

TulStat

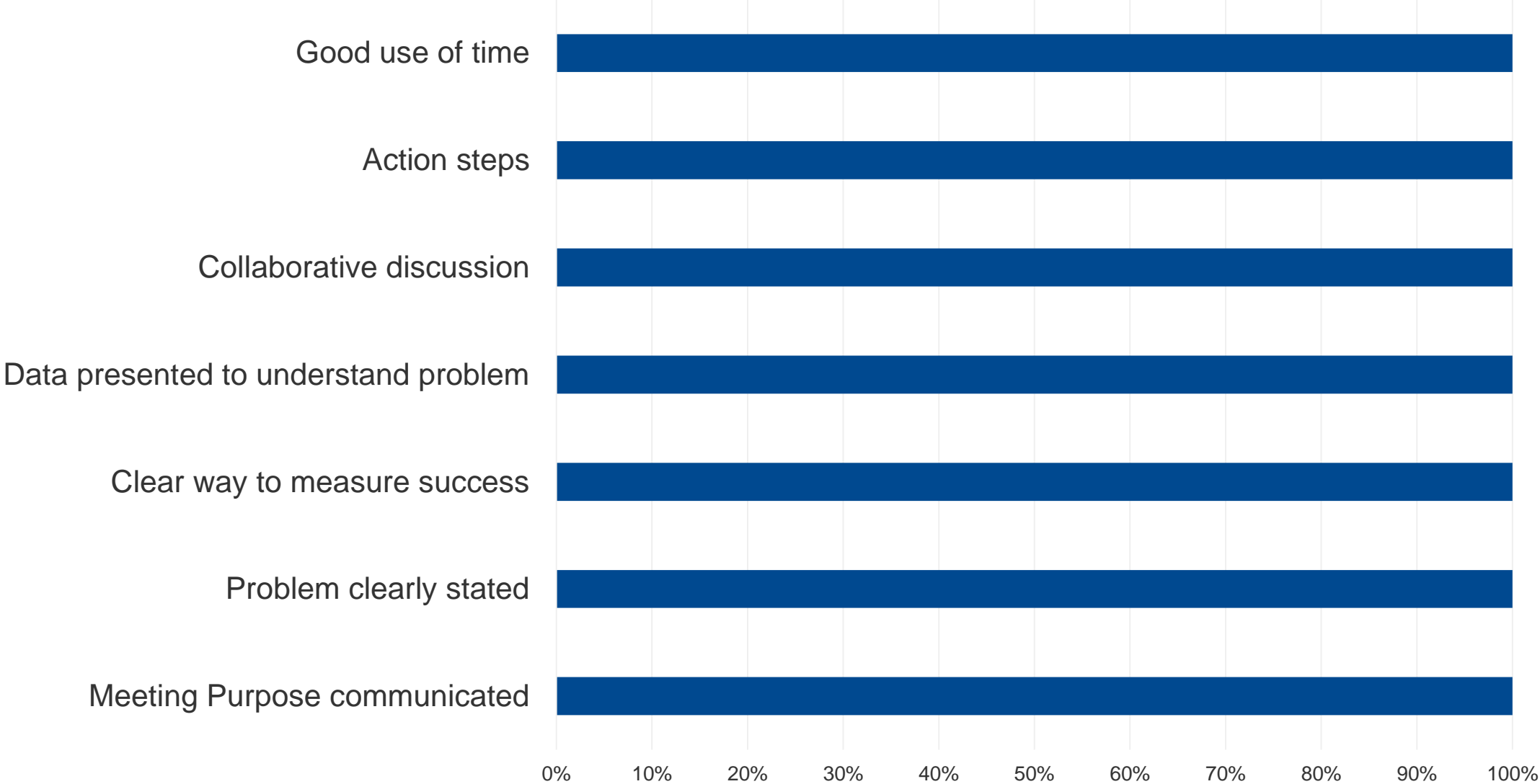
Cash Reserves
June 15, 2018



CITY OF
Tulsa
A New Kind of Energy™

Feedback from 4/6/18 Cash Reserves TuIStat Meeting

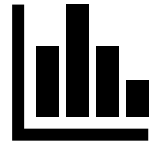
A perfect score!



The Process



1. Problem Definition and Context



2. Measurement Framework



3. Defining Success



4. Possible Solutions



5. Action Plan

Today's Process

- FY19 Budget Impact on Emergency Operating Reserve
- Follow-up Items from April meeting
- Follow-up Items for August Meeting



Defining the Problem



What is the right-sized problem?

We do not have a systematic way to *consistently* fill reserve funds to mitigate unexpected expense and revenue fluctuations.



Tulsa's Reserve Funds

“Rainy Day Fund”

Emergency Operating Reserve

Goal: 10% of General Fund =
\$26.9 million
Currently ~~\$17 Million~~ **\$17.9 Million**
(6.46% of General Fund)

No Deposit Policy

Can be used for:

1. Responding to Disasters

Can not be used for:

1. New programs
2. Wage increases
3. New personnel costs

Economic Stabilization Reserve

Cap/Goal: Cannot exceed 30% of
General Fund = \$80.7 million
Currently \$2 million

Deposit Policy: 50% of excess of a
4% increase in general fund
automatically deposited in
Economic Stabilization Reserve

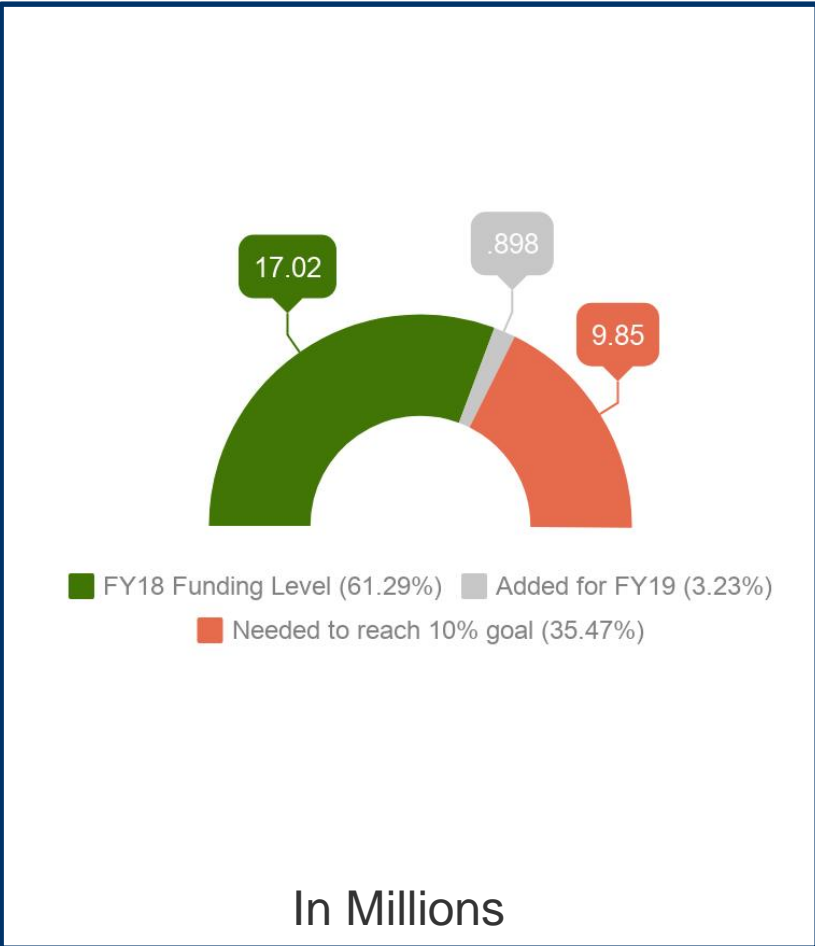
Can be used when:

1. General Fund revenues will be less than current budget year,
OR
2. Less than any other previous
year's General Fund Revenues

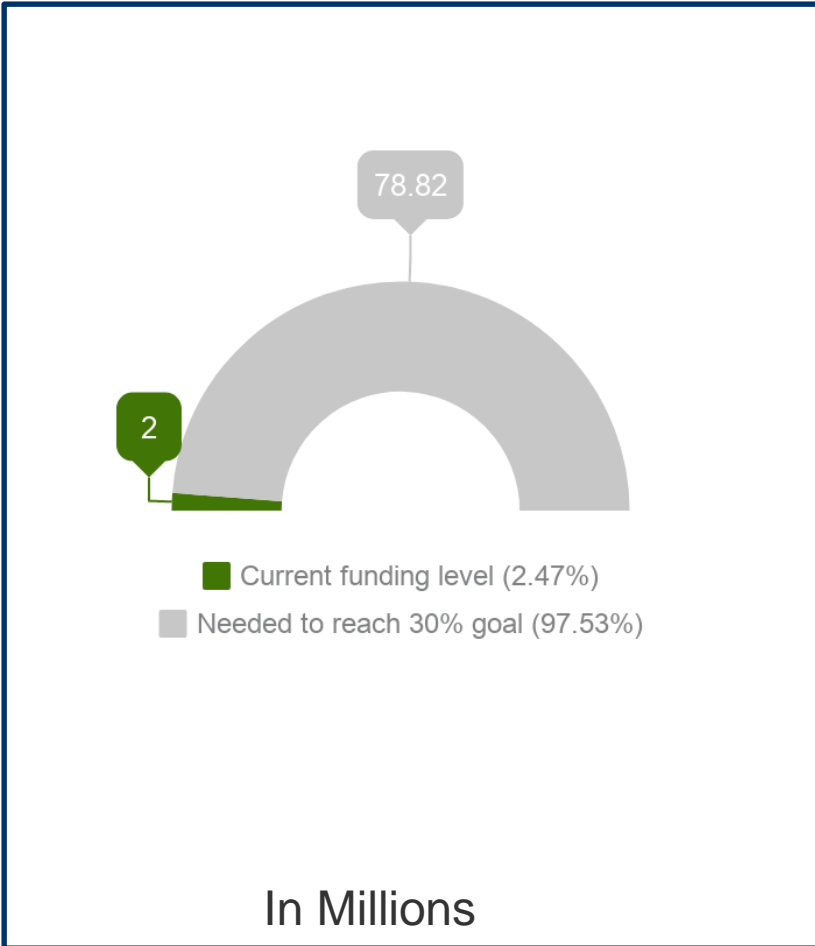


Reserve Funds

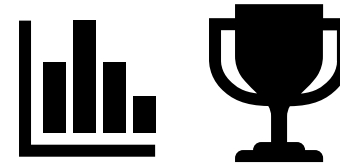
Emergency Operating Reserve



Economic Stabilization Reserve



Measuring Success



How can we measure ultimate success?

1. The Emergency Operations Reserve is funded at 10% of the General Fund Budget. *Currently at ~~6.39%~~ **6.46%** (+0.07%)*
2. The Economic Stabilization Reserve is funded at 30% of the General Fund. *Currently at 2.47%*

How can we measure incremental progress?

1. Emergency Operations Reserve is funded at an additional 0.25% to 0.5% annually. **FY19 addition is 0.07%**
2. Economic Stabilization Reserve (?) **No add to ESR in FY19**



Follow-up from April 2018 Meeting

- Executive Order for all Real Estate Sales to go to the Economic Stabilization Reserve (**COMPLETE**)
- 0.05% increment of next IOT renewal. Might be beneficial to look a little more at how that would be over the long term. Might require tweaking rainy day fund ordinance (**Jack**)
- % of revenue growth to go to rainy day fund (**Kier**)
- What % it should be for mandatory (4% was wrong number for sure) (**Kier**)
- What would it look like to do proposal of dedicated sales tax & proposal of % of growth? (**Kier/Hamer**)
- More thought needed on the Withdrawal policy – how would these funds best be saved & used?
 - Requirements to identify uses and restrictions for use? Would need some thought but can probably can get it to a single subject matter
- An increment to serve 3 purposes (operating, emergency & maintenance fund)?



Action Plan



Before the next meeting on _____ I will...

Task	Responsible Party

