



MEMORANDUM

Council Agenda
Item No. XI. U
3/11/2025

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

1. Public hearing regarding amendment to the Fiscal Year 2025 Budget.
2. Resolution adopting an amendment to the Fiscal Year 2025 Budget for the Fire Sales Tax Fund; Hotel/Motel Tax Special Revenue Fund; the MAPS 3 Use Tax Fund; the Oklahoma City Tax Increment Financing Fund; the Police and Fire Capital Equipment Sales Tax Fund; the Utilities Fund; and directing filing.

Background:

The following is a summary of the proposed changes to the FY25 budget.

Fire Sales Tax Fund

An amendment is necessary to increase budget authority in the amount of \$6,000,000 in the Fire Sales Tax Fund. Several increases are included in the total amount, which include: 1) Increase of \$3,000,000 to upgrade all defibrillators to the state-of-the-art Lifepak 35 model, which incorporates significantly more advanced technology. For the past two decades, the department has relied on the Lifepak 15 model, with an annual replacement of 8 to 12 defibrillators. Recently, both Tulsa and EMSA upgraded their defibrillators to the Lifepak 35 model, and the department believes this upgrade is essential to maintain the continuity of patient care; 2) Increase of \$2,000,000 for a remodel at Station 15 and increased construction costs for fire station remodels and improvements; and 3) Increase of \$1,000,000 for the Fire Technology project to upgrade the Computer Aided Dispatch system. An accompanying Council item is on the agenda to amend the Fire Sales Tax Resolution authorizing these expenses. The revenue source is Fund Balance (31.57% fund balance after amendment).

Hotel/Motel Tax Special Revenue Fund

On May 21, 2024, the City Council approved an ordinance amending the Oklahoma City Hotel Tax ordinance (Item No. XI AB), raising the hotel tax rate from 5.5% to 9.25%, effective October 1, 2024. This increase is expected to generate an additional \$8,945,929 in revenue by the end of fiscal year 2025. An amendment is necessary to allocate these funds for tourism and visitor programs, as well as for improvements at the OKC Fairgrounds and the Oklahoma City Convention Center. The revenue source is the additional hotel tax revenue received.

MAPS 3 Use Tax Fund

This amendment is necessary to increase budget authority by \$967,254 to fund various public safety related projects. Examples of projects include: Computer Replacement at the Regional

Multi-Agency Command Center for \$50,000, Interoperability repeater for the City's Mobile Radio site for \$25,000, and Police vehicle purchases for \$892,000. The revenue source is Fund Balance (0.0% fund balance after amendment).

Oklahoma City Tax Increment Financing Fund

Tax Increment Finance (TIF) projects are managed through the Oklahoma City Economic Development Trust (OCEDT). When the state contributes matching funds to a TIF project it must be received in a City fund and the City then transfers those funds to OCEDT. This amendment adds \$2,950,000 in revenue related to projects associated with Dell and the Omni Convention Center Hotel and the corresponding budget authority necessary to transfer the funds. The revenue source is state matching funds.

Police and Fire Capital Equipment Sales Tax Fund

This amendment is necessary to increase budget authority by \$1,073,068 to fund various public safety related projects. Examples include the purchase of a Fire Search and Rescue Vessel for \$400,000, additional Fire dispatch consoles for \$110,000, and a new Fire ambulance for \$600,000. The revenue source is Fund Balance (0.0% fund balance after amendment).

Utilities Fund

To date, the Department has encountered 3,521 water line breaks and leaks, which is an increase from the 3,458 incidents reported in the previous fiscal year. This surge in breaks and leaks has led to higher-than-projected expenses for repair parts, asphalt, crushed rock, materials, and supplies. To cover the necessary repairs for the remainder of FY25, it is estimated that an additional \$1,240,000 in budget authority is required. The revenue source is payments from OCWUT.

No other City funds are being amended. The net effect on the total budget for the City is an increase in expenses and revenue of \$21,176,251. The City's total budget for FY25 will be \$2,026,468,825.

The resolution today amends the FY25 budget for the City of Oklahoma City and directs that the amended budget be filed and administered according to the provisions of the Oklahoma Municipal Budget Act. Attachment A provides a summary of the changes, while Attachment B provides the changes that would be made in each fund when the amendment takes effect.

Review:
Finance

Recommendation: Resolution be adopted.