



City Manager Report

The City of OKLAHOMA CITY

NO: 1575

DATE: SEPTEMBER 15, 2020

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: FISCAL YEAR 2020 YEAR-END BUDGET REPORT

The attached report provides a snapshot of Fiscal Year 2020 (FY20) revenues and expenditures compared to budget for the City's significant operating funds. Key economic indicators were positive for the first half of the year but plummeted after the COVID-19 pandemic struck. Average weekly earnings and employment ended the year down 1.6% and 5.7%, respectively; rig count was down almost 90% and enplanements at Will Rogers World Airport were down 73%. The first two pages of the attached report look at the General Fund and economic indicators while the third and fourth pages look at the other operating funds, as well as, the collections to date of the MAPS 4 City Sales Tax. The report has not been audited.

GENERAL FUND SUMMARY

In the General Fund revenue exceeded expenses by \$5.3 million. This difference brought the beginning fund balance for Fiscal Year 2021 (FY21) to \$109.4 million. After deducting \$1.6 million for prior year encumbrances, that are part of the PO Rollover budget amendment, the unbudgeted reserves are equal to 23.6% of the FY21 General Fund Budget. That is above the 14-20% range set in the City's financial policies for unbudgeted reserves.

General Fund operating revenue underperformed FY20 projections by \$8.7 million. Revenue was just above FY19 levels with overall growth of 0.3% or \$1.5 million. Sales tax was down 1.1% or \$2.8 million compared to FY19 and finished the year \$8.9 million below target. When examined at a more detailed level, Sales Tax declined in almost every major category. Retail was the only major category of sales tax with growth. Despite the economic downturn, Use Tax performed relatively well at \$1 million over projections and growth of 6.7% over FY19. Use Tax experienced growth in services, utilities, and retail while declining in wholesale, manufacturing and hotels and restaurants.

In addition to Use Tax growth, three other categories performed above budget. Service Charges exceeded projections by 9.3% or \$3.4 million due to administrative charges related to G.O. Bond and Better Streets, Safer City Tax projects. Licenses and Permits

exceeded projections by 4.4% or \$610 thousand, and Other Taxes exceeded projections by 3% or \$367 thousand. Notable declines included the Fines & Forfeitures category at 15.6% or \$2.8 million below budget due to criminal justice reforms and the impacts of COVID-19 on the number of citations written and court activity. Franchise Fees were also down 3.1% or \$1.2 million below budget due to the downturn in the economy and lower energy costs.

General Fund operating expenses were \$16.7 million under budget. Savings in all expense categories contributed to the lower than budget expenditure total.

The MAPS 4 Sales Tax went into effect April 1, 2020 and underperformed projections by 19.6% or \$2.6 million in FY20. The MAPS 4 sales tax is deposited in the General Fund and then transferred to the MAPS 4 Program Fund each month.

If you would like more detailed information staff is available to answer any questions.

A handwritten signature in black ink, appearing to read "C. Freeman". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Craig Freeman
City Manager



General Fund

As of June 30, 2020

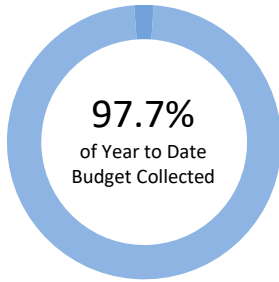
This report was prepared by the Office of Management and Budget. The purpose of the report is to provide a preliminary look at the City's significant operating funds, which includes the General Fund. The year-to-date (YTD) collected revenue and YTD expenses were compared to YTD budget. The report has not been audited.

Percent of YTD Expenses covered by YTD Revenue

General Fund YTD Revenue	\$485,798,438
General Fund YTD Expenses	<u>\$480,431,026</u>
Difference	\$5,367,412

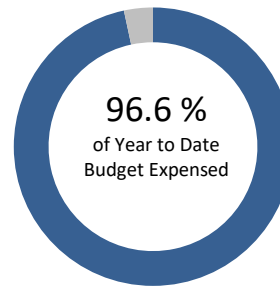
Revenues/Expenses 101.1%

GENERAL FUND REVENUE



YTD Revenue Budget	\$497,111,175
YTD Revenue Collections	\$485,798,438
\$ Above / (Below) YTD Budget	(\$11,312,737)

GENERAL FUND EXPENSES



YTD Expense Budget	\$497,111,175
YTD Expenses	\$480,431,026
\$ Above / (Below) YTD Budget	(\$16,680,149)

Revenue Collections by Category

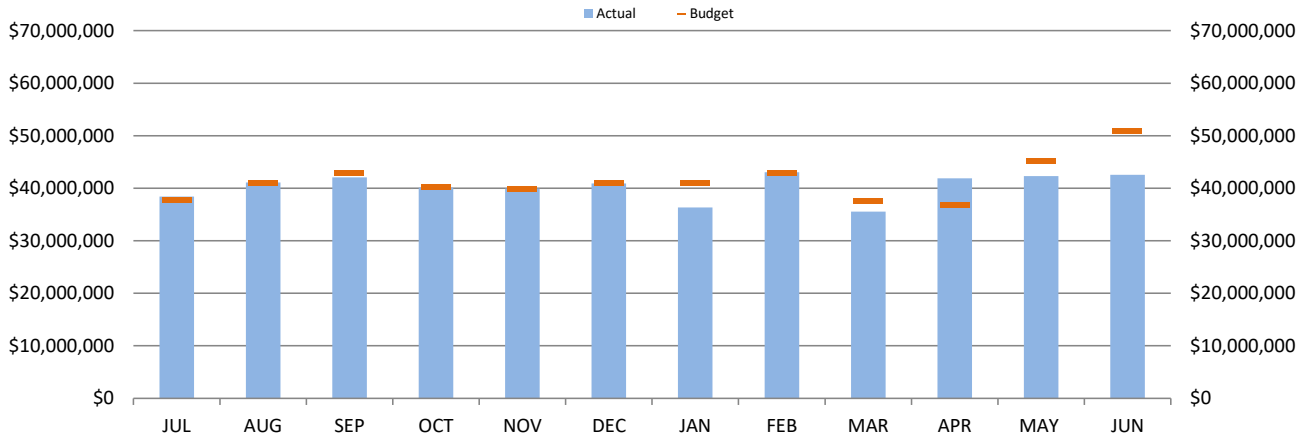
Category	Annual Budget	YTD Budget	YTD Actual	\$	%	Indicator
				Above/(Below) YTD Budget	of YTD Budget Collected	
Sales Tax	\$275,836,536	\$275,836,536	\$264,272,217	(\$11,564,319)	95.8%	◆
Use Tax	\$63,492,414	\$63,492,414	\$64,525,815	\$1,033,401	101.6%	●
Franchise Fees	\$41,677,129	\$41,677,129	\$40,394,992	(\$1,282,137)	96.9%	◆
Service Charges	\$36,810,057	\$36,810,057	\$40,217,960	\$3,407,903	109.3%	●
Administrative Charges	\$23,606,821	\$23,606,821	\$22,902,339	(\$704,482)	97.0%	◆
Fines & Forfeitures	\$18,773,085	\$18,773,085	\$15,888,284	(\$2,884,801)	84.6%	◆
Licenses & Permits	\$14,021,949	\$14,021,949	\$14,632,612	\$610,663	104.4%	●
Other Taxes	\$12,416,722	\$12,416,722	\$12,784,479	\$367,757	103.0%	●
Other Revenue	\$6,881,576	\$6,881,576	\$6,794,965	(\$86,611)	98.7%	◆
Operating Transfers In	\$2,000,431	\$2,000,431	\$1,790,319	(\$210,112)	89.5%	◆
Reserve for PO Rollover	\$1,594,455	\$1,594,455	\$1,594,455	\$0	100.0%	●
GENERAL FUND TOTAL	\$497,111,175	\$497,111,175	\$485,798,438	(\$11,312,737)	97.7%	◆

Expenses by Category

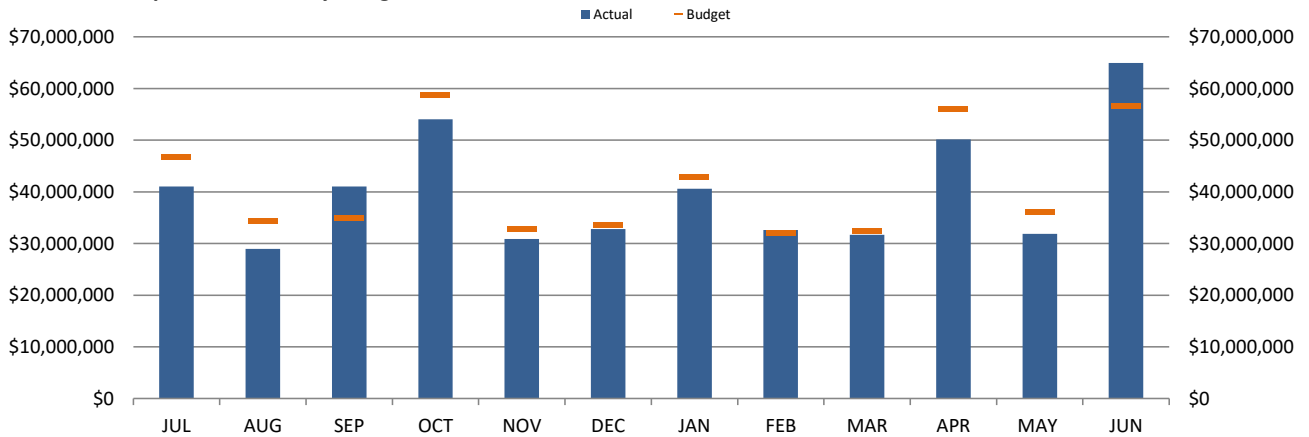
Category	Annual Budget	YTD Budget	YTD Actual	\$	%	Indicator
				Above/(Below) YTD Budget	of YTD Budget Expensed	
Personal Services	\$332,752,154	\$332,752,154	\$330,894,467	(\$1,857,688)	99.4%	●
Services & Charges	\$94,689,177	\$94,689,177	\$85,665,773	(\$9,023,404)	90.5%	●
Supplies	\$11,205,963	\$11,205,963	\$9,071,171	(\$2,134,792)	80.9%	●
Capital Outlay	\$0	\$0	\$0	\$0		●
Debt Service	\$10,000	\$10,000	\$5,485	(\$4,515)	54.9%	●
Transfers	\$58,453,881	\$58,453,881	\$54,794,130	(\$3,659,751)	93.7%	●
GENERAL FUND TOTAL	\$497,111,175	\$497,111,175	\$480,431,026	(\$16,680,149)	96.6%	●



General Fund Revenue - Monthly Budget to Actuals

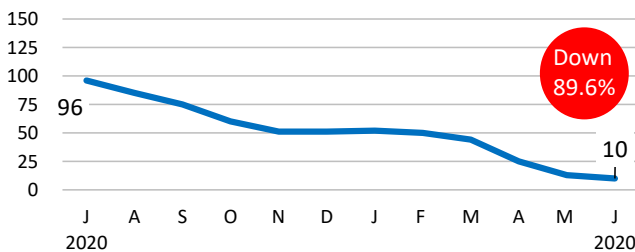


General Fund Expenses - Monthly Budget to Actuals

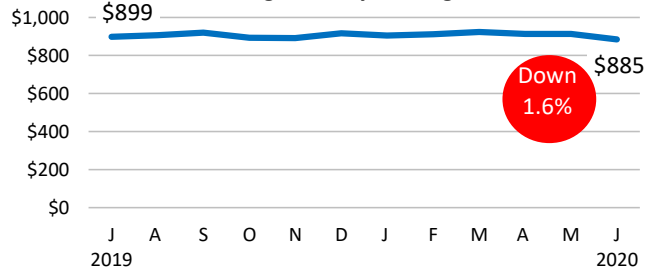


Economic Indicators (latest data available used but some indicators may lag by one month)

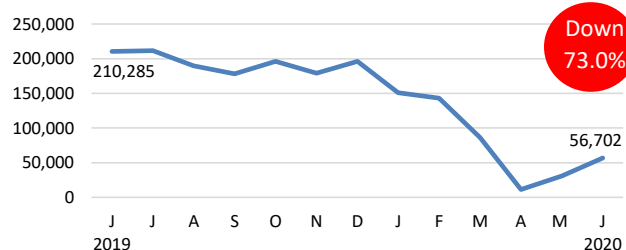
Oklahoma Rig Count



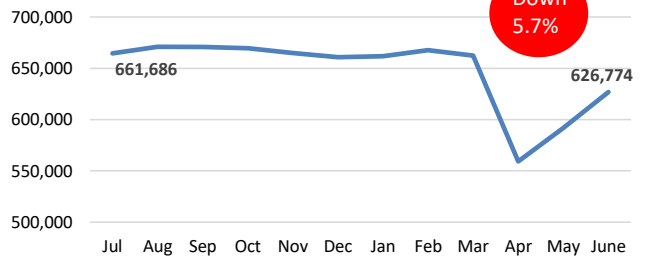
Average Weekly Earnings



Will Rogers World Airport Enplanements



OKC-MSA Employment





Other Significant Operating Funds

As of June 30, 2020

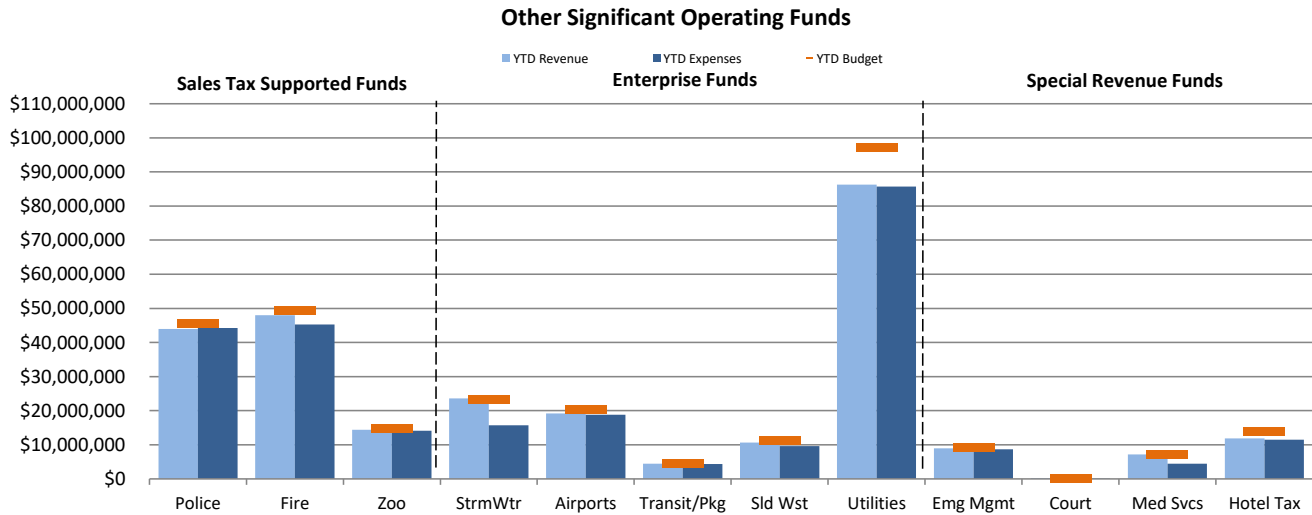
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Other Significant Operating Funds - Revenue

Fund	Annual Budget	YTD Budget	YTD Actual	\$	%	Indicator
				Above/(Below) YTD Budget	of YTD Budget Collected	
Sales Tax Supported Funds						
Police Sales Tax	\$45,458,241	\$45,458,241	\$43,941,472	(\$1,516,769)	96.7%	◆
Fire Sales Tax	\$49,353,284	\$49,353,284	\$47,968,231	(\$1,385,053)	97.2%	◆
Zoo Sales Tax	\$14,861,780	\$14,861,780	\$14,369,989	(\$491,791)	96.7%	◆
Enterprise Funds						
Stormwater Drng Util	\$19,370,825	\$23,370,825	\$23,569,012	\$198,187	100.8%	●
Airports	\$20,468,675	\$20,468,675	\$19,218,564	(\$1,250,111)	93.9%	◆
Parking/Transit	\$4,592,828	\$4,592,828	\$4,419,651	(\$173,177)	96.2%	◆
Solid Waste	\$11,128,695	\$11,128,695	\$10,649,046	(\$479,649)	95.7%	◆
Water/Wastewater	\$97,141,200	\$97,141,200	\$86,299,126	(\$10,842,074)	88.8%	◆
Special Revenue Funds						
Emergency Mgmt (911)	\$9,197,130	\$9,197,130	\$8,945,104	(\$252,026)	97.3%	◆
Court Administration	\$234,536	\$234,536	\$204,290	(\$30,246)	87.1%	◆
Medical Svcs Prg (EMSA)	\$7,045,862	\$7,045,862	\$7,209,617	\$163,755	102.3%	●
Hotel Fund	\$13,774,071	\$13,774,071	\$11,845,786	(\$1,928,285)	86.0%	◆

Other Significant Operating Funds - Expenses

Fund	Annual Budget	YTD Budget	YTD Actual	\$	%	Indicator
				Above / (Below) YTD Budget	of YTD Budget Expensed	
Sales Tax Supported Funds						
Police Sales Tax	\$45,458,241	\$45,458,241	\$44,257,373	(\$1,200,868)	97.4%	●
Fire Sales Tax	\$49,353,284	\$49,353,284	\$45,251,005	(\$4,102,279)	91.7%	●
Zoo Sales Tax	\$14,861,780	\$14,861,780	\$14,078,582	(\$783,198)	94.7%	●
Enterprise Funds						
Stormwater Drng Util	\$19,370,825	\$23,370,825	\$15,721,510	(\$7,649,315)	67.3%	●
Airports	\$20,468,675	\$20,468,675	\$18,791,065	(\$1,677,610)	91.8%	●
Parking/Transit	\$4,592,828	\$4,592,828	\$4,363,548	(\$229,280)	95.0%	●
Solid Waste	\$11,128,695	\$11,128,695	\$9,626,466	(\$1,502,229)	86.5%	●
Water/Wastewater	\$97,141,200	\$97,141,200	\$85,739,835	(\$11,401,365)	88.3%	●
Special Revenue Funds						
Emergency Mgmt (911)	\$9,197,130	\$9,197,130	\$8,661,894	(\$535,236)	94.2%	●
Court Administration	\$234,536	\$234,536	\$114,475	(\$120,061)	48.8%	●
Medical Svcs Prg (EMSA)	\$7,045,862	\$7,045,862	\$4,493,460	(\$2,552,402)	63.8%	●
Hotel Fund	\$13,774,071	\$13,774,071	\$11,501,221	(\$2,272,850)	83.5%	●



Temporary Sales Tax Collections*

	Original Projection	Original TTD Projection	TTD Actual	\$ Above / (Below) TTD Projection	% Above / (Below) TTD Projection	Indicator
MAPS 4 Program Fund	\$978,483,641	\$13,447,137	\$10,813,447	-\$2,633,690	-19.6%	◆

MAPS 4 began on 4/1/2020 and will end 3/31/2028. The last collection will be remitted in May 2028.

*Sales Tax Collections only; does not reflect other revenue earnings such as interest.