

City of Broken Arrow

Fiscal Year 2019

Municipal Budget Presentation

By Michael Spurgeon, City Manager



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City of Broken Arrow

FY-2019

The City of Broken Arrow
operates on a Fiscal Year
Budget Cycle:

July 1 – June 30



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FY-2019 Budget Considerations



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- The City has the following priorities:
 - Fiscal soundness
 - Economic development administration
 - Public safety
 - Affordable and effective public utilities
 - Investments in public infrastructure
 - Great downtown (Rose District)
 - Maintain high degree of civic engagement
 - Maintain great quality of life in community



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- The Budget document includes the Budget Book and the City Manager's Budget message.
- Budget Book includes:
 - Proposed revenue & expenditures for each fund;
 - Pie charts of revenue and expenses;
 - Proposed department budgets; and
 - Special funds: proposed expenditures, revenues, and fund balance.



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- The Municipal Budget serves the following purposes:
 - A “blueprint” for providing municipal services;
 - Financial plan for the fiscal year;
 - Matches available resources with community needs; and
 - Outlines the work plan and priorities for the organization.



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Key Budgeting Practices:

- Estimate revenues and expenditures conservatively;
- Ensure all funds balance;
- Include built-in contingencies for the unexpected (build up reserves); and
- Focus on long-term financial sustainability.



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Basis for Recommendations

- Implementation of Council's aggressive goal: great service to the community;
- Address our increasing demands for public infrastructure and public services as a part of a growing community;
- Implementation of our Parks Master Plan & Comprehensive Plan;
- Continue downtown redevelopment, Utilities Department CIP and GOB initiatives; and
- Maintain City of Broken Arrow's quality of place.



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Budget Concerns

- Concerns start on page 2 and ends on page 4 of Budget message.
- #1 challenge and consideration is over-dependency on sales tax and lack of another sustainable revenue source for operations.
- Internet sales. Amazon helped! Increase in collection in 2017 over 2016. Now use tax has tapered off.
 - Need to continue to lobby for full-level playing field on sales made on internet.
- Need sustainable revenue source for public safety. Right now Police and Fire use 100% of all applicable sales tax and we need another 8% of other available revenues to fund public safety.
- Utility Department – implementation of rate model and completion of CIP.



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FY-2019

Municipal Budget



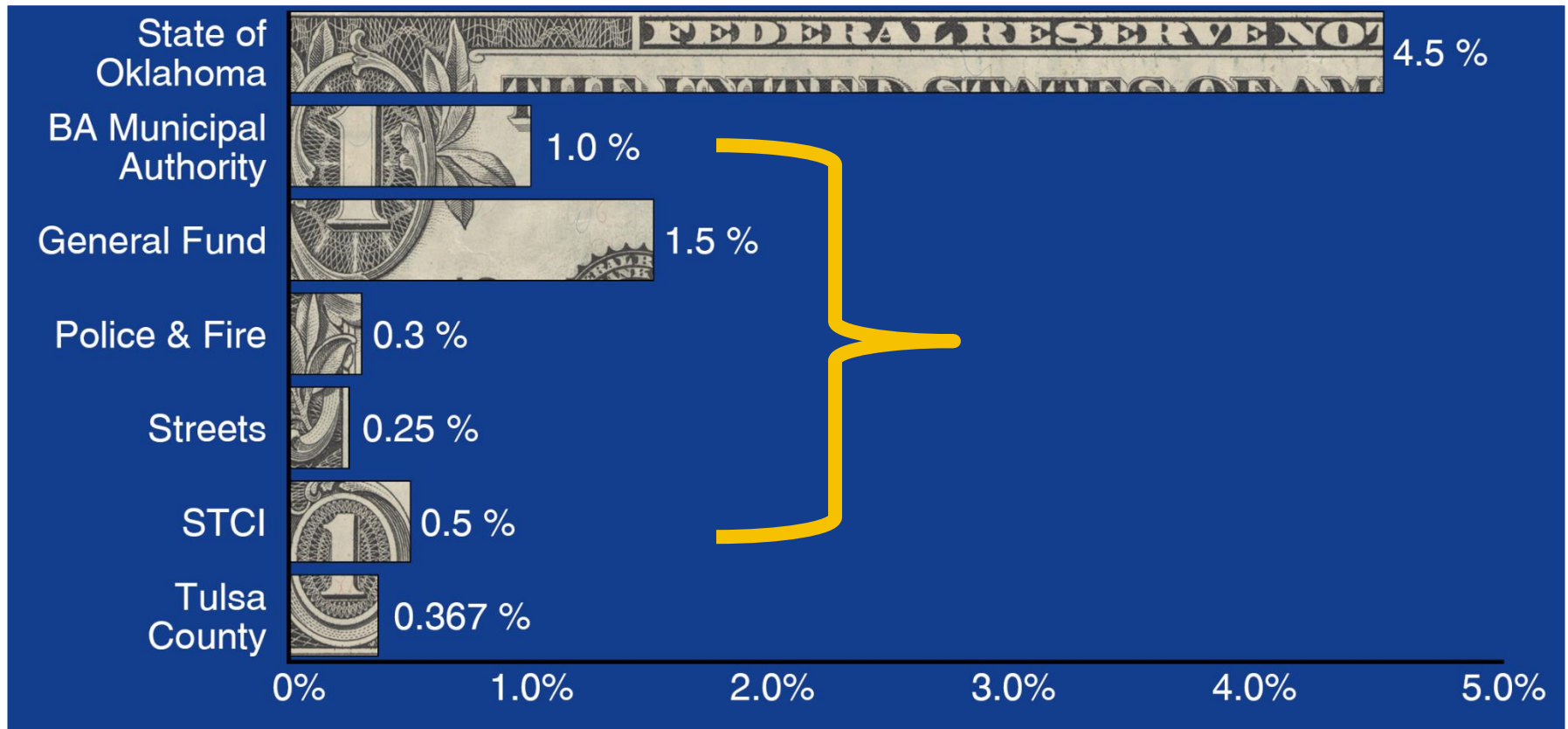
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Sales Tax Breakdown

Current Sales Tax rates

Tulsa County: 8.417% (detail shown below)

Wagoner County: 8.80%



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The City has a total of 27 different funds for the budget:

- The General Fund
- 3 Enterprise Funds (the Broken Arrow Municipal Authority, the Broken Arrow Economic Development Authority and Battle Creek Golf Course)
- 5 Capital Improvement Funds (Sales Tax Capital Improvement Fund and the General Obligation Issue Funds of 1994, 2008, 2011 and 2014)
- The Debt Service Fund
- 2 Internal Services Funds (Employee Group Health Care and Workers Compensation)
- 15 Special Revenue Funds that have specific revenue sources and rules that govern expenditures related to each fund.



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FY-2019 Proposed Municipal
Budget: \$254,116,194

1.9% increase over FY-2018
\$249,452,167



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Breakdown on FY-2019 Expenses:

- Operational - \$110,804,102
- Capital Outlay - \$114,393,492
- Debt Service - \$28,918,600

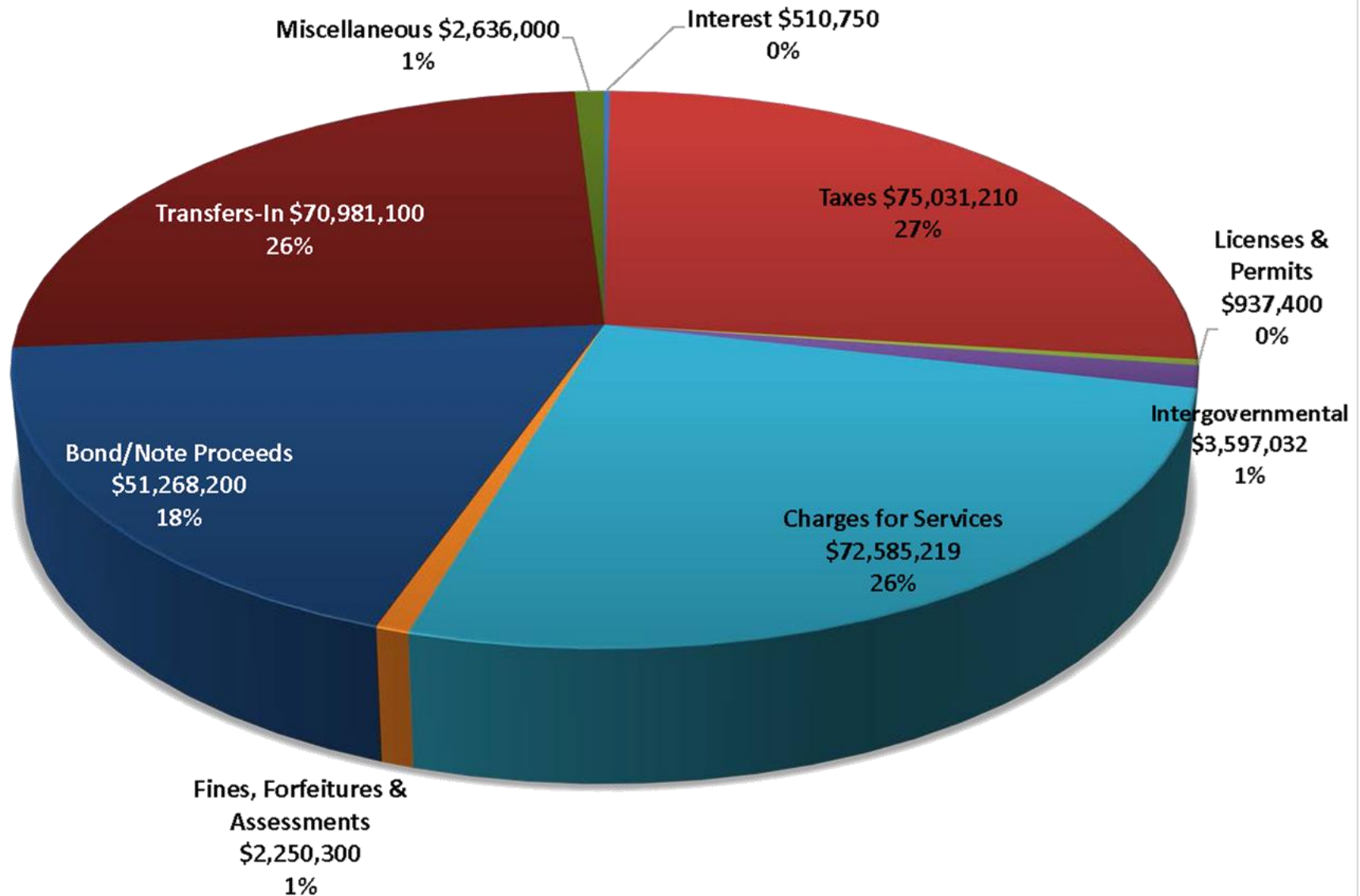
Total: \$254,116,194



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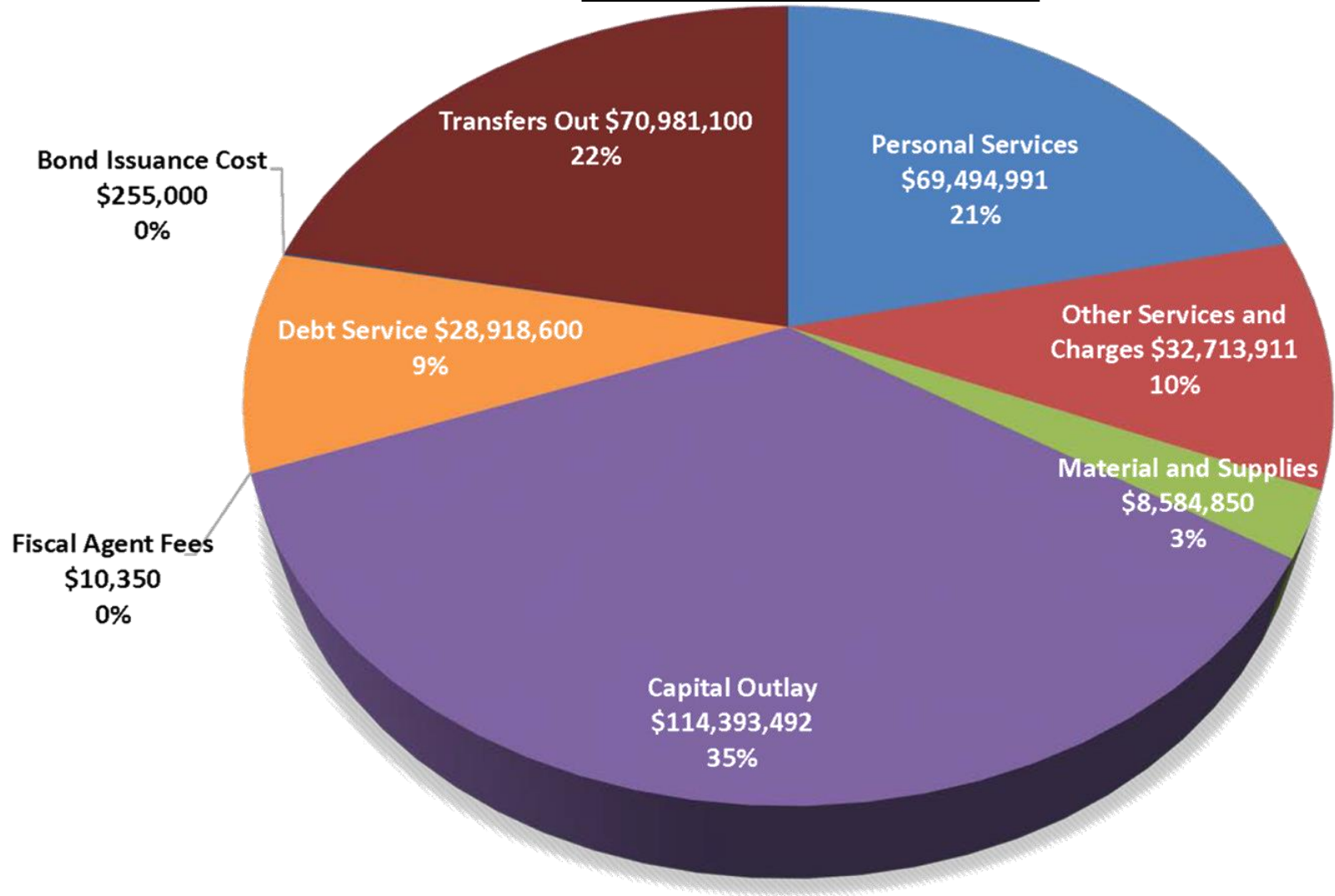
City of Broken Arrow Revenue Sources- Fiscal Year 2018-2019

Where does the \$\$\$ come from?



City of Broken Arrow Budget Expenditures-Fiscal Year 2018-2019

What does the \$\$\$ pay for?



Personal Services \$69,494,991

Capital Outlay \$114,393,492

Bond Issuance Cost \$255,000

Other Services and Charges \$32,713,911

Fiscal Agent Fees \$10,350

Transfers Out \$70,981,100

Material and Supplies \$8,584,850

Debt Service \$28,918,600

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FY-2019 General Fund

\$86,527,373

- Includes: Expenditures, transfers out, ending fund balance

FY-2018 General Fund: \$84,142,915

- Increase of 2.8% in operating costs, transfers out (public safety sales tax funds), and reserved fund balances



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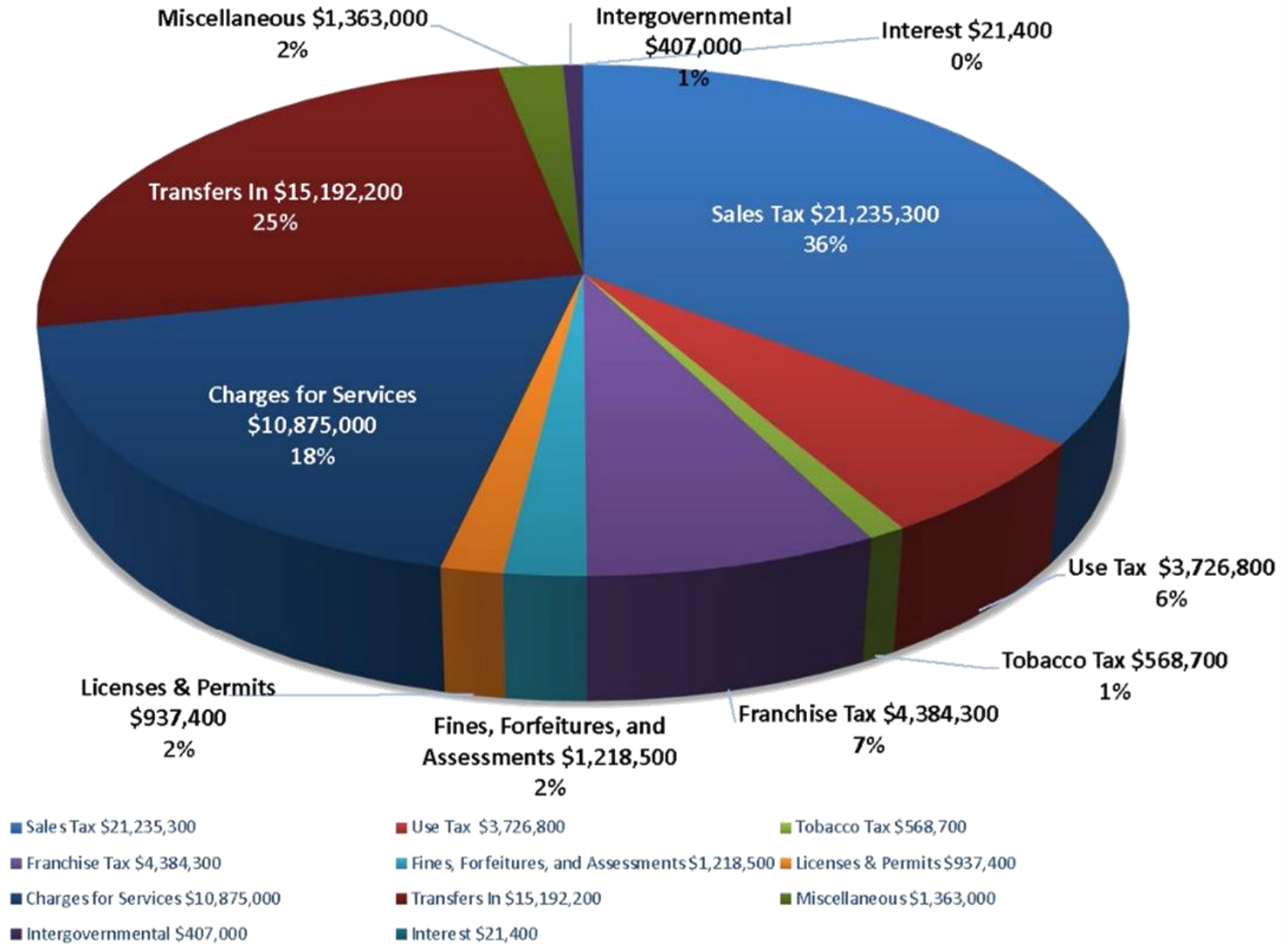
FY-2019 General Fund Revenue Projections:

- Slight increase projected in FY-2018 revenues
- Sales tax – projected 1%
- All other revenues – projected 2.65%
- All revenues combined – projected 1.7%

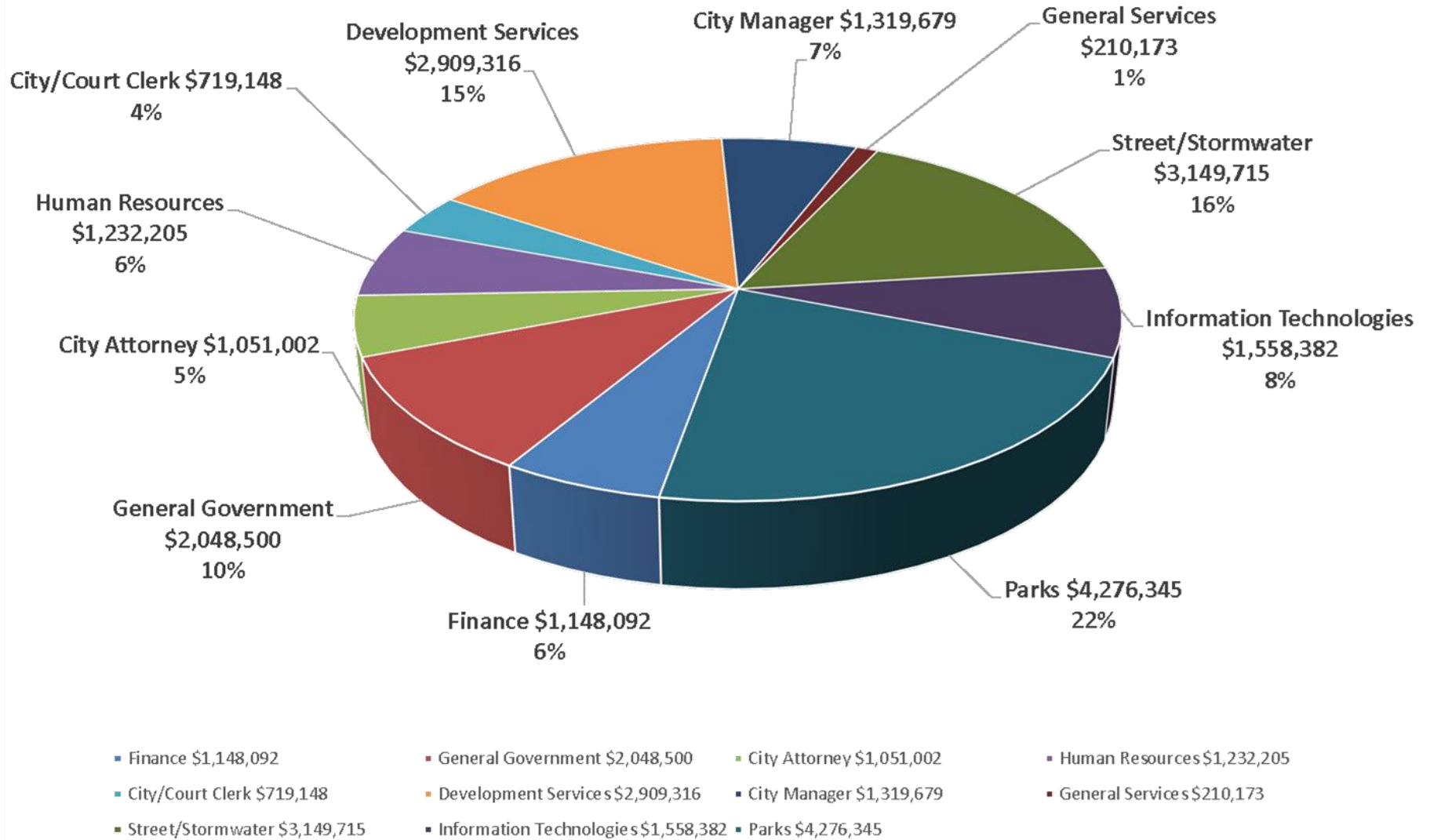


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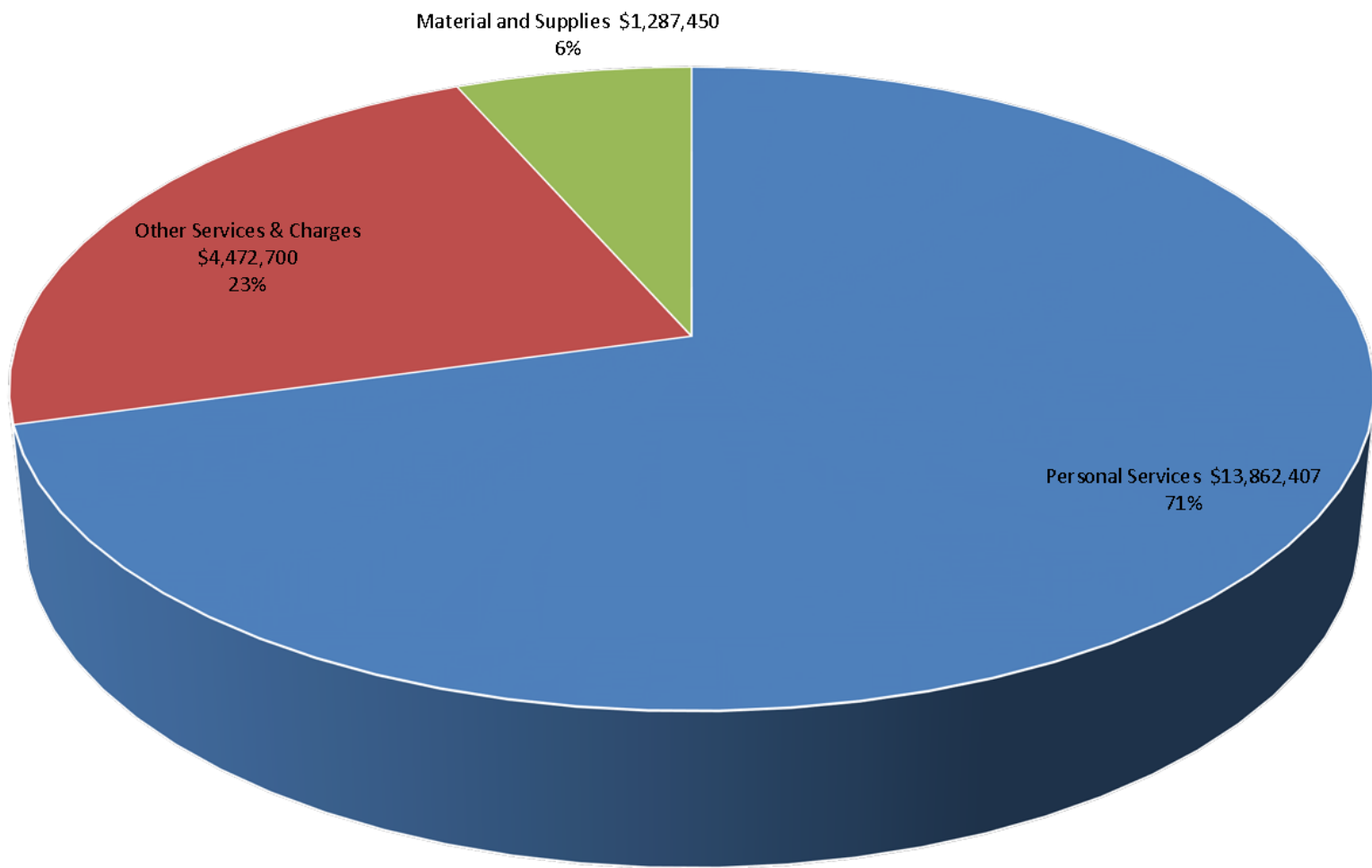
General Fund Budget Resources 2018-2019



General Fund Expense By Department 2018-2019



General Fund Expense By Classification 2018-2019



City of Broken Arrow

FY-2019 Personnel:

- Current total citywide - 798
 - Governmental funds: 550
 - BAMA: 248
- Proposed – 13 ½ new positions (811)
 - Governmental funds: 9 ½
 - BAMA: 4



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Oklahoma Cities Personnel Comparison

- Lawton – 875 full time
- Norman – 844 full time; 45 part time
- **COBA** – 798 (proposed 811) full time; 21 part time
- Edmond – 753 full time; 46 part time



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FY-2019

Broken Arrow Municipal
Authority (BAMA)

Budget



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FY-2019 BAMA Budget

\$112,219,135

- Includes: Expenditures, transfers out, ending fund balance, capital outlay, and debt service

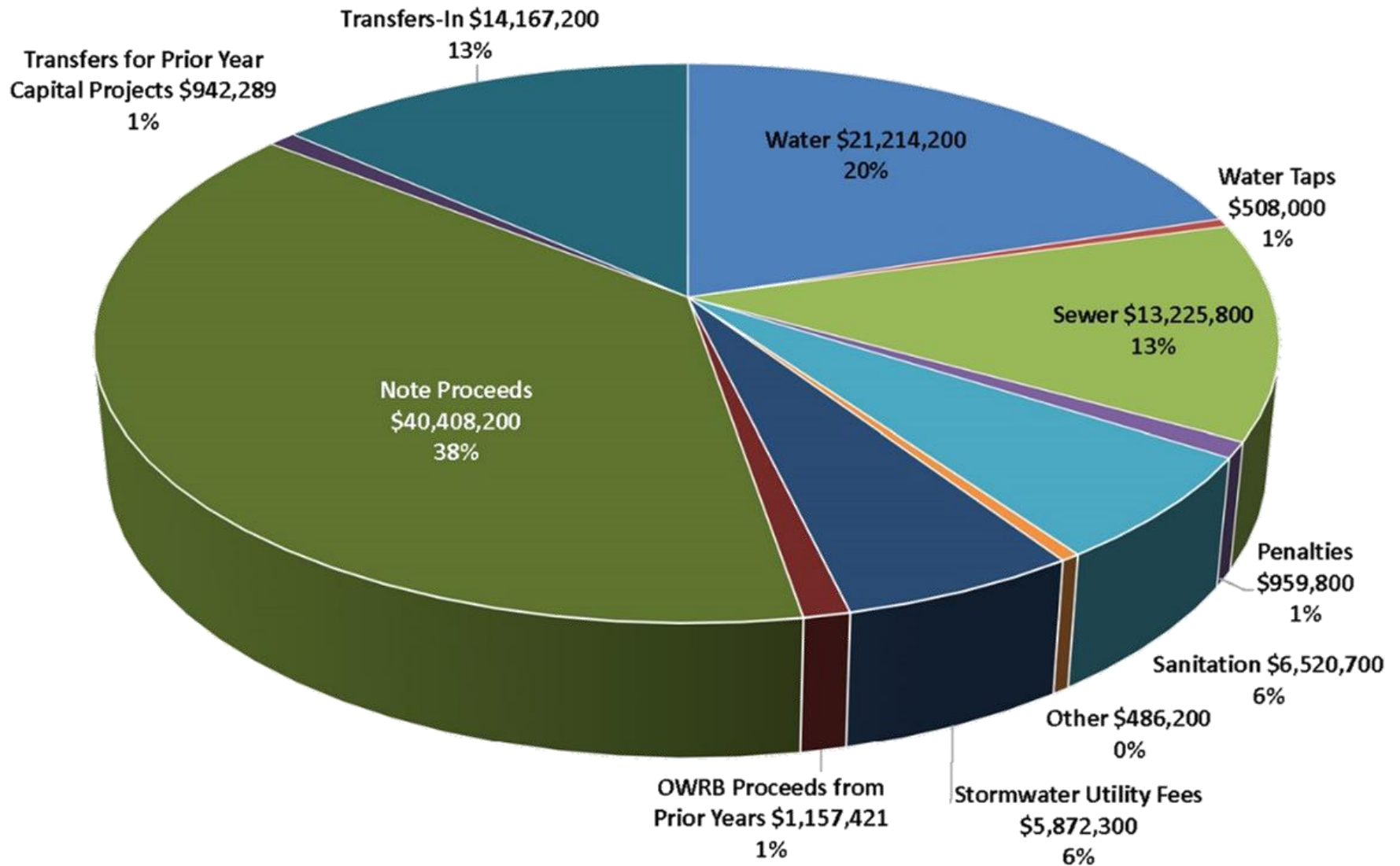
FY-2018 BAMA Budget: \$95,714,791

- Increase of 17.2% in operating costs, capital outlay (7 year CIP implementation), reserved fund balances, and debt service (OWRB loans)

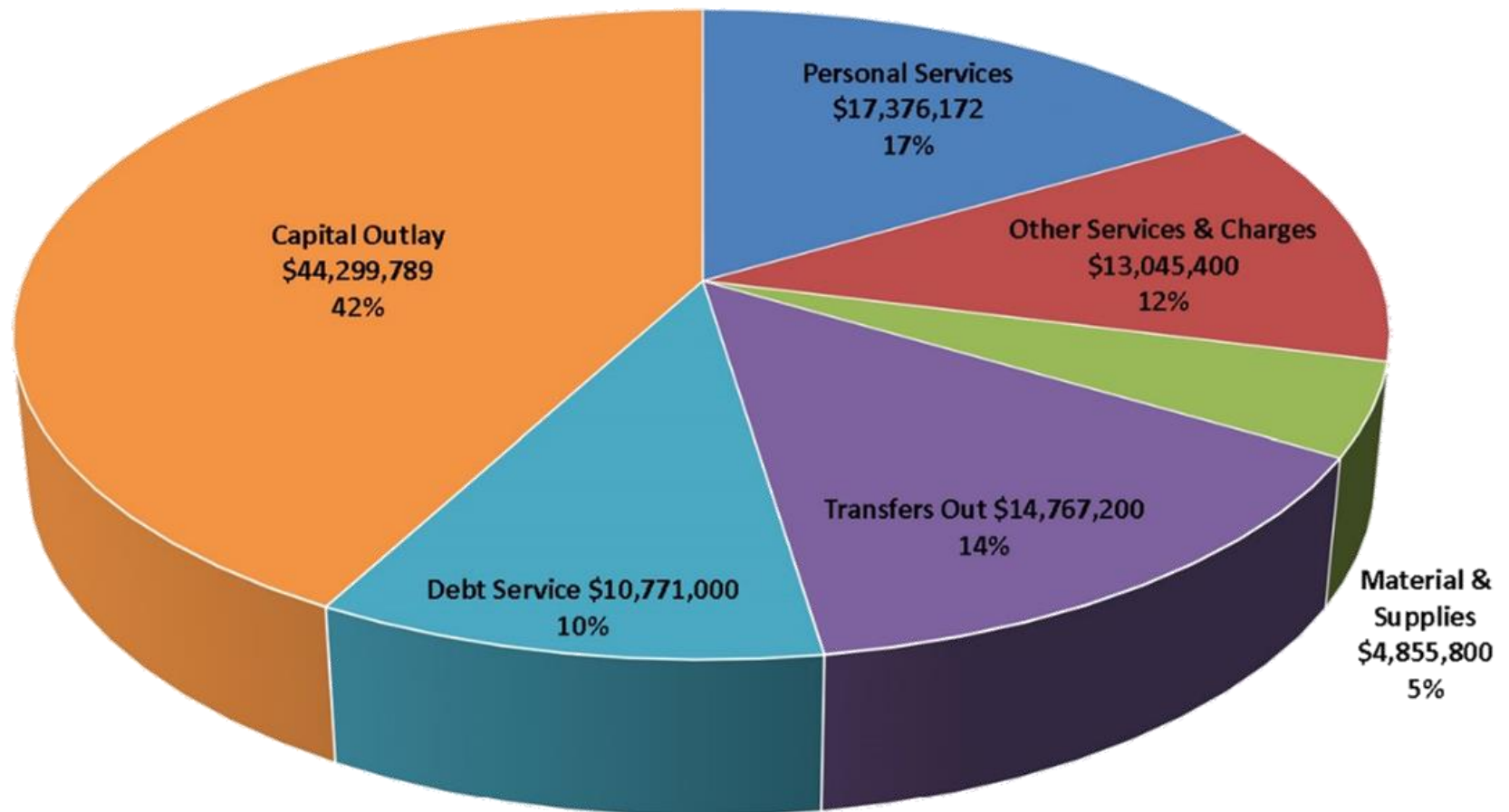


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Broken Arrow Municipal Authority Revenue Resources 2018-2019



Broken Arrow Municipal Authority Expenses By Classification 2018-2019



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BAMA Budget Highlights

- Year 3 of 5-year rate model
- \$3.9 million “pay as you go” capital
- Proposed OWRB Projects - \$25 million
- Remaining Capital Projects: Bonds v. Rates (\$50 million)



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Sales Tax Capital Improvement Fund (STCI)



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FY-2019 STCI

- 0.5% of 3.55% of sales tax for STCI
- Revenues estimated at \$7,888,400
- Fund used primarily for “pay as you go” capital expenses



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STCI Highlights

- Police vehicles - \$650,000
- Fire engine and other vehicles - \$630,000
- Street and Stormwater new and replacement vehicles - \$830,000
- Traffic Signal at Hillside Drive and 23rd Street - \$275,000



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General Obligation Bonds

- Issue \$10,860,000 remaining in 2014 GOB package
- \$38.8 Million in current 2011 and 2014 GOB Projects
- Voter consideration of 2018 GOB package – August 28, 2018



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BAMA CIP

- \$40.4 Million in OWRB projects underway
- \$823,000 for new utility vehicles and equipment
- County Line trunk sewer odor control equipment for \$235,000
- Upgrade water line on Jasper Street (Gardenia to Olive) \$209,000



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FY-2019 Work Plan

(CM Budget message pages 7-13)

- Communications and transparency
- Economic development administration and initiatives
- New street maintenance program (Vision 2025 funds)
- Approved GOB projects
- Various programs and initiatives, new and ongoing (pages 12-13)



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Budget Update

- Remaining 2014 GOB package

Pages 170-173



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Recognitions



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