

2019 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

Stillwater, Oklahoma - Fiscal Year 2019 Financial and Operational Briefing

Date: December 12, 2019 (Fiscal Year ended June 30, 2019)

Prepared by: City of Stillwater Department of Finance

This briefing summarizes key financial, demographic, and operational highlights for the City of Stillwater, Oklahoma, based on its Comprehensive Annual Financial Report (CAFR) and adopted budget for Fiscal Year 2019, along with various budget amendments.

I. Executive Summary

The City of Stillwater, a municipal corporation organized in 1891 and located in north central Oklahoma, serves as a regional hub for shopping, entertainment, healthcare, and education, and is home to Oklahoma State University. **For FY2019, the city maintained a strong financial position**, receiving an unmodified ("clean") audit opinion on its financial statements. The city operates under a council-manager system, with a focus on fiscal responsibility, transparency, and effective service delivery as outlined in its 2018-2022 Strategic Plan. Key financial metrics indicate a stable revenue base primarily driven by sales tax, and ongoing capital improvements across various departments.

II. Key Financial Highlights (FY2019)

A. Overall Financial Position

- **Audit Opinion:** The independent audit firm, Berberich Trahan & Co., L.L.P., issued an "unmodified ('clean') opinion on the City's financial statements for the year ended June 30, 2019." This indicates the financial statements are presented fairly in all material respects.
- **Net Position (Accrual Basis):Governmental Activities:** \$216,159,027 (2010: \$179,947,928; 2018: \$209,744,268). There has been a steady increase in net position for governmental activities over the past decade.
- **Business-type Activities:** \$119,793,416 (2010: \$80,179,141; 2018: \$113,521,050). Business-type activities also show consistent growth in net position.
- **Total Primary Government:** \$325,828,783 (2010: \$260,127,069; 2018: \$323,265,318).
- **Net Investment in Capital Assets:** A significant portion of the city's net position is invested in capital assets. For FY2019, this was \$212,083,387 for primary government and \$100,788,701 for business-type activities.

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B. Capital Assets

- **Total Capital Assets (expressed in \$000s):** 2019: \$499,706 (\$151,288 Governmental; \$348,418 Business-type)
- **2018:** \$481,200 (\$149,635 Governmental; \$331,565 Business-type)
- **Infrastructure:** Saw a significant increase in 2019, reaching \$348,495,000 across governmental and business-type activities, up from \$325,138,000 in 2018. This indicates ongoing investment in roads, utilities, and other public works.
 - Specifically, miles of streets increased from 216 in 2010 to 234 in 2016-2019.
- **Construction-in-Progress (CIP):** Decreased in 2019 to \$28,941,000 from \$38,201,000 in 2018, suggesting completion of some projects.

C. Revenue and Expenditures (Accrual Basis)

- **Total Primary Government Expenses (FY2019):** \$112,047,905.
- **Total Primary Government Program Revenues (FY2019):** \$91,078,462.
- **Net (Expense)/Revenue for Governmental Activities:** (\$33,666,173) in FY2019, representing a decrease in net expense compared to FY2018 (\$37,021,826). This indicates a slight improvement in the efficiency of governmental operations relative to program revenues.
- **Net (Expense)/Revenue for Business-type Activities:** \$12,696,730 in FY2019, which is lower than FY2018 (\$17,058,592).

D. General Fund (Modified Accrual Basis)

- **Total Revenues (FY2019):** \$39,247,324. This shows a consistent revenue stream, slightly down from FY2018 (\$39,645,639).
- **Total Expenditures (FY2019):** \$39,028,872. This is an increase from FY2018 (\$36,460,441).
- **Excess of Revenues over (under) Expenditures:** \$218,452 in FY2019, a significant positive shift from a deficit of (\$1,409,094) in FY2018.
- **Primary Revenue Sources:** Sales & Use Taxes: Consistently the largest revenue source for governmental activities. In FY2019, sales taxes generated \$30,791,644, representing 88.97% of total taxes.
- The City of Stillwater's **sales tax rate is 3.50%**, with an additional 4.50% for the State of Oklahoma and 0.813% for Payne County, totaling 8.813%.
- **The 3.5% sales tax is allocated:** 2.0% for City general sales tax, 1.0% transferrable to SUA (Stillwater Utilities Authority), and 0.5% dedicated to transportation projects.
- **Property Taxes:** \$927,799 in FY2019.
- **Franchise and Public Service Taxes:** \$2,049,701 in FY2019.

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E. Stillwater Utilities Authority (SUA)

- **SUA Revenue Estimate (FY19):** \$78,275,723, with Electric Sales being the largest component at 62.83% (\$49,181,283).
- **Electric Utility:**
 - Annual sales in FY2019 for commercial customers were \$18,413,545, residential \$22,873,131, and industrial/institutional \$5,432,937.
 - Electric connections have steadily increased, reaching 21,324 in 2019.
- **Budget amendments indicate significant investments:**
 - \$600,000 for "System Extensions" from the Rate Stabilization Fund (FY19-A1).
 - \$90,000 to "Block 34 Overhead Elec. Removal" from electric service removal (FY19-A10).
 - \$20,000 for "Industrial Substation Replacement" (FY19-A13).
 - \$4,116,000 for "Advanced Metering Infrastructure" from Electric Rate Stabilization Fund (FY19-A4).
 - \$656,798 transfer from Rate Stabilization Fund for "Boomer Lake Station Transformer Replacement" (FY19-A7).
- **Water Resources:**
 - Water connections reached 18,783 in 2019.
 - Water treated (million gallons) was 1,849 in 2019.
- **Budget amendments show substantial projects:**
 - \$1,300,000 increase for "Hospital Area Waterline" replacement (FY19-A12).
 - \$350,000 for the same project from Water Capital Fund (FY19-A12).
 - \$16,664 for "SCADA View-Only and Backup" from Wastewater Fund (FY19-A11).
 - \$19,507 for fiber optic system extension (FY19-A2).
 - \$31,439 for "Software" for water treatment plant automation (FY19-A3).
 - \$4,384,000 for AMI project, shared costs for water/electric (FY19-A5).
 - \$242,225 from Water 2040 Package A loan for "West 51 Booster Pump Station and Range Tower Waterline" design (FY19-A13).
 - \$49,900 for "Construction Contracts" for interceptor repair (FY19-A13).
 - Decrease of \$595,580 from "WTP Pump Upgrade" (FY19-A13) and \$500,000 from "Water Customer Valves" (FY19-A13).
 - \$456,896 for "BPS Generator" from OEM/FEMA Grant Funds (FY19-A13).
- **Waste Management:**
 - Landfill usage in 2019 was 21,041 tons.
 - Yard waste hauled was 1,185 tons.
 - **Budget amendments indicate:**
 - \$159,190 for "Professional Services" for Solid Waste Assessment and Management Study (FY19-A12).

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- \$45,000 additional for "Professional Services" for Solid Waste Cost of Service Study (FY19-A13).
- \$30,000 increase for "Welding Supplies" (FY19-A3).
- Transfer of \$85,000 in and out related to full-time, social security, and retirement for a new welder position (FY19-A3).
- Transfer of \$4,843,762 to increase waste management fund balance (FY19-A5).

F. Debt and Liabilities

- **Defined Contribution Plan (City Manager Plan):** The City provides a defined contribution plan for the City Manager. The City contributed 6% and the employee 3% for the year ended June 30, 2019, totaling \$14,400 (\$9,600 from City, \$4,800 from employee). Benefits depend solely on contributions and investment earnings, with 100% vesting upon participation.
- **Long-Term Debt:** The ratio of general bonded debt to actual value of taxable property was 0.35% in FY2019.
- The total direct and overlapping debt for governmental activities as of June 30, 2019, was \$44,972,000.
- **New accounting standards adopted:** GASB Statement No. 88, which improves "information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements."

III. Key Operational Highlights

A. Strategic Priorities (2018-2022 Strategic Plan)

The City Council adopted a Strategic Plan on February 12, 2018, outlining six key priorities:

- **Effective Services & Accountable Government:** "To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency and outstanding customer service."
- **Inspired Management:** "To demonstrate leadership, management and planning skills that focus on results needed to create a better community."
- **Safe Community:** "To identify effective services that enhance relationships, responsiveness and quality customer service to promote a safe and secure community."
- **Place & Mobility:** "To develop a strong sense of place that recognizes the interconnectedness of people, buildings and public systems (such as transportation, utilities and parks) that best serve the needs of the public."
- **Quality of Life:** "To develop partnerships that create a high quality of life with equal access to services and amenities; strong and connected neighborhoods; and a healthy economy and business atmosphere that align with community values."

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- **Civic Engagement:** "To encourage participation and an understanding of government through outreach and inclusiveness initiatives that inspire trust and confidence in local government."

B. City Workforce & Services

- **The City employs** 558.5 full-time equivalent positions, providing an "average of 11.2 years of service to residents, business and visitors."
- **Police:** 125 positions (22.38% of total FTEs).
 - **Traffic citations:** 5,668 (up from 5,511 in 2018).
 - **Parking tickets:** 9,531 (down from 13,110 in 2018).
 - **Police calls for service:** 38,999 (down from 40,573 in 2018).
 - **Police personnel costs** increased by \$138,194 due to a Police Services Agreement (FY19-A2).
 - **Donations for Public Education:** \$10,000 from Wilson Chevrolet (FY19-A8) and \$200 from Alice Fancher (FY19-A9).
- **Fire:** 79 positions (14.15% of total FTEs).
 - **Fire calls for service:** 4,721 (down from 5,859 in 2018).
 - **Donations for Public Education:** \$9,000 (\$4,500 each from Pi Kappa Alpha and unspecified source (FY19-A10), and \$400 from Karen Beeby and Raising Cane's Chicken (FY19-A11)).
- **Library:** Volumes in library: 100,035 (up from 87,916 in 2018).
 - **Total circulation of library materials:** 374,176 (up from 352,953 in 2018).
- **Budget amendments for various grants and donations:**
 - \$23,275 from Oklahoma Department of Libraries for eMedia purchases (FY19-A4).
 - \$35,500 Federal Grant for Oklahoma Virtual Library Consortium (FY19-A6).
 - \$1,500 Federal Grant for digitizing Payne County Spanish American War Veterans collection (FY19-A7).
 - \$9,000 Federal Grant for health literacy project (FY19-A7).
 - \$1,000 from Oklahoma Humanities for "Let's Talk About It Oklahoma" program (FY19-A7).
 - \$29,700 from Friends of the Stillwater Public Library for children's, teens, and adults programming (FY19-A7).
 - \$5,545 Federal Grant for health literacy project (FY19-A9).
 - \$10,000 from 2018 Charitable Trust grant from Children's Reading Charitable Trust (FY19-A9).
 - \$19,862 State Aid Grant (FY19-A9).

C. Capital Improvement Projects & Budget Amendments

- **Transportation/Street & Sewers:**
 - **Significant focus** on pavement management and capital improvements.

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- **Knoblock Street Repair:** A collaborative project with Oklahoma State University (OSU) for street repair. Total cost is \$154,762.90 for the west lane, and an estimated \$75k-80k for the east lane. OSU is responsible for \$76,351.10 of the west lane cost (FY19-A10).
- **North Perkins Road Improvement Project:** \$250,000 requested for "Acquisition of Right-of-Way" (FY19-A10).
- **Water Line Relocations & Sewer Relocation:** \$161,700 for Perkins Rd Water Line Relocations (FY19-A12), and a \$5,300 decrease from Perkins Road Sewer Relocation (FY19-A12).
- **Pavement Management Plan:** The city is adopting a 5-year Pavement Management Plan and 5-Year Capital Streets Plan, with a proposed allocation of \$2.5 million from the ½ cent sales tax for FY19 (FY19-A10).
- **Overall budget for capital improvements** is \$3,060,000, including Crack Sealing (\$375,000), Deferred Maintenance (\$610,000), High Density Mineral Bond (\$300,000), Diamond Grind (\$465,000), Pavement Reconstruction (\$340,000), Testing (\$250,000), Engineering (\$260,000), and Contingency/Reserve (\$205,000).
- **Western Road Improvements:** An amendment for survey work for sidewalk design from Virginia to Farm Road, adding \$5,450.10 to the agreement (FY19-A13).
- **Stormwater Drainage Improvements:** \$120,000 for improvements to the drainage system from 6th Ave and Orchard St to Monticello Dr (FY19-A5).
- **General Fund for Transportation Projects:** The general fund allocates 14% of its sales tax to street improvements.
- **Airport:**
 - **Airline addition:** American Airlines announced new inbound/outbound flights starting May 2019, necessitating "additional staffing for airport maintenance and air fire rescue" (FY19-A10).
 - **Budget amendments reflect increased revenues:**
 - \$12,077 increase across Land Rental, Stand-by ARFF Fee, Concessions, Security Fee, and Parking Fee due to exceeding projections (FY19-A12).
 - \$30,033 increase across Vendor Sales Sharing, Miscellaneous Revenue, NonAviation Fuel Sales, Room Rental, Pasture Rental, and Interest on Accounts (FY19-A12).
 - \$36,000 increase from OAC Marketing Grant (FY19-A12).
 - \$220,000 increase for airport fuel purchases and sales (FY19-A13).
 - **Capital projects at the Airport include:**
 - "Renovations for Airport Building 2020" for \$27,345 (FY19-A12).
 - "Airport Fiber" installation for \$5,346.41 (FY19-A12).
 - \$549,521 for "Reconstruct Runway Lighting 4-22," 90% funded by FAA grant (FY19-A13).

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- \$3,401,400 for "Runway 4-22 Rehabilitation," 90% funded by FAA grant (FY19-A13).
- \$180,000 for airport security system and advertising upgrades, including transfers from general fund and airport (FY19-A3).
- \$1,000,000 for airport SPU/Capital Projects allocation (FY19-A5).
- **Public Safety:**
 - **Emergency Management:** \$25,000 allocated for a "Hazard Mitigation Plan" from FEMA and State OEM grants (FY19-A12). Additional funds were reallocated from "Outfit Pickup/Vehicle" and "Minor Supplies."
- **Water Treatment:**
 - \$49,000 for "Other Equipment" for water treatment plant turbidity instrumentation (FY19-A2).
 - \$23,000 for "Other Equipment" for ozone instrumentation and disinfections (FY19-A2).
 - \$21,122 for "Filter electrical instrumentation for depth monitors" (FY19-A5).
 - \$23,978 for "Water treatment plant incoming water valve and actuator replacement and upgrade" (FY19-A5).
 - \$17,952 for "Chemical Pumps" for water treatment plant (FY19-A7).
- **Community Development/Services:**
 - \$352,248 for "Payment In-Lieu-Of Construction" and "Construction" related to amended Avid Square and Brookside development agreements (FY19-A6).

Revenues from various sources for economic revitalization and new development were abated, totaling \$36,163 for the Business Improvement District #1, \$52,950 for commercial development, and \$310,985 for retail center development.

IV. Demographic and Economic Statistics

- **Population (2016):** 48,184 (estimated). The city has a land area of 28 square miles.
- **Unemployment Rate (Payne County):** 2.9% in 2019, a decrease from 5.8% in 2010, indicating a strong local economy.
- **Median Age:** 23.9 in 2010 and 24.1 in 2011, suggesting a relatively young population, likely due to Oklahoma State University.
- **Education Attainment:** In 2011, 93.3% of persons 25 years or older had a high school graduate or higher education, and 47.0% had a bachelor's degree or higher.
- **Household Income (2016):** The largest percentage of households (20.4%) earn less than \$10,000, while 10.9% earn between \$50,000-\$74,999.
- **Principal Employers (2019):** Oklahoma State University is the largest employer with 6,097 employees, followed by Stillwater Public Schools (1,031) and Stillwater Medical Center (979). This highlights the importance of education and healthcare sectors to the local economy.

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V. Reasons to Shop Local

The city actively encourages residents to "shop local" to:

- Reinvest sales tax dollars within the community.
- Support independent businesses, which often have deep roots and involvement in community development.
- Strengthen the local economy and create local jobs.
- Preserve the community's distinctiveness.
- Fund vital public services like police, fire, parks, streets, and other services that enhance the quality of life in Stillwater and Payne County.

VI. Government Structure and Accountability

- **Council-Manager System:** The City operates under a council-manager system, where the elected City Council sets policy and approves the budget, and the City Manager is responsible for daily administration.
- **Audit Committee:** A five-member advisory committee established by City Ordinance No. 1929, tasked with maintaining independence between external auditors and city management. Its responsibilities include reviewing financial statements, internal control deficiencies, and overseeing the audit function.
- **Budget Preparation:** The City prepares a budget to provide a flexible working plan, convert long- and short-term plans into services, establish expected revenues, define service costs, prioritize resource allocation, and benchmark actual revenues and expenses. This process involves public hearings and resident participation.

VII. New Accounting Standards Adopted

- **GASB Statement No. 83, "Certain Asset Retirement Obligations" (AROs):** Addresses accounting and financial reporting for AROs, which are legally enforceable liabilities tied to the retirement of tangible capital assets. Implementation for Stillwater required only a note disclosure for a possible ARO related to the wastewater system.
- **GASB Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements":** Aims to improve transparency in debt-related disclosures in government financial statements.
- **GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period":** Enhances relevance and comparability of information on capital assets and borrowing costs, and simplifies accounting for pre-construction interest. This statement resulted in discontinuing the capitalization of interest for business-type assets.

This briefing provides a comprehensive overview of the City of Stillwater's financial health, operational priorities, and key projects for Fiscal Year 2019, demonstrating a commitment to fiscal prudence and community development.

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