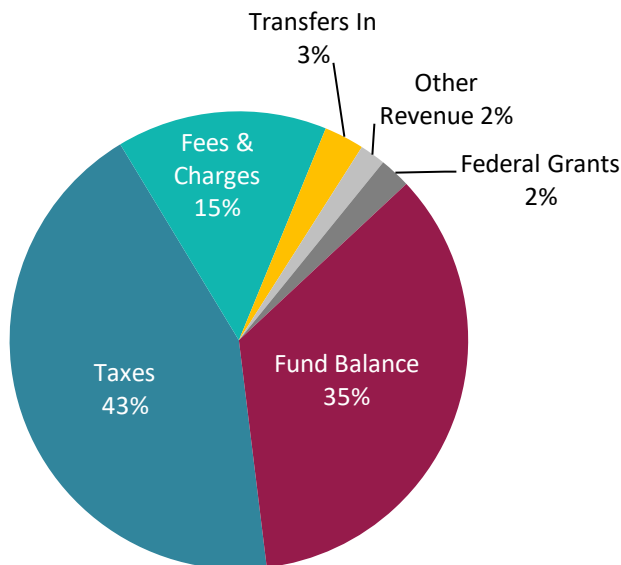


# CONSOLIDATED BUDGET OVERVIEW

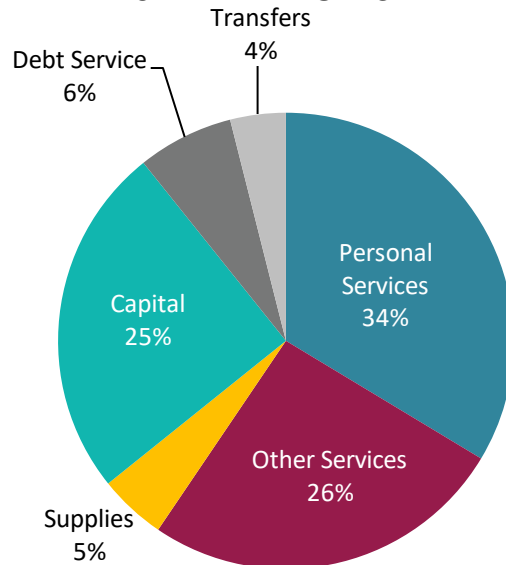
## CONSOLIDATED OVERVIEW REVENUE AND EXPENDITURE SUMMARY FOR ALL FUNDS

	Actual FY18	Adopted FY19	Proposed FY20
<b>Revenue Overview</b>			
Taxes	\$612,705,885	\$652,974,115	\$672,977,863
Fees & Charges	228,271,852	226,667,242	230,698,981
Transfers In	28,633,274	39,180,346	43,973,055
Other Revenue	28,373,880	21,309,861	28,292,572
Federal Grants	34,564,216	39,071,631	34,259,919
Fund Balance	0	595,364,711	544,429,679
<b>Total Revenue</b>	<b>\$932,549,107</b>	<b>\$1,574,567,906</b>	<b>\$1,554,632,069</b>
<b>Expenditure Overview</b>			
Personal Services	\$454,150,561	\$502,612,467	\$522,788,081
Other Services	111,347,963	218,191,931	401,834,253
Supplies	34,933,078	48,085,435	74,167,771
Capital	148,491,378	647,345,568	388,595,147
Debt Service	91,668,394	100,263,063	105,975,417
Transfers	59,061,727	58,069,442	61,271,400
<b>Total Expenditures</b>	<b>\$899,653,102</b>	<b>\$1,574,567,906</b>	<b>\$1,554,632,069</b>

**FY20 REVENUES**



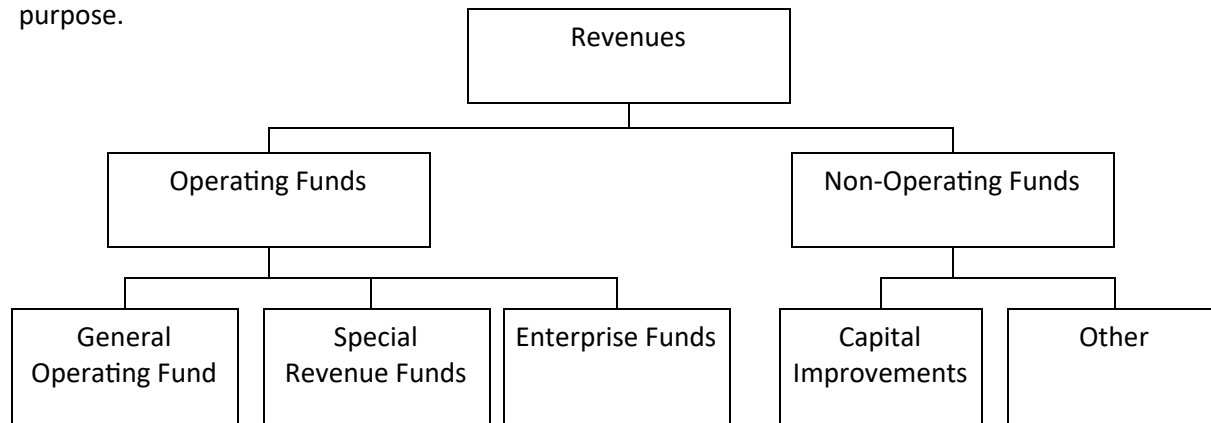
**FY20 EXPENDITURES**



# 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.



- General Fund
- Internal Service Funds

- 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\*
- Zoo Sales Tax Fund

- Airports Fund
- Solid Waste Management Fund
- Stormwater Drainage Utility Fund\*
- Public Transportation and Parking Cash Fund
- Water/Wastewater Fund

- Better Streets, Safer City Sales Tax Fund
- Better Streets, Safer City Use Tax Fund
- Capital Improvement Projects Fund
- City and Schools Capital Projects 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

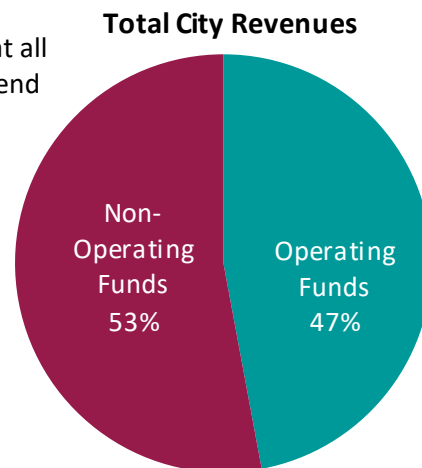
- Asset Forfeiture Fund
- Debt Service Fund
- Grants Management Fund
- OKC Improvement and Special Assessment District Fund
- Special Purpose Fund

\* 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 FY20 were based on estimated year end totals for FY19.

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.



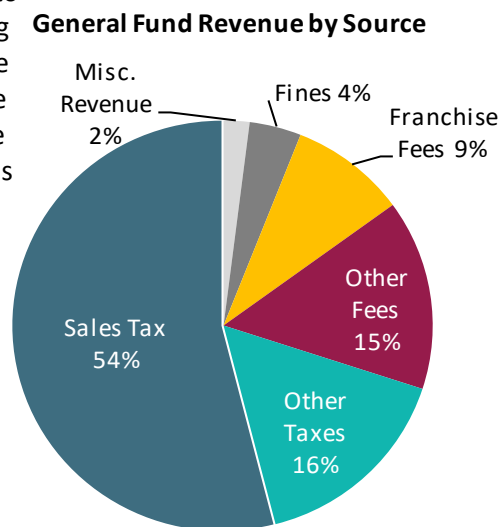
An example of this is dedicated sales taxes. In recent years, the citizens of Oklahoma City have approved several limited-term dedicated sales taxes to fund capital improvements. When the MAPS 3 Sales Tax began on April 1, 2010, there was a significant increase in the revenue of those funds which are 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.

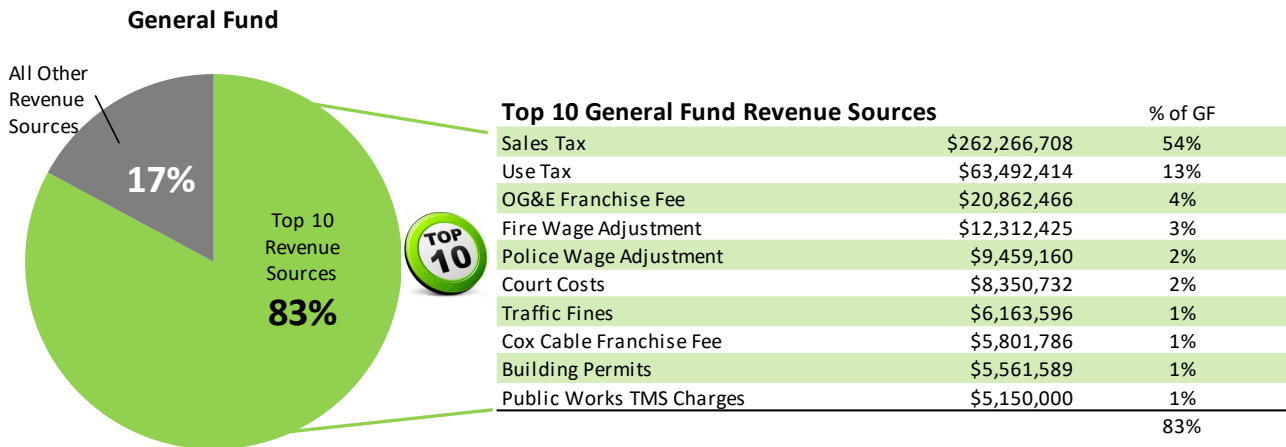
The Operating Funds category includes three major types of funds: General Operating Funds, Special Revenue Funds and Enterprise Funds, all of which will be discussed further; however, the bulk of the discussion focuses on the General Fund, the City’s largest fund at \$482 million or 31% of the FY20 budget.

### GENERAL FUND

An economic slowdown is projected in FY20 resulting in overall growth of 3.0% in the 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. 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 FY20 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**

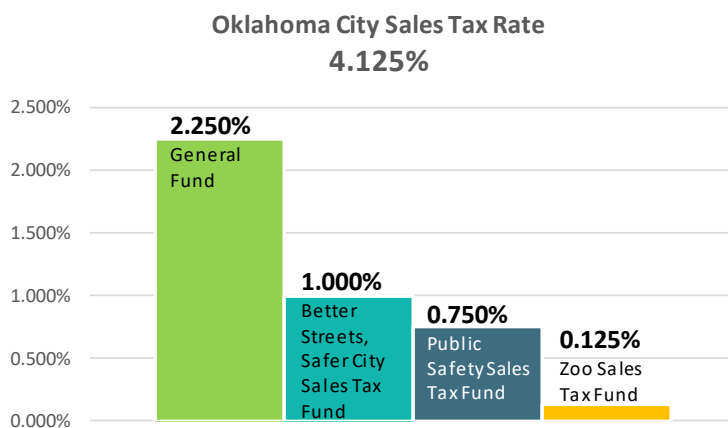
The largest category of revenue in the General Fund, at 70%, is taxes. Within the taxes category, all revenue sources are authorized by the state and collected by the Oklahoma Tax Commission.

**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 graphic below. The General Fund receives the largest portion of sales tax at 2.250% and is where the City’s day-to-day operations are funded. 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 a total of \$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-45,

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.

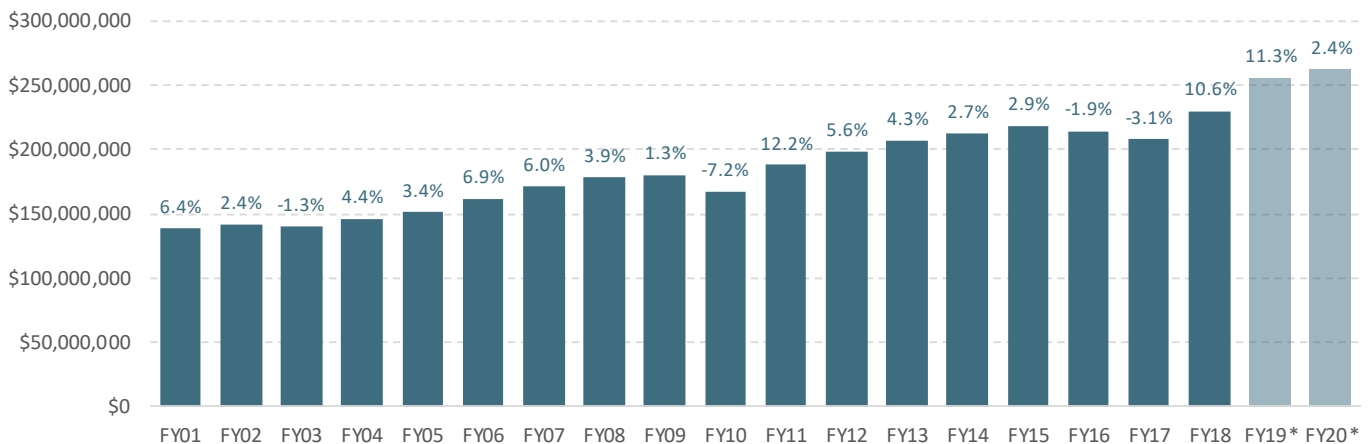
A permanent one-quarter cent increase to the sales tax rate, dedicated to the General Fund, went into effect January 1, 2018. Because the first 12 months of collections spanned across two fiscal years, both FY18 and FY19 experienced significant growth on top of underlying base growth from an expanding metro economy. Dr. Evans, the Director and Research Economist at the Steven C. Agee Economic Research and Policy Institute at Oklahoma City University (OCU), presented his economic outlook to the City Council at the February 5, 2019 budget workshop. Dr. Evans provided input into the projection of Sales Tax for FY20 in addition to analysis of trends and general economic conditions. The outlook was for an economic slowdown but to what extent was mixed. Dr. Evan’s presented three different expectations based on different economic realities. The first expectation, and the one used by the City in developing the FY20 budget, was for slower U.S. growth and modest oil prices; the second was for slower U.S. growth and low oil prices; and the third was for a mild recession. The City did factor an economic contraction into the five-year forecast but for FY20 only a slowdown was projected. The most optimistic outlook was chosen because of the culmination of several projects that have been completed or nearing completion:

- The Baker Hughes GE (BHGE) Motor Center of Excellence opened in April 2019 and employs about 100 people. The manufacturing plant, which incorporated cutting-edge robotics, serves Western Hemisphere oil and gas operators that use downhole drilling motors.
- The Oklahoma City Boulevard in downtown should be completed by the end of 2019. The boulevard will have a streetcar stop and pedestrian-friendly design with landscaping and enhancements to slow down traffic as it passes the Omni Hotel (under construction), Chesapeake Energy Arena (home of the NBA’s Oklahoma City Thunder), and the new 70-acre Scissortail Park.
- Scissortail park, is a downtown 70-acre public park extending from the core of downtown Oklahoma City to the shore of the Oklahoma River. The park is scheduled to open in the fall of 2019. Features include a café, great lawn, outdoor performance venue, lake, boathouse, urban gardens, children’s play area, interactive fountain, and multiple walking/jogging paths.
- A new \$288 million convention center is under construction and will open in 2020 across the street from the new Scissortail Park. OMNI has begun construction on a \$241 million, 17-story, 605 guest room hotel that is next to the convention center and set to open in early 2021. OMNI will be the official hotel for the convention center.
- The First National Center in downtown Oklahoma City is being restored to it’s historic grandeur and will reopen in 2020 with a 149-room boutique hotel that will be part of the Marriott Autograph brand, 193 upscale apartment units, the City’s first Ruth’s Chris Steakhouse which will anchor the center, retail and parking.

- The American Indian Cultural Center and Museum (AICCM) will open in the spring of 2021. The center is expected to be a national and international destination, boosting tourism in Oklahoma City. The museum will be a home for sharing the cultures, histories and stories of the Oklahoma’s 39 federally recognized tribes.
- Will Rogers World Airport started an \$89 million terminal expansion in March 2019 that is expected to be completed in Spring 2021. The expansion will add four new airline gates, consolidate security checkpoints and add a greeting lounge space. The level of air service provided has a direct correlation to the level of economic opportunity across many business sectors in Oklahoma City which has a positive effect on the local economy.

**Sales Tax is projected to slow to 2.4% growth in FY20** which is below the 20-year average growth rate of 3.5%. The 2.4% projects reflects 2.0% growth on base sales tax and another 0.4% in growth from sales tax on construction projects underway. Sales Tax collections are projected to be \$262.3 million and account for 54% of the General Fund’s FY20 budget.

Oklahoma City Sales Tax Collections



\*Sales Tax Collection Projections



**GENERAL FUND - OTHER TAXES**

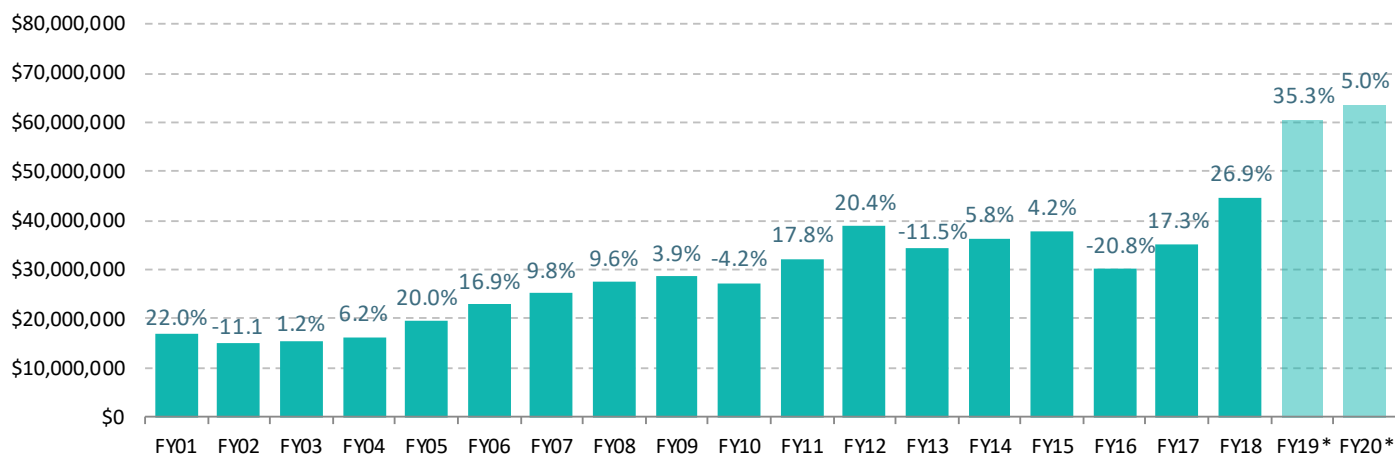
**Use Tax**

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 two-thirds of 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 grew at an estimated 35.3% due in part to the one-quarter cent tax increase and a change in state law that required most online retailers to collect and remit tax. In FY20, Use Tax is expected to slow to growth of 5.0% which is below the 20-year average of 7.8% growth. The FY20 projection is 3% growth on base collections and another 2% growth from additional online retailers who have reached an agreement with the state to begin remitting tax collections on July 1, 2019 in lieu of the alternative which is to comply with notice and reporting requirements established by the state. Overall, collections are projected to be \$63.5 million and make up 13% of the FY20 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 averaged \$4.9 million per year through FY18. Starting in FY19, the tax rate was increased \$1 per pack of 20 cigarettes and \$1.25 per pack of 25 cigarettes with the state keeping 100% of the tax increase and municipalities retaining their portion of excise tax before the rate increase. Collections dropped almost 20% in FY19. Revenue is projected to remain at a comparable level to FY19 and was budgeted at \$4.2 million, which is less than 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 73% of the \$12.6 million Public Works Department General Fund budget for street repair and maintenance. Growth in FY20 is projected at 2% for motor fuel and 4.6% for commercial vehicles based on steady, long term average growth rates. When the two taxes are combined they are expected to generate \$5.8 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 in October 2018 allowed consumers to purchase stronger beer and wine at grocery stores and convenience stores, as well as, refrigerated beer in traditional liquor stores. The change in law increased the number of retail businesses or occupations selling alcoholic beverages and remitting occupation tax. When added to existing occupation taxes, which were previously recorded to the Licenses, Permits, and Fees category, the FY19 collections almost doubled. In FY20, growth of 1.5% is anticipated with a budget of \$1.2 million which accounts 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 decline almost 4% from FY19 year-end estimates due to timing of payments in FY19. Alcohol Beverage Tax collections are expected to generate \$1.2 million in FY20 or 0.2% of 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 FY20 General Fund revenue budget.



### Oklahoma Gas and Electric (OG&E) Franchise Revenue

The OG&E franchise fee is third in the list of top 10 revenue sources for the General Fund and the largest single source of franchise revenue. The franchise fee is 3%

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, generated a 12% increase in collections in FY18. In FY19, OG&E decreased rates when the price of natural gas declined and grid congestion lessened resulting in an estimated 10% decline in collections in the current fiscal year. In FY20, collections are projected to return to a more normal growth pattern of 2.5% with a budget of \$21 million, which is 4.3% 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 6.5% increase from FY19 year end projections which have fallen short due to mild weather and low natural gas prices. ONG Franchise Fee revenue falls just outside the top 10 revenue sources with a FY20 budget of \$5.0 million for normal franchise fee and a budget of \$0.6 million for ONG transport.



### Cox Communications Franchise Revenue

Cox Communications is the cable television provider in Oklahoma City and pays a 5% franchise fee to the City on all cable television-related revenues. In FY20, franchise revenue from Cox Communications is expected to decline 3% from FY19 year end estimates. The projection is based on five 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. Collections in FY20 are projected to be \$5.8 million which is 1.2% 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 rights-of-way. Revenue from all three utilities is expected to be \$6.2 million in FY20 or 1.3% of the General Fund revenue budget. Growth of 8.0% on water and wastewater and growth of 5% on solid waste is projected in FY20. 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 \$3.1 million in FY20, a decline of 7.8% from FY19 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 nine 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 grew 15% as the local economy improved. In FY19, growth of 7% is expected as several commercial projects are under construction, including a new Amazon fulfillment center. Growth is expected to slow to 5% in FY20 as residential and commercial building projects continue to be built but fewer new projects are expected. Collections of \$5.6 million are projected in FY20, which is 1.2% of the General Fund revenue budget.

### Other Licenses, Permits and Fees

The FY20 projections for the remaining revenue sources were largely based on three and five year averages except for Police/Fire alarms and vendor prequalification applications. An ordinance change was passed that is designed to encourage residents and businesses to register their alarms with the City or risk not receiving a public safety response, in addition to, an increase in the charge for excessive false alarms. The changes are expected to generate an additional \$0.4 million in revenue. A fee increase for vendor prequalification applications is expected to generate an additional \$0.1 million to recover actual costs associated with processing those applications. When combined, the growth rate for the remaining revenue sources is projected to grow 8% in FY20 with collections of \$8.5 million, which is 1.8% 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 and are 7.6% of the FY20 General Fund revenue budget.



### Police and Fire Wage Adjustment Reimbursements

The dedicated three-quarter cent Sales Tax for Public Safety 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 1.7% in FY20 due to personnel related costs such as salaries, merit, retirement, health insurance and other benefits. The Fire Wage Adjustment is budgeted at \$12.3 million and is the fourth largest General Fund revenue source, providing 2.6% of the FY20 General Fund revenue budget. The Police Wage Adjustment is slightly less at \$9.5 million and is the fifth largest General Fund revenue source providing 2% of the FY20 General Fund revenue budget.



### Public Works Time Management System (TMS) Charges

Payments from General Obligation Bonds reimburse the General Fund for engineering and project management services provided on construction projects. Each project is charged an administrative fee on expensed GO Bond funds that is based on historical data of time dedicated to previous projects.



For example, projects that require more engineering services may be charged a higher administrative fee than those projects that require little to no engineering services. The reimbursement is the 10th largest revenue source for the General fund and is budgeted at \$5.15 million in FY20 or 1.1% of the General Fund revenue budget.

### **Other Service Charges**

Other significant revenue sources in the Service Charges category include parks charges for things such as admission to family aquatic centers, rentals of various park facilities and charges for participation in recreational leagues budgeted at \$1.8 million, an increase of 46% from FY19 year-end. The increase is due to the City purchasing the 240 Sports Complex which is a regional sports complex with eight quality fields that attracts recreational leagues; local, state, and regional softball and baseball tournaments; and can be used in conjunction with the USA Softball and NCAA Women's College World Series which are held in Oklahoma City. Also included in other service charges: 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, Public Works Time Management System charges) are expected to generate \$9.8 million in FY20, which is a 3.8% increase from FY19 year-end estimates. The growth is largely attributed to the park fees described above.

### **GENERAL FUND - FINES**

The Fines 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. The Fine category is 3.9% of the General Fund revenue budget.



#### **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 five years as well as reduced expenses in the City's contract for jail services as fewer defendants are remanded. In FY20, court cost fees are projected to decline 0.8%, which is a slower pace than in previous years. Court costs fees are the sixth largest revenue source in the General Fund and are 1.7% of the General Fund revenue budget.



#### **Traffic Fines**

Traffic Fines are the seventh largest revenue source in the General Fund. There have been fewer cases filed with the court for the last five years and in FY20 the trend is expected to continue but at a slower rate with revenues projected to decline 1.0%. The FY20 budget for Traffic Fines is \$6.2 million which is 1.3% of the FY20 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 FY20, the combined sources have projected collections of \$4.3 million which is a decline of 2.5% and reflective of fewer cases filed with the court. These remaining fines and fees are less than 1% of the FY20 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 FY20 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 \$23.6 million in FY20 which is a 6.43% increase from FY19 year-end estimates. Most administrative charges increased minimal amounts due to salary and benefit compensation. However, there were a few significant changes due to increased service levels being provided which include a \$0.3 million increase to Airports for four additional police employees to maintain security and traffic during the terminal expansion and accommodate a change to shift schedules; a \$0.1 million increase to the Oklahoma City Economic Development Trust for accounting services; and a \$0.2 million increase to the Oklahoma City Water Utilities Trust for an increase in acres mowed.

**Other Revenue**

Other Revenue includes the smaller sources such as interest, rebates, and royalties. The category is projected to have collections of \$6.9 million in FY20 which is growth of 13% from FY19 year-end estimates. Growth was due to an increase in interest earning as interest rates have improved and an increase in operating lease payments from the Oklahoma City Water Utilities Trust that are based on a percentage of franchise fees, which have also been projected to grow in FY20 due to rate increases. The Other Revenue category is 1.4% of the FY20 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 FY20, the Transfers category is projected to be \$2.0 million, which is an increase of 19.4% from FY19 year-end due to a transfer from courts capital improvement program to reimburse the General Fund for the budgeted cost of prosecution. In total, the Transfers category is 0.4% of the General Fund revenue budget.

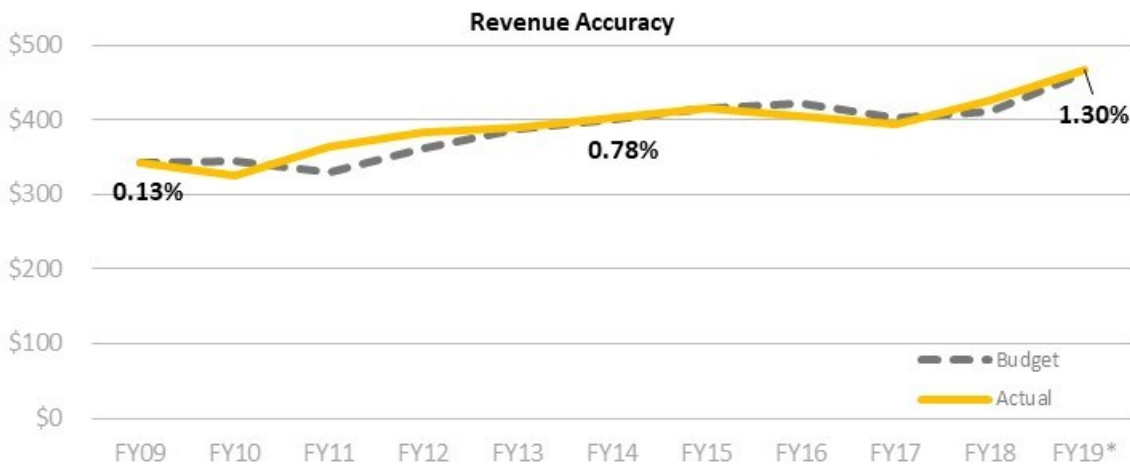
**Fund Balance**

No fund balance is budgeted in FY20. 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. In FY19, the City expects to add \$7.0 million to \$9.0 million to fund balance due to revenues exceeding budget projection, largely due to use tax collections from online sales remitters who began remitting in FY19 after a change in state law, and growth from merchant wholesalers that distribute specialized machinery, equipment and parts generally used in manufacturing, oil well and warehousing activities. Unbudgeted fund balance is projected between \$89 million and \$91 million in FY20, which is 18.5% of the FY20 budget. 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. In February 2019, for the ninth year in a row, the City 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.

The average absolute value variance over the past 11 years was 3.2% which is outside the City’s stated goal of having revenues within 2% of projections. Over the last five years, the absolute value variance average improved to 2.25%. In 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, a 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 exceeded projections by 3.7% as the City once again recovered from an economic downturn stronger than projected. In FY19, General Fund revenue collections are projected to exceed budget by 1.3% due to strong growth in Use Tax collections from online sales remitters and merchant wholesalers. The City continues to work with Dr. Russell Evans and Oklahoma City University to refine forecast estimates and consistently project collections within 2% of budget. Keeping the variance to a minimum means services have not been unnecessarily reduced because of a perceived shortage in revenue that did not occur, or that new services were established that could not be maintained because revenues failed to meet projections.



\*FY19 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 FY20 budget of \$54.0 million, which was a 1% increased compared to the FY19 adopted budget. Major changes to each internal service fund are summarized in the department section of the budget book. Internal Service funds combined are 11% of FY20's \$1.55 billion 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 2.4%; 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. The Fire Sales Tax Fund has a budget of \$48.9 million in FY20 which will fund 28% of the Fire Department's operating budget. The Police Sales Tax Fund FY20 budget is \$45.8 million and will support 21% of FY20 operating budget with \$1.6 million for non-operating capital activities. The Zoo Sales Tax Fund FY 20 budget is \$14.9 million and can be used for operations and/or capital projects.

#### **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 FY20 budget is \$4.7 million and flat compared to FY19. The fund balance is projected to fund the administration and oversight through FY21 when most MAPS 3 projects will have been completed or nearing completion.

#### **Court Administration and Training Fund**

The Court Administration and Training Fund is made up of revenue from state mandated fees that the City is allowed to retain 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 stay in this fund. Citations and cases are down, and are reflected in FY20 budget decrease of 2.4%. The Court Administration and Training Fund budget is one of the smallest operating fund budgets at \$0.2 million in FY20.

### Emergency Management Fund

The Emergency Management Fund supports the E-911 system for Oklahoma City and is budgeted at \$9.2 million in FY20, an 8.4% increase from FY19 adopted budget. The increase is for personnel related costs such as merit increases, health insurance, retirement and chargeback from the Information Technology Department. 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 \$3.0 million in FY20.

### Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund FY20 budget is \$24.4 million and is supported by a 5.5% hotel occupancy tax. This fund is divided between operating activities (\$13.8 million) dedicated to the promotion of special events, convention and tourism development and non-operating activities (\$10.7 million) dedicated to capital projects 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 remain flat when compared to FY19 adopted budget due a projected economic slowdown.

### 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 FY20 budget of \$7 million is flat compared to FY19 as the program experiences little change in membership from year to year. Program fees are expected to generate \$6.9 million in FY20 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 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. Over the last few years, the

General Fund has gradually assumed the operating expenses for the MAPS projects allowing for the remaining fund balance of \$2.0 million to be transferred to the non-operating fund for capital maintenance in FY20.

**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 fund continues to receive small reallocations of sales tax collections and minimal interest earnings that are transferred each year to the non-operating fund for capital maintenance on the original OCMAPS projects.

**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 Utility, Public Transportation and Parking, and Water and Wastewater Utilities**. With the exception of Stormwater Drainage Utility, all of these funds have a public trust that oversees operations and receives all revenues. Revenues in each of the enterprise funds 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. 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

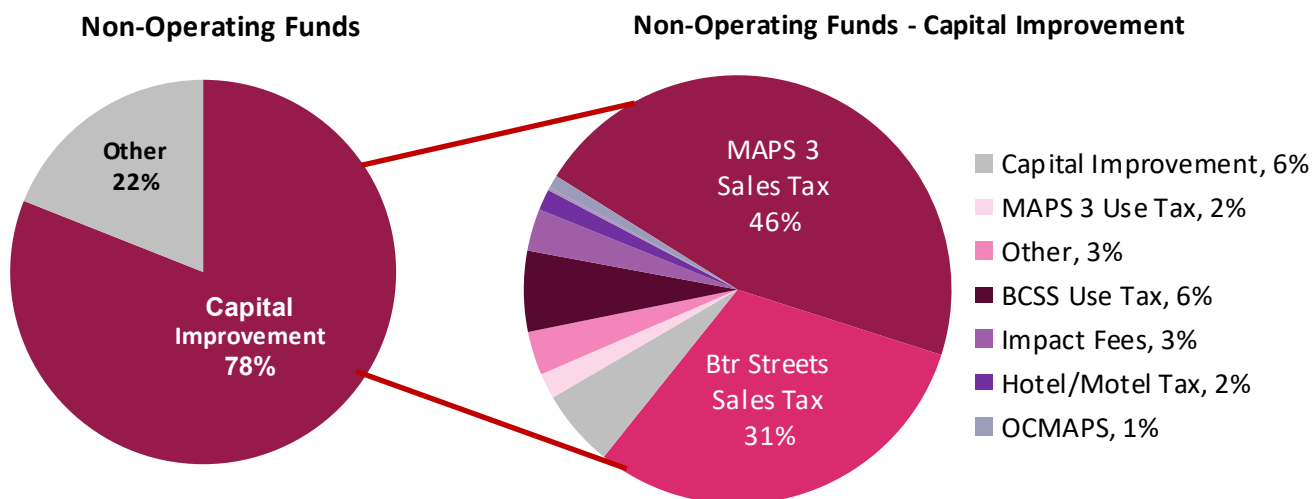
As mentioned earlier, the City classifies its funds as either operating or non-operating. The distinction is that some funds and, in some cases, portions of funds directly support operations; and other funds provide for capital improvements or are so limited in their purpose that they do not support 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 FY20, the budget for non-operating funds is \$830.4 million, a 6% decrease from FY19 adopted budget as many of the largest MAPS 3 projects are completed (Streetcar) or well under construction (Convention Center). The non-operating budget is comprised of capital improvement funds and other non-operating funds such as debt service and grants. The Non-Operating Funds are 53% of the total FY20 \$1.55 billion budget.

### CAPITAL IMPROVEMENTS

The majority of non-operating funds are for capital improvements and have a FY20 budget of \$673 million, a decrease of 7.8%. 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 Utility 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 FY20: 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 will end March 31, 2020 with the last collection in May 2020. The Better Streets, Safer City Sales Tax collections are restricted to funding street resurfacing, street enhancements, sidewalks, trail and bicycle infrastructure such as bike lanes. The FY20 budget is \$207.6 million. Better Streets, Safer City Sales Tax collections were projected to grow at 2.4%, the same as all sales tax supported funds, and generate \$104 million over the 9-months the tax is in effect. An additional \$102 million in fund balance and \$1.5 million interest was budgeted.



The City will ask voters to approve a **MAPS 4**, temporary, one-cent sales tax this fall to begin immediately after the Better Streets, Safer City sales tax expires. The duration of the tax and the list of projects have not been finalized, although the City has been seeking input from citizens for transformational ideas that will propel the City forward. If a temporary MAPS 4 Sales Tax is approved by voters, the FY20 budget would be amended to establish a budget for the fund. It is anticipated that City Council would also establish a companion temporary **MAPS 4 Use Tax** to run concurrently with a budget established in the same budget amendment.

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 end on March 31, 2020. The tax is primarily 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 FY20 budget of \$41 million is comprised of \$18.1 million in use tax collections, \$22.7 million in fund balance and \$0.2 million in interest.

The **Impact Fee Fund** was established in 2017 to collect fees from developers related to new construction. The fees are then used by the City for capital improvements to infrastructure to serve the same service area as the new construction. The FY20 budget is \$21.4 million, a little more than double the FY19 adopted budget. The increase is largely accumulated fund balance.

The **MAPS 3 Sales Tax Fund** is the largest non-operating fund and was created after voters 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 FY20 budget is \$310 million, a decline of 30%, as projects, such as the Streetcar, have been 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 is about 50% complete as of April 2019 and is expected to open in 2020.

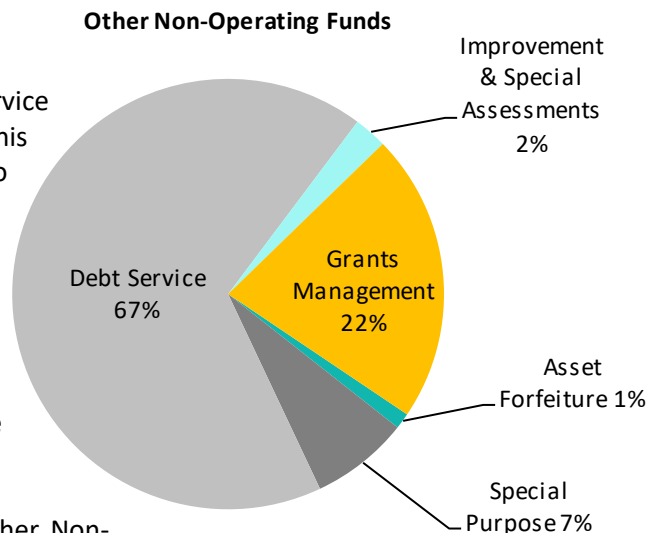
The **MAPS 3 Use Tax Non-Operating Fund** is used for public safety fleet replacement. The FY20 non-operating budget, comprised of fund balance and interest, is \$13 million, a decline of 25% from the FY19 adopted budget. The remaining balance will be transferred to the MAPS 3 operating fund for operations or used for public safety capital. When the non-operating fund is exhausted those public safety capital expenses will be 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 FY20 for the non-operating portion of the Hotel/Motel Tax matches the growth rate for the operating portion and is expected to remain flat in FY20. With other revenue and fund balance included, the FY20 non-operating budget is \$10.7 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 **OCMAPS 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**, the **Street and Alley Fund**, and the **MAPS Operations Fund**. The revenue budgets for FY20 for each of these funds are based primarily on the level of projected fund balance remaining at the end of FY19.

### OTHER NON-OPERATING FUNDS

The Other Non-Operating Funds are budgeted at \$157 million in FY20, a 1.9% increase, due to debt service and special purpose funds. Most of the funds in this category 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 \$106 million and is supported directly by property taxes that will be in effect during FY20. Property tax collections are projected to be \$95.1 million in FY20, an increase of 2.5%. 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 increased 5.7% in FY20 due to increased property tax, other revenue, and budgeted fund balance.

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). 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 FY20 budget of \$3.9 million is a 10.3% decrease due to the spend down of collected assessments on services within the districts.

**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 FY20 budget of \$34.3 million is a decrease of 12.3% due to completion of some grant funded projects.

The **Special Purpose Fund** is used primarily for donations to the City. The FY20 budget is \$11.6 million, an increase of 39% due to budgeting fund balance for some one-time expenses as they relate to purposes the donations were made for and will further advance or complete the project.

# REVENUE DETAIL TABLE

	Actual FY18	Adopted FY19	Proposed FY20
<b>General Operating Funds</b>			
<b>General Fund</b>			
<b>Taxes</b>			
Sales Tax	\$230,067,741	\$255,388,510	\$262,266,708
Use Tax	44,679,919	50,650,630	63,492,414
Other Taxes	5,165,921	4,868,995	4,234,821
Commercial Vehicle Tax	4,437,628	4,481,420	4,592,800
Motor Fuels Tax	1,201,819	1,205,611	1,215,957
Occupational Tax	660,098	1,478,565	1,218,000
Alcoholic Beverage Tax	988,953	1,028,394	1,155,144
<b>Total Taxes</b>	<b>\$287,202,080</b>	<b>\$319,102,125</b>	<b>\$338,175,844</b>
<b>Franchise/Utility Fees</b>			
Oklahoma Natural Gas	\$5,582,934	\$5,574,023	\$5,597,915
Oklahoma Gas & Electric	22,501,186	20,978,938	20,862,466
Caddo Electric Coop.	168,235	165,430	180,068
Oklahoma Electric Coop.	1,294,823	1,305,294	1,366,132
Tri-Gen	386,853	395,741	345,994
AT&T	285,356	267,909	220,980
AT&T Video	1,252,153	1,120,951	1,004,363
Cox Cable	6,147,512	6,034,537	5,801,786
Cox Fibernet	257,624	259,570	0
Other Telephone	109,239	125,000	114,103
Utility Fees - Water	2,667,091	2,776,558	3,011,554
Utility Fees - Wastewater	1,824,322	1,859,653	2,003,183
Utility Fee - Solid Waste	1,053,315	1,114,106	1,168,585
<b>Total Franchise/Utility Fees</b>	<b>\$43,530,642</b>	<b>\$41,977,710</b>	<b>\$41,677,129</b>
<b>Licenses, Permits, and Fees</b>			
Abandoned Building Registration	\$46,026	\$30,000	\$34,352
Fire Prevention Permits	190,744	200,074	322,407
Alarm Permits	605,054	586,416	751,378
Police Alarm Fees	541,705	565,976	828,067
Oil & Gas Well Inspections	332,860	313,721	359,240
General Licenses	608,572	683,219	436,555
Building Permits	5,408,524	5,493,088	5,747,150
Electrical Wiring Permits	1,328,085	1,277,916	1,394,146
Plumbing Permits	1,619,668	1,588,326	1,663,937
Boiler & Elevator Permits	236,726	219,733	266,710
Offsite Wagering Fee	38,188	34,820	27,646
Pre-Qualification Application Fee	52,495	51,366	217,305
Refrig. & Forced Air Permits	1,001,696	997,631	1,062,364
Sidewalk & Paving Fees	349,275	374,619	412,625
Work Zone Permits	33,405	31,933	27,156
Other Fees	98,046	46,237	40,290
Hunting and Fishing Permits	164,765	175,637	169,063

	Actual FY18	Adopted FY19	Proposed FY20
Vending Stamps	152,163	146,754	165,911
Bike Share Program	0	0	0
Garage Sale Permits	110,797	110,606	95,647
<b>Total Licenses, Permits, &amp; Fees</b>	<b>\$12,918,792</b>	<b>\$12,928,072</b>	<b>\$14,021,949</b>
<b>Administrative Charges</b>			
Airport Administrative Payments	\$819,234	\$760,060	\$965,588
Airport Police Payments	3,223,334	3,270,618	3,603,108
Water/Wastewater Admin Payments	6,281,826	6,113,259	6,138,774
Drainage Utility Administrative Payment	1,092,807	1,056,128	1,107,959
Solid Waste Mgmt. Admin Payments	858,536	819,463	817,325
Convention & Tourism Admin Payments	348,816	337,095	429,713
Zoo Administrative Payments	266,196	266,200	292,820
Golf Administrative Payments	72,842	72,696	59,291
Other Administrative Payments	109,911	118,171	99,711
MAPS3 Administrative Payments	1,082,364	1,017,224	910,762
Better Streets Administrative Payments	0	0	276,032
Risk Management Administrative Payments	843,963	733,644	734,829
Public Transportation Administrative Pmts.	919,994	961,205	1,075,072
Parking Administrative Payments	156,341	155,728	408,537
IT Administrative Payments	1,417,445	1,501,171	1,435,064
Print Shop Administrative Payments	113,764	107,397	153,455
Fleet Services Admin Payments	54,845	64,361	64,966
Banking Fee Payments	750,359	162,739	140,000
Nuisance Abatement Payments	783,079	700,407	655,311
Econ Dev,TIF Engineering, Legal, Other Svcs	447,023	449,258	538,504
Civic Center Payments	2,750,813	0	0
Mowing, Litter, and Landscaping Adm Payments	1,249,900	4,152,892	3,700,000
<b>Total Administrative Charges</b>	<b>\$23,643,393</b>	<b>\$22,819,716</b>	<b>\$23,606,821</b>
<b>Other Service Charges</b>			
Bond Fund Engineering, Legal, Other Services	\$4,489,769	\$4,849,946	\$5,150,000
Animal Shelter Fees	307,184	309,816	312,391
Engineering Fees	2,263,051	2,259,151	2,282,305
Planning Fees	809,369	837,225	701,594
Fire Service Recovery	28,000	28,000	28,000
Fire Wage Adjustment Reimbursement	11,725,894	12,092,575	12,312,425
Police Wage Adjustment Reimbursement	9,036,279	9,307,367	9,459,160
Police Fees	1,649,542	2,206,697	2,163,575
Parking Meters	1,214,738	1,721,907	1,473,491
Reimbursement - Grants	0	180,316	194,281
Refunds and Reimbursements - Operating	1,136,556	796,804	693,236
Mowing Services - OCRRA	35,393	0	0
Damage to City Property	113,008	150,000	110,127
Recreation Fees	1,321,884	1,233,524	1,848,472
<b>Total Other Service Charges</b>	<b>\$34,130,667</b>	<b>\$35,973,328</b>	<b>\$36,729,057</b>

REVENUES

	Actual FY18	Adopted FY19	Proposed FY20
<b>Fines</b>			
Traffic Fines	\$6,767,564	\$6,875,466	\$6,163,596
Parking Fines	1,518,981	1,584,310	1,660,413
Court Fees	9,850,449	9,761,354	9,253,034
Court of Record, Jury Division	1,317,833	1,325,944	976,420
Criminal Court	358,536	386,569	295,757
Jail Cost Recovery Program	314,673	307,229	258,187
Other Fines	21,000	17,800	17,222
Juvenile Fines	172,039	163,342	148,456
<b>Total Fines</b>	<b>\$20,321,074</b>	<b>\$20,422,014</b>	<b>\$18,773,085</b>
<b>Other Revenue</b>			
Leases	\$2,773,904	\$2,718,106	\$2,907,368
Sale of City Property	23,642	46,072	28,424
Check Service Charge	1,140	660	540
Royalties	107,598	110,145	106,192
Miscellaneous	1,439,981	703,582	1,307,352
Wrecker Service Payments	41,820	48,708	0
Operating Interest	1,046,207	1,000,000	2,531,700
<b>Total Other Revenue</b>	<b>\$5,434,292</b>	<b>\$4,627,273</b>	<b>\$6,881,576</b>
<b>Transfers</b>			
Transfers from OCPPA - DAS	\$175,000	\$150,000	\$0
Transfers - Miscellaneous	1,276,911	2,361,205	2,000,431
<b>Total Transfers</b>	<b>\$1,451,911</b>	<b>\$2,511,205</b>	<b>\$2,000,431</b>
<b>Fund Balance</b>	<b>\$0</b>	<b>\$1,291,154</b>	<b>\$0</b>
<b>Total General Fund</b>	<b>\$428,632,851</b>	<b>\$461,652,597</b>	<b>\$481,865,892</b>
<b>Internal Service Funds</b>			
Interest	\$197,679	\$30,000	\$30,000
Information Technology	24,652,827	25,736,586	28,061,366
Risk Management	15,092,330	14,992,620	13,145,295
Print Shop	792,994	943,691	1,012,012
Fleet Services	8,309,226	9,549,877	9,647,630
Other	315,913	209,055	519,595
Services	7,970	0	0
Fund Balance	0	2,408,213	1,599,467
<b>Total Internal Service Funds</b>	<b>\$49,368,939</b>	<b>\$53,870,042</b>	<b>\$54,015,365</b>
<b>Total General Operating Funds</b>	<b>\$478,001,789</b>	<b>\$515,522,639</b>	<b>\$535,881,257</b>

	Actual FY18	Adopted FY19	Proposed FY20
<b>Special Revenue Funds</b>			
<b>Court Administration &amp; Training Fund</b>			
Fees	\$2,322,564	\$193,929	\$181,817
Fines	3,668	0	0
Interest	12,661	2,283	2,660
Fund Balance	0	39,592	45,523
<b>Total Court Administration &amp; Training Fund</b>	<b>\$2,338,893</b>	<b>\$235,804</b>	<b>\$230,000</b>
<b>Emergency Management Fund</b>			
Tariffs	\$5,857,885	\$5,616,562	\$5,873,700
Interest	22,118	26,889	29,602
Transfers	2,800,000	2,726,334	3,019,867
Fund Balance	0	120,000	273,961
<b>Total Emergency Management Fund</b>	<b>\$8,680,003</b>	<b>\$8,489,785</b>	<b>\$9,197,130</b>
<b>Fire Sales Tax Fund</b>			
Sales Tax	\$41,301,321	\$42,446,055	\$43,711,118
Interest	203,900	238,001	400,560
Other	14,191	13,677	13,677
Service Charges	20,881	0	0
Fund Balance	0	3,416,399	4,767,706
<b>Total Fire Sales Tax Fund</b>	<b>\$41,540,293</b>	<b>\$46,114,132</b>	<b>\$48,893,061</b>
<b>Hotel/Motel Tax Fund**</b>			
Hotel/Motel Tax	\$6,910,810	\$6,999,511	\$7,098,430
Interest	41,226	40,588	77,378
Transfers	5,518,415	5,552,841	5,667,027
Fund Balance	0	309,894	931,236
<b>Total Hotel/Motel Tax Fund</b>	<b>\$12,470,451</b>	<b>\$12,902,834</b>	<b>\$13,774,071</b>
<b>MAPS Operations Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	40,265	66,465	5,000
Transfers	(586,637)	(732,986)	(2,032,165)
Fund Balance	0	1,316,279	2,027,165
<b>Total MAPS Operations Fund</b>	<b>(\$546,372)</b>	<b>\$649,758</b>	<b>\$0</b>
<b>MAPS 3 Use Tax Fund**</b>			
Use Tax	\$9,555,844	\$0	\$0
Interest	186,850	202,651	80,000
Service Charges	3,874	500,000	0
Transfers	(10,593,394)	0	0
Fund Balance	0	4,091,406	4,638,462
<b>Total MAPS 3 Use Tax Fund</b>	<b>(\$846,826)</b>	<b>\$4,794,057</b>	<b>\$4,718,462</b>

REVENUES

	Actual FY18	Adopted FY19	Proposed FY20
<b>Medical Service Program Fund</b>			
Medical Service Program Fee	\$6,873,181	\$6,851,640	\$6,872,385
Interest	91,126	109,822	173,477
Fund Balance	0	0	0
<b>Total Medical Service Program Fund</b>	<b>\$6,964,307</b>	<b>\$6,961,462</b>	<b>\$7,045,862</b>
<b>OCMAPS Sales Tax Fund**</b>			
City/Schools Sales Tax	\$0	\$0	\$0
Interest	225	0	500
Other	4,802	0	0
Transfers	0	0	(26,431)
Fund Balance	0	0	25,931
<b>Total OCMAPS Sales Tax Fund</b>	<b>\$5,027</b>	<b>\$0</b>	<b>\$0</b>
<b>Police Sales Tax Fund**</b>			
Sales Tax	\$41,301,321	\$42,446,055	\$43,711,118
Interest	192,844	156,340	395,664
Service Charges	67,033	0	0
Fund Balance	0	397,462	136,013
<b>Total Police Sales Tax Fund</b>	<b>\$41,561,198</b>	<b>\$42,999,857</b>	<b>\$44,242,795</b>
<b>Zoo Sales Tax Fund</b>			
Sales Tax	\$13,767,107	\$14,148,685	\$14,570,373
Interest	899	0	0
Fund Balance	0	282,974	291,407
<b>Total Zoo Sales Tax Fund</b>	<b>\$13,768,006</b>	<b>\$14,431,659</b>	<b>\$14,861,780</b>
<b>Total Special Revenue Funds</b>	<b>\$125,934,981</b>	<b>\$137,579,348</b>	<b>\$142,963,161</b>
<b>Enterprise Funds</b>			
<b>Airports Fund</b>			
Transfer from Airport Trust (OCAT)	\$15,840,419	\$18,821,344	\$19,941,667
Interest	18,942	23,145	19,077
Other	18,087	40,545	50,374
Fund Balance	0	117,307	0
<b>Total Airports Fund</b>	<b>\$15,877,448</b>	<b>\$19,002,341</b>	<b>\$20,011,118</b>
<b>Solid Waste Management Fund</b>			
Interest	\$25,875	\$32,170	\$46,482
Transfers	9,700,000	9,917,139	10,081,192
Fund Balance	0	1,000,000	1,000,000
<b>Total Solid Waste Management Fund</b>	<b>\$9,725,875</b>	<b>\$10,949,309</b>	<b>\$11,127,674</b>



	Actual FY18	Adopted FY19	Proposed FY20
<b>Stormwater Drainage Utility Fund**</b>			
Fees	\$17,616,418	\$17,986,251	\$18,022,200
Interest	182,947	221,047	384,498
Other	115,936	0	0
Permits	120,115	105,375	127,251
Reimbursements	255,766	255,766	255,766
Service Charges	268,334	221,999	43,975
Transfers	(4,000,000)	(4,000,000)	(4,000,000)
Fund Balance	0	3,690,575	4,192,638
<b>Total Stormwater Drainage Utility Fund</b>	<b>\$14,559,516</b>	<b>\$18,481,013</b>	<b>\$19,026,328</b>
<b>Transportation and Parking Fund</b>			
Interest	\$9,883	\$11,691	\$19,039
Service Charges	536,578	471,752	631,605
Transfers	3,256,929	3,490,657	3,889,306
Fund Balance	0	0	0
<b>Total Transportation and Parking Fund</b>	<b>\$3,803,390</b>	<b>\$3,974,100</b>	<b>\$4,539,950</b>
<b>Water/Wastewater Fund</b>			
Interest	\$193,938	\$235,654	\$367,085
Transfers	82,900,000	93,211,204	95,475,866
Fund Balance	0	1,034,755	800,000
<b>Total Water/Wastewater Fund</b>	<b>\$83,093,938</b>	<b>\$94,481,613</b>	<b>\$96,642,951</b>
<b>Total Enterprise Funds</b>	<b>\$127,060,167</b>	<b>\$146,888,376</b>	<b>\$151,348,021</b>
<b>Subtotal Operating Funds</b>	<b>\$730,996,937</b>	<b>\$799,990,363</b>	<b>\$830,192,439</b>
<i>Less Operating Interfund Transfers (1)</i>	<u>(91,960,659)</u>	<u>(95,995,375)</u>	<u>(98,582,146)</u>
<b>Total Operating Funds</b>	<b><u>\$639,036,278</u></b>	<b><u>\$703,994,988</u></b>	<b><u>\$731,610,293</u></b>

REVENUES

	Actual FY18	Adopted FY19	Proposed FY20
<b>Non-Operating Funds</b>			
<b>Non-Operating Capital Improvements</b>			
<b>Better Streets, Safer City Sales Tax Fund</b>			
Sales Tax	\$39,176,116	\$111,425,818	\$104,028,439
Interest	149,704	110,795	1,487,513
Fund Balance	0	37,890,657	102,048,569
<b>Total Better Streets, Safer City Sales Tax Fund</b>	<b>\$39,325,821</b>	<b>\$149,427,270</b>	<b>\$207,564,521</b>
<b>Better Streets, Safer City Use Tax Fund</b>			
Use Tax	\$5,533,683	\$15,267,766	\$18,110,850
Interest	20,709	15,000	187,500
Fund Balance	0	5,065,129	22,727,377
<b>Total Better Streets, Safer City Use Tax Fund</b>	<b>\$5,554,392</b>	<b>\$20,347,895</b>	<b>\$41,025,727</b>
<b>Capital Improvement Projects Fund</b>			
Interest	\$466,961	\$318,000	\$318,000
Other	830,341	0	0
Service Charges	429,495	0	0
Transfers	14,667,951	9,772,968	7,316,250
Fund Balance	0	39,344,524	31,706,333
<b>Total Capital Improvement Projects Fund</b>	<b>\$16,394,747</b>	<b>\$49,435,492</b>	<b>\$39,340,583</b>
<b>City and Schools Capital Projects Use Tax Fund</b>			
Use Tax	\$0	\$0	\$0
Interest	39,209	17,619	20,142
Other	249,313	100,874	0
Transfers	82,122	0	0
Fund Balance	0	2,817,437	3,307,925
<b>Total City and Schools Cap. Projects Use Tax Fund</b>	<b>\$370,644</b>	<b>\$2,935,930</b>	<b>\$3,328,067</b>
<b>Hotel/Motel Tax Fund**</b>			
Hotel/Motel Tax	\$8,292,972	\$8,399,414	\$8,518,118
Interest	49,515	59,334	96,289
Transfers	1,838,405	1,946,464	2,038,100
Fund Balance	0	124,536	0
<b>Total Hotel/Motel Tax Fund</b>	<b>\$10,180,892</b>	<b>\$10,529,748</b>	<b>\$10,652,507</b>
<b>Impact Fees Fund</b>			
Impact Fees	\$7,153,798	\$4,476,829	\$7,843,663
Interest	72,713	36,059	36,059
Fund Balance	0	5,750,912	13,551,748
<b>Total Impact Fees Fund</b>	<b>\$7,226,511</b>	<b>\$10,263,800</b>	<b>\$21,431,470</b>

	Actual FY18	Adopted FY19	Proposed FY20
<b>MAPS Operations Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	31,280	62,249	85,000
Transfers	711,637	732,986	2,032,165
Fund Balance	0	2,554,341	3,315,242
<b>Total MAPS Operations Fund</b>	<b>\$742,917</b>	<b>\$3,349,576</b>	<b>\$5,432,407</b>
<b>MAPS Sales Tax Fund</b>			
Sales Tax	\$0	\$0	\$0
Interest	2,483	1,054	1,738
Other	7,403	7,254	3,000
Fund Balance	0	251,970	247,139
<b>Total MAPS Sales Tax Fund</b>	<b>\$9,886</b>	<b>\$260,278</b>	<b>\$251,877</b>
<b>MAPS 3 Sales Tax Fund</b>			
Sales Tax	\$70,942,919	\$0	\$0
Interest	5,780,711	4,779,744	4,779,744
Service Charges	829	0	0
Fund Balance	0	437,471,787	305,206,006
<b>Total MAPS 3 Sales Tax Fund</b>	<b>\$76,724,459</b>	<b>\$442,251,531</b>	<b>\$309,985,750</b>
<b>MAPS 3 Use Tax Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	224,401	175,504	182,725
Other	6,088	0	0
Transfers	10,593,394	0	0
Fund Balance	0	17,255,510	12,839,365
<b>Total MAPS 3 Sales Tax Fund</b>	<b>\$10,823,883</b>	<b>\$17,431,014</b>	<b>\$13,022,090</b>
<b>OCMAPS Sales Tax Fund**</b>			
Interest	\$19,610	\$77,496	\$55,189
Other	0	0	0
Transfers	0	0	26,431
Fund Balance	0	6,922,504	6,457,813
<b>Total OCMAPS Sales Tax Fund</b>	<b>\$19,610</b>	<b>\$7,000,000</b>	<b>\$6,539,433</b>
<b>Oklahoma City Sports Facilities Sales Tax Fund</b>			
Sales Tax	\$0	\$0	\$0
Interest	862	355	558
Other	2,669	0	0
Fund Balance	0	65,413	46,942
<b>Total OKC Sports Facilities Sales Tax Fund</b>	<b>\$3,531</b>	<b>\$65,768</b>	<b>\$47,500</b>

REVENUES

	Actual FY18	Adopted FY19	Proposed FY20
<b>Oklahoma City Sports Facilities Use Tax Fund</b>			
Use Tax	\$0	\$0	\$0
Interest	2,290	870	913
Other	(23,002)	0	0
Fund Balance	0	172,940	97,023
<b>Total OKC Sports Facilities Use Tax Fund</b>	<b>(\$20,713)</b>	<b>\$173,810</b>	<b>\$97,936</b>
<b>Oklahoma City Tax Increment Financing Fund</b>			
Tax Increment Financing Match	\$147,665	\$850,000	\$1,325,000
Interest	592	0	0
Fund Balance	0	0	0
<b>Total Oklahoma City TIF Fund</b>	<b>\$148,257</b>	<b>\$850,000</b>	<b>\$1,325,000</b>
<b>Police Sales Tax Fund**</b>			
Sales Tax	\$0	\$0	\$0
Interest	31,718	44,929	41,010
Other	1,392	0	0
Fund Balance	0	2,311,651	1,508,990
<b>Total Police Sales Tax Fund</b>	<b>\$33,110</b>	<b>\$2,356,580</b>	<b>\$1,550,000</b>
<b>Police/Fire Capital Equipment Sales Tax Fund</b>			
Police and Fire Equipment Sales Tax	\$0	\$0	\$0
Interest	48,319	21,522	24,124
Other	86,380	0	0
Fund Balance	0	3,500,571	3,633,184
<b>Total Police/Fire Equipment Sales Tax Fund</b>	<b>\$134,700</b>	<b>\$3,522,093</b>	<b>\$3,657,308</b>
<b>Stormwater Drainage Utility Fund**</b>			
Fees	\$0	\$0	\$0
Interest	52,190	47,930	111,544
Transfers	4,000,000	4,000,000	4,000,000
Fund Balance	0	5,742,203	3,752,935
<b>Total Storm Water Drainage Utility Fund</b>	<b>\$4,052,190</b>	<b>\$9,790,133</b>	<b>\$7,864,479</b>
<b>Street &amp; Alley Capital Fund</b>			
Interest	\$3,180	\$0	\$0
Other	77,400	0	0
Fund Balance	0	187,194	156,719
<b>Total Street &amp; Alley Capital Fund</b>	<b>\$80,580</b>	<b>\$187,194</b>	<b>\$156,719</b>
<b>Total Non-Operating Capital Improvements</b>	<b>\$171,805,415</b>	<b>\$730,178,112</b>	<b>\$673,273,374</b>

	Actual FY18	Adopted FY19	Proposed FY20
<b>Other Non-Operating Funds</b>			
<b>Asset Forfeiture Fund</b>			
Asset Seizure Revenues	\$2,152,493	\$1,243,926	\$987,905
Other	10,404	3,000	3,000
Interest	42,416	35,202	79,491
Fund Balance	0	834,700	812,863
<b>Total Asset Forfeiture Fund</b>	<b>\$2,205,313</b>	<b>\$2,116,828</b>	<b>\$1,883,259</b>
<b>Debt Service Fund</b>			
Ad Valorem (Property)	\$88,721,712	\$92,738,686	\$95,053,573
Interest	2,250,219	1,000,000	1,000,000
Other	7,293,912	4,500,000	6,000,000
Fund Balance	0	2,014,377	3,911,844
<b>Total Debt Service Fund</b>	<b>\$98,265,843</b>	<b>\$100,253,063</b>	<b>\$105,965,417</b>
<b>Grants Management Fund</b>			
Grant Awards	\$34,564,216	\$39,071,631	\$34,259,919
<b>Total Grants Management Fund</b>	<b>\$34,564,216</b>	<b>\$39,071,631</b>	<b>\$34,259,919</b>
<b>OKC Improvement &amp; Special Assessment Dist.</b>			
Assessments	\$2,964,078	\$4,341,253	\$3,876,765
Interest	19,310	9,050	27,700
Service Charges	5,650	7,040	6,003
Transfers	6,000	0	0
Fund Balance	0	0	0
<b>Total OKC Improv. &amp; Spcl Assess. Districts Fund</b>	<b>\$2,995,038</b>	<b>\$4,357,343</b>	<b>\$3,910,468</b>
<b>Special Purpose Fund</b>			
Donations	\$514,022	\$994,575	\$263,481
Fees	236,680	293,059	242,237
Interest	189,562	130,144	178,703
Other	310,785	380,080	1,500,000
Service Charges	19,173	2,173	47,270
Transfers	0	1,000,000	1,000,000
Fund Balance	0	5,570,345	8,372,153
<b>Total Special Purpose Fund</b>	<b>\$1,270,222</b>	<b>\$8,370,376</b>	<b>\$11,603,844</b>
<b>Total Other Non-Operating Funds</b>	<b>\$139,300,632</b>	<b>\$154,169,241</b>	<b>\$157,622,907</b>
<b>Total Non-Operating Funds</b>	<b>\$311,106,047</b>	<b>\$884,347,353</b>	<b>\$830,896,281</b>
<b>Subtotal All Funds</b>	<b>\$950,142,325</b>	<b>\$1,588,342,341</b>	<b>\$1,562,506,574</b>
Less Interfund Transfers (2)	(17,593,218)	(13,774,435)	(7,874,505)
<b>Total All Funds</b>	<b>\$932,549,107</b>	<b>\$1,574,567,906</b>	<b>\$1,554,632,069</b>

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

\*\* Fund contains both Operating and Non-Operating activities

REVENUES

	Actual FY18	Adopted FY19	Proposed FY20
<b>(1) Transfers between Operating Funds</b>			
Gen Fund Transfer to Emerg Mgmt	\$2,800,000	\$2,726,334	\$3,019,867
Gen Fund to Transit Fund via COTPA	2,878,706	3,058,595	3,416,847
Gen Fund to City and Schools Use Tax Fund	0	0	0
Various Funds to Internal Service Fund	48,847,377	51,222,774	51,866,303
Fire Sales Tax to General Fund	11,725,894	12,092,576	12,312,425
Police Sales Tax to General Fund	9,036,279	9,307,369	9,459,160
Grants to General Fund	0	180,316	194,281
Gen Fund to Parking Cash Fund	502,329	495,492	538,935
Special Purpose to MAPS 3 Fund	0	0	0
Various Non-Operating Pmts to Gen Fund	1,276,911	2,302,968	1,941,747
Various Funds Admin Pmts to Gen Fund	14,893,163	14,608,951	15,832,581
<b>Total</b>	<b>\$91,960,659</b>	<b>\$95,995,375</b>	<b>\$98,582,146</b>
<b>(2) Transfers to Non-Operating Funds</b>			
Various to CIP Fund	\$15,239,447	\$11,823,568	\$7,416,850
Various Miscellaneous Transfers	0	0	0
Various Funds to Special Purpose	0	0	362
Various Funds to Grant Fund	2,353,771	1,950,867	457,293
<b>Total</b>	<b>\$17,593,218</b>	<b>\$13,774,435</b>	<b>\$7,874,505</b>

## 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 program. 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 \$731,610,292.

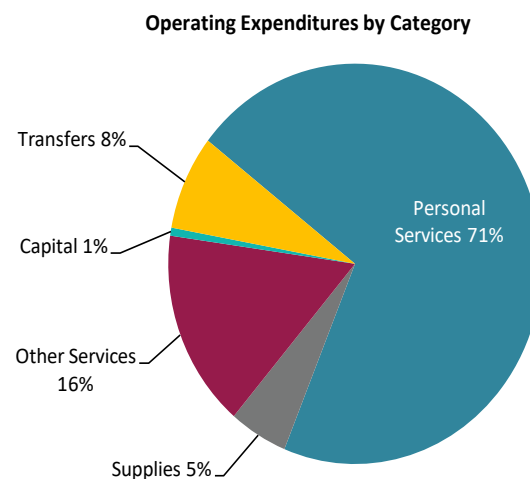
### EXPENDITURE CATEGORIES

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 General Obligation (GO) 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 GO 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**

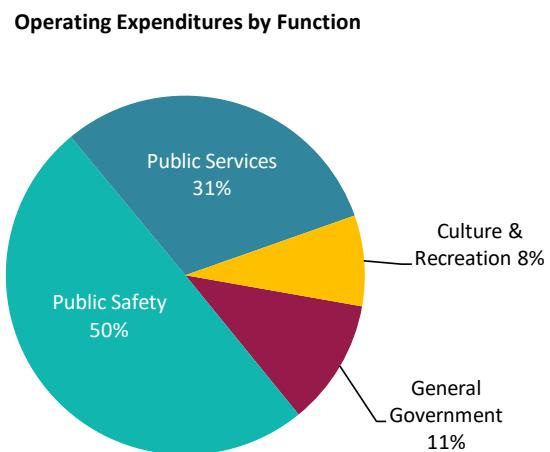
Another way of looking at the City’s budget is to consider the service or function being provided. There are four broad areas of service provided by the City. The first are the General Government functions. These include the City Manager’s Office, the Office of Mayor and Council, the Municipal Counselor’s Office, the City Auditor’s Office, the City Clerk’s Office, Finance, Personnel, and General Services; and make up approximately 11% 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 50% of the operating expenditure budget.

Public Services function includes 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 within 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 subsidy, were allocated to each category proportionally so the full operating budget is allocated to specific functions.



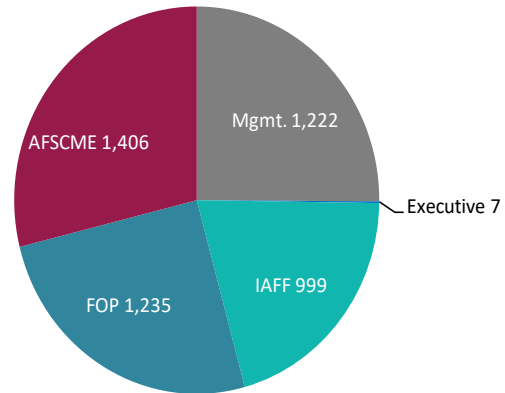


**BUDGETED POSITIONS**

The FY20 Proposed Budget contains authorization for 4,869 positions throughout the City. This is an increase of 65 positions from the FY19 adopted 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 1,406 positions. The Fraternal Order of Police (FOP) represents all sworn positions within the Police Department. The adopted budget includes 1,235 FOP positions.

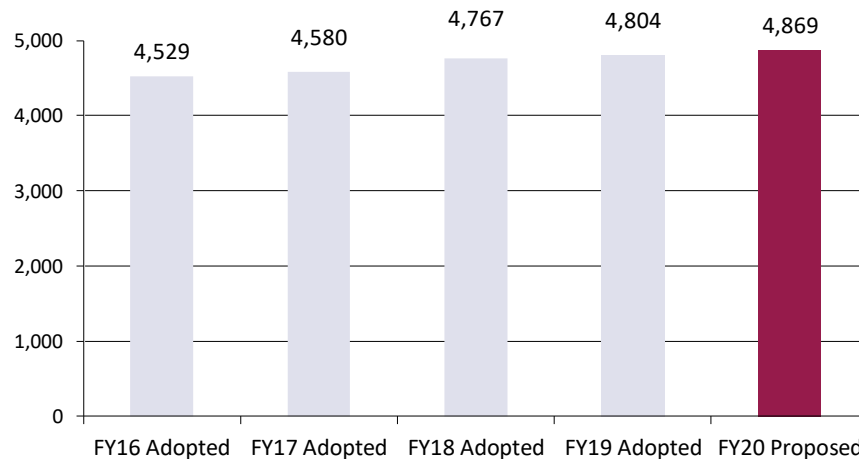
Positions by Category



The International Association of Firefighters (IAFF) represents all of the uniformed positions within the Fire Department. The adopted budget contains 999 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 1,220 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 History



**BUDGETED POSITIONS BY DEPARTMENT**

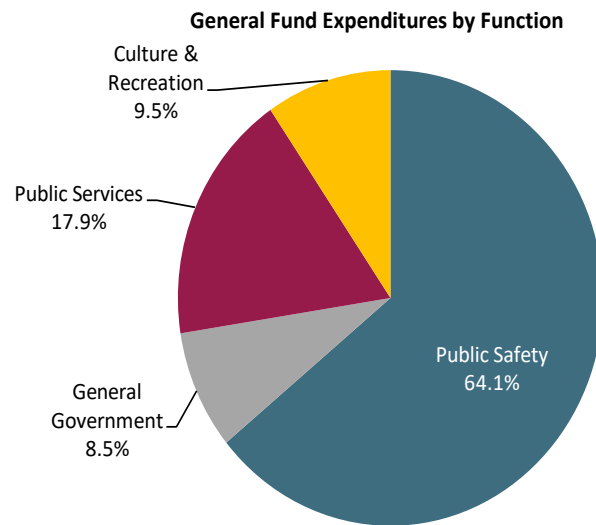
Department	FY18 Adopted	FY19 Adopted	FY20 Proposed	Change	%
Airports	120.00	127.00	130.00	3.00	2.4%
City Auditor	7.00	8.00	7.00	(1.00)	-12.5%
City Clerk	8.00	9.00	9.00	0.00	0.0%
City Manager	49.00	50.00	52.00	2.00	4.0%
Development Services	182.00	192.00	197.00	5.00	2.6%
Finance	82.00	85.00	88.00	3.00	3.5%
Fire	1000.14	1,000.14	1,015.15	15.01	1.5%
Fire Grants	28.86	28.86	18.85	(10.01)	-34.7%
General Services	68.00	71.00	71.00	0.00	0.0%
Information Technology	107.00	111.00	111.00	0.00	0.0%
Mayor and Council	6.00	6.00	7.00	1.00	16.7%
Municipal Counselor	54.00	55.00	56.00	1.00	1.8%
Municipal Court	64.00	67.00	67.00	0.00	0.0%
Parks and Recreation	187.00	165.00	178.00	13.00	7.9%
Personnel	25.00	27.00	29.00	2.00	7.4%
Planning	26.83	27.83	27.93	0.10	0.4%
Planning Grants	20.17	19.17	19.07	(0.10)	-0.5%
Police	1,521.00	1,524.00	1,539.00	15.00	1.0%
Police Grants	1.00	0.00	0.00	0.00	N/A
Public Transportation and Parking	32.00	35.00	36.00	1.00	2.9%
Public Works	391.00	409.00	418.00	9.00	2.2%
Utilities	787.00	787.00	793.00	6.00	0.8%
<b>Total</b>	<b>4,767.00</b>	<b>4,804.00</b>	<b>4,869.00</b>	<b>65.00</b>	<b>1.4%</b>

## THE GENERAL FUND

The General Fund is the largest fund within the City budget and makes up \$481,865,892 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, 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 64.1% of the total budget is expended in this area.

Public Services is the second largest area of spending at 17.9%. 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 8.5% of the General Fund because general government functions, such as Finance and Personnel, do not have a funding source outside the General Fund.



Culture and Recreation at 9.5% 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.

## GENERAL FUND BUDGET BY DEPARTMENT

	Actual FY18	Adopted FY19	Proposed FY20	Percentage Change
<b>General Fund Expenses</b>				
City Auditor	\$1,072,784	\$1,229,738	\$1,254,507	2.01%
City Clerk	924,320	1,054,554	1,088,938	3.26%
City Manager	3,176,323	3,294,616	3,605,335	9.43%
Development Services	17,259,291	19,212,802	19,871,313	3.43%
Finance	7,899,750	8,595,545	9,086,535	5.71%
Fire	95,743,825	100,928,388	106,861,796	5.88%
General Services	5,145,256	5,158,338	5,144,943	-0.26%
Mayor & Council	996,782	1,061,596	1,175,079	10.69%
Municipal Counselor	6,949,413	7,162,896	7,420,445	3.60%
Municipal Court	7,956,491	8,816,189	8,854,785	0.44%
Non-Departmental Operating	49,930,073	65,241,488	68,074,450	4.34%
Parks & Recreation	23,782,043	26,896,125	28,928,073	7.55%
Personnel	2,945,192	3,307,154	3,711,168	12.22%
Planning	3,511,883	3,903,108	4,131,399	5.85%
Police	137,663,441	148,996,145	154,702,370	3.83%
Public Transportation and Parking	17,026,296	22,369,223	23,665,143	5.79%
Public Works	28,057,191	34,424,692	34,289,613	-0.39%
<b>Total Expenses</b>	<b>\$410,040,354</b>	<b>\$461,652,597</b>	<b>\$481,865,892</b>	<b>4.38%</b>

## EXPENDITURE SUMMARY TABLE

	Actual FY18	Adopted FY19	Proposed FY20
<b>Operating Funds</b>			
<b>General Operating Funds</b>			
General Fund	\$410,040,354	\$461,652,597	\$481,865,892
Internal Service Fund	48,287,347	53,870,042	54,015,365
<b>Total General Operating Funds</b>	<b>\$458,327,701</b>	<b>\$515,522,639</b>	<b>\$535,881,257</b>
<b>Special Revenue Funds</b>			
Court Admin. and Training Fund	\$3,407,254	\$235,804	\$230,000
Emergency Management Fund	8,672,557	8,489,785	9,197,130
Fire Sales Tax Fund	40,676,251	46,114,132	48,893,061
Hotel/Motel Tax Fund*	12,092,428	12,902,834	13,774,071
MAPS Operations Fund*	353,737	649,758	0
MAPS 3 Use Tax Fund*	3,634,059	4,794,057	4,718,462
Medical Service Program Fund	6,840,863	6,961,462	7,045,862
OCMAPS Sales Tax Fund*	(9)	0	0
Police Sales Tax Fund*	39,565,788	42,999,857	44,242,795
Zoo Sales Tax Fund	13,768,006	14,431,659	14,861,780
<b>Total Special Revenue Funds</b>	<b>\$129,010,935</b>	<b>\$137,579,348</b>	<b>\$142,963,161</b>
<b>Enterprise Funds</b>			
Airports Fund	\$16,739,734	\$19,002,341	\$20,011,118
Solid Waste Management Fund	9,770,237	10,949,309	11,127,674
Stormwater Drainage Utility Fund*	14,233,725	18,481,013	19,026,327
Public Trans. and Parking Fund	3,660,063	3,974,100	4,539,950
Water/Wastewater Fund	83,260,218	94,481,613	96,642,951
<b>Total Enterprise Funds</b>	<b>\$127,663,977</b>	<b>\$146,888,376</b>	<b>\$151,348,020</b>
<b>Subtotal Operating Funds</b>	<b>\$715,002,614</b>	<b>\$799,990,363</b>	<b>\$830,192,438</b>
Less Interfund Transfers (1)	(91,960,659)	(95,995,375)	(98,582,146)
<b>Total Operating Funds</b>	<b>\$623,041,954</b>	<b>\$703,994,988</b>	<b>\$731,610,292</b>

## EXPENDITURES

	Actual FY18	Adopted FY19	Proposed FY20
<b>Non-Operating Funds</b>			
<b>Capital Improvement Funds</b>			
Better Streets, Safer City Sales Tax Fund	\$1,617,048	\$149,427,270	\$207,564,521
Better Streets, Safer City Use Tax Fund	\$0	\$20,347,895	\$41,025,727
Capital Improvement Projects Fund	\$17,167,103	\$49,435,492	\$39,340,583
City and Sch Cap Proj Use Tax Fund	246,684	2,935,930	3,328,067
Hotel/Motel Tax Fund*	10,367,886	10,529,748	10,652,507
Impact Fees Fund	2,107	10,263,800	21,431,470
MAPS Operations Fund*	250,565	3,349,576	5,432,407
MAPS Sales Tax Fund*	36,861	260,278	251,877
MAPS 3 Sales Tax Fund	117,896,570	442,251,531	309,985,750
MAPS 3 Use Tax Fund*	9,299,773	17,431,014	13,022,090
OCMAPS Sales Tax Fund*	136,245	7,000,000	6,539,433
OKC Sports Facilities Sales Tax Fund	0	65,768	47,500
OKC Sports Facilities Use Tax Fund	0	173,810	97,936
OKC Tax Increment Financing Fund	947,964	850,000	1,325,000
Police Sales Tax Fund*	1,345,275	2,356,580	1,550,000
Police/Fire Cap Equip Sales Tax Fund	748,563	3,522,093	3,657,308
Stormwater Drainage Utility Fund*	1,923,353	9,790,133	7,864,480
Street and Alley Fund	216,665	187,194	156,719
<b>Total Capital Improvement Funds</b>	<b>\$162,202,663</b>	<b>\$730,178,112</b>	<b>\$673,273,375</b>
<b>Other Non-Operating Funds</b>			
Asset Forfeiture Fund	1,438,819	2,116,828	1,883,259
Debt Service Fund	91,663,509	100,253,063	105,965,417
Grants Management Fund	34,522,126	39,071,631	34,259,919
OKC Improv. and Special Assess Dist.	1,955,710	4,357,343	3,910,468
Special Purpose Fund	2,421,537	8,370,376	11,603,844
<b>Total Other Non-Operating Funds</b>	<b>\$132,001,702</b>	<b>\$154,169,241</b>	<b>\$157,622,907</b>
<b>Total Non-Operating Funds</b>	<b>\$294,204,366</b>	<b>\$884,347,353</b>	<b>\$830,896,282</b>
<b>Subtotal All Funds</b>	<b>\$917,246,320</b>	<b>\$1,588,342,341</b>	<b>\$1,562,506,574</b>
Less Interfund Transfers (2)	(17,593,218)	(13,774,435)	(7,874,505)
<b>Total All Funds</b>	<b>\$899,653,102</b>	<b>\$1,574,567,906</b>	<b>\$1,554,632,069</b>

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

	Actual FY18	Adopted FY19	Proposed FY20
<b>(1) Transfers between Operating Funds</b>			
Gen Fund Transfer to Emerg Mgmt	\$2,800,000	\$2,726,334	\$3,019,867
Gen Fund to Transit Fund via COTPA	2,878,706	3,058,595	3,416,847
Various Funds to Internal Service Fund	48,847,377	51,222,774	51,866,303
Fire Sales Tax to General Fund	11,725,894	12,092,576	12,312,425
Grants Funds to General Fund	0	180,316	194,281
General Fund to Parking Cash Fund	502,329	495,492	538,935
Various Funds Pmts to Gen Fund	1,276,911	2,302,968	1,941,747
Police Sales Tax to General Fund	9,036,279	9,307,369	9,459,160
Various Funds Admin Pmts to Gen Fund	14,893,163	14,608,951	15,832,581
<b>Total</b>	<b>\$91,960,659</b>	<b>\$95,995,375</b>	<b>\$98,582,146</b>
<b>(2) Transfers to Non-Operating Funds</b>			
Various to CIP Fund	\$15,239,447	\$11,823,568	\$7,416,850
Various Miscellaneous Transfers	0	0	0
Various Funds to Special Purpose	0	0	362
Various Funds to Grant Funds	2,353,771	1,950,867	457,293
<b>Total</b>	<b>\$17,593,218</b>	<b>\$13,774,435</b>	<b>\$7,874,505</b>

# LONG RANGE FINANCIAL SUMMARY



## *Regular financial evaluations help ensure stability*

Evaluating the City’s financial condition on a regular basis can help ensure stability so that programs and services meet the community’s needs.

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>

### PURPOSE OF LONG-RANGE FINANCIAL PLAN

The purpose of the Five-Year Financial 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.





# LONG RANGE FINANCIAL SUMMARY

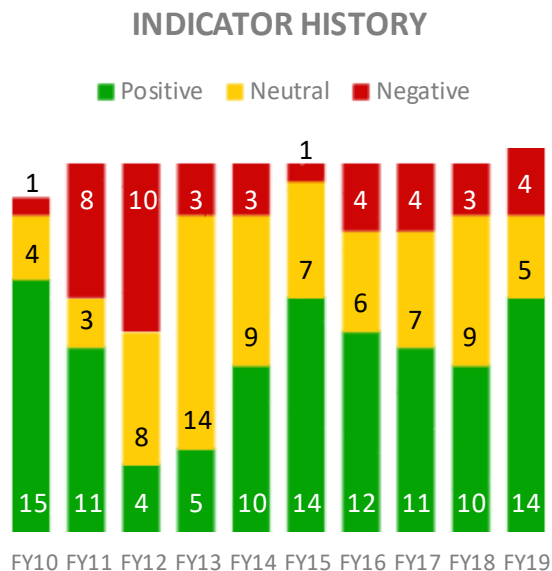
By identifying long-term issues and assessing resources, the Five-Year Financial Forecast provides the Mayor and City Council with the necessary information to create continuity between annual budget cycles and long term needs of the City. The forecast is a valuable tool for identifying potential problems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

## SUMMARY

Overall, the City is in a favorable financial position as strong financial growth continued into Fiscal Year 2019 (FY19); although growth is projected to slow to a moderate rate in the last quarter of the fiscal year. The City has again 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 the coming year. Dr. Evans’ expectation was mixed for the metro economy based on a series of very different economic realities ranging from slow US growth with modest oil prices; slow US growth with low oil prices; or a mild recession. For FY20, the City used the first scenario, slowing US growth with modest oil prices, but did factor in a contraction over the five-year period.

## FINANCIAL EVALUATION TOOLS

In developing the five-year outlook, staff used two financial evaluations tools, the Financial Trend Monitoring System (FTMS) and forecast issues provided by department staff. 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 overall results of the 23 FTMS indicators were 61% trending positive, 22% neutral, and 17% trending negative as shown in the graph. Changes from the previous year included Average Weekly Earnings, Active Drilling Rigs, Sales Tax Revenues, and Hotel Tax Revenues all moving to a positive trend. Active Drilling Rigs, a local indicator, positively impacts our local economy when rig counts are up as Oklahoma City is still heavily influenced by the energy sector with several headquarters and well servicing companies located here. Also improving was Average Weekly Earnings which posted growth of 3% over the last five years, after adjusting for inflation. A new indicator, Hotel Room Nights Sold, can be an indicator of tourism, commerce and other business activities, increased 9.2% over the last five years and averaged more than 11,000 rooms sold each night. More than 0.7 million room nights were added to our local market over the same period. Overall, the City remained in a favorable financial position with a majority of indicators trending positive.



# LONG RANGE FINANCIAL SUMMARY

There were four indicators trending negative: Office Vacancy Rates, Private Development Plans, Grant Revenues and Fringe Benefits for Employees. However, staff is optimistic things will improve over the five-year outlook as the city continues to grow. Several renovation and construction projects are underway downtown; rail transit returned with a 4.8 mile loop in the downtown area; a new convention center and OMNI hotel will open in 2021; and a new 70-acre park connecting the downtown core to the shore of the Oklahoma River will open this fall. All of these projects are expected to bring private development and increased office occupancy rates as new companies emerge or others relocate/expand to Oklahoma City. Grants were down, but staff believed it to be more of a timing issue as they have become increasingly project driven and several large projects were wrapping up in 2018 and 2019. As new projects begin, grants are expected to return to about 4% of the City’s operating budget. Like many employers, fringe benefits continue to be a challenge. This year, a more detailed analysis was done comparing Oklahoma City to other state and local governments and the private sector. Oklahoma City fared the same or better on all benefits except health insurance with the outlier being the City contributes more towards family coverage than other employers. While the benefit can be leveraged as a recruiting tool, it is one staff will have to manage closely.

The second financial evaluation tool is forecast issues which provide an overview of major issues facing City departments. These identified issues provide an “early warning system” to the City Manager and City Council of significant items that are beyond the scope of the annual budget process. Strategies and priorities are set to address the issues over the long-term. A total of 47 issues were identified in the forecast with the eight most significant issues highlighted:



**American Indian Cultural Center and Museum.** The City assumed this project from the State and has partnered with the Chickasaw Nation for capital and operating support. The facility is expected to open in Spring 2021 with the City responsible for any operating deficit which could place pressure on the General Fund.



**Long Term Water Capital.** Over the next five years the City will construct a \$700 million, one-hundred mile long pipeline to transport water to Central Oklahoma for treatment and use.



**MAPS 4 Temporary Sales Tax.** The City has been seeking input from citizens to develop projects that will continue the momentum of previous MAPS taxes. Voters will be asked to approve a temporary tax in late 2019 to fund Projects that will transform the City.



**Public Safety Capital Funding.** The current funding for public safety capital is a temporary use tax that will expire towards the end of FY20. A new funding source for public safety capital will need to be identified.

# LONG RANGE FINANCIAL SUMMARY



**Public Transportation System Improvements.** Community interest has increased expectations for public transportation including bus route frequency, micro transit, traffic signal prioritization, bus rapid transit and expansion of the streetcar route to neighborhoods and business districts.



**Facility Capital Maintenance Costs.** The city has funded major capital improvements debt free through temporary sale taxes but once projects are put into public use capital maintenance often exceeds funding. In 2018, Council adopted a policy to set a target budget of 1-3% of the General Fund for such expenses.



**Employee Recruitment, Classification and Compensation.** City departments have had a difficult time filling positions and retaining employees in skilled trades, some professional services, part-time positions and those requiring a commercial drivers license. Also, key positions are being vacated due to retirement.



**Other Post Employment Benefits.** The City has funded retiree health insurance on a pay-as-you-go method resulting in an unfunded liability in excess of \$521 million. Changes have been adopted that will reduce the liability \$90 million over the next 10 years and eventually eliminate the obligation, but additional actions are needed to control the unfunded liability.

The forecast document contains in-depth descriptions along with possible direction or next steps to resolve the issues which include options such as negotiating agreements with private partners, rate adjustments, temporary sales and use taxes, new taxes or tax increases, user fees, facility charges, sponsorships, expanding the sales tax base, changing state law to allow property taxes to be used for municipal operations, commissioning studies, training, and exploring cost reductions.

The forecast also closed the communication loop on 15 previously identified issues that were resolved with successful outcomes including voter approval of a permanent one-quarter cent sales tax increase that went into effect January 1, 2018 and generates approximately \$27 million per year for the General Fund; voter approval of a \$967 million General Obligation Bond Package; a temporary, 27-month, one cent tax that will generate approximately \$240 million to improve streets and public safety; implementing Sunday bus service; and securing water rights that will meet raw water supply growth needs for the next 60 years.

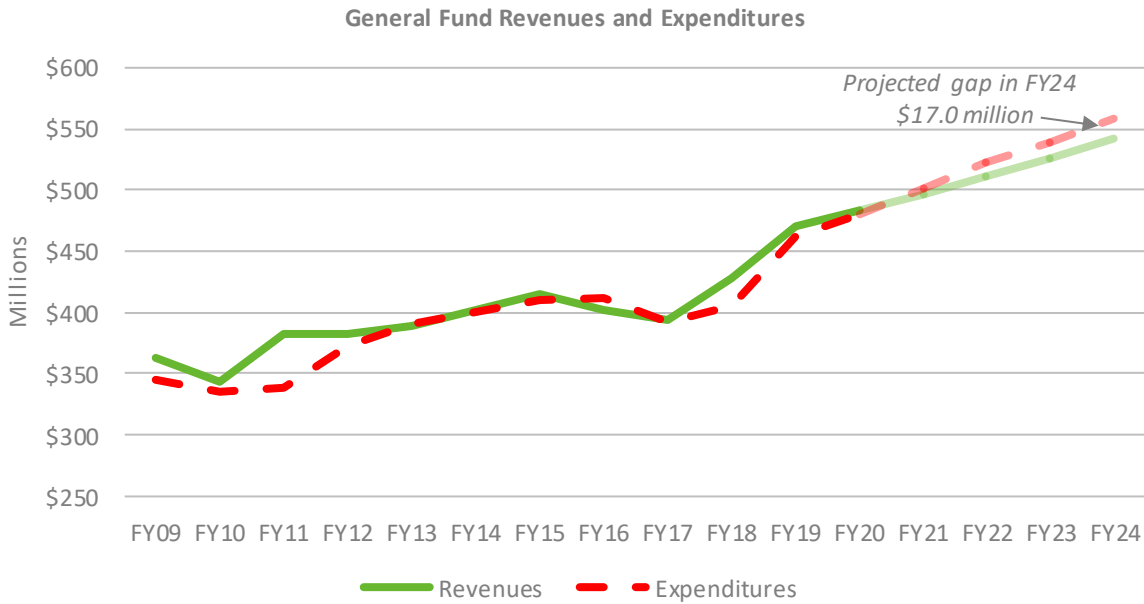
## GENERAL FUND IN-DEPTH

The General Fund is the largest fund within the City and serves as the mechanism from which many of the core services are primarily funded.

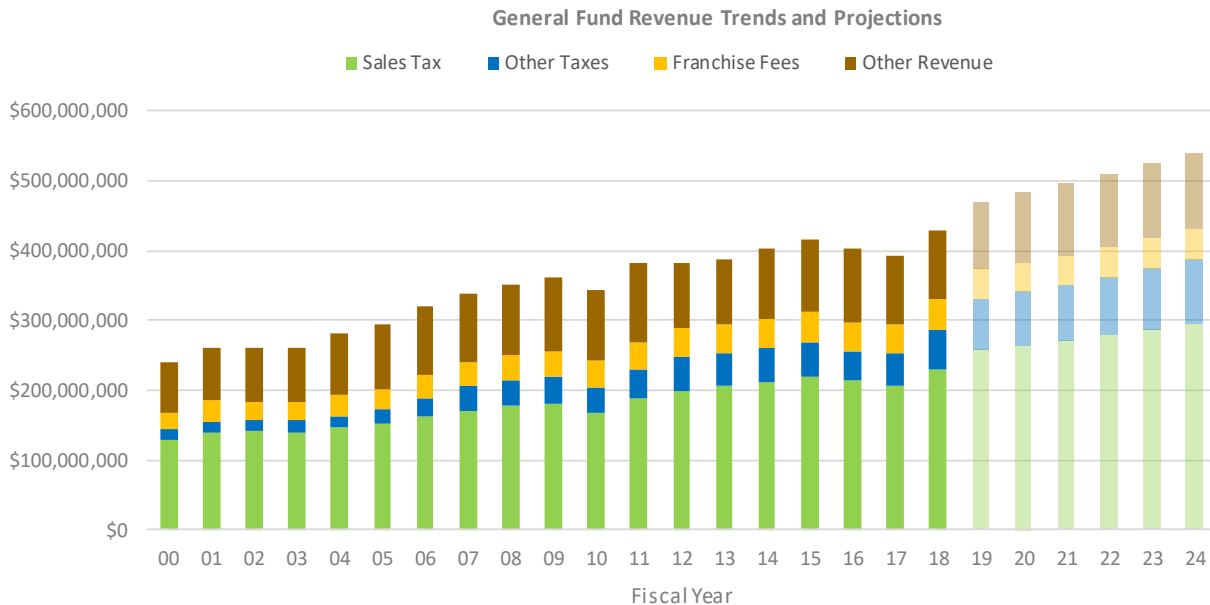
**Projected Revenue/Expenditure Gap.** Over the next five years, a gap between General Fund revenues and expenses is expected to widen as an economic contraction in the local economy is expected within the five-year outlook. Rather than project the fiscal year in which the contraction will occur, the revenue growth projections reflect a lower average annual growth rate of 2.9% which is less than historical long term growth patterns as it is based on recent five-year average that contained a contraction. Ex-

# LONG RANGE FINANCIAL SUMMARY

penses were projected to grow at the same rate as long-term trends and average growth of 3.9% annually. Known increases to expenses, such as bus replacement and operating costs for the new convention center, were added to projections. The imbalance in revenue and expenditure growth patterns means the General Fund has a projected gap of \$17.0 million by FY24.

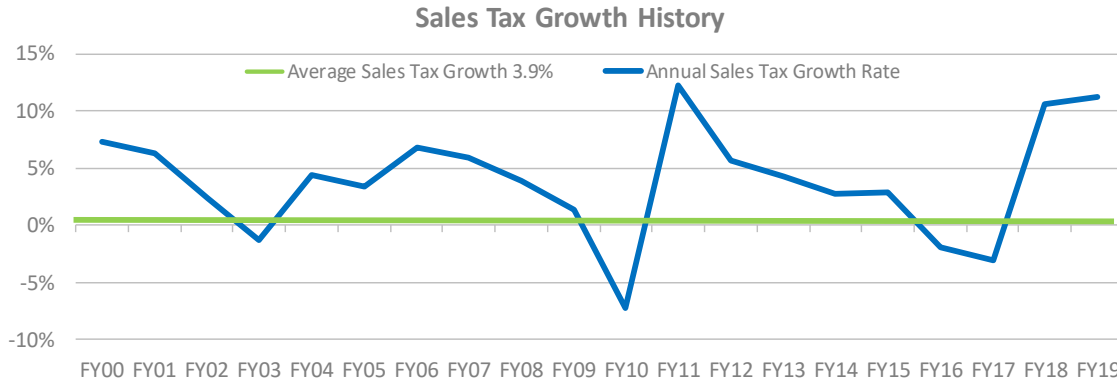


**General Fund Revenue.** There are literally hundreds of individual revenue sources that contribute to the General Fund so they are combined into similar categories. When all of the categories are combined, the General Fund is expected to grow at an average of 2.9% per year over the next five years and reach \$541.5 million in FY24.



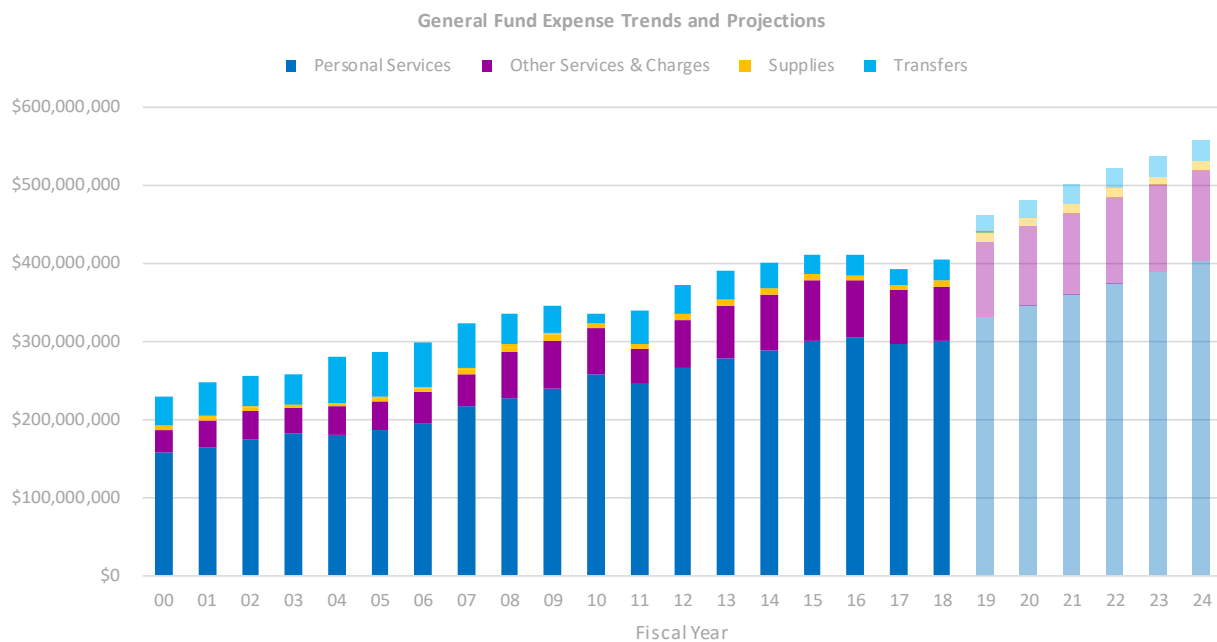
# LONG RANGE FINANCIAL SUMMARY

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.



## 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. Growth is due primarily to salary and benefits as full-time budgeted positions have only grown by 247 or 5.4% over the last 20 years. Besides normal historical growth, \$2.7 million was added in FY20 for service enhancements ranging from animal control to landscape maintenance to convention center operations. In FY21, \$4.1 million was added for bus replacement. In FY22, \$2.8 million was added for operation of the lower Scissortail Park. In FY23, \$2 million was added for operations at the American Indian Cultural Center and \$3.5 million was added for operation of the City’s first bus rapid transit line. Overall, General Fund expenditures



# LONG RANGE FINANCIAL SUMMARY

are projected to have annual growth of 3.9% and reach \$558.5 million in FY24.

## GENERAL FUND OUTLOOK GOING FORWARD

**Closing the Gap.** Historically, the City’s financial forecasts have projected a revenue/expenditure gap. In order to close the gap and fund operations at a level desired by citizens, revenue collections would need to increase 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. 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.

