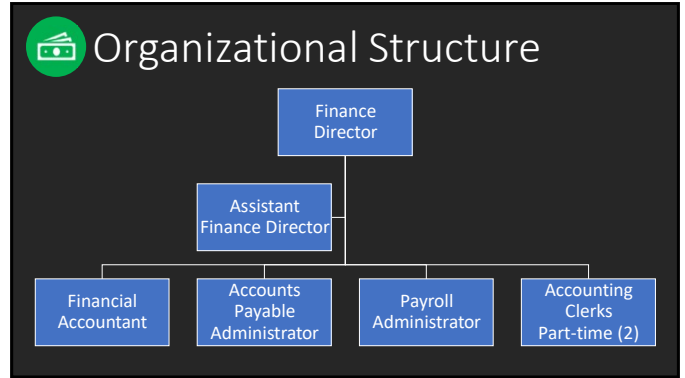


Adopted June 20, 2023 Fiscal Year 2024 Proposed Budget

Balancing the Budget

Lindsey McNabb-Fox, Finance Director

1



2

Areas of Focus

- Types of Revenue
- Revenues & Transfers
- Municipal Funds
- *Several...* Revenue Sources
- *All About...* Sales Tax
- Budgeting Guidance
- Budget Development
- General Fund Budget
- Capital Expenditures
- Financial Reporting *and more*

3

Types of Revenue

Recurring	Periodic	One-Time
<ul style="list-style-type: none"> • Sales Tax • Use Tax • Service Charges • Licenses & Permits • Rental • Interest 	<ul style="list-style-type: none"> • 2018 Half-cent Sales Tax • Tax Increment Financing • Community Development Block Grant (CDBG) 	<ul style="list-style-type: none"> • Fund Balances • ARPA • Loans (OWRB) • Federal & State Grants • Donations

4

Revenue Accounting & Transfers

Per Title 11 OS 17-206 C. "Included in the budget of revenues or expenditures for any fund may be amounts transferred from or to another fund. Any such interfund transfer must be shown as a disbursement from the one fund and as a receipt to the other fund."

Example			
City of Shawnee - Sales Tax Collection			
	Revenue	Expense	
Police Sales Tax Fund			
Received from OTC	\$ 422,000	\$ -	
Transfer-out to General Fund	\$ -	\$ 422,000	
Subtotal	\$ 422,000	\$ 422,000	
General Fund			
Transfer-in from Police Sales Tax Fund	\$ 422,000	\$ -	
Police Department Expenditures	\$ -	\$ 422,000	
Subtotal	\$ 422,000	\$ 422,000	
Total as Budgeted	\$ 844,000	\$ 844,000	
Actual Cash Total	\$ 422,000	\$ 422,000	

Annotations: Sales Tax from OK Tax Commission, GF receipt of transfer from PSTF, PSTF transfers full amount to GF, GF spends funds as needed.

5

Municipal Funds

Not associated with the Shawnee Municipal Authority or Shawnee Airport Authority

<ul style="list-style-type: none"> • General Fund • Grant Fund* • Street & Alley Fund • Economic Development Fund • Hotel/Motel Surcharge Fund • Capital Improvement Fund • Street Improvement Fund 	<ul style="list-style-type: none"> • E-911 Fund • Spay/Neuter Fund • Police Sales Tax • Fire Sales Tax • Tax Increment Financing Fund • American Rescue Plan (ARPA) Fund • Workers Compensation 	<ul style="list-style-type: none"> • CDBG • CDBG-CV • 2018 Capital Sales Tax • 2023 Capital Sales Tax* • Cemetery Perpetual Care • Insurance Recovery Fund* • Aquatic Fund • Library Fund • Sister Cities Fund
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*New fund for FY23-24

6

Municipal Funds (cont.)

Budget Info

Fund

City of Shawnee, Oklahoma
Shawnee Budget Activity
Shawnee Major Activity
"2023-2024" (Proposed Budget Year)
Fiscal Year 2023-2024

Fire & Police

Operating Reserve

Transfers

7

Revenue Source - PSPD

- Public Safety Protection District (PSPD) Enacted by the Oklahoma Legislature in 2021
- After 60% voter approval, allows for up to 5-mill tax on properties solely for public safety
- 5-mill max. amount estimated to be \$1 million

In the Attorney General's Opinion #2023-10, municipal PSPDs were declared unconstitutional.

8

Revenue Source - TIFs

- Capture Tax on Increased Property Value
- Legal Process for Creation of District
- Requires a Plan & Max. Life of 25 Years

Cannot be used for Operations

Increased Value

Base Assessed Value

9

Revenue Source – TIFs (cont.)

- Amended and Restated Shawnee Downtown Revitalization Plan

Projects	Cost
Public Infrastructure, Facilities, and Improvements	\$ 7,810,000
Assistance in Development Financing	\$ 3,750,000
Aldridge Hotel Payments*	\$ 250,000
Implementation and Administration	\$ 200,000
Contingency	\$ 100,000
Total Project Costs	\$12,110,000

10

Revenue Source – TIFs (cont.)

- Last Project Expenditure - Fiscal Year 2018
- TIF (1+2) Fund balance = \$855,871
- 5% Payment to Shawnee Public Schools in the amount of \$22,760
- Aldridge Hotel Payment Calculations
- Continued Evaluation

11

Revenue Source - Sales Tax

Cities

Counties

Schools

State

Sales Tax

Sales Tax

Ad Valorem

Sales Tax (via City or County)

Federal Funds

State Appropriations

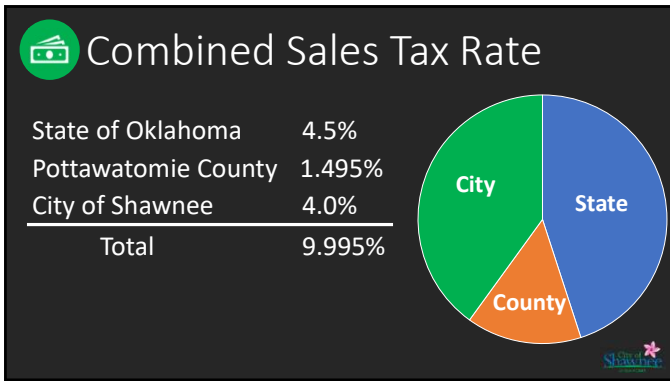
Sales Tax

Income Tax

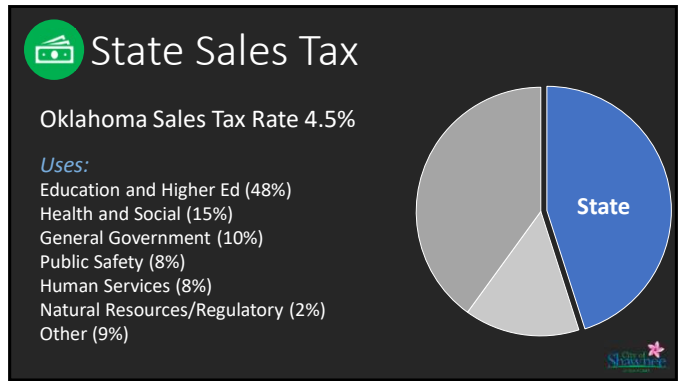
Gross Production Tax

Motor Vehicle Tax

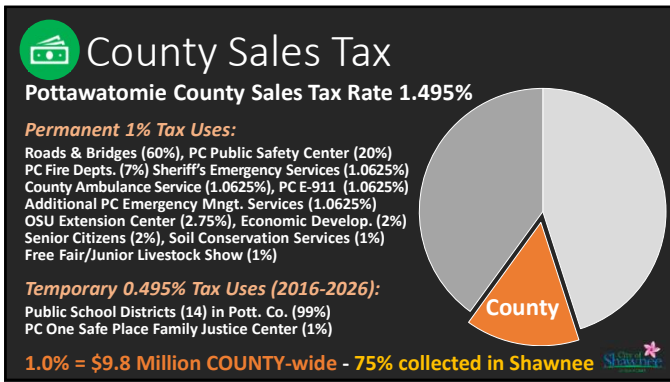
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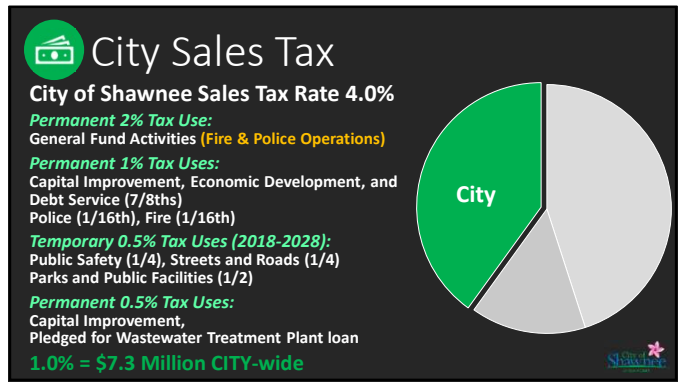
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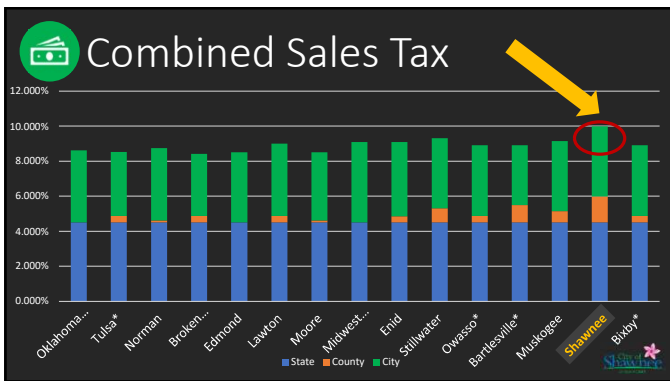
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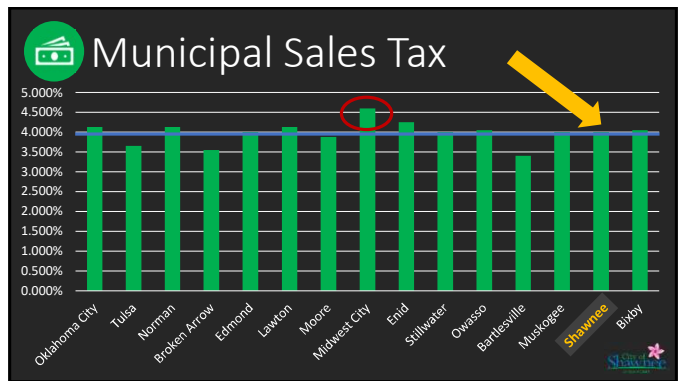
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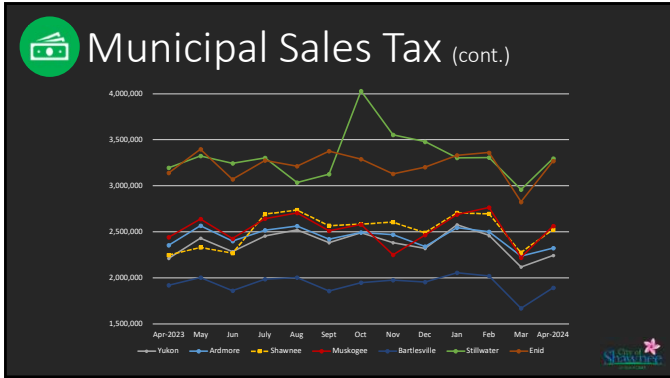
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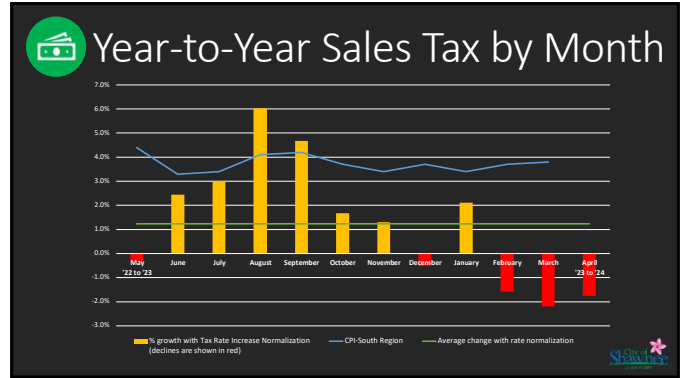
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19



20

Budget Guidance

- Compliant with Oklahoma Constitution, Article 10, Section 14
 - Taxes may be collected for public purposes only
- Governed by Oklahoma Municipal Budget Act, Title 11 OS 17-201
 - Budgeted expenditures cannot exceed estimated revenues
- Budgeting and Financial Planning Policies, adopted March 2022
 - Requires 2% contingency and 14 to 20% operating reserve
- Adopted Annually for the Fiscal Year July 1 – June 30
- Careful Revenue Estimation & Monthly Monitoring

21

Budget Development

Revenue Projection

- Review of -
 - Current trends
 - Historical receipts
 - Growth patterns
 - Availability constraints or new legislation
- Conservative revenue estimation

Needs vs. Revenues

- Joint analysis of department budget
- Review of current actuals vs. budget
- Include ALL core employee & operational needs
- Other improvements by order of priority

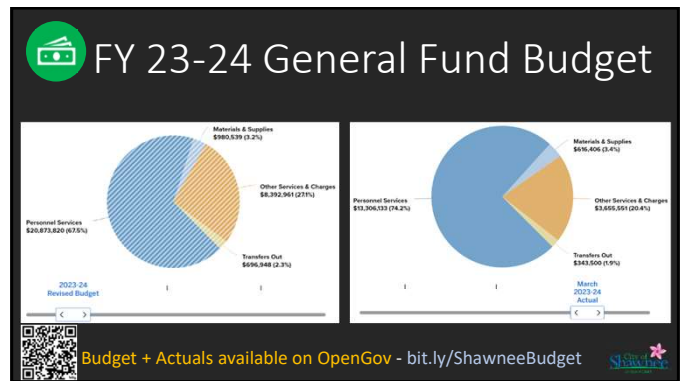
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Budget Development (cont.)

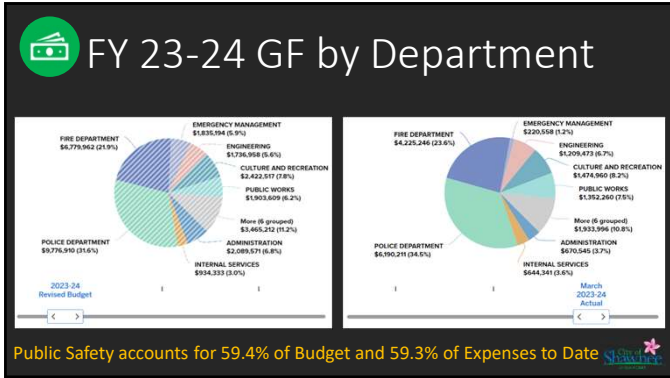
“Budget Building” Considerations in Order of Priority

- 1st – Wages, Benefits, Scheduled Merit Steps for all Current Employees, Necessary Training
- 2nd – Must-have Operational Expenses, such as Hard- and Software, Equipment, Supplies, and Services
- 3rd – Cost associated with Additional Training
- 4th – Program Changes or Improved Activities
- 5th – Potential Requests to Add Staffing

23



24



25

Capital Expenditures

Capital Project is:

An outlay that results in the acquisition of, or addition to, a capital asset with an anticipated useful life of not less than five (5) years and meets the capital project threshold as follows:

Infrastructure - \$50,000; Facilities and Land - \$50,000; Vehicles - \$20,000; Machinery & Equipment - \$20,000

26

Capital Expenditures (cont.)

- Capital Improvement Plan Policy (adopted by Commission December 2022)
- Five-year Plan adopted annually or biennially
- First 5-year plan was adopted for FY 2024 - 2028
- Bi-annual progress report to City Commission

27

Example FY 23-24 Public Safety

Capital Project Info available on Dashboard - bit.ly/ShawneeCIP

28

Financial Reporting

Annual Comprehensive Financial Report and Independent Audit are required

- OK Title 11 OS 17-105
- Government Accounting Standards Board
- Government Auditing Standards

Received the *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association for FY21-22 and the prior 14 years.

29

Finance Stats

<p>Monthly</p> <ul style="list-style-type: none"> • 1,000 Invoices processed • 20 Bank Reconciliations • 120 deposits recorded • Over 100 journal entries • 200 Accounts Receivable accounts billed 	<p>Annually</p> <ul style="list-style-type: none"> • Payroll for 405 employees • 5,082 Purchase Orders in FY23 • 10 Budget Amendments & 70+ Budget Transfers in FY23
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30



Thank you! Questions?
Finance Department

