

Fiscal Year 2019 Budget Speech to City Council – April 25, 2019

Thank you Mr. Chairman. I would like to start by updating you on where we stand as we near the end of this fiscal year.

Last year, our focus was on turning things around: hiring a record number of officers, shoring up the City's pension system, honoring the work of our employees with an across-the-board satisfactory performance increase in pay and modernizing our approach to employee health care. We are maintaining our medians and rights of way properly, and we are launching innovative new programs like the Better Way program and the City's Sobering Center. Thanks to the Council's support of the Fiscal Year 2018 Budget, Tulsans have witnessed the successful implementation of all these initiatives over the last year. And all of these initiatives will continue to be funded in Fiscal Year 2019.

But there is still so much to do. This year, the budget before you is about fixing problems that people for years have thought could not be fixed. The guiding philosophy for what is funded in this goes back to our Mayor-Council retreat in December and the City's strategic plan you adopted in February.

First, let's talk about public safety. This budget funds a match of last year's 90 new patrol officers but it accomplishes that goal in a slightly different way.

Many of you will recall the realization years ago that we were using trained, sworn Police officers for clerical duties that could be carried out by civilian staff at a lower cost. Not only would "civilianization" – as it was termed – save taxpayer dollars but it would get patrol officers out from behind desks and back out on the street to keep our city safe. Yet for years we witnessed the impotence of the City in bringing about such an obviously needed change. No longer.

The budget before you provides the funds for 79 new Police cadets and the civilianization of 11 positions – continuing our pace of 90 new patrol officers in the field.

In keeping with this approach of being smarter with the management of the Tulsa Police Department, we also addressed another seemingly unsolvable problem this year: jail operations. For two decades, the City and County sniped at one another over that issue. In the recent past, the City's contract with Tulsa County for use of the jail had lapsed. All parties agreed that the City should be paying our fair share, but no one had an objective way of determining what that cost might be. I negotiated an agreement with one County Commissioner that would have increased our rate to just under \$1.5 million annually, with the understanding that a cost accounting system would be installed to determine the true cost moving forward, but even that proposal did not pass the County Commission. In fact, one commissioner proposed doubling that amount. Faced with a lack of willingness to determine true costs and the threat of arbitrary rate increases, we decided to go our own way.

Now, thanks to the support of the Council, that fight is over – and we are making better use of officer time. While booking on average took approximately 90 minutes at the previous facility we were using, it is averaging 30 minutes at our new one, saving an hour of officer time for every suspect the officer books. That's an hour for every booking that officers are back out on the street in pursuit of criminals rather than sitting and doing paperwork at the jail.

One hour doesn't sound like a lot, but those hours add up. To put this in perspective: there were 7,755 municipal-only bookings last year, so that's 7,755 hours we could save over the course of a year – or 775 10-hour shifts.

The budget before you funds the City Jail's operations moving forward.

We have also made remarkable progress in properly staffing the Tulsa Fire Department. We had anticipated that adding 65 new firefighters would take at least five years. Instead, thanks to a grant we have been able to do it in 18 months – and we will sustain our progress through new academies this year.

Another issue we've faced for years relates to the economic growth of our city. For years, Tulsa has been viewed as non-competitive in the region when it comes to development projects. During my campaign for mayor, I met with a developer whose name you would all recognize and he told me how he had purchased a piece of land he thought was in a neighboring suburb. When he realized it was actually in Tulsa, he considered selling it because he said doing the project in Tulsa would drive up his costs by 40 percent and the time on his project by 60 percent. I've since told this story to other developers and none of them blinked an eye at it. We cannot allow that kind of imbalance to continue.

At the same time, during our retreat we acknowledged the need to focus our planning efforts more on the cultivation of destination districts within our city.

So the budget before you reflects the separation of Planning and Development Services into individual departments, so that each can focus intently on their unique missions over the years ahead. Development Services will work to cut the red tape and roll out the red carpet, while providing new tools previously unavailable to those who wish to invest in Tulsa. Planning will orient much of their focus to helping the unique areas of our city truly blossom as the distinct destinations they can be – providing those areas around our city with the tools they need to thrive and providing Tulsans with a more diversified cultural experience.

In a similar vein, we have to always be looking for ways to make the City of Tulsa more effective with the resources available to us. Earlier this month, the Mayor's Office presented the Council with the Equality Indicators report that will help track our progress in addressing the great moral issue of our time in Tulsa: racial disparity. The strategy to make that progress will be released this summer, and it is crucial for our success that we have the systems in place that allow us to stay on task through what will no doubt be challenging work.

The budget before you reflects the establishment of that organizational infrastructure through the modernization of our Human Rights Department into a new office: the Office of Resilience & Equity, which will be an integral part of the Mayor's Office. This new office will improve the tracking of human rights complaints as they are filed, and will improve the support to City commissions historically served (Human Rights, Hispanic Affairs, Indian Affairs, African American Affairs, and Status of Women). But with a new, proactive focus and close proximity to the executive leadership of the City I believe it will be properly positioned to lead our initiatives on racial disparity in Tulsa.

The Council was kind enough to present me with my 10-year pin a few weeks ago, recognizing a decade of service here at the City. Yet as long as I've worked here, the downtown parking meter system has been an embarrassing example of the City's inability to fix an obvious problem. No longer.

It's time to modernize our outdated and obsolete parking meter system. As you know, this year we will implement a new parking app that can be used across downtown and will provide more convenience for everyday parking users and visitors. But that is not enough.

The budget before you provides funding to pursue a new parking meter lease agreement. Through a lease arrangement, we propose to replace every parking meter in downtown, have the manufacturer replace parts as needed, and then the City would own the meters at the end of the lease term. Through an executive order I signed earlier this year, all meter revenue is going toward the system so I believe we can accomplish this overhaul without an increase in parking meter rates.

We've also seen an ongoing issue with our street work. Last November, I appointed a task force of local business leaders to study our street work system and make recommendations to me on how we can improve speed and minimize the impact of these projects without sacrificing quality. That task force is still working to complete their work, but one recommendation has become clear so it is included in the budget before you.

The reality is that in the last five years we passed both the largest streets program in City history and the largest economic development capital improvements program in City history – and we did that without increasing the staffing of our Engineering Department, which is tasked with managing both of these programs. You see the impact of this most visibly on our street projects, where we are sorely understaffed when it comes to utility coordinators – the folks who schedule all of the complex utility work that goes along with street projects. This can cause the scheduling of that utility work to draw out, making street projects last longer – negatively impacting businesses and drivers.

The budget before you provides for the hiring of three new utility coordinators within our Engineering Department, facilitating a more rapid and detailed management of individual street-project utility work. We believe this will reduce street project times, benefiting everyone across the city.

Another long-term issue has been financial volatility. As many previous mayors have observed, the State of Oklahoma's mandate that cities be overly reliant on sales tax for operations subjects us to tremendous volatility in revenue.

The budget before you reflects progress in properly funding our Emergency Operating Reserve, which is our safety net in the instance of a natural or manmade disaster.

Just last week, I also signed an executive order that directs the proceeds from the sale of any real property belonging to the City be brought to the Council for addition to our Rainy Day Fund. My Administration is presently reviewing the inventory of City real property assets, and we hope to have a number of proposals for your consideration over the coming fiscal year.

For our employees, I'm saving the best for last. Conventional wisdom for years has been that with revenue growth so sluggish we could not afford pay raises for our employees. Some years, the entire cost of the increase in health insurance costs was shunted onto employees on top of no pay increase – in effect, a pay cut. But this Council and I have been clear that we want our team at the City to be properly compensated for great service to the citizens of Tulsa.

In this current budget, we have again been conservative in our revenue projection. But we did something different this year. I met with all of our department heads and told them the only way their employees would be getting pay increases this year would be if they found reductions in spending that we could put toward that goal. And our department heads went to work. They brought back page after page of small cuts here and small cuts there that, when added up, yielded what we needed.

So in the budget before you, we are funding the full cost of the projected 10 percent increase in health care costs for our employees – and we are funding an across-the-board mid-year pay increase of 2 percent. This marks the first time in a decade that all employee classes have been eligible for pay raises (not just one-time stipends) in two consecutive years. We are doing this not with a dramatic increase in revenue – quite the opposite – but through better management and economizing City operations.

The budget presented to you tonight continues our record-setting pace for Police hiring, gives our employees their first back-to-back pay raise in a decade, fully covers the projected increase in employee health insurance, fixes our downtown parking meter system, makes better use of officer time through our new jail, positions us to be more competitive on the economic development front, boosts our financial reserves, and puts in place the team that will lead our efforts to end a century of racial disparity.

As with last year, I cannot thank the nine of you enough for all your work to establish these priorities and to help in the development of this budget. The Council's willingness to work with us as collaborators makes this process so much smoother.

I also want to thank the team that has been crunching numbers on this for months, including Finance Director Mike Kier and the Budget Team led by Keith Eldridge, as well as the Budget Team in the Mayor's Office led by Chief of Staff Jack Blair. Our Finance team worked on this budget while also implementing the first overhaul of our financial computer systems in decades – a task akin to servicing the engine on your car as you drive down the Gilcrease Expressway. Our Communications team did a great job – as they always do – on the presentation. So many people have worked hard to develop this budget, which I believe positions our City for great success in the coming fiscal year.

I am happy to answer any questions you might have tonight. Otherwise, we will be available for Council committee discussions in the weeks ahead.

Thank you.