

# POLICIES

FY 15 16

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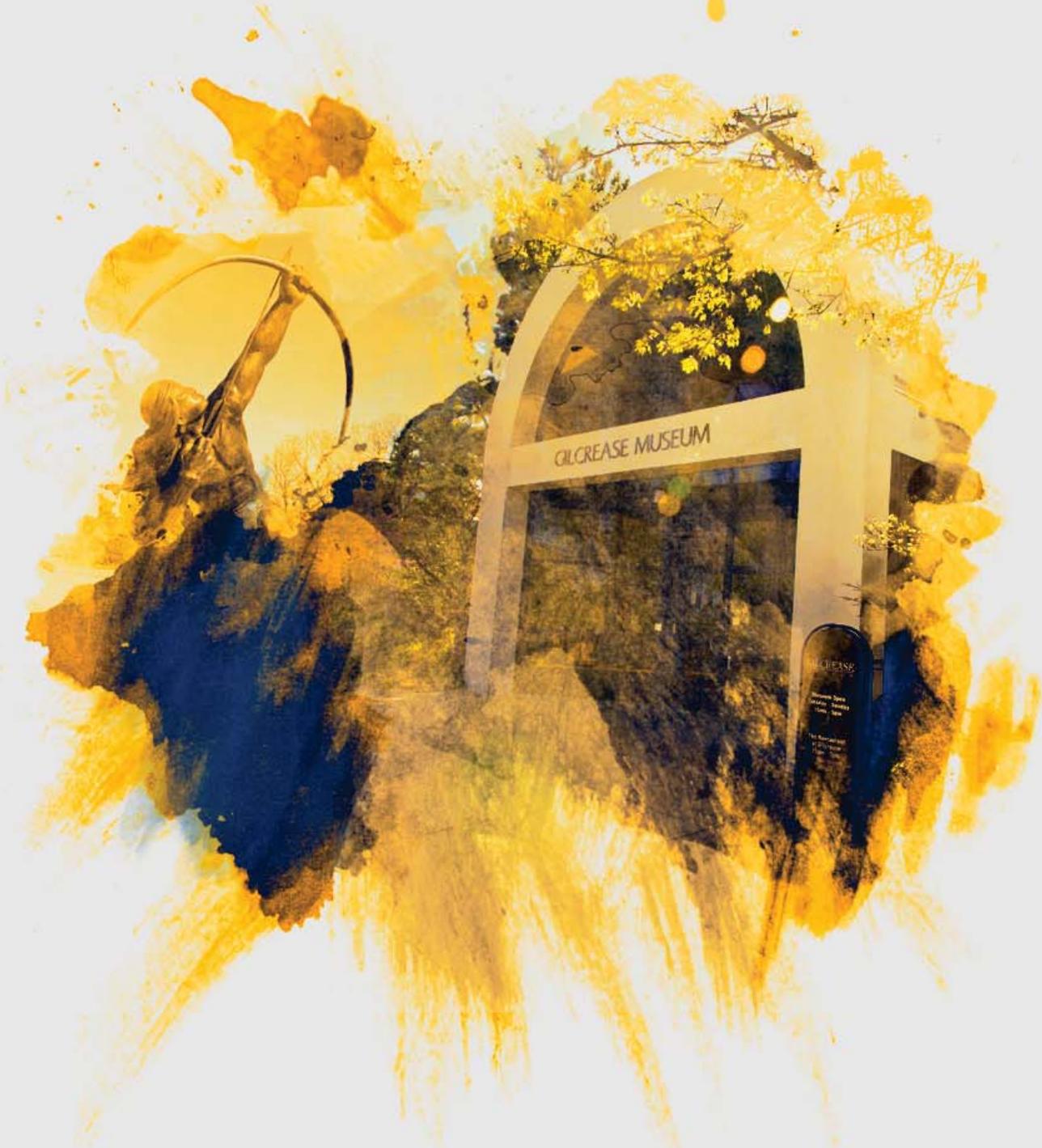
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SUBJECT:  
GILCREASE MUSEUM

CATEGORY:  
ART & CULTURE

TYPE:  
MUSEUM

FY 15 16



This section includes the Mayor's budget message; the Mayor's budget transmittal letter to the City Council; a brief explanation of the strategic planning effort, including the City Council's Strategic Priorities; the long-range Financial Policies; and the ordinances adopting the Budget and Capital Plan.

## Mayor's Budget Presentation for FY 2016

Delivered on April 30, 2015 to the Tulsa City Council

What a great time to be a Tulsan. I am so proud of our city – of our citizens who are envisioning the future quality of life in Tulsa and injecting their spirit into the core of the city – the heart of Tulsa – to make it better for generations to come.

Emerging entrepreneurs are putting their mark on Tulsa and laying down roots to establish their own Tulsa legacies. Just this week, Tulsa was ranked second best city in the country to start a business. We are seizing the moment and improving Tulsa with the guidance of our citizens. We have a history of facing our challenges together. We recognize our history and difficult past, and we are known for resolving our conflict through respectful conversation and working together for One Tulsa. It is my greatest hope that this Tulsa spirit will always prevail to unite our community, and be a model for every in the city in the country.

This is what sets us apart – our uniqueness. It is our spirit, our soul, our DNA. It is what gives us the confidence to succeed again and again. As I said, it's a great time to be a Tulsan. It's a great time to live in Tulsa. Now to the subject at hand – our city budget.

Today, I am presenting a budget that projects a 2.4 percent revenue growth in the general fund for our operations. The total operating budget, including general fund and other revenues, such as TMUA, will increase 6.7 percent to \$646.5 million. The total budget, including capital expenditures, operating and all funds such as enterprise funds, will increase by 6.7 percent to \$758 million. The majority of this increase is due to increased capital spending approved by voters in the Improve Our Tulsa package.

My presentation will focus primarily on the general fund as it is the most stressed fund, relying on sales taxes to pay for essential operations such as public safety, street maintenance, parks and code enforcement.

We are placing the priorities on our employees, our public safety and maintaining general fund growth as we work toward a change in municipal funding laws that would benefit all Oklahoma cities.

The Turtle and the Hare Fable teaches us that “slow and steady wins the race.” In some cases, that may be. In the case of a city competing with other cities for business, for reputation and for workforce – slow and steady doesn't cut it. We need more resources and diversified revenues to get ahead. This presentation tonight is a two-year budget, for FY 16 and FY 17. Both years are expected to have very little growth. Sales taxes are up now, but we are still increasingly impacted by our statutory limitations on our ability

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to diversify our revenue base and by online, un-taxed sales of merchandise over the internet.

Oklahoma City Mayor Mick Cornett and I are working to change laws that would give all Oklahoma cities the ability to receive revenues from other sources. As we all know, we've been living off the same two pennies since the early 1980s. Another approach to higher revenue growth is to change laws so that online vendors are required to charge and remit sales taxes for internet sales.

I am committed to continuing the mission to diversify and grow city revenues and capture sales taxes that should be collected by cities by law.

The general fund has grown at only a rate of 1.7 percent annually on average since 2001, which is less than growth in the CPI. This slow growth rate is made worse when factoring in inflation, internet sales and suburban retail growth.

The proposed general fund budget for Fiscal Year 2016 is \$274.1 million in revenues, and includes approximately \$2.3 million in projected fund balance from this year. The good news for us is that we were able to fulfill the No. 1 goal. Revenues have improved marginally, and we were able to fulfill the No. 1 goal set by the council this year – to give employees raises and bring salaries more in line with the market.

Employee compensation accounts for \$7.3 million of the proposed budget. Included in that amount is approximately \$1 million more for health benefits for our employees that offer them a wider array of choices. Nineteen police officer salaries are moving from expiring grants to the general fund – with an increased cost of \$1.25 million to the general fund. The general fund is assuming repair and maintenance costs for the zoo that had been paid by the third penny. The general fund will also cover a half-million dollar shortfall in the 911 Fund to cover revenue declines. This will continue to be an issue until our Legislature agrees to more fairly reflect the loss of revenue due to increased use of cell phones, versus landlines.

I am putting forward approximately \$2.3 million in fund balance expected from this year to pay for a list of one-time expenses for Fiscal Year 2016. Those items are reflective of slow and steady progress. The list includes public safety equipment, a citizen survey – our third city survey, an economic development plan update, Main Street program funding, IT upgrades, professional and worker certification and training, and an

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allocation to the communitywide, greatly enjoyed public event, the 4th of July FreedomFest at RiverParks.

To offset attrition in our police and fire departments, the general fund budget for FY 2016, includes an academy of 30 police cadets to begin in September 2015, and a class of 30 firefighters to begin training in July 2015. This will bring us closer to our goal to meet authorized strength, and we will have a net gain of 15 police officers and 10 firefighters when compared with today's level. In Fiscal Year 2017, I recommend funding a class of 28 firefighters and a class of 28 police cadets to begin training in July 2016.

I will continue to educate and inform voters on our proposed public safety initiative that would further increase police and fire staffing with a goal of improving response times, and to provide additional funding for street maintenance and traffic management.

In May, we will begin to bring our non-sworn job classifications up to the minimum market rate. We recently announced that employees who are not at the minimum pay rate for their classification will see an increase on their May 22 paychecks.

This new pay structure and step adjustments are the outcome of the 2014 Fox Lawson & Associates job study, but the new pay schedules have been applied to our current job classification structure. We continue to review and discuss the recommendations for a new class structure based on the Fox Lawson model. This important step will be a good test of that model.

Like our emphasis on the safety of our employees and their families, we are also focused on employee health and rewarding our workforce for performance and experience. We are striving to retain talent and organizational knowledge that is of the highest value to our organization and citizens.

Councilors, last year, you and I worked together to propose the largest infrastructure package in Tulsa's history – taking steps to further chip away at a \$1.2 billion backlog in street rehabilitation and maintenance needs, along with funding quality-of-life improvements and equipment.

Thankfully, our citizens agreed to continue the third-penny extension and investment in their city. We are also fortunate to have millions of dollars in private investment for the transformational Gathering Place overlooking our river.

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Voters approved nearly \$1 billion in capital improvements for several years to come, which will result in great progress on our streets and roadways. Now is the time to turn our attention to an extension of the six-tenths "Vision" tax, with a goal of using a portion of the expiring tax to put water in the river and public safety.

I commend Councilor Bynum's leadership on the River Task Force and the effort to research the need and cost for funding low-water dams and other river bank improvements. It is important to begin making those improvements as soon as possible to take advantage of our city's crown jewel. I also want to thank former City Councilor Robert Gardner for representing the administration and being an integral part of the river task force. I also want to especially thank Councilor Gilbert for leading the public safety task force.

As part of a united cities initiative with Tulsa's surrounding cities, we will be holding public meetings in May and June in order to discuss information about the river, public safety and potential quality-of-life projects.

Pension funding is another issue that all cities nationwide must address. While other cities continue to struggle with pension reform, we will continue next year to improve our plan's solvency by continuing our current contribution of 6.5 percent from employees and 11.5 percent from the City. At those levels we are able to carry our plan forward and whittle down the unfunded liability. If we remain at those levels long-term, we reduce our exposure to economic downturns as happened in 2008. I must stress the need for a commitment to the continuation of our current levels to keep the fund solvent. Please resolve to join me in this commitment.

Another tool we have to assist with periods of economic downturn is the Economic Stabilization Fund. The Council and Administration proposed this fund and voters approved a charter change that is good fiscal policy. Upon the close of the books for this year, I propose that we commit any fund balance over the \$2.3 million to the Economic Stabilization Fund – even though our revenues have not reached the trigger for the rainy day fund deposit. I believe it is important to put revenues into the fund whenever our financial condition allows it. This fund, which is used to offset an economic downturn and revenue reductions, is now at \$2 million. The charter requires a fund deposit only if revenue growth is four percent or more. Although revenues have not hit that threshold, I urge you to commit to set aside the unassigned fund balance for the Economic Stabilization Fund. This can make a difference after a rainy day, a stormy day or even a snow day.

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Now for highlights from our changes in our current operations.

Police grants: 19 police officer salaries will transition from the COPs grantfunding to the general fund. The cost for the 19 officers is \$1.25 million.

Six police officers are still funded by the COPS grant and they will transition to our general fund in Fiscal year 17.

Restoration of the Tulsa Crime Prevention Network grant of \$15,000.

Jail contract increase to \$700,000.

New positions in several departments, some of which were offset with revenue from within the department;

Funding increases were offset by a number of items, including savings from E-payment transactions, lower utility costs on street and roadway lighting, surplus of salt for snow and ice removal, and lower fuel costs. (\$567,000).

Regarding Utility Adjustments:

The FY 16 budget includes a proposed seven percent rate increase for water and 9 percent rate increase for sewer utilities. The cost for capital improvements for water and sewer shifted from the third penny sales tax to the Tulsa Metropolitan Utility Authority and the enterprise funds several years ago. As a result, TMUA is conducting long-term planning for asset management and requesting annual rate adjustments based upon a five-year plan. Rates must be raised to adequately fund capital improvements as well as maintenance and repairs at all facilities. Our aging underground facilities require investment now to ensure the same quality and reliable water for generations to come.

A 9 percent fee increase proposed for stormwater supports increased funding of the Capital Improvement Program. In the next fiscal year, \$5 million will be transferred to the CIP to fund stormwater projects.

The Tulsa Authority for the Recovery Energy is proposing decreasing basic household refuse service rates, and is examining fees for premium services, such as backyard

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pickup. No rate changes are anticipated for emergency medical service fees that cover out-of-pocket costs for customers transported by EMSA ambulance to a medical facility.

### In Closing

This proposed budget takes into account the goals and priorities set by the Council and my administration together following our planning retreat. 7

Our efforts to extend the six-tenths of a penny for the river, public safety and other community priorities cover the top three strategies outlined this year. With this budget and the sales tax initiative, we will put water in the river to promote more recreation and strategic economic development along its banks pursuant to the expectations our citizens expressed during the PlaniTulsa process.

We continue to work to improve our 911 center, to improve our response times within the police and fire departments and provide the needed education, enforcement and engineering for road safety.

We propose the funding of a strategic economic development plan update to ensure our priorities are in line with the priorities of our stakeholders.

We continue to work on quality-of-life issues that lead to the retention and attraction of workforce, rooftops and retailers.

We are asking our citizens again to tell us how we are doing by implementing our third citizen survey.

My staff and I look forward to discussions with the Council regarding the budget proposal. I'd like to thank our department heads and the Finance Department staff for their hard work to compile this budget.

Thank you for your time.



DATE: April 30, 2015

TO: Councilor Jack Henderson    Councilor Blake Ewing    Councilor Anna America  
Councilor Jeannie Cue    Councilor Karen Gilbert    Councilor Phil Lakin, Jr.  
Councilor David Patrick    Councilor Connie Dodson    Councilor G.T. Bynum

FROM: Mayor Dewey F. Bartlett, Jr.

SUBJECT: **FY 2015-2016 Budget and Capital Improvement Plan along with a financial plan for FY 2016-2017**

The budget presented to you today has been developed with careful consideration of today's economic conditions, the City's revenues and the goal to maintain sound financial policies and reserves. It is built on the efforts of the Mayor and Council to establish joint goals and objectives. We continue to have regular meetings throughout the City; meeting with citizens in their districts to discuss significant issues and listen to their thoughts and ideas. All of these efforts have guided the development of this proposed budget.

The total budget is \$ 758 million. This is an increase of \$ 47.6 million or 6.7%. The operating budget is \$ 646.5 million, a \$ 26.5 million increase, or 4.3 %. The Capital Budget is \$ 111.6 million, a \$ 21.1 million increase, or 23.3%.

Continuing with a process that was started last year, the budget that is proposed will focus on FY 2016, but a two year budget is shown. The addition of the second year will help to judge the future position, not for just the upcoming year, but for the longer term.

During the last six years the City has dealt with a host of shifting issues while developing the annual budget, ranging from a severe recession, layoffs, position eliminations, and hiring freezes to changing grant years, major reorganizations, and soft revenue growth. This year's proposed budget is perhaps remarkable in that there are no significant issues like those to address. It represents a stable situation.

Development of the budget begins with a review of the economy. It has been seven years since the significant global recession of 2008. Tulsa has moved beyond the recession which had a less severe local impact than in many parts of the country. Tulsa has made steady modest improvements since the low point. The unemployment rate in March of 2010 was 7.5%. It currently stands at 4.2%. Over the last year average annual employment has increase by 2% and construction has been good. While single family residential construction pulled back by 11% to 397 units in calendar year 2014, multi-family construction grew more than tenfold to 902 permitted units. The value of retail, office and industrial permits rose from \$ 117 million to more than \$ 163 million.

The sales tax is expected to produce \$ 239.5 in FY 2016, split between the General Fund and the 2014 Sales Tax Capital Fund. The projection is based on technical models with adjustments for new retail incentive areas and increased audit activity. Additionally, a change in law will lower the fee charged by the Oklahoma Tax Commission from 1% to 0.5% beginning July 1, 2105. The sales tax growth was essentially flat for the 12 months through March of 2014. It has improved to a moderate growth in the past 12 months. Most economical data remains favorable, but the one caution is a notable decline in the price of oil. In the past year it has dropped from a high of \$ 107 down to \$ 44. It is currently around \$ 58. The lower values in oil producing states, like Oklahoma, slow economic growth. We have observed general correlation between oil prices and sales tax growth.

The General Fund is the principal operating fund of the City. The original FY 2014-15 resources for the fund totaled \$ 261.4 million, but are now expected to total \$ 265.3 million. Revenues for FY 2015-16 are expected to be \$ 271.8 million or approximately 2.4% more than the estimate for FY 2014. Sales and uses tax account for two-thirds (2/3) of the total. The FY 2016 budget balances revenues with ongoing expenses for operations. It uses \$ 2.3 million of fund balance for one-time expenses.

The General Fund Emergency Operating Reserve is set at a level of 6.25% of the budget. The plan to build the reserve towards the 10% goal in the ordinance derives from a combination of

allocating any over collection of revenues or under expenditure of the budget to the reserve. The goal of a 10% reserve would be reached in five years if the percentage is grown by 0.75% per year. A deposit into the City Charter established Economic Stabilization Reserve is not required, and the \$ 2 million that was reserved two years ago would be available under the charter provision to offset revenue declines. Should the actual fund balance be more than required for the Emergency Operating Reserve amount, and the \$ 2.3 million used for one-time expenses, the remaining balance should be deposited into the Economic Stabilization Reserve or rainy day fund. This should be the first priority in a resolution for use of any excess fund balance or increased revenues.

The budget for the General Fund is \$ 274.1 million, an increase of \$ 13 million or 5.0% from last year's original budget. Public safety receives the largest allocation of resources at 60.8% of the budget, up from FY 2013's 56%. New fire and police academies of 30 each are planned. The City continues to transition sworn employees from grants obtained during the economic downturn. This year 19 police officers at a cost of \$ 1.25 million will be added to the General Fund. There are six additional officers funded by grants who will eventually transition to the General Fund.

The largest category of expenditure is for payroll, which represents 74% of the budget. During FY 2015 the City of Tulsa reached agreements with all bargaining units and was able to provide Satisfactory Performance Increases (SPIs) to all employees at some point in the year. There was an increase in the top pay for both Police and Fire. Recently, a review of market compensation for non-sworn employees resulted in higher minimum pay levels for most pay grades. This will improve our ability to attract quality talent and fill open jobs.

The proposed FY 2016 budget provides full year costs for the FY 2015 pay changes. It includes a small 1.25% one-time stipend and a mid-year SPIs for non-sworn employees who are not in bargaining units. The City will bargain SPI's and other compensation items with labor units. Under a new benefit system, City employees will have an ability to select the benefits they want from an array of offerings and the City will provide an allowance toward their benefits elections. The amount invested in benefits for all General Fund employees will grow in the proposed

budget by nearly \$ 1 million. The pension rate for the various groups will remain unchanged in the upcoming budget.

Utility authorities have reviewed utility revenues and the funding needed to support operations, maintenance, capital, and debt service costs. They have carefully looked at the maintenance of water and sewer plants, and the need for line replacements. An increase of 7% to the water rate and 9% to the sewer rate are included to address capital needs and debt service of the systems. The stormwater utility rate reflects a 9% increase to address capital needs and operation costs.

The Tulsa Authority for Recovery of Energy (TARE) transitioned to a volume-based system, which encourages voluntary recycling. TARE is suggesting a slight drop in rates for the vast majority of customers, those with curbside or physically limited service, while increasing the cost of other premium services. If all customers remain with their current service election, then a small overall increase in revenue is possible.

The current transfer rate from the utility funds to the General Fund is 6.5%. The rate, which had increased from a long established rate of 5.5% to 7.5% during the recessions of the last decade, is expected to return to the lower rate over the next few years. The tight financial condition of the General Fund caused a pause in the reduction in FY 2014 and in FY 2015. A reduction in the rate back to the 5.5% level is planned. The FY 2016 budget reflects a rate of 6.0% and the FY 2017 financial plan sets the rate at 5.5%.

The City of Tulsa established an EMSA enterprise fund in 2007, with an optional program that charged \$ 3.64 per month to a household to assure that no out of pocket costs or personal liability would occur if ambulance services were used. The fee was increased to \$ 5.45 last year. No change in the fee will take place this year and no rate changes are anticipated to be required for the next four years. The fee also supports some Fire Department costs related to first responder to medical situations where both Fire and EMSA work together to provide care. The City's General Fund receives \$ 650,000 in support of the cost of the Fire Department and an additional allocation of \$ 350,000 for related equipment and supplies.

The Capital Budget includes \$ 10 million from the last collections of the 2008 Sales Tax program which supports street projects. It also includes \$ 74.8 million in sales tax from the 2014 Improve Our Tulsa program. The two programs total \$ 84.8 million. The Capital Budget includes a wide variety of projects from streets to information technology. The Library, Zoo, Gilcrease Museum and Planning all have allocations. Replacement of financial systems is scheduled.

The Capital Budget includes higher levels of direct funding for water capital projects from the utility funds. It provides \$ 25.3 million for water treatment plant work, transmission, storage facility repairs and water line replacement and extension projects. Additionally, \$ 9.5 million will be used primarily for sewer treatment plants and other system work. Stormwater will receive \$ 5 million for urgent neighborhood projects, grant matching funds and stormwater line rehabilitation.

During the upcoming fiscal year, the City anticipates undertaking a \$ 95 million issuance of general obligation bonds. All funds will go towards streets projects authorized in the 2014 Improve Our Tulsa program. Funds will be appropriated by budget amendment upon completion of the sale.

The Capital Plan for FY 2015 reflects bond issuances of \$ 17.4 million for water projects, primarily line replacements. Some \$ 38.4 million in bonds will finance sewer projects that include work at three wastewater treatment plants, and \$ 15.5 million will go to sewer rehabilitation and replacement. The budget will be amended when the bond sales are complete and the funds have been received. When the projects financed from general obligation and revenues bonds are added to the capital budget from current resources the City will be undertaking some \$ 262 million in capital projects.

The City has an inventory of capital projects totaling \$ 3.9 billion that are needed over the next 20 years. The projects have been sorted into four tiers of prioritization. The Capital Plan focuses on those projects that should be considered for funding in the next 5 years totaling \$ 0.6 billion. Most of the plan is for utility projects. The current authorization, for both the sales tax

capital improvements program and the general obligation bond program, was extended in a November 2013 voter approved package totaling \$ 0.9 billion. The resources are now obligated for the next 4 to 6 years.

The overall budget will fund many important services, but the revenue picture for the next two years indicates that substantial changes in services are very unlikely. We need to continue the pursuit of efficiencies and efforts, led by the Office of Maximizing and Advancing Performance (MAAP), to show the growing enthusiasm and willingness of employees to embrace change and improve our operations.

The effort to develop joint goals of the Mayor and City Council has been very successful. We are looking at public safety needs, the river and opportunities for economic/quality of life projects as potential areas for new resources given the existing revenue outlook.

We worked to develop and pass an Improve Our Tulsa capital package that was well received by the citizens. If we continue to explore ways that an expiring tax can be used to address the three areas we have set as goals we could enjoy equal success. We still need to continue to examine our revenue sources and challenges for the longer term to assure that we can meet the essential services that we agree on. Sole reliance on sales tax with its current structure to finance local government is problematic.

In the meantime, I welcome the Council's review of the proposed budget. I thank the Council for your suggestions and advice in developing the proposed budget. We all should thank the employees of this City who work hard to provide quality service to our citizens.

I look forward to agreeing on a budget as we strive to deliver the citizens the high level of service that they expect and deserve.



## TULSA CITY COUNCIL

June 25, 2015

Dear Citizens of Tulsa:

On behalf of the entire City Council, we are pleased to present the Fiscal Year 2015-16 Budget and Capital Plan for the City of Tulsa.

The Council has carefully scrutinized revenues and expenditures to provide funding for citizens' priorities of public safety, transportation, and community beautification.

Among the public safety initiatives prioritized by the Council, this year's budget will allow us to begin the process of converting some Police Department desk jobs to civilian positions, which will mean more trained officers on the street. The Council also increased funding for emergency sirens, a Fire Department resource allocation study, a program to track stolen merchandise sold in pawn shops and second-hand shops, and to support the community's juvenile intake and referral center.

The Council also added funding for more mowing cycles on city rights-of-way, the first phase MTTA's Downtown Circulator, and the River Parks.

The Mayor and Council will review revenues quarterly to determine if additional priorities can be funded during the fiscal year, such as the second phase of the Downtown Circulator, more neighborhood inspection staff, performance auditors, and an additional graffiti abatement crew.

We continue to work very hard on your behalf to maintain the difficult balance of addressing important community needs, while being responsible stewards of public funds.

Your elected representatives strongly encourage your feedback as we continue to address Tulsa's challenges and opportunities throughout the coming year.

Sincerely,

Handwritten signature of Phil Lakin, Jr.

Phil Lakin, Jr.  
Council Chair

Handwritten signature of Jeanie Cue.

Jeanie Cue  
Council Vice-Chair

# STRATEGIC PLAN REPORT

On March 8, 2012, Mayor Dewey F. Bartlett, Jr. and the Tulsa City Council adopted shared goals, objectives, outcomes and priorities for the City of Tulsa. Goals and desirable outcomes were identified and agreed upon for five shared priorities:

-  **Develop the Economy**
-  **Make local government efficient and reliable**
-  **Develop transportation plans for future needs**
-  **Beautify Tulsa**
-  **Improve Public Safety**

These priorities published in *2012 Goals and Objectives: The Vision and Agenda of the Mayor and Council of the City of Tulsa* are a follow-up to the strategic planning effort launched by Mayor Bartlett in November 2010 designed to:

- Improve municipal program effectiveness, efficiency and accountability by focusing on results, service quality and customer satisfaction;
- Improve the confidence of citizens of Tulsa in the capability of the municipal government by systematically holding each municipal program manager accountable for achieving program results and reporting publicly on their progress; and
- Promote continuous improvement of municipal government.

Mayor Bartlett and the City Council meet annually to revise and update the status of their shared goals and objectives. The City's strategic planning effort is also guided by comprehensive citizen surveys completed in February 2011 and July 2013. The primary objective of both surveys was to measure the opinions and attitudes regarding City services of residents in the City of Tulsa. The results of the survey have been reviewed to assist City officials in allocating limited resources to services that are most beneficial to residents.

-  **Citizen Survey Priority**

The FY2016 City of Tulsa Annual Budget incorporates Mayor, Council and Citizen Survey priorities within the Budget by delineating City department goals to the five shared elected officials' priorities and Citizen Survey priorities. Each priority is color-coded and illustrated by a corresponding symbol, as shown above. Key department level goals, objectives, performance indicators and performance targets are reported in the department budget summaries (Section Four). Goals supporting a Mayor and Council priority and/or Citizen Survey priority are identified by the corresponding priority symbol. Additionally, a Budget Strategy Overview section has been added to each Department Budget Summary to highlight how budget resources are being dedicated to achieve performance goals. Beginning in FY2014, the Constrained Capital Projects Inventory also incorporates Mayor and Council and Citizen Survey priorities by utilizing corresponding symbols.

In July 2011, the administration began tracking departments' performance indicators to measure progress in achieving Citizen Survey and elected officials' priorities. Performance indicators are published monthly on the City of Tulsa intranet site so employees can view each Department's progress in meeting these objectives.

The *FY2015 Key Performance Measures Report* will be published on the City of Tulsa website in FY2016. The 2011 and 2013 City of Tulsa Citizen Surveys are available on the City of Tulsa website as well.

# CITY OF TULSA

## FINANCIAL POLICIES

### **1. STRATEGIC PLANNING**

- a. All planning activities, strategies and studies should be comprehensive and integrated on a City-wide basis.
- b. Plans, strategies and studies shall encompass multi-year time frames and be updated annually.

### **2. OPERATING BUDGET**

- a. The City of Tulsa shall comply with the provisions of the *Oklahoma Municipal Budget Act, 11 O.S. Supp. 1979, Sections 17-201 through 17-216*. It shall be the responsibility of the Mayor through the Department of Finance to ensure compliance and the timely preparation of the City of Tulsa's annual budget.
- b. The budget will provide for adequate maintenance of the capital plant and equipment and for their orderly replacement.
- c. The City will maintain a budgetary control system to help it adhere to the budget.
- d. The City administration will prepare regular reports comparing actual revenues and expenditures to budgeted amounts.
- e. Each year the City will update revenue and expenditure projections for the next five years. Projections will include estimated operating costs of future capital improvements that are included in the capital budget.
- f. The City will integrate key performance measurement and productivity indicators within the budget.
- g. The City will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.
- h. It shall be the goal of the City that current operating revenues will be sufficient to support current operating expenses and in no case shall more than five percent (5%) of the operating budget be supported by the use of prior year's fund balances.
- i. Adjustments to Water, Sewer, Stormwater and Solid Waste Disposal service rates and fees shall be examined on an annual basis as an integral part of the City's budgetary process.

### **3. RISK MANAGEMENT**

- a. The City will operate a risk management program to provide for protection against loss and a reduction in exposure to liability. Such program shall include an employee safety training program to minimize financial losses to the City.
- b. The City will establish a self-insurance program to provide for protection against major losses and will purchase excess coverage insurance to cover catastrophic losses where appropriate.

### **4. PROCUREMENT AND PURCHASING**

- a. The City of Tulsa shall operate a consolidated purchasing and procurement system.
- b. The City's Purchasing and Procurement System shall encourage full and open competition on all purchases and sales.
- c. The operation of the City's Purchasing and Procurement System and Surplus Property Disposal System shall be based upon competitive bidding whenever possible.

## **5. REVENUES**

- a. The City will estimate its annual revenues by an objective and analytical process.
- b. It shall be the goal of the City that all Enterprise Funds shall be self-supporting.
- c. The City will establish all user charges and fees at a level related to the cost of providing the services.
- d. Credit and Collection
  1. The City of Tulsa will neither begin business activity nor continue to engage in business activity with an entity that owes the City funds from a delinquent debt.
  2. Extended credit may be granted by the City for certain obligations. If payment is not timely, the City reserves the right to refuse future credit as well as take necessary legal action to obtain payment of the debt and collection costs.
- e. The City will try to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source.
- f. Categorical federal and state grant revenues shall only be used to finance limited-time-period operations and/or one-time capital.
- g. Five and one-half percent (5½%) of Enterprise Fund revenues will be transferred annually to the General Fund for in-lieu tax payments (policy exception has been in place since 2003).

## **6. CAPITAL BUDGET AND IMPROVEMENTS**

- a. The City of Tulsa's Capital Improvements Program shall be a five-year program and shall be updated annually. All departments' needs shall be considered in the plan.
- b. The City shall maintain a balanced mix of financing for funding capital projects, including pay-as-you-go, grants and debt, without excessive reliance on any one source.
- c. No capital project shall be funded which does not comply with the provisions of and is not contained in the currently approved Capital Improvements Program.
- d. The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
- e. Capital projects will be scheduled based on the following criteria:
  1. The project has been certified by the Planning Commission as being in accordance with City plans.
  2. The project will alleviate a service deficiency or replace a deteriorated and/or non-functioning facility.
  3. Federal or state law requires it to be done.
  4. Federal or state matching funds are available for the project.
  5. A Federal or state agency will construct the facility at no cost to the City.
  6. The project will encourage economic development.
  7. The project is needed to solve an emergency situation.
  8. The project will improve the quality of life in the City's neighborhoods.
- f. Public hearings will be held before deciding what projects to include in any multi-year capital program which requires approval by the electorate.

## **7. LONG-TERM BORROWING**

- a. General Obligation and Revenue Bonds shall only be issued for capital improvements and maintenance or expenditures related thereto. Revenue bonds shall be used to finance capital improvements wherever possible. No operating expenses shall be funded using any form of long-term financing.

- b. Bond borrowing shall be planned and the details of the plan shall be incorporated into the five-year Capital Improvements Program.
- c. The outstanding indebtedness of the City of Tulsa shall in total not exceed such levels as to cause the City's credit rating to be impaired and in all cases the City shall take such actions and adopt such policies and procedures as are necessary to maintain a rating equal to at least AA for general obligation debt. In no event shall the Net General Obligation Debt of Tulsa exceed twenty-five percent (25%) of the net assessed market valuation of the taxable property of the City of Tulsa as established by the County Assessor.
- d. Projects financed through the issuance of debt shall not be financed for a period that exceeds the expected useful life of the project and in no event shall the term of any debt exceed twenty-five (25) years.
- e. Refunding of outstanding debt shall only be considered when present value savings of at least four percent (4%) of the principal amount of the refunded bonds are produced, unless a restructuring or bond covenant revisions are necessary in order to facilitate the ability to provide services or issue additional debt in accordance with established debt policy and limitations.
- f. Bond sales shall be structured to achieve level debt service payments to the extent possible taking into consideration the costs of such financings. Either variable or fixed rate financing may be used, subject to applicable laws, depending on the cost benefit to the City of each option.
- g. Interest earnings from general obligation bond proceeds shall be deposited in the General Fund.
- h. Competitive sale shall be used for all general obligation debt issuances of the City of Tulsa. Negotiated or competitive sale may be used for revenue bonds.

## **8. INVESTMENTS AND DEPOSITS**

- a. It shall be the objective of the City of Tulsa to pool and invest public funds in accordance with current legislation and the Charter of the City of Tulsa. Criteria for investing shall adhere to the following order of priority: (1) Safety, (2) Liquidity, (3) Yield.
- b. Responsibility for the investment program of the City shall be vested with the Director of Finance who shall establish an investment program consistent with an adopted investment policy.
- c. The City will establish a cash flow management system which includes the preparation of a cash flow analysis of all funds on a regular basis. Disbursement, collections and deposit of all funds will be scheduled to ensure maximum investment return and cash availability subject to the City's investment policies. The cash flow management system shall ensure the City can offset significant downturns in revenues which could not have been reasonably foreseen and provide sufficient working capital and cash for daily financial needs.
- d. The City will make arrangements with banks on a contractual basis for a specified period of time with specified fees for each service rendered.

## **9. RESERVES**

- a. The City shall establish and maintain an operating reserve in the General Fund to provide for unanticipated expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs. The reserve will be budgeted at approximately six and twenty-five (6.25) percent of the General Fund revenues estimated for the fiscal year. Prior to allocating funds from this reserve, the Mayor shall prepare an analysis of the proposed expenditure and present it to the City Council.
- b. The City may establish and maintain operating reserves in its enterprise funds to pay for expenses caused by unforeseen emergencies or shortfalls caused by revenue declines.

## **10. ACCOUNTING**

- a. The City of Tulsa's accounting systems shall be operated and maintained in accordance with generally accepted principles and standards as promulgated by the Governmental Accounting Standards Board.

- b. The City's accounting and financial transactions shall be audited annually by a recognized independent certified public accounting firm and such audit results shall include a management letter detailing areas where improvement is needed. A firm to perform such audit shall be chosen not more than once every five (5) years.
- c. The City shall prepare and issue an official Comprehensive Annual Financial Report no later than six (6) months following the fiscal year-end in accordance with Government Finance Officer's Association and Governmental Accounting Standards Board principles and standards.
- d. The City of Tulsa shall establish and maintain an accounting control environment to help ensure proper authorization for financial transactions and proper procedures for safeguarding assets.
- e. The City will comply with bonded debt covenants requiring yield restrictions on certain investments and accounts in compliance with *Internal Revenue Code, Section 148 - Arbitrage*.

## **11. TRUSTS AND AUTHORITIES**

Unless otherwise provided by the operation of law, all Trusts and Public Authorities which receive funding from the City of Tulsa shall conform to the City's Financial Policies and procedures where applicable.

## **12. PENSION FUNDS**

- a. The pension funds of the Municipal Employees' Retirement Plan shall be managed by the Pension Board as set forth in City Ordinance and Oklahoma Statute.
- b. The City's annual budget will provide for adequate funding for the Municipal Employees' Retirement System.
- c. Investments shall be made in conformance with an investment policy adopted by the Municipal Employees' Pension Board.

(Published in the Tulsa World

~~June 26~~, 2015)

June 27, 2015

republished due to  
page omission.

ORDINANCE NO. 23309

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF TULSA FOR THE FISCAL YEAR 2015-2016; ORDERING THE TRANSFER OF ENTERPRISE INCOME TO THE GENERAL FUND; APPROPRIATING UNEXPENDED BALANCES FOR GRANT FUNDS AND CAPITAL PROJECT FUNDS FOR FISCAL YEAR 2014-2015; ORDERING AND DIRECTING THE COMPUTATION AND FILING OF LEVY REQUIREMENTS FOR THE 2015-2016 SINKING FUND OF THE CITY OF TULSA, OKLAHOMA; RESERVING FUND BALANCE OF SIX AND TWENTY-FIVE PERCENT (6.25%) AS AN EMERGENCY OPERATING CONGTINGENCY IN THE GENERAL FUND; APPROVING AN EMERGENCY TELEPHONE FEE OF FIVE PERCENT (5%) FOR CALENDAR YEAR 2016; ORDERING THE FILING OF THE CITY OF TULSA BUDGET, FISCAL YEAR 2015-2016 WITH THE STATE AUDITOR AND INSPECTOR OF THE STATE OF OKLAHOMA; AND ORDERING THIS ORDINANCE TO TAKE EFFECT IMMEDIATELY FROM AND AFTER ITS ADOPTION AND APPROVAL.

BE IT ORDAINED BY THE CITY OF TULSA:

Section 1. That the annual budget of the City of Tulsa, Oklahoma, for Fiscal Year 2015-2016 be and is hereby adopted under the Municipal Budget Act, 11 O.S. 2001, §§ 17-201, *et seq.*, as amended.

Section 2. That the transfer of six and twenty percent (6.20%) of Water, Sewer, Stormwater, and TARE/Solid Waste rate income to the General Fund of the City of Tulsa, Oklahoma, be and is hereby approved and ordered.

Section 3. That the unexpended appropriation balances and encumbrances for grant funds and capital project funds for Fiscal Year 2014-2015 be and the same are hereby appropriated to the same funds, accounts and for the same purposes for Fiscal Year 2015-2016 unless the project is designated to be closed.

Section 4. That the Mayor shall compute the levy requirements for the 2015-2016 Sinking Fund of the City of Tulsa, Oklahoma, utilizing a reserve of ten percent (10%) for delinquent taxes and cause the same to be filed with the Excise Board of Tulsa County, Oklahoma.

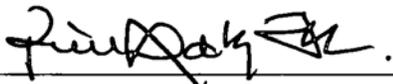
Section 5. That the Mayor and City Council shall reserve fund balance for Fiscal Year 2015-2016 in an amount equivalent to six and twenty-five percent (6.25%) of projected revenues as an emergency operating contingency in the General Fund that can only be spent with Council approval.

Section 6. That an Emergency Telephone Fee (E-911) of five percent (5%) of the tariff rate be and the same is hereby approved and ordered for calendar year 2016 in the City of Tulsa, Oklahoma.

Section 7. That three (3) copies of the adopted budget, being marked and designated as "City of Tulsa Budget, Fiscal Year 2015-2016" be and the same are herewith ordered to be filed in the Office of the City Clerk of the City of Tulsa, Oklahoma, on the \_\_\_\_ day of June, 2015, and one (1) copy with the State Auditor and Inspector of the State of Oklahoma.

Section 8. That this ordinance shall take effect immediately after its adoption and approval.

ADOPTED by the Council JUN 18 2015  
Date

  
\_\_\_\_\_  
Chairman of the Council

OFFICE OF THE MAYOR

Received by the Mayor: \_\_\_\_\_, at \_\_\_\_\_  
Date Time

Dewey F. Bartlett, Jr., Mayor

By: \_\_\_\_\_  
Secretary

APPROVED by the Mayor of the City of Tulsa, Oklahoma: JUN 22 2015  
Date

at \_\_\_\_\_  
Time

*Jim Twomey*  
\_\_\_\_\_  
Mayor PRO-TEM



*Richard P. Ford*  
\_\_\_\_\_  
City Clerk

APPROVED:

*Laila Meilia 6/23/15*  
\_\_\_\_\_  
City Attorney

(Published in the Tulsa World  
June 26, 2015)

ORDINANCE NO. 23310

AN ORDINANCE APPROVING AND ADOPTING THE CAPITAL IMPROVEMENTS PLAN OF THE CITY OF TULSA, OKLAHOMA, FOR THE FISCAL YEARS 2016-2020; ORDERING THE FILING OF DOCUMENTS WITH THE CITY CLERK; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY OF TULSA:

Section 1. That the Capital Improvements Plan of the City of Tulsa, Oklahoma, for Fiscal Years 2016-2020 be and is hereby approved and adopted in accordance with Title 4, Chapter 4, City of Tulsa, Oklahoma, Revised Ordinances.

Section 2. That three (3) copies of the approved and adopted capital plan, being marked and designated as "City of Tulsa Capital Improvements Plan, Fiscal Years 2016-2020," be and the same are herewith ordered to be filed in the Office of the City Clerk of the City of Tulsa, Oklahoma, on the \_\_\_\_\_ day of June, 2015.

Section 3. That an emergency is hereby declared to exist for the preservation of the public peace, health, and safety, by reason whereof this Ordinance shall take effect immediately upon its adoption and approval.

ADOPTED by the Council JUN 18 2015  
Date

Phil Daki, Jr.  
Chairman of the Council

ADOPTED as an emergency measure JUN 18 2015  
Date

Phil Daki, Jr.  
Chairman of the Council

OFFICE OF THE MAYOR

Received by the Mayor: \_\_\_\_\_, at \_\_\_\_\_  
Date Time

Dewey F. Bartlett, Jr., Mayor

By:

\_\_\_\_\_  
Secretary

APPROVED by the Mayor of the City of Tulsa, Oklahoma: JUN 22 2015  
Date

at \_\_\_\_\_  
Time

Jim Turney  
Mayor PRO-TEM



(Seal)

ATTEST

[Signature]

City Clerk

APPROVED:

[Signature] 6/23/15  
City Attorney