

# 2020 City of Stillwater, Oklahoma Historical Financial Data Analysis

## Briefing Document

4 July 2025

*Stillwater, Oklahoma: Key Financial and Operational Highlights (FY2020)*

### **1. Overview of Stillwater's Governmental Structure and Services:**

- Stillwater, Oklahoma, established in 1891 and operating under a council-manager form of government since 1960, serves as a regional hub for various services. The city, with a population of 50,000 across 28 square miles, is home to Oklahoma State University. The five-member council, including the mayor, holds policymaking and legislative authority, with councilors serving a maximum of twelve years. The City Manager, appointed by the council, then appoints department heads.
- Stillwater's financial reporting entity encompasses the primary government and its component units, providing a wide array of municipal services. These include:
  - Public Safety: Police, Fire, and Emergency Management.
  - General Government Functions.
  - Recreation and Culture.
  - Streets and Sewers.
  - Human Services.
  - Waste Management.
  - Airport and Public Improvement.
- **Key component units, substantially integrated into the primary government's operations, include:**
  - Stillwater Utilities Authority (SUA) - Reported as an enterprise fund.
  - Stillwater Economic Development Authority (SEDA) - Reported as an enterprise fund.
  - Stillwater Block 34 Trust - Reported as an enterprise fund.
  - Stillwater Public Works Authority (SPWA) - Reported as an internal service fund.
  - Stillwater Public Library Trust - Reported as a governmental fund.

*The Stillwater Medical Center Authority is a discretely presented proprietary component unit, meaning it's legally separate but the City is financially accountable for it as the beneficiary of the public trust.*

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### **2. Financial Performance (FY2020):**

- **Overall Net Position:** The total net position for the primary government increased to \$339,392,542 in FY2020 from \$325,828,783 in FY2019.
- **Governmental Activities:** Net position increased to \$100,288,215 in FY2020 from \$94,415,191 in FY2019. This increase was less than the prior year due to a decrease of \$2.9 million in transfers from the SUA and a \$4.9 million increase in public safety expenditures, largely driven by a \$3.6 million increase in pension expense.
- **Business-type Activities:** Net position increased by \$4.8 million (2.3%) to \$239,104,327 in FY2020 from \$231,413,592 in FY2019. This increase reflects the results of Stillwater Utilities Authority (SUA) operations.
- **Revenues:**
  - **Governmental Activities:** Sales and use tax revenue increased by \$0.2 million in FY2020 compared to the prior year. Total governmental activities program revenues were \$9,961,469 in FY2020, up from \$7,746,691 in FY2019. General revenues for governmental activities totaled \$42,904,712 in FY2020. Sales and use taxes were the largest revenue source at \$31,005,552.
  - **Business-type Activities (SUA):** Operating revenues decreased by \$2.3 million in FY2020. This was primarily due to a \$1.6 million decrease in the Production Cost Adjustment billed to electric customers and a \$0.7 million decrease in energy payments from the Grand River Dam Authority (GRDA) due to reduced power generation. Total operating revenues for proprietary funds were \$78,710,751 in FY2020.
- **Expenses:**
  - **Governmental Activities:** Total governmental activities expenses were \$47,472,123 in FY2020. Public Safety expenses significantly increased to \$25,232,995 in FY2020 from \$20,283,955 in FY2019.
  - **Business-type Activities (SUA):** Operating expenses decreased by \$2.8 million in FY2020, largely attributed to a lower Power Cost Adjustment from GRDA, their power provider. Total operating expenses for proprietary funds were \$69,064,570 in FY2020.
- **Fund Balances:**
  - **General Fund:** The General Fund's fund balance increased by \$1.4 million in FY2020, reaching \$14,637,286.
  - **Transportation Fund:** The fund balance increased by \$0.9 million, resulting from a ½ percent sales tax transfer dedicated to transportation improvements.

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### **3. Budgetary Information (FY2020):**

- **Budgeting Process:** The City prepares its budget following the Municipal Budget Act (O.S. 11 Section 17-201 – 17-216). Public trust budgets, while not legally adopted, have financial plans filed with the trust beneficiary. Revenue is estimated using historical data, current trends, and economic performance.
- **General Fund Budget:** The adopted budget for FY2020 included General Fund revenues of \$36.6 million, similar to FY2019. Budgeted expenditures increased by \$2.2 million from the previous year, focusing on core services like public safety, street maintenance, and recreation/culture. The final amended expenditure budget was \$8.0 million higher than the original due to carryovers from FY2019. Actual revenue collections were \$2.9 million over budget, largely due to higher intergovernmental revenue.
- **Budget Amendments:** Numerous budget amendments were processed throughout FY2020. Examples include:
  - Increased budget for Customer Service due to costs for manual meter reading (\$49,845).
  - Significant increases for Electric Rate Stabilization Fund for Electric Department vehicle purchases (\$537,570).
  - A \$200,000 grant for Fuel Farm Improvement at the Airport from Phillips 66.
  - Federal and state grants for the Library, including \$60,000 for eMedia materials and \$2,000 for the 1000 Book Before Kindergarten program.
  - Transfers from the General Fund for Airport land acquisition (\$455,000) and for the city's grant match on Phase II of the South Apron Project (\$655,555).
  - Approval of funds to continue gun range projects for the Stillwater Police Department, funded by the Stillwater Building Center reimbursement.
  - Allocating personnel budget increases for Waste Management (\$131,999 overall for admin and residential, with reductions in street sweeping and collection).
  - Major capital projects funded: Data Center/Network infrastructure upgrades (\$530,000), Council Chamber A/V Upgrade (\$125,000), and a \$1,000,000 reserve for transportation projects.
  - A significant budget amendment for Electric Utility indicated a decrease of \$3,250,000 in electric purchase power costs due to new rate structures of GRDA.
  - The city complied with all material budgetary laws for the year ended June 30, 2020.

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### **4. Debt and Revenue Capacity:**

- **Long-Term Debt (as of June 30, 2020):Governmental Activities:** Total long-term debt was \$458,000, consisting of general obligation bonds (\$413,000) and refundable grant obligations (\$45,000).
- **Business-type Activities:** Total long-term debt was \$103,907,000, primarily composed of notes and bonds payable (\$101,257,000) and capital lease obligations (\$2,650,000).
- **Total Primary Government Debt:** \$104,365,000.
- **The City** (excluding public trusts) requires voter approval for indebtedness extending beyond the current fiscal year, and no such debt was incurred in FY2020.
- **The Stillwater Utilities Authority (SUA)** has revenue bond debt secured by utility revenues and a one-cent sales tax. Pledged revenues are projected to cover 125% of debt service requirements.
- **Sales Tax Rates:** The City of Stillwater's sales tax rate remained constant at 3.50% from 2011 to 2020. The State of Oklahoma's rate was 4.50%, and Payne County's was 0.813% (increased from 0.75% in 2013).
- **Property Tax:** Ad valorem tax revenue can only be collected for general obligation bonds or court-assessed judgments, requiring citizen vote. In FY2020, ad valorem taxes received were \$1,005,401, with debt service payments of \$840,800, representing 84% of the total.
- **Electric Utility:** As of FY2020, the SUA served 2,483 average monthly commercial customers, 18,981 residential customers, and 5 industrial/institutional customers. The automatic electric utility rate escalator (3% or CPI, whichever is less) was suspended effective January 1, 2019, pending a cost of service study completed in Spring 2020, with rate adjustment discussions planned for Winter 2020.
- **Water and Wastewater Utility:** A cost of service and rate design study in FY2015 set rates for FY2016-2018. Similar to electric, the automatic rate escalator (3% or CPI, whichever is less) was suspended effective July 1, 2019, pending a study completed in Spring 2020, with rate adjustment discussions planned for Winter 2020.

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### **5. Key Operations and Capital Improvements:**

- **Public Safety:** Police calls for service decreased from 38,999 in 2019 to 33,232 in 2020, while traffic citations increased from 5,668 to 5,782. Fire calls for service decreased from 4,721 to 3,588.
- **Streets and Sewers:** Feet of striping increased from 12,364 to 15,284. Concrete replacement decreased from 1,006 to 727 cubic yards. Several transportation and water/wastewater capital projects were underway or completed in FY2020, including pavement management, waterline relocations, and wastewater treatment plant upgrades.
- **Airport Operations:** The Airport Fund's change over FY2019 adopted budget for revenues was +\$418,983 (33.5%) and for expenditures was +\$851,447 (46.6%). Capital projects at the airport included apron expansion phases (Phase I and II), a fuel farm upgrade, and various terminal improvements. Oklahoma State University contributed \$235,000 for airport occupancy.
- **Library:** The Stillwater Public Library received various grants and donations for materials, programs, and infrastructure.

### **6. Major Employers:**

**Oklahoma State University** remains the largest employer in Stillwater, with 4,945 employees in 2020, representing 21% of total city employment.

**Stillwater Medical Center** is the second largest with 1,324 employees (6%), followed by Stillwater Public Schools with 840 employees (4%), and the City of Stillwater itself with 523 employees (2%).

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