TulStat Meeting Outline
Cash Reserves/ Municipal Funding
Feb. 9, 2018

1. **New TulStat Model (James)**

2. **Defining the *problem* (Kier):** We do not have a reliable way to fill reserve funds to mitigate unexpected expense and revenue fluctuations.
    a. We have two types of reserve funds
        i. Emergency Operating Reserve (EOR): The City's goal is to have 10% of the general fund ($26.9 million). This fund is used when responding to man-made or natural disasters only and cannot be used for wages or personnel costs. Currently, we have 6.39% saved in the EOR.
        ii. Economic Stabilization Reserve (ESR): The City's goal is to not exceed 30% of the general fund ($80.7 million). This fund can be used when general fund revenues will be less than current budget year or less than any other previous year's General Fund revenues. This can be used in economic downturns. Currently, we have 2.47% or $2 million saved and it has stalled.
    b. What if we would have had the funds in the last two recessions?
        i. Please refer to the charts in the slides
    c. Strategies we've attempted in the past
        i. 50% of excess of a 4% increase in general fund automatically goes into the ESR, but has very rarely occurred.
        ii. In 2012, $2M was set aside in the ESR, but has not happened since.

3. **Measuring Success (Kier)**
    a. How can we measure ultimate success?
        i. Emergency Operating Reserve @ 10% of General Fund. Currently at 6.39%
        ii. Economic Stabilization Reserve @ 30% of General Fund. Currently at 2.47%

4. **Can we set a goal for incremental success/progress? (Kier)**
    a. Need to figure out how long it would take to get to $80 million for ESR and $26.9 million in EOR and then develop a timeline to reach the goals and show progress

5. **Other possible solutions (All)**
    a. Could set aside certain amount or percentage of money for EOR in budgets. Oklahoma is not immune or complacent to all type of disasters and is not recession-proof. The need to "pay ourselves first" would help prepare for these events.

6. **Action steps**
    a. How do **other cities and states** contribute to their EOR and/or ESR? (James)
        i. How does the State contribute to their Rainy Day Fund?
        ii. Are there any other states or cities that are comparable?
    b. Look at **balances for capital projects**. Are there any projects that could have expenses reduced? (Hamer)

c. Is it possible / reasonable to have a **temporary sales tax** just for building up reserves? (Dwain)
d. Is it possible to have a **portion of a capital package** for a “asset preservation” fund so that operations to preserve capital assets could be continued? (Kier)
e. What are our **incremental targets?** (Kier)
f. Could **occasional windfalls** be dedicated to the reserve fund, by policy? (Kier)
g. What estimated savings on interest could be achieved by having a **higher bond rating?** (Kier)