240	\$39,785,056	\$42,446,055
Interest	139,420	149,878	238,001
Other	20,134	23,177	13,677
Service Charges	22,450	0	0
Fund Balance	0	5,656,613	3,204,293
Total Fire Sales Tax Fund	\$39,198,244	\$45,614,724	\$45,902,026
Hotel/Motel Tax Fund**			
Hotel/Motel Tax	\$6,427,766	\$6,918,505	\$6,999,511
Interest	30,145	47,507	40,588
Other	125,000	31,711	0
Transfers	5,118,050	5,112,305	5,552,841
Fund Balance	0	250,291	309,894
Total Hotel/Motel Tax Fund	\$11,700,961	\$12,360,319	\$12,902,834
MAPS Operations Fund**			
Use Tax	\$0	\$0	\$0
Interest	36,223	50,673	66,465
Other	9	0	0
Transfers	(690,910)	(711,637)	(732,986)
Fund Balance	0	1,422,677	1,314,496
Total MAPS Operations Fund	(\$654,677)	\$761,713	\$647,975

	Actual FY17	Adopted FY18	Adopted FY19
MAPS 3 Use Tax Fund**			
Use Tax	\$12,248,715	\$8,366,205	\$0
Interest	145,005	129,448	202,651
Service Charges	0	563,494	500,000
Transfers	(7,906,046)	(12,153,347)	0
Fund Balance	0	7,848,605	4,091,406
Total MAPS 3 Use Tax Fund	\$4,487,674	\$4,754,405	\$4,794,057
Medical Service Program Fund			
Medical Service Program Fee	\$6,869,160	\$6,702,681	\$6,851,640
Interest	50,481	56,567	109,822
Other	0	0	0
Fund Balance	0	293,019	0
Total Medical Service Program Fund	\$6,919,641	\$7,052,267	\$6,961,462
OCMAPS Sales Tax Fund**			
City/Schools Sales Tax	\$0	\$0	\$0
Interest	1,537	0	0
Other	23,058	0	0
Service Charges	0	0	0
Transfers	0	0	0
Fund Balance	0	0	0
Total OCMAPS Sales Tax Fund	\$24,595	\$0	\$0
Police Sales Tax Fund**			
Sales Tax	\$39,016,240	\$39,785,056	\$42,446,055
Interest	126,680	134,315	156,340
Other	600	0	0
Service Charges	205,008	168,236	0
Transfers	0	0	0
Fund Balance	0	1,627,316	0
Total Police Sales Tax Fund	\$39,348,528	\$41,714,923	\$42,602,395
Zoo Sales Tax Fund			
Sales Tax	\$13,005,413	\$13,746,085	\$14,148,685
Interest	3,343	0	0
Fund Balance	0	265,234	282,974
Total Zoo Sales Tax Fund	\$13,008,756	\$14,011,319	\$14,431,659
Total Special Revenue Funds	\$124,505,971	\$138,749,258	\$136,962,193

REVENUES

	Actual FY17	Adopted FY18	Adopted FY19
Enterprise Funds			
Airports Fund			
Transfer from Airport Trust (OCAT)	\$15,829,920	\$17,736,524	\$18,821,344
Interest	24,133	27,658	23,145
Other	60,022	49,424	40,545
Fund Balance	0	40	0
Total Airports Fund	\$15,914,074	\$17,813,646	\$18,885,034
Solid Waste Management Fund			
Interest	\$17,208	\$18,447	\$32,170
Transfers	10,200,000	10,295,276	9,917,139
Fund Balance	0	1,000,000	1,000,000
Total Solid Waste Management Fund	\$10,217,208	\$11,313,723	\$10,949,309
Stormwater Drainage Utility Fund**			
Fees	\$17,411,877	\$17,351,753	\$17,986,251
Interest	117,443	118,151	221,047
Other	0	0	0
Permits	108,035	106,003	105,375
Reimbursements	255,766	255,766	255,766
Service Charges	573,923	201,779	221,999
Transfers	(1,340,000)	(4,000,000)	(4,000,000)
Fund Balance	0	3,596,473	3,509,290
Total Stormwater Drainage Utility Fund	\$17,127,045	\$17,629,925	\$18,299,728
Transportation and Parking Fund			
Interest	\$5,533	\$4,697	\$11,691
Service Charges	451,691	742,844	471,752
Transfers	3,433,226	3,355,284	3,490,657
Fund Balance	0	0	0
Total Transportation and Parking Fund	\$3,890,451	\$4,102,825	\$3,974,100
Water/Wastewater Fund			
Interest	\$129,543	\$136,741	\$235,654
Other	13	0	0
Service Charges	749	0	0
Transfers	80,406,370	92,055,505	93,211,204
Fund Balance	0	1,088,554	800,000
Total Water/Wastewater Fund	\$80,536,675	\$93,280,800	\$94,246,858
Total Enterprise Funds	\$127,685,453	\$144,140,919	\$146,355,029
Subtotal Operating Funds	\$694,112,138	\$750,771,967	\$797,041,712
Less Operating Interfund Transfers (1)	(90,131,977)	(92,406,425)	(95,995,375)
Total Operating Funds	\$603,980,161	\$658,365,542	\$701,046,337

	Actual FY17	Adopted FY18	Adopted FY19
Non-Operating Funds			
Non-Operating Capital Improvements			
Better Streets Safer City Sales Tax Fund			
Sales Tax	\$0	\$38,965,648	\$111,425,818
Interest	0	0	110,795
Other	0	0	0
Fund Balance	0	0	37,890,657
Total Better Streets Safer City Sales Tax Fund	\$0	\$38,965,648	\$149,427,270
Better Streets Safer City Use Tax Fund			
Use Tax	\$0	\$4,713,591	\$15,267,766
Interest	0	0	15,000
Other	0	0	0
Fund Balance	0	0	5,065,129
Total Better Streets Safer City Use Tax Fund	\$0	\$4,713,591	\$20,347,895
Capital Improvement Projects Fund			
Interest	\$402,285	\$158,444	\$318,000
Other	421,979	0	0
Reimbursements	95,047	0	0
Service Charges	15,000	359,215	0
Transfers	6,739,342	7,225,000	9,772,968
Fund Balance	0	40,392,438	31,844,524
Total Capital Improvement Projects Fund	\$7,673,653	\$48,135,097	\$41,935,492
City and Schools Capital Projects Use Tax Fund			
Use Tax	\$0	\$0	\$0
Interest	31,245	16,525	17,619
Other	106,420	84,456	100,874
Transfers	47,420	0	0
Fund Balance	0	3,180,760	2,817,437
Total City and Schools Cap. Projects Use Tax	\$185,085	\$3,281,741	\$2,935,930
Hotel/Motel Tax Fund**			
Hotel/Motel Tax	\$7,713,320	\$8,437,206	\$8,399,414
Interest	35,257	49,131	59,334
Transfers	1,292,341	1,955,338	1,946,464
Fund Balance	0	141,132	124,536
Total Hotel/Motel Tax Fund	\$9,040,918	\$10,582,807	\$10,529,748
Impact Fees Fund			
Impact Fees	\$1,830,462	\$8,700,000	\$4,476,829
Interest	4,650	17,000	36,059
Fund Balance	0	663,579	5,750,912
Total Impact Fees Fund	\$1,835,112	\$9,380,579	\$10,263,800

REVENUES

	Actual FY17	Adopted FY18	Adopted FY19
MAPS Operations Fund**			
Use Tax	\$0	\$0	\$0
Interest	21,713	15,000	62,249
Transfers	690,910	711,637	732,986
Fund Balance	0	2,134,810	2,554,341
Total MAPS Operations Fund	\$712,623	\$2,861,447	\$3,349,576
MAPS Sales Tax Fund			
Sales Tax	\$0	\$0	\$0
Interest	2,056	880	1,054
Other	4,506	0	7,254
Fund Balance	0	524,973	251,970
Total MAPS Sales Tax Fund	\$6,562	\$525,853	\$260,278
MAPS 3 Sales Tax Fund			
Sales Tax	\$104,011,864	\$66,494,132	\$0
Interest	4,299,593	3,263,660	4,779,744
Service Charges	450	0	0
Fund Balance	0	383,757,327	437,471,787
Total MAPS 3 Sales Tax Fund	\$108,311,907	\$453,515,119	\$442,251,531
MAPS 3 Use Tax Fund**			
Use Tax	\$0	\$0	\$0
Interest	212,179	178,307	175,504
Transfers	7,906,232	12,153,347	0
Fund Balance	0	24,948,628	17,255,510
Total MAPS 3 Sales Tax Fund	\$8,118,410	\$37,280,282	\$17,431,014
OCMAPS Sales Tax Fund**			
Interest	\$0	\$0	\$77,496
Transfers	0	4,000,000	0
Fund Balance	0	0	6,922,504
Total OCMAPS Sales Tax Fund	\$0	\$4,000,000	\$7,000,000
Oklahoma City Sports Facilities Sales Tax Fund			
Sales Tax	\$0	\$0	\$0
Interest	1,448	749	355
Other	3,517	0	0
Fund Balance	0	62,571	65,413
Total OKC Sports Facilities Sales Tax Fund	\$4,965	\$63,320	\$65,768
Oklahoma City Sports Facilities Use Tax Fund			
Use Tax	\$0	\$0	\$0
Interest	1,852	996	870
Other	203	0	0
Fund Balance	0	196,010	172,940
Total OKC Sports Facilities Use Tax Fund	\$2,055	\$197,006	\$173,810

	Actual FY17	Adopted FY18	Adopted FY19
Oklahoma City Tax Increment Financing Fund			
Tax Increment Financing Match	\$0	\$850,000	\$850,000
Interest	415	0	0
Fund Balance	0	950,000	0
Total Oklahoma City TIF Fund	\$415	\$1,800,000	\$850,000
Police Sales Tax Fund**			
Sales Tax	\$0	\$0	\$0
Interest	35,088	31,752	44,929
Other	1,045	0	0
Fund Balance	0	3,452,700	2,311,651
Total Police Special Tax	\$36,133	\$3,484,452	\$2,356,580
Police/Fire Capital Equipment Sales Tax Fund			
Police and Fire Equipment Sales Tax	\$0	\$0	\$0
Interest	41,066	18,739	21,522
Other	154,102	0	0
Fund Balance	0	4,153,378	3,500,571
Total Police/Fire Equipment Sales Tax Fund	\$195,168	\$4,172,117	\$3,522,093
Stormwater Drainage Fund**			
Fees	\$0	\$0	\$0
Interest	30,522	40,528	47,930
Service Charges	(5,475)	0	0
Transfers	1,340,000	4,000,000	4,000,000
Fund Balance	0	4,613,600	5,742,203
Total Storm Water Drainage Fund	\$1,365,047	\$8,654,128	\$9,790,133
Street & Alley Capital			
Interest	\$2,951	\$0	\$0
Other	258	0	0
Fund Balance	0	306,955	187,194
Total Street & Alley Capital	\$3,209	\$306,955	\$187,194
Total Capital Improvements	\$137,491,261	\$631,920,142	\$722,678,112

REVENUES

	Actual FY17	Adopted FY18	Adopted FY19
Other Non-Operating Funds			
Asset Forfeiture			
Asset Seizure Revenues	\$1,797,608	\$1,215,651	\$1,243,926
Other	11,290	3,213	3,000
Interest	20,651	10,060	35,202
Fund Balance	0	613,095	601,131
Total Asset Forfeiture	\$1,829,549	\$1,842,019	\$1,883,259
Debt Service Fund			
Ad Valorem (Property)	\$83,306,423	\$85,446,354	\$92,738,686
Interest	1,550,381	600,000	1,000,000
Other	5,911,747	6,000,000	4,500,000
Fund Balance	0	14,029,854	2,014,377
Total Debt Service Fund	\$90,768,551	\$106,076,208	\$100,253,063
Grants Management Fund			
Grant Awards	\$63,604,539	\$39,289,655	\$39,071,631
Total Grants Management Fund	\$63,604,539	\$39,289,655	\$39,071,631
OKC Improvement & Special Assessment Dist.			
Assessments	\$2,921,443	\$3,762,846	\$4,341,253
Interest	3,839	37,538	9,050
Service Charges	5,597	8,450	7,040
Fund Balance	0	0	0
Total OKC Improvement Districts Fund	\$2,930,878	\$3,808,834	\$4,357,343
Special Purpose Fund			
Donations	\$295,237	\$1,556,000	\$994,575
Fees	180,039	215,000	293,059
Interest	144,275	103,925	130,144
Other	4,400	321,182	380,080
Service Charges	254,234	2,173	2,173
Transfers	200	1,000,000	1,000,000
Fund Balance	0	6,817,612	5,570,345
Total Special Purpose Funds	\$878,385	\$10,015,892	\$8,370,376
Total Other Non-Operating Funds	\$160,011,902	\$161,032,608	\$153,935,672
Total Non-Operating Funds	\$297,503,163	\$792,952,750	\$876,613,784
Subtotal All Funds	\$901,483,324	\$1,451,318,292	\$1,577,660,121
Less Interfund Transfers (2)	(7,414,256)	(7,302,600)	(13,774,255)
Total All Funds	\$894,069,068	\$1,444,015,692	\$1,563,885,866

*Includes transfers between the operating and non-operating portions of a fund.

** Fund contains both Operating and Non-Operating activities

	Actual FY17	Adopted FY18	Adopted FY19
(1) Transfers between Operating Funds			
Gen Fund Transfer to Emerg Mgmt	\$3,197,544	\$2,683,067	\$2,726,334
Gen Fund to Transit Fund via COTPA	2,991,136	3,119,900	3,058,595
Gen Fund to City and Schools Use Tax Fund	0	0	0
Various Funds to Internal Service Fund	46,671,013	50,141,739	51,222,774
Fire Sales Tax to General Fund	11,954,223	11,725,894	12,092,576
Police Sales Tax to General Fund	9,178,545	9,003,237	9,307,369
Grants to Gen Fund	332,813	178,741	180,316
Gen Fund to Parking Cash Fund	317,978	502,479	495,492
Special Purpose to MAPS 3 Fund	0	0	0
Various Non-Operating Pmts to Gen Fund	0	150,000	2,302,968
Various Funds Admin Pmts to Gen Fund	15,488,724	14,901,368	14,608,951
Total	\$90,131,977	\$92,406,425	\$95,995,375
(2) Transfers to Non-Operating Funds			
Various to CIP Fund	\$6,855,500	\$7,215,600	\$11,823,568
Various miscellaneous transfers	928	0	0
Various Funds to Special Purpose	200	87,000	0
Various Funds to Grant Fund	557,628	0	1,950,687
Total	\$7,414,256	\$7,302,600	\$13,774,255



The City of
OKLAHOMA CITY

EXPENDITURE SUMMARY

THE OKLAHOMA MUNICIPAL BUDGET ACT GUIDES MUNICIPALITIES IN THE PREPARATION OF THEIR BUDGETS AND MANDATES CERTAIN REQUIREMENTS IN PRESENTING THE BUDGET.

The City of Oklahoma City diligently follows these requirements. Some of the requirements seem commonplace because we have been following these guidelines for years. For example, the budget contains actual revenues and expenses for the prior fiscal year, the revenue and expenditure budget for the current year, and estimated revenue and expenditures for the coming year. Another requirement is that all expenditures be “departmentalized” within each fund.

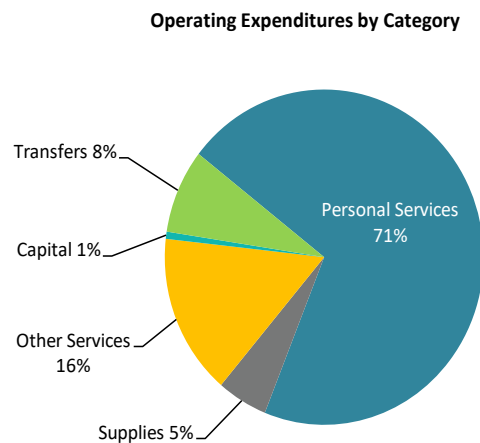
The budget is also divided between Operating and Non-Operating expenditures. This division helps take out the significant fluctuations in capital and non-operating expenses that occur as a result of projects such as the MAPS 3 and MAPS for Kids programs. Most of the discussions about the budget focus on the operating portion of the budget because it allows for better year-to-year comparisons. The Operating Budget totals \$701,046,337.

EXPENDITURE CATEGORIES

One requirement of the Municipal Budget Act that drives the organization of the budget is that expenditures be classified into the following categories: Personal Services, Supplies, Other Services, Capital, Debt Service, and Transfers.

As shown in the chart below, Personal Services is the largest portion of the City’s operating expenditures accounting for 71% of the total operating budget. Expenses like salaries, taxes, retirement benefits, and insurance make up the majority of operating costs because City services are labor-intensive and closely tied to the employees who carry out the various functions of the City.

The second largest area of operating expenditures is Other Services at 16% of the operating budget. These expenses include contracts for service, utilities and chargebacks for internal services (Information Technology, Fleet Services, Print Shop, and Risk Management). Other Services is also the category where contingency is budgeted in each fund, as well as payments from City funds to City trusts such as the General Fund payment to the Central Oklahoma Transportation and Parking Authority. Supplies, at 5% of the operating budget, make up a relatively small percentage of the total and include items as varied as paper and pencils to asphalt and ammunition.



Capital outlay makes up an even smaller percentage of the Operating Budget at less than 1% of the

total. Most of the capital expenses of the City are reflected in the Non-Operating portion of the budget. For purposes of the graph, debt service expenses related to G.O. bond issuance costs are included in the capital category. Within the Operating Expenditure Budget, the only debt service expenses are the fees paid related to the issuance of General Obligation bonds. The Transfers category makes up 8% of the budget and includes transfers from operating funds to non-operating funds and City Trusts. One significant transfer is from the General Fund to the Capital Improvement Fund. Although the Municipal Budget Act classifies this expenditure as a transfer, the end result is capital investment.

EXPENDITURES BY FUNCTION

Another way of looking at the City’s budget is to consider the service or function being provided. There are four broad areas of service provided by the City. The first are the General Government functions. These include the City Manager’s Office, the Office of Mayor and Council, the Municipal Counselor’s Office, the City Auditor’s Office, the City Clerk’s Office, Finance, Personnel, and General Services and make up approximately 12% of the City’s operating expenditures.

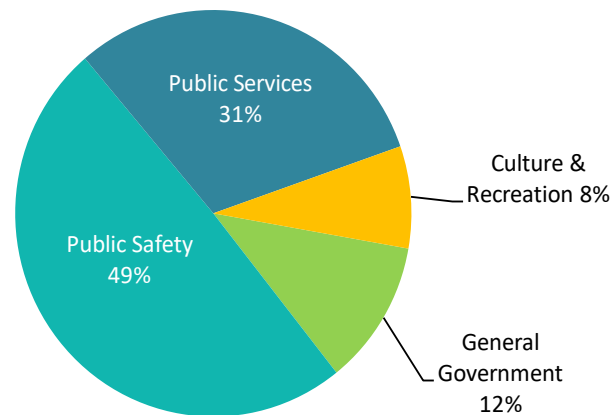
The next function of city government is Public Safety which includes Police, Fire, Animal Welfare and Municipal Courts. This function comprises 49% of the operating expenditure budget.

Public Services include Airports, Public Works, Development Services, Planning, Public Transportation and Parking and Utilities. These departments total 31% of the operating expenditure budget.

The Culture and Recreation function includes Parks and Recreation, the Zoo Sales Tax Fund, OCMAPS, MAPS 3 and the Hotel/Motel Tax Special Revenue Fund and makes up 8% of the operating expenditure budget.

The General Fund contains the Non-Departmental function, which organizes various citywide expenses and certain transfers that do not fit with another City department. These expenses were included in each of the four categories where the expense could easily be categorized. For example, the funding for audits of the City’s finances was classified as a General Government expense, while the subsidy for the Chesapeake Energy Arena and Cox Center operations was classified as a Cultural expense. The expenses in Non-Departmental that could not be directly attributed to a single category, such as the retiree health insurance

Operating Expenditures by Function



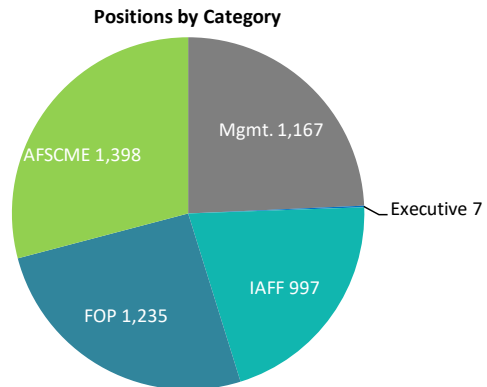
subsidy, were allocated to each category proportionally so the full Operating Budget of \$704,099,628 is allocated to specific functions.

BUDGETED POSITIONS

The FY19 Adopted Budget contains authorization for 4,804 positions throughout the City. This is a increase of 37 positions from the FY18 amended budget. The table on the following page shows the changes on a department-by-department basis.

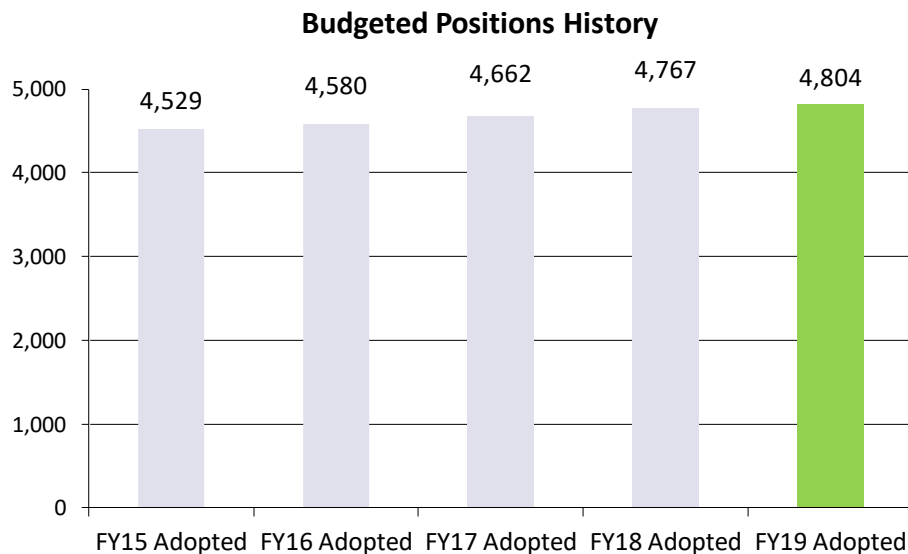
The City’s workforce is comprised of five basic groups. The American Federation of State, County, and Municipal Employees (AFSCME) represent the general pay plan or non-management employees of the City.

This is the largest group at 1,398 positions. The Fraternal Order of Police (FOP) represents all sworn positions within the Police Department. The adopted budget includes 1,235 FOP positions.



The International Association of Firefighters (IAFF) represents all of the uniformed positions within the Fire Department. The adopted budget contains 997 uniformed Fire positions. Management includes employees on the Management, Auditors, and Legal pay plans. Each pay plan includes administrative support, professional, and managerial positions. In addition, those employees who report directly to the City Manager are included as Management. This group totals 1,174 positions in the adopted budget.

The executive category includes only positions that report directly to City Council: the City Manager, City Attorney, City Auditor and four Municipal Judges.



BUDGETED POSITIONS BY DEPARTMENT

Department	FY17 Adopted	FY18 Adopted	FY19 Adopted	Change	%
Airports	120.00	120.00	127.00	7.00	5.8%
City Auditor	8.00	7.00	8.00	1.00	14.3%
City Clerk	8.00	8.00	9.00	1.00	12.5%
City Manager	48.00	49.00	50.00	1.00	2.0%
Development Services	189.00	182.00	192.00	10.00	5.5%
Finance	85.00	82.00	85.00	3.00	3.7%
Fire	997.00	1,000.14	1,000.14	0.00	0.0%
Fire Grants	0.00	28.86	28.86	0.00	0.0%
General Services	70.00	68.00	71.00	3.00	4.4%
Information Technology	100.00	107.00	111.00	4.00	3.7%
Mayor and Council	6.00	6.00	6.00	0.00	0.0%
Municipal Counselor	55.00	54.00	55.00	1.00	1.9%
Municipal Court	79.00	64.00	67.00	3.00	4.7%
Parks and Recreation	185.00	187.00	165.00	(22.00)	-11.8%
Personnel	24.00	25.00	27.00	2.00	8.0%
Planning	27.38	26.83	27.83	1.00	3.7%
Planning Grants	19.62	20.17	19.17	(1.00)	-5.0%
Police	1,446.00	1,521.00	1,524.00	3.00	0.2%
Police Grants	1.00	1.00	0.00	(1.00)	-100.0%
Public Transportation and Parking	34.00	32.00	35.00	3.00	9.4%
Public Works	386.00	391.00	409.00	18.00	4.6%
Utilities	774.00	787.00	787.00	0.00	0.0%
Total	4,662.00	4,767.00	4,804.00	37.00	0.8%

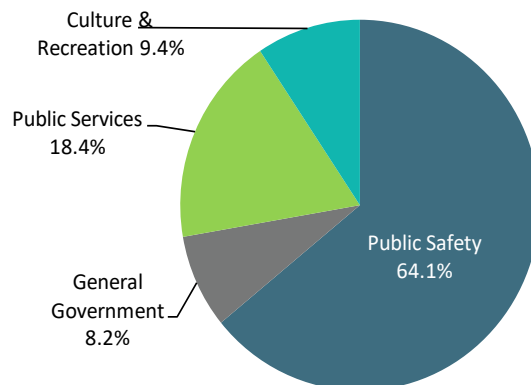
THE GENERAL FUND

The General Fund is the largest fund within the City budget and makes up \$459,961,443 of the City's total operating budget. The General Fund serves as the mechanism from which many of the core services of the City are primarily funded. The General Fund also has the most flexibility on how funds can be spent. The special revenue and enterprise funds, also mostly operating funds, have specific purposes required for the expenditure of those funds. Within the General Fund, however, there is more latitude to direct the spending priorities of the City. Using the same functions that were defined before, the focus on Public Safety is even more pronounced in the General Fund as approximately 64% of the total budget is expended in this area.

Public Services is the second largest area of spending at 18.4%. However, its share of the General Fund is significantly smaller than in the operating budget because a large portion of Public Service funding comes from Enterprise Funds (such as Airports and Utilities).

General Government makes up 8.2% of the General Fund because general government functions, such as Finance and Personnel, do not have a funding source outside the General Fund.

General Fund Expenditures by Function



Culture and Recreation at 9.4% is a smaller portion of the General Fund than of the operating budget, as a whole, because major revenue sources for Culture and Recreation, such as MAPS 3, the Zoo Sales Tax and the Hotel/Motel Tax, are outside the General Fund.

A comparison of the General Fund Budget at the department level provides a useful comparison of how priorities are allocated and how the costs for providing services are changing relative to the other departments. The next page provides a breakdown of the General Fund budget by department.

EXPENDITURES

	Actual FY17	Adopted FY18	Adopted FY19	Percentage Change
General Fund Expenses				
City Auditor	\$1,035,714	\$1,072,445	\$1,229,738	14.67%
City Clerk	896,886	907,490	1,054,554	16.21%
City Manager	3,151,769	3,055,241	3,283,304	7.46%
Development Services	17,505,402	17,401,833	19,182,093	10.23%
Finance	7,835,640	8,183,916	8,595,141	5.02%
Fire	91,659,392	94,779,542	100,707,725	6.25%
General Services	5,523,428	4,709,592	5,118,211	8.68%
Mayor & Council	975,556	1,011,730	1,061,596	4.93%
Municipal Counselor	6,876,099	6,716,053	7,149,839	6.46%
Municipal Court	7,845,196	9,020,415	8,787,505	-2.58%
Non-Departmental Operating	42,994,119	51,834,961	64,823,535	25.06%
Parks & Recreation	23,570,959	26,571,769	26,703,368	0.50%
Personnel	2,916,549	2,939,202	3,306,269	12.49%
Planning	3,725,153	3,800,722	3,874,459	1.94%
Police	133,814,954	137,016,563	148,448,167	8.34%
Public Transportation and Parking	15,618,390	16,741,446	22,369,223	33.62%
Public Works	27,386,862	30,037,787	34,266,716	14.08%
Total Expenses	\$393,332,070	\$415,800,707	\$459,961,443	10.62%

EXPENDITURE SUMMARY TABLE

	Actual FY17	Adopted FY18	Adopted FY19
Operating Funds			
General Operating Funds			
General Fund	\$393,332,070	\$415,800,707	\$459,961,443
Internal Service Fund	46,364,806	52,081,083	53,763,047
Total General Operating Funds	\$439,696,876	\$467,881,790	\$513,724,490
Special Revenue Funds			
Court Admin. and Training Fund	\$1,845,040	\$3,779,454	\$230,000
Emergency Management Fund	8,324,811	8,700,134	8,489,785
Fire Sales Tax Fund	39,419,473	45,614,724	45,902,026
Hotel/Motel Tax Fund*	12,094,713	12,360,319	12,902,834
MAPS Operations Fund*	380,709	761,713	647,975
MAPS 3 Use Tax Fund*	3,363,191	4,754,405	4,794,057
Medical Service Program Fund	5,845,027	7,052,267	6,961,462
OCMAPS Sales Tax Fund*	433,474	0	0
Police Sales Tax Fund*	39,414,172	41,714,923	42,602,395
Zoo Sales Tax Fund	13,008,756	14,011,319	14,431,659
Total Special Revenue Funds	\$124,129,368	\$138,749,258	\$136,962,193
Enterprise Funds			
Airports Fund	\$16,682,512	\$17,813,646	\$18,885,034
Solid Waste Management Fund	9,849,099	11,313,723	10,949,309
Stormwater Drainage Utility Fund*	14,265,994	17,629,925	18,299,728
Public Trans. and Parking Fund	3,711,955	4,102,825	3,974,100
Water/Wastewater Fund	80,522,658	93,280,800	94,246,858
Total Enterprise Funds	\$125,032,219	\$144,140,919	\$146,355,029
Subtotal Operating Funds	\$688,858,463	\$750,771,967	\$797,041,712
Less Interfund Transfers (1)	(90,131,977)	(92,406,425)	(95,995,375)
Total Operating Funds	\$598,726,486	\$658,365,542	\$701,046,337

EXPENDITURES

	Actual FY17	Adopted FY18	Adopted FY19
Non-Operating Funds			
Capital Improvements			
Better Streets Safer City Sales Tax Fund	\$0	\$38,965,648	\$149,427,270
Better Streets Safer City Use Tax Fund	\$0	\$4,713,591	\$20,347,895
Capital Improvement Projects Fund	\$19,165,975	\$48,135,097	\$41,935,492
City and Sch Cap Proj Use Tax Fund	812,362	3,281,741	2,935,930
Hotel/Motel Tax Fund*	8,990,591	10,582,807	10,529,748
Impact Fees Fund	0	9,380,579	10,263,800
MAPS Operations Fund*	2,583,247	2,861,447	3,349,576
MAPS Sales Tax Fund*	304,932	525,853	260,278
MAPS 3 Sales Tax Fund	110,807,732	453,515,119	442,251,531
MAPS 3 Use Tax Fund*	15,488,346	37,280,282	17,431,014
OCMAPS Sales Tax Fund*	0	4,000,000	7,000,000
OKC Sports Facilities Sales Tax Fund	319,031	63,320	65,768
OKC Sports Facilities Use Tax Fund	371,146	197,006	173,810
OKC Tax Increment Financing Fund	0	1,800,000	850,000
Police Sales Tax Fund*	910,952	3,484,452	2,356,580
Police/Fire Cap Equip Sales Tax Fund	939,187	4,172,117	3,522,093
Stormwater Drainage Utility Fund*	3,023,179	8,654,128	9,790,133
Street and Alley Fund	65,116	306,955	187,194
Total Capital Improvements	\$163,781,794	\$631,920,142	\$722,678,112
Other			
Asset Forfeiture Fund	1,572,359	1,842,019	1,883,259
Debt Service Fund	87,179,413	106,076,208	100,253,063
Grants Management Fund	63,040,592	39,289,655	39,071,631
OKC Improv. and Special Assess Dist.	3,455,591	3,808,834	4,357,343
Special Purpose Fund	4,616,887	10,015,892	8,370,376
Total Other	\$159,864,842	\$161,032,608	\$153,935,672
Total Non-Operating Funds	\$323,646,635	\$792,952,750	\$876,613,784
Subtotal All Funds	\$922,373,122	\$1,451,318,292	\$1,577,660,121
Less Interfund Transfers (2)	(7,414,256)	(7,302,600)	(13,774,255)
Total All Funds	\$914,958,865	\$1,444,015,692	\$1,563,885,866

* Indicates the Fund has both an Operating and Non-Operating component

	Actual FY17	Adopted FY18	Adopted FY19
(1) Transfers between Operating Funds			
Gen Fund Transfer to Emerg Mgmt	\$3,197,544	\$2,683,067	\$2,726,334
Gen Fund to Transit Fund via COTPA	2,991,136	3,119,900	3,058,595
Various Funds to Internal Service Fund	46,671,013	50,141,739	51,222,774
Fire Sales Tax to General Fund	11,954,223	11,725,894	12,092,576
Grants Funds to General Fund	332,813	178,741	180,316
General Fund to Parking Cash Fund	317,978	502,479	495,492
Various Funds Pmts to Gen Fund	0	150,000	2,302,968
Police Sales Tax to General Fund	9,178,545	9,003,237	9,307,369
Various Funds Admin Pmts to Gen Fund	15,488,724	14,901,368	14,608,951
Total	\$90,131,977	\$92,406,425	\$95,995,375
(2) Transfers to Non-Operating Funds			
Various to CIP Fund	\$6,855,500	\$7,215,600	\$11,823,568
Various miscellaneous transfers	928	0	0
Various Funds to Special Purpose	200	87,000	0
Various Funds to Grant Funds	557,628	0	1,950,687
Total	\$7,414,256	\$7,302,600	\$13,774,255

LONG RANGE FINANCIAL SUMMARY

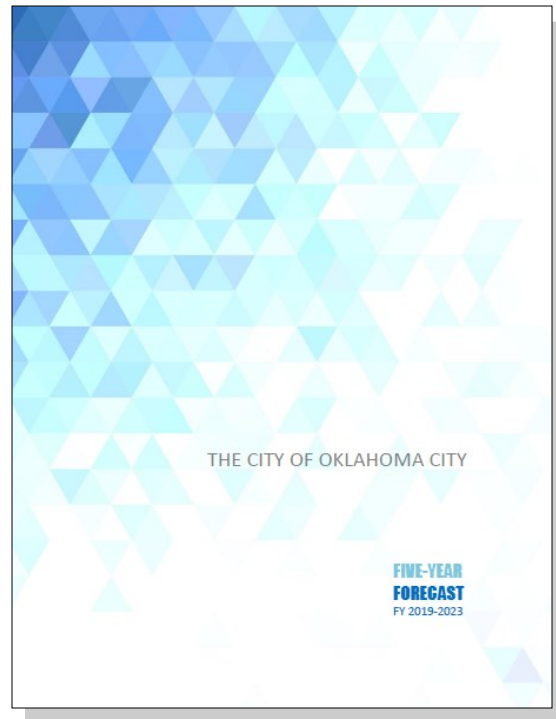
The Five-Year Financial Forecast is presented each February to the City Council and Mayor through a Council Workshop, to which the public and local media are invited. Although only a summary is provided here which focuses on the General Fund, the full forecast is available on the City's website at <https://www.okc.gov/departments/finance/financial-and-budget-reports>

SUMMARY

Overall, the city is in a favorable financial position. Fiscal Year 2018 proved to be a remarkable year with several achievements and trends, discussed throughout the forecast, that point towards a strong and stable future. Once again, the City worked with Dr. Russell Evans, Executive Director of the Steven C. Agee Economic Research and Policy Institute at Oklahoma City University, to develop the economic outlook for FY19. Dr. Evans' baseline expectation was for City Sales Tax collections and local labor market conditions to improve through the Spring of 2018 and then transition from a recovery phase to a market fundamental phase as FY19 begins.

FY18

In September 2017, Citizen's demonstrated their confidence in the City by passing a \$967 million General Obligation (GO) Bond Package with almost half going towards building and rebuilding streets across Oklahoma City. Citizens also passed a temporary 27-month sales tax to fund \$240 million in street resurfacing, enhancements, sidewalks, trails and bike lanes; and a permanent one-quarter cent sales tax increase that will largely invest in public safety. Both the temporary sales tax and one-quarter cent sales tax increase went into effect January 1, 2018 and were recognized through a mid-year year budget amendment in FY18 that restored funding for 48 frozen police officer positions, 21 frozen fire fighter positions, added 81 police officer positions, and added 39 firefighter positions. In addition, five Public Works positions were added bringing budgeted positions to 4,767 for FY18, the most budgeted positions the City has ever had. General Fund revenue collections are projected to be 2.7% above FY18 amended budget due to strong sales and use tax collections. Also in FY18, the City Council adopted revised Financial Policies with one of the most significant changes increasing the recommended unbudgeted fund balance level in the General Fund from a range of 8% - 15% to a range of 14% - 20%. While the City has consistently maintained an unbudgeted fund balance around 15%, this change will align city policy to best practices and GFOA recommendations of an unbudgeted fund balance equal to two months of operating expenses.



LONG RANGE FINANCIAL SUMMARY

LONG-RANGE FINANCIAL PURPOSE

The purpose of the Five-Year Forecast is to evaluate the City's financial condition as it relates to meeting the community's needs for ongoing core and ancillary programs and services. Armed with factually accurate, timely, and objective information about the City's financial condition, elected officials can help ensure the stability of Oklahoma City's general and other municipal funds. With continued financial viability, the City can anticipate and meet community needs and enable additional economic diversification and growth for many years to come. With this in mind, the Five-Year Financial Forecast serves three purposes.

1. **Compliance.** Providing the forecast helps the City comply with city financial policies and practices designed to ensure the responsible utilization of public resources.
2. **Strategy.** The forecast provides the Mayor and City Council with information to formulate long-term strategies to ensure city services are available at a level appropriate to the actual needs of the community. Annual budgeting alone can fail to serve the long-term public interest if short-term priorities reduce resources that may be required to meet imminent needs that fall beyond the one-year budget scope.
3. **Accountability.** The forecast serves as a resource for the general citizenry and the business community by providing a snapshot of the city's current and projected financial well-being. It provides citizens and business leaders with an overview of the city's ability to meet community needs over time. This document also demonstrates the city's financial planning process and strengthens local government's accountability to the community.

By identifying long-term issues and assessing resources, the Five-Year Financial Forecast provides the Mayor and City Council with the necessary information to create continuity between annual budget cycles and long term needs of the City. The forecast is a valuable tool for identifying potential problems and for policy makers to incrementally address such problems in a manner that provides seamless continuation of core services.

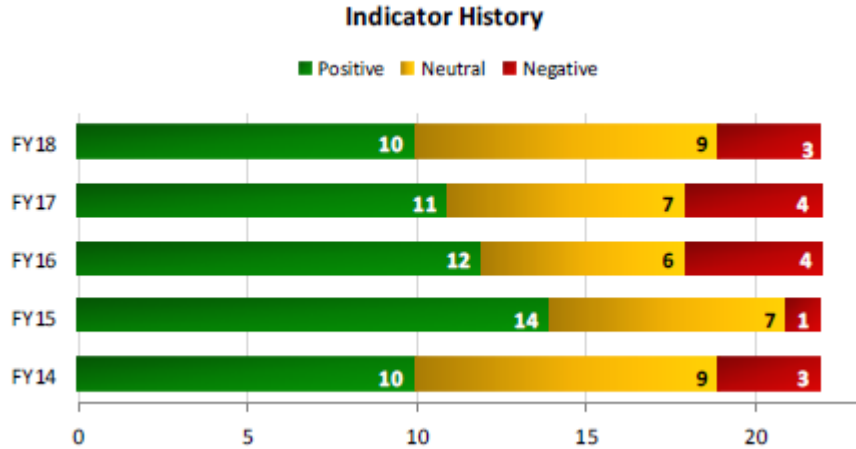
FINANCIAL EVALUATION TOOLS

The **Financial Trend Monitoring System** (FTMS) is designed to give City leaders and citizens a simple method for evaluating the City's financial condition on a year-to-year basis. Adapted from *Evaluating Financial Condition: A Handbook for Local Government*, published by the International City/County Managers Association, this method identifies the trends in various financial and environmental areas and rates them as positive, neutral or negative. A final "score" can then be developed showing how many of the trends fall in each category. This system provides the City with a more comprehensive evaluation of financial condition rather than focusing on individual indicators, such as fund balance. The FTMS includes 22 indicators. As shown in the graph, the results of the analysis for FY18 were 10 indicators trending positive, 9 indicators trending neutral and 3 indicators trending negative. Changes from the previous year included Sales Tax and Hotel Tax indicators moving from positive to neutral, due to two consecutive years of declines (FY16 and FY17). Active Drilling Rigs, a local indicator, improved from negative to neutral as rig counts increased which positively impacts our local economy that is heavily influenced by the energy sector. Also improving from negative to neutral was Average Weekly Earnings which posted 20 consecutive months of year-over-year growth. However, once adjusted for inflation the growth equated to a mere \$3 from five years ago which kept it from progressing

LONG RANGE FINANCIAL SUMMARY

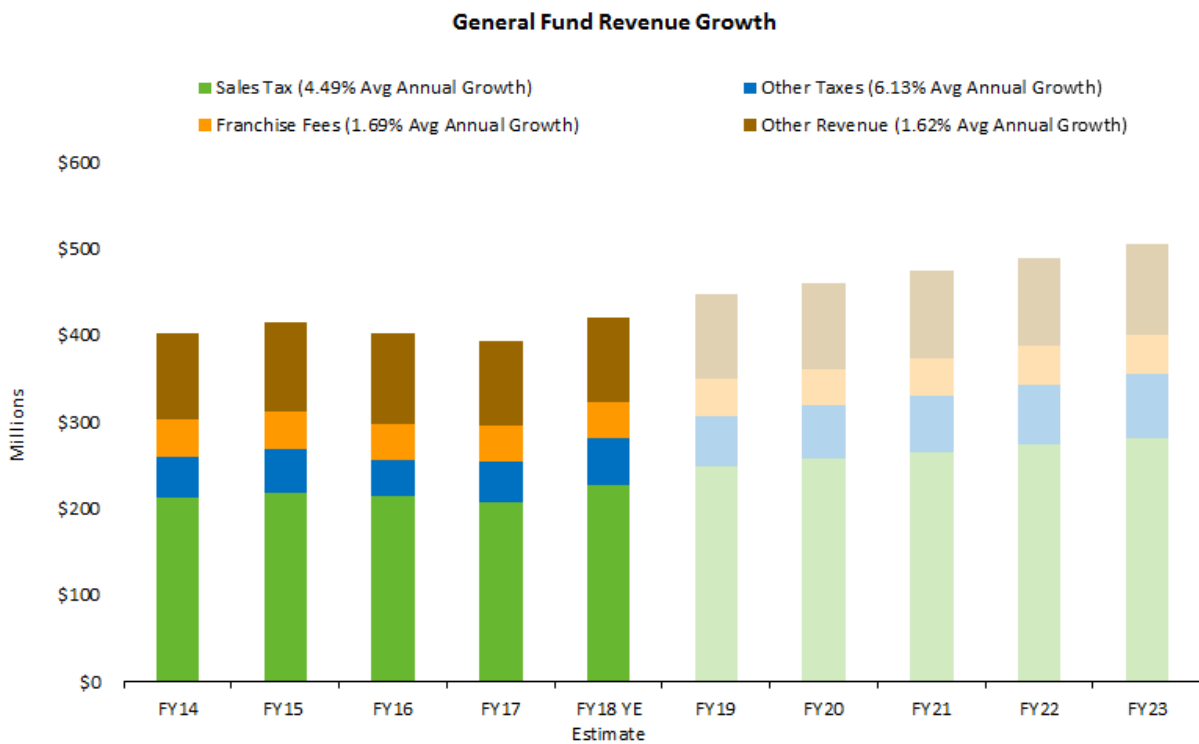
to positive. Overall, the City remained in a favorable financial position with a majority of indicators trending positive.

Forecast Issues. Forecast issues provide an overview of major issues facing City departments. The goal is to provide an “early warning system” to the City Manager and City Council of significant issues that are beyond the scope of the annual budget process so that strategies and priorities can be set over the long-term. A total of 43 issues were identified in the forecast with the eight most significant issues highlighted with in-depth descriptions and possible direction or next steps to resolve the issues.



GENERAL FUND IN-DEPTH

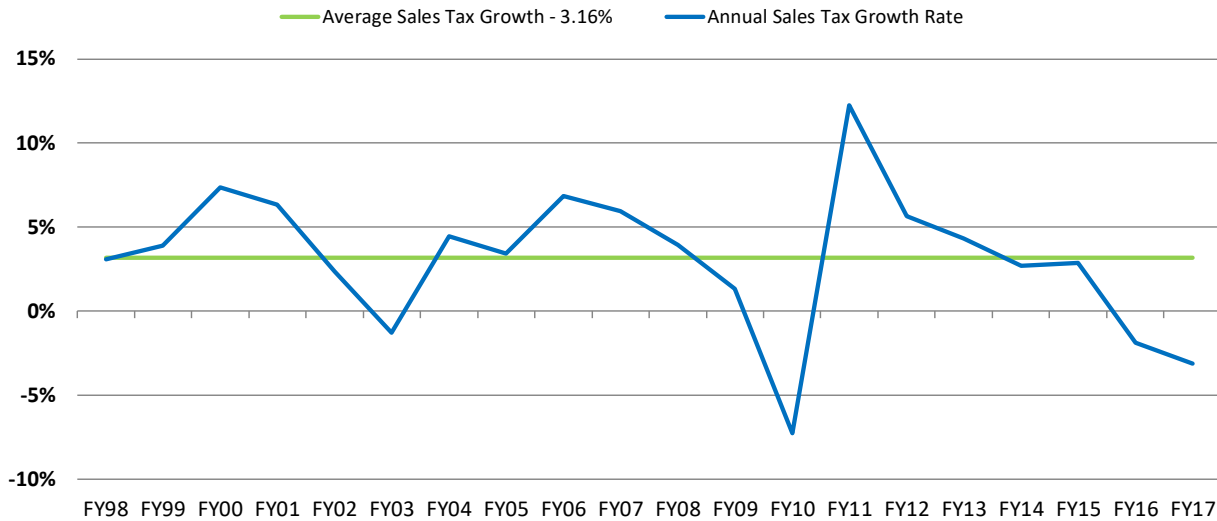
General Fund Revenue. There are literally hundreds of individual revenue sources that contribute to the General Fund so they are combined into similar categories. When all of the categories are combined, the General Fund is expected to grow at 3.79% per year over the next five years and reach \$506.1 million in FY23. Detail of the FY19 projection can be found on pages B3-B9.



LONG RANGE FINANCIAL SUMMARY

With the current revenue mix, sales tax accounts for more than half of General Fund revenue, so continued stability of the General Fund is contingent upon conservative financial management because sales tax revenue growth can be volatile as shown in the table below.

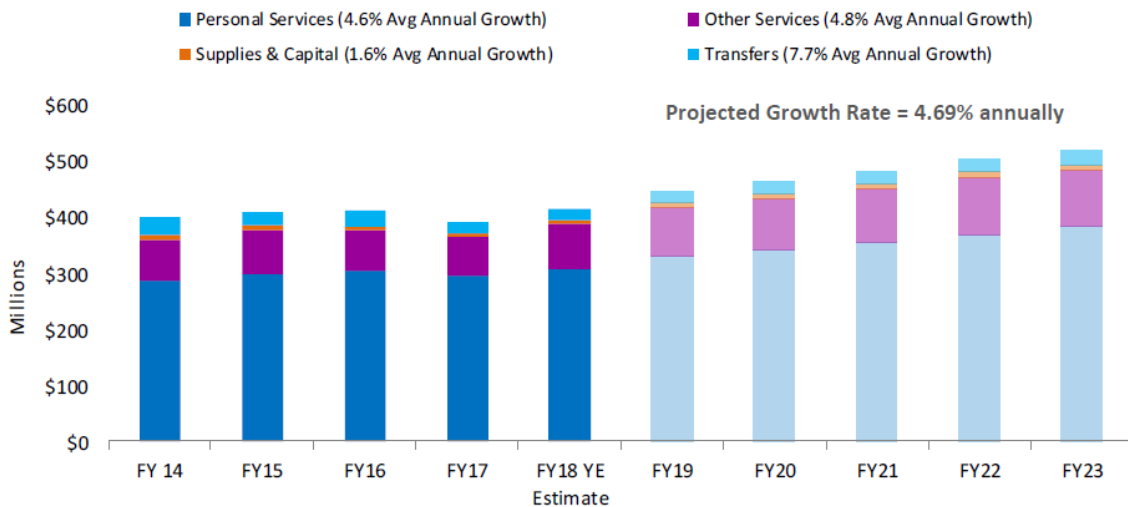
20-Year History of Sales Tax Growth



General Fund Expenditures

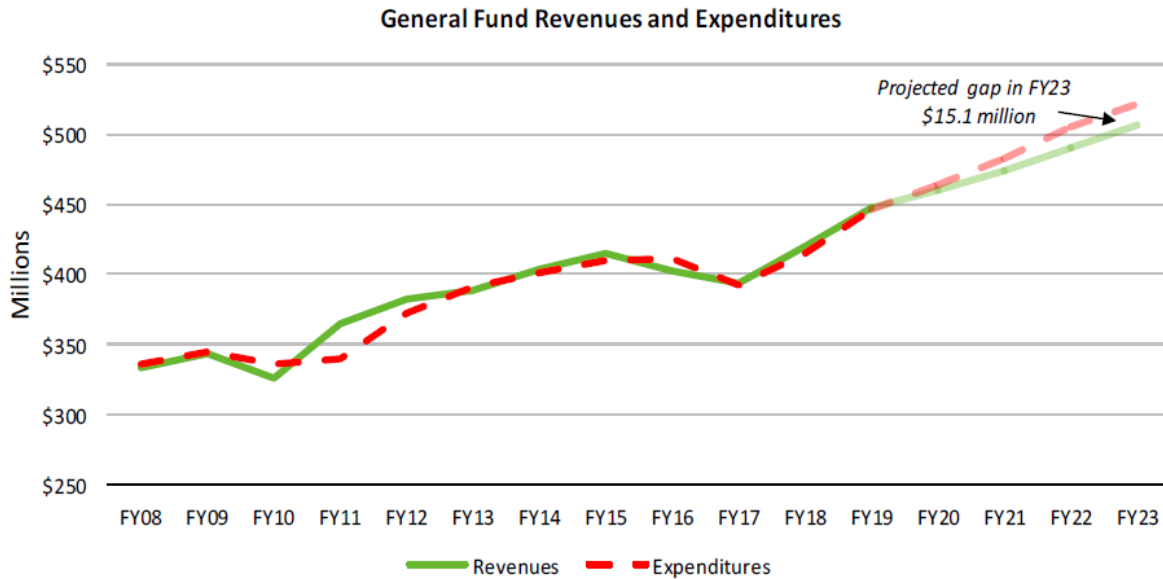
City expenditures encompass a variety of goods and services and it is anticipated that general operating costs will continue to grow at a rate higher than inflation due primarily to salary and benefit growth. Besides normal growth, \$4 million was added to the FY22 projection for bus replacement and \$1 million per year was added from FY20 through FY23 for repayment of an anticipated internal loan made to fulfill the City’s \$9 million commitment to finish construction of the American Indian Cultural Center and Museum. Overall, General Fund expenditures are projected to have annual growth of 4.7% and reach \$521 million in FY23.

General Fund Expenditure Growth



GENERAL FUND OUTLOOK GOING FORWARD

Over the next five years, General Fund revenues and expenses are expected to grow at the same rate as long-term trends. Revenues are projected to average 3.79% growth annually while expenditures are projected to average 4.69% growth annually. Known increases to expenses were added to projections as described on the previous page. The imbalance in revenue and expenditure growth patterns means that there is a projected gap of \$15.1 million in the General Fund in FY23.



Historically, the City’s financial forecasts have projected a revenue/expenditure gap. In order to close the gap shown in the graph above, and fund operations at a level desired by citizens, revenue collections would need to be increased through new revenue sources, an expanded sales tax base, and continued growth in the local economy. However, expenditure control is the area where the City has the most flexibility and the most power to close the gap. Since Personal Services are the majority of City costs, controlling the growth in this area will be key to maintaining financial balance. The most effective means to achieve a balance between controlling personnel costs while maintaining competitive salary and benefit packages for employees will be to limit salary and benefit growth to within the approximate growth rates of City revenues. Improved efficiency in operations is also an avenue for controlling expenditure growth. Tight budgets have necessitated that departments continually look for ways to do more with less, thereby driving many efficiency gains, but have resulted in some reductions in service levels in the past. The FY19 adopted budget will address those reduced service levels by restoring previously cut positions and adding new positions. Another option for the future is for City leaders to continue reprioritizing City services. Over time, City needs and priorities change. Programs and services may be added or reduced based on community needs. Not every situation can be anticipated, but cyclical economic changes are to be expected over a long period of time. The City must continue to monitor legislation that can affect either revenues or expenditures and work to diversify Oklahoma City’s revenue base. Through calculated, combined efforts, the City’s projected General Fund financial gap can be addressed. Continued sound financial management will be the key to ensure the City will be able to live within available resources during the next few years.