

Fiscal Year 2023 Budget Presentation

Thank you Madam Chair. I want to thank you and my other colleagues on the Tulsa City Council for yet another collaborative budget development process. Once again, we have worked together to identify shared priorities and it is my hope that the budget before you reflects that spirit.

We are in a unique moment for the City of Tulsa from a financial standpoint. Nearly every budget in the last few decades has been an exercise in cutting services in some areas to keep the budget balanced in others - always trying to move forward with minimal revenue increases, if not often declines. This year, we are in the midst of once-in-a-generation inflation, which has caused sales and use tax revenues to boom. But we have to be mindful that so have our costs - most importantly, maintaining the buying power of our team members at the City of Tulsa as they see inflation eat into their earnings. If we want to be competitive for attracting great team members in a tight labor market, we must remain focused on employee compensation.

Fortunately, this is something all of us recognized at the outset of the budget development process. At our annual retreat, we acknowledged the challenges in hiring across nearly all employee groups and set a focus on employee compensation as our top priority.

After funding the largest starting pay increases in the history of both the Tulsa Police Department and the Tulsa Fire Department over the last year, we recognize the need to also address the non-sworn members of our team at the City. While they may not wear a badge, City employees like the ones who repair our water lines, fix our streets, mind our finances, and respond to citizen calls also serve critical public safety functions.

The proposed budget for Fiscal Year 2023 is \$944.9 million, which includes all city funds - including operating funds and our capital improvements program. General Fund revenues, which fund most of our core services, are projected to increase by approximately \$17 million from the current fiscal year to \$358 million - a 5% increase over our currently estimated revenue for Fiscal Year 2022.

Considering the bust-and-boom cycle our municipal revenues have historically experienced, you and I have prioritized the financial stability of the city government throughout my time as mayor. We secured voter approval for a dedicated Rainy Day Fund revenue source, and I am pleased to share with you that by the end of FY2023 our Rainy Day Fund will contain over \$12 million - six times what it held when I was sworn in as mayor in 2016. This is not enough to entirely absorb a shock like a global pandemic or the Great Recession, but we are planting trees today so future public servants can take shelter from the storm.

Along similar lines, the City years ago adopted a financial best practice goal aiming to set aside 10% of the General Fund in an Operating Reserve that could be used in the event of natural disasters. We made incremental progress for years, but in the proposed budget before you we achieve that 10% goal.

And as we see the impact of inflation on our purchases of equipment for critical City functions like fire trucks and dump trucks, this budget sets aside \$8.5 million to cover inflationary increases in equipment procurement costs.

Between a fully-funded operating reserve, a growing Rainy Day Fund, allowance for inflationary pressures in procurement, and careful attention to funding our pension liabilities (which is also included

in this budget), we are establishing Tulsa as one of the most fiscally sound city governments in America. This is important for the citizens of Tulsa, who rely on our services, and it is important for public servants who are considering careers on our team. I want to thank you for the fiscal restraint you have joined me in demonstrating so we could achieve this level of security.

The greatest operating expense for the City of Tulsa is public safety.

The budget before you funds 30 Tulsa Fire Department cadets, which will result in a fully-staffed Tulsa Fire Department. It also includes funding to train 20 new paramedics within the Tulsa Fire Department, increasing their ability to serve and improving on medical response capacity in our city.

We benefit greatly in this budget cycle from a federal grant secured by the Tulsa Fire Department that is funding 60 firefighters for three years. I want to thank Fire Chief Michael Baker and his team for identifying important one-time funding priorities resulting from the savings created by this grant, which will improve the operations of the Tulsa Fire Department and are included in this proposed budget. These include \$3.8 million in capital purchases such as priority equipment, protective bunker gear, and the expedited replacement of both a ladder truck, a fire engine, and a grass rig in the first year alone of a three-year grant.

The greatest public safety risk we face in Tulsa is staffing in the Tulsa Police Department. While I hate to cite this statistic in a presentation that otherwise features much to be excited about, the reality is that if current trends continue over the remaining two-thirds of the calendar year, we are on pace to break Tulsa's all-time homicide record. As of April 1, Tulsa had 18 homicides so far this year as compared to 13 in each of the previous 3 years.

Violent crime - with homicides as the most extreme cases - must be proactively addressed by us to the greatest extent possible. And while there are many factors that feed into that homicide rate, independent experts have told us that proper police department staffing has a direct impact on reducing violent crime.

The budget before you returns us to the pre-pandemic pace you and I set for Tulsa Police Department academies with 90 new officer positions funded. It also includes funding to expand Tulsa Police Department recruitment efforts beyond attendance at college career fairs, which has been a primary tool historically.

And while we know that nothing can replace officers in the field, we also know that it has never been more challenging to hire new police officers - for any city. Chief Wendell Franklin and I are in agreement that we will not lower our standards in hiring or training, both of which are amongst the most stringent among major American cities. Building a properly-staffed Tulsa Police Department will take time, so if we want to do a better job of addressing violent crime today we must do more with what we have.

It is in that spirit that this budget funds the establishment of a real-time information center for the Tulsa Police Department. A real-time information center will pull together camera feeds from throughout the city to assist officers in responding to crimes more effectively and allow more evidence in follow-up. While this concept is new in Tulsa, the reality is that we are way behind most major cities. Just as one example, then-Mayor Corey Booker established a similar system in Newark 15 years ago. The reality is that your average mall cop has more video data at their disposal than a Tulsa Police Officer.

Today, victims of crime are almost completely reliant on a witness seeing something happen and calling 9-1-1. That witness then relays what they saw to a 9-1-1 operator, who in turn feeds their understanding into our dispatch system, which is then read by the officer responding. Virtually every call is like the old game of telephone, where people relay their impressions of a message.

With a real-time information center, cameras are placed in high crime areas with community participation in the selection. Cameras are not hidden. To the contrary, they are well marked. During a recent site visit in Las Vegas, Councilor Lakin and I had the chance to see them in action. In Las Vegas, their cameras have strobe lights on the top which are only turned off if area residents or business owners dislike the flashing light and ask for it to be turned off. The clear presence of the cameras is itself a deterrent.

These cameras can be used to monitor high crime areas, allowing a response even when there are no witnesses. Councilor Lakin and I saw several examples of violent crime victims being attacked while they were alone. In our current system, these victims would have had to fend for themselves and call for help after their attacker left. With a real time information center, officers were immediately dispatched to rescue those in need.

These cameras are also valuable for response when a call for help comes in. Councilor Lakin and I saw several examples in which criminals would victimize a business or an individual, walk around a corner, and then either put on a jacket or dispose of a weapon. In our current system, witnesses or victims would have reported an assailant in a blue shirt fleeing but officers would have driven right by the criminal because they wore a tan jacket. Instead, thanks to coordination from a real time information center the suspect was immediately and accurately apprehended.

In just the last few months, I can not tell you how many business owners have asked me to increase patrols around their business due to vandalism and even assaults on their employees. I know many of you have been copied on these emails and asked to help. At our current staffing levels, the Tulsa Police Department just can not be everywhere that Tulsans would like it to be all the time. But with a real-time information center we can install the monitoring these business owners and neighborhood residents so desperately seek in order to facilitate a proper response when it is needed.

So while we are behind the curve on use of technology to better aid crime victims, this budget will fund the people, training, and equipment necessary to modernize the Tulsa Police Department's response. This will be the most important fundamental improvement to police capabilities in Tulsa in decades.

A crucial initiative of both the Tulsa Fire Department and the Tulsa Police Department is the Community Response Team. This is a designated team for response to mental health crises which we established in my first year as mayor and have worked together to expand at a steady pace in each budget cycle since then. Last year we funded the Community Response Team at the full requested amount, but as we have seen there are times when multiple teams are needed in the field at once. Following discussion with councilors regarding this challenge, we asked the team to recommend an allocation for further expansion of the program. Our Community Response Team leadership is analyzing data to determine the specifics of that expansion, but this budget fully funds the resources requested by the team for continued expansion at a cost of \$250,000.

This budget includes pay and benefit increases for both the Tulsa Fire Department and the Tulsa Police Department, with a goal of offsetting inflationary pressures we are seeing right now. The specific details of each contract must be established through our annual collective bargaining process.

One of the key challenges we identified at our Mayor-Council retreat is the need to address non-sworn pay. Police and Fire have consistently received pay and benefit increases over the last several years, while non-sworn employees quietly settled for nothing. In 2020, they even sacrificed their own pay so we could keep sworn personnel fully paid and staffed. If we want to be competitive for the best employees - both in retaining them and in recruiting them - we have to do better.

The budget before you includes the establishment of a \$16 minimum hourly rate for full-time employees, and adjustments up the pay chart to avoid compression. As with Police and Fire, the specifics of these adjustments must be negotiated through collective bargaining, but the overall impact on pay for our non-sworn team members would be substantial.

This budget proposal also includes funding for two new analysts in our HR Department to move applicants through the hiring process more quickly, and funding to improve recruitment efforts. I want to thank Deputy Mayor Cassia Carr for leading the team that analyzed our staffing challenges and brought forth this recommendation.

We often fall into the trap during these budget discussions of talking about our City team members in broad employee classifications. I want to share a few more personal examples of the impact this investment in our non-sworn personnel could have.

LaTysha Jackson is the administrator for Building Operations right here at One Technology Center. Her supervisors all rave about the great work she does – how she helped them transition to a more efficient work order system, how she is a team player who excels no matter the task and never mentions her own pay. They mention that she goes above and beyond her job description, learning life safety training skills and how to check both City Hall’s fire alarm systems and back-up systems for emergency power. A single mom with a very bright daughter, she has continued to be punctual and show up to work even through all the challenges the pandemic presented to parents of young children. As her supervisors put it to me: “Without LaTysha, our work would slow down to a stop.”

LaTysha has served the citizens of Tulsa as part of our team at the City for 14 years, yet she makes \$15.21 an hour. We can do better, and in this budget we will.

Roy Sheppard is a custodian in the Tulsa Parks Department. Parks Director Anna America can’t praise Roy highly enough: “He is a fabulous employee, always positive and collaborative and willing to do more than what is asked of him. One of the friendliest people on my staff. He was a rock during the pandemic -- filling in for people out sick or on quarantine at every facility, and really taking the lead among our custodial staff to come up with ways to keep things sanitized and safe. (Custodians were considered essential workers to come to work everyday even when other people were working remotely.)”

During most of the time he has worked at the City, Roy has had to have another job cleaning schools in the evenings just to make enough money to take care of his family. After more than 10 years with the City, he FINALLY got over \$16/hour a month or two ago when Anna nominated him for the maximum allowed special merit increase. Roy’s is a great example of why we have to bump up everybody, not just

the lowest paid employees. If he stayed at \$16.73 an hour and a new person made \$16, it would be a slap in the face after more than a decade of dedicated service to our community.

These are just two stories, but LaTysha and Roy represent hundreds of hardworking City of Tulsa team members. Overall, across all employee classifications, the budget before you funds an additional \$42 million in personal services over the adopted FY22 budget - a 13% increase. We are putting increased revenue into our most valuable asset: our team.

Another key challenge we identified at our retreat was improving customer service. It is taking too long for citizens who call our Customer Care line to receive the assistance they need. I want to thank Customer Care Director Monica Hamilton for developing a plan of action to address these delays, and the implementation of that plan is funded in this budget - including 10 additional positions representing a 27 % increase in staff available to decrease wait times experienced by customers calling for utility bill questions, Animal Welfare, Code Enforcement, or others needs.

Thanks to voter approval earlier this year of our new PSO franchise agreement, this budget includes improved funding for median maintenance, street lighting, and power line burial.

At the Mayor-Council retreat, we all agreed on the importance of neighborhood vitality. This budget funds an additional \$200,000 for abatement of code violations, and it funds the dedicated Tulsa Parks security team we piloted this year. It also funds an administrative assistant to handle administrative tasks for our Special Events team, so Skipper Bain will no longer have to facilitate events across the city all by himself.

The cyber attack on the City of Tulsa did not result in a ransom, thanks to previous security investments we jointly prioritized in past budgets. But we can not be complacent when so many important functions rely on the City of Tulsa's IT infrastructure. Today, over 80% of the emails hitting the City of Tulsa's servers are cyber attack attempts. This budget funds a continuing hardening of our cyber defenses - including the establishment of a Disaster Recovery Architect position, two security service engineers, and the establishment of a redundant high-speed internet link to the 9-1-1 Call Center.

And as we near the conclusion of the Centennial Year of the 1921 Tulsa Race Massacre, I want to thank the Council and so many Tulsans throughout our community who are working to uncover the truth of the past and build a better future. The City of Tulsa is contributing to this important work in a way it never has before. It is important that we not just plan, but act.

The budget before you funds \$2 million toward the implementation of the Kirkpatrick Heights-Greenwood Master Plan, which is being developed by a leadership committee of long-time North Tulsa community leaders. It also includes \$1 million to continue the search for the graves of victims from the 1921 Tulsa Race Massacre, which includes further excavation and DNA analysis following the recommendation of technical experts submitted to the City earlier this year.

And in a matter close to home for the Council, this budget not only funds a dedicated Assistant City Attorney for the City Council but also a prosecutor to facilitate the implementation of a night court at Tulsa Municipal Court - something councilors have been working toward for years.

In a time of historic inflation, our utility rates remain in line with the cost of providing service and maintaining our systems. The budget before you keeps Water, Trash, and EMSA rates flat. It reflects an

8.5% increase in stormwater rates and a 7% increase in sewer rates as we continue to build those funds up to cover the cost of maintaining the infrastructure Tulsans rely upon.

I also want to add a qualifier here. As my old City Council colleague David Patrick used to frequently remind us, the budget is not chiseled in stone – it is the best prediction we can make for the year ahead, and it can always be amended. Along these lines, our trash and recycling services are both going through a bidding process for the first time in years and the cost of doing business in those industries is not immune from the same inflationary pressures we are seeing as a city government. We should anticipate a corresponding rate increase for trash and recycling services as that bidding process moves ahead. Any rate would of course require City Council approval.

I want to thank our budget team in the Finance Department, led by Finance Director James Wagner. In particular, I want to thank our Budget Director, Keith Eldridge, who will retire after 32 years with the City of Tulsa once the new fiscal year begins. Keith and his team work hard year-round - treating nickels like manhole covers to make sure every taxpayer dollar is utilized responsibly and effectively. We are incredibly fortunate to have such a talented and dedicated Budget team safeguarding our finances.

In closing, I want to thank you - my colleagues on the City Council - for once again working closely with my Administration to develop this budget. This is the sixth budget we have developed with our collaborative approach, and we've maintained that through busts and now booms. I am grateful that we have set a new standard, that we are getting to a point where fewer and fewer people remember the days when the mayor would surprise councilors with the budget every year. That is as it should be.

This budget is our best effort to reflect consensus priorities of ten elected officials - all with different life experiences, political beliefs, and constituencies. Together, we have developed a budget that is balanced and puts the citizens of Tulsa - their safety and their ability to go about their lives as best they choose - first.

Thank you.