

Section 1:

# POLICIES

The Spavinaw Water Project  
Facts and Figures

Total Cost	\$7,500,000
Drainage Area	480 Sq. Miles
Area of Spavinaw Lake	1800 Acres
Length of Dam	1900 Feet
Height of Dam	3500 Feet
Height of Spillway	80 Feet
Height of Reservoir	300 Feet
Length of Tunnel	55 Miles
Size of Concrete Pipes	40 and 54 Inches
Size of Tunnel	7 Feet
Length of Tunnel	2 Miles

**CLEAR AND COLD, PURE AS COLD**



The Spavinaw Lake - - of Shaft- Station

On October 29, 1924 Spavinaw water flowed into the city at a rate of 28 million gallons per day. The schools put on a great jubilee pageant.

Many poems were written, and in song and pantomime glories of the Spavinaw water were told—which places Tulsa and its future development in a position which cannot be rivaled by any city in the Mississippi valley.

Since the completion of the Spavinaw project at a cost of

\$7,500,000 engineering station accomplished water 60 r lahoma to constructio dam 3,500 spillway b reservoir l

*This section includes the Mayor's budget message; the Mayor's budget transmittal letter to the City Council; the long-range Financial Policies; and the ordinances adopting the Budget and Capital Plan.*

Photos Courtesy of Tulsa Historical Society & Museum

"AS BUILT"

CITY OF TULSA, OKLAHOMA	
SECOND SPAVINAW PROJECT	
UPPER SPAVINAW DAM	
GENERAL MAP	
W. R. Hines & Associates Consulting Engineers Tulsa, Oklahoma	Scale: 1/2" = 1 mile Date: 1929 Contract No. 10



## Fiscal Year 2025 Budget Presentation

Thank you, Madam Chair. The budget before you reflects total proposed expenditures in the coming fiscal year of \$1,023,445,000. These funds can be broken into two main categories: capital expenditures of \$110.3 million, which are largely determined by voter-approved programs, and operating expenditures of \$913.13 million across all funds, which are largely determined by the 10 of us as the elected representatives of the citizens. The General Fund, which is our main source for the City's daily operations, is budgeted at \$407.6 million, a 2.5% increase over the previous year.

At the outset, I want to set expectations for this budget. I am mindful that every new mayor going back to at least 1992 had to address budget deficits the moment we were sworn into office. I have no intention of continuing that tradition, so this budget was developed very conservatively.

Over the last two years, we have funded a 20.7% increase in compensation for City employees. That has outpaced inflation at 12.4%. But we've also been hit like everyone else with inflationary pressures on things we need to do our work. Our natural gas expense is up in the last two years by 49%, electric is up 35%. Our expense for chemicals is up almost 50%, and our expense for controlling vegetation is up nearly 36%. I could go on, but you get the point.

I am also mindful that in two of the last three months, our tax revenue was below our receipts from a year ago. This should give us pause. As I have said before, the significant revenue gains we saw over the last few years were essentially a mirage - the result of inflation driving the cost of goods and our corresponding sales tax revenue higher. But our employees - the most important asset in the City of Tulsa's work - were seeing those costs cut into their paycheck. So you and I funded the largest pay increases for first responders in Tulsa history and met the recommended pay allocations for each non-sworn employee group. Maintaining those pay gains while also providing for job stability must remain our top priority.

So while I have always enjoyed presenting new and exciting initiatives in my budget presentation, this budget is not that. New and exciting will come in December when you have a new mayor with new initiatives to launch. My goals for this budget are to provide for our team, follow through on the work we've been doing, and leave the city government on the strongest possible financial footing when I walk out the door.

So now that I've been clear on what this budget will not do, let me share what it would do.

Last year, you and I achieved a goal many never thought the City would actually reach: fully funding our emergency operating reserve. And it is a good thing we did because the response to the Father's Day storm absorbed nearly half - 46% - of that emergency reserve. While we can expect much of that to be reimbursed by FEMA, reimbursement typically takes two to three years. We can't hope that nothing bad happens for the next three years while we are waiting on the federal government to reimburse us, so we have to restore that fund as much as possible now.

This budget restores our Emergency Operating Reserve to a level of 8.5% of the General Fund.

When I became mayor, our Rainy Day Fund had \$2 million in it. As our Finance Director said at the time, that wouldn't even cover a light mist. I am proud of the fiscal discipline this Council and my Administration have shown over the last seven years, and this budget will bring our Rainy Day Fund to nearly \$23 million. That's an over 1,000% increase during my time as mayor.

This budget protects the compensation increases we have implemented over the last several years, and it provides for an across-the-board pay increase for all employees of 2% in the coming year.

This budget covers the full cost of what we expect to be a substantial increase in our employee health care premiums.

These top three priorities - restoring our emergency reserves, funding a modest pay increase, and anticipating the full cost of health care increases - are intended to protect and improve the livelihoods of our team.

This budget funds a Tulsa Fire academy to keep that department fully staffed, and funds 60 academy positions in the Tulsa Police Department.

New policy objectives funded within this budget are the direct result of work done by Mayor-Council working groups over the last year. These include:

- Enhancements to the Fire side of the 9-1-1 Center as a result of the Pre-hospitalization Working Group's review of those operations
- A new app to provide instantaneous direct connection between first responders and citizens in need, as a result of the Pre-hospitalization Working Group's assessment of needs
- A new homeless services coordinator as part of our Path To Home initiative recommended by the Housing, Homelessness, and Mental Health Task Force

This budget also provides for follow-through on significant capital projects approved by voters, including the operations of a new public safety center and our new lake in the Arkansas River as well as operations of a new jail when we reach an agreement to relocate our existing facility.

Thanks to voter approval of our franchise agreement with PSO, this budget funds a 2-year program to completely convert our highway lights to LED lighting. On the day I was sworn in as mayor, 93% of our highway lights were out. Today, we have a dedicated program to maintain and repair them.

On the utility side, we have received board recommendations for rate increases that keep us in line with the cost of service. These include 3% for water (though this increase will not impact residential customers inside the city limits), 3% for sewer, 15% for stormwater, and 9% for trash. As a reminder, the City by law can only charge for the cost of service - we do not generate a profit from these utilities.

This budget funds the initiation of major capital improvement projects approved by voters, including:

- Doubling our street work project delivery to over \$100 million
- Widening 91st Street from Memorial to Mingo
- Construction of our new Tulsa Animal Welfare shelter
- Acquiring a new public safety center
- Establishing new Police and Fire vehicle maintenance facilities
- Purchasing new Fire apparatus
- Continuing our automatic meter reading conversion
- And more

In closing, I want to thank our budget team, led by Jarrod Moore, and our Finance Department led by Tammy Pitts and Christy Basgall. They have worked diligently to make sure every taxpayer dollar is utilized responsibly and effectively. We are a fortunate city government to have this budget team watching over our finances.

I want to thank each councilor who has committed your time and effort to these evaluations of the opportunities before us. I am grateful for your partnership in the development of this proposed budget.

Thank you.

DATE:  
April 17, 2024

TO: Councilor Hall-Harper      Councilor Bellis      Councilor Decter Wright  
Councilor Cue      Councilor Miller      Councilor Lakin  
Councilor Patrick      Councilor Bengel      Councilor Fowler

FROM: Mayor G. T. Bynum 

**SUBJECT: FY2025 Budget and Capital Improvement Plan along with a  
Financial Plan for FY2026**

I am transmitting the proposed operating and capital budget for Fiscal Year 2024-25 (FY25) along with corresponding financial plans for the following year (FY26). This document also includes a capital improvement plan for FY25 through FY29. This transmittal fulfills the Mayor's City Charter responsibilities contained in Article III, Section 1.4 C. More importantly, it sets the City's direction for the future and incorporates both the constraints and aspirations of the City.

The total FY25 budget is \$1.023 billion. This is an increase of 4.4% from the FY24 adopted budget. The operating budget is \$913 million, an increase of 6.4% over the FY24 adopted budget. The capital budget is \$110 million, a 9.3% decrease from the FY24 adopted budget.

## Economic Context

- U.S. Economy

The focus will be on the Federal Reserve as inflation has slowed but remains above the 2% target. The unemployment rate has been steady between 3.5 – 4% over the last year. CPI inflation index remains elevated at 3.5% in March '24. Late to start raising interest rates, the Fed has had to tighten significantly. This has resulted in a yield curve inversion. While not a prediction of future economic health, a yield curve inversion has happened prior to 9 out of 11 major U.S. recessions. The questions going into FY25 will be how long a high interest rate environment persists and can the Federal Reserve execute a soft landing without pushing the economy into a recession. The Fed has implied that their plan is to lower interest rates in calendar year 2024, while being prudent regarding renewed inflation concerns.

- Energy

After hitting a high in late September '23 at \$93+, oil prices began to subside to slightly above \$70 in late winter. Natural Gas prices have landed in a range between \$3.00 - \$3.25 over the most recent months. Approximately 1 in 5 jobs in the Tulsa metro area are tied to the oil and gas industry - directly or indirectly. Midstream companies have not announced any new commercial pipelines, a result of Federal Energy Regulatory Commission (FERC) policy changes. We expect oil prices to follow the economic conditions and the yield curve heading into FY25.

- Aerospace

Several large employers in the Tulsa metro area are in the aerospace industry. Two of the largest are American Airlines with over 4,000 employees in the Tulsa metro area and Spirit AeroSystems with over 1,000 employees in Tulsa. In 2020, American Airlines announced plans to invest \$550 million in the Tulsa maintenance base, and the Tulsa Municipal Airport Trust (TMAT) and American Airlines recently executed a Fully Amended and Restated Sublease which cements American's place as one of Tulsa's largest employers for decades to come. It was announced in February 2022 that the City of Tulsa and American Airlines extended their leasing agreement to year 2048. This optimism is also reflected in the growth of aerospace employers such as L3Harris, which employs more than 260 people at its 90,000-square-foot facility at Tulsa International Airport. Its creation of a new production line for the "Sky Warden" program could potentially create an additional job in Tulsa.

Airline passenger traffic continues to rebound post-Pandemic as Tulsa International Airport traffic grew again in 2023. The total passenger counts surpassed its level from 2019 and were up 8.3% year over year. The outlook for summer traffic is anticipated to be strong once again, as Southwest has started to offer nonstop flights from Tulsa to Orlando during peak season. American has begun non-stop service from Tulsa to Los Angeles (LAX), and Delta will join American in offering nonstop flights to NY-LaGuardia beginning in September 2024. In January 2024 a groundbreaking was held for an international customs facility and international flights are expected to begin in 2026. Additionally, regional leadership is actively pursuing funding to replace the Air Traffic Control Tower, a project which is critical to the long-term success and viability of the airport.

- Local Impacts

Economic projections indicate that the coming fiscal year may have low to moderate growth for 2025. Unemployment is expected to rise a bit as tight credit conditions impact growth sectors in the economy. Interest rates are projected to begin to decrease as inflation starts to come closer to the 2% target. Consequently, unemployment may rise above the 4.0% mark. Historically, the Tulsa MSA trends below the national unemployment rate and during FY24 this was no exception.

Key indicators of the health of the local economy are unemployment and wages. The area's monthly average labor force increased from 2022, gaining 14,000 participants in 2023. Wage and Salary employment (total nonfarm employees) increased by approximately 3% in 2023, equating to roughly 15,000 more jobs. Unemployment remained between 3-3.5%, ending the year at 3.3% in December. The average unemployment rate for the Tulsa MSA was 3.1% for 2023.

Per capita personal income in the Tulsa MSA has grown from \$55,675 in 2013 to \$64,639 in 2023, the latest data available. This represents a 1.5% annual growth rate and tracks closely with the growth within the state at large.

The largest source of revenue for the City of Tulsa is sales tax, which accounts for 33% of FY25 resources. The General Fund receives two (2) cents of the City's sales tax rate for operations and the remaining 1.65 cents are placed in funds for the 2019 Improve Our Tulsa program (0.45), the Vision Tulsa (1.15) funds, which include Economic Development (0.805), Public Safety (0.26), and Streets & Transit (0.085). Also included in the remaining funds is (0.05) cents for the City's Economic Stabilization Reserve. Total sales tax receipts of \$347 million are estimated by the end of FY24, which would be a 2.3% increase from the FY24 budget. Revenue from sales tax is projected to be \$353 million for FY25.

Use tax has shown strong growth because of the Oklahoma Tax Commission's continued pursuit of agreements with online retailers. Personal property purchased outside the state and used within the

City is also taxed at 3.65%. The General Fund receives 3.1 cents of the City's use tax rate for operations and the remaining 0.55 cents are placed in the 2016 Tulsa Economic Vision Fund. The FY25 proposed budget Use Tax projection is \$69 million, an 8% increase from the FY24 budget.

## Budget Highlights

In FY25 the City will celebrate the Labor Day weekend with the opening of Zink Lake and Dam, Williams Crossing pedestrian bridge, and the whitewater flume. With voter approved capital funding the project began in October 2020 and will provide many recreational opportunities in the Arkansas River. Included in the budget is funding for the management agreement with the River Parks Authority to manage the day-to-day operations along with recreational programming.

The FY25 budget continues funding for organizational enhancements adopted in the FY24 budget. An objective of the organizational enhancement was emphasis on gaining efficiencies on delivery of infrastructure projects. Public Works and Water & Sewer department leadership have reported improved collaboration and coordination with contractors and are beginning to see the results of these efforts. The implementation of project management software will begin in FY25. This software will not only assist with project oversight, status reporting, and future project planning but provide project status transparency to citizens and elected officials.

As part of the cumulative work being done to address homelessness, housing, and mental health the Mayor and Council have created the Path to Home initiative outlining four goals and thirty-three actions to advance solutions around homelessness. Every department in the City plays a part in supporting the goals outlined in the Path to Home initiative. As part of the Path to Home initiative included in the budget is the creation of a Homeless Program Lead. This position will collaborate with city leadership and external stakeholders in the development, implementation and monitoring of City led homelessness efforts. This position will also collaborate with the Chief Mental Health Officer, funded in the FY24 budget, to ensure support services are in place for individuals experiencing mental health crisis who are also homeless. Likewise, the City has engaged with our non-profit partners and the utilization of grant funding to operate an emergency temporary housing program, priority housing placement program, and a low barrier shelter.

Consolidating housing efforts and solidifying the City's commitment to increasing housing stock was another organizational enhancement made in the FY24 budget. In August 2023 the voters approved the third Improve Our Tulsa capital package, which includes \$75 million for housing. The Department of City Experience will begin implementing the Tulsa Housing Strategy and FY25 will be a year of partnering with internal and external stakeholders to meet the action items identified in goal 1 of the Path to Home initiative.

The FY25 budget continues the Mayor and Council prioritization of employee compensation, recruitment, and retention efforts as the City continues to compete with the private sector for qualified workers. The number and length of position vacancies in non-sworn work units has improved with this continued priority emphasis.

The budget includes investments in our public safety departments. In the Fire Department, 24 cadets are funded to ensure the department remains fully staffed. FY25 is the third year of the SAFER grant. The annual savings from this grant along with annual allocations from capital funding will be utilized for apparatus replacement and high priority capital equipment replacement.

Protective bunker gear replacements are annually budgeted as they reach the end of useful life. Included in the FY25 budget is a one-time purchase of protective bunker gear for all field firefighters,

this upgraded protective bunker gear will provide firefighters with the latest in textile technology as certified by the National Fire Protection Association.

The Police Department budget includes funding for 60 cadets. Tulsa has not been immune from the recruiting challenges for law enforcement personnel, the budget continues to fund the increase provided in the FY24 budget for recruitment efforts. Two emergency communicators (911) positions will also be added to enhance training and performance management for fire response deployment.

The public safety departments continue to analyze approaches to incorporate technology to better serve the citizens of Tulsa. In the past two years the City has made substantial investments in the implementation of technology with the Real-Time Information Center (RTIC) and modernization of body worn cameras, in car cameras and implementing an enterprise software solution for deployment of sworn staff. Advances in emergency response technology continue to be made available through video, text, and chat technologies in which individuals can provide real time information from the scene to better assist emergency communicators and sworn staff on response needed. Included in the FY25 budget is funding to evaluate vendors that provide these technology services to best meet the requirements of the City.

As the City continues to be a regional economic driver and to ensure we are responsive to economic development opportunities, included in the budget is an Economic Development Director. This position will work closely with the development community, businesses, and the Tulsa Authority of Economic Opportunity to ensure economic initiatives are realized.

## **General Fund, Public Safety Tax, and Street and Transit Fund**

The General Fund is the principal operating fund of the City. At the time of the FY24 budget adoption, revenues in the General Fund were estimated to be \$377.1 million but are now estimated to exceed estimates by nearly \$9.5 million.

General fund revenues for FY25 are expected to be \$393.6 million, approximately 4.4% more than the original budget for FY24. Sales and uses taxes account for 64.0% of the General Fund.

The General Fund Emergency Operating Reserve is set at a level of 8.5% of General Fund revenues. In June 2023 the City experienced a straight-line wind event, declared a FEMA disaster. The General Fund emergency operating reserve was utilized in response to the storm debris removal, and \$14.5 million (45.7%) of the FY24 \$31.7 million reserve was used. The FY25 budget restores the operating reserve to \$28.2 million. As reimbursements are received from FEMA the operating reserve will be replenished to the 10% minimum. The City's Economic Stabilization Reserve (aka Rainy Day Fund) is expected to have a fund balance of \$22.9 million by the end of FY25.

The largest expenditure category is payroll, which represents 73.4% of the General Fund budget. This budget includes compensation increases for eligible employees.

Public safety receives the largest allocation of resources at 55.7% of the General Fund. Sixty police officers, supported by the general fund, are budgeted for and expected to go through the police academy this year. The Fire Department is scheduled to have a General Fund supported academy of 24 firefighters this fiscal year, which will keep pace with attrition.

The Streets and Transit Fund continues funding for maintenance crews to maintain streets, pavement markings and striping, highway lighting, and traffic signalization. The Peoria Bus Rapid Transit route as well as Sunday service, operated by MTTA, are also funded by the Streets and Transit Fund. In FY24 the fund supported the conversion of almost 1,000 highway lights to LED. The FY25 budget and FY26 plan will further

prioritize these efforts to replace the remaining 5,800 fixtures covering 172 lane miles. This conversion enhances highway safety for our citizens and visitors and creates energy efficiencies that reduce electrical usage.

## Utilities

- Water and Sewer

The Tulsa Metropolitan Utility Authority (TMUA) implemented an asset management program focused on capital prioritization and optimization, while balancing risk and financial stability. The difficult, but necessary, rate increases in previous years have allowed for most capital improvement projects to be paid with cash, thereby substantially reducing the need to utilize ongoing revenues for debt service. While the program has been successful at reducing revenue requirements necessary for continued operation of the enterprise system, uncharacteristically high inflation has recently impacted trends of otherwise routine costs.

While chemical costs (a major component of operating expenses) appear to now be stabilizing this fiscal year, dramatic inflation in other equipment and supplies costs continue to persist; and are assumed to continue into the next two years, impacting operational expenses. This has led TMUA to recommend a 3% and 6% rate increase in FY25 and FY26. This increase will permit the City to continue mandated treatment to provide and maintain a safe water supply; as well as continue preventative care of assets, thereby reducing more costly capital replacements over the long term.

A 3% rate increase is proposed for the sanitary sewer system in FY25 and FY26. The capital improvement plan and debt remain the main drivers for the sanitary sewer rate increases, representing nearly half of the budget. However, capital prioritization and optimization continue to positively impact ongoing revenue needs.

- Stormwater

The Stormwater Drainage and Hazard Mitigation Advisory Board initiated a Stormwater Utility Enterprise Initiative (SUEI). The initiative is an asset management and strategic planning study. The Stormwater UEI provides data to enable the stormwater utility to transform from reactive to proactive decision-making. The results of a gap assessment were used to identify areas of emphasis, which include: a detailed review of current and future operations and maintenance practices (O&M), risk modeling to identify funding required for potential rehabilitation and replacement of existing assets, as well as a process for prioritizing capital projects based on risk and cost/benefit analysis.

Tulsa recently received a renewal to its stormwater discharge permit. This in effect is a new permit due to the many new federal and state mandates that it contains. These mandates include increases in monitoring, public outreach, industrial, commercial and construction site inspections, illegal discharge investigation and removal, additional hours for the household pollutant collection facility, new reporting requirements and a dramatic reduction in pollution that is discharged from our storm sewer system.

The FY25 budget includes a 15% rate increase for the stormwater system to continue implementing the SUEI and the required mandates in the stormwater discharge permit.

- EMSA and Solid Waste

There are currently no changes to rates for emergency medical services in FY25. The Tulsa Authority for Recovery of Energy (TARE) includes a rate increase of 9% in the FY25 budget, followed by a 5% increase in FY26. These rate increases are needed as the previous trash service provider contract rates were locked in for the previous decade at below market rates.



- Utility Fee in Lieu of Taxes

The fee in lieu of taxes rate from the utility funds to the General Fund is an average of the sales tax and franchise taxes paid by other utilities. The water utility has an additional fee of 0.75% to cover system lease agreement conditions. The calculation methodology is set by ordinance. In February 2022, voters approved an additional one percent fee of all gross revenues collected by the Public Service Company of Oklahoma (PSO) to be deposited into a special revenue fund for the maintenance and repair of public ways. The amended fee increased the utility franchise fee, and thereby increased the fee in lieu of taxes rate, as determined by the calculation set in ordinance. In FY24 the rate for utilities except water will be 6.7%. The rate for water will be 7.45%.

## Capital Budget

The capital budget totals \$124.6 million in directly funded projects, net of debt service. This budget includes \$36.1 million in sales tax funded projects from the 2020 Improve Our Tulsa II program. This program includes funding for critical projects for Police, Fire, Parks, Citywide Public Facilities, Economic Development Infrastructure, Transit rolling stock and Capital Equipment. Priorities in this year's budget include: \$2.8 million for apparatus replacement for the Fire Department, \$8.2 million toward the park improvements, rehabilitation, and renovation across the city, and \$11.3 million for Capital Equipment.

The capital budget includes direct funding for water and sewer capital projects from the enterprise funds. It provides \$23.5 million for water treatment plant work, supply system repairs, water line replacement and relocation projects. Additionally, \$42.5 million will be used for sewer treatment plants, pipe replacement and other system work. Stormwater will receive \$6.7 million for improvements including stormwater pipe extensions, drainage improvements associated with roadway projects, small critical drainage projects and detention pond rehabilitation.

The City has now received more than seven years of collections from the sales tax approved by voters in April 2016 for the Vision Tulsa economic development capital program, which is set at 0.805% until July 1, 2025, thereafter, reduced to 0.305% to December 2031. All the planned revenue bond sales have been completed, totaling \$349.7 million to provide advance funding for 26 projects. The \$510 million program will last 16 years. Directly funded projects total \$15.8 million in the proposed budget for eleven projects, along with \$51.3 million to service the debt of the advanced revenue bonds.

## Capital Plan

The City has a total inventory of capital projects totaling \$7.66 billion, that are needed over the next 50 years. The capital plan focuses on projects that should be considered for funding in the next five years, totaling \$589.4 million. The plan is dedicated to utility system projects over the next five years as the City's other capital needs are funded by sales tax and general bond capital program approved outside of the annual budget process. The current authorization, for both the sales tax capital improvements program and the general obligation bond program, were extended in an August 2023 voter approved package totaling \$814 million called 'Improve Our Tulsa III'.

The capital plan and budget also reflect off cycle planned bond issues for the coming year as well as high priority capital projects that should be funded over the next five years. During the upcoming fiscal year, the City anticipates undertaking an issuance of up to \$160 million in general obligation bonds. All funds in the 2014 Improve Our Tulsa program and 2020 Improve Our Tulsa II program will go towards street maintenance projects. Funding in the 2023 Improve Our Tulsa III program will fund city facility improvements in addition to street repair projects.

\$46.7 million in bonds and loans will finance water, sanitary sewer, and stormwater projects that include automatic water meter reading, concrete pipe replacement, wastewater treatment plant expansion and citywide stormwater pipe extensions.

Funds will be appropriated by budget amendment upon completion of each bond sale. Taken together, these bond sales will add \$206.8 million in additional funds to the capital budget, bringing the amended total to \$331.4 million.



## Tulsa City Council Office

Dear Tulsa Residents,

On behalf of the Tulsa City Council, we are pleased to present the City of Tulsa Fiscal Year 2024-2025 Annual Budget and Capital Plan.

This year, the City Council and Mayor Bynum continued our decade-long tradition of beginning the budget process with the Mayor-Council Retreat. This retreat provides an opportunity for elected officials to present the needs of Tulsans and prioritize those needs with available resources. The January 2024 retreat resulted in priorities focused on public safety, the city experience for residents and visitors, and the financial and operating health of our city.

In the FY 24-25 budget we aim to improve health and safety by building on many Mayor-Council initiatives. Last year the City Council Habitability Working group implemented a multifamily inspection team that proactively inspects complexes for health and safety hazards. In its first year, the team was able to resolve 92% of nuisance code violations and 80% of fire code violations for inspected properties. Due to the program's success, an additional inspection team was added to this budget. In addition, the Council's Animal Welfare Working group advocated for four additional positions in the budget to provide better service and response to residents, increase the level of care to industry standards, and ensure adequate and trained staff for the new shelter facility. The Housing, Homelessness, and Mental Health (3H) Task Force launched the Path to Home Recommendations and a separate funding source was identified for a Homelessness Coordinator to oversee many of the efforts. For first responders, operational funding was adjusted to account for the new Public Safety Center, add fire department personnel to support 911 operations, and to develop an application that provides instantaneous direct connection between first responders and citizens.

The budget and capital plan not only provide for a safe and secure City but continue to implement initiatives to strengthen our tourism and make Tulsa a place for people to call home. Tulsa hopes to continue to shine on the national stage by allocating matching funds in pursuit of a designation as the official training site of the United States BMX Olympic team. This budget also follows through on operational support for the voter-approved, much anticipated Zink Lake opening this fall.

As operating expenses continue to increase, protecting and preserving our assets and daily operations were key considerations in this budget. The June 2023 windstorm caused a multi-million-dollar local government response, the FY24-25 budget restored the Emergency Operating Reserve to 8.29% of the General Fund so we are financially ready to quickly respond to possible future events. This budget provided 2% pay increases for all employees to ensure we maintain a world-class workforce. To diversify our resources, a development officer position was added with the goal of proactively identifying potential sources of funding and grants to support efforts important to Tulsans.

In closing, thank you to the Mayor's Office, Finance Department, and City Staff for their work on this budget. In his final year as Mayor, we extend our sincerest gratitude to Mayor Bynum for his leadership and consistent engagement with the City Council in a collaborative process to ensure we sustain basic operations, progress on our collective priorities, and maintain economic stability for our community.

Sincerely,

Jeannie Cue  
Council Chair

Phil Lakin, Jr.  
Council Vice Chair

# 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 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.
- g. 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 using prior year's fund balances.
- h. 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
  - i. 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.

- ii. 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. Enterprise Funds will transfer annually a payment in lieu of taxes to the General Fund as defined by ordinance.

## **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 which does not comply with the provisions of and is not contained in the currently approved Capital Improvements Program shall be funded.
- 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:
  - i. The project has been certified by the Planning Commission as being in accordance with City plans.
  - ii. The project will alleviate a service deficiency or replace a deteriorated and/or non-functioning facility.
  - iii. Federal or state law requires it to be done.
  - iv. Federal or state matching funds are available for the project.
  - v. A Federal or state agency will construct the facility at no cost to the City.
  - vi. The project will encourage economic development.
  - vii. The project is needed to solve an emergency situation.
  - viii. 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.
- g. The CIP has been developed based on Government Finance Officers Association (GFOA) recommended best practices. <https://www.gfoa.org/capital-planning-policies>
- h. The CIP has coordinated with the Tulsa Planning Office to assess the CIP for conformance with the Comprehensive Plan and to prioritize projects which support Land Use Policies 5.5 and 13.3 in particular.

## **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 necessary to maintain a rating equal to at least AA for general obligation debt. In no event shall the net general obligation debt 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 restructuring of debt or a bond covenant revision is necessary 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.
- i. 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, collection, 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, per ordinance, is to maintain an emergency operating reserve of ten percent (10%), unless during the annual budget process the Mayor and City Council agree that the reserve cannot prudently be maintained at 10%. Prior to allocating funds from the reserve for unanticipated expenditures, the Mayor shall prepare an analysis 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.
- c. The City shall establish an Economic Stabilization Reserve as directed by the City Charter. This reserve shall be used to assist in limiting the amount of reduction required in the General Fund budget during times of declining revenues. Defined criteria have been established within the charter for allocation to the reserve and withdrawal from the reserve.

## **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 Officers 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**

- a. 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  
\_\_\_\_\_, 2024)

ORDINANCE NO. 25337

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF TULSA FOR THE FISCAL YEAR 2024-2025; ORDERING THE TRANSFER OF ENTERPRISE INCOME TO THE GENERAL FUND; APPROPRIATING UNEXPENDED BALANCES FOR GRANT FUNDS AND CAPITAL PROJECT FUNDS FOR FISCAL YEAR 2024-2025; ORDERING AND DIRECTING THE COMPUTATION AND FILING OF LEVY REQUIREMENTS FOR THE 2024-2025 SINKING FUND OF THE CITY OF TULSA, OKLAHOMA; RESERVING FUND BALANCE OF EIGHT AND ONE-HALF PERCENT (8.5%) AS AN EMERGENCY OPERATING CONTINGENCY IN THE GENERAL FUND; APPROVING AN EMERGENCY TELEPHONE FEE OF FIVE PERCENT (5%) FOR CALENDAR YEAR 2025; ORDERING THE FILING OF THE CITY OF TULSA BUDGET, FISCAL YEAR 2024-2025 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 2024-2025 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 seven and forty-five hundredths' percent (7.45%) of Water and six and seven tenths percent (6.7%) of 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 2023-2024 be and the same are hereby appropriated to the same funds, accounts and for the same purposes for Fiscal Year 2024-2025 unless the project is designated to be closed.



Section 4. That the Mayor shall compute the levy requirements for the 2024-2025 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 2024-2025 in an amount equivalent to eight and one-half percent (8.5%) 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 2025 in the City of Tulsa, Oklahoma.

Section 7. That one (1) copy of the adopted budget, being marked and designated as "City of Tulsa Budget, Fiscal Year 2024-2025" 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 30th day of June 2024, and one (1) copy with the State Auditor and Inspector of the State of Oklahoma.

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

ADOPTED by the Council JUN 12 2024  
Date  
Jeanne G  
Chair of the Council

OFFICE OF THE MAYOR


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

G. T. Bynum, Mayor

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

APPROVED by the Mayor of the City of Tulsa, Oklahoma: JUN 20 2024  
Date

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

  
\_\_\_\_\_  
Mayor

(Seal)

ATTEST:

  
\_\_\_\_\_  
City Clerk



APPROVED:

  
\_\_\_\_\_  
City Attorney

(Published in the Tulsa World  
\_\_\_\_\_, 2024)

ORDINANCE NO. 25338

AN ORDINANCE APPROVING AND ADOPTING THE CAPITAL IMPROVEMENTS PLAN OF THE CITY OF TULSA, OKLAHOMA, FOR THE FISCAL YEARS 2025-2029 ORDERING THE FILING OF DOCUMENTS WITH THE CITY CLERK; AND DECLARING AN EMERGENCY.

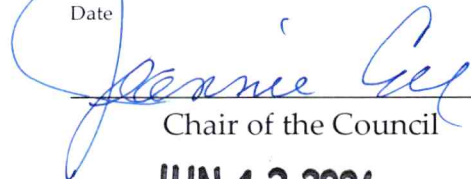
BE IT ORDAINED BY THE CITY OF TULSA:

Section 1. That the Capital Improvements Plan of the City of Tulsa, Oklahoma, for Fiscal Years 2025-2029 be and is hereby approved and adopted in accordance with Title 4, Chapter 4, City of Tulsa, Oklahoma, Revised Ordinances.

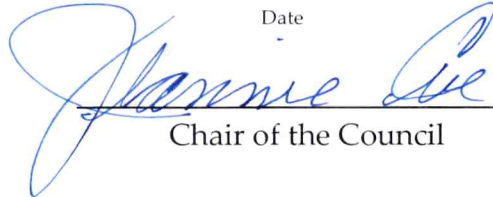
Section 2. That one (1) copy of the approved and adopted capital plan, being marked and designated as "City of Tulsa Capital Improvements Plan, Fiscal Years 2025-2029," be and the same is herewith ordered to be filed in the Office of the City Clerk of the City of Tulsa, Oklahoma, on the 30th day of June, 2024.

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 12 2024  
Date

  
Chair of the Council

ADOPTED as an emergency measure JUN 12 2024  
Date

  
Chair of the Council

OFFICE OF THE MAYOR

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

G.T. Bynum, Mayor

By:

Secretary

APPROVED by the Mayor of the City of Tulsa, Oklahoma: JUN 20 2024  
Date

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

  
\_\_\_\_\_  
Mayor

(Seal)

ATTEST:

  
\_\_\_\_\_  
City Clerk



APPROVED:

  
\_\_\_\_\_  
City Attorney