

Fiscal Year 2020 Budget Speech to City Council
Mayor G.T. Bynum
April 24, 2019

Thank you, Mr. Chairman. I first want to thank each of you for your help this budget cycle in establishing clear priorities and working with our Finance and Mayor's Office teams to identify ways to accomplish them. Through this collaborative approach, we have again developed a budget which offers much for the citizens of Tulsa.

At our planning retreat in January, we renewed our collective commitment to the Three C's: cops, compensation, and cash reserves. We also agreed on the need to do more to protect neighborhoods across the city from the negative impacts of vacant and abandoned properties. The budget proposal before you makes important gains in each area.

In this proposed budget, we fund the third straight year of a record-setting pace for hiring in the Tulsa Police Department with the addition of another 90 new officers. I want to thank the Council for consistently making this a top priority. Only through consistency will we reach the independently-recommended staffing count we need to keep Tulsa properly safe. To put these numbers in context, in the last two decades the City has averaged 30 new officers a year. Thanks to our budget priorities over the last three years, we have funded the equivalent of nearly a decade's worth of hiring in three years.

In this budget we also fund a Tulsa Fire Department Academy for 25 cadets, which will help us counter projected attrition over the course of the year and keep our staffing steady.

When it comes to cash reserves, we face what I believe is the greatest risk to our organization. So long as Oklahoma remains the only state in the nation to prevent cities from using property tax to diversify their revenue base, we will be forced into over reliance on sales tax. I think a lot of the time this seems like a wonky, inside baseball issue that is only important to City employees. Let me present it in a different light: We are one economic downturn away from reductions in revenue that could force layoffs and wipe away all the progress we've made in Tulsa Police Department staffing over the last three years. Studies show that crime tends to go up when the economy goes down, so we would be faced with reductions in manpower at just the moment when crime is on the rise. None of this is hypothetical. I sat on the Council during the Great Recession when we faced this very situation, and I feel a responsibility both to our fellow Tulsans and to our employees to do what we can to avoid it in the future. The safety of our fellow Tulsans is reliant on us building up reserves to avoid this situation when we can.

Thanks to conservative budgets adopted by the City Council over the last two years and prudent fiscal management during that time, we have accumulated \$2 million in savings for each of the last two years. The budget before you allocates those savings to the City's Rainy Day Fund, tripling it in size from \$2 million to \$6 million. We still have a long way to go before we are in a responsible level of reserve funding, but this is an important step forward.

Perhaps the area I am most excited about within this budget is the compensation for our employees. To achieve these numbers, I asked our department heads to submit cuts to their own budgets that would make it possible. Most of them, with a few exceptions, did so. I want to thank those who submitted those cuts for their leadership.

For years, City of Tulsa employees have lagged our peers in pay. The budget before you addresses this on three fronts.

Our Human Resources Department has developed a plan to bring non-sworn City employees in line with market pay rates. This budget implements the first phase of that plan, with a heavy focus on our Labor and Trades employees. These are positions which we have a hard time filling in the first place and keeping people in once they're hired both because the manual labor in the job can be challenging (ask a City employee who has to fix a broken water line in the middle of an ice storm what it's like), but also because our pay lags virtually every other option. As of last week, we had over 150 vacancies in Labor and Trades jobs alone. This presents a critical shortage for us in delivering basic services to the citizens of Tulsa, so we must be more competitive from a pay standpoint. This budget would increase pay for Labor and Trades employees by at least 10%.

Every non-sworn employee outside of our Labor and Trades group would receive a satisfactory performance increase if they qualify.

We also have heard concern for years about Tulsa lagging our peer cities when it comes to pay for first responders. When recruitment for the best first responder candidates is as nationally competitive as it has ever been, we are at a disadvantage so long as our starting pay lags.

The budget before you would increase Tulsa firefighter starting pay to the average of our peer cities. This equates to an increase in starting pay of approximately \$5,000 for every new firefighter. In addition, every firefighter who qualifies would receive a satisfactory performance increase in pay. Those who are topped out would receive a 1% pay increase.

And the days of hearing "8th in the state" when it comes to Police pay are over. The budget before you would increase Tulsa Police starting pay to the same as Oklahoma City's. This equates to an increase in starting pay of approximately \$10,000 for every new police officer. We ask a lot of our Tulsa Police officers, especially in recent years, and having pay parity with Oklahoma's other major city is a priority we should fund. In addition to our entry level parity plan, every officer who qualifies would receive a satisfactory performance increase in pay, and those who are topped out would receive a 1% pay increase.

A new issue that came up at our retreat this year is the need to address vacant and abandoned properties. The budget before you will fund an exciting new program called the Housing Opportunity Partnership.

This program will address vacant and abandoned houses and will create opportunities for homeownership. The City of Tulsa has a demolition backlog of 300+ structures that create instability and invite crime in our neighborhoods. These are vacant and abandoned properties that are unfit for human occupancy, in so much disrepair that they constitute a public nuisance, or they have been boarded up for at least 18 months. They are NOT occupied, nor are they likely to become habitable. The City is not acquiring these properties; rather we're ensuring structures that lead to neighborhood instability are addressed.

To address this backlog, we've developed a three-part strategy focused on analysis, reinvestment, and prevention. This spring the Working In Neighborhoods Department and our Grants Administration team analyzed 300 properties and identified 68 that are ready to be demolished. Over the next two years

Working in Neighborhoods will eliminate the full 300+ property backlog. At the same time, the City will partner with the community and non-profits like Habitat for Humanity and Crossover Community Development Corporation, organizations already working in these neighborhoods, building homes on these cleared lots creating opportunities for homeownership – focused on the residents already living in the neighborhood. Finally, to prevent more housing becoming uninhabitable, the City will partner with the Tulsa Health Department to engage homeowners, tenants and landlords with existing programs available to assist with maintenance and property upkeep.

The last area we discussed at our retreat was the Office of the Independent Monitor. The time since our retreat has been an opportunity to hear from people throughout the community about what they like and don't like about the Denver model. We want what we implement in Tulsa to be right for Tulsa, not what's right for Denver. We will have ordinance language for the Council's consideration in the next month. The budget before you funds the Office of the Independent Monitor beginning January 1, allowing time for the ordinance process to take its course, the Citizen Oversight Board to be identified and appointed, and the Monitor to be identified and hired.

Beyond the five main areas we discussed at our retreat, there are other significant improvements reflected in this budget.

Earlier this year, we announced a major upgrade of our Animal Welfare operation. Working together, we established the Animal Welfare Commission which has already started meeting. We have also partnered with Harvard University to go through an innovation process for improving service delivery. We have advertised and are in the process of hiring personnel that will increase field coverage hours by 73% and shelter hours by 59%. All of these improvements are funded in the budget before you.

Similarly, we are going through a substantial increase in staffing for our Development Services Department, with the goal of moving our average time for initial permit application review from 5 weeks to 5 days. We have established a self-certification process and are going through the contracting process to offer third party plan reviews. All of these improvements are funded in the budget before you.

We also have some important new announcements that are reflected in this budget.

The first is good news on utility rates. As many of you will recall, political decisions were made by elected officials that prevented utility rate increases for a decade. Because our rates are based on the cost of operating our utility systems, the Tulsa Metropolitan Utility Authority faced a decision: either let the system fail due to lack of maintenance or borrow funds to properly maintain it. Thankfully, they chose the latter, but it has taken almost a decade of rate increases for us to catch up with where our rates need to be. This year, thanks to a decade of the TMUA Board and the Council choosing good policy over politics, the rate increase for water is 1% - less than the rate of inflation.

We still have a way to go with our sewer and stormwater rates, but this shows that if we will commit to funding the cost of delivering the service over time, rate increases will go down.

I also know that stormwater improvements have come up as a possibility for Improve Our Tulsa. In particular, the area at 81st and Elwood has seen a lot of development in recent years and clearly needs stormwater improvements. Those and other important improvements are funded in the rate model provided for in this budget.

In September, Tulsa will become one of the first dozen cities in the nation to operate bus rapid transit. We believe this will change the way Tulsans utilize public transportation, and we want everyone to feel free to try it out. At our retreat, Councilor McKee suggested the idea of making the rides free for a period of time. That is a great idea, so the first month of bus rapid transit rides will be free to all and that cost is covered in the budget before you.

Over the last decade, the City has maintained a moratorium on installing new neighborhood street lights. Our agreement with PSO provides for installing lights and replacing bulbs that go out, but we have not authorized any additional light fixtures since 2009. Because of this, a backlog of over 500 requests has accumulated and in past citizen surveys Tulsans have indicated that many don't feel safe walking in their neighborhoods at night because they are dark. It is time to begin clearing this backlog and illuminating neighborhoods across the city, so the budget before you funds the first year of a three-year program to do just that.

As long as I have been at City Hall, we've recognized that we could do so much more to develop our economy and our community if the City and our relevant authorities were better aligned. We need to modernize the way the City's economic and community development offices work with the Tulsa Development Authority, the Tulsa Public Facilities Authority, the Tulsa Parking Authority, the Tulsa Industrial Authority, and the Economic Development Commission. To do so, we will go through a strategic review process with the goal of more proactive collaboration among these groups to achieve the aims we at the City establish. Funding for that process is included in the budget before you.

In the last decade, we have also recognized the tremendous benefit we gain for cultural assets owned by the citizens of Tulsa when we can partner with a not-for-profit entity that is focused on operating them. Gilcrease Museum and the Tulsa Zoo have both enjoyed a renaissance since adopting this management approach. We believe the Tulsa Performing Arts Center has the potential to experience a similar renewal under the management of the Tulsa Performing Arts Center Trust. We have negotiated a management agreement that will be ready to sign by the start of the fiscal year, and the funding for this new partnership is reflected in the budget before you.

In the last year, we opened the greatest park gift to any city in American history. Yet for years, we have neglected the proper operations and maintenance of our own Tulsa Parks system which weaves throughout the city. The capital investments in the current draft of Improve Our Tulsa will make a major bricks and mortar difference. But operations matter too.

The budget before you includes a major increase in Tulsa Parks funding that will be used to improve Parks maintenance and administration citywide. To boost parks maintenance, the department will add two field maintenance workers, and fund increases for HVAC supplies, roofing repairs and urban forestry contract services. In administration, there are two key new positions – one a marketing and community engagement coordinator, to promote parks programs and facilities and better engage the public on an ongoing basis, and an information and planning manager to help develop and implement data-driven strategic planning and project management for the department.

I want to give you one example of how much our parks mean to the citizens of Tulsa. For years, the Chamberlain Park Recreation Center has been slated for closure. In budget after budget in years past, the funding for it was eliminated. But one person can make a difference, and for Chamberlain Park that person has been Jane Malone. Ms. Malone leads the Chamberlain Area Neighbors, a neighborhood association that meets every month at the center. For years, every time the center was budgeted for

closure Ms. Malone would contact councilors and press for just enough part-time staffing to keep it operating. If she hadn't done this, Chamberlain Recreation Center would have almost certainly gone the same way as so many recreation centers throughout our city: quote-unquote temporarily closed, until it became deteriorated to such an extent that reopening it was an impossibility and demolition was the only affordable option.

But not this year. The budget before you will finally properly fund the Recreation Center's operations - and Councilor Hall-Harper and I have initiated the process to rename it as the Jane Malone Recreation Center at Chamberlain Park. Jane Malone is an example we want every Tulsan to know about: that one person who loves their neighborhood and loves this city, through tenacity and persistence, can make this a better place for their neighbors. True to form, she's here tonight to make sure Chamberlain Park is properly funded! I want to thank her for being such a great role model for every Tulsan.

So the budget before you does a great deal to make Tulsa a better city for our neighbors. I again want to thank each of you for your help in setting these priorities. I also want to thank the Budget team in the Finance Department and the Mayor's Office, who have worked doggedly for months - on nights and on weekends - to fit all of these pieces together.

You will see in the budget book a remembrance of our late and beloved City Finance Director Mike Kier. The last time a City of Tulsa budget was assembled without Mr. Kier's supervision, Senator Inhofe was Mayor Inhofe - and Jimmy Carter was President of the United States. But Mr. Kier built a great team, and they have done incredible work in carrying the torch forward.

I am happy to answer any questions you might have.

Thank you.