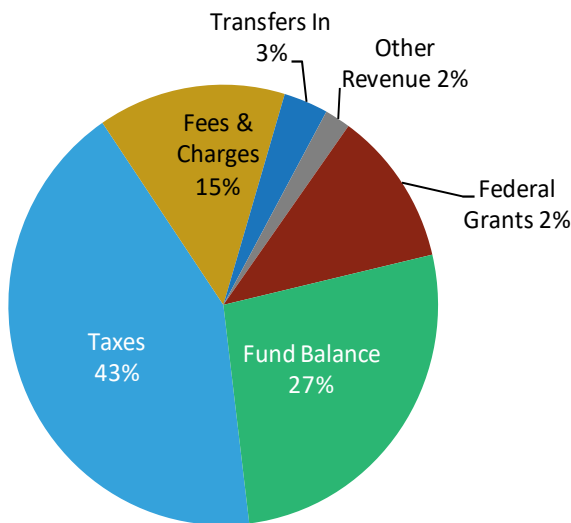


CONSOLIDATED BUDGET OVERVIEW

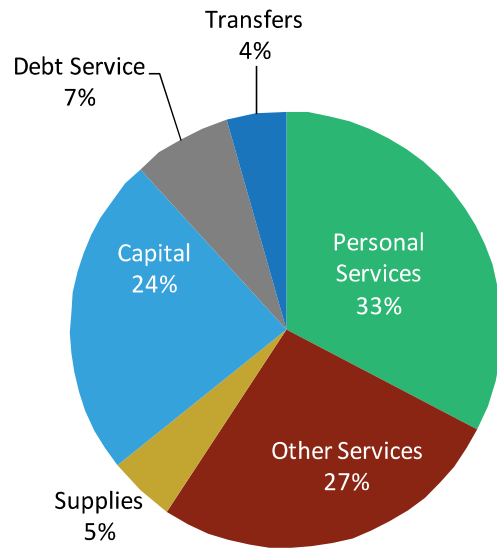
CONSOLIDATED OVERVIEW REVENUE AND EXPENDITURE SUMMARY FOR ALL FUNDS

	Actual FY20	Adopted FY21	Proposed FY22
Revenue Overview			
Taxes	\$673,176,141	\$649,017,417	\$699,535,260
Fees & Charges	231,020,761	232,946,068	233,230,817
Transfers In	30,015,413	46,720,954	54,904,029
Other Revenue	34,303,445	28,205,910	32,131,261
Federal Grants	141,953,937	159,876,311	188,445,158
Fund Balance	0	572,222,716	440,320,124
Total Revenue	\$1,110,469,697	\$1,688,989,376	\$1,648,566,649
Expenditure Overview			
Personal Services	\$497,653,403	\$510,180,219	\$536,452,718
Other Services	171,904,759	423,122,678	442,197,664
Supplies	47,842,787	83,983,976	81,759,473
Capital	136,821,182	500,167,414	393,739,161
Debt Service	104,570,642	110,760,591	120,746,539
Transfers	64,853,324	60,774,498	73,671,094
Total Expenditures	\$1,023,646,097	\$1,688,989,376	\$1,648,566,649

FY22 REVENUES



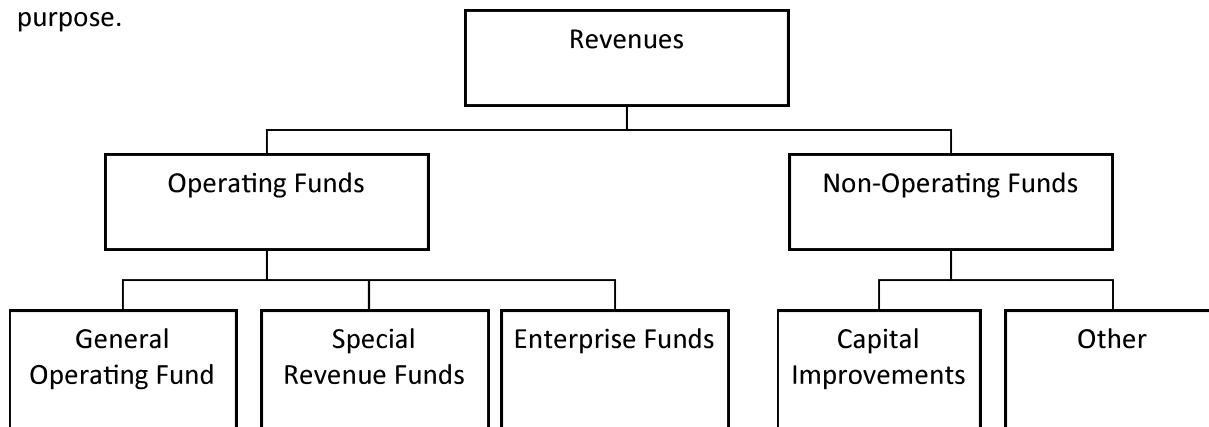
FY22 EXPENDITURES



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 4 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.

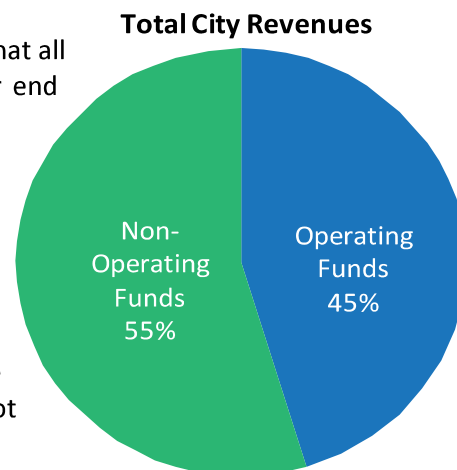


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|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • General Fund • Internal Service Funds | <ul style="list-style-type: none"> • Court Administration and Training Fund • Emergency Management Fund • Fire Sales Tax Fund • Hotel/Motel Tax Fund* • MAPS 3 Use Tax Fund* • MAPS 4 Use Tax Fund* • Medical Service (Ambulance) Program Fund • OCMAPS Sales Tax Fund* • Police Sales Tax Fund* • Zoo Sales Tax Fund | <ul style="list-style-type: none"> • Airports Fund • Solid Waste Management Fund • Stormwater Drainage Utility Fund* • Public Transportation and Parking Cash Fund • Water/Wastewater Fund | <ul style="list-style-type: none"> • Better Streets, Safer City 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* • MAPS 4 Program Fund • MAPS 4 Use Tax Fund* • OCMAPS Sales Tax Fund* • OKC Tax Increment Financing Fund • Police Sales Tax Fund* • Police/Fire Capital Equipment Sales Tax Fund • Sports Facilities Sales Tax Fund • Sports Facilities Use Tax Fund • Stormwater Drainage Utility Fund* • Street and Alley Fund | <ul style="list-style-type: none"> • Asset Forfeiture Fund • Debt Service Fund • Grants Management Fund • OKC Improvement and Special Assessment District Fund • Special Purpose Fund • General Fund—MAPS 4 |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
- * 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 FY22 were based on estimated year end totals for FY21.

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.



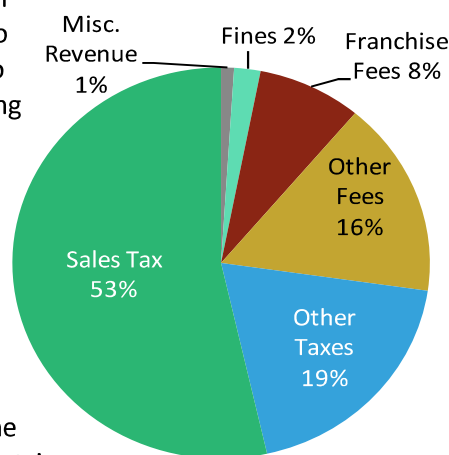
An example of this is dedicated sales taxes. In recent years, the citizens of Oklahoma City have approved several limited-term dedicated sales taxes to fund capital improvements. With the MAPS 4 Sales Tax beginning on April 1, 2020, there has been significant increases in the revenue of those funds which 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 4 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 \$496 million or 28% of the FY22 budget.

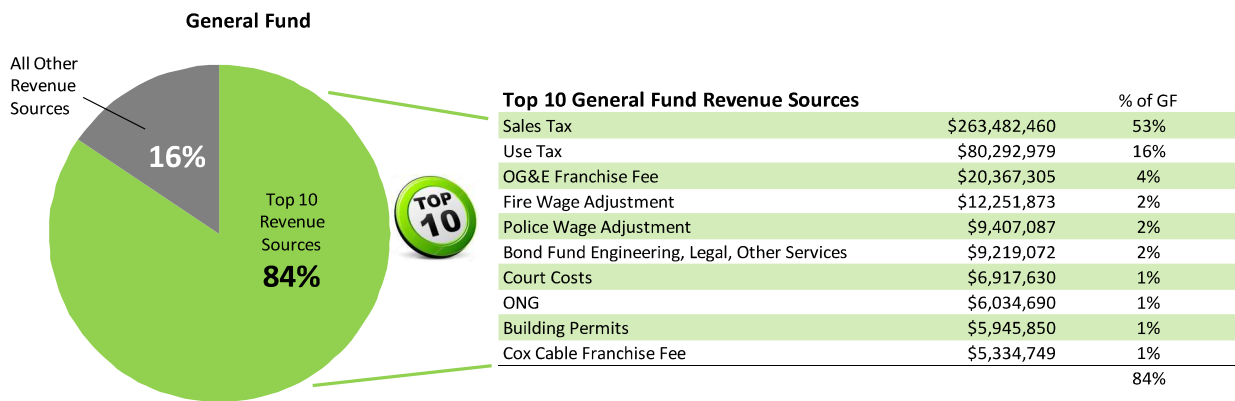
GENERAL FUND

Due to an expected rebound from the COVID-19 pandemic, the economic outlook in FY22 is positive resulting in overall growth of 8.3% 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 84% of the FY22 General Fund budget.

General Fund Revenue by Source



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.



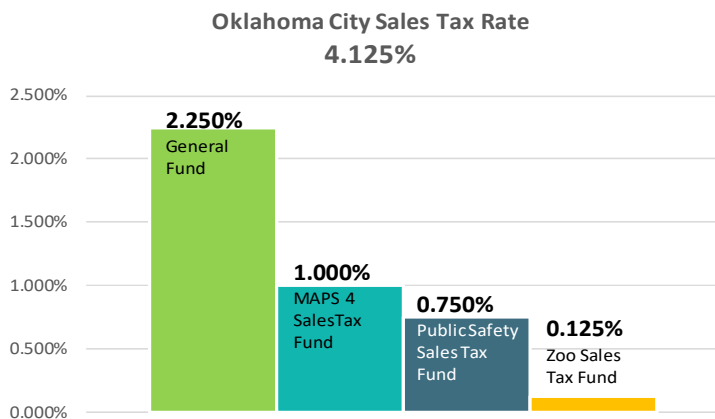
GENERAL FUND - TAXES

The largest category of revenue in the General Fund is taxes at \$356.9 million or 69.6%. 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%.

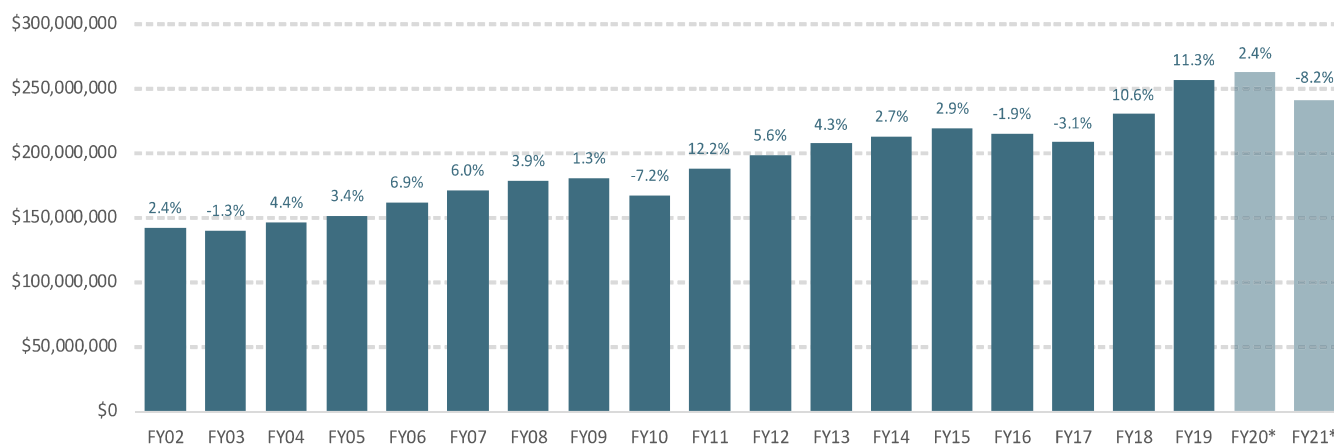
The City’s 4.125% sales tax levy is divided between various funds as authorized by voters as shown in the graphic below. The General Fund receives the largest portion of sales tax at 2.250% and is where the City’s day-to-day operations are funded. MAPS 4 is a 8-year temporary one-cent sales tax in effect through March 31, 2028. It is projected to generate a total of \$978 million dedicated to funding a



variety of 16 different capital projects such as parks, youth centers, a mental health and family justice center, transit system improvements, sidewalks, and a new multi-purpose stadium, among other projects. 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 2.250% 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. For example, the world is emerging from the year long COVID-19 pandemic which is greatly affected economies on all levels including our local economy. The uncertainty of the length and breadth of the lingering effects has made projecting sales tax receipts very challenging. Through careful analysis, the City has developed the FY22 budget based upon a 4.2% growth rate in sales tax as compared to projected FY21 year end collections. Sales Tax collections are projected to be \$263.5 million and account for 53% of the General FY22 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. As more people are making purchases online, Use Tax is growing at a higher rate than Sales Tax. Use Tax collections have averaged an 10.2% growth rate and Sales Tax has averaged 4.4% growth over the past 10 years. The Use Tax rate is 4.125% of the purchase price and is budgeted at \$80.3 million or 16% of the General Fund budget for FY22. Together, Sales and Use Tax make up 69% of the General Fund operating budget which shows how much the City relies on tax revenues.

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. Revenue is projected to be \$4.3 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. Growth in FY22 is projected to remain flat at \$5.7M or 1.1% of the General Fund 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. In FY22, flat growth is anticipated with a budget of \$1.3 million which accounts for less than 1% 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. Alcohol Beverage Tax collections are expected to generate \$1.8 million in FY22 or 0.3% 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 \$41 million or 8.3% of the FY22 General Fund operating revenue budget. Three of largest remitters of franchise fees are Oklahoma Gas & Electric with FY22 estimated revenue of \$20.4 million, ONG at \$6 million and Cox Cable at \$5.3 million. Each of these are top 10 General Fund revenue sources and make up 6.3% of the operating budget. Other franchise fee remitters are the Oklahoma City Water Utilities Trust, smaller electrical companies or cooperatives, other telephone and cable television providers, and a steam and chilled water utility company.

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 \$14.4 million or 2.9% of the General Fund revenue budget. Building permits are a top 10 revenue source at a projected \$5.9 million or 1.1% of the budget. Overall, this category is projected to have growth of 2.9% in FY22.

GENERAL FUND - SERVICE CHARGES

Service Charges are based on the specific services provided and are generally paid on a per use basis with projections at \$41.3 million or 8.3% of the FY22 General Fund revenue budget.

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 two largest revenue sources in this category are Court Cost Fees and Traffic Fines. Both of these are top 10 General Fund revenues but have been declining in recent years due to fewer

cases being filed with the court and implementation of criminal justice reform. Court cost fees are projected at \$6.9 million or –18.9% growth under the FY21 budget and Traffic Fines are projected at \$4.8 million or –11% below the FY21 budget. The Fines category is \$13.9 million or 2.7% of the General Fund revenue budget.

GENERAL FUND - OTHER

This includes the smaller categories of revenue including Administrative Charges, Other Revenue, Transfers and Fund Balance and comprises \$29.3 million or 5.9% of the FY22 budget.

Administrative Charges

Administrative Charges are \$23.2 million or 4.6% of the FY22 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.

Other Revenue

Other Revenue includes the smaller sources such as interest, rebates, and royalties. The category is projected to have collections of \$6.0 million in FY22 or 1.2% of the 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 FY22, the Transfers category is projected to stay flat at \$58K . In total, the Transfers category is 0.01% of the General Fund revenue budget.

Fund Balance

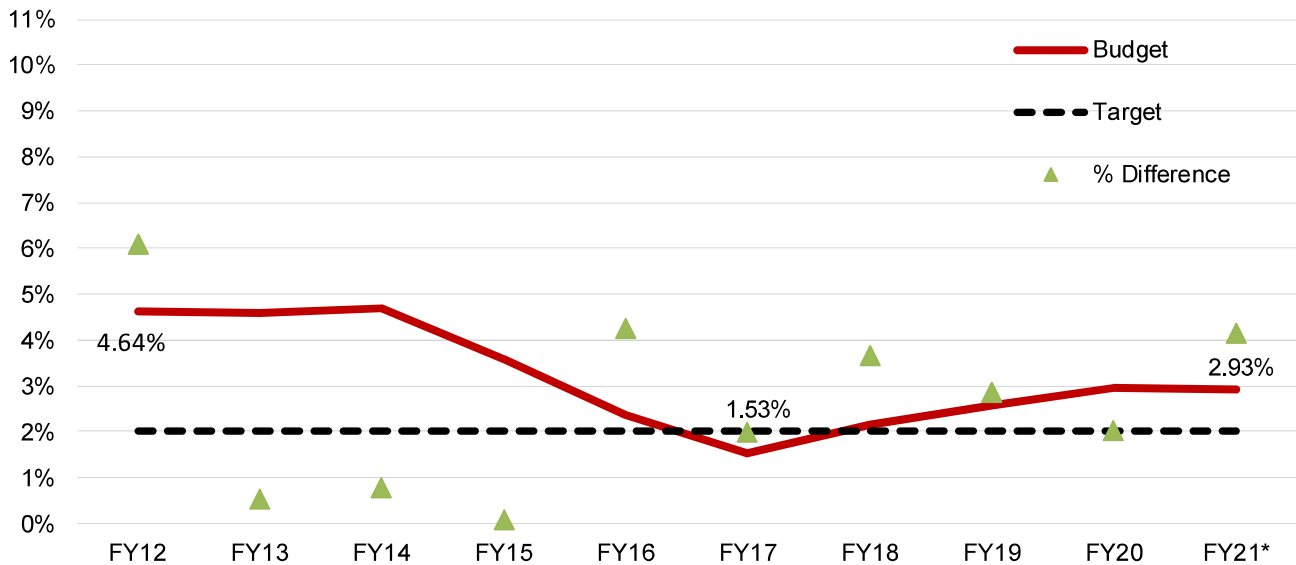
No fund balance is budgeted in FY22.

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 2021, for the eleventh 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 3.3% 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 2.3%. In FY11 and FY12, Oklahoma was coming out of a recession and 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 projections 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 exceeded budget by 2.8% due to strong growth in Use Tax collections from

online sales remitters and merchant wholesalers. At the end of FY20, the world experienced the COVID-19 pandemic which severely affected sales tax collections ending the year at –2% lower than projected. Sales and Use tax collections outpaced expectations in FY21 as a result of Federal stimulus money with an expectation to end the year at 4% growth in the General Fund. 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.



*FY21 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 FY22 operating budget of \$56 million, which is a 5.6% increase compared to the FY21 adopted budget. Major changes to each internal service fund are summarized in the department section of the budget book. Internal Service funds combined are 3.4% of FY22’s \$1.65 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 4.2%; this is the same rate of growth as projected for base sales tax in the General Fund.

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 FY22 budget is \$4.5million, a 1.4% increase from FY21. The fund balance is projected to fund the administration and oversight through FY22 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. The Court Administration and Training Fund budget is one of the smallest operating fund budgets at \$0.2 million in FY22.

Emergency Management Fund

The Emergency Management Fund supports the E-911 system for Oklahoma City and is budgeted at \$9.6 million in FY22, which is flat growth from the FY21 adopted budget. The fund is supported by tariffs on both cell phone and traditional telephone lines that are assessed on each user. 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 FY22.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund FY22 budget is \$19.9 million and is supported by a 5.5% hotel occupancy tax. This fund is divided between operating activities (\$11.5 million) dedicated to the promotion of special events, convention and tourism development and non-operating activities (\$8.4 million) dedicated to capital projects at the State Fairgrounds. Overall revenue from the Hotel/Motel Tax fund is projected have 26% growth when compared to FY21 adopted budget due to an expected increase of hotel stays as we emerge from the COVID-19 pandemic.

MAPS 4 Use Tax Fund Program Operating Fund

The MAPS 4 Use Tax Program Operating Fund is supported by a temporary 1% Use Tax adopted after the MAPS 4 Program Fund was approved. It has both an operating and non-operating component and will primarily be used to fund the City's operating cost of administering the MAPS 4 projects, public safety capital improvement projects and equipment costs and capital costs associated with City-owned

facilities. The MAPS 4 Use Tax Operating Fund is budgeted at \$1.7 million in FY22.

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 FY22 budget of \$6.9 million is down -24% compared to FY21 as the program expects reduced capital expenditures in FY22 after purchasing a new headquarters building in FY21. Program fees are expected to generate \$6.7 million in FY22 with interest earnings funding the remaining budget.

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. 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, Utilities, Stormwater Drainage Utility, Public Transportation and Parking**. 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 then transfers funds to the City to 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

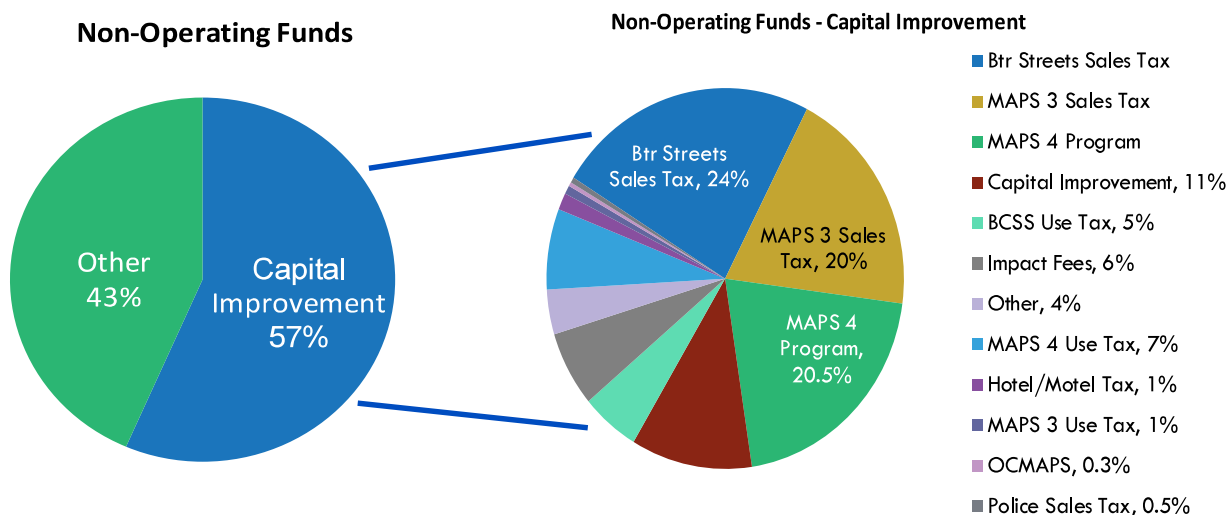
As mentioned earlier, the City classifies its funds as either operating or non-operating. The distinction is that some funds and, in some cases, portions of funds directly support operations; and other funds provide for capital improvements or are so limited in their purpose that they do not support 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 FY22, the budget for non-operating funds is \$1.03 billion, a -6.1% decrease from the FY21 adopted budget due to a \$70 million dollar decrease in the MAPS 3 Sales Tax Fund as those funds are being spent down with the completion of projects such as the OKC 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 62.2% of the total FY22 \$1.65 billion budget.

CAPITAL IMPROVEMENTS

The majority of non-operating funds are for capital improvements and have a FY22 budget of \$579.8 million, a decrease of -16.8%. 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 FY22: the MAPS 4 Program Fund, the MAPS 4 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 ended March 31, 2020 with the last collection in May 2020. The year-end projected fund balance is \$137.2 million, all of which is budgeted for FY22.



The **Better Streets, Safer City Use Tax Fund** was established at the same time as the Sales Tax Fund and was a temporary, 27-month, one-cent Use Tax that ended on March 31, 2020. The tax is primarily used to fund public safety fleet and equipment replacements. The year-end projected fund balance is \$30.4 million, all of which is budgeted for FY22.

The **MAPS 4 Program Fund** is a non-operating fund that was established after voters passed the MAPS 4 Sales Tax in December 2019 and became effective on April 1, 2020. It is an 8-year one-cent sales tax that extended the current 4.125% sales tax rate after Better Streets, Safer City expired. The revenues will initially be deposited in the General Fund and then transferred to the MAPS 4 Program Non-Operating Fund to be used for 16 distinct capital projects. The FY22 budget of \$118.8 million is comprised of a General Fund transfer of \$117.1 million and \$1.7 million in interest.

The **MAPS 4 Use Tax Program Non-Operating Fund** was established at the same time as the MAPS 4 Program Fund and is also a temporary, 8-year one-cent Use Tax that will primarily be used to fund the City's operating cost of administering the MAPS 4 projects, public safety capital improvement projects and equipment costs and capital costs associated with City-owned facilities. The MAPS 4 Use Tax Fund is expected to collect \$39.7 million in FY22.

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 FY22 budget is \$37.3million, which is an increase of 10.3% over the FY21 adopted budget. The increase is largely accumulated fund balance.

The **MAPS 3 Sales Tax Fund** is a 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 FY22 budget is \$113.4 million and is primarily made up of fund balance and will be used for several of the capital projects that are in design or have begun construction.

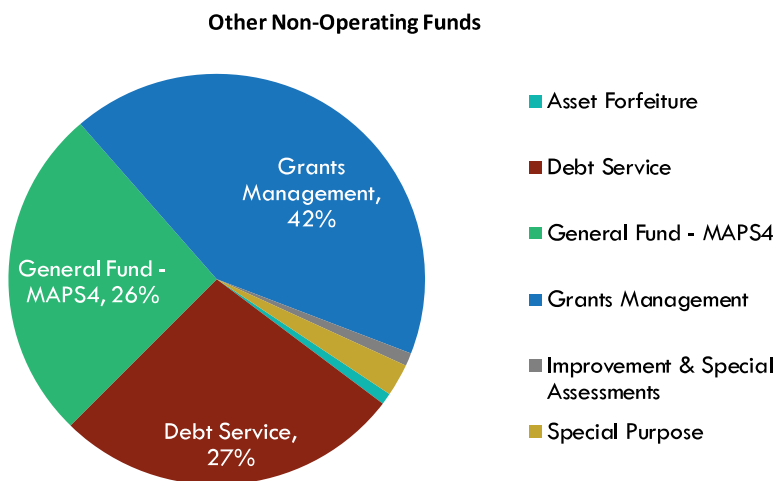
The **MAPS 3 Use Tax Non-Operating Fund** is used for capital replacement. The FY22 non-operating budget, comprised of fund balance and interest, is \$4.2 million, a decline of -39.2% from the FY21 adopted budget. The remaining balance will be transferred to the MAPS 3 operating fund for operations or 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. Revenue in FY22 for the non-operating portion of the Hotel/Motel Tax matches the growth rate for the operating portion and is expected to grow at 30% in FY22 due to an expected rebound from the COVID-19 pandemic, with a budget of \$8.4M.

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 FY22 for each of these funds are based primarily on the level of projected fund balance remaining at the end of FY21.

OTHER NON-OPERATING FUNDS

The Other Non-Operating Funds are budgeted at \$446 million in FY22, a 12.8% increase, largely due to a federal grant through the American Rescue Plan Act of 2021 and the **General Fund—MAPS 4 Fund**. 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 **Debt Service Fund**, **Grants Management Fund**, **Asset Forfeiture Fund** and the **Special Purpose Fund**



The **Debt Service Fund** is the second largest fund in the Other Non-Operating category at \$120.7 million and is supported directly by property taxes that will be in effect during FY21. Overall, the budget increased 9% in FY22 due to an increase in 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 six Business Improvement Districts (BID) (Downtown, Stockyards, Western Avenue, Capitol Hill, Uptown 23rd 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 FY22 budget of \$4.5 million is a –13.7% decrease due to a decrease in spending of money collected 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 FY22 budget is increasing 17.9% at \$188.4 million due to an expected \$124.5 million grant from the Department of Treasury through the American Rescue Plan to provide economic relief from the COVID-19 pandemic.

The **Special Purpose Fund** is used primarily for donations to the City. The FY22 budget is \$11.3 million, an increase of 9% due to a increase in budgeted fund balance.

The **General Fund—MAPS 4 Fund** is a non-operating fund that was established in the General Fund after voters passed the MAPS 4 Sales Tax in December 2019 and became effective on April 1, 2020. It is an 8-year one-cent sales tax that extended the current 4.125% sales tax rate after Better Streets, Safer City expired. Revenues will initially be deposited in the General Fund and then transferred to the MAPS Program Fund to be used for capital projects. The Fund is expected to generate \$978 million over the eight years and will be used for 16 capital projects such as a new family justice center, youth centers, senior wellness centers, a multi-purpose stadium, transit system improvements, a freedom center, among other projects. The fund has a FY22 budget of \$117.1 million or 26% of Other Non-Operating Funds.

REVENUE DETAIL TABLE

	Actual FY20	Adopted FY21	Proposed FY22
General Operating Funds			
General Fund			
Taxes			
Sales Tax	\$253,458,769	\$240,723,459	\$263,482,460
Use Tax	64,525,815	63,822,181	80,292,979
Other Taxes	4,393,899	4,402,571	4,313,411
Commercial Vehicle Tax	4,508,552	4,627,063	4,564,893
Motor Fuels Tax	1,143,255	1,195,629	1,111,871
Occupational Tax	1,186,072	1,346,651	1,322,368
Alcoholic Beverage Tax	1,552,701	1,539,747	1,793,965
Total Taxes	\$330,769,064	\$317,657,301	\$356,881,947
Franchise/Utility Fees			
Oklahoma Natural Gas	\$4,829,589	\$5,270,161	\$6,034,690
Oklahoma Gas & Electric	20,185,252	19,748,198	20,367,305
Caddo Electric Coop.	205,826	226,869	221,471
Oklahoma Electric Coop.	1,344,390	1,361,172	1,367,765
Tri-Gen	374,399	380,059	371,202
AT&T	228,315	195,191	176,807
AT&T Video	1,212,633	1,161,768	1,128,368
Cox Cable	5,765,483	5,734,824	5,334,749
Cox Fibernet	0	0	0
Other Telephone	106,678	107,395	125,720
Utility Fees - Water	2,902,258	2,599,001	3,008,905
Utility Fees - Wastewater	2,067,802	1,833,558	1,939,369
Utility Fee - Solid Waste	1,172,367	1,130,605	1,104,283
Total Franchise/Utility Fees	\$40,394,992	\$39,748,801	\$41,180,634
Licenses, Permits, and Fees			
Abandoned Building Registration	\$45,201	\$43,566	\$34,229
Fire Prevention Permits	206,823	207,099	207,099
Alarm Permits	563,084	590,546	467,927
Police Alarm Fees	127,689	284,146	219,574
Oil & Gas Well Inspections	247,280	287,247	208,780
General Licenses	505,858	1,137,910	893,879
Building Permits	5,949,663	5,809,224	5,945,850
Electrical Wiring Permits	1,536,037	1,450,833	1,551,797
Plumbing Permits	1,917,322	1,714,020	1,884,332
Boiler & Elevator Permits	264,905	249,848	238,904
Offsite Wagering Fee	29,778	30,695	30,695
Pre-Qualification Application Fee	245,105	269,825	230,170
Refrig. & Forced Air Permits	1,256,408	1,094,834	1,411,882
Sidewalk & Paving Fees	560,321	543,319	604,846
Work Zone Permits	36,410	31,996	38,443
Other Fees	727,861	44,259	46,854
Hunting and Fishing Permits	214,499	196,261	204,989

REVENUES

	Actual FY20	Adopted FY21	Proposed FY22
Vending Stamps	126,382	142,709	126,386
Garage Sale Permits	71,987	86,811	50,681
Total Licenses, Permits, & Fees	\$14,632,612	\$14,215,148	\$14,397,317
Administrative Charges			
Airport Administrative Payments	\$965,588	\$1,093,261	\$958,772
Airport Police Payments	3,603,108	3,486,887	3,528,657
Water/Wastewater Admin Payments	6,138,774	6,317,416	5,768,949
Drainage Utility Administrative Payment	1,107,959	1,174,964	1,106,582
Solid Waste Mgmt. Admin Payments	817,325	860,947	800,134
Convention & Tourism Admin Payments	429,713	473,578	377,187
Zoo Administrative Payments	292,824	300,000	300,000
Golf Administrative Payments	71,476	70,578	87,476
Other Administrative Payments	134,334	125,574	122,059
MAPS3 Administrative Payments	910,762	907,539	1,098,552
Better Streets Administrative Payments	276,032	430,223	394,294
Risk Management Administrative Payments	734,829	681,332	618,105
Public Transportation Administrative Pmts.	1,211,862	1,216,245	1,177,925
Parking Administrative Payments	271,747	198,712	176,056
IT Administrative Payments	1,435,064	1,517,618	1,517,991
Print Shop Administrative Payments	153,455	141,860	132,292
Fleet Services Admin Payments	64,966	60,594	45,350
Banking Fee Payments	143,787	140,000	140,000
Nuisance Abatement Payments	688,145	612,203	729,557
Econ Dev,TIF Engineering, Legal, Other Svcs	448,714	564,666	564,666
Civic Center Payments	0	0	0
Mowing, Litter, and Landscaping Adm Payments	1,059,468	1,361,740	1,361,740
Pavement Maintenance Payments	2,307,102	2,200,000	2,200,000
Total Administrative Charges	\$23,267,034	\$23,935,937	\$23,206,344
Other Service Charges			
Bond Fund Engineering, Legal, Other Services	\$9,145,407	\$6,219,072	\$9,219,072
Animal Shelter Fees	287,882	320,249	257,185
Engineering Fees	1,911,964	2,263,466	2,332,974
Planning Fees	823,575	831,345	897,975
Fire Service Recovery	21,000	28,000	28,000
Fire Wage Adjustment Reimbursement	12,322,116	12,249,416	12,251,873
Police Wage Adjustment Reimbursement	9,461,020	9,405,200	9,407,087
Police Fees	2,336,958	2,459,454	2,445,986
Parking Meters	1,178,596	1,473,491	1,191,933
Reimbursement - Grants	0	179,574	181,370
Refunds and Reimbursements - Operating	1,333,708	1,659,471	1,373,696
Mowing Services - OCRRA	60,393	0	0
Damage to City Property	249,820	125,839	159,098
Recreation Fees	858,285	1,312,892	1,557,348
Total Other Service Charges	\$39,990,724	\$38,527,469	\$41,303,597

	Actual FY20	Adopted FY21	Proposed FY22
Fines			
Traffic Fines	\$5,291,907	\$5,354,450	\$4,761,452
Parking Fines	1,182,767	1,299,594	680,755
Court Fees	8,109,799	8,705,448	6,917,630
Court of Record, Jury Division	745,993	781,101	641,729
Criminal Court	278,276	317,470	204,406
Jail Cost Recovery Program	169,478	175,184	106,789
Other Fines	11,800	9,502	9,502
Juvenile Fines	98,264	104,841	58,327
Total Fines	\$15,888,284	\$16,747,590	\$13,380,590
Other Revenue			
Leases	\$2,669,841	\$2,537,770	\$3,240,668
Sale of City Property	17,903	23,523	23,521
Check Service Charge	480	598	416
Royalties	107,234	124,645	92,186
Miscellaneous	1,688,978	1,294,362	1,955,904
Wrecker Service Payments	0	0	0
Operating Interest	2,295,315	1,639,560	717,000
Total Other Revenue	\$6,779,751	\$5,620,458	\$6,029,695
Transfers			
Transfers from OCPPA - DAS	\$0	\$0	\$0
Transfers - Miscellaneous	1,790,319	58,684	58,684
Total Transfers	\$1,790,319	\$58,684	\$58,684
Fund Balance	\$0	\$8,348,392	\$0
Total General Fund - Operating**	\$473,512,780	\$464,859,780	\$496,438,808
Internal Service Funds**			
Interest	\$288,421	\$56,204	\$56,204
Information Technology	28,044,014	27,905,330	31,236,659
Risk Management	13,168,444	12,942,188	15,728,939
Print Shop	884,070	933,288	935,668
Fleet Services	8,322,137	8,314,491	8,235,498
Other	494,960	390,795	375,585
Services	1,219	0	0
Transfers	0	(228,500)	(1,411,530)
Fund Balance	(185,000)	2,694,788	805,115
Total Internal Service Funds	\$51,018,265	\$53,008,584	\$55,962,138
Total General Operating Funds	\$524,531,045	\$517,868,364	\$552,400,946

REVENUES

	Actual FY20	Adopted FY21	Proposed FY22
Special Revenue Funds			
Court Administration & Training Fund			
Fees	\$152,055	\$185,765	\$154,632
Fines	350	471	400
Interest	1,813	2,032	1,760
Fund Balance	0	39,027	70,208
Total Court Administration & Training Fund	\$154,218	\$227,295	\$227,000
Emergency Management Fund			
Tariffs	\$6,129,653	\$6,113,890	\$6,326,315
Interest	31,429	35,084	20,896
Transfers	2,509,934	2,895,939	3,020,280
Fund Balance	0	200,000	200,000
Total Emergency Management Fund	\$8,671,016	\$9,244,913	\$9,567,491
Fire Sales Tax Fund			
Sales Tax	\$42,232,377	\$40,120,576	\$43,914,382
Interest	335,206	421,036	159,086
Other	26,320	13,677	14,177
Service Charges	144,780	0	0
Fund Balance	0	4,567,232	3,014,739
Total Fire Sales Tax Fund	\$42,738,683	\$45,122,521	\$47,102,384
Hotel/Motel Tax Fund**			
Hotel/Motel Tax	\$5,860,815	\$5,241,770	\$6,204,897
Interest	56,176	73,746	28,634
Transfers	4,998,096	3,453,416	4,915,828
Fund Balance	0	18,062	332,743
Total Hotel/Motel Tax Fund	\$10,915,086	\$8,786,994	\$11,482,102
MAPS Operations Fund**			
Use Tax	\$0	\$0	\$0
Interest	35,891	0	0
Other	9	0	0
Transfers	0	0	0
Fund Balance	0	0	0
Total MAPS Operations Fund	\$35,900	\$0	\$0
MAPS 3 Use Tax Fund**			
Use Tax	(\$212,297)	\$0	\$0
Interest	148,740	80,000	32,021
Service Charges	668,466	0	600,000
Transfers	0	0	0
Fund Balance	0	4,330,529	3,840,288
Total MAPS 3 Use Tax Fund	\$604,910	\$4,410,529	\$4,472,309

	Actual FY20	Adopted FY21	Proposed FY22
MAPS 4 Use Tax Fund**			
Use Tax	\$0	\$0	\$0
Interest	0	0	0
Service Charges	0	0	0
Transfers	0	1,500,000	1,740,752
Fund Balance	0	0	0
Total MAPS 4 Use Tax Fund	\$0	\$1,500,000	\$1,740,752
Medical Service Program Fund			
Medical Service Program Fee	\$7,026,594	\$7,098,377	\$6,748,200
Interest	181,873	100,000	134,012
Other	0	0	0
Fund Balance	0	1,827,983	0
Total Medical Service Program Fund	\$7,208,467	\$9,026,360	\$6,882,212
OCMAPS Sales Tax Fund**			
City/Schools Sales Tax	\$0	\$0	\$0
Interest	630	0	0
Other	10,842	0	0
Transfers	0	0	0
Fund Balance	0	0	0
Total OCMAPS Sales Tax Fund	\$11,472	\$0	\$0
Police Sales Tax Fund**			
Sales Tax	\$42,232,377	\$40,120,576	\$43,914,436
Interest	336,383	464,807	156,319
Other	325	0	0
Service Charges	105,953	0	261,316
Transfers	(2,520,000)	0	(575,987)
Fund Balance	0	1,964,545	1,186,296
Total Police Sales Tax Fund	\$40,155,039	\$42,549,928	\$44,942,380
Zoo Sales Tax Fund			
Sales Tax	\$14,077,459	\$13,846,522	\$14,638,127
Interest	1,123	3,829	2,058
Fund Balance	0	301,798	292,763
Total Zoo Sales Tax Fund	\$14,078,582	\$14,152,149	\$14,932,948
Total Special Revenue Funds	\$124,573,372	\$135,020,689	\$141,349,578

REVENUES

	Actual FY20	Adopted FY21	Proposed FY22
Enterprise Funds			
Airports Fund			
Transfer from Airport Trust (OCAT)	\$18,573,810	\$20,090,873	\$20,703,542
Interest	33,297	28,830	10,385
Other	100,148	153,354	100,101
Fund Balance	0	35,546	0
Total Airports Fund	\$18,707,255	\$20,308,603	\$20,814,028
Solid Waste Management Fund			
Interest	\$32,847	\$50,862	\$0
Transfers	9,615,000	10,095,047	0
Fund Balance	0	1,000,000	0
Total Solid Waste Management Fund	\$9,647,847	\$11,145,909	\$0
Stormwater Drainage Utility Fund**			
Fees	\$18,347,815	\$18,953,204	\$18,049,941
Interest	258,416	298,768	71,230
Other	77	0	0
Permits	106,130	109,399	117,581
Reimbursements	255,766	255,766	255,766
Service Charges	43,450	47,312	42,703
Transfers	(7,981,146)	(4,000,001)	(1,000,000)
Fund Balance	0	3,891,332	1,941,415
Total Stormwater Drainage Utility Fund	\$11,030,508	\$19,555,780	\$19,478,636
Transportation and Parking Fund			
Interest	\$8,147	\$13,494	\$5,745
Service Charges	491,126	347,753	362,892
Transfers	3,867,478	4,141,164	4,466,760
Fund Balance	0	0	0
Total Transportation and Parking Fund	\$4,366,751	\$4,502,411	\$4,835,397
Utilities Fund			
Interest	\$330,343	\$365,858	\$139,904
Other	\$7	\$0	\$0
Transfers	85,600,000	95,255,941	108,252,233
Fund Balance	0	1,374,962	1,800,000
Total Utilities Fund	\$85,930,350	\$96,996,761	\$110,192,137
Total Enterprise Funds	\$129,682,710	\$152,509,464	\$155,320,198
Subtotal Operating Funds	\$778,787,127	\$805,398,517	\$849,070,722
Less Operating Interfund Transfers (1)	(96,243,008)	(96,026,940)	(102,898,134)
Total Operating Funds	\$682,544,120	\$709,371,577	\$746,172,588

	Actual FY20	Adopted FY21	Proposed FY22
Non-Operating Funds			
Non-Operating Capital Improvements			
Better Streets, Safer City Sales Tax Fund			
Sales Tax	\$102,054,252	\$0	\$0
Interest	3,035,430	3,051,975	0
Fund Balance	0	197,082,947	137,211,598
Total Better Streets, Safer City Sales Tax Fund	\$105,089,681	\$200,134,922	\$137,211,598
Better Streets, Safer City Use Tax Fund			
Use Tax	\$18,825,134	\$0	\$0
Interest	593,786	294,172	160,000
Fund Balance	0	34,366,413	30,435,666
Total Better Streets, Safer City Use Tax Fund	\$19,418,921	\$34,660,585	\$30,595,666
Capital Improvement Projects Fund			
Interest	\$812,153	\$0	\$0
Other	1,073,393	0	0
Service Charges	0	0	0
Transfers	22,777,340	11,550,000	19,807,448
Fund Balance	0	44,358,915	43,737,024
Total Capital Improvement Projects Fund	\$24,662,886	\$55,908,915	\$63,544,472
City and Schools Capital Projects Use Tax Fund			
Use Tax	\$0	\$0	\$0
Interest	72,474	54,879	20,000
Other	301,465	0	0
Transfers	72,763	0	0
Fund Balance	0	3,831,697	3,521,887
Total City and Schools Cap. Projects Use Tax Fund	\$446,702	\$3,886,576	\$3,541,887
Hotel/Motel Tax Fund**			
Hotel/Motel Tax	\$7,032,559	\$5,780,123	\$7,445,876
Interest	72,166	104,496	38,626
Transfers	1,376,411	0	885,842
Fund Balance	0	1,100,000	0
Total Hotel/Motel Tax Fund	\$8,481,136	\$6,984,619	\$8,370,344
Impact Fees Fund			
Impact Fees	\$8,919,584	\$10,639,594	\$5,848,846
Interest	399,851	154,572	144,186
Fund Balance	0	23,031,898	31,315,911
Total Impact Fees Fund	\$9,319,435	\$33,826,064	\$37,308,943

REVENUES

	Actual FY20	Adopted FY21	Proposed FY22
Internal Service Funds**			
Interest	\$5,171	\$0	\$0
Transfers	0	228,500	2,086,530
Fund Balance	185,000	370,861	445,238
Total Internal Service Funds	\$190,171	\$599,361	\$2,531,768
MAPS Operations Fund**			
Use Tax	\$0	\$0	\$0
Interest	62,843	30,674	32,073
Transfers	0	0	0
Fund Balance	0	5,115,659	2,285,360
Total MAPS Operations Fund	\$62,843	\$5,146,333	\$2,317,433
MAPS Sales Tax Fund			
Sales Tax	\$0	\$0	\$0
Interest	3,061	5,029	0
Other	6,537	3,554	0
Fund Balance	0	186,022	159,782
Total MAPS Sales Tax Fund	\$9,597	\$194,605	\$159,782
MAPS 3 Sales Tax Fund			
Sales Tax	(\$270,595)	\$0	\$0
Interest	4,045,817	4,779,744	4,779,744
Service Charges	0	0	0
Transfers	1,664	0	0
Fund Balance	0	178,682,900	108,656,280
Total MAPS 3 Sales Tax Fund	\$3,776,885	\$183,462,644	\$113,436,024
MAPS 3 Use Tax Fund**			
Use Tax	\$0	\$0	\$0
Interest	152,232	250,076	22,840
Other	29,047	0	0
Transfers	0	0	0
Fund Balance	0	5,628,180	4,198,193
Total MAPS 3 Use Tax Fund	\$181,279	\$5,878,256	\$4,221,033
MAPS 4 Program Fund			
Interest	\$14,244	\$36,000	\$1,686,490
Transfers	10,813,447	106,988,204	117,103,316
Fund Balance	0	13,569,828	0
Total MAPS 4 Program Fund	\$10,827,691	\$120,594,032	\$118,789,806

	Actual FY20	Adopted FY21	Proposed FY22
MAPS 4 Use Tax Fund**			
Use Tax	\$2,018,820	\$20,423,098	\$25,831,700
Interest	2,744	12,000	209,211
Other	0	0	0
Transfers	0	(1,500,000)	(1,740,752)
Fund Balance	0	2,323,246	15,403,605
Total MAPS 4 Use Tax Fund	\$2,021,564	\$21,258,344	\$39,703,764
OCMAPS Sales Tax Fund**			
Interest	\$95,743	\$0	\$43,971
Other	0	0	0
Transfers	0	0	0
Fund Balance	0	4,702,088	1,915,557
Total OCMAPS Sales Tax Fund	\$95,743	\$4,702,088	\$1,959,528
Oklahoma City Sports Facilities Sales Tax Fund			
Sales Tax	\$0	\$500	\$0
Interest	935	623	0
Other	1,227	0	0
Fund Balance	0	49,136	50,373
Total OKC Sports Facilities Sales Tax Fund	\$2,162	\$50,259	\$50,373
Oklahoma City Sports Facilities Use Tax Fund			
Use Tax	\$0	\$0	\$0
Interest	1,898	1,153	0
Other	(725)	0	0
Fund Balance	0	98,652	98,652
Total OKC Sports Facilities Use Tax Fund	\$1,173	\$99,805	\$98,652
Oklahoma City Tax Increment Financing Fund			
Tax Increment Financing Match	\$0	\$850,000	\$1,490,144
Interest	3,262	0	0
Fund Balance	0	130,188	300,000
Total Oklahoma City TIF Fund	\$3,262	\$980,188	\$1,790,144
Police Sales Tax Fund**			
Sales Tax	\$0	\$0	\$0
Interest	41,839	37,071	15,620
Other	0	0	0
Service Charges	83,717	0	0
Transfers	2,520,000	0	575,987
Fund Balance	0	2,588,854	2,034,318
Total Police Sales Tax Fund	\$2,645,556	\$2,625,925	\$2,625,925

REVENUES

	Actual FY20	Adopted FY21	Proposed FY22
Police/Fire Capital Equipment Sales Tax Fund			
Police and Fire Equipment Sales Tax	\$0	\$0	\$0
Interest	57,562	20,000	17,211
Other	28,802	0	0
Fund Balance	0	2,548,570	2,485,751
Total Police/Fire Equipment Sales Tax Fund	\$86,364	\$2,568,570	\$2,502,962
Stormwater Drainage Utility Fund**			
Fees	\$0	\$0	\$0
Interest	149,505	144,692	0
Transfers	8,376,352	4,000,001	1,000,000
Fund Balance	0	9,161,343	8,087,334
Total Storm Water Drainage Utility Fund	\$8,525,857	\$13,306,036	\$9,087,334
Street & Alley Capital Fund			
Interest	\$2,812	\$0	\$0
Other	0	0	0
Fund Balance	0	146,868	0
Total Street & Alley Capital Fund	\$2,812	\$146,868	\$0
Total Non-Operating Capital Improvements	\$195,851,719	\$697,014,995	\$579,847,438
Other Non-Operating Funds			
Asset Forfeiture Fund			
Asset Seizure Revenues	\$1,313,578	\$884,331	\$3,655,951
Other	8,842	3,000	5,976
Interest	52,403	65,232	40,028
Transfers	18,980	0	0
Fund Balance	0	1,148,765	270,132
Total Asset Forfeiture Fund	\$1,393,803	\$2,101,328	\$3,972,087
Debt Service Fund			
Ad Valorem (Property)	\$97,742,730	\$98,838,747	\$83,600,579
Interest	2,814,352	1,000,000	2,000,000
Other	6,366,248	7,000,000	10,000,000
Fund Balance	0	3,911,844	25,135,960
Total Debt Service Fund	\$106,923,330	\$110,750,591	\$120,736,539
General Fund - MAPS 4**			
Sales Tax	\$10,813,447	\$106,988,204	\$117,103,316
Fund Balance	0	0	0
Total General Fund	\$10,813,447	\$106,988,204	\$117,103,316

	Actual FY20	Adopted FY21	Proposed FY22
Grants Management Fund			
Grant Awards	\$141,953,937	\$159,876,311	\$188,445,158
Total Grants Management Fund	\$141,953,937	\$159,876,311	\$188,445,158
OKC Improvement & Special Assessment Dist.			
Assessments	\$3,643,218	\$5,252,985	\$4,505,576
Interest	42,682	11,100	33,938
Service Charges	3,002	2,872	4,206
Transfers	0	0	0
Fund Balance	0	0	0
Total OKC Improv. & Spcl Assess. Districts Fund	\$3,688,902	\$5,266,957	\$4,543,720
Special Purpose Fund			
Donations	\$218,263	\$362,245	\$187,905
Fees	238,363	347,876	228,117
Interest	328,432	320,211	184,535
Other	2,600,278	556,247	25,000
Service Charges	67,132	320,562	119,080
Transfers	1,000,000	1,000,000	1,500,000
Fund Balance	0	7,493,646	9,087,936
Total Special Purpose Fund	\$4,452,468	\$10,400,787	\$11,332,573
Total Other Non-Operating Funds	\$269,225,886	\$395,384,178	\$446,133,393
Total Non-Operating Funds	\$465,077,605	\$1,092,399,173	\$1,025,980,831
Subtotal All Funds	\$1,147,621,725	\$1,801,770,750	\$1,772,153,419
Less Interfund Transfers (2)	(37,152,028)	(112,781,374)	(123,586,770)
Total All Funds	\$1,110,469,697	\$1,688,989,376	\$1,648,566,649

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

** Fund contains both Operating and Non-Operating activities

REVENUES

	Actual FY20	Adopted FY21	Proposed FY22
(1) Transfers between Operating Funds			
Gen Fund Transfer to Emerg Mgmt	\$2,509,934	\$2,895,939	\$2,688,335
Gen Fund to Transit Fund via COTPA	3,255,700	3,557,538	3,864,748
Gen Fund to City and Schools Use Tax Fund	0	0	0
Various Funds to Internal Service Fund	50,418,665	50,095,297	56,136,764
Fire Sales Tax to General Fund	12,322,116	12,249,416	12,510,361
Police Sales Tax to General Fund	9,461,020	9,405,199	9,605,555
Grants to General Fund	0	179,574	181,370
Gen Fund to Parking Cash Fund	675,071	588,867	600,220
Special Purpose to MAPS 3 Fund	1,664	0	0
Various Non-Operating Pmts to Gen Fund	1,731,634	769,764	1,801,614
Various Funds Admin Pmts to Gen Fund	15,867,204	16,285,346	15,509,167
Total	\$96,243,008	\$96,026,940	\$102,898,134
(2) Transfers to Non-Operating Funds			
Gen Fund Transfer to MAPS 4 Prog Fund	\$10,813,447	\$106,988,204	\$117,103,316
Various to CIP Fund	24,096,220	5,660,000	6,290,000
Various Miscellaneous Transfers	0	0	0
Various Funds to Special Purpose	0	362	60,362
Various Funds to Grant Fund	2,242,361	132,808	133,092
Total	\$37,152,028	\$112,781,374	\$123,586,770

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 \$746,172,588.

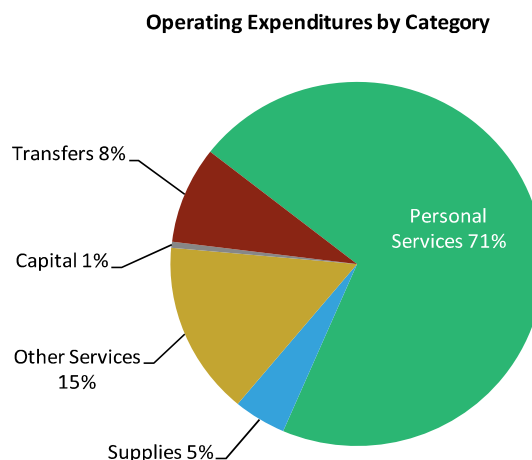
EXPENDITURE CATEGORIES

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 15% 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, Human Resources, and General Services; and make up approximately 12% of the City’s operating expenditures.

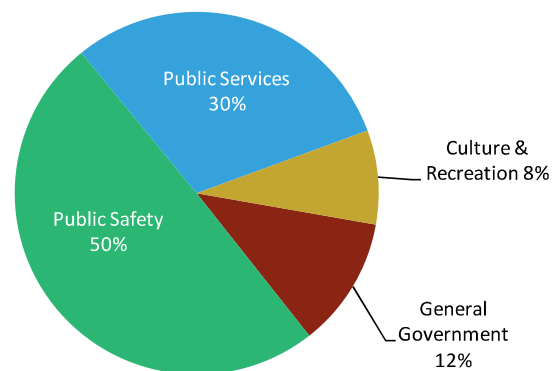
The next function of city government is Public Safety which includes Police, Fire, Animal Welfare and Municipal Courts. This function comprises 50% of the operating expenditure budget.

Public Services function includes Airports, Public Works, Development Services, Planning, Public Transportation and Parking, and Utilities. These departments total 30% 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.

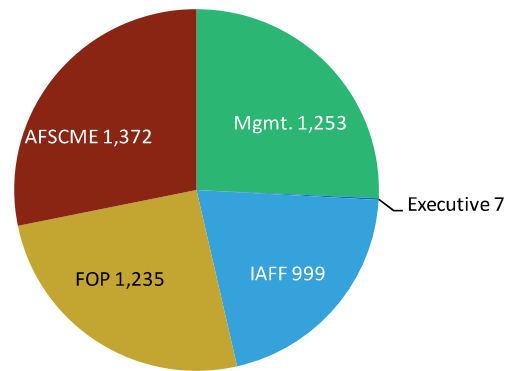
Operating Expenditures by Function



BUDGETED POSITIONS

The FY22 Budget contains authorization for 4,866 positions throughout the City. This is an increase of 109 positions (2.3%) from the FY21 adopted budget, many of the position increases are restorations from positions that were cut in FY21. The FY22 budget also includes funding for the 56 positions that were frozen in the FY21 budget. The table on the following page shows the changes on a department-by-department basis.

Positions by Category

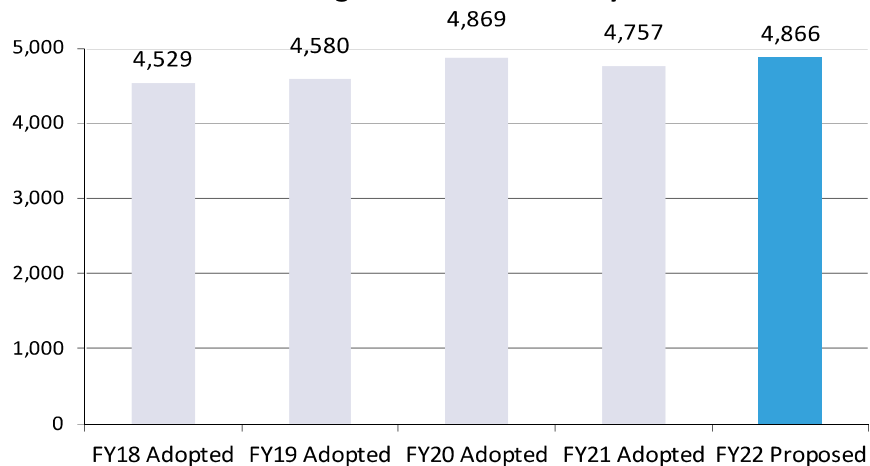


The City’s workforce is comprised of five basic groups. The American Federation of State, County, and Municipal Employees (AFSCME) represent the general pay plan or non-management employees of the City. This is the largest group at 1,372 positions. The Fraternal Order of Police (FOP) represents all sworn positions within the Police Department. The adopted budget includes 1,235 FOP positions.

The International Association of Firefighters (IAFF) represents all of the uniformed positions within the Fire Department. The adopted budget contains 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 1,253 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

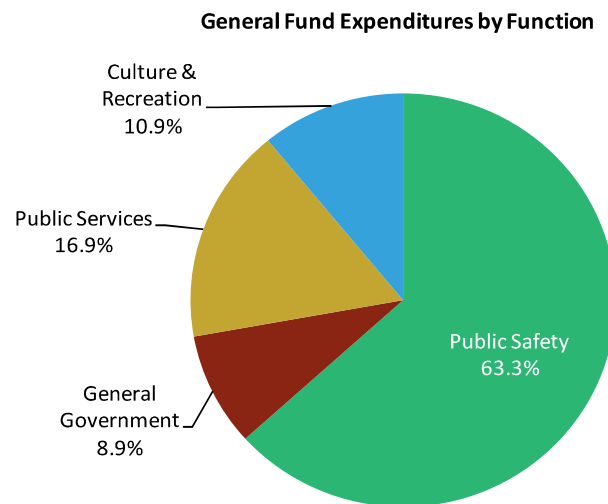
Department	FY20 Adopted	FY21 Adopted	FY22 Proposed	Change	%
Airports	130.00	130.00	131.00	1.00	0.8%
City Auditor	7.00	7.00	7.00	0.00	0.0%
City Clerk	9.00	9.00	9.00	0.00	0.0%
City Manager	52.00	45.40	47.40	2.00	4.4%
Development Services	197.00	177.00	190.00	13.00	7.3%
Finance	88.00	83.00	87.00	4.00	4.8%
Fire	1,015.15	1,032.45	1,039.00	6.55	0.6%
Fire Grants	18.85	4.55	0.00	(4.55)	(100.0%)
General Services	71.00	66.00	71.00	5.00	7.6%
Human Resources	29.00	29.00	33.00	4.00	13.8%
Information Technology	111.00	112.00	116.00	4.00	3.6%
Mayor and Council	7.00	6.60	6.60	0.00	0.0%
Municipal Counselor	56.00	54.00	56.00	2.00	3.7%
Municipal Court	67.00	58.00	62.00	4.00	6.9%
Parks and Recreation	178.00	165.00	183.00	18.00	10.9%
Planning	27.93	26.93	28.93	2.00	7.4%
Planning Grants	19.07	18.07	19.07	1.00	5.5%
Police	1,539.00	1,527.00	1,542.00	15.00	1.0%
Police Grants	0.00	0.00	0.00	0.00	N/A
Public Transportation and Parking	36.00	34.00	37.00	3.00	8.8%
Public Works	418.00	399.00	417.00	18.00	4.5%
Utilities	793.00	773.00	784.00	11.00	1.4%
Subtotal	4,869.00	4,757.00	4,866.00	109.00	2.3%
Positions Frozen in FY21					
City Manager	0.00	(1.00)	0.00	0.00	0.0%
Fire	0.00	(21.00)	0.00	0.00	0.0%
Police	0.00	(34.00)	0.00	0.00	0.0%
Total Frozen Positions	0.00	(56.00)	0.00	0.00	0.0%
Total	4,869.00	4,701.00	4,866.00	109.00	2.3%

THE GENERAL FUND

The General Fund is the largest fund within the City budget and makes up \$496,438,808 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 63.3% of the total budget is expended in this area.

Public Services is the second largest area of spending at 16.9%. 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 8.9% of the General Fund because general government functions, such as Finance and Human Resources, do not have a funding source outside the General Fund.



Culture and Recreation at 10.9% 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 FY20	Adopted FY21	Proposed FY22
General Fund Expenses			
City Auditor	\$1,203,036	\$1,241,116	\$1,265,883
City Clerk	1,089,718	1,173,504	1,177,227
City Manager	3,319,647	3,079,591	3,608,420
Development Services	18,783,649	18,358,471	19,635,828
Finance	8,585,961	8,929,889	9,537,282
Fire	107,247,600	108,509,532	110,983,904
General Services	4,863,637	4,879,042	5,167,187
Human Resources	3,293,070	3,614,811	4,088,652
Mayor & Council	1,147,553	1,159,250	1,238,035
Municipal Counselor	7,613,650	7,146,025	7,818,815
Municipal Court	7,574,185	8,346,074	8,466,806
Non-Departmental Operating	64,018,807	66,854,562	75,248,894
Parks & Recreation	27,982,417	27,993,294	32,332,751
Planning	4,474,432	4,023,352	4,486,002
Police	154,336,813	152,393,571	156,461,454
Public Transportation and Parking	21,422,918	14,308,586	20,645,507
Public Works	32,648,927	32,849,110	34,276,161
Total Expenses	\$469,606,020	\$464,859,780	\$496,438,808

EXPENDITURE SUMMARY TABLE

	Actual FY20	Adopted FY21	Proposed FY22
Operating Funds			
General Operating Funds			
General Fund*	\$469,606,020	\$464,859,780	\$496,438,808
Internal Service Fund*	49,695,770	53,008,584	55,962,138
Total General Operating Funds	\$519,301,789	\$517,868,364	\$552,400,946
Special Revenue Funds			
Court Admin. and Training Fund	\$114,475	\$227,295	\$227,000
Emergency Management Fund	8,661,894	9,244,913	9,567,491
Fire Sales Tax Fund	45,251,005	45,122,521	47,102,384
Hotel/Motel Tax Fund*	11,501,221	8,786,994	11,482,102
MAPS Operations Fund*	119,363	0	0
MAPS 3 Use Tax Fund*	3,398,217	4,410,529	4,472,309
MAPS 4 Use Tax Fund*	0	1,500,000	1,740,752
Medical Service Program Fund	4,491,024	9,026,360	6,882,212
Police Sales Tax Fund*	42,708,470	42,549,928	44,942,380
Zoo Sales Tax Fund	14,078,582	14,152,149	14,932,948
Total Special Revenue Funds	\$130,324,252	\$135,020,689	\$141,349,578
Enterprise Funds			
Airports Fund	\$18,791,065	\$20,308,603	\$20,814,028
Solid Waste Management Fund	9,617,066	11,145,909	0
Stormwater Drainage Utility Fund*	15,716,564	19,555,781	19,478,636
Public Trans. and Parking Fund	4,363,548	4,502,411	4,835,397
Utilities Fund	85,708,750	96,996,761	110,192,137
Total Enterprise Funds	\$134,196,994	\$152,509,465	\$155,320,198
Subtotal Operating Funds	\$783,823,035	\$805,398,518	\$849,070,722
Less Interfund Transfers (1)	(96,243,008)	(96,026,940)	(102,898,134)
Total Operating Funds	\$687,580,028	\$709,371,578	\$746,172,588

EXPENDITURES

	Actual FY20	Adopted FY21	Proposed FY22
Non-Operating Funds			
Capital Improvement Funds			
Better Streets, Safer City Sales Tax Fund	\$63,998,823	\$200,134,922	\$137,211,598
Better Streets, Safer City Use Tax Fund	6,081,622	34,660,585	30,595,666
Capital Improvement Projects Fund	19,196,712	55,908,915	63,544,472
City and Sch Cap Proj Use Tax Fund	(505)	3,886,576	3,541,887
Hotel/Motel Tax Fund*	8,041,607	6,984,619	8,370,344
Impact Fees Fund	513,761	33,826,064	37,308,943
Internal Service Funds*	0	599,361	2,531,768
MAPS Operations Fund*	208,652	5,146,333	2,317,433
MAPS Sales Tax Fund	69,045	194,605	159,782
MAPS 3 Sales Tax Fund	104,700,988	183,462,644	113,436,024
MAPS 3 Use Tax Fund*	6,453,519	5,878,256	4,221,033
MAPS 4 Program Fund	0	120,594,032	118,789,806
MAPS 4 Use Tax Fund*	0	21,258,344	39,703,764
OCMAPS Sales Tax Fund	1,515,528	4,702,088	1,959,528
OKC Sports Facilities Sales Tax Fund	0	50,259	50,373
OKC Sports Facilities Use Tax Fund	0	99,805	98,652
OKC Tax Increment Financing Fund	0	980,188	1,790,144
Police Sales Tax Fund*	1,560,462	2,625,925	2,625,925
Police/Fire Cap Equip Sales Tax Fund	1,083,134	2,568,570	2,502,962
Stormwater Drainage Utility Fund*	2,743,941	13,306,035	9,087,334
Street and Alley Fund	0	146,868	0
Total Capital Improvement Funds	\$216,167,289	\$697,014,994	\$579,847,438
Other Non-Operating Funds			
Asset Forfeiture Fund	\$1,322,976	\$2,101,328	\$3,972,087
Debt Service Fund	104,565,157	110,750,591	120,736,539
General Fund - MAPS 4*	10,813,447	106,988,204	117,103,316
Grants Management Fund	33,752,819	159,876,311	188,445,158
OKC Improv. and Special Assess Dist.	3,428,356	5,266,957	4,543,720
Special Purpose Fund	3,168,053	10,400,787	11,332,573
Total Other Non-Operating Funds	\$157,050,808	\$395,384,178	\$446,133,393
Total Non-Operating Funds	\$373,218,098	\$1,092,399,172	\$1,025,980,831
Subtotal All Funds	\$1,060,798,125	\$1,801,770,750	\$1,772,153,419
Less Interfund Transfers (2)	(37,152,028)	(112,781,374)	(123,586,770)
Total All Funds	\$1,023,646,097	\$1,688,989,376	\$1,648,566,649

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

	Actual FY20	Adopted FY21	Proposed FY22
(1) Transfers between Operating Funds			
Gen Fund Transfer to Emerg Mgmt	\$2,509,934	\$2,895,939	\$2,688,335
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Various Funds to Internal Service Fund	50,418,665	50,095,297	56,136,764
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Grants Funds to General Fund	0	179,574	181,370
General Fund to Parking Cash Fund	675,071	588,867	600,220
Various Funds Pmts to Gen Fund	1,731,634	769,764	1,801,614
Police Sales Tax to General Fund	9,461,020	9,405,199	9,605,555
Speval Purpose to Maps 3	1,664	0	0
Various Funds Admin Pmts to Gen Fund	15,867,204	16,285,346	15,509,167
Total	\$96,243,008	\$96,026,940	\$102,898,134
(2) Transfers to Non-Operating Funds			
Gen Fund Transfer to MAPS 4 Prog Fund	\$10,813,447	\$106,988,204	\$117,103,316
Various to CIP Fund	24,096,220	5,660,000	6,290,000
Various Miscellaneous Transfers	0	0	0
Various Funds to Special Purpose	0	362	60,362
Various Funds to Grant Funds	2,242,361	132,808	133,092
Total	\$37,152,028	\$112,781,374	\$123,586,770

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

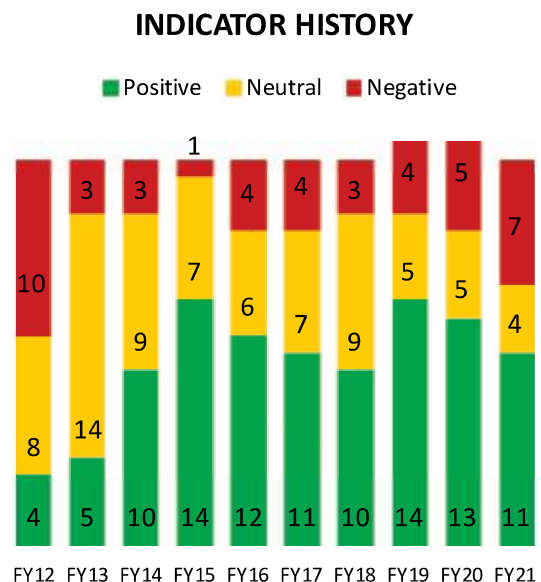
By identifying long-term issues and assessing resources, the Five-Year Financial Forecast provides the Mayor and City Council with the necessary information to create continuity between annual budget cycles and long term needs of the City. The forecast is a valuable tool for identifying potential problems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

SUMMARY

Overall, the City has fared well amid the COVID-19 pandemic with growth in 2021 (FY21) just above FY20 levels and is projected to continue the same trajectory 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 in FY22 is that we should return to modest growth levels based upon two assumptions; we emerge from pandemic economic reality and we see a bottom to the energy cycle. For FY22, the City's forecasted budget was based on the those two assumptions holding true, and returning to average growth levels 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 22 FTMS indicators were 50% trending positive, 18% neutral, and 32% trending negative as shown in the graph. Changes from the previous year included Crime Rate, Fringe Benefits, Employees per 1,000 Citizens, and Tax Revenues all moving to a positive trend. Crime rate captures a negative aspect of a community that can affect its present and future economic development potential. Also improving was Fringe Benefits, which has slightly decreased over the past five years and is lower compared to other state and local governments. Even though Employees per 1,000 has slightly decreased over the past five years, the percentage of residents satisfied with City services has significantly outperformed the national average. Another positive indicator is Tax revenues which comprise 67% of the General Fund operating budget and has performed well with an average annual underlying growth of 5.9% over the past five years. Overall, the City remained in a favorable financial position with a majority of indicators trending positive.



LONG RANGE FINANCIAL SUMMARY

There were seven indicators trending negative: Office Vacancy Rates, Airport Activity, Grant Revenues, Hotel Room Nights Sold, Active Drilling Rigs, Revenue Accuracy, and Hotel Tax Revenue. However, staff is optimistic things will improve over the five-year outlook with expectations to rebound from the COVID-19 pandemic as normal business and travel activity resumes and restores airport activity and hotel stays back to pre-pandemic levels. A few constructions projects were recently completed including the Airport terminal expansion; the a new convention center and OMNI hotel; and a new 70-acre park connecting the downtown core to the shore of the Oklahoma River. 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. Although Grants were slightly up, they were still under the desired level 4% of the operating budget. The Cares Act, Emergency Rental Assistance Program, and American Rescue Plan will most certainly boost those levels in FY21 and beyond. Active Drilling Rigs have been declining since October 2018 and only until recently have we seen small increases in rig counts which may be a sign of a rebound. The future of the industry is still uncertain as we wait to see how legislative and executive policies of the new presidential administration will affect oil and gas. Because the City's economy has become more diversified over the past few decades expanding into other industries such as aerospace, professional services, leisure and hospitality, and retail, we have become more shielded from the adverse economic affects of the cyclical fluctuations of the oil and gas industry.

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 51 issues were identified in the forecast with the eight most significant issues highlighted:



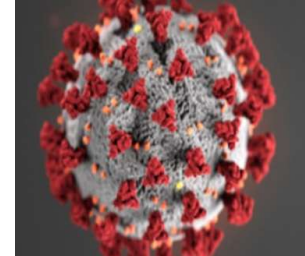
First Americans Museum. The City assumed this project from the State and has partnered with the Chickasaw Nation for capital and operating support. The facility is expected to open in September 2021 with the City responsible for any operating deficit which could place pressure on the General Fund.



Long Term Water Capital. Over the next five years the City will address its long-term water supply, resiliency, reliability, and regulatory compliance challenges through the implementation of the \$1.6 billion dollar capital program.



Increasing Demand for Technology. The City continues to strive to provide high-quality and efficient services to residents which requires a dedicated staff with high levels of skill. The City will be conducting a classification and compensation study in 2021 to ensure the compensation packages are commensurate with the job descriptions and will aid in recruiting efforts.



COVID-19. The COVID-19 pandemic has adversely affected the City's revenue collections and program services. The long-term effects remain to be seen and the City will continue to monitor and adjust its operational procedures as needed until we return to pre-pandemic levels.

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. The City will begin a classification and compensation study in 2021 to address the issue.



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 \$420 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.

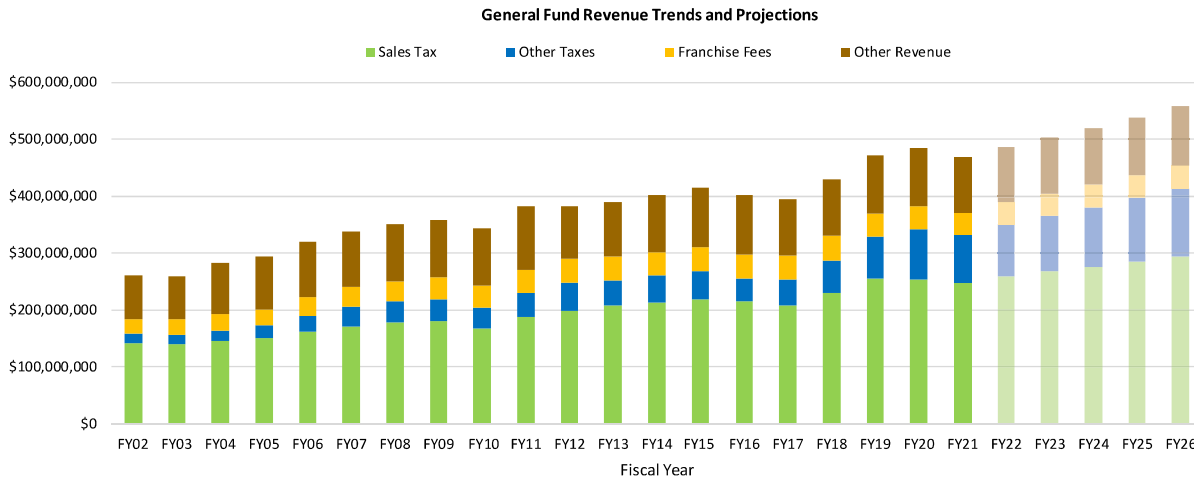
The forecast also closed the communication loop on 12 previously identified issues that were resolved with successful outcomes including voter approval of a permanent one-quarter cent sales tax increase that went into effect January 1, 2018 which generates approximately \$27 million per year for the General Fund; voter approval of a \$967 million General Obligation Bond Package; a temporary, 8-year, one cent tax that will generate approximately \$987 million for capital projects that address an array of community needs; implementing holiday bus service and increased frequency times; and the completion of a terminal expansion project at Will Rogers World Airport.

GENERAL FUND IN-DEPTH

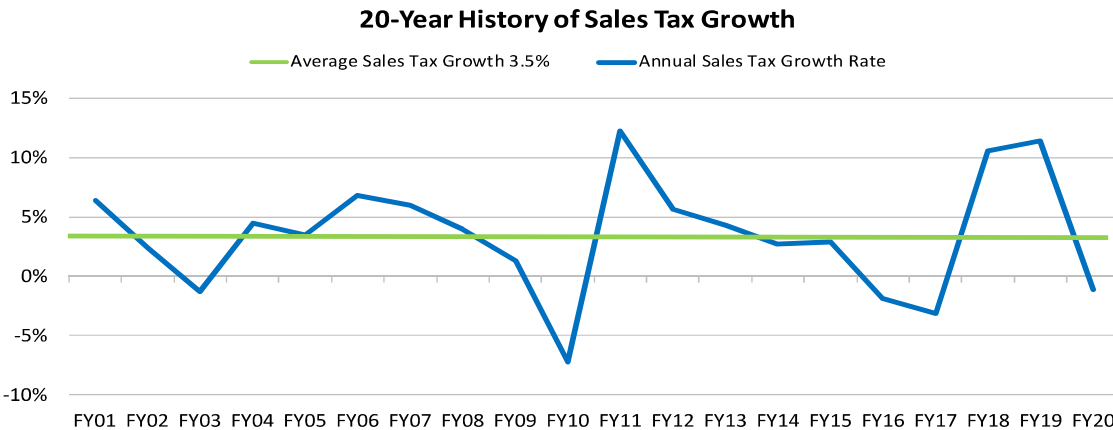
The General Fund is the largest fund within the City and serves as the mechanism from which many of the core services are primarily funded.

LONG RANGE FINANCIAL SUMMARY

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 3.5% per year over the next five years and reach \$558.8 million in FY26.



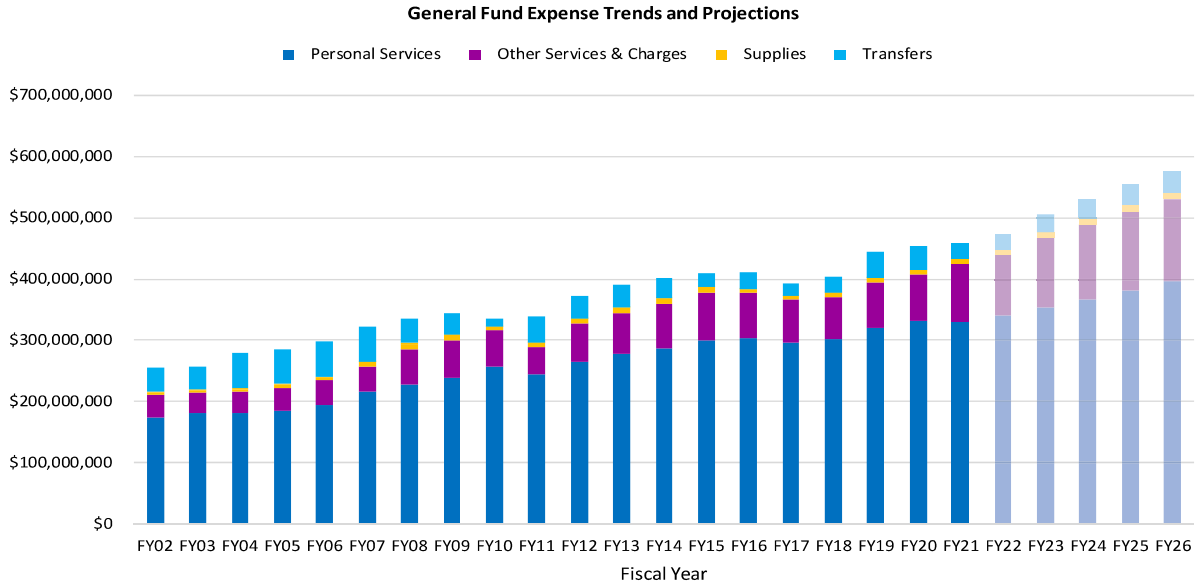
With the current revenue mix, sales tax accounts for more than half of General Fund revenue, so continued stability of the General Fund is contingent upon conservative financial management because sales tax revenue growth can be volatile as shown in the table below.



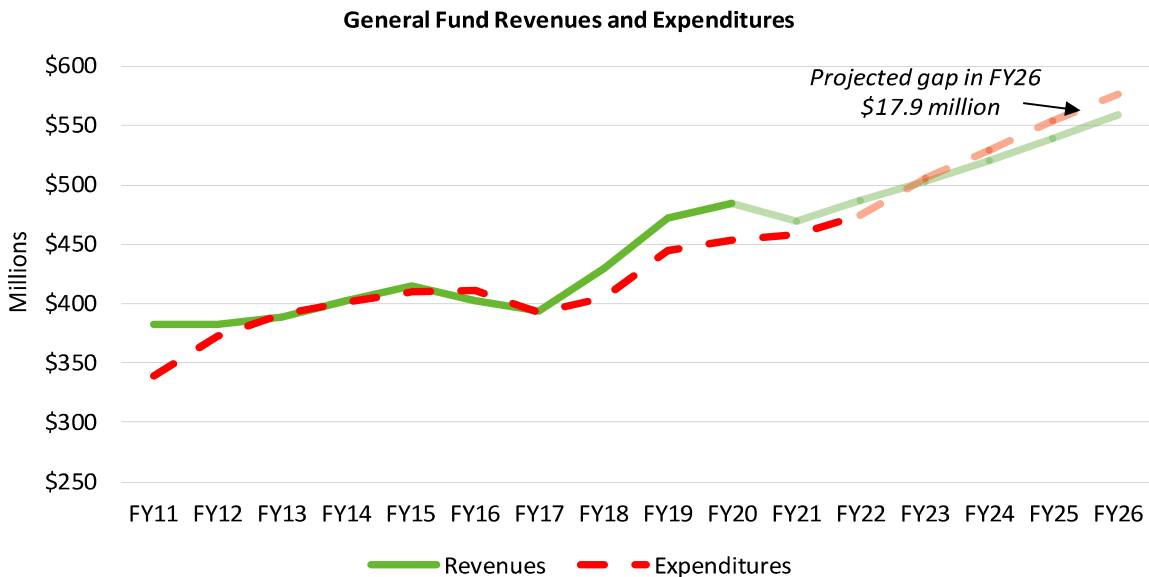
General Fund Expenditures. City expenditures encompass a variety of goods and services and it is anticipated that general operating costs will continue to grow at a rate higher than inflation. Growth is due primarily to salary and benefits as full-time budgeted positions have only grown by 205 or 4.5% over the last 20 years. Besides normal historical growth, additional capital, operating and/or maintenance costs were added for the First Americans Museum, Scissortail Park, Northwest Bus Rapid Transit, Streetcar battery replacements, streetlight LED upgrades, and bus replacements.

LONG RANGE FINANCIAL SUMMARY

The additional costs range from \$8.2 million to \$13.7 million annually from FY22 to FY26. Overall, General Fund expenditures are projected to have annual growth of 4.7% and reach \$576.8 million in FY26.



Projected Revenue/Expenditure Gap. Over the next five years, a gap between General Fund revenues and expenses is expected to widen as many new capital projects are completed and new services are implemented that require funds for annual operating and maintenance costs within the five-year outlook. The revenue growth projections reflect an average annual growth rate of 3.5%. Expenses were projected to grow at the same rate as long-term trends and average growth of 4.7% annually. Known increases to expenses, such as bus replacement, streetlight LED upgrades and operating costs for the new convention center, northwest bus rapid transit, the First Americans Museum, were added to projections. The imbalance in revenue and expenditure growth patterns means the General Fund has a projected gap of \$17.9 million by FY26.



LONG RANGE FINANCIAL SUMMARY

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 residents, 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.

