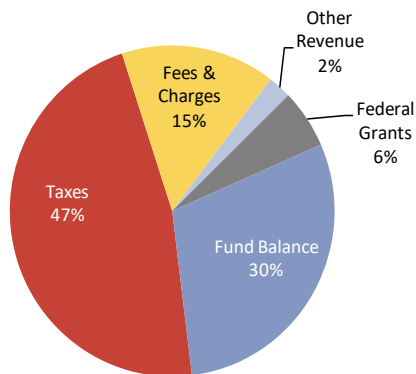


CONSOLIDATED BUDGET OVERVIEW

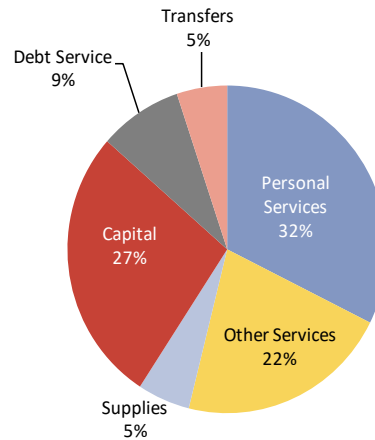
CONSOLIDATED OVERVIEW REVENUE AND EXPENDITURE SUMMARY FOR ALL FUNDS

	Actual FY22	Adopted FY23	Adopted FY24
Revenue Overview			
Taxes	\$801,224,010	\$780,356,324	\$884,839,609
Fees & Charges	247,496,067	264,124,805	290,301,646
Transfers In	36,302,051	91,562,870	20,932,003
Other Revenue	32,075,270	35,407,824	43,241,745
Federal Grants	43,084,426	117,189,173	108,356,382
Fund Balance	0	584,088,132	558,435,577
Total Revenue	\$1,160,181,824	\$1,872,729,128	\$1,906,106,962
Expenditure Overview			
Personal Services	\$520,840,371	\$579,541,759	\$617,225,878
Other Services	209,254,870	441,131,779	409,683,786
Supplies	49,554,599	107,544,244	101,434,576
Capital	72,139,169	452,378,522	519,858,423
Debt Service	110,924,796	125,894,695	160,588,216
Transfers	160,258,617	166,238,129	97,316,083
Total Expenditures	\$1,122,972,422	\$1,872,729,128	\$1,906,106,962

FY24 REVENUES



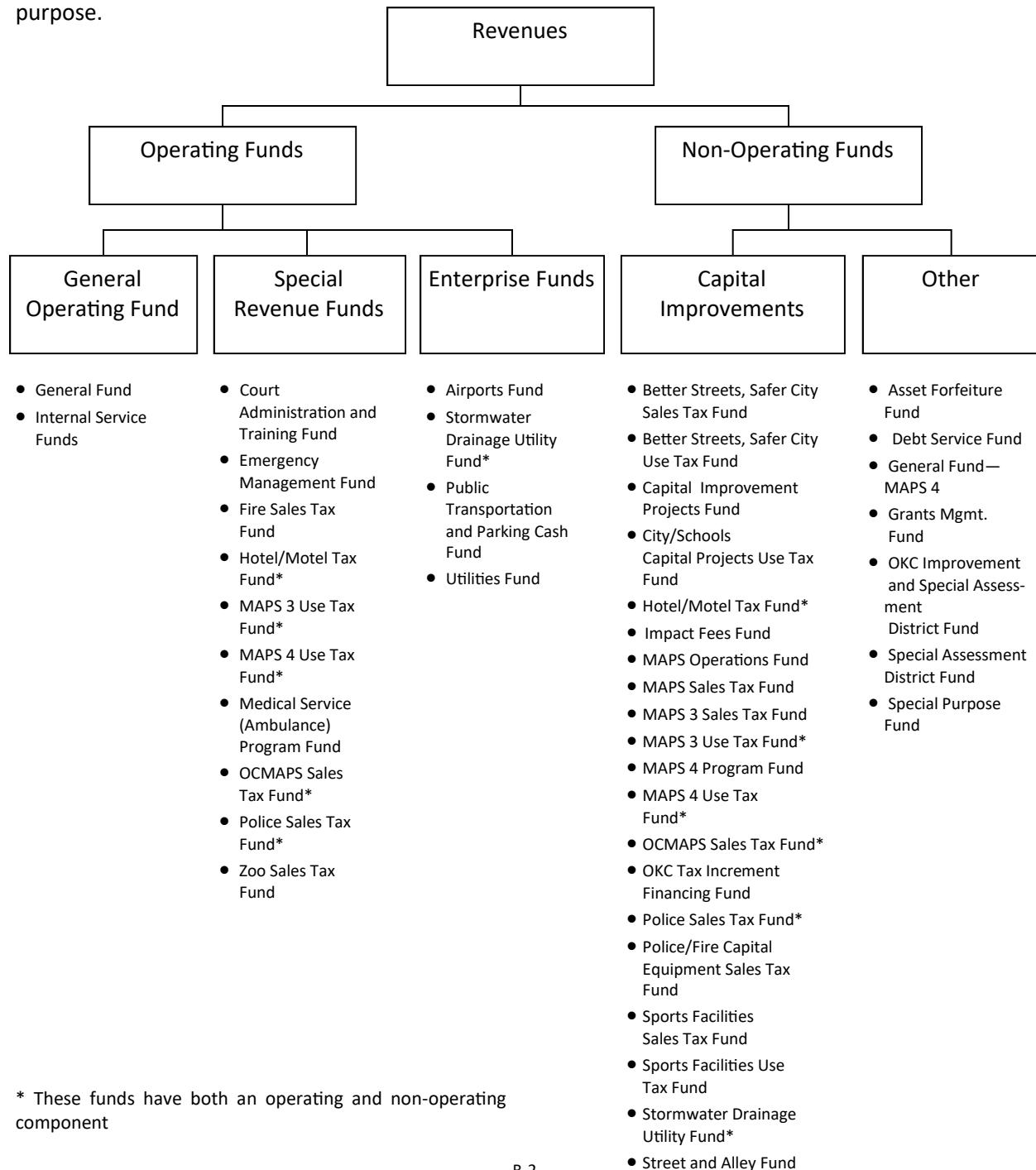
FY24 EXPENDITURES



REVENUE SUMMARY

WHEN REVENUE IS DEDICATED TO A PARTICULAR PURPOSE, THE CITY HAS GENERALLY CHOSEN TO ESTABLISH A SEPARATE FUND TO ENSURE THAT ALL OF THE DEDICATED REVENUE IS SPENT FOR ITS INTENDED PURPOSE.

The City derives revenue from a myriad of sources. Some revenues are dedicated to specific purposes, such as the MAPS 4 Sales Tax or the tariff on phone service dedicated to the E-911 service. Other revenues are not dedicated to a particular program or service and are deposited in the City's General Fund. A fund is an accounting method for segregating revenues and expenditures for a specific purpose.



OPERATING FUNDS

Before beginning the discussion of revenues, it should be noted that all projected growth rates for FY24 are based on changes from estimated year end totals for FY23.

The City classifies its funds as either operating or non-operating. The distinction is that some funds and, in some cases, portions of funds directly support operations; and other funds provide for capital improvements or are so limited in their purpose that they do not support daily operations. This allows decision-makers to segregate operating costs from the total cost for the organization so that significant changes in capital funding are not misinterpreted as a significant change in operational costs.

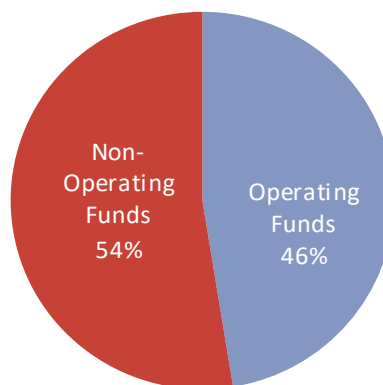
An example of this is dedicated sales and use taxes. In recent years, the residents of Oklahoma City have approved several limited-term dedicated taxes to fund capital improvements. With the MAPS 4 sales and use taxes beginning on April 1, 2020, there have been significant increases in the revenue of those funds which are being used for capital improvements. Because of this distinction, the portion of the sales tax used for capital improvements was classified as non-operating and the portion of the use tax used to fund the MAPS 4 Project Office was classified as operating.

The Operating Funds category includes three major types of funds: General Operating Funds, Special Revenue Funds and Enterprise Funds, all of which will be discussed further. The bulk of the discussion focuses on the General Fund, the City's largest fund at \$604.3 million or 31.7% of the FY24 budget.

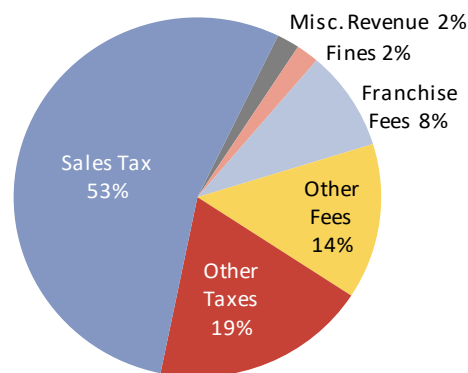
GENERAL FUND

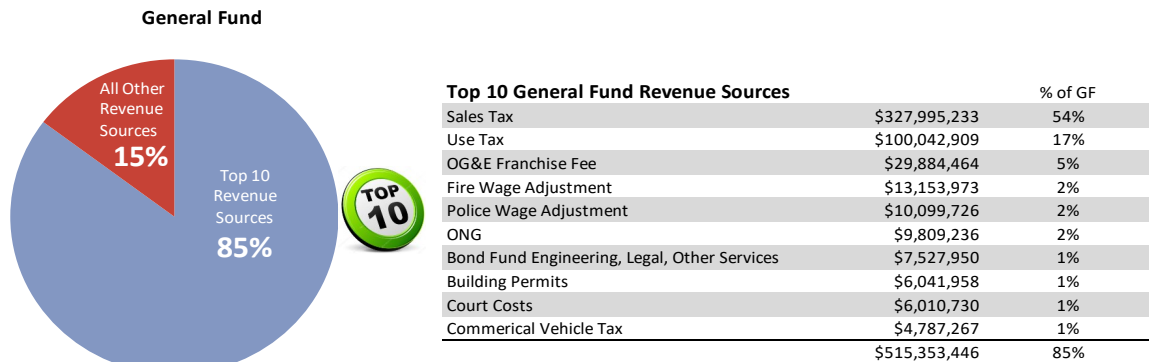
Due to concerns that an economic slowdown and possibly a brief recession could occur in late FY23 or early FY24, the economic outlook in FY24 is conservative with marginal growth of 0.5% in the General Fund. The General Fund has hundreds of individual revenue sources and similar sources are grouped into categories as shown in the chart to the right. The narrative on the following pages examines each of the major revenue categories in the General Fund and the short term factors that influenced the revenue projections. Also highlighted in the narrative and the table on page B-4 are the top 10 individual revenue sources that, when combined, account for 85% of the FY24 General Fund budget.

Total City Revenues



General Fund Revenue by Source





As the table above, and the chart on the preceding page indicate, the largest single source of revenue in the General Fund is sales tax. As such, the most time and effort is dedicated to forecasting this revenue source.

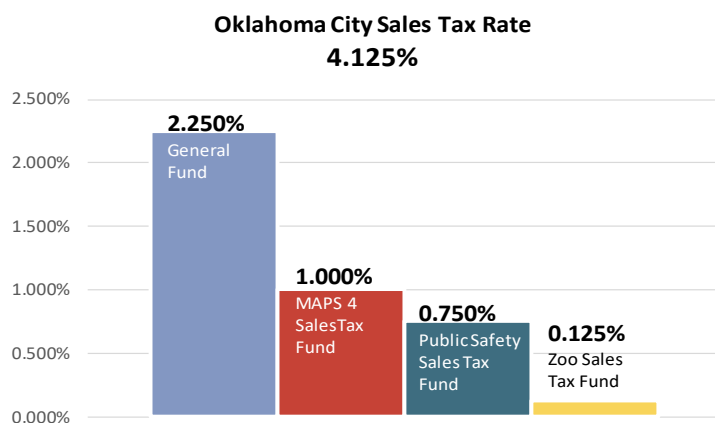
GENERAL FUND - TAXES

The largest category of revenue in the General Fund is taxes at \$441.2 million or 73.0%. Within the taxes category, all revenue sources are authorized by the state and collected by the Oklahoma Tax Commission.

Sales Tax

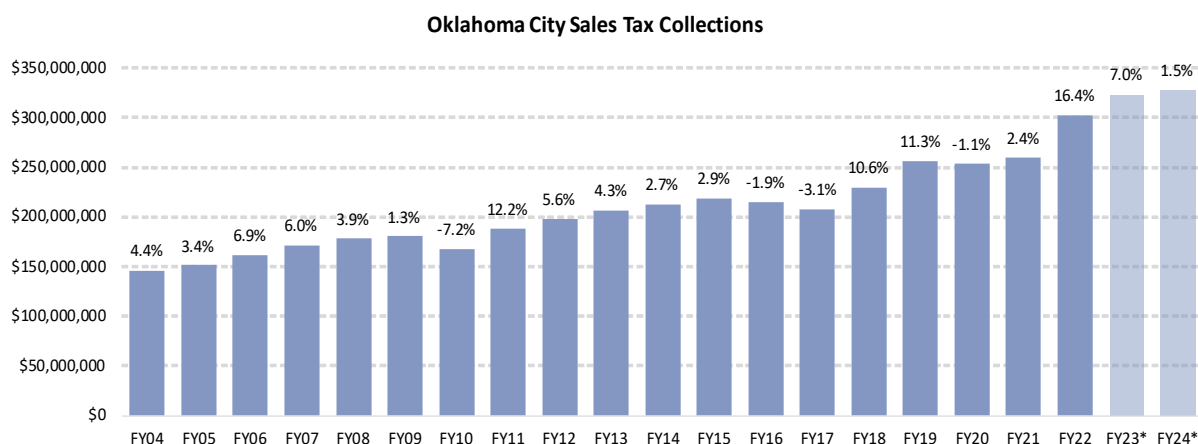
Sales tax is the largest single revenue source for the General Fund and the City. Sales tax is applied to most retail transactions, as provided by state law, and is collected by local vendors who then remit the revenue to the Oklahoma Tax Commission. The City maintains agreements with the Oklahoma Tax Commission for administration and enforcement services associated with sales and use taxes. The City levies a total of 4.125% in sales tax. Combined with the state levy of 4.5%, the total state and municipal sales tax rate charged within corporate Oklahoma City limits is 8.625%.

The City's 4.125% sales tax levy is divided between various funds as authorized by voters as shown in the graphic below. The General Fund receives the largest portion of sales tax at 2.250% and is where the City's day-to-day operations are funded. MAPS 4 is a 8-year temporary one-cent sales tax in effect through March 31, 2028. It is projected to generate a total of \$1.1 billion dedicated to funding 16



different projects including as parks, youth centers, a mental health and family justice center, transit system improvements, sidewalks, and a new multi-purpose stadium, among other projects. The Public Safety Sales Tax is a permanent 0.750% (3/4 cent) sales tax split evenly between Police and Fire. The Zoo Sales Tax is a permanent 0.125% (1/8 cent) sales tax that can only be used for capital improvements and operations at the Oklahoma City Zoo. This section will focus on the

2.250% authorized for general operations, while the dedicated sales taxes that account for the remaining 1.875% will be discussed in the Special Revenue Operating Funds section of this chapter. Projecting sales tax is always challenging because it is impacted by many uncertain local and national factors. For example, recent high inflation has put upward pressure on prices, which translates into higher sales tax collections. However, particularly high and sustained inflation discourages consumer activity for certain non-essential goods and services, which can suppress sales tax growth. Through careful analysis, the City has developed the FY24 budget based upon a 1.5% growth rate in sales tax as



*Sales Tax Collection Projections

compared to projected FY23 year end collections. Sales tax collections are projected to be \$328.0 million and account for 54% of the FY24 General Fund budget.

GENERAL FUND - OTHER TAXES

Use Tax

Use tax is levied on goods and services that are bought in other states and then imported for use Oklahoma. This tax is applied in lieu of sales tax because the goods were originally bought outside the state. As more people are making purchases online, use tax is growing at a higher rate than sales tax. Use tax collections have averaged an 9.6% growth rate and sales tax has averaged 4.5% growth over the past 10 years. The use tax rate is 4.125% of the purchase price and is budgeted at \$100.0 million or 16.6% of the General Fund budget for FY24. Together, sales and use tax make up 70.8% of the General Fund operating budget which demonstrates how heavily the City relies on these tax revenues.

Excise Tax

In FY05, state law changed the taxation of tobacco products and exempted them from sales tax, but implemented an excise tax designed to make it more expensive to purchase tobacco products on a per unit basis. Municipalities receive a portion of the excise tax from the state. Revenue is projected to be \$3.4 million, which is less than 1% of the General Fund revenue budget.

Commercial Vehicle Tax and Motor Fuels Tax

The commercial vehicle tax and motor fuels tax are both collected by the state with municipalities receiving a portion of the tax based on their share of the population. These revenues are projected to

decline for FY24 by -6.2% and total \$6.4M or 1.1% of the General Fund budget.

Occupation Tax

Occupation taxes are levied by the City for specific occupations when the City is the principal place of business for the occupation. The first type of occupation tax is on retail gasoline filling stations, retail diesel stations and retail oil stations and is a tax on each pump. The second type of occupation tax is on businesses or occupations related to alcoholic beverages. In FY24, marginal growth of 1% is anticipated with a budget of \$1.4 million which is less than 1% of the General Fund revenue budget.

Alcoholic Beverage Tax

The alcoholic beverage tax is a “sin” tax levied by the state with a percentage passed on to counties and municipalities based on their share of population. Alcohol tax collections are expected to generate \$2.0 million in FY24 or less than 1% of the General Fund revenue budget.

GENERAL FUND - FRANCHISE FEES

Franchise and Utility Fees are charged to public utilities for the use of public rights-of-way for their infrastructure. This category is the second largest within the General Fund accounting for \$55.4 million or 9.2% of the FY24 General Fund operating revenue budget. Three of largest remitters of franchise fees are Oklahoma Gas & Electric (OG&E) with FY24 estimated revenue of \$29.9 million, Oklahoma Natural Gas (ONG) at \$9.8 million and Cox Cable at \$4.4 million. OG&E and ONG are top 10 General Fund revenue sources and make up 6.6% of the operating budget. Other franchise fee remitters are the Oklahoma City Water Utilities Trust, smaller electrical companies or cooperatives, other telephone and cable television providers, and a steam and chilled water utility company.

GENERAL FUND - LICENSES, PERMITS, AND FEES

The Licenses, Permits, and Fees revenue comes from a variety of sources such as business licenses, fishing permits, building permits, and fees for becoming a pre-qualified contractor. The category represents \$14.8 million or 2.4% of the General Fund revenue budget. Building permits are a top 10 revenue source at a projected \$6.0 million or 1.0% of the budget. Overall, this category is projected to grow 3.4% in FY24.

GENERAL FUND - SERVICE CHARGES

Service Charges are based on the specific services provided and are generally paid on a per use basis with projections at \$44.1 million or 7.3% of the FY24 General Fund revenue budget.

GENERAL FUND - FINES

The Fines category is comprised of various fines and court fees that are processed by the City's Municipal Court. The City is one of two municipalities in the State of Oklahoma that has a Municipal Court of Record. The two largest revenue sources in this category are court cost fees and traffic fines. Until recently, both of these were top 10 General Fund revenues but have been declining in recent years due to fewer cases being filed with the court and implementation of criminal justice reform. Court cost fees remains a top 10 revenue source and is projected at \$6.0 million with flat growth for FY24. No longer a top 10 revenue source, traffic fines is projected at \$4.1 million with flat growth for FY24. The Fines category is \$12.0 million or 2.0% of the General Fund revenue budget.

GENERAL FUND - OTHER

This includes the smaller categories of revenue including Administrative Charges, Other Revenue, Transfers and Fund Balance and comprises \$36.9 million or 6.1% of the FY24 budget.

Administrative Charges

Administrative Charges are \$26.2 million or 4.3% of the FY24 General Fund revenue budget and are assessed to other City funds and entities for administrative services such as accounting, human resources, payroll, audit, and other functions provided by General Fund departments.

Other Revenue

Other Revenue includes the smaller sources such as interest, rebates, and royalties. The category is projected to have collections of \$10.6 million in FY24 or 1.8% of the General Fund revenue budget.

Transfers

Transfers are payments made to the General Fund from other City funds. The category can vary greatly from year to year depending on the status of projects. In FY24, the Transfers category is projected at \$63,552 and 1.1% growth. In total, the Transfers category makes up a marginal share of the General Fund revenue budget.

Fund Balance

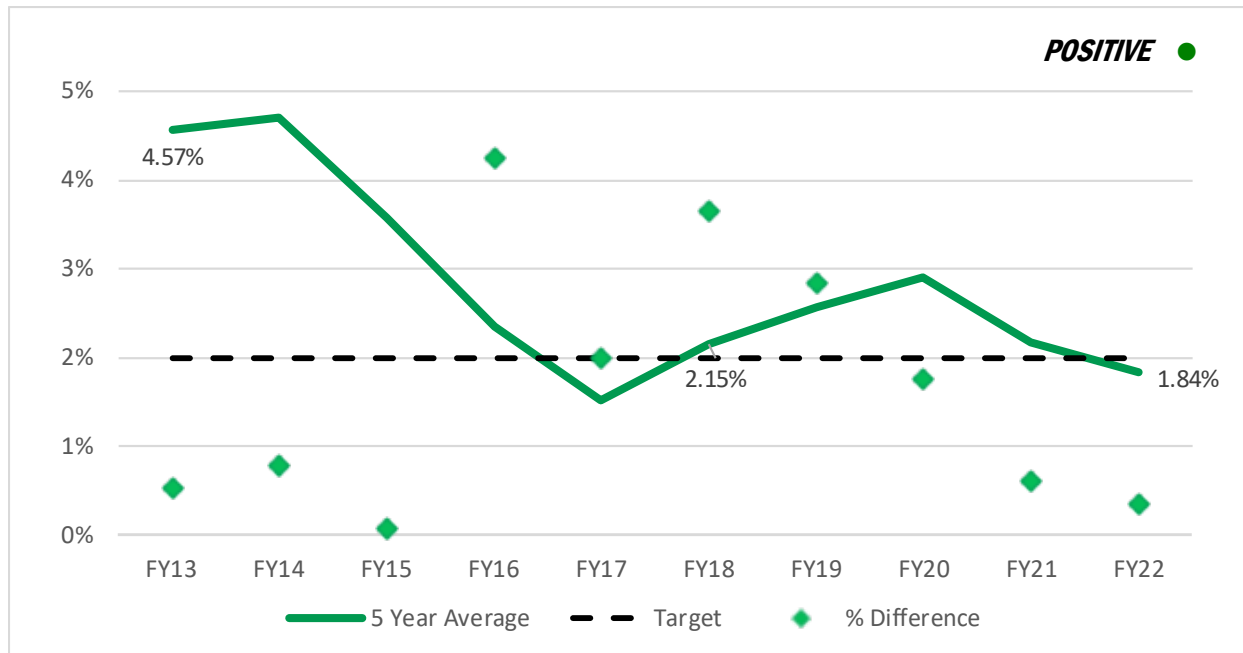
No fund balance is budgeted in FY24.

GENERAL FUND HISTORICAL REVENUE SHORTFALL OR SURPLUS

The chart on the following page illustrates the differences between General Fund revenue projections and revenues actually received each fiscal year. Significant continued variances in actual collections from projected amounts, whether it be shortfall or surplus, can be reason for concern. Either scenario could indicate a changing economy or inaccurate forecasting techniques. Additionally, credit rating organizations use this indicator to review the quality of financial management in a local government since variances between budget and actual results are considered indicative of management's financial planning capabilities. In February 2023, for the thirteenth year in a row, the City earned the highest bond ratings possible from two of the nation's most respected financial rating services. The City received a AAA rating from Standard & Poor's and a Aaa rating from Moody's Investor Service.

The average absolute value variance over the past 10 years was 1.7% which is within the City's stated goal of having revenues within 2% of projections. Over the last five years, the absolute value variance average improved to 1.8%. In FY11 and FY12, Oklahoma was coming out of a recession and rebounded stronger than expected with variances of 10.4% and 6.1%, respectively. In FY13, FY14, and FY15 revenue was within 1.0% of projections. In FY16, a contraction in the energy sector contributed to revenue collections missing projections by 4.3% and a prolonged weakened local economy that reflected inventory adjustments accounted for a shortfall of 2.0% in FY17. Back to back revenue declines are rare and the last time it occurred was more than 30 years ago. In FY18, revenues exceeded projections by 3.7% as the City once again recovered from an economic downturn stronger than projected. In FY19, General Fund revenue collections exceeded budget by 2.8% due to strong growth in Use Tax collections from online sales remitters and merchant wholesalers. At the end of FY20, the world experienced the COVID-19 pandemic which severely affected sales tax collections ending the

year at -1.8% lower than projected. Sales and use tax collections outpaced expectations in FY21 as a result of Federal stimulus money resulting in growth 0.6% higher than projected. More Federal stimulus money in FY22 fueled higher than expected sales tax receipts, although growth was only marginally higher than projections by 0.3%. The City continues to work with Dr. Russell Evans and Dr. Jacob Dearmon to refine forecast estimates and consistently project collections within 2% of budget. Keeping the variance to a minimum means services have not been unnecessarily reduced because of a



perceived shortage in revenue that did not occur, or that new services were established that could not be maintained because revenues failed to meet projections.

INTERNAL SERVICE FUNDS

Internal Service Funds are dedicated to departments that provide services to other City departments and revenue is generated by charging departments for those services. Most of the charges are set at the beginning of each year based on past usage. Some exceptions are fuel, postage, and color printing which are charged to departments based on current usage and prices. The individual Internal Service Funds are Information Technology, Risk Management in the Finance Department, the Print Shop in the City Manager's Office, and Fleet Services in the General Services Department. Internal Service Funds have a FY24 budget of \$83.7 million, which is a 21.0% increase compared to the FY23 adopted budget. Major changes to each internal service fund are summarized in the department section of the budget book. Internal Service funds combined are 4.4% of the \$1.9 billion FY24 budget.

SPECIAL REVENUE OPERATING FUNDS

Special Revenue Funds have a revenue source or sources that are dedicated to a specific purpose.

Police, Fire and Zoo Sales Tax Funds

The Police, Fire and Zoo Sales Tax Funds are supported by dedicated portions of the City's sales tax

collections. In each of these funds, the forecast for sales tax revenue growth is 1.5%; this is the same rate of growth as projected for sales tax in the General Fund.

Court Administration and Training Fund

The Court Administration and Training Fund is made up of revenue from state mandated fees that the City is allowed to retain to train Court, Police, and Legal staff. The Court Administration and Training Fund budget is one of the smallest operating fund budgets at \$127,000 in FY24.

Emergency Management Fund

The Emergency Management Fund supports the E-911 system for Oklahoma City and is budgeted at \$10.5 million in FY24, which is an 3.5% increase over from the FY23 adopted budget. The fund is supported by tariffs on both cell phone and traditional telephone lines that are assessed on each user. Even with the addition of cell phone tariff revenue, the General Fund is still expected to support E-911 operations through a transfer of \$3.1 million in FY24.

Hotel/Motel Tax Operating Fund

The Hotel/Motel Tax Fund FY24 budget is \$32.3 million and is supported by a 5.5% hotel occupancy tax. This fund is divided between operating activities (\$14.7 million) dedicated to the promotion of special events, convention and tourism development; and non-operating activities (\$17.5 million) dedicated to capital projects at the State Fairgrounds. Overall operating revenue from the Hotel/Motel Tax fund is projected have marginal 0.1% growth compared to FY23 adopted budget due to an anticipated increase in incentive funds offered by the State of Oklahoma for hosting quality events within the city.

MAPS 3 Use Tax Operating Fund

The MAPS 3 Use Tax Fund was supported by a temporary 1% Use Tax adopted after the MAPS 3 Sales Tax was approved. The Use Tax expired December 31, 2017. Through FY18, a portion of the MAPS 3 Use Tax was budgeted for public safety capital funding, which is included in the non-operating section. The remaining fund balance was used to support administration and oversight of the MAPS 3 projects and is budgeted in the operating fund. The FY24 budget is \$459,378 , a –48.6% decrease from FY23 as fund balance from the expired tax is spent down.

MAPS 4 Use Tax Fund Program Operating Fund

The MAPS 4 Use Tax Program Operating Fund is supported by a temporary 1% Use Tax adopted after the MAPS 4 Program Fund was approved. It has both an operating and non-operating component and will primarily be used to fund the City's operating cost of administering the MAPS 4 projects, public safety capital improvement projects and equipment costs and capital costs associated with City-owned facilities. The MAPS 4 Use Tax Operating Fund is budgeted at \$17.6 million in FY24.

Medical Service Program Fund

The Medical Service Program Fund was created in FY10. This fund handles revenue and expenses associated with the Medical Service Program adopted by the City Council on December 8, 2008, which makes it possible for households to pay a monthly fee on their City utility bill in exchange for EMSACare benefits from the Emergency Medical Services Authority (EMSA). The FY24 budget is \$14.1

million, up 47.9% compared to FY23 due to new supplemental ambulatory services.

ENTERPRISE FUNDS

Enterprise Funds are supported by the revenue generated by operations in their specific areas. Enterprise Funds have been established for operations at the **Airports, Public Transportation and Parking, Stormwater Drainage Utility, and Utilities**. With the exception of Stormwater Drainage Utility, all of these funds have a public trust that oversees operations and receives all revenues. Revenues in each of the enterprise funds may be growing at a different rate than growth reflected in the City funds and each trust's revenue budget is individually based on customer rates and expected usage. The trusts generally make capital investments directly and then transfers funds to the City to support operations.

The one Enterprise Fund that is not supported by a trust is the **Stormwater Drainage Utility**. All revenue for stormwater drainage activities comes from a fee on all water utility bills based on the size of the water line. The Stormwater Drainage Utility Fund is the only Enterprise Fund to also have a capital component in the non-operating funds section.

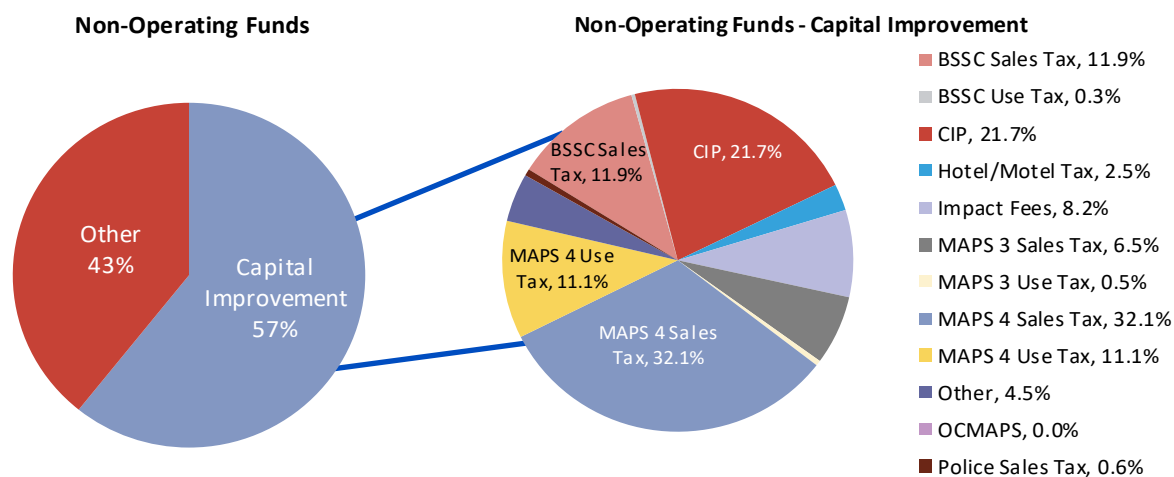
NON-OPERATING FUNDS

As mentioned earlier, the City classifies its funds as either operating or non-operating. The distinction is that some funds and, in some cases, portions of funds directly support operations; and other funds provide for capital improvements or are so limited in their purpose that they do not support daily operations. This ensures significant changes in capital funding or other non-operating activities are not misinterpreted as a significant change in operational costs. In FY24, the budget for non-operating funds is \$1.1 billion, a 0.7% decrease from the FY23 adopted budget due to the Better Streets, Safer City and MAPS 3 programs ending. The non-operating budget is comprised of capital improvement funds and other non-operating funds such as debt service and grants. The Non-Operating Funds are 52% of the total FY24 \$1.9 billion budget.

CAPITAL IMPROVEMENTS

The majority of non-operating funds are for capital improvements and have a FY24 budget of \$687.7 million, a decrease of -6.6%. Many of the funds receive most of their revenue from other funds, such as the **Capital Improvement Projects (CIP) Fund**, the **Oklahoma City Tax Increment Financing (TIF) Fund** and the **Stormwater Drainage Utility Fund**. As such, the revenue projections for these funds are based on the level of transfer budgeted in the originating fund.

There are three Non-Operating Funds that are largely for capital improvement and are supported directly by taxes that will be in effect during FY24: the MAPS 4 Program Fund, the MAPS 4 Use Tax Fund, and the Hotel/Motel Tax Fund.



Better Streets, Safer City Sales Tax Fund

The Better Streets, Safer City Sales Tax fund was created in FY18 after voters passed a temporary, 27-month, one-cent sales tax that went into effect on January 1, 2018. The tax ended March 31, 2020 with the last collection in May 2020. The FY24 budget is \$83.1 million, with fund balance as the predominant revenue source.

Better Streets, Safer City Use Tax Fund

The Better Streets, Safer City Use Tax fund was established at the same time as the Sales Tax Fund and was a temporary, 27-month, one-cent use tax that ended on March 31, 2020. The tax is primarily used to fund public safety fleet and equipment replacements. The FY24 budget is \$2.3 billion, with the predominant revenue source being fund balance.

Hotel/Motel Tax Non-Operating Fund

The Hotel/Motel Tax fund supports three distinct purposes: convention and tourism development, promotions for specific events, and capital improvements at the State Fairgrounds. It is this last capital portion of the Hotel/Motel Tax that is classified as non-operating. Overall non-operating revenue from the Hotel/Motel Tax fund is projected have 20.1% growth compared to the FY23 adopted budget due to the carry over of fund balance from FY23.

Impact Fee Fund

The Impact Fee fund was established in 2017 to collect fees from developers related to new construction. The fees are then used by the City for capital improvements to infrastructure to serve the same service area as the new construction. The FY24 budget is \$57.6 million, which is an increase of 12.6% over the FY23 adopted budget. The increase is due to the carry over of fund balance from FY23.

MAPS 3 Sales Tax Fund

The MAPS 3 Use Tax fund was created after voters passed the MAPS 3 initiative on December 8, 2009. The one percent sales tax went into effect on April 1, 2010 and expired December 31, 2017. The tax funds eight distinct capital projects. The FY23 budget is \$45.7 million and is primarily made up of fund balance that will be used to finish construction on the remaining MAPS 3 projects not yet completed.

MAPS 3 Use Tax Non-Operating Fund

The non-operating portion of the MAPS 3 Use Tax fund is used for public safety capital and equipment replacement. The FY23 non-operating budget, comprised of fund balance and interest, is \$3.5 million, a -0.7% decrease from the FY23 adopted budget. The remaining balance will be transferred to the MAPS 3 operating fund for operations or used for public safety capital. Much of the public safety capital budget has already been transitioned to the MAPS 4 Use Tax fund.

MAPS 4 Program Fund

The MAPS 4 Program fund was created after voters passed the MAPS 4 Sales Tax in December 2019 and became effective on April 1, 2020. It is an 8-year one-cent sales tax that extended the current 4.125% sales tax rate after the Better Streets, Safer City Sales Tax expired. The revenues will initially be deposited in the General Fund and then transferred to the MAPS 4 Program Fund to be used for 16 distinct capital and quality-of-life projects. The FY23 budget of \$225.3 million is comprised of a General Fund transfer of \$145.8 million and fund balance usage of \$79.6 million.

MAPS 4 Use Tax Non-Operating Fund

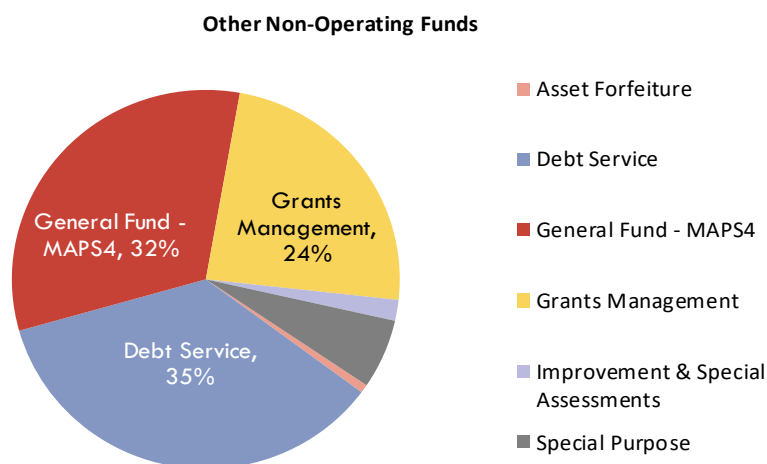
The MAPS 4 Use Tax fund was established at the same time as the MAPS 4 Program Fund and is also a temporary, 8-year one-cent use tax that will primarily be used to fund the City's operating cost of

administering the MAPS 4 projects, public safety capital improvement projects, and equipment and capital costs associated with City-owned facilities. These final two uses are funded through the non-operating portion of the fund. The FY24 budget for the non-operating portion is \$77.7 million, a 36.7% increase from the FY23 adopted budget due to increased use of fund balance.

Several Funds have fund balance as their primary source of revenue and the projects they support are winding down or do not currently require major capital investment. They are the **City and Schools Capital Use Tax, MAPS Operations Fund, MAPS Sales Tax Fund, OCMAPS Sales Tax Fund, Oklahoma City Sports Facilities Improvement Sales Tax Fund, Oklahoma City Sports Facilities Improvement Use Tax Fund, Police and Fire Capital Equipment Sales Tax Fund, Police Sales Tax Capital Fund,** and the **Street and Alley Fund**. The revenue budgets for FY24 for each of these funds are based primarily on the level of projected fund balance remaining at the end of FY23.

OTHER NON-OPERATING FUNDS

The Other Non-Operating Funds are budgeted at \$452.8 million in FY24, a 10.0% increase, largely due to an increase in the Debt Service fund. Most of the funds in this category are so limited in their purpose that they do not support daily operations and typically have a stream of revenue from an outside source or another fund in addition to a significant fund balance. In these cases, the non-operating fund is serving to accumulate revenue for a specific purpose. Funds that fall into this category include the **Asset Forfeiture Fund, Debt Service Fund, General Fund MAPS 4 Sales Tax, Grants Management Fund, Oklahoma City Improvement and Special Services Assessment District Fund,** and the **Special Purpose Fund**



Debt Service Fund

The Debt Service fund is the largest fund in the Other Non-Operating category at \$160.6 million or 35.5% of the category. It is supported directly by property taxes that will be in effect during FY23. Overall, the budget increased 27.6% in FY24 due to an increase in ad valorem property taxes.

Oklahoma City Improvement and Special Services Assessment District Fund

Although not technically supported by a tax, the assessments that support the Oklahoma City Improvement and Special Services Assessment District funds operate much like a tax. These funds are comprised of six Business Improvement Districts (BID) (Downtown, Stockyards, Western Avenue, Capitol Hill, Uptown 23rd and Adventure District) and the Special Assessment Districts fund. Each of these districts has petitioned the City to enact assessments on property owners in the districts to support improvements and services above what is provided by the City. The City collects the assessments and contracts with an outside entity to provide the services or improvements. As such, the City acts as a conduit for these funds and they are characterized as non-operating funds. The anticipated revenue is based on the assessments which are reviewed each year and amended based on needs. The FY24 budget of \$8.0 million is a 16.6% increase due to an increase in assessments.

Grants Fund

The Grants fund is included in the budget book to provide a more accurate picture of the City's financial situation and to comply with the requirements of the Municipal Budget Act. The amounts shown as revenue in these funds are estimates of grant awards based on the best judgment of the departments that utilize grants funding. The Grants Fund is classified as non-operating because the activities supported by grants would typically not be provided without the grant funding. The FY24 budget is decreasing -7.5% to \$108.4 million due to the completion of the CARES Act, and Emergency Rental Assistance 1 and 2 grants.

Special Purpose Fund

The Special Purpose fund is used primarily for donations to the City. The FY24 budget is \$26.8 million, an increase of 8.4%.

General Fund MAPS 4 Sales Tax Fund

The General Fund MAPS 4 Sales Tax fund is a non-operating fund that was established in the General Fund after voters passed the MAPS 4 Sales Tax in December 2019 and it became effective on April 1, 2020. It is an 8-year one-cent sales tax that extended the current 4.125% sales tax rate after Better Streets, Safer City expired. Revenues will initially be deposited in the General Fund and then transferred to the MAPS 4 Program Fund to be used for capital projects. The Fund is expected to generate \$1.1 billion over the eight years and will be used for 16 capital and quality-of-life projects such as a new family justice center, youth centers, senior wellness centers, a multi-purpose stadium, transit system improvements, a civil rights center, among other projects. The fund is the second largest of the Other Non-Operating Funds and has a FY24 budget of \$145.8 million or 32.2% of the category.

REVENUE DETAIL TABLE

	Actual FY22	Adopted FY23	Adopted FY24
General Operating Funds			
General Fund			
Taxes			
Sales Tax	\$302,122,747	\$295,700,576	\$327,995,233
Use Tax	86,620,537	92,472,879	100,042,909
Other Taxes	4,401,755	4,273,519	3,366,487
Commercial Vehicle Tax	5,355,857	5,570,355	4,787,267
Motor Fuels Tax	1,213,692	1,237,351	1,595,210
Occupational Tax	1,322,352	1,306,574	1,441,794
Alcoholic Beverage Tax	1,818,292	1,811,864	1,963,045
Total Taxes	\$402,855,231	\$402,373,118	\$441,191,945
Franchise/Utility Fees			
Oklahoma Natural Gas	\$7,962,832	\$7,905,804	\$9,809,236
Oklahoma Gas & Electric	22,604,872	23,791,566	29,884,464
Caddo Electric Coop.	252,357	253,472	313,666
Oklahoma Electric Coop.	1,466,641	1,453,092	1,731,403
Tri-Gen	490,577	485,765	686,328
AT&T	198,728	156,420	140,778
AT&T Video	873,535	870,215	628,261
Cox Cable	4,752,802	4,888,809	4,377,076
Cox Fiernet	0	0	0
Other Telephone	133,454	127,954	132,452
Utility Fees - Water	3,352,812	3,008,905	3,930,000
Utility Fees - Wastewater	2,210,526	1,939,369	2,391,000
Utility Fee - Solid Waste	1,237,531	1,104,283	1,344,000
Total Franchise/Utility Fees	\$45,536,667	\$45,985,654	\$55,368,664
Licenses, Permits, and Fees			
Abandoned Building Registration	\$59,406	\$61,970	\$134,598
Fire Prevention Permits	275,831	249,601	383,504
Alarm Permits	613,670	756,055	514,344
Police Alarm Fees	63,228	63,823	48,262
Oil & Gas Well Inspections	318,780	310,030	251,166
General Licenses	493,586	911,120	742,941
Building Permits	7,231,944	6,888,397	6,041,958
Electrical Wiring Permits	1,845,700	1,843,039	1,933,394
Plumbing Permits	2,000,233	2,076,248	1,925,995
Boiler & Elevator Permits	161,358	151,422	141,305
Offsite Wagering Fee	40,798	41,792	35,452
Pre-Qualification Application Fee	259,250	278,934	224,781
Refrig. & Forced Air Permits	1,402,663	1,318,080	1,357,583
Sidewalk & Paving Fees	566,488	608,149	686,915
Work Zone Permits	40,635	43,895	45,272
Other Fees	493,614	44,454	47,589
Hunting and Fishing Permits	130,311	144,934	88,870
Vending Stamps	138,591	122,639	159,566
Garage Sale Permits	63,481	58,975	63,642
Total Licenses, Permits, & Fees	\$16,199,568	\$15,973,557	\$14,827,137

REVENUES

	Actual FY22	Adopted FY23	Adopted FY24
<i>Administrative Charges</i>			
Airport Administrative Payments	\$649,224	\$873,390	\$984,638
Airport Police Payments	3,528,657	3,571,945	3,805,104
Water/Wastewater Admin Payments	5,189,575	6,086,674	6,825,560
Drainage Utility Administrative Payment	1,106,582	1,186,560	1,301,998
Solid Waste Mgmt. Admin Payments	1,379,508	1,171,738	998,680
Convention & Tourism Admin Payments	377,187	430,326	514,999
Zoo Administrative Payments	275,000	300,000	300,000
Golf Administrative Payments	95,438	107,838	98,563
Other Administrative Payments	101,969	212,908	204,668
MAPS3 Administrative Payments	1,098,552	1,087,806	1,265,336
Better Streets Administrative Payments	394,295	337,858	243,287
Risk Management Administrative Payments	618,105	722,641	855,727
Public Transportation Administrative Pmts.	1,177,925	1,302,901	1,778,113
Parking Administrative Payments	176,056	191,971	236,065
IT Administrative Payments	1,517,991	1,660,868	1,900,644
Print Shop Administrative Payments	132,292	131,023	146,313
Fleet Services Admin Payments	45,350	35,236	56,377
Banking Fee Payments	148,859	140,000	145,449
Nuisance Abatement Payments	238,024	394,947	126,091
Econ Dev,TIF Engineering, Legal, Other Svcs	667,790	592,421	782,459
Mowing, Litr, and Landscaping Adm Payments	1,330,474	1,388,952	1,376,307
Pavement Maintenance Payments	2,281,862	2,796,695	2,224,359
<i>Total Administrative Charges</i>	\$22,530,714	\$24,724,698	\$26,170,737
<i>Other Service Charges</i>			
Bond Fund Engineering, Legal, Other Services	\$7,737,789	\$9,219,072	\$7,527,950
Animal Shelter Fees	269,726	275,394	259,428
Engineering Fees	3,504,906	3,347,206	3,639,383
Planning Fees	974,950	1,099,098	874,930
Fire Service Recovery	14,000	28,000	28,000
Fire Wage Adjustment Reimbursement	12,398,911	12,770,847	13,153,973
Police Wage Adjustment Reimbursement	9,519,972	9,805,559	10,099,726
Police Fees	2,248,871	2,522,442	2,981,850
Parking Meters	1,185,814	1,790,648	1,815,072
Reimbursement - Grants	0	522,174	525,694
Refunds and Reimbursements - Operating	858,841	1,132,799	1,174,763
Mowing Services - OCRRA	35,393	0	0
Damage to City Property	182,938	0	224,352
Other Charges	2,707	161,015	780
Miscellaneous Service Charges	672,272	673,353	0
Recreation Fees	1,211,295	1,646,322	1,765,595
<i>Total Other Service Charges</i>	\$40,818,385	\$44,993,929	\$44,071,496

	Actual FY22	Adopted FY23	Adopted FY24
<i>Fines</i>			
Traffic Fines	\$4,907,125	\$5,035,136	\$4,067,808
Parking Fines	1,136,085	1,124,617	924,870
Court Fees	7,164,600	7,311,497	6,010,730
Court of Record, Jury Division	816,605	758,912	657,803
Criminal Court	196,006	203,567	116,798
Jail Cost Recovery Program	139,955	141,000	120,142
Other Fines	12,299	12,399	18,950
Juvenile Fines	86,686	83,875	70,082
<i>Total Fines</i>	\$14,459,359	\$14,671,003	\$11,987,183
<i>Other Revenue</i>			
Leases	\$2,844,111	\$2,869,721	\$3,175,445
Sale of City Property	8,555	23,521	65,907
Check Service Charge	180	195	271
Royalties	213,707	227,683	410,802
Miscellaneous	1,854,227	4,513,213	4,158,637
Wrecker Service Payments	0	0	0
Operating Interest	1,349,037	1,400,000	2,838,009
<i>Total Other Revenue</i>	\$6,269,817	\$9,034,333	\$10,649,071
<i>Transfers</i>			
Transfers from OCPPA - DAS	\$0	\$0	\$0
Transfers - Miscellaneous	128,099	68,762	63,522
<i>Total Transfers</i>	\$128,099	\$68,762	\$63,522
<i>Fund Balance</i>	\$0	\$12,609,459	\$0
Total General Fund - Operating**	\$548,797,839	\$570,434,513	\$604,329,755
<i>Internal Service Funds**</i>			
Interest	\$137,235	\$58,680	\$58,684
Information Technology	31,164,015	34,488,860	38,901,480
Risk Management	15,487,735	19,796,799	26,749,141
Print Shop	825,516	992,377	1,076,901
Fleet Services	9,465,626	10,431,978	11,360,152
Other	447,994	433,110	258,387
Services	614	0	0
Transfers	(1,411,530)	(1,744,217)	(1,287,067)
Fund Balance	0	1,232,240	1,648,801
Total Internal Service Funds	\$56,117,205	\$65,689,827	\$78,766,479
Total General Operating Funds	\$604,915,044	\$636,124,340	\$683,096,234

REVENUES

	Actual FY22	Adopted FY23	Adopted FY24
Special Revenue Funds			
Court Administration & Training Fund			
Fees	\$137,307	\$150,332	\$105,240
Fines	61	225	237
Interest	1,342	1,349	1,813
Fund Balance	0	81,948	19,710
Total Court Administration & Training Fund	\$138,710	\$233,854	\$127,000
Emergency Management Fund			
Tariffs	\$6,200,901	\$6,393,731	\$7,211,710
Interest	9,318	10,442	34,783
Transfers	2,300,000	3,584,933	3,095,854
Other	0	0	0
Fund Balance	0	200,000	200,000
Total Emergency Management Fund	\$8,510,219	\$10,189,106	\$10,542,347
Fire Sales Tax Fund			
Sales Tax	\$50,368,143	\$49,283,429	\$54,665,872
Interest	170,606	144,261	490,694
Other	17,679	15,495	15,838
Service Charges	251,499	0	0
Fund Balance	0	1,749,421	1,466,070
Total Fire Sales Tax Fund	\$50,807,926	\$51,192,606	\$56,638,474
Hotel/Motel Tax Fund**			
Hotel/Motel Tax	\$7,583,629	\$7,775,474	\$7,761,584
Interest	29,513	26	78,020
Other	250,000	250,000	500,000
Transfers	5,922,766	6,220,379	6,209,267
Fund Balance	0	480,000	192,124
Total Hotel/Motel Tax Fund	\$13,785,908	\$14,725,879	\$14,740,995
MAPS Operations Fund**			
Use Tax	\$0	\$0	\$0
Interest	16,972	0	0
Other	0	0	0
Transfers	0	0	0
Fund Balance	0	0	0
Total MAPS Operations Fund	\$16,972	\$0	\$0
MAPS 3 Use Tax Fund**			
Use Tax	(\$1,052,181)	\$0	\$0
Interest	16,248	7,194	426
Other	176,261	50,000	0
Service Charges	700,674	600,000	0
Transfers	0	0	0
Fund Balance	0	236,753	458,952
Total MAPS 3 Use Tax Fund	(\$158,998)	\$893,947	\$459,378

	Actual FY22	Adopted FY23	Adopted FY24
MAPS 4 Use Tax Fund**			
Use Tax	\$0	\$0	\$0
Interest	34,433	10,000	532,004
Service Charges	0	0	0
Transfers	11,516,130	7,047,719	8,819,291
Fund Balance	0	9,775,378	8,290,993
Total MAPS 4 Use Tax Fund	\$11,550,563	\$16,833,097	\$17,642,288
Medical Service Program Fund			
Medical Service Program Fee	\$7,094,410	\$7,264,344	\$14,027,544
Interest	94,816	78,808	78,808
Other	0	0	0
Fund Balance	0	0	0
Total Medical Service Program Fund	\$7,189,226	\$7,343,152	\$14,106,352
OCMAPS Sales Tax Fund**			
City/Schools Sales Tax	\$0	\$0	\$0
Interest	434	0	0
Other	4,208	0	0
Transfers	0	0	0
Fund Balance	0	0	49,944
Total OCMAPS Sales Tax Fund	\$4,643	\$0	\$49,944
Police Sales Tax Fund**			
Sales Tax	\$50,368,143	\$49,283,429	\$54,665,872
Interest	215,294	178,690	634,870
Other	30,376	0	0
Service Charges	157,253	232,784	159,000
Transfers	(300,000)	(3,657,719)	(2,748,178)
Fund Balance	0	4,331,854	774,907
Total Police Sales Tax Fund	\$50,471,066	\$50,369,038	\$53,486,471
Zoo Sales Tax Fund			
Sales Tax	\$16,789,381	\$16,427,810	\$18,221,958
Interest	0	1,000	1,000
Other	0	328,556	864,439
Fund Balance	0	0	0
Total Zoo Sales Tax Fund	\$16,789,381	\$16,757,366	\$19,087,397
Total Special Revenue Funds	\$159,105,615	\$168,538,045	\$186,880,646

REVENUES

	Actual FY22	Adopted FY23	Adopted FY24
Enterprise Funds			
Airports Fund			
Transfer from Airport Trust (OCAT)	\$19,371,623	\$19,950,711	\$22,536,007
Interest	23,016	19,177	64,743
Other	73,440	73,340	24,434
Fund Balance	0	2,685,899	2,711,440
Total Airports Fund	\$19,468,079	\$22,729,127	\$25,336,624
Stormwater Drainage Utility Fund**			
Fees	\$19,050,962	\$19,498,800	\$19,554,916
Interest	131,693	137,388	267,303
Other	0	0	0
Permits	146,230	134,997	161,628
Reimbursements	255,766	255,766	270,000
Service Charges	49,928	49,012	2,096,865
Transfers	(3,920,549)	(1,000,000)	(3,000,000)
Fund Balance	0	1,888,625	3,237,749
Total Stormwater Drainage Utility Fund	\$15,714,030	\$20,964,588	\$22,588,461
Transportation and Parking Fund			
Interest	\$4,675	\$3,964	\$17,715
Service Charges	123,568	507,953	672,148
Transfers	3,898,554	5,529,021	6,137,341
Fund Balance	0	812	0
Total Transportation and Parking Fund	\$4,026,797	\$6,041,750	\$6,827,204
Utilities Fund			
Interest	\$155,410	\$137,645	\$512,171
Other	\$1,112	\$0	\$0
Transfers	101,310,000	126,924,377	107,112,970
Fund Balance	0	2,827,509	1,200,000
Total Utilities Fund	\$101,466,522	\$129,889,531	\$108,825,141
Total Enterprise Funds	\$140,675,427	\$179,624,996	\$163,577,430
Subtotal Operating Funds	\$904,696,087	\$984,287,381	\$1,033,554,310
Less Operating Interfund Transfers (1)	(100,156,425)	(114,905,345)	(129,274,717)
Total Operating Funds	\$804,539,661	\$869,382,036	\$904,279,593

	Actual FY22	Adopted FY23	Adopted FY24
Non-Operating Funds			
Non-Operating Capital Improvements			
Better Streets, Safer City Sales Tax Fund			
Sales Tax	\$249,649	\$338,716	\$0
Interest	938,131	419,202	300,000
Fund Balance	0	101,399,369	82,820,189
Total Better Streets, Safer City Sales Tax Fund	\$1,187,779	\$102,157,287	\$83,120,189
Better Streets, Safer City Use Tax Fund			
Use Tax	(\$20,062)	\$15,692	\$0
Interest	122,704	54,089	89,555
Other	1,304	0	0
Fund Balance	0	12,445,510	2,191,560
Total Better Streets, Safer City Use Tax Fund	\$103,945	\$12,515,291	\$2,281,115
Capital Improvement Projects Fund			
Interest	\$778,912	\$615,510	\$1,694,470
Other	109,572	300,000	1,756,374
Service Charges	0	0	0
Transfers	54,328,359	50,991,679	6,250,000
Fund Balance	0	82,810,320	142,443,251
Total Capital Improvement Projects Fund	\$55,216,843	\$134,717,509	\$152,144,095
City and Schools Capital Projects Use Tax Fund			
Use Tax	\$0	\$0	\$0
Interest	22,505	8,926	50,461
Other	207,519	100,000	123,899
Transfers	0	0	0
Fund Balance	0	2,464,005	2,564,940
Total City and Schools Cap. Projects Use Tax Fund	\$230,024	\$2,572,931	\$2,739,300
Hotel/Motel Tax Fund**			
Hotel/Motel Tax	\$9,100,354	\$9,330,568	\$9,313,901
Interest	38,252	41,308	89,048
Transfers	2,417,642	2,937,092	2,844,504
Fund Balance	0	2,275,625	5,271,964
Total Hotel/Motel Tax Fund	\$11,556,248	\$14,584,593	\$17,519,417
Impact Fees Fund			
Impact Fees	\$12,986,334	\$9,804,725	\$7,283,717
Interest	367,020	451,239	437,862
Fund Balance	0	40,874,706	49,848,807
Total Impact Fees Fund	\$13,353,354	\$51,130,670	\$57,570,386

REVENUES

	Actual FY22	Adopted FY23	Adopted FY24
Internal Service Funds**			
Interest	\$14,962	\$5,500	\$30,000
Other	11,929	0	15,000
Transfers	2,053,944	1,844,217	1,602,480
Fund Balance	0	1,637,278	3,302,553
Total Internal Service Funds	\$2,080,834	\$3,486,995	\$4,950,033
MAPS Operations Fund**			
Use Tax	\$0	\$0	\$0
Interest	19,784	31,528	9,875
Transfers	0	0	0
Fund Balance	0	2,204,588	4,377,616
Total MAPS Operations Fund	\$19,784	\$2,236,116	\$4,387,491
MAPS Sales Tax Fund			
Sales Tax	\$0	\$0	\$0
Interest	178	43	15,687
Other	3	6	0
Fund Balance	0	159,859	312,603
Total MAPS Sales Tax Fund	\$181	\$159,908	\$328,290
MAPS 3 Sales Tax Fund			
Sales Tax	\$402,293	\$500,000	\$0
Interest	728,832	329,821	755,342
Service Charges	0	0	0
Transfers	0	0	0
Fund Balance	0	79,785,374	44,992,391
Total MAPS 3 Sales Tax Fund	\$1,131,125	\$80,615,195	\$45,747,733
MAPS 3 Use Tax Fund**			
Use Tax	\$0	\$0	\$0
Interest	31,505	26,789	66,460
Other	19,585	5,000	0
Transfers	0	0	0
Fund Balance	0	3,485,015	3,425,637
Total MAPS 3 Use Tax Fund	\$51,090	\$3,516,804	\$3,492,097
MAPS 4 Program Fund			
Interest	\$1,478,942	\$1,524,780	\$0
Transfers	133,755,305	132,062,015	145,775,659
Fund Balance	0	116,826,164	79,565,095
Total MAPS 4 Program Fund	\$135,234,247	\$250,412,959	\$225,340,754

	Actual FY22	Adopted FY23	Adopted FY24
MAPS 4 Use Tax Fund**			
Use Tax	\$28,954,734	\$29,365,494	\$32,013,732
Interest	340,173	314,065	950,561
Other	0	0	0
Service Charges	214,235	0	75,605
Transfers	(11,516,130)	(7,047,719)	(8,220,892)
Fund Balance	0	34,248,137	52,913,042
Total MAPS 4 Use Tax Fund	\$17,993,011	\$56,879,977	\$77,732,048
OCMAPS Sales Tax Fund**			
Interest	\$4,419	\$2,538	\$0
Other	0	0	0
Transfers	0	0	0
Fund Balance	0	426,492	31,341
Total OCMAPS Sales Tax Fund	\$4,419	\$429,030	\$31,341
Oklahoma City Sports Facilities Sales Tax Fund			
Sales Tax	\$0	\$0	\$0
Interest	315	179	381
Other	403	0	0
Fund Balance	0	36,196	23,779
Total OKC Sports Facilities Sales Tax Fund	\$718	\$36,375	\$24,160
Oklahoma City Sports Facilities Use Tax Fund			
Use Tax	\$0	\$0	\$0
Interest	31	15	64
Other	(213,415)	0	0
Fund Balance	0	3,678	3,729
Total OKC Sports Facilities Use Tax Fund	(\$213,384)	\$3,693	\$3,793
Oklahoma City Tax Increment Financing Fund			
Tax Increment Financing Match	\$2,699,802	\$2,350,000	\$5,250,000
Interest	2,287	70	0
Fund Balance	0	9,235	550,000
Total Oklahoma City TIF Fund	\$2,702,089	\$2,359,305	\$5,800,000
Police Sales Tax Fund**			
Sales Tax	\$0	\$0	\$0
Interest	11,814	12,108	38,044
Other	1,100	0	0
Service Charges	0	0	0
Transfers	300,000	3,657,719	2,748,178
Fund Balance	0	753,026	1,636,631
Total Police Sales Tax Fund	\$312,914	\$4,422,853	\$4,422,853

REVENUES

	Actual FY22	Adopted FY23	Adopted FY24
Police/Fire Capital Equipment Sales Tax Fund			
Police and Fire Equipment Sales Tax	\$0	\$0	\$0
Interest	21,421	10,028	30,698
Other	11,279	0	0
Fund Balance	0	2,424,070	1,512,797
Total Police/Fire Equipment Sales Tax Fund	\$32,700	\$2,434,098	\$1,543,495
Stormwater Drainage Utility Fund**			
Fees	\$0	\$0	\$0
Interest	74,250	62,524	0
Transfers	3,920,549	3,000,000	3,000,000
Fund Balance	0	8,835,393	9,130,675
Total Storm Water Drainage Utility Fund	\$3,994,799	\$11,897,917	\$12,130,675
Street & Alley Capital Fund			
Interest	\$1	\$5	\$0
Other	0	0	0
Fund Balance	0	98	100
Total Street & Alley Capital Fund	\$1	\$103	\$100
Total Non-Operating Capital Improvements	\$244,992,723	\$736,569,609	\$701,309,365
Other Non-Operating Funds			
Asset Forfeiture Fund			
Asset Seizure Revenues	\$1,836,195	\$4,125,159	\$2,125,387
Other	32,954	34,320	26,880
Service Charges	25,997	9,678	0
Interest	23,380	22,994	38,422
Transfers	0	0	0
Fund Balance	0	743,962	1,071,300
Total Asset Forfeiture Fund	\$1,918,526	\$4,936,113	\$3,261,989
Debt Service Fund			
Ad Valorem (Property)	\$101,874,717	\$83,600,579	\$121,229,086
Interest	2,084,882	2,000,000	1,500,000
Other	10,203,120	10,000,000	9,000,000
Fund Balance	0	30,284,116	28,849,130
Total Debt Service Fund	\$114,162,719	\$125,884,695	\$160,578,216
General Fund - MAPS 4**			
Sales Tax	\$133,749,981	\$132,062,015	\$145,775,659
Fund Balance	0	0	0
Total General Fund - MAPS 4	\$133,749,981	\$132,062,015	\$145,775,659

	Actual FY22	Adopted FY23	Adopted FY24
Grants Management Fund			
Grant Awards	\$43,084,426	\$117,189,173	\$108,356,382
Total Grants Management Fund	\$43,084,426	\$117,189,173	\$108,356,382
OKC Improvement & Special Assessment Dist.			
Assessments	\$3,422,848	\$5,113,307	\$6,012,549
Interest	24,089	22,415	32,220
Service Charges	0	6,336	750
Transfers	0	0	0
Fund Balance	0	0	0
Total OKC Improv. & Spcl Assess. Districts Fund	\$3,446,938	\$5,142,058	\$6,045,519
Special Assessment Districts Fund			
Assessments	\$0	\$1,754,000	\$1,997,000
Interest	279	0	0
Service Charges	0	0	0
Transfers	0	0	0
Fund Balance	0	0	0
Total Special Assessment Districts Fund	\$279	\$1,754,000	\$1,997,000
Special Purpose Fund			
Donations	\$1,141,860	\$279,459	\$1,385,440
Fees	88,905	153,110	100,726
Interest	298,609	264,246	201,912
Other	272,492	1,020,500	2,142,500
Service Charges	100,990	136,850	59,120
Transfers	1,100,000	1,000,000	1,600,000
Fund Balance	0	21,856,018	21,345,757
Total Special Purpose Fund	\$3,002,857	\$24,710,183	\$26,835,455
Total Other Non-Operating Funds	\$299,365,725	\$411,678,237	\$452,850,220
Total Non-Operating Funds	\$544,358,448	\$1,148,247,846	\$1,154,159,585
Subtotal All Funds	\$1,348,898,109	\$2,017,629,882	\$2,058,439,178
Less Interfund Transfers (2)	(188,716,285)	(144,900,754)	(152,332,216)
Total All Funds	\$1,160,181,824	\$1,872,729,128	\$1,906,106,962

*Includes transfers between the operating and non-operating portions of a fund.

** Fund contains both Operating and Non-Operating activities

REVENUES

	Actual FY22	Adopted FY23	Adopted FY24
(1) Transfers between Operating Funds			
Gen Fund Transfer to Emerg Mgmt	\$2,300,000	\$4,080,480	\$3,095,854
Gen Fund to Transit Fund via COTPA	3,283,507	4,446,128	5,004,696
Gen Fund to City and Schools Use Tax Fund	0	0	0
Various Funds to Internal Service Fund	56,942,892	65,710,014	78,087,674
Fire Sales Tax to General Fund	12,398,911	12,770,846	13,153,973
Police Sales Tax to General Fund	9,519,972	9,805,560	10,099,726
Grants to General Fund	0	522,174	525,694
Gen Fund to Parking Cash Fund	603,233	1,114,426	1,146,999
Special Purpose to Maps 3	0	0	0
Various Non-Operating Pmts to Gen Fund	(71,619)	1,640	1,653
Various Funds Admin Pmts to Gen Fund	15,179,530	16,454,077	18,158,448
Total	\$100,156,425	\$114,905,345	\$129,274,717
(2) Transfers to Non-Operating Funds			
Gen Fund Transfer to MAPS 4 Prog Fund	\$133,755,305	\$132,062,015	\$145,775,659
Various to CIP Fund	53,912,459	12,701,585	6,312,319
Various Miscellaneous Transfers	0	0	0
Various Funds to Special Purpose	100,000	4,347	111,431
Various Funds to Grant Fund	948,521	132,807	132,807
Total	\$188,716,285	\$144,900,754	\$152,332,216

EXPENDITURE SUMMARY

THE OKLAHOMA MUNICIPAL BUDGET ACT GUIDES MUNICIPALITIES IN THE PREPARATION OF THEIR BUDGETS AND MANDATES CERTAIN REQUIREMENTS IN PRESENTING THE BUDGET.

The City of Oklahoma City diligently follows these requirements. Some of the requirements seem commonplace because we have been following these guidelines for years. For example, the budget contains actual revenues and expenses for the prior fiscal year, the revenue and expenditure budget for the current year, and estimated revenue and expenditures for the coming year. Another requirement is that all expenditures be “departmentalized” within each fund.

The budget is also divided between operating and non-operating expenditures. This division helps take out the significant fluctuations in capital and non-operating expenses that occur as a result of projects such as the MAPS 4 program. Most of the discussions about the budget focus on the operating portion of the budget because it allows for better year-to-year comparisons. The operating budget totals \$904,279,593.

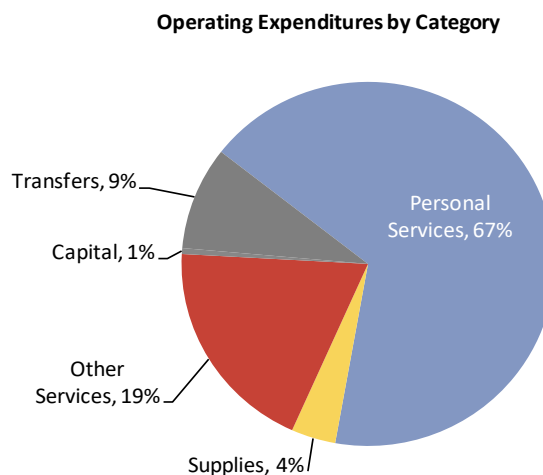
EXPENDITURE CATEGORIES

One requirement of the Municipal Budget Act that drives the organization of the budget is that expenditures be classified into the following categories: Personal Services, Supplies, Other Services, Capital, Debt Service, and Transfers.

As shown in the chart below, Personal Services is the largest portion of the City’s operating expenditures accounting for 67% of the total operating budget. Expenses like salaries, taxes, retirement benefits, and insurance make up the majority of operating costs because City services are labor-intensive and closely tied to the employees who carry out the various functions of the City.

The second largest area of operating expenditures is Other Services at 19% of the operating budget. These expenses include contracts for service, utilities and chargebacks for internal services (Information Technology, Fleet Services, Print Shop, and Risk Management). Other Services is also the category where contingency is budgeted in each fund, as well as payments from City funds to City trusts such as the General Fund payment to the Central Oklahoma Transportation and Parking Authority. Supplies, at 4% of the operating budget, make up a relatively small percentage of the total and include items as varied as paper and pencils to asphalt and ammunition.

Capital outlay makes up an even smaller percentage of the operating budget at 1% of the total. Most of the capital expenses of the City are reflected in the non-



operating portion of the budget. For purposes of the graph, debt service expenses related to General Obligation (GO) bond issuance costs are included in the capital category. Within the operating expenditure budget, the only debt service expenses are the fees paid related to the issuance of GO bonds. The Transfers category makes up 9% of the budget and includes transfers from operating funds to non-operating funds and City Trusts. One significant transfer is from the General Fund to the Capital Improvement Fund. Although the Municipal Budget Act classifies this expenditure as a transfer, the end result is capital investment.

EXPENDITURES BY FUNCTION

Another way of looking at the City's budget is to consider the service or function being provided. There are four broad areas of service provided by the City. The first are the General Government functions. These include the City Manager's Office, the Office of Mayor and Council, the Municipal Counselor's Office, the City Auditor's Office, the City Clerk's Office, Finance, Human Resources, and General Services; and make up approximately 13% of the City's operating expenditures.

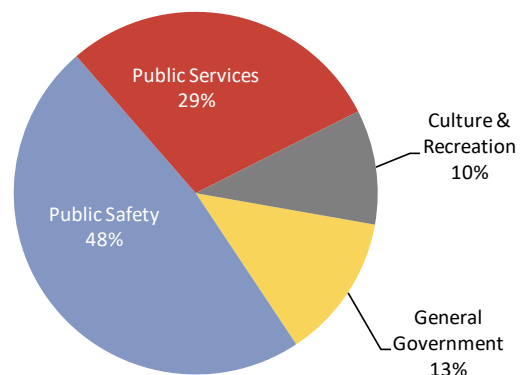
The next function of city government is Public Safety which includes Police, Fire, Animal Welfare and Municipal Courts. This function comprises 48% of the operating expenditure budget.

Public Services function includes Airports, Public Works, Development Services, Planning, Public Transportation and Parking, and Utilities. These departments total 29% of the operating expenditure budget.

The Culture and Recreation function includes Parks and Recreation, the Zoo Sales Tax Fund, OCMAPS, MAPS 4 and the Hotel/Motel Tax Special Revenue Fund; and makes up 10% of the operating expenditure budget.

The General Fund contains the Non-Departmental function, which organizes various citywide expenses and certain transfers that do not fit within another City department. These expenses were included in each of the four categories where the expense could easily be categorized. For example, the funding for audits of the City's finances was classified as a General Government expense, while the subsidy for the Paycom Center and Cox Center operations was classified as a Cultural expense. The expenses in Non-Departmental that could not be directly attributed to a single category, such as the retiree health insurance subsidy, were allocated to each category proportionally so the full operating budget is allocated to specific functions.

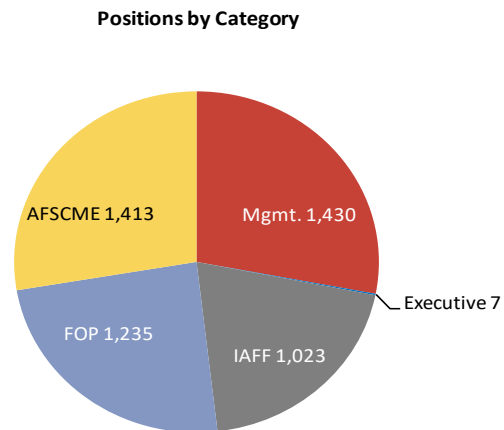
Operating Expenditures by Function



BUDGETED POSITIONS

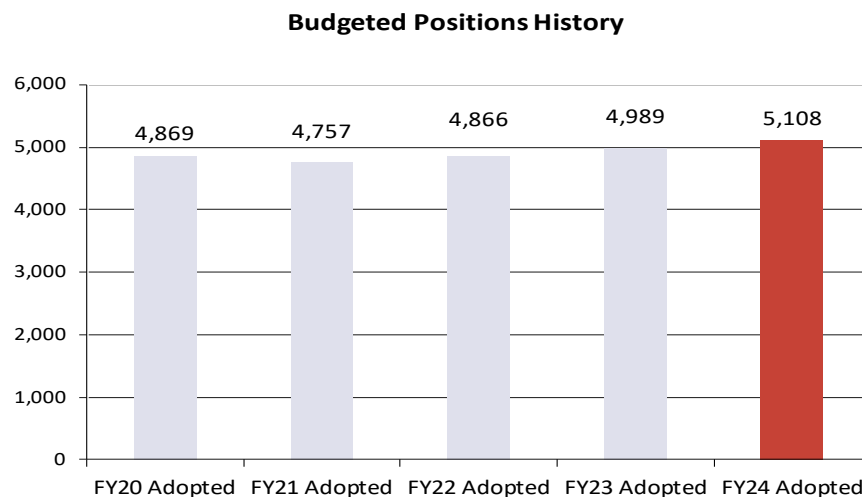
The FY24 Budget contains authorization for 5,108 positions throughout the City. This is an increase of 119 positions (2.4%) from the FY23 adopted budget. The table on the following page shows the changes on a department-by-department basis.

The City's workforce is comprised of five basic groups. The American Federation of State, County, and Municipal Employees (AFSCME) represent the general pay plan or non-management employees of the City. This is the largest group at 1,413 positions. The Fraternal Order of Police (FOP) represents all sworn positions within the Police Department. The adopted budget includes 1,235 FOP positions.



The International Association of Firefighters (IAFF) represents all of the uniformed positions within the Fire Department. The adopted budget contains 1,023 uniformed Fire positions. Management includes employees on the Management, Auditors, and Legal pay plans. Each pay plan includes administrative support, professional, and managerial positions. In addition, those employees who report directly to the City Manager are included as Management. This group totals 1,430 positions in the adopted budget.

The executive category includes only positions that report directly to City Council: the City Manager, City Attorney, City Auditor and four Municipal Judges.



BUDGETED POSITIONS BY DEPARTMENT

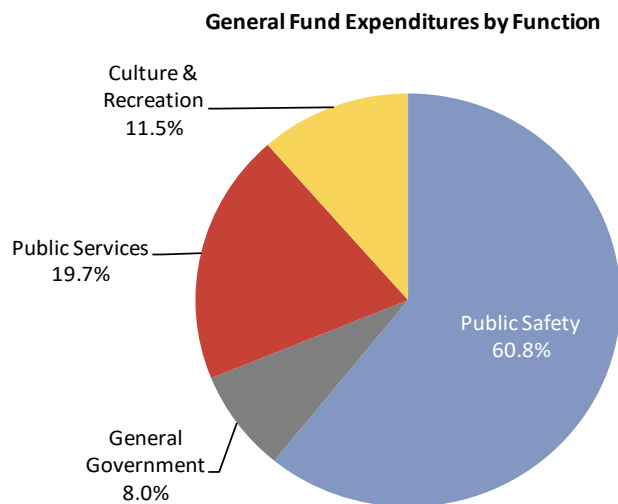
Department	FY22 Adopted	FY23 Adopted	FY24 Adopted	Change	%
Airports	131.00	144.00	149.00	5.00	3.5%
City Auditor	7.00	8.00	8.00	0.00	0.0%
City Clerk	9.00	10.00	10.00	0.00	0.0%
City Manager	47.40	52.40	56.40	4.00	7.6%
Development Services	190.00	190.00	195.00	5.00	2.6%
Finance	87.00	90.00	91.00	1.00	1.1%
Fire	1,039.00	1,061.00	1,111.00	50.00	4.7%
Fire Grants	0.00	0.00	0.00	0.00	N/A
General Services	71.00	80.00	80.00	0.00	0.0%
Human Resources	33.00	34.00	36.00	2.00	5.9%
Information Technology	116.00	123.00	131.00	8.00	6.5%
Mayor and Council	6.60	6.60	6.60	0.00	0.0%
Municipal Counselor	56.00	58.00	61.00	3.00	5.2%
Municipal Court	62.00	65.00	65.00	0.00	0.0%
Parks and Recreation	183.00	186.00	187.00	1.00	0.5%
Planning	28.93	38.70	39.80	1.10	2.8%
Planning Grants	19.07	21.30	21.20	(0.10)	(0.5%)
Police	1,542.00	1,564.00	1,578.35	14.35	0.9%
Police Grants	0.00	3.00	2.65	(0.35)	(11.7%)
Public Transportation and Parking	37.00	46.00	50.00	4.00	8.7%
Public Works	417.00	400.00	404.00	4.00	1.0%
Utilities	784.00	808.00	825.00	17.00	2.1%
Subtotal	4,866.00	4,989.00	5,108.00	119.00	2.4%

THE GENERAL FUND

The General Fund is the largest fund within the City budget and makes up \$604,329,755 of the City's total operating budget. The General Fund serves as the mechanism from which many of the core services of the City are primarily funded. The General Fund also has the most flexibility on how funds can be spent. The special revenue and enterprise funds, mostly operating funds, have specific purposes required for the expenditure of those funds. Within the General Fund, however, there is more latitude to direct the spending priorities of the City. Using the same functions that were defined before, the focus on Public Safety is even more pronounced in the General Fund as approximately 60.8% of the total budget is expended in this area.

Public Services is the second largest area of spending at 19.7%. However, its share of the General Fund is significantly smaller than in the operating budget because a large portion of Public Service funding comes from Enterprise Funds (such as Airports and Utilities).

General Government makes up 8.0% of the General Fund because general government functions, such as Finance and Human Resources, do not have a funding source outside the General Fund.



Culture and Recreation at 11.5% is a smaller portion of the General Fund than of the operating budget, as a whole, because major revenue sources for Culture and Recreation, such as MAPS 3, the Zoo Sales Tax and the Hotel/Motel Tax, are outside the General Fund.

A comparison of the General Fund Budget at the department level provides a useful comparison of how priorities are allocated and how the costs for providing services are changing relative to the other departments. The next page provides a breakdown of the General Fund budget by department.

GENERAL FUND BUDGET BY DEPARTMENT

	Actual FY22	Adopted FY23	Adopted FY24
General Fund Expenses			
City Auditor	\$1,447,834	\$1,446,064	\$1,516,654
City Clerk	1,147,639	1,287,683	1,361,120
City Manager	3,526,628	4,092,341	4,948,195
Development Services	20,213,915	19,700,518	20,957,654
Finance	8,866,298	9,815,389	10,432,277
Fire	119,306,023	118,624,258	125,220,206
General Services	4,842,290	6,058,160	6,290,980
Human Resources	4,089,433	4,588,269	5,202,402
Mayor & Council	1,155,330	1,281,123	1,315,973
Municipal Counselor	8,301,119	8,332,090	9,277,718
Municipal Court	7,836,088	8,975,128	9,476,559
Non-Departmental Operating	103,586,908	108,091,670	110,078,798
Parks & Recreation	30,354,413	36,409,932	42,913,857
Planning	4,385,428	6,347,383	6,432,395
Police	153,042,864	164,578,228	172,847,772
Public Transportation and Parking	21,852,578	30,610,906	38,723,253
Public Works	41,023,323	40,195,371	37,333,942
Total Expenses	\$534,978,111	\$570,434,513	\$604,329,755

EXPENDITURE SUMMARY TABLE

	Actual FY22	Adopted FY23	Adopted FY24
Operating Funds			
General Operating Funds			
General Fund*	\$534,978,111	\$570,434,513	\$604,329,755
Internal Service Fund*	54,525,086	65,689,827	78,766,479
Total General Operating Funds	\$589,503,197	\$636,124,340	\$683,096,234
Special Revenue Funds			
Court Admin. and Training Fund	\$189,764	\$233,854	\$127,000
Emergency Management Fund	8,603,902	10,189,106	10,542,347
Fire Sales Tax Fund	45,309,550	51,192,606	56,638,474
Hotel/Motel Tax Fund*	12,589,418	14,725,879	14,740,995
MAPS Operations Fund*	0	0	0
MAPS 3 Use Tax Fund*	1,926,058	893,947	459,378
MAPS 4 Use Tax Fund*	1,850,598	16,833,097	17,642,288
Medical Service Program Fund	4,981,393	7,343,152	14,106,352
OCMAPS Sales Tax Fund	0	0	49,944
Police Sales Tax Fund*	40,137,211	50,369,038	53,486,471
Zoo Sales Tax Fund	16,789,381	16,757,366	19,087,397
Total Special Revenue Funds	\$132,377,274	\$168,538,045	\$186,880,646
Enterprise Funds			
Airports Fund	\$18,734,002	\$22,729,127	\$25,336,624
Stormwater Drainage Utility Fund*	16,310,214	20,964,588	22,588,461
Public Trans. and Parking Fund	4,197,991	6,041,750	6,827,204
Utilities Fund	99,343,828	129,889,531	108,825,141
Total Enterprise Funds	\$138,586,035	\$179,624,996	\$163,577,430
Subtotal Operating Funds	\$860,466,506	\$984,287,381	\$1,033,554,310
Less Interfund Transfers (1)	(100,156,425)	(114,905,345)	(129,274,717)
Total Operating Funds	\$760,310,080	\$869,382,036	\$904,279,593

EXPENDITURES

	Actual FY22	Adopted FY23	Adopted FY24
Non-Operating Funds			
Capital Improvement Funds			
Better Streets, Safer City Sales Tax Fund	\$24,091,733	\$102,157,287	\$83,120,189
Better Streets, Safer City Use Tax Fund	7,790,943	12,515,291	2,281,115
Capital Improvement Projects Fund	19,747,994	134,717,509	152,144,095
City and Sch Cap Proj Use Tax Fund	169,775	2,572,931	2,739,300
Hotel/Motel Tax Fund*	9,089,888	14,584,593	17,519,417
Impact Fees Fund	2,878,524	51,130,670	57,570,386
Internal Service Funds*	351,052	3,486,995	4,950,033
MAPS Operations Fund*	77,331	2,236,116	4,387,491
MAPS Sales Tax Fund	0	159,908	328,290
MAPS 3 Sales Tax Fund	35,456,096	80,615,195	45,747,733
MAPS 3 Use Tax Fund*	91,319	3,516,804	3,492,097
MAPS 4 Program Fund	100,212,166	250,412,959	225,340,754
MAPS 4 Use Tax Fund*	68,974	56,879,977	77,732,048
OCMAPS Sales Tax Fund	1,012,201	429,030	31,341
OKC Sports Facilities Sales Tax Fund	12,783	36,375	24,160
OKC Sports Facilities Use Tax Fund	0	3,693	3,793
OKC Tax Increment Financing Fund	1,790,144	2,359,305	5,800,000
Police Sales Tax Fund*	496,232	4,422,853	4,422,853
Police/Fire Cap Equip Sales Tax Fund	658,372	2,434,098	1,543,495
Stormwater Drainage Utility Fund*	2,864,310	11,897,917	12,130,675
Street and Alley Fund	0	103	100
Total Capital Improvement Funds	\$206,859,837	\$736,569,609	\$701,309,365
Other Non-Operating Funds			
Asset Forfeiture Fund	\$2,882,227	\$4,936,113	\$3,261,989
Debt Service Fund	110,924,796	125,884,695	160,578,216
General Fund - MAPS 4*	133,755,305	132,062,015	145,775,659
Grants Management Fund	89,722,388	117,189,173	108,356,382
OKC Improv. and Special Assess Dist.	3,138,119	5,142,058	6,045,519
Special Assessment Districts Fund	1,745,033	1,754,000	1,997,000
Special Purpose Fund	2,350,921	24,710,183	26,835,455
Total Other Non-Operating Funds	\$344,518,789	\$411,678,237	\$452,850,220
Total Non-Operating Funds	\$551,378,626	\$1,148,247,846	\$1,154,159,585
Subtotal All Funds	\$1,311,688,706	\$2,017,629,882	\$2,058,439,178
Less Interfund Transfers (2)	(188,716,285)	(144,900,754)	(152,332,216)
Total All Funds	\$1,122,972,422	\$1,872,729,128	\$1,906,106,962

* Indicates the Fund has both an Operating and Non-Operating component

	Actual FY22	Adopted FY23	Adopted FY24
(1) Transfers between Operating Funds			
Gen Fund Transfer to Emerg Mgmt	\$2,300,000	\$4,080,480	\$3,095,854
Gen Fund to Transit Fund via COTPA	3,283,507	4,446,128	5,004,696
Various Funds to Internal Service Fund	56,942,892	65,710,014	78,087,674
Fire Sales Tax to General Fund	12,398,911	12,770,846	13,153,973
Grants Funds to General Fund	0	522,174	525,694
General Fund to Parking Cash Fund	603,233	1,114,426	1,146,999
Various Funds Pmts to Gen Fund	(71,619)	1,640	1,653
Police Sales Tax to General Fund	9,519,972	9,805,560	10,099,726
Special Purpose to Maps 3	0	0	0
Various Funds Admin Pmts to Gen Fund	15,179,530	16,454,077	18,158,448
Total	\$100,156,425	\$114,905,345	\$129,274,717
(2) Transfers to Non-Operating Funds			
Gen Fund Transfer to MAPS 4 Prog Fund	\$133,755,305	\$132,062,015	\$145,775,659
Various to CIP Fund	53,912,459	12,701,585	6,312,319
Various Miscellaneous Transfers	0	0	0
Various Funds to Special Purpose	100,000	4,347	111,431
Various Funds to Grant Funds	948,521	132,807	132,807
Total	\$188,716,285	\$144,900,754	\$152,332,216

LONG RANGE FINANCIAL SUMMARY



Regular financial evaluations help ensure stability

Evaluating the City's financial condition on a regular basis can help ensure stability so that programs and services meet the community's needs.

The Five-Year Financial Forecast is presented each February to the City Council and Mayor through a Council Workshop, to which the public and local media are invited. Although only a summary is provided here which focuses on the General Fund, the full forecast is available on the City's website at:

<https://www.okc.gov/departments/finance/financial-and-budget-reports>

PURPOSE OF LONG-RANGE FINANCIAL PLAN

The purpose of the Five-Year Financial Forecast is to evaluate the City's financial condition as it relates to meeting the community's needs for ongoing core and ancillary programs and services. Armed with factually accurate, timely, and objective information about the City's financial condition, elected officials can help ensure the stability of Oklahoma City's general and other municipal funds. With continued financial viability, the City can anticipate and meet community needs and enable additional economic diversification and growth for many years to come. With this in mind, the Five-Year Financial Forecast serves three purposes.

1. **Compliance.** Providing the forecast helps the City comply with city financial policies and practices designed to ensure the responsible utilization of public resources.
2. **Strategy.** The forecast provides the Mayor and City Council with information to formulate long-term strategies to ensure city services are available at a level appropriate to the actual needs of the community. Annual budgeting alone can fail to serve the long-term public interest if short-term priorities reduce resources that may be required to meet imminent needs that fall beyond the one-year budget scope.
3. **Accountability.** The forecast serves as a resource for the general citizenry and the business community by providing a snapshot of the City's current and projected financial well-being. It provides citizens and business leaders with an overview of the City's ability to meet community needs over time. This document also demonstrates the City's financial planning process and strengthens local government's accountability to the community.



LONG RANGE FINANCIAL SUMMARY

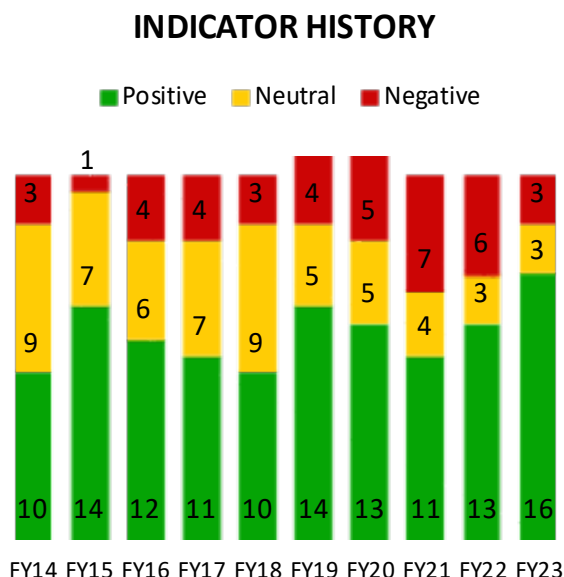
By identifying long-term issues and assessing resources, the Five-Year Financial Forecast provides the Mayor and City Council with the necessary information to create continuity between annual budget cycles and long term needs of the City. The forecast is a valuable tool for identifying potential problems and for policy makers to incrementally address such problems in a manner that provides seamless continuation of core services.

SUMMARY

Overall, the City is in a strong position in Fiscal Year 2023 (FY23) on the back of historically high sales tax collections. Although growth is expected to diminish in the latter half of the fiscal year, General Fund revenue is expected to exceed projections and end the year at 7.7% growth over FY22 levels. The City has worked with Dr. Russell Evans, Partner and Chief Economist at the Thorberg Collectorate, to develop the economic outlook for the coming year. Dr. Evans' expectation for 2023 is at best a slow economic growth, with a real possibility of a mild recession surfacing at some point. Although the labor market and consumer spending have remained strong over recent months, both are beginning to show signs of weakness as unemployment has gradually risen and household net worth and savings have fallen. Although inflation has begun to moderate, household spending is unlikely to keep pace and the record high revenue growth the City has experienced in recent years from high sales and use tax collections can be expected to significantly diminish in the year ahead.

FINANCIAL EVALUATION TOOLS

In developing the five-year outlook, staff used two financial evaluations tools, the Financial Trend Monitoring System (FTMS) and forecast issues provided by department staff. FTMS is designed to give City leaders and residents a simple method for evaluating the City's financial condition on a year-to-year basis. Adapted from *Evaluating Financial Condition: A Handbook for Local Government*, published by the International City/County Managers Association, this method identifies the trends in various financial and environmental areas and rates them as positive, neutral or negative. A final "score" can then be developed showing how many of the trends fall in each category. This system provides the City with a more comprehensive evaluation of financial condition rather than focusing on individual indicators, such as fund balance. The overall results of the FTMS indicator ratings were 73% positive, 14% neutral and 14% negative which was an improvement from last year when 59% indicators trended positive. Key indicators that trended positive included revenue accuracy, hotel tax revenues, and fringe benefits. Before the COVID-19 pandemic in FY19, hotel tax grew 3.2% year-over-year, but then declined drastically by -20.7% in FY20 and -34.8% in FY21 due to the pandemic. Collections rebounded in FY22, increasing 40.6% year-over-year. In the past five years, hotel tax has grown 9.1% in nominal dollars, but decreased 4.4% in real dollars adjusted for inflation. Given the strong positive trend in nominal dollars and significant growth in real dollars over the last year, the indicator improved to a positive rating this year.



LONG RANGE FINANCIAL SUMMARY

There were three indicators trending negative: percentage of General Fund revenues from sales tax, office vacancy rates, and active rotary rigs in Oklahoma. The City has grown more reliant on sales tax in recent years, and this trend was exacerbated over the past couple years by increased consumer spending in the wake of the COVID-19 pandemic and high price inflation. As a result, sales tax revenue made up 72% of General Fund revenues in FY22. Office vacancy rates in the Central Business District and citywide both grew at around 2% from mid-year 2021 to 2022 and it is evident that there is an oversupply of office space with 4.2 million square feet of vacant space. Oil prices began to rise sharply towards the end of 2021, and the number of active rigs rose 102% in 2022 off a 10 year low the previous year. Despite this recent growth, the number of active rigs has declined 56% over five years and 67% over ten years. Fortunately, the City's economy has become more diversified over the past few decades, expanding into other industries such as aerospace, professional services, leisure and hospitality, and retail, and is therefore more shielded from the adverse affects of the cyclical fluctuations of the oil and gas industry.

The second financial evaluation tool is forecast issues which provide an overview of major issues facing City departments. These identified issues provide an *"early warning system"* to the City Manager and City Council of significant items that are beyond the scope of the annual budget process. Strategies and priorities are set to address the issues over the long-term. A total of 50 issues were identified in the forecast with the seven most significant issues highlighted:



Capital Planning and Infrastructure Funding

The City supports a large network of infrastructure and many needs go un-addressed. The City faces increased pressure in funding capital needs due to various issues such as supply chain disruptions, inflation, and labor shortages.



Long-Term Water Issues

Issues include the construction of new water pipelines that will increase supply, increasing project costs and shortages of services and supplies, and staffing challenges with a higher than average vacancy rate in the Utilities Department.



Increasing Demand for Technology

The City continues to strive to provide high-quality and efficient services to residents which requires a dedicated staff with high levels of skill. Staffing levels have not kept pace with increased demands and the current pay plan is not commensurate with industry competition.



Community Policing

In 2020, the City established a Law Enforcement Task Force made up of community leaders from diverse backgrounds and a Community Policing Working Group made up of residents and City staff to study the City's policing programs and policies. A consultant provided 39 recommendations for policing improvements to the City.

LONG RANGE FINANCIAL SUMMARY



Public Transportation System Improvements

Strategic investment is needed in transit planning, system and facility design, and environmental work to compete for federal funds made available through the Infrastructure Investment and Jobs Act (IIJA)

- The resulting work will allow the City to compete for more federal funding to lessen the



Homelessness

The City launched several initiatives in 2022, including an employment program, A Better Way, that targets people who are panhandling; a Homeless Street Outreach program that coordinates with emergency responders and law enforcement on mental health responses; and a Youth Homelessness Demonstration program



Employee Recruitment, Engagement and Retention Strategies

The City has experienced difficulties in filling and retaining employees. While most City positions have increased in pay, there are many positions for which compensation is below market. Preliminary results from the Classification and Compensation Study will not be available until early 2023

The forecast document contains in-depth descriptions along with possible direction or next steps to resolve the issues which include options such as negotiating agreements with private partners, rate adjustments, temporary sales and use taxes, new taxes or tax increases, user fees, facility charges, sponsorships, expanding the sales tax base, changing state law to allow property taxes to be used for municipal operations, commissioning studies, training, and exploring cost reductions.

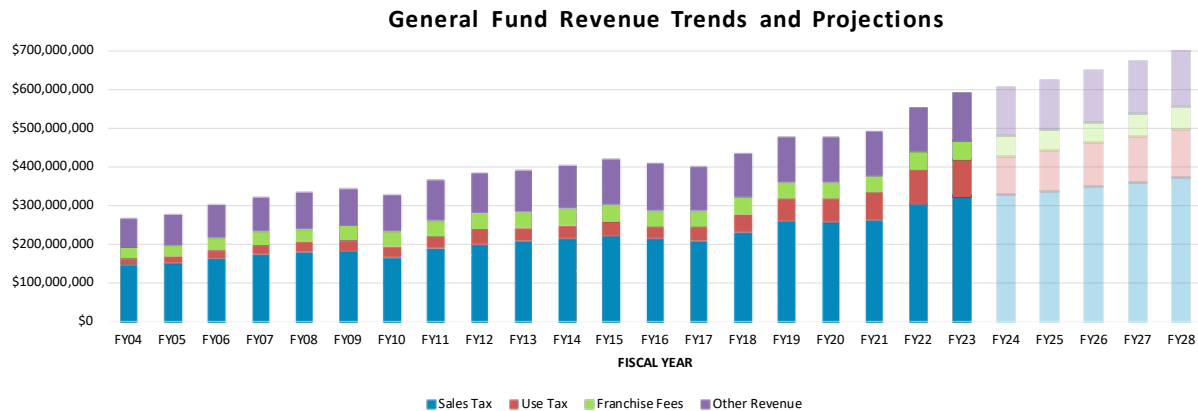
The forecast also closed the communication loop on three previously identified issues that were resolved with successful outcomes including facility improvements to Fire Department facilities, the purchase of a central records facility for City Clerk, and the response to the COVID-19 pandemic.

GENERAL FUND IN-DEPTH

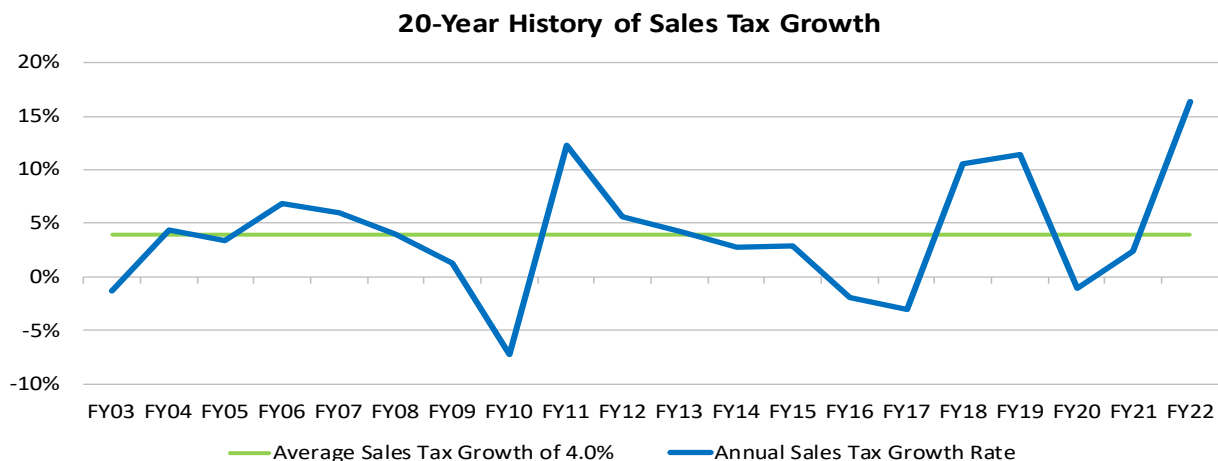
The General Fund is the largest fund within the City and serves as the mechanism from which many of the core services are primarily funded.

General Fund Revenue. There are hundreds of individual revenue sources that contribute to the General Fund and therefore they are combined into similar categories for ease of discussion. When all of the categories are combined, the General Fund is expected to grow at an average of 3.4% per year over the next five years and reach \$698.8 million in FY28.

LONG RANGE FINANCIAL SUMMARY



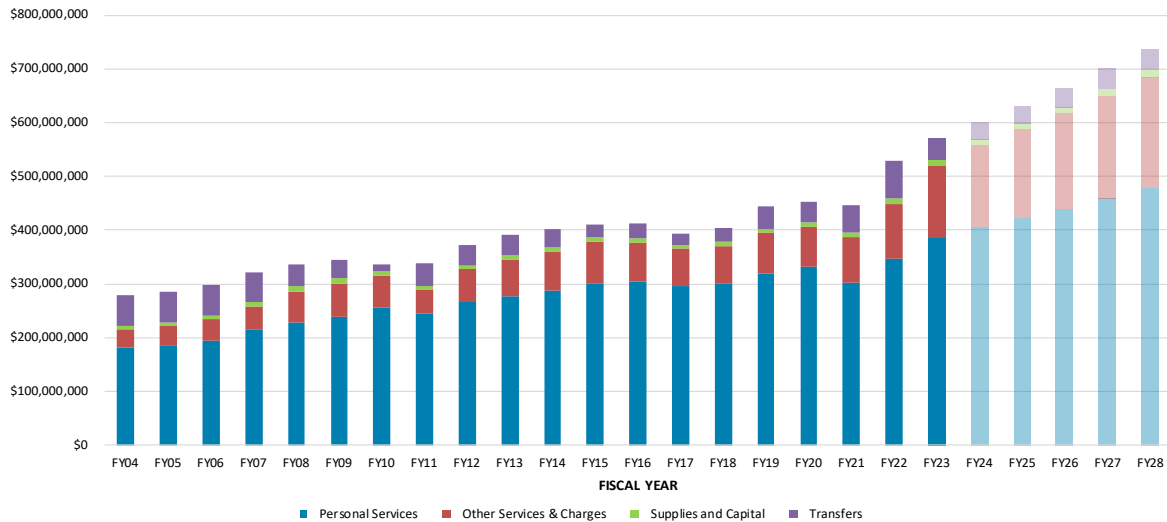
With the current revenue mix, sales tax accounts for more than half of General Fund revenue. Continued stability of the General Fund is contingent upon conservative financial management because sales tax revenue growth can be volatile as shown in the chart below.



General Fund Expenditures. City expenditures encompass a variety of goods and services, including personal services, other services, supplies and capital, and transfers. Growth is due primarily to personal services expenditures, including salaries and benefits as full-time budgeted positions have grown by 674 or 15.6% over the last 20 years. Besides normal historical growth, additional capital, operating and/or maintenance costs were added, which include increases for pay plans and retirement funding, the implementation of Bus Rapid Transit, the subsidy to operate and maintain the Riversport facility, electricity and natural gas costs, and increases for providing risk management services to departments. Overall, General Fund expenditures are projected to have annual growth of 5.3% and reach \$737.0.2 million in FY28.

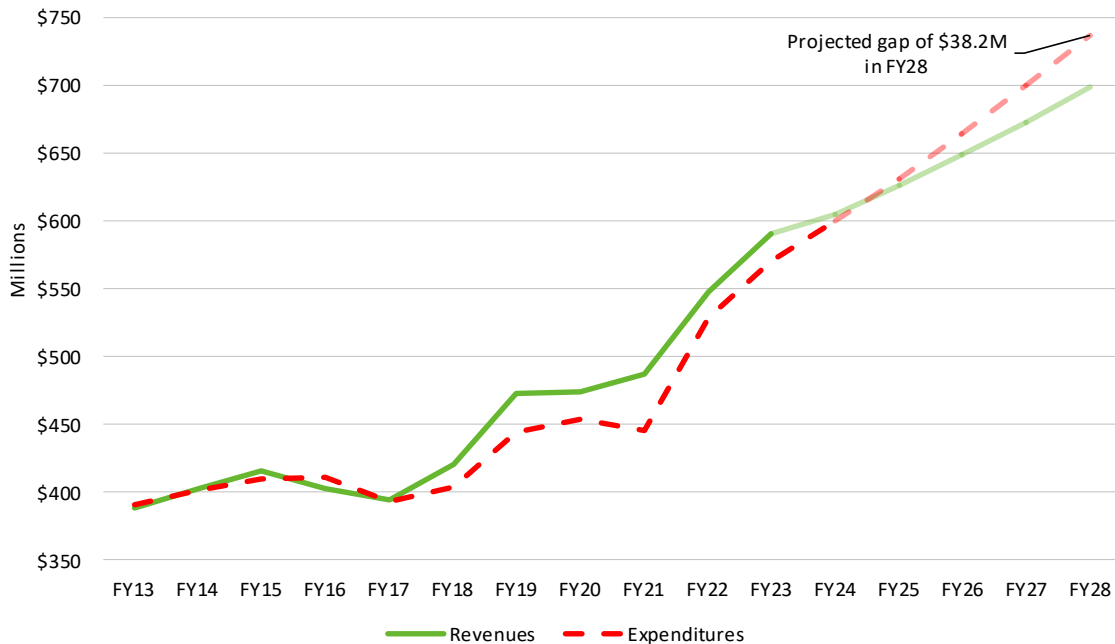
LONG RANGE FINANCIAL SUMMARY

General Fund Expense Trends and Projections



Projected Revenue/Expenditure Gap. Over the next five years, a gap between General Fund revenues and expenses is expected as new capital projects are completed and new services are implemented that require funds for annual operating and maintenance costs. The revenue growth projections reflect an average annual growth rate of 3.4%, while expenses were projected to grow at an average of 5.3% annually. Known increases to expenses, such as Bus Rapid Transit and the Riversport subsidy, were added to the projection. The imbalance in revenue and expenditure growth patterns means the General Fund has a projected gap of \$38.2 million by FY28.

General Fund Revenues and Expenditures



LONG RANGE FINANCIAL SUMMARY

GENERAL FUND OUTLOOK GOING FORWARD

Closing the Gap. Historically, the City's financial forecasts have projected a revenue/expenditure gap. In order to close the gap and fund operations at a level desired by residents, revenue collections would need to increase through new revenue sources, an expanded sales tax base, and continued growth in the local economy. However, expenditure control is the area where the City has the most flexibility and the most power to close the gap. Since Personal Services are the majority of City costs, controlling the growth in this area will be key to maintaining financial balance. The most effective means to achieve a balance between controlling personnel costs while maintaining competitive salary and benefit packages for employees will be to limit salary and benefit growth to within the approximate growth rates of City revenues. Improved efficiency in operations is also an avenue for controlling expenditure growth. Tight budgets have necessitated that departments continually look for ways to do more with less, thereby driving many efficiency gains, but have resulted in some reductions in service levels in the past. Another option for the future is for City leaders to continue reprioritizing City services. Over

time, City needs and priorities change. Programs and services may be added or reduced based on community needs. Not every situation can be anticipated, but cyclical economic changes are to be expected over a long period of time. The City must continue to monitor legislation that can affect either revenues or expenditures and work to diversify Oklahoma City's revenue base. Through calculated, combined efforts, the City's projected General Fund financial gap can be addressed. Continued sound financial management will be the key to ensure the City will be able to live within available resources during the next few years.

