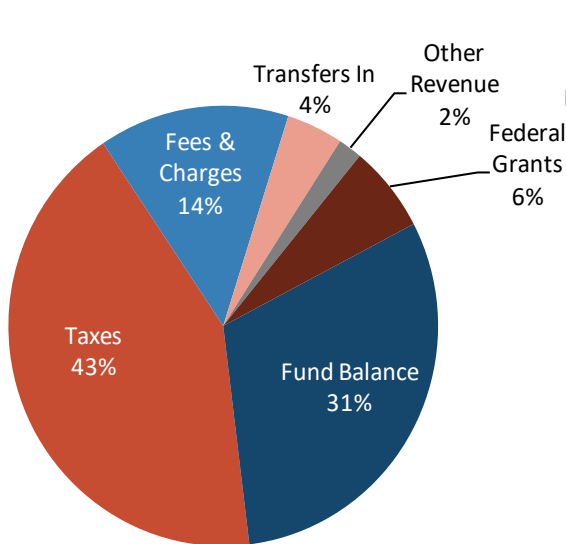


# CONSOLIDATED BUDGET OVERVIEW

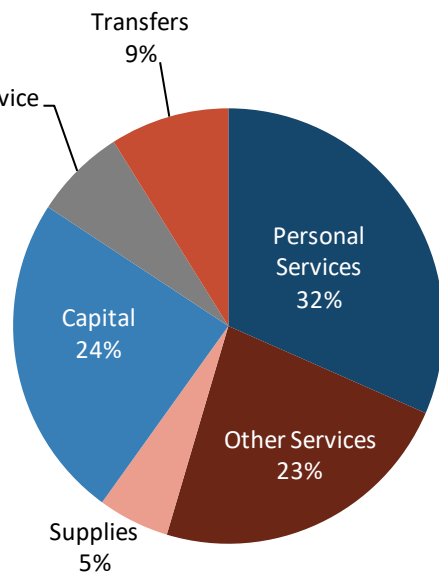
## CONSOLIDATED OVERVIEW REVENUE AND EXPENDITURE SUMMARY FOR ALL FUNDS

	Actual FY21	Adopted FY22	Proposed FY23
<b>Revenue Overview</b>			
Taxes	\$699,951,992	\$699,535,260	\$780,356,324
Fees & Charges	231,225,305	235,285,673	263,397,243
Transfers In	27,388,921	54,901,016	78,152,989
Other Revenue	28,859,494	32,131,261	33,042,824
Federal Grants	44,432,942	188,445,158	117,189,173
Fund Balance	0	484,149,023	563,930,862
<b>Total Revenue</b>	<b>\$1,031,858,654</b>	<b>\$1,694,447,391</b>	<b>\$1,836,069,415</b>
<b>Expenditure Overview</b>			
Personal Services	\$499,005,182	\$536,474,706	\$579,313,095
Other Services	218,425,671	459,493,348	423,509,165
Supplies	48,893,698	96,791,925	98,413,677
Capital	92,178,957	407,272,792	444,748,717
Debt Service	103,377,780	120,746,539	125,894,695
Transfers	66,002,444	73,668,081	164,190,066
<b>Total Expenditures</b>	<b>\$1,027,883,733</b>	<b>\$1,694,447,391</b>	<b>\$1,836,069,415</b>

**FY23 REVENUES**



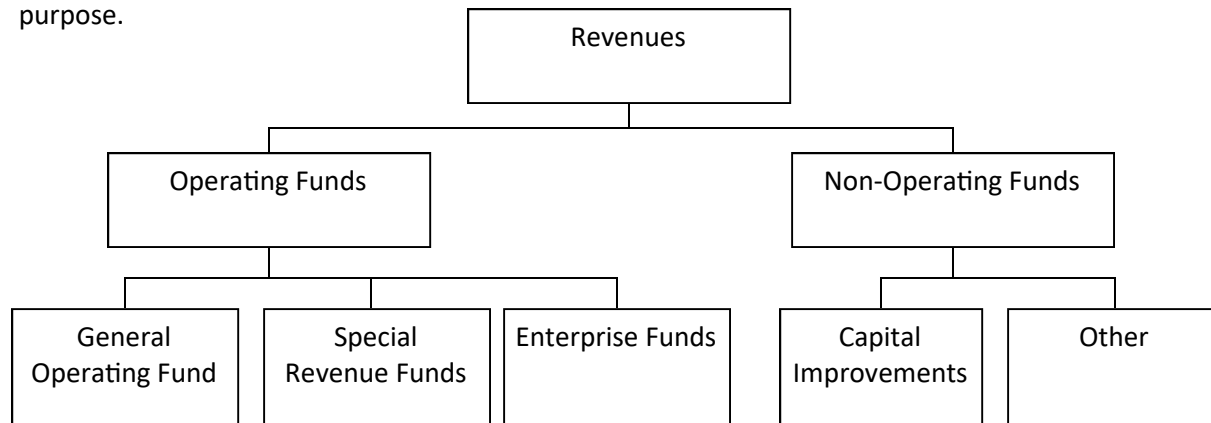
**FY23 EXPENDITURES**



# 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.



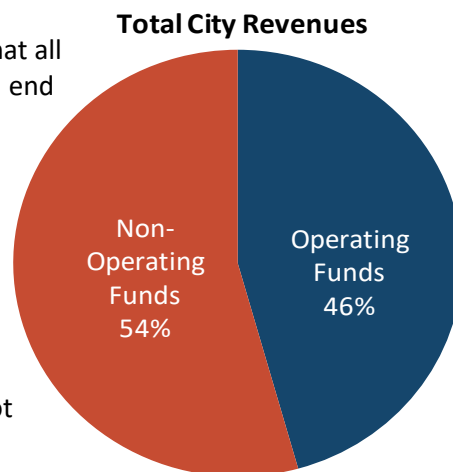
- |  |   |   |   |   |
|--|---|---|---|---|
| <ul style="list-style-type: none"> <li>• General Fund</li> <li>• Internal Service Funds</li> </ul> | <ul style="list-style-type: none"> <li>• Court Administration and Training Fund</li> <li>• Emergency Management Fund</li> <li>• Fire Sales Tax Fund</li> <li>• Hotel/Motel Tax Fund*</li> <li>• MAPS 3 Use Tax Fund*</li> <li>• MAPS 4 Use Tax Fund*</li> <li>• Medical Service (Ambulance) Program Fund</li> <li>• OCMAPS Sales Tax Fund*</li> <li>• Police Sales Tax Fund*</li> <li>• Zoo Sales Tax Fund</li> </ul> | <ul style="list-style-type: none"> <li>• Airports Fund</li> <li>• Stormwater Drainage Utility Fund*</li> <li>• Public Transportation and Parking Cash Fund</li> <li>• Utilities Fund</li> </ul> | <ul style="list-style-type: none"> <li>• Better Streets, Safer City Sales Tax Fund</li> <li>• Better Streets, Safer City Use Tax Fund</li> <li>• Capital Improvement Projects Fund</li> <li>• City and Schools Capital Projects Use Tax Fund</li> <li>• Hotel/Motel Tax Fund*</li> <li>• Impact Fees Fund</li> <li>• MAPS Operations Fund</li> <li>• MAPS Sales Tax Fund</li> <li>• MAPS 3 Sales Tax Fund</li> <li>• MAPS 3 Use Tax Fund*</li> <li>• MAPS 4 Program Fund</li> <li>• MAPS 4 Use Tax Fund*</li> <li>• OCMAPS Sales Tax Fund*</li> <li>• OKC Tax Increment Financing Fund</li> <li>• Police Sales Tax Fund*</li> <li>• Police/Fire Capital Equipment Sales Tax Fund</li> <li>• Sports Facilities Sales Tax Fund</li> <li>• Sports Facilities Use Tax Fund</li> <li>• Stormwater Drainage Utility Fund*</li> <li>• Street and Alley Fund</li> </ul> | <ul style="list-style-type: none"> <li>• Asset Forfeiture Fund</li> <li>• Debt Service Fund</li> <li>• General Fund—MAPS 4</li> <li>• Grants Management Fund</li> <li>• OKC Improvement and Special Assessment District Fund</li> <li>• Special Assessment District Fund</li> <li>• Special Purpose Fund</li> </ul> |
|--|---|---|---|---|

\* 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 FY23 are based on estimated year end totals for FY22.

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.

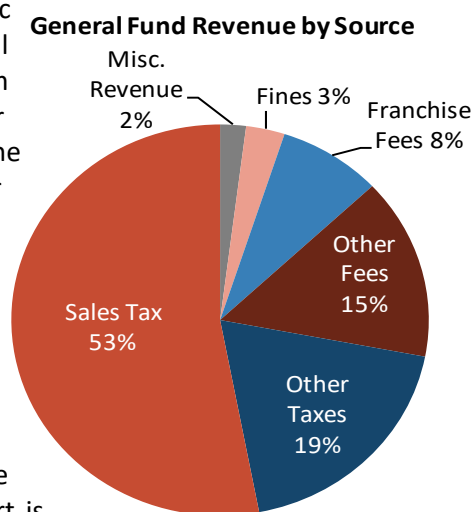


An example of this is dedicated sales taxes. In recent years, the citizens of Oklahoma City have approved several limited-term dedicated sales taxes to fund capital improvements. With the MAPS 4 Sales Tax beginning on April 1, 2020, there has been significant increases in the revenue of those funds which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

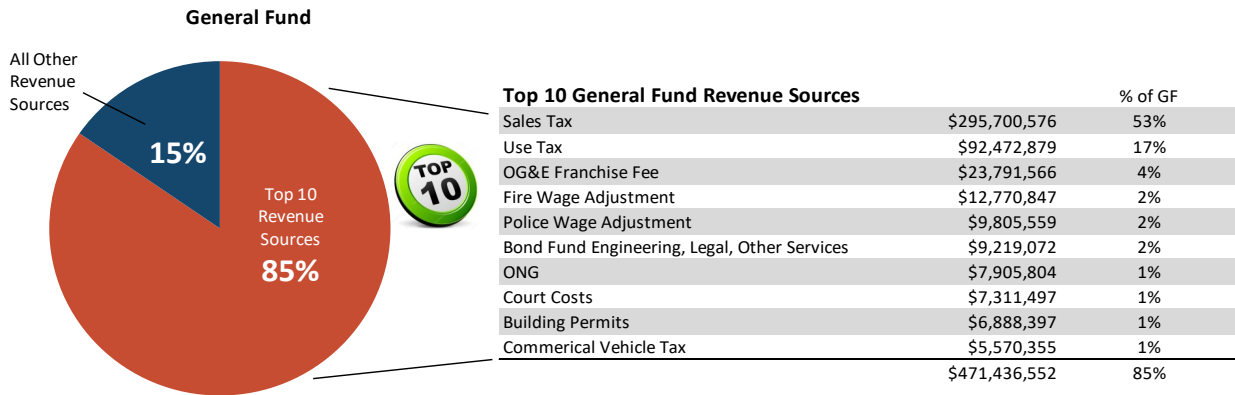
The Operating Funds category includes three major types of funds: General Operating Funds, Special Revenue Funds and Enterprise Funds, all of which will be discussed further; however, the bulk of the discussion focuses on the General Fund, the City’s largest fund at \$557 million or 30.3% of the FY23 budget.

### GENERAL FUND

Due to recent historic inflation and an uncertain future economic forecast, the economic outlook in FY23 is cautiously optimistic with modest growth of 1.9% 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 85% of the FY23 General Fund budget.



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



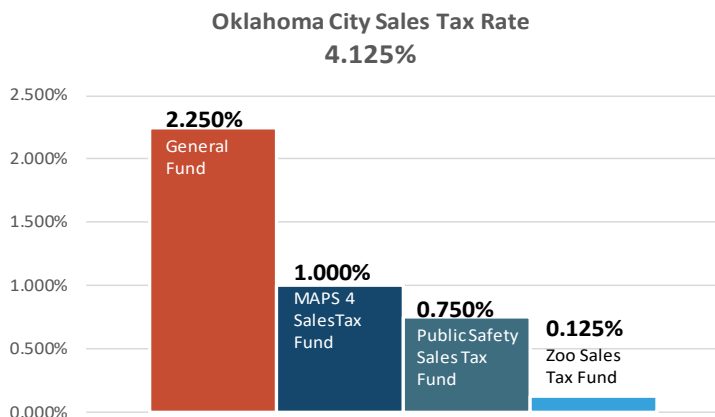
**GENERAL FUND - TAXES**

The largest category of revenue in the General Fund is taxes at \$402.4 million or 72.2%. 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%.

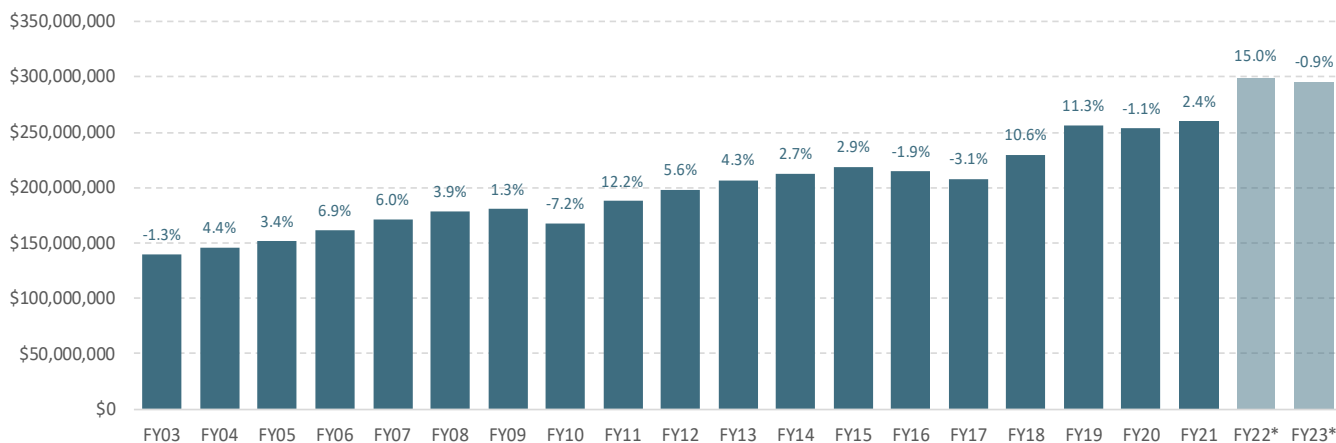
The City’s 4.125% sales tax levy is divided between various funds as authorized by voters as shown in the graphic below. The General Fund receives the largest portion of sales tax at 2.250% and is where the City’s day-to-day operations are funded. MAPS 4 is a 8-year temporary one-cent sales tax in effect 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% (3/4 cent) 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 two year long COVID-19 pandemic which has greatly affected economies on all levels including our local economy. The unprecedented amount of Federal stimulus payments coupled with record inflation and looming recessionary fears has made projecting sales tax receipts very challenging. Through careful analysis, the City has developed the FY23 budget based upon a -0.9% growth rate in sales tax as compared to projected FY22 year end collections. Sales Tax collections are projected to be \$295.7 million and account for 53% of the FY23 General Fund 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 9.9% growth rate and Sales Tax has averaged 3.4% growth over the past 10 years. The Use Tax rate is 4.125% of the purchase price and is budgeted at \$92.5 million or 16.6% of the General Fund budget for FY23. Together, Sales and Use Tax make up 69.7% 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 FY23 is projected to remain flat at \$6.8M or 1.2% 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 FY23, 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 FY23 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 \$46 million or 8.3% of the FY23 General Fund operating revenue budget. Three of largest remitters of franchise fees are Oklahoma Gas & Electric (OG&E) with FY23 estimated revenue of \$23.8 million, Oklahoma Natural Gas (ONG) at \$7.4 million and Cox Cable at \$4.9 million. OG&E and ONG are top 10 General Fund revenue sources and make up 6.5% 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 \$16.0 million or 2.9% of the General Fund revenue budget. Building permits are a top 10 revenue source at a projected \$6.7 million or 1.2% of the budget. Overall, this category is projected to have flat growth in FY23.

**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 \$44.8 million or 8.0% of the FY23 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. Until recently, both of these were 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 still remains a top 10 revenue source and is projected at \$6.7 million or 0% as

compared to the FY22 budget. No longer a top 10 revenue source, Traffic Fines is projected at \$5.0 million or flat growth as compared to the FY22 budget. The Fines category is \$14.7 million or 2.6% 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 \$33.3 million or 6.0% of the FY23 budget.

#### **Administrative Charges**

Administrative Charges are \$24.2 million or 4.3% of the FY23 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 \$9.0 million in FY23 or 1.6% 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 FY23, the Transfers category is projected to stay flat at \$68K. In total, the Transfers category is 0.01% of the General Fund revenue budget.

#### **Fund Balance**

No fund balance is budgeted in FY23.

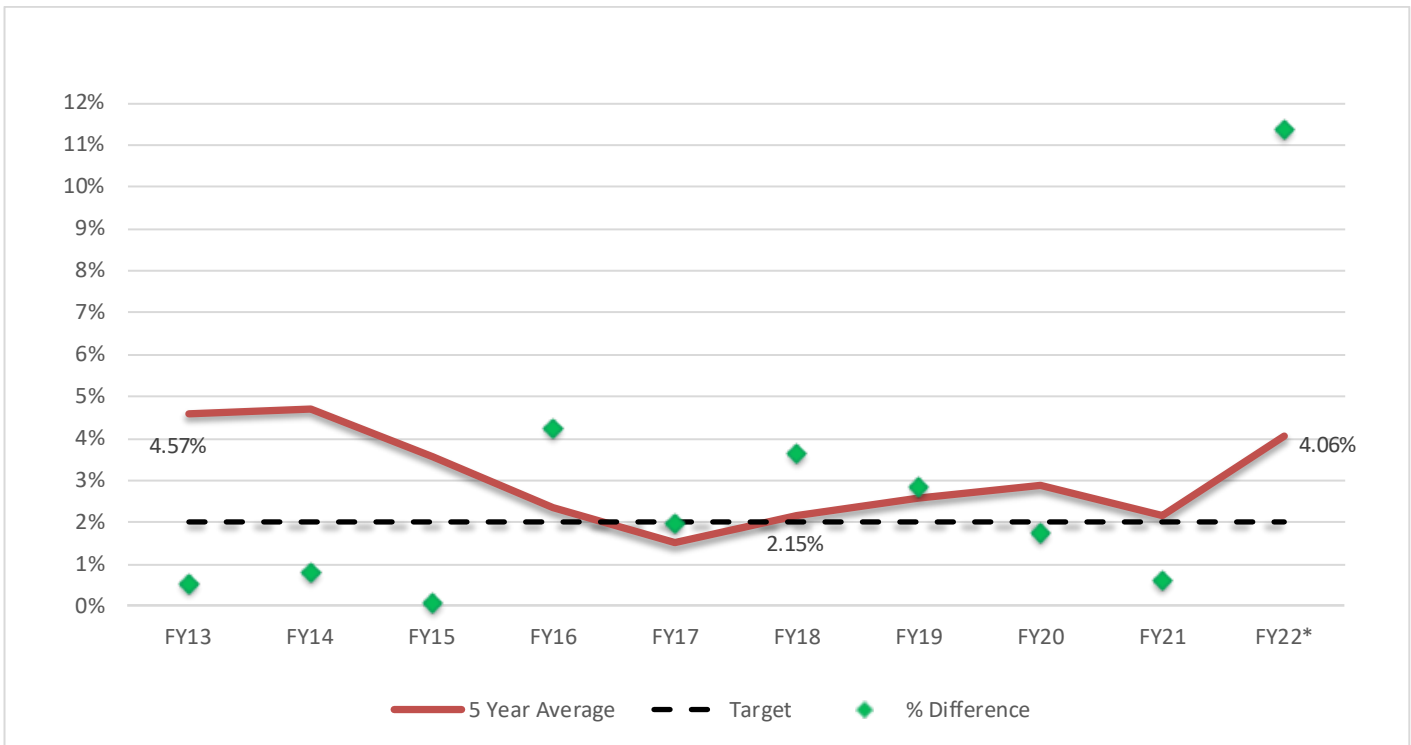
### **GENERAL FUND HISTORICAL REVENUE SHORTFALL OR SURPLUS**

The chart on the following page 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 2022, for the twelfth 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 12 years was 3.2% which is outside the City's stated goal of having revenues within 2% of projections. Over the last five years, the absolute value variance average improved to 2.4%. 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 resulting in 3.2% growth in the General Fund. More Federal stimulus money in FY22 fueled higher than expected sales tax receipts with FY22 projected to end the year at 11.4% growth. The City continues to work with Dr. Russell Evans and Dr. Jacob Dearmon 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.

\*FY22 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 FY23 operating budget of \$65.6 million, which is a 16.8% increase compared to the FY22 adopted budget. Major changes to each internal service fund are summarized in the department section of the budget book. Internal Service funds combined are 3.6% of FY23’s \$1.83 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 -0.9%; 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 FY23 budget is \$0.9 million, an -80% decrease from FY22 due to the remaining balances being spent down.

### **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 FY23.

### **Emergency Management Fund**

The Emergency Management Fund supports the E-911 system for Oklahoma City and is budgeted at \$10.2 million in FY23, which is an 6.5% increase over from the FY22 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 \$3.6 million in FY23.

### **Hotel/Motel Tax Fund**

The Hotel/Motel Tax Fund FY23 budget is \$26.9 million and is supported by a 5.5% hotel occupancy tax. This fund is divided between operating activities (\$14.5 million) dedicated to the promotion of special events, convention and tourism development and non-operating activities (\$12.3 million) dedicated to capital projects at the State Fairgrounds. Overall revenue from the Hotel/Motel Tax fund is projected have 25% growth when compared to FY22 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 \$16.8 million in FY23.

**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 FY23 budget of \$7.3 million is up 6.7% compared to FY22 as program expenses are expected to increase.

**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, Public Transportation and Parking, Stormwater Drainage Utility, and Utilities**. With the exception of Stormwater Drainage Utility, all of these funds have a public trust that oversees operations and receives all revenues. Revenues in each of the enterprise funds may be growing at a different rate than growth reflected in the City funds and each trust's revenue budget is individually based on customer rates and expected usage. The trusts generally make capital investments directly and 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

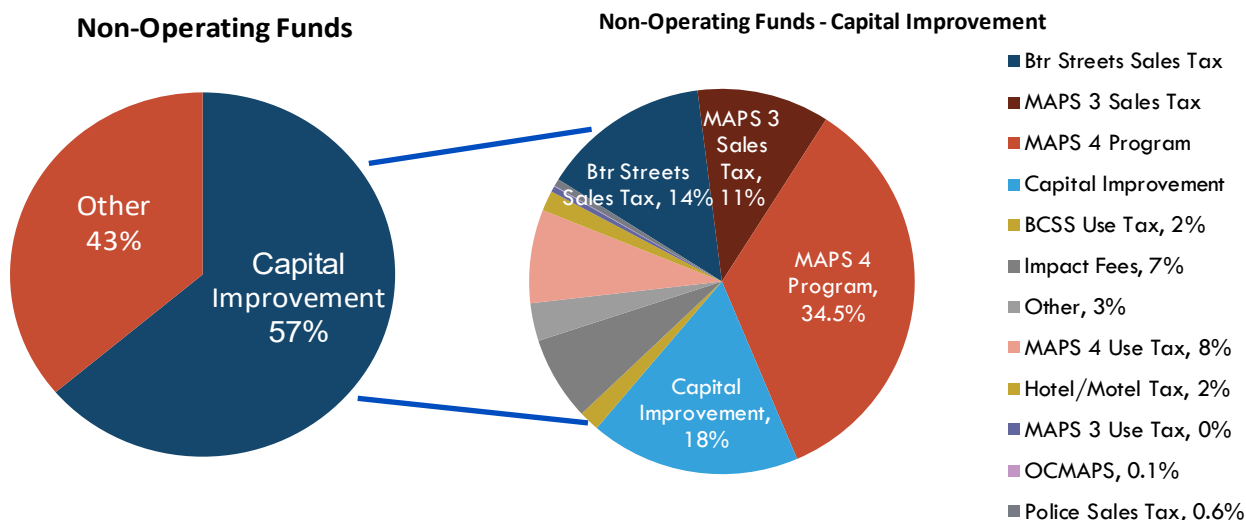
As mentioned earlier, the City classifies its funds as either operating or non-operating. The distinction is that some funds and, in some cases, portions of funds directly support operations; and other funds provide for capital improvements or are so limited in their purpose that they do not support 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 FY23, the budget for non-operating funds is \$1.13 billion, a 6.7% increase from the FY22 adopted budget due to an expected increase in expenditures for MAPS 4 projects. 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 54% of the total FY23 \$1.83 billion budget.

### CAPITAL IMPROVEMENTS

The majority of non-operating funds are for capital improvements and have a FY23 budget of \$725.2 million, an increase of 20.3%. 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 FY23: 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 \$101.4 million, all of which is budgeted for FY23.



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 \$12.4 million, all of which is budgeted for FY23.

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 FY23 budget of \$250.4 million is comprised of a General Fund transfer of \$132.1 million, fund balance usage of \$116.9 million and \$1.5 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 \$29.4 million in FY23.

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 FY23 budget is \$51.1 million, which is an increase of 37.1% over the FY22 adopted budget. The increase is a combination of increased impact fee revenue and 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 FY23 budget is \$80.6 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 FY23 non-operating budget, comprised of fund balance and interest, is \$3.5 million, a decline of -16.7% from the FY22 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 MAPS 4 Use Tax Fund.

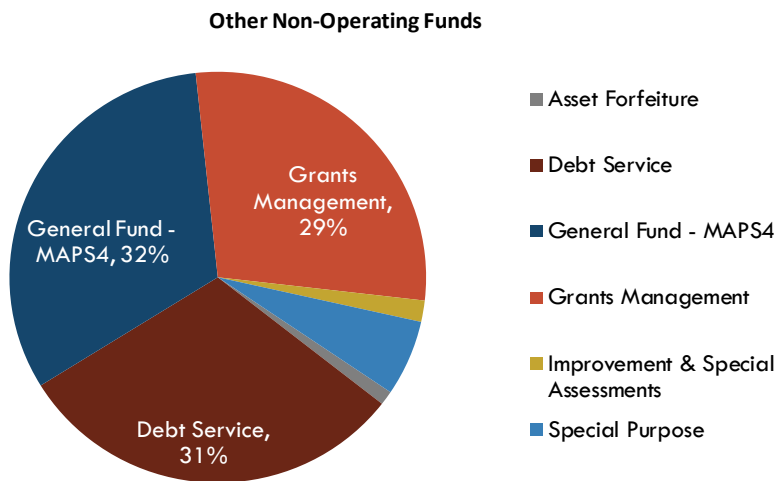
The **Hotel/Motel Tax Fund** supports three distinct purposes: convention and tourism development, promotions for specific events, and capital improvements at the Fairgrounds. It is this last capital portion of the Hotel/Motel Tax that is classified as non-operating. Revenue in FY23 for the non-operating portion of the Hotel/Motel Tax matches the growth rate for the operating portion and is expected to grow at 25% in FY23 due to increased hotel stays as we continue to emerge from the

COVID-19 pandemic, with a budget of \$12.3M.

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 FY23 for each of these funds are based primarily on the level of projected fund balance remaining at the end of FY22.

**OTHER NON-OPERATING FUNDS**

The Other Non-Operating Funds are budgeted at \$411 million in FY23, a –11.1% decrease, largely due to the completion of the Cares Act grant. 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 \$125.8 million and is supported directly by property taxes that will be in effect during FY22. Overall, the budget increased 4.2% in FY23 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 FY23 budget of \$5.1 million is a 13.2% increase due to an increase 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 FY23 budget is decreasing -37.8% at \$117.2 million due to the completion of the Cares Act grant.

The **Special Purpose Fund** is used primarily for donations to the City. The FY23 budget is \$24.5 million, an increase of 0.7%.

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 is the largest of the **Other Non-Operating Funds** and has a FY23 budget of \$132.1 million or 32.1% of the category.

## REVENUE DETAIL TABLE

	Actual FY21	Adopted FY22	Proposed FY23
<b>General Operating Funds</b>			
<b>General Fund</b>			
<b>Taxes</b>			
Sales Tax	\$259,536,257	\$263,482,460	\$295,700,576
Use Tax	73,573,274	80,292,979	92,472,879
Other Taxes	4,362,087	4,313,411	4,273,519
Commercial Vehicle Tax	4,793,898	4,564,893	5,570,355
Motor Fuels Tax	1,115,398	1,111,871	1,237,351
Occupational Tax	1,494,067	1,322,368	1,306,574
Alcoholic Beverage Tax	1,701,851	1,793,965	1,811,864
<b>Total Taxes</b>	<b>\$346,576,832</b>	<b>\$356,881,947</b>	<b>\$402,373,118</b>
<b>Franchise/Utility Fees</b>			
Oklahoma Natural Gas	\$5,951,396	\$6,034,690	\$7,905,804
Oklahoma Gas & Electric	19,636,521	20,367,305	23,791,566
Caddo Electric Coop.	213,926	221,471	253,472
Oklahoma Electric Coop.	1,361,728	1,367,765	1,453,092
Tri-Gen	378,511	371,202	485,765
AT&T	201,988	176,807	156,420
AT&T Video	1,085,778	1,128,368	870,215
Cox Cable	5,107,236	5,334,749	4,888,809
Cox Fibernet	502,774	0	0
Other Telephone	131,767	125,720	127,954
Utility Fees - Water	3,153,448	3,008,905	3,008,905
Utility Fees - Wastewater	2,049,702	1,939,369	1,939,369
Utility Fee - Solid Waste	979,510	1,104,283	1,104,283
<b>Total Franchise/Utility Fees</b>	<b>\$40,754,283</b>	<b>\$41,180,634</b>	<b>\$45,985,654</b>
<b>Licenses, Permits, and Fees</b>			
Abandoned Building Registration	\$72,510	\$34,229	\$61,970
Fire Prevention Permits	221,407	207,099	249,601
Alarm Permits	624,210	467,927	756,055
Police Alarm Fees	57,390	219,574	63,823
Oil & Gas Well Inspections	229,570	208,780	310,030
General Licenses	501,384	893,879	911,120
Building Permits	6,132,801	5,945,850	6,888,397
Electrical Wiring Permits	1,573,272	1,551,797	1,843,039
Plumbing Permits	1,856,166	1,884,332	2,076,248
Boiler & Elevator Permits	211,539	238,904	151,422
Offsite Wagering Fee	39,388	30,695	41,792
Pre-Qualification Application Fee	236,420	230,170	278,934
Refrig. & Forced Air Permits	1,231,058	1,411,882	1,318,080
Sidewalk & Paving Fees	472,149	604,846	608,149
Work Zone Permits	39,505	38,443	43,895
Other Fees	661,280	46,854	44,454
Hunting and Fishing Permits	157,781	204,989	144,934

REVENUES

	Actual FY21	Adopted FY22	Proposed FY23
Vending Stamps	147,262	126,386	122,639
Garage Sale Permits	68,704	50,681	58,975
<b>Total Licenses, Permits, &amp; Fees</b>	<b>\$14,533,793</b>	<b>\$14,397,317</b>	<b>\$15,973,557</b>
<b>Administrative Charges</b>			
Airport Administrative Payments	\$1,093,261	\$958,772	\$873,390
Airport Police Payments	3,486,887	3,528,657	3,571,945
Water/Wastewater Admin Payments	6,317,416	5,768,949	6,086,674
Drainage Utility Administrative Payment	1,174,964	1,106,582	1,186,560
Solid Waste Mgmt. Admin Payments	860,947	800,134	1,171,738
Convention & Tourism Admin Payments	473,578	377,187	430,326
Zoo Administrative Payments	300,000	300,000	300,000
Golf Administrative Payments	91,295	87,476	107,838
Other Administrative Payments	104,979	122,059	212,908
MAPS3 Administrative Payments	907,539	1,098,552	1,087,806
Better Streets Administrative Payments	430,222	394,294	337,858
Risk Management Administrative Payments	681,332	618,105	722,641
Public Transportation Administrative Pmts.	1,282,780	1,177,925	1,302,901
Parking Administrative Payments	132,177	176,056	191,971
IT Administrative Payments	1,517,618	1,517,991	1,660,868
Print Shop Administrative Payments	141,860	132,292	131,023
Fleet Services Admin Payments	60,594	45,350	35,236
Banking Fee Payments	168,780	140,000	140,000
Nuisance Abatement Payments	685,788	729,557	394,947
Econ Dev, TIF Engineering, Legal, Other Svcs	594,366	564,666	592,421
Mowing, Litter, and Landscaping Adm Payments	1,331,572	1,361,740	1,388,952
Pavement Maintenance Payments	2,028,988	2,200,000	2,296,695
<b>Total Administrative Charges</b>	<b>\$23,866,944</b>	<b>\$23,206,344</b>	<b>\$24,224,698</b>
<b>Other Service Charges</b>			
Bond Fund Engineering, Legal, Other Services	\$8,028,274	\$9,219,072	\$9,219,072
Animal Shelter Fees	283,983	257,185	275,394
Engineering Fees	2,716,043	2,332,974	3,347,206
Planning Fees	948,250	897,975	1,099,098
Fire Service Recovery	35,000	28,000	28,000
Fire Wage Adjustment Reimbursement	12,250,650	12,251,873	12,770,847
Police Wage Adjustment Reimbursement	9,406,146	9,407,087	9,805,559
Police Fees	1,040,067	2,445,986	2,522,442
Parking Meters	980,601	1,191,933	1,790,648
Reimbursement - Grants	163	181,370	294,612
Refunds and Reimbursements - Operating	1,407,948	1,373,696	1,132,799
Mowing Services - OCRRA	35,393	0	0
Damage to City Property	124,307	159,098	161,015
Miscellaneous Service Charges	19,440	0	673,353
Recreation Fees	884,593	1,557,348	1,646,322
<b>Total Other Service Charges</b>	<b>\$38,160,859</b>	<b>\$41,303,597</b>	<b>\$44,766,367</b>



	Actual FY21	Adopted FY22	Proposed FY23
<b>Fines</b>			
Traffic Fines	\$5,795,112	\$4,761,452	\$5,035,136
Parking Fines	859,758	680,755	1,124,617
Court Fees	8,296,038	6,917,630	7,311,497
Court of Record, Jury Division	783,508	641,729	758,912
Criminal Court	234,421	204,406	203,567
Jail Cost Recovery Program	151,969	106,789	141,000
Other Fines	14,600	9,502	12,399
Juvenile Fines	86,896	58,327	83,875
<b>Total Fines</b>	<b>\$16,222,302</b>	<b>\$13,380,590</b>	<b>\$14,671,003</b>
<b>Other Revenue</b>			
Leases	\$2,611,416	\$3,240,668	\$2,869,721
Sale of City Property	62,511	23,521	23,521
Check Service Charge	380	416	195
Royalties	102,027	92,186	227,683
Miscellaneous	2,690,666	1,955,904	4,513,213
Wrecker Service Payments	0	0	0
Operating Interest	1,610,968	717,000	1,400,000
<b>Total Other Revenue</b>	<b>\$7,077,968</b>	<b>\$6,029,695</b>	<b>\$9,034,333</b>
<b>Transfers</b>			
Transfers from OCPPA - DAS	\$0	\$0	\$0
Transfers - Miscellaneous	60,840	58,684	68,762
<b>Total Transfers</b>	<b>\$60,840</b>	<b>\$58,684</b>	<b>\$68,762</b>
<b>Fund Balance</b>	<b>\$0</b>	<b>\$3,748,813</b>	<b>\$0</b>
<b>Total General Fund - Operating**</b>	<b>\$487,253,821</b>	<b>\$500,187,621</b>	<b>\$557,097,492</b>
<b>Internal Service Funds**</b>			
Interest	\$172,916	\$56,204	\$58,680
Information Technology	28,110,304	31,236,659	34,488,860
Risk Management	12,919,039	15,728,939	19,796,799
Print Shop	808,609	935,668	992,377
Fleet Services	8,046,187	8,235,498	10,431,978
Other	390,666	375,585	433,110
Services	124,649	0	0
Transfers	4,303	(1,411,530)	(1,744,217)
Fund Balance	0	991,618	1,142,467
<b>Total Internal Service Funds</b>	<b>\$50,576,673</b>	<b>\$56,148,641</b>	<b>\$65,600,054</b>
<b>Total General Operating Funds</b>	<b>\$537,830,495</b>	<b>\$556,336,262</b>	<b>\$622,697,546</b>

REVENUES

	Actual FY21	Adopted FY22	Proposed FY23
<b>Special Revenue Funds</b>			
<b>Court Administration &amp; Training Fund</b>			
Fees	\$161,903	\$154,632	\$150,332
Fines	50	400	225
Interest	1,746	1,760	1,349
Fund Balance	0	90,865	75,094
<b>Total Court Administration &amp; Training Fund</b>	<b>\$163,699</b>	<b>\$247,657</b>	<b>\$227,000</b>
<b>Emergency Management Fund</b>			
Tariffs	\$6,235,562	\$6,326,315	\$6,393,731
Interest	20,094	20,896	10,442
Transfers	2,061,455	3,020,280	3,584,933
Other	3,514	0	0
Fund Balance	0	200,000	200,000
<b>Total Emergency Management Fund</b>	<b>\$8,320,624</b>	<b>\$9,567,491</b>	<b>\$10,189,106</b>
<b>Fire Sales Tax Fund</b>			
Sales Tax	\$43,253,152	\$43,914,382	\$49,283,429
Interest	168,253	159,086	144,261
Other	17,323	14,177	15,495
Service Charges	75,718	0	0
Fund Balance	0	3,761,857	0
<b>Total Fire Sales Tax Fund</b>	<b>\$43,514,447</b>	<b>\$47,849,502</b>	<b>\$49,443,185</b>
<b>Hotel/Motel Tax Fund**</b>			
Hotel/Motel Tax	\$5,040,289	\$6,204,897	\$7,775,474
Interest	30,562	28,634	26
Other	0	0	250,000
Transfers	3,799,490	4,915,828	6,220,379
Fund Balance	0	332,743	300,000
<b>Total Hotel/Motel Tax Fund</b>	<b>\$8,870,341</b>	<b>\$11,482,102</b>	<b>\$14,545,879</b>
<b>MAPS Operations Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	21,258	0	0
Other	4,000	0	0
Transfers	0	0	0
Fund Balance	0	0	0
<b>Total MAPS Operations Fund</b>	<b>\$25,258</b>	<b>\$0</b>	<b>\$0</b>
<b>MAPS 3 Use Tax Fund**</b>			
Use Tax	(\$117,979)	\$0	\$0
Interest	57,114	32,021	7,194
Other	37,333	0	50,000
Service Charges	825,262	600,000	600,000
Transfers	32,039	0	0
Fund Balance	0	3,840,288	236,753
<b>Total MAPS 3 Use Tax Fund</b>	<b>\$833,770</b>	<b>\$4,472,309</b>	<b>\$893,947</b>

	Actual FY21	Adopted FY22	Proposed FY23
<b>MAPS 4 Use Tax Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	0	0	10,000
Service Charges	0	0	0
Transfers	0	1,740,752	7,047,719
Fund Balance	0	0	9,775,378
<b>Total MAPS 4 Use Tax Fund</b>	<b>\$0</b>	<b>\$1,740,752</b>	<b>\$16,833,097</b>
<b>Medical Service Program Fund</b>			
Medical Service Program Fee	\$6,890,293	\$6,748,200	\$7,264,344
Interest	112,496	134,012	78,808
Other	8,400	0	0
Fund Balance	0	0	0
<b>Total Medical Service Program Fund</b>	<b>\$7,011,189</b>	<b>\$6,882,212</b>	<b>\$7,343,152</b>
<b>OCMAPS Sales Tax Fund**</b>			
City/Schools Sales Tax	\$0	\$0	\$0
Interest	496	0	0
Other	2,262	0	0
Transfers	0	0	0
Fund Balance	0	0	0
<b>Total OCMAPS Sales Tax Fund</b>	<b>\$2,758</b>	<b>\$0</b>	<b>\$0</b>
<b>Police Sales Tax Fund**</b>			
Sales Tax	\$43,253,152	\$43,914,436	\$49,283,429
Interest	174,686	156,319	178,690
Other	1,564	0	0
Service Charges	168,999	261,316	232,784
Transfers	0	(575,987)	(3,657,719)
Fund Balance	0	1,611,074	3,478,472
<b>Total Police Sales Tax Fund</b>	<b>\$43,598,401</b>	<b>\$45,367,158</b>	<b>\$49,515,656</b>
<b>Zoo Sales Tax Fund</b>			
Sales Tax	\$14,417,718	\$14,638,127	\$16,427,810
Interest	934	2,058	1,000
Other	0	0	328,556
Fund Balance	0	292,763	0
<b>Total Zoo Sales Tax Fund</b>	<b>\$14,418,652</b>	<b>\$14,932,948</b>	<b>\$16,757,366</b>
<b>Total Special Revenue Funds</b>	<b>\$126,759,138</b>	<b>\$142,542,131</b>	<b>\$165,748,388</b>

REVENUES

	Actual FY21	Adopted FY22	Proposed FY23
<b>Enterprise Funds</b>			
<b>Airports Fund</b>			
Transfer from Airport Trust (OCAT)	\$18,680,300	\$20,703,542	\$19,950,711
Interest	21,692	10,385	19,177
Other	4,486	100,101	73,340
Fund Balance	0	0	2,361,055
<b>Total Airports Fund</b>	<b>\$18,706,478</b>	<b>\$20,814,028</b>	<b>\$22,404,283</b>
<b>Solid Waste Management Fund</b>			
Interest	\$15,687	\$0	\$0
Transfers	9,693,000	0	0
Fund Balance	0	0	0
<b>Total Solid Waste Management Fund</b>	<b>\$9,708,687</b>	<b>\$0</b>	<b>\$0</b>
<b>Stormwater Drainage Utility Fund**</b>			
Fees	\$18,259,743	\$18,049,941	\$19,498,800
Interest	162,286	71,230	137,388
Other	320	0	0
Permits	119,440	117,581	134,997
Reimbursements	255,766	255,766	255,766
Service Charges	44,576	42,703	49,012
Transfers	191,786	(1,000,001)	(1,000,000)
Fund Balance	0	2,765,886	1,223,358
<b>Total Stormwater Drainage Utility Fund</b>	<b>\$19,033,918</b>	<b>\$20,303,106</b>	<b>\$20,299,321</b>
<b>Transportation and Parking Fund</b>			
Interest	\$5,278	\$5,745	\$3,964
Service Charges	241,913	362,892	507,953
Transfers	3,783,729	4,466,760	5,529,021
Fund Balance	0	50,000	0
<b>Total Transportation and Parking Fund</b>	<b>\$4,030,919</b>	<b>\$4,885,397</b>	<b>\$6,040,938</b>
<b>Utilities Fund</b>			
Interest	\$193,067	\$139,904	\$137,645
Other	\$0	\$0	\$0
Transfers	85,701,127	108,252,233	113,824,377
Fund Balance	0	2,335,568	1,800,000
<b>Total Utilities Fund</b>	<b>\$85,894,194</b>	<b>\$110,727,705</b>	<b>\$115,762,022</b>
<b>Total Enterprise Funds</b>	<b>\$137,374,197</b>	<b>\$156,730,236</b>	<b>\$164,506,564</b>
<b>Subtotal Operating Funds</b>	<b>\$801,963,829</b>	<b>\$855,608,629</b>	<b>\$952,952,498</b>
Less Operating Interfund Transfers (1)	(95,190,313)	(102,901,147)	(114,677,783)
<b>Total Operating Funds</b>	<b>\$706,773,516</b>	<b>\$752,707,482</b>	<b>\$838,274,715</b>

	Actual FY21	Adopted FY22	Proposed FY23
<b>Non-Operating Funds</b>			
<b>Non-Operating Capital Improvements</b>			
<b>Better Streets, Safer City Sales Tax Fund</b>			
Sales Tax	\$1,092,980	\$0	\$338,716
Interest	1,634,080	0	419,202
Fund Balance	0	137,211,598	101,399,369
<b>Total Better Streets, Safer City Sales Tax Fund</b>	<b>\$2,727,060</b>	<b>\$137,211,598</b>	<b>\$102,157,287</b>
<b>Better Streets, Safer City Use Tax Fund</b>			
Use Tax	\$135,135	\$0	\$15,692
Interest	333,145	160,000	54,089
Fund Balance	0	30,435,666	12,445,510
<b>Total Better Streets, Safer City Use Tax Fund</b>	<b>\$468,280</b>	<b>\$30,595,666</b>	<b>\$12,515,291</b>
<b>Capital Improvement Projects Fund</b>			
Interest	\$551,127	\$0	\$615,510
Other	395,365	0	300,000
Service Charges	22,753	0	0
Transfers	44,684,252	19,807,448	44,065,000
Fund Balance	0	66,591,424	82,810,320
<b>Total Capital Improvement Projects Fund</b>	<b>\$45,653,498</b>	<b>\$86,398,872</b>	<b>\$127,790,830</b>
<b>City and Schools Capital Projects Use Tax Fund</b>			
Use Tax	\$0	\$0	\$0
Interest	40,286	20,000	8,926
Other	162,238	0	100,000
Transfers	0	0	0
Fund Balance	0	3,521,887	2,464,005
<b>Total City and Schools Cap. Projects Use Tax Fund</b>	<b>\$202,524</b>	<b>\$3,541,887</b>	<b>\$2,572,931</b>
<b>Hotel/Motel Tax Fund**</b>			
Hotel/Motel Tax	\$6,048,347	\$7,445,876	\$9,330,568
Interest	34,366	38,626	41,308
Transfers	(644,707)	885,842	2,937,092
Fund Balance	0	0	0
<b>Total Hotel/Motel Tax Fund</b>	<b>\$5,438,006</b>	<b>\$8,370,344</b>	<b>\$12,308,968</b>
<b>Impact Fees Fund</b>			
Impact Fees	\$10,714,131	\$5,848,846	\$9,804,725
Interest	345,917	144,186	451,239
Fund Balance	0	31,315,911	40,874,706
<b>Total Impact Fees Fund</b>	<b>\$11,060,048</b>	<b>\$37,308,943</b>	<b>\$51,130,670</b>

REVENUES

	Actual FY21	Adopted FY22	Proposed FY23
<b>Internal Service Funds**</b>			
Interest	\$5,100	\$0	\$5,500
Transfers	228,500	2,086,530	1,844,217
Fund Balance	0	445,238	1,637,278
<b>Total Internal Service Funds</b>	<b>\$233,600</b>	<b>\$2,531,768</b>	<b>\$3,486,995</b>
<b>MAPS Operations Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	31,746	32,073	31,528
Transfers	0	0	0
Fund Balance	0	2,285,360	2,204,588
<b>Total MAPS Operations Fund</b>	<b>\$31,746</b>	<b>\$2,317,433</b>	<b>\$2,236,116</b>
<b>MAPS Sales Tax Fund</b>			
Sales Tax	\$0	\$0	\$0
Interest	63	0	43
Other	628	0	6
Fund Balance	0	159,782	159,859
<b>Total MAPS Sales Tax Fund</b>	<b>\$692</b>	<b>\$159,782</b>	<b>\$159,908</b>
<b>MAPS 3 Sales Tax Fund</b>			
Sales Tax	(\$60,858)	\$0	\$500,000
Interest	1,434,294	4,779,744	329,821
Service Charges	0	0	0
Transfers	0	0	0
Fund Balance	0	108,656,280	79,785,374
<b>Total MAPS 3 Sales Tax Fund</b>	<b>\$1,373,435</b>	<b>\$113,436,024</b>	<b>\$80,615,195</b>
<b>MAPS 3 Use Tax Fund**</b>			
Use Tax	\$0	\$0	\$0
Interest	49,127	22,840	26,789
Other	45,414	0	5,000
Transfers	0	0	0
Fund Balance	0	4,198,193	3,485,015
<b>Total MAPS 3 Use Tax Fund</b>	<b>\$94,541</b>	<b>\$4,221,033</b>	<b>\$3,516,804</b>
<b>MAPS 4 Program Fund</b>			
Interest	\$772,489	\$1,686,490	\$1,524,780
Transfers	114,318,193	117,103,316	132,062,015
Fund Balance	0	0	116,826,164
<b>Total MAPS 4 Program Fund</b>	<b>\$115,090,682</b>	<b>\$118,789,806</b>	<b>\$250,412,959</b>

	Actual FY21	Adopted FY22	Proposed FY23
<b>MAPS 4 Use Tax Fund**</b>			
Use Tax	\$23,604,016	\$25,831,700	\$29,365,494
Interest	159,904	209,211	314,065
Other	0	0	0
Transfers	0	(1,740,752)	(7,047,719)
Fund Balance	0	15,403,605	34,248,137
<b>Total MAPS 4 Use Tax Fund</b>	<b>\$23,763,919</b>	<b>\$39,703,764</b>	<b>\$56,879,977</b>
<b>OCMAPS Sales Tax Fund**</b>			
Interest	\$30,358	\$43,971	\$2,538
Other	0	0	0
Transfers	0	0	0
Fund Balance	0	1,915,557	426,492
<b>Total OCMAPS Sales Tax Fund</b>	<b>\$30,358</b>	<b>\$1,959,528</b>	<b>\$429,030</b>
<b>Oklahoma City Sports Facilities Sales Tax Fund</b>			
Sales Tax	\$0	\$0	\$0
Interest	555	0	179
Other	(14,712)	0	0
Fund Balance	0	50,373	36,196
<b>Total OKC Sports Facilities Sales Tax Fund</b>	<b>(\$14,157)</b>	<b>\$50,373</b>	<b>\$36,375</b>
<b>Oklahoma City Sports Facilities Use Tax Fund</b>			
Use Tax	\$0	\$0	\$0
Interest	1,005	0	15
Other	(96,459)	0	0
Fund Balance	0	98,652	3,678
<b>Total OKC Sports Facilities Use Tax Fund</b>	<b>(\$95,454)</b>	<b>\$98,652</b>	<b>\$3,693</b>
<b>Oklahoma City Tax Increment Financing Fund</b>			
Tax Increment Financing Match	\$0	\$1,490,144	\$200,000
Interest	1,480	0	70
Fund Balance	0	300,000	9,235
<b>Total Oklahoma City TIF Fund</b>	<b>\$1,480</b>	<b>\$1,790,144</b>	<b>\$209,305</b>
<b>Police Sales Tax Fund**</b>			
Sales Tax	\$0	\$0	\$0
Interest	24,222	15,620	12,108
Other	0	0	0
Service Charges	257,101	0	0
Transfers	0	575,987	3,657,719
Fund Balance	0	2,034,318	753,026
<b>Total Police Sales Tax Fund</b>	<b>\$281,323</b>	<b>\$2,625,925</b>	<b>\$4,422,853</b>

REVENUES

	Actual FY21	Adopted FY22	Proposed FY23
<b>Police/Fire Capital Equipment Sales Tax Fund</b>			
Police and Fire Equipment Sales Tax	\$0	\$0	\$0
Interest	28,524	17,211	10,028
Other	63,042	0	0
Fund Balance	0	2,485,751	2,424,070
<b>Total Police/Fire Equipment Sales Tax Fund</b>	<b>\$91,565</b>	<b>\$2,502,962</b>	<b>\$2,434,098</b>
<b>Stormwater Drainage Utility Fund**</b>			
Fees	\$0	\$0	\$0
Interest	97,303	0	62,524
Transfers	457,329	1,000,001	3,000,000
Fund Balance	0	8,087,334	8,835,393
<b>Total Storm Water Drainage Utility Fund</b>	<b>\$554,632</b>	<b>\$9,087,335</b>	<b>\$11,897,917</b>
<b>Street &amp; Alley Capital Fund</b>			
Interest	\$1,027	\$0	\$5
Other	(69,927)	0	0
Fund Balance	0	0	98
<b>Total Street &amp; Alley Capital Fund</b>	<b>(\$68,900)</b>	<b>\$0</b>	<b>\$103</b>
<b>Total Non-Operating Capital Improvements</b>	<b>\$206,918,878</b>	<b>\$602,701,839</b>	<b>\$725,217,305</b>
<b>Other Non-Operating Funds</b>			
<b>Asset Forfeiture Fund</b>			
Asset Seizure Revenues	\$1,104,366	\$3,655,951	\$4,125,159
Other	99,312	5,976	34,320
Service Charges	0	0	9,678
Interest	31,470	40,028	22,994
Transfers	100,323	0	0
Fund Balance	0	430,365	369,638
<b>Total Asset Forfeiture Fund</b>	<b>\$1,335,471</b>	<b>\$4,132,320</b>	<b>\$4,561,789</b>
<b>Debt Service Fund</b>			
Ad Valorem (Property)	\$102,391,015	\$83,600,579	\$83,600,579
Interest	2,144,136	2,000,000	2,000,000
Other	11,134,329	10,000,000	10,000,000
Fund Balance	0	25,135,960	30,284,116
<b>Total Debt Service Fund</b>	<b>\$115,669,480</b>	<b>\$120,736,539</b>	<b>\$125,884,695</b>
<b>General Fund - MAPS 4**</b>			
Sales Tax	\$114,318,193	\$117,103,316	\$132,062,015
Fund Balance	0	0	0
<b>Total General Fund</b>	<b>\$114,318,193</b>	<b>\$117,103,316</b>	<b>\$132,062,015</b>



	Actual FY21	Adopted FY22	Proposed FY23
<b>Grants Management Fund</b>			
Grant Awards	\$44,432,942	\$188,445,158	\$117,189,173
<b>Total Grants Management Fund</b>	<b>\$44,432,942</b>	<b>\$188,445,158</b>	<b>\$117,189,173</b>
<b>OKC Improvement &amp; Special Assessment Dist.</b>			
Assessments	\$3,101,602	\$4,505,576	\$5,113,307
Interest	28,602	33,938	22,415
Service Charges	3,002	4,206	6,336
Transfers	0	0	0
Fund Balance	0	0	0
<b>Total OKC Improv. &amp; Spcl Assess. Districts Fund</b>	<b>\$3,133,206</b>	<b>\$4,543,720</b>	<b>\$5,142,058</b>
<b>Special Assessment Districts Fund</b>			
Assessments	\$0	\$2,054,856	\$1,754,000
Interest	1,031	0	0
Service Charges	0	0	0
Transfers	0	0	0
Fund Balance	0	1,276,358	0
<b>Total Special Assessment Districts Fund</b>	<b>\$1,031</b>	<b>\$3,331,214</b>	<b>\$1,754,000</b>
<b>Special Purpose Fund</b>			
Donations	\$171,958	\$187,905	\$64,459
Fees	244,005	228,117	153,110
Interest	165,699	184,535	264,246
Other	(789,196)	25,000	1,020,500
Service Charges	56,195	119,080	136,850
Transfers	13,099,000	1,500,000	1,000,000
Fund Balance	0	22,087,936	21,856,018
<b>Total Special Purpose Fund</b>	<b>\$12,947,662</b>	<b>\$24,332,573</b>	<b>\$24,495,183</b>
<b>Total Other Non-Operating Funds</b>	<b>\$291,837,984</b>	<b>\$462,624,840</b>	<b>\$411,088,913</b>
<b>Total Non-Operating Funds</b>	<b>\$498,756,862</b>	<b>\$1,065,326,679</b>	<b>\$1,136,306,218</b>
<b>Subtotal All Funds</b>	<b>\$1,205,530,378</b>	<b>\$1,818,034,161</b>	<b>\$1,974,580,933</b>
Less Interfund Transfers (2)	(173,671,724)	(123,586,770)	(138,511,518)
<b>Total All Funds</b>	<b>\$1,031,858,654</b>	<b>\$1,694,447,391</b>	<b>\$1,836,069,415</b>

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

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

REVENUES

	Actual FY21	Adopted FY22	Proposed FY23
<b>(1) Transfers between Operating Funds</b>			
Gen Fund Transfer to Emerg Mgmt	\$1,947,970	\$2,688,335	\$4,080,480
Gen Fund to Transit Fund via COTPA	2,953,598	3,864,748	4,446,128
Gen Fund to City and Schools Use Tax Fund	0	0	0
Various Funds to Internal Service Fund	49,884,140	56,136,764	65,710,014
Fire Sales Tax to General Fund	12,250,650	12,510,361	12,770,846
Police Sales Tax to General Fund	9,406,146	9,605,555	9,805,560
Grants to General Fund	163	181,370	294,612
Gen Fund to Parking Cash Fund	807,588	603,233	1,114,426
Speval Purpose to Maps 3	0	0	0
Various Non-Operating Pmts to Gen Fund	982	1,801,614	1,640
Various Funds Admin Pmts to Gen Fund	17,939,077	15,509,167	16,454,077
<b>Total</b>	<b>\$95,190,313</b>	<b>\$102,901,147</b>	<b>\$114,677,783</b>
<b>(2) Transfers to Non-Operating Funds</b>			
Gen Fund Transfer to MAPS 4 Prog Fund	\$114,318,193	\$117,103,316	\$132,062,015
Various to CIP Fund	45,081,829	6,290,000	6,312,349
Various Miscellaneous Transfers	32,039	0	0
Various Funds to Special Purpose	13,099,000	60,362	4,347
Various Funds to Grant Fund	1,140,663	133,092	132,807
<b>Total</b>	<b>\$173,671,724</b>	<b>\$123,586,770</b>	<b>\$138,511,518</b>

## EXPENDITURE SUMMARY

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

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

The budget is also divided between operating and non-operating expenditures. This division helps take out the significant fluctuations in capital and non-operating expenses that occur as a result of projects such as the MAPS 3 program. Most of the discussions about the budget focus on the operating portion of the budget because it allows for better year-to-year comparisons. The operating budget totals \$838,274,715.

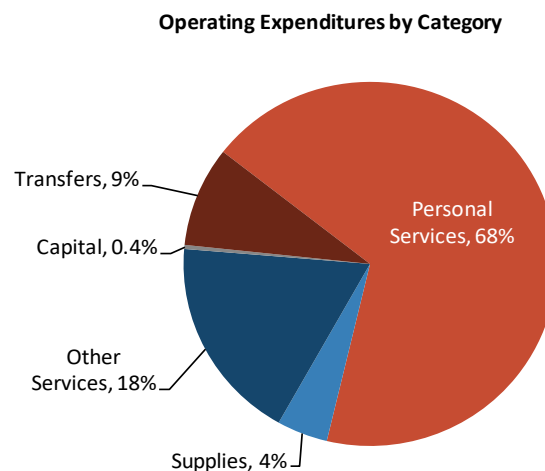
### EXPENDITURE CATEGORIES

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 68% 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 18% 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.

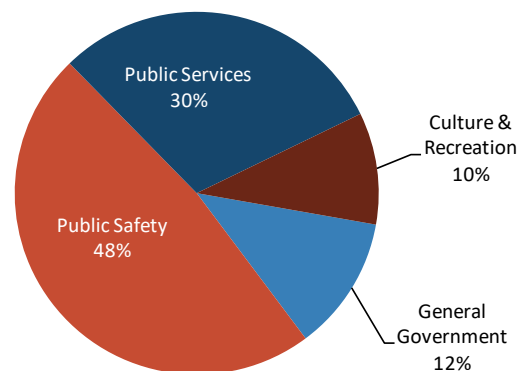
The next function of city government is Public Safety which includes Police, Fire, Animal Welfare and Municipal Courts. This function comprises 48% of the operating expenditure budget.

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 10% 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 Paycom Center 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**

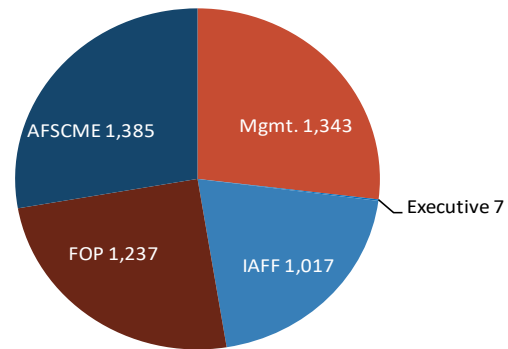


### BUDGETED POSITIONS

The FY23 Budget contains authorization for 4,989 positions throughout the City. This is an increase of 123 positions (2.5%) from the FY22 adopted budget. The table on the following page shows the changes on a department-by-department basis.

The City’s workforce is comprised of five basic groups. The American Federation of State, County, and Municipal Employees (AFSCME) represent the general pay plan or non-management employees of the City. This is the largest group at 1,385 positions. The Fraternal Order of Police (FOP) represents all sworn positions within the Police Department. The adopted budget includes 1,237 FOP positions.

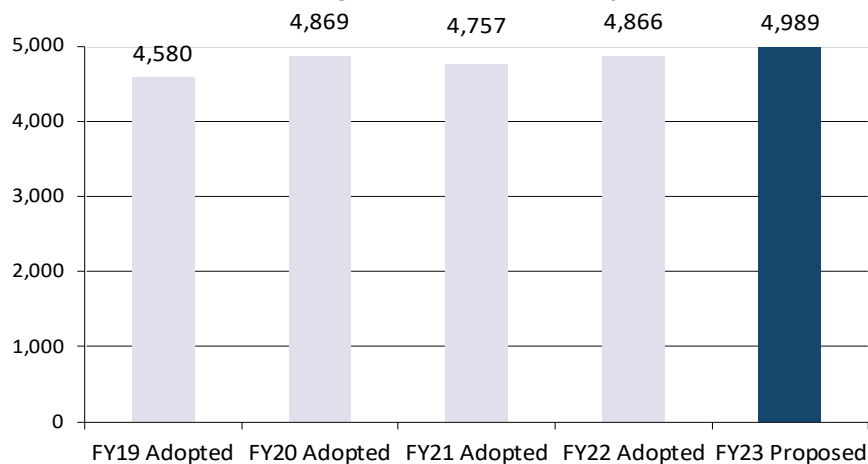
Positions by Category



The International Association of Firefighters (IAFF) represents all of the uniformed positions within the Fire Department. The adopted budget contains 1,017 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 1,343 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**

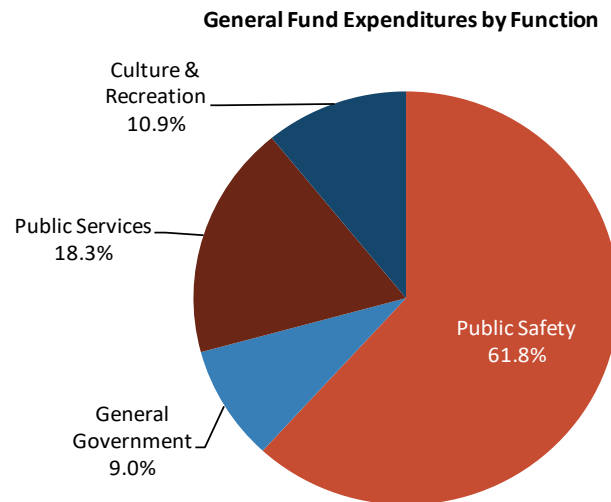
<b>Department</b>	<b>FY21 Adopted</b>	<b>FY22 Adopted</b>	<b>FY23 Proposed</b>	<b>Change</b>	<b>%</b>
Airports	130.00	131.00	144.00	13.00	9.9%
City Auditor	7.00	7.00	8.00	1.00	14.3%
City Clerk	9.00	9.00	10.00	1.00	11.1%
City Manager	45.40	47.40	52.40	5.00	10.5%
Development Services	177.00	190.00	190.00	0.00	0.0%
Finance	83.00	87.00	90.00	3.00	3.4%
Fire	1,032.45	1,039.00	1,061.00	22.00	2.1%
Fire Grants	4.55	0.00	0.00	0.00	N/A
General Services	66.00	71.00	80.00	9.00	12.7%
Human Resources	29.00	33.00	34.00	1.00	3.0%
Information Technology	112.00	116.00	123.00	7.00	6.0%
Mayor and Council	6.60	6.60	6.60	0.00	0.0%
Municipal Counselor	54.00	56.00	58.00	2.00	3.6%
Municipal Court	58.00	62.00	65.00	3.00	4.8%
Parks and Recreation	165.00	183.00	186.00	3.00	1.6%
Planning	26.93	28.93	38.70	9.77	33.8%
Planning Grants	18.07	19.07	21.30	2.23	11.7%
Police	1,527.00	1,542.00	1,564.00	22.00	1.4%
Police Grants	0.00	0.00	3.00	3.00	N/A
Public Transportation and Parking	34.00	37.00	46.00	9.00	24.3%
Public Works	399.00	417.00	400.00	(17.00)	(4.1%)
Utilities	773.00	784.00	808.00	24.00	3.1%
<b>Subtotal</b>	<b>4,757.00</b>	<b>4,866.00</b>	<b>4,989.00</b>	<b>123.00</b>	<b>2.5%</b>
<b>Positions Frozen in FY21</b>					
City Manager	(1.00)	0.00	0.00	0.00	N/A
Fire	(21.00)	0.00	0.00	0.00	N/A
Police	(34.00)	0.00	0.00	0.00	N/A
<b>Total Frozen Positions</b>	<b>(56.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>N/A</b>
<b>Total</b>	<b>4,701.00</b>	<b>4,866.00</b>	<b>4,989.00</b>	<b>123.00</b>	<b>2.5%</b>

## THE GENERAL FUND

The General Fund is the largest fund within the City budget and makes up \$557,097,492 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 61.8% of the total budget is expended in this area.

Public Services is the second largest area of spending at 18.3%. 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 9.0% 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 FY21	Adopted FY22	Proposed FY23
<b>General Fund Expenses</b>			
City Auditor	\$1,064,484	\$1,265,883	\$1,445,923
City Clerk	1,215,366	1,182,470	1,287,683
City Manager	3,736,778	3,639,900	4,063,682
Development Services	18,543,170	19,649,683	19,560,736
Finance	8,772,576	9,629,510	9,801,150
Fire	100,412,306	111,049,220	118,439,966
General Services	4,508,402	5,186,776	5,957,496
Human Resources	3,668,232	4,105,218	4,573,199
Mayor & Council	1,155,740	1,238,035	1,281,123
Municipal Counselor	7,620,772	7,848,926	8,315,666
Municipal Court	7,575,574	8,468,593	8,949,175
Non-Departmental Operating	80,405,059	75,671,225	101,209,410
Parks & Recreation	27,985,601	33,048,933	35,954,720
Planning	3,792,257	4,795,185	5,917,482
Police	153,118,846	157,112,887	163,911,659
Public Transportation and Parking	15,854,790	20,645,507	30,610,906
Public Works	34,311,710	35,649,670	35,817,516
<b>Total Expenses</b>	<b>\$473,741,664</b>	<b>\$500,187,621</b>	<b>\$557,097,492</b>



## EXPENDITURE SUMMARY TABLE

	Actual FY21	Adopted FY22	Proposed FY23
<b>Operating Funds</b>			
<b>General Operating Funds</b>			
General Fund*	\$473,741,664	\$500,187,621	\$557,097,492
Internal Service Fund*	50,288,792	56,148,641	65,600,054
<b>Total General Operating Funds</b>	<b>\$524,030,456</b>	<b>\$556,336,262</b>	<b>\$622,697,546</b>
<b>Special Revenue Funds</b>			
Court Admin. and Training Fund	\$135,734	\$247,657	\$227,000
Emergency Management Fund	8,352,744	9,567,491	10,189,106
Fire Sales Tax Fund	42,065,245	47,849,502	49,443,185
Hotel/Motel Tax Fund*	8,389,925	11,482,102	14,545,879
MAPS Operations Fund*	0	0	0
MAPS 3 Use Tax Fund*	3,412,704	4,472,309	893,947
MAPS 4 Use Tax Fund*	0	1,740,752	16,833,097
Medical Service Program Fund	8,828,620	6,882,212	7,343,152
Police Sales Tax Fund*	40,350,009	45,367,158	49,515,656
Zoo Sales Tax Fund	14,418,652	14,932,948	16,757,366
<b>Total Special Revenue Funds</b>	<b>\$125,953,633</b>	<b>\$142,542,131</b>	<b>\$165,748,388</b>
<b>Enterprise Funds</b>			
Airports Fund	\$18,361,039	\$20,814,028	\$22,404,283
Solid Waste Management Fund	11,008,970	0	0
Stormwater Drainage Utility Fund*	15,945,287	20,303,107	20,299,321
Public Trans. and Parking Fund	3,784,728	4,885,397	6,040,938
Utilities Fund	83,648,263	110,727,705	115,762,022
<b>Total Enterprise Funds</b>	<b>\$132,748,288</b>	<b>\$156,730,237</b>	<b>\$164,506,564</b>
<b>Subtotal Operating Funds</b>	<b>\$782,732,377</b>	<b>\$855,608,630</b>	<b>\$952,952,498</b>
Less Interfund Transfers (1)	(95,190,313)	(102,901,147)	(114,677,783)
<b>Total Operating Funds</b>	<b>\$687,542,064</b>	<b>\$752,707,483</b>	<b>\$838,274,715</b>

## EXPENDITURES

	Actual FY21	Adopted FY22	Proposed FY23
<b>Non-Operating Funds</b>			
<b>Capital Improvement Funds</b>			
Better Streets, Safer City Sales Tax Fund	\$49,992,346	\$137,211,598	\$102,157,287
Better Streets, Safer City Use Tax Fund	19,357,460	30,595,666	12,515,291
Capital Improvement Projects Fund	12,974,968	86,398,872	127,790,830
City and Sch Cap Proj Use Tax Fund	1,676,216	3,541,887	2,572,931
Hotel/Motel Tax Fund*	6,077,230	8,370,344	12,308,968
Impact Fees Fund	959,186	37,308,943	51,130,670
Internal Service Funds*	131,341	2,531,768	3,486,995
MAPS Operations Fund*	966,584	2,317,433	2,236,116
MAPS Sales Tax Fund	0	159,782	159,908
MAPS 3 Sales Tax Fund	59,440,867	113,436,024	80,615,195
MAPS 3 Use Tax Fund*	2,157,568	4,221,033	3,516,804
MAPS 4 Program Fund	1,030,000	118,789,806	250,412,959
MAPS 4 Use Tax Fund*	0	39,703,764	56,879,977
OCMAPS Sales Tax Fund	3,010,649	1,959,528	429,030
OKC Sports Facilities Sales Tax Fund	0	50,373	36,375
OKC Sports Facilities Use Tax Fund	0	98,652	3,693
OKC Tax Increment Financing Fund	0	1,790,144	209,305
Police Sales Tax Fund*	1,434,454	2,625,925	4,422,853
Police/Fire Cap Equip Sales Tax Fund	98,556	2,502,962	2,434,098
Stormwater Drainage Utility Fund*	3,511,971	9,087,334	11,897,917
Street and Alley Fund	78,613	0	103
<b>Total Capital Improvement Funds</b>	<b>\$162,898,008</b>	<b>\$602,701,838</b>	<b>\$725,217,305</b>
<b>Other Non-Operating Funds</b>			
Asset Forfeiture Fund	\$1,604,485	\$4,132,320	\$4,561,789
Debt Service Fund	103,371,515	120,736,539	125,884,695
General Fund - MAPS 4*	114,318,193	117,103,316	132,062,015
Grants Management Fund	125,657,709	188,445,158	117,189,173
OKC Improv. and Special Assess Dist.	2,541,299	4,543,720	5,142,058
Special Assessment Districts Fund	2,457,029	3,331,214	1,754,000
Special Purpose Fund	1,165,155	24,332,573	24,495,183
<b>Total Other Non-Operating Funds</b>	<b>\$351,115,385</b>	<b>\$462,624,840</b>	<b>\$411,088,913</b>
<b>Total Non-Operating Funds</b>	<b>\$514,013,393</b>	<b>\$1,065,326,678</b>	<b>\$1,136,306,218</b>
<b>Subtotal All Funds</b>	<b>\$1,201,555,457</b>	<b>\$1,818,034,161</b>	<b>\$1,974,580,933</b>
Less Interfund Transfers (2)	(173,671,724)	(123,586,770)	(138,511,518)
<b>Total All Funds</b>	<b>\$1,027,883,733</b>	<b>\$1,694,447,391</b>	<b>\$1,836,069,415</b>

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

	Actual FY21	Adopted FY22	Proposed FY23
<b>(1) Transfers between Operating Funds</b>			
Gen Fund Transfer to Emerg Mgmt	\$1,947,970	\$2,688,335	\$4,080,480
Gen Fund to Transit Fund via COTPA	2,953,598	3,864,748	4,446,128
Various Funds to Internal Service Fund	49,884,140	56,136,764	65,710,014
Fire Sales Tax to General Fund	12,250,650	12,510,361	12,770,846
Grants Funds to General Fund	163	181,370	294,612
General Fund to Parking Cash Fund	807,588	603,233	1,114,426
Various Funds Pmts to Gen Fund	982	1,801,614	1,640
Police Sales Tax to General Fund	9,406,146	9,605,555	9,805,560
Speval Purpose to Maps 3	0	0	0
Various Funds Admin Pmts to Gen Fund	17,939,077	15,509,167	16,454,077
<b>Total</b>	<b>\$95,190,313</b>	<b>\$102,901,147</b>	<b>\$114,677,783</b>
<b>(2) Transfers to Non-Operating Funds</b>			
Gen Fund Transfer to MAPS 4 Prog Fund	\$114,318,193	\$117,103,316	\$132,062,015
Various to CIP Fund	45,081,829	6,290,000	6,312,349
Various Miscellaneous Transfers	32,039	0	0
Various Funds to Special Purpose	13,099,000	60,362	4,347
Various Funds to Grant Funds	1,140,663	133,092	132,807
<b>Total</b>	<b>\$173,671,724</b>	<b>\$123,586,770</b>	<b>\$138,511,518</b>

# LONG RANGE FINANCIAL SUMMARY



## *Regular financial evaluations help ensure stability*

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

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

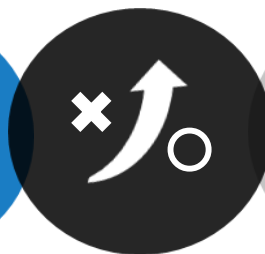
### **PURPOSE OF LONG-RANGE FINANCIAL PLAN**

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

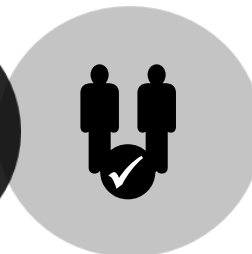
1. **Compliance.** Providing the forecast helps the City comply with city financial policies and practices designed to ensure the responsible utilization of public resources.
2. **Strategy.** The forecast provides the Mayor and City Council with information to formulate long-term strategies to ensure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



**COMPLIANCE**



**STRATEGY**



**ACCOUNTABILITY**

# LONG RANGE FINANCIAL SUMMARY

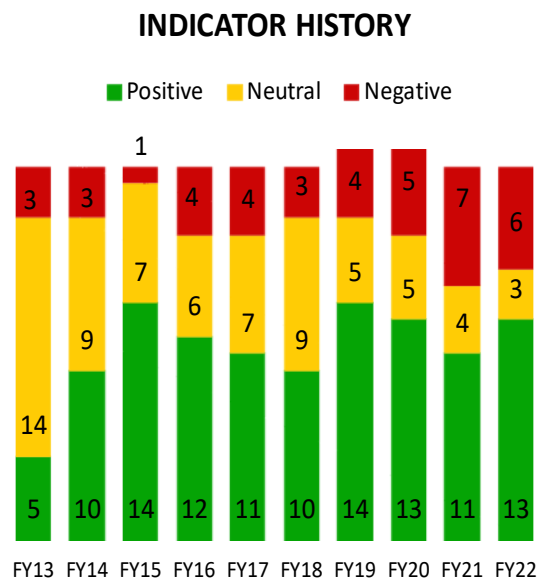
By identifying long-term issues and assessing resources, the Five-Year Financial Forecast provides the Mayor and City Council with the necessary information to create continuity between annual budget cycles and long term needs of the City. The forecast is a valuable tool for identifying potential problems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

## SUMMARY

Overall, the City is fairing well in Fiscal Year 2022 (FY22) despite the economic disruption from the COVID-19 pandemic. We expect collections in the last half of the fiscal year to continue to exceed projections and end the year at 9.6% growth over FY21 levels. 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 for sales tax growth in the current year is for growth between 15.5% and 16.7%. This growth is clearly not sustainable nor a reflection of local economic conditions alone. It reflects the artificial support of unprecedented policy. As policy is withdrawn and the economy is left to stand on its own, real activity is expected to fall. The question that dominates the uncertainty, however, is by how much. This uncertainty is reflected in sales tax growth ranging from -4.1% to 2.6%. For FY23, the City’s forecasted budget was based on policy withdraw and rising consumer prices.

## 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 59% trending positive, 14% neutral, and 27% trending negative as shown in the graph. Changes from the previous year included Grant Revenue and Pension Funding, both moving to a positive trend. Grant revenues, as a percentage of operating revenues, typically remains in the 4% to 5% range. In FY14, Federal and state grant funding was at its lowest level since 2001, but gradually returned to the 4-5% range, before dropping again in FY18 due to \$24.2 million in disaster recovery grants coming to an end. The decline continued through FY19, but increased significantly in FY21 primarily due to over \$103 million in expenditures from grants from the Department of Treasury as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Consolidated Appropriations Act, 2021 for emergency rental assistance to residents. With growth above the 4-5% range the indicator has moved to a positive rating.



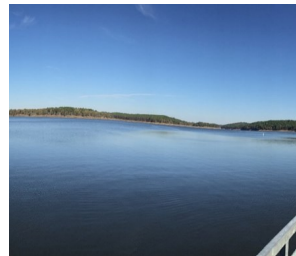
# LONG RANGE FINANCIAL SUMMARY

There were six indicators trending negative: Office Vacancy Rates, Airport Activity, 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 restoring 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. 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 52 issues were identified in the forecast with the seven most significant issues highlighted:



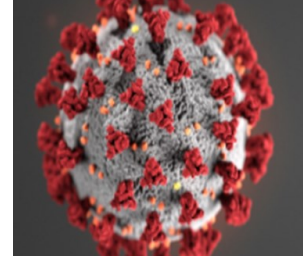
**First Americans Museum.** The City assumed this project from the State and has partnered with the Chickasaw Nation for capital and operating support. The facility opened in September 2021 with the City responsible for any operating deficit which could place pressure on the General Fund.



**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.



**COVID-19.** The COVID-19 pandemic has adversely affected the City’s revenue collections , in addition to many residents and businesses.. The City received over \$114 million in Cares Act funding and \$19.6 million from ERAP1 to provide economic aid to businesses and residents throughout the community. An additional \$122 million in American Rescue Funds for City project and aid for resident and businesses is available.

# 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 is currently completing a classification and compensation study, and is expected to be completed until the fall of 2022.

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.

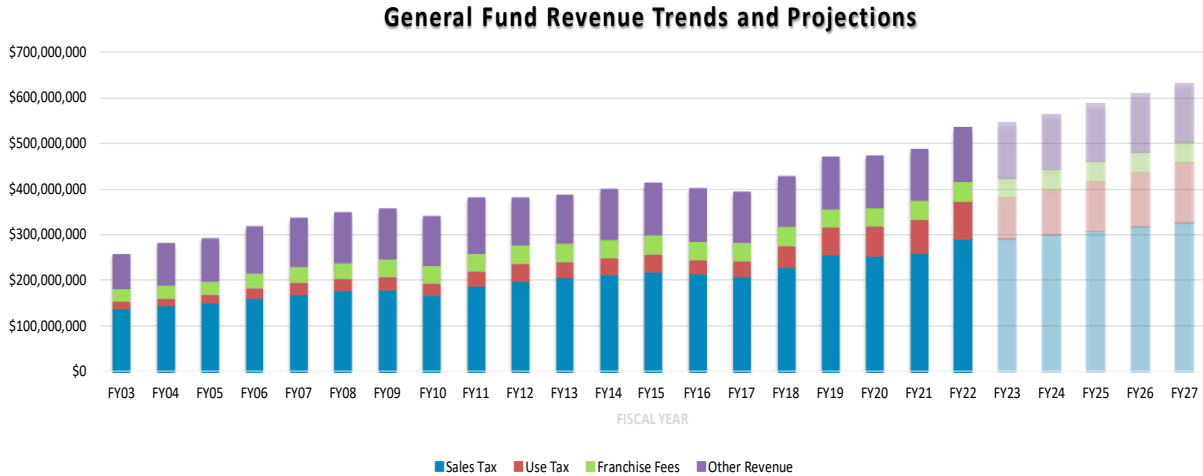
The forecast also closed the communication loop on 6 previously identified issues that were resolved with successful outcomes including voter approval of a permanent one-quarter cent sales tax increase that went into effect January 1, 2018 which generates approximately \$27 million per year for the General 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

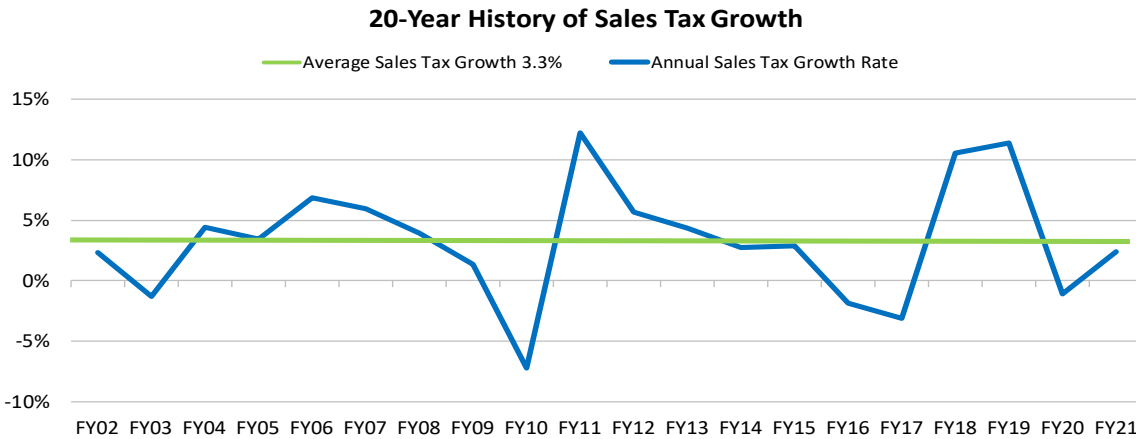
The General Fund is the largest fund within the City and serves as the mechanism from which many of the core services are primarily funded.

# 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 3.4% per year over the next five years and reach \$631.7 million in FY27.



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.

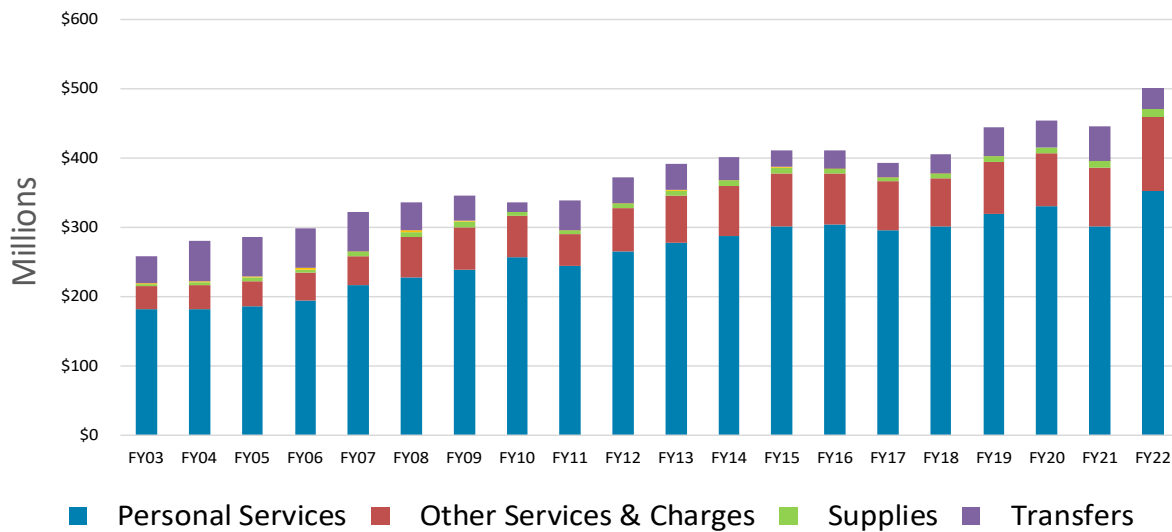


**General Fund Expenditures.** City expenditures encompass a variety of goods and services and it is anticipated that general operating costs will continue to grow at a rate higher than inflation. Growth is due primarily to salary and benefits as full-time budgeted positions have grown by 418 or 9.4% over the last 20 years. Besides normal historical growth, additional capital, operating and/or maintenance costs were added for the COTPA Cares Act subsidy replacement, First Americans Museum, Northwest Bus Rapid Transit, Streetcar capital replacement, and streetlight LED upgrades.

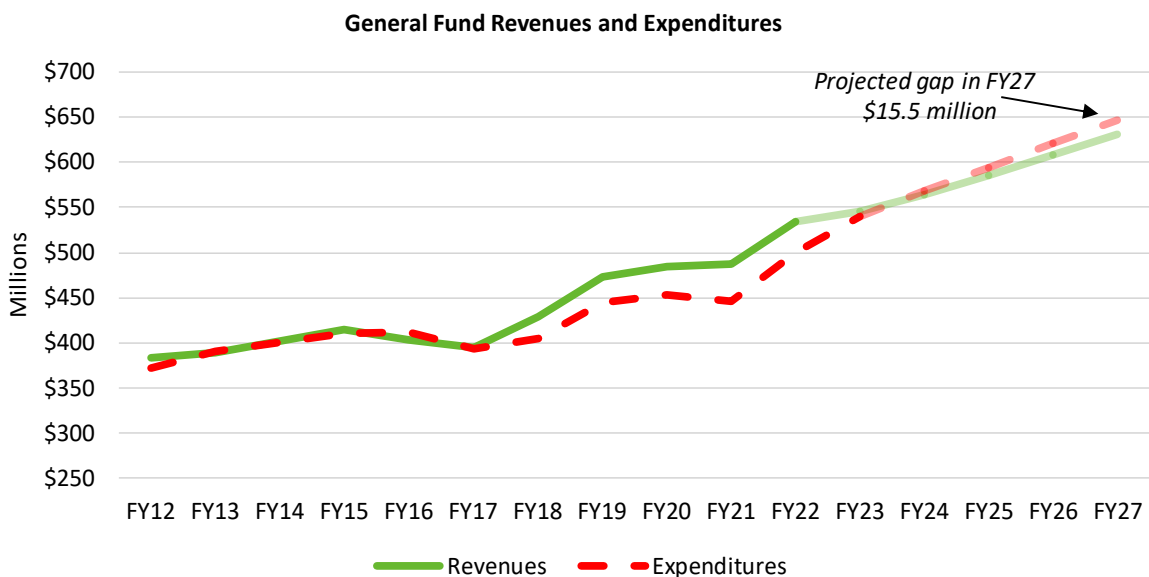


# LONG RANGE FINANCIAL SUMMARY

The additional costs range from \$6.2 million to \$8.7 million annually from FY22 to FY26. Overall, General Fund expenditures are projected to have annual growth of 5.3% and reach \$647.2 million in FY27.



**Projected Revenue/Expenditure Gap.** Over the next five years, a gap between General Fund revenues and expenses is expected 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 3.4%. Expenses were projected to grow at the same rate as long-term trends and average growth of 5.3% annually. Known increases to expenses, such as subsidies to COTPA, streetlight LED upgrades, 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 \$15.5 million by FY27.



# 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.

