

Mayor G.T. Bynum
Council Presentation: Budget
April 26, 2017 – 6 p.m.

Before I begin, I want to thank our team in the Mayor's Office – led by Jack Blair – and in the Finance Department – including Mike Kier, Keith Eldridge, Matt Cooper, Alan Rowland, Gary Hamer – and so many other people who have worked hard to assemble this budget.

I think it is important that we acknowledge the difficult circumstances faced by our city when this Council and I were sworn in on December 5. Our population growth has been stagnant for two decades. Our revenue growth at the City has been stagnant for years. Based on historic sources of revenue, our General Fund would be down over \$5 million this year. Two-thirds of our City employees report low morale in the workplace, our Police Department is severely understaffed, health care cost increases last year were shunted onto employees and their pension system was not being funded at the level necessary for its long-term sustainability. Medians and rights of way were overgrown with weeds and tall grass, our highways had gone dark, and innovative solutions to problems died on the vine due to inattention and lack of action. In short: Our employees were demoralized after years of feeling treated as an afterthought, and our citizens had grown comfortable with low expectations.

But I believe you and I were elected to fix these things, to prove that Tulsa can do better.

So when we met in December for our Mayor-Council retreat, we unanimously agreed to set our sights higher: To make Tulsa once again a globally competitive city. And we acknowledged the best way for us to do that as elected officials is to create a platform on which Tulsans can succeed. That means a city that is safe, that is known for innovation, and that expects excellence in its core responsibilities. And we recognized that we don't just serve the citizens – we serve our City employees. Happy employees deliver better service to the citizens, and they attract other high-caliber recruits to our team.

So how do we balance the two? How can we deliver better service when our traditional sources of revenue are down? The conventional wisdom was that we couldn't.

But again, you and I were not elected to settle for conventional wisdom. We were elected to prove we can do better.

So we worked together and we worked hard. And I want to thank you for working with me to produce this budget. If we were divided, we couldn't have done it. But because we are working together, I believe we've developed a budget that will set a new course for Tulsa.

We started by agreeing to restrict growth, except in the priority areas we identified. With a few exceptions, we have frozen the City's non-sworn employee count where it stands. When times are better, we may be able to address shortfalls in those areas. But for now, we have to ask our team at the City to do more with less. I believe they are up to that challenge.

This budget reflects modest adjustments to a handful of fees, such as our right-of-way maintenance fee, to better reflect cost of service. We recognized new revenue, such as the Service Line Warranty program, and we benefited from additional tenants in One Technology Center which correspondingly lowered the City's rent.

This budget also reflects our commitment to covering the cost of service for our utilities – and not a penny more. You will see a 9 percent increase for sewer and stormwater, while the water rate increase – initially projected to be 6 percent – is actually 4 percent. As we discussed in committee, the latter is due to truly impressive data-driven management by the team in our Water & Sewer Department and at the Tulsa Metropolitan Utility Authority. It is important for the citizens to understand that we would not have to ask them for rate increases like this if we weren't cleaning up the mess left behind after a decade of political decisions were made to avoid rate increases. We are doing the responsible thing by bringing our rates back in line with the cost of service, instead of relying on more and more debt to maintain our water supply.

Our overall change in philosophy is that the City cannot continue to defer difficult decisions, or be in the subsidy business when we aren't properly funding our core responsibilities.

I also want to thank Governor Mary Fallin and Secretary of Finance Preston Doerflinger. Without their work to address the lack of compliance with tax payments on internet sales, we would not have the funds needed to address our goals.

So that is how we got here. What does the year ahead look like?

The budget before you contains a number of significant changes that will make a substantial positive impact on our city.

We recognize that City employees have gone for years without being rewarded for good work, have had the increase of health care costs shunted onto them, and have had a pension system that wasn't keeping pace with the actuarial demands on its funding.

Today, I am presenting a budget to you that addresses each of these concerns.

Under this budget, every employee at the City who is eligible for a satisfactory performance increase will receive one. We appreciate hard-working City employees who take care of business in the sun, in the rain, in the sleet and the snow. We want them to build careers here at the City, and we want to reward those employees who serve the citizens with a standard of excellence Tulsans should expect. These performance increases are one way of doing that.

It's impossible to predict what will happen with health insurance policy at the national level, but we are projecting an increase of 10 percent in health-care costs. Every dime of that is covered by the City in this budget. We want our City employees and their families to be healthy, because healthy employees deliver better service to the citizens. The coverage of this increase reflects our commitment to the health of our team members here at the City, and it ensures they don't take a step backward in overall compensation by being asked to pay for the increase themselves.

But we recognize this is a short-term solution. Council Chair America and my Chief of Staff Jack Blair have been leading a task force of City employees to develop better approaches to employee health, and we hope to begin implementing those in 2018.

One of the most common causes of municipal bankruptcies around the country is underfunded pensions. Cities kick the can down the road for too many years, only to wake up when it is too late. Our pension system in Tulsa needs a significant increase in funding to meet its long-term commitments. This budget reflects a significant increase in the City's contribution rate in order to guarantee our commitment to retired employees will be honored and our City's fiscal strength will be enhanced.

We also have a Spirit Ambassadors program to improve employee morale, but it has gone without any funding for years. This budget provides them with a modest contribution of funds to do more through that program to build the team spirit amongst employees.

My hope is that by making these top priorities, we will be showing our employees – current and future – that the City of Tulsa is a great place for people with a heart for service to work. We have a long way to go, but this is a step forward in showing our desire to be the QuikTrip of public service.

Yet, our challenges reach far beyond the walls of City Hall.

Last year, Tulsa broke its previous record for the number of homicides. For a city that values the life and liberty of our neighbors, this trend cannot go unchecked. In our Mayor-Council retreat we established as one of our top goals the reduction of violent crime in Tulsa. And as many of you will recall from our discussion with national crime experts during the Public Safety Task Force process, a certain number of police officers in a community are necessary to reduce and prevent violent crime – and Tulsa is far below that line.

Our Community Policing Commission completed its work in March, and presented a broad range of opportunities for us to be a national model for citizen-police engagement. But we need officers to have time for proactive policing to truly implement this approach. We continue to be challenged with overtime costs due to our lack of manpower to cover normal shifts. We do not have enough officers to fill every beat.

I got to see the practical impact of this during a ride-along last month. The officer I was with responded to a call reporting a suspicious vehicle behind a retail store. As we pulled into the dark alley, we could see several people unloading things from the back of a truck. The officer called for backup and got out of his cruiser to investigate. As he did, several men approached him. A few of them appeared to be intoxicated and they kept getting up in his face and pointing, trying to surround him. The whole time this was happening, I just kept saying to myself “Where is his backup?” But it never came, because all of the officers on duty at that time were responding to other calls. Fortunately, this officer did an outstanding job of handling the situation – de-escalating their initially aggressive posture to the point that they shook his hand and wished him well when we left.

That incident didn't phase the officer one bit, but it was a reminder to me that every night we ask our Police officers to go into dark places and deal with potentially dangerous situations – and all too often we ask them to do it alone.

All of this points to a need for more officers, and soon. Thanks to the work of this Council and the citizens of Tulsa who approved the Vision Public Safety program, we are in a position to act.

In this budget, we fund the largest one-year infusion of new Police officers in the history of the City of Tulsa.

Three academies of 30 recruits each, for a total of 90 new officers over the course of the fiscal year. To put this in context, in the 21st Century our average annual number of new cadets has been 32.

This massive influx of new officers puts us on the path to being a safer city, where no beat goes unfilled, where no dark alley is safe for criminals, and where everyday citizens work more closely with officers they know to protect the people they love.

But we also recognize we need to embrace innovative approaches to deliver better outcomes.

Today, the time Tulsa Police officers spend dealing with cases of public intoxication is the equivalent of 14 full-time officers. To put that in perspective, the typical shift at one of our three divisions has 17 officers. So we are dedicating nearly any entire shift from a division on public intoxication cases. These are the top municipal arrests that we make, that account for most of the municipal prisoners in the jail, and take up substantial man hours in our municipal court. All of this equals a great amount of cost, with poor outcomes for the people being arrested and for our community. But we know of a smarter way to handle this.

Last year, several of us on the Council learned from Oklahoma Commissioner for Mental Health Terri White about a program called the public inebriate alternative. In Oklahoma City, their Police Chief will tell you one of the best things they've done in recent years is establish a public inebriate alternative. The program is very straightforward: When someone is arrested for public intoxication (not DUI – that is a far more serious crime), they are offered the opportunity to go to the public inebriate alternative center, sleep it off, receive some information about treatment, and be released – OR they can be booked into jail. It should come as no surprise that even while intoxicated the vast majority of people select the public inebriate alternative.

They go to the facility, sober up, and are then offered information on drug and alcohol counseling and the opportunity to enter that kind of counseling. Some in need accept it the first time, others require a few visits before doing so. But the outcome is that people in need of treatment have access to it. And for those who just happened to make a once-in-a-lifetime bad choice, they do not end up with a criminal record.

This approach is more cost effective than jail, it requires less officer time (15 minutes to drop someone off at the Center versus an hour and a half to book someone at the jail), and it yields better outcomes for the individual.

So, the budget before you would fund the operation of a public inebriate alternative in Tulsa. In classic Tulsa fashion, the non-profit community has offered to cover the capital expense for its construction if the city is willing to fund its operation. By doing so, I believe we can save lives and improve service delivery in Tulsa.

Each of us has also heard concerns from our constituents over the years regarding panhandling. Last year, after the election, a number of people posted a story on my Facebook page about an innovative program in Albuquerque called the “Better Way”. So many people mentioned it that I decided to go to Albuquerque with representatives from the Zarrow Foundations and the Mental Health Association of Oklahoma and see it for myself. We met with people participating in the program, and I later met with their mayor. This is a brief video I’d like to show you that explains how it works:

<https://vimeo.com/146947306>

The budget before you funds a pilot of the Better Way program in Tulsa. I want us to test it out and see how it works in our city. Being innovative means testing new ideas, and Tulsa would be among the first cities in the nation to test this one.

In that video, you saw them doing a lot of work to clean up public spaces. And the reality is that in Tulsa over the last several years we haven’t done such a great job of that ourselves. We will fine people for letting their grass grow too high, yet we knowingly allow it to happen in public rights of way. This represents a disappointing fall for the place once known as America’s Most Beautiful City.

So, the budget before you funds the fully recommended number of mowing cycles in our medians and rights of way. This represents a 77 percent increase in funding for the proper level of mowing. When Reader’s Digest christened Tulsa as America’s Most Beautiful City, they did so because the City government did such a great job keeping public spaces looking beautiful. By getting back to keeping grass and weeds down in our public spaces, we are doing our part to renew the standard previous generations held for the beauty of our city.

And this isn’t just good for reflecting civic pride. My friend and colleague Oklahoma City Mayor Mick Cornett spoke at the Downtown Tulsa Rotary a few weeks ago and said something that has stuck with me ever since: “You’re not going to have businesses with high standards in a city with low standards.” Having a well-maintained city is every bit as important for our economic growth as it is for our civic pride.

But back to public safety...

Easily the most common complaint I receive from firefighters is the age of our fleet. The newest Tulsa Fire Department apparatus is more than a decade old. After decades of hard use, they spend too much time in the shop being repaired. In this budget, we fund the replacement of old trucks – and 35 new firefighters for our Department.

We have also applied for a grant that would fund 60 additional firefighters at stations throughout the city, but that is not reflected in this budget because we won't know the outcome until late summer or early fall.

We have also heard concerns for years about 9-1-1 call-waiting times. The City Council last year did a lot of work to properly fund 9-1-1 call center positions and we included additional positions in the Vision Public Safety program. Yet, today there are still 14 vacancies in the 9-1-1 call center – and that does not include the 16 positions coming on line through the Vision public safety program over the next five years.

The reality is that we need a full-time HR analyst to process the background checks and other work necessary to get recruits into training, and we need a training supervisor to work full-time with those recruits so they can get established in these vital roles. The budget before you provides funding for both of those jobs, which we will keep in place until the Center is properly staffed.

I also know the City Council has worked hard over the last several years to properly fund our public transit system. The budget before you funds – for the first time in MTTA's 49-year history – Sunday bus service.

The budget before you also funds five additional street maintenance workers and seven additional traffic safety engineers and signal technicians – finally addressing chronic short staffing in these critical areas, which will provide for safer, better maintained infrastructure throughout the city.

This budget also includes contract funding for more aggressive street striping, so we can address a long-term citizen concern.

We also want to continue to grow our innovative capacity and we are doing that through the Office of Performance Strategy and Innovation. They managed our planning retreat, have developed dashboards to track our progress, and have initiated a stat program that will use real-time data to focus on goal achievement in major City departments.

I would ask that you note in the budget that the funding for this office has been drawn from other departments – where its employees were previously housed or where its resources were previously based – and located in the Mayor's Office. This accounts for the Mayor's Office budget increase that you see in the budget.

This budget funds new playgrounds at Crawford, Helmerich, Hunter, and Lacy Parks – as well as a new pool at Whiteside Park. It funds major street projects like Utica between Pine and Admiral, Union between 51st and 61st, Sheridan between Apache and Pine, Mingo between 46th Street North and 36th Street North, 15th Street between Lewis and Harvard, Peoria between 11th and 21st, Memorial between 21 and 31st, and 51st between Pittsburg and Yale.

It funds – three years ahead of schedule – the acquisition of buses and stations for the Peoria Bus Rapid Transit Line.

It funds the new Community Health Connection Clinic in East Tulsa, Tulsa Community College's Career Placement & Student Success Center in South Tulsa, the Discovery Lab Children's Museum next to the Gathering Place, rehabilitation of the South Mingo Corridor, improvements to the Mohawk Sports Complex, implementation of the GO Plan throughout the City, and funding for teacher recruitment and retention that is unique to Tulsa.

When I was sworn in a few months ago, I said that what I thought past-elected leaders had done to move Tulsa forward came down to three ingredients: A willingness to aim high, to work together and to work hard. This budget reflects those ingredients in its development – but I think it says even more about the kind of city we are intent on building in the year ahead.

We're not *talking* about making Tulsa safer through community policing, we're doing it this year. We're not *talking* about making Tulsa a more beautiful place with better streets, we're doing it this year. We're not *talking* about making this city government more innovative and efficient – a place where public servants dream of working – we're doing those things this year.

This budget represents action rather than talk. I again want to thank you for your partnership in putting it together. I hope during the next few months we can improve upon it, and work together over the coming year to implement it in a way that will send a message that Tulsa is on the move again.

Thank you.