

2021 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

Here's a detailed briefing document reviewing the main themes and most important ideas or facts from the provided sources about the City of Stillwater, Oklahoma:

Briefing Document: City of Stillwater, Oklahoma - Financial and Operational Overview (FY 2021)

Date: October 26, 2023

Subject: Overview of the City of Stillwater's Financial Health, Governmental Structure, Services,

Budgetary Practices, and Key Operational Data for Fiscal Year 2021. Sources:

- "2021-ACFR-Stillwater.pdf" (Annual Comprehensive Financial Report)
- "2021-Adopted-Budget-Stillwater-FY21.pdf" (FY 2021 Adopted Budget)
- "2021-Adopted-Budget-Stillwater.pdf" (FY 2021 Adopted Budget - Duplicate)
- "2021-Estimate-Needs-Stillwater-FY21-A1.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A10.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A11.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A12.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A2.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A3.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A4.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A5.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A6.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A7.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A8.pdf" (Budget Amendment Requests)
- "2021-Estimate-Needs-Stillwater-FY21-A9.pdf" (Budget Amendment Requests)
- "2021-Sinking-Fund-Estimate-Needs-Stillwater.pdf" (Sinking Fund Schedules)
- "2021-Stillwater-2643.pdf" (Financial Data Summary)
- "2021-Stillwater-Medical-Center-Authority.pdf" (Stillwater Medical Center Authority Financials)

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1. Executive Summary

The City of Stillwater, Oklahoma, operates as a municipal corporation established in 1891, functioning under a council-manager form of government. It serves as a regional hub for various services, including shopping, entertainment, healthcare, and education, notably being home to Oklahoma State University. The City's financial reporting comprehensively covers its primary government activities and those of its component units, such as the Stillwater Utilities Authority (SUA), Stillwater Economic Development Authority (SEDA), and Stillwater Medical Center Authority (SMCA).

Financially, the City employs conservative budgetary practices, emphasizing historical data and current trends for revenue estimation, and utilizing a zero-based budgeting philosophy for expenditures. Key financial indicators show a positive trend in overall net position for both governmental and business-type activities in FY 2021, and a significant increase in sales and use tax collections early in FY 2022. However, the City faced substantial costs related to a historical winter storm event in February 2021, amounting to over \$7 million for its power provider, GRDA, with a portion to be recouped from customers.

2. City Profile and Governance

Location and Demographics: Stillwater is located in north central Oklahoma, with a land area of 28 square miles and a population of 50,000. It is a regional center within Payne County.

Governmental Structure: The City operates under a council-manager form of government as per its 1960 charter.

Policymaking and legislative authority are vested in a five-member council, including the mayor, all elected at-large on a non-partisan basis. Councilors can serve a maximum of twelve years.

The mayor is elected at-large by citizens, while the vice-mayor is elected by the council.

The City Council hires the city manager, who in turn appoints department heads.

Regular council meetings are held on the first and third Monday evenings of each month.

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3. Services Provided and Reporting Entity

- **The City provides a "full range of municipal services" authorized by its Charter, including:**
 - Public safety (police, fire, emergency management)
 - General government functions
 - Recreation and culture
 - Streets and sewers
 - Human services
 - Waste management
 - Airport
 - Public improvement

- **The City's financial reporting entity includes its primary government and several component units:**
 - Blended Component Units (part of primary government operations):
 - Stillwater Utilities Authority (SUA) - reported as enterprise funds
 - Stillwater Economic Development Authority (SEDA) - reported as an enterprise fund (in prior documents, a governmental fund, now listed as Enterprise)
 - Stillwater Block 34 Trust (Block 34) - reported as an enterprise fund (in prior documents, a governmental fund, now listed as Enterprise)
 - Stillwater Public Works Authority (SPWA) - reported as an internal service fund
 - Stillwater Library Trust Authority (Library Trust) - reported as a governmental fund
 - Discretely Presented Component Unit (legally separate, but financially accountable):
 - Stillwater Medical Center Authority (SMCA) - a public trust where the City is the beneficiary.

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4. Financial Statements and Fund Accounting

- The Annual Comprehensive Financial Report (ACFR) includes:
 - **Government-wide Financial Statements:** Present the City's "complete financial picture" using the economic resources measurement focus and accrual basis of accounting. They are divided into:
 - **Governmental Activities:** Cover basic services like police, fire, administration, streets, and parks, primarily financed by sales taxes, franchise fees, fines, and grants.
 - **Business-type Activities:** Involve services for which fees are charged to customers to cover costs, such as electric, water, wastewater, waste management utilities, and the airport.
 - **Discretely-presented component unit:** Stillwater Medical Center Authority.
 - For FY 2021, governmental activities net position was \$100,757,800, and business-type activities net position was \$259,214,869.
 - **Total primary government net position** for FY 2021 was \$359,972,669, showing a positive trend over the last ten fiscal years.
 - **Total primary government expenses** for FY 2021 were \$135,488,282, with business-type activities (primarily electric, water, wastewater, and sanitation) accounting for \$80,879,025.
 - **Fund Financial Statements:** Group related accounts to control resources for specific activities or objectives, ensuring compliance with legal requirements.
 - **Governmental Funds:** Focus on cash flows and balances available for spending, using the modified accrual basis. This includes the General Fund, Transportation Improvement, and other governmental funds.
 - **Total General Fund** balance at year-end FY 2021 was \$24,567,734.
 - **Total Governmental Funds** assets were \$50,922,680.
 - **Sales and use taxes** are the largest revenue source for Governmental Funds, totaling \$33,118,168 in FY 2021.
 - **Proprietary Funds:** Account for services for which customers are charged (enterprise funds) or services provided to other city units (internal service funds). These use the accrual basis of accounting, similar to government-wide statements.
 - **Enterprise Funds (SUA, Airport, Other Non-Major)** reported total assets of \$376,067,155 and total net position of \$259,214,869 as of June 30, 2021.

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- **Operating revenues for Enterprise Funds** totaled \$97,449,668 for FY 2021, with Electric Utilities, Waste Utilities, and Waste Management operations contributing the majority (\$70,427,962 from charges for services and \$23,826,468 from other operating revenues).
- **Operating expenses for Enterprise Funds** totaled \$81,993,426.
- **Internal Service Fund:** Stillwater Public Works Authority (SPWA) accounts for the acquisition and financing of physical facilities.

5. Debt Administration

- As of June 30, 2021, the City had \$104.5 million in long-term debt.
 - **The Oklahoma State Constitution** requires voter approval for indebtedness requiring payment beyond the current fiscal year, which the City complied with in FY 2021.
 - **Total Sinking Fund Provision for FY 2021** was \$288,206, with bonds outstanding for general obligation bonds of 2016 and 2019.
 - **Stillwater Utilities Authority (SUA)** had significant outstanding debt as of June 30, 2019, including \$22,953,247 for OWRB-Water 2040 Loan (Construction Loan) and \$59,205,000 for 2014 Revenue Bonds-Stillwater Energy Center.
 - **Debt service** as a percentage of noncapital expenditures for governmental activities has decreased over the last ten years, from 3.32% in 2012 to 0.91% in 2021.

6. Budgetary Practices and Economic Factors

- **Conservative Budgetary Practices:** Revenue is estimated using historical data adjusted for current trends and economic performance.
- **Zero-Based Budgeting:** The City adopted this philosophy for its annual expenditure budget, where department directors develop action plans, and budgets are built around tactics to achieve departmental strategies. Submissions are "measured for reasonableness against a rolling three-year average of actual expenditures."
- **Budget Cycle:** The annual budget process runs from January-March (preparation) through April-June (Council Approval), July-June (Implementation), and July-December (Feedback/Audit).
- **Budgetary Control:** Budgets are legally adopted and formally integrated. Expenditures and encumbrances cannot legally exceed appropriations at the department level.

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- **Sales and Use Tax:** The budget for FY 2022 kept sales and use tax at FY 2021 levels. However, as of November 2021 (during FY 2022), collections were up \$1.9 million (14.3%) compared to the same period in FY 2021.
- **Utility Rates:** Cost of service studies for electric, water, wastewater, and solid waste utilities were completed in Spring 2020. While no action was taken to adjust electric, water, or wastewater rates, a revised rate structure for solid waste collection services became effective January 1, 2021, to fund a recycling staging facility.
- **Emergency Reserve:** The budget includes a reserve for emergencies and capital projects in the electric, water, and wastewater utilities.
- **February 2021 Winter Storm:** The Stillwater Utilities Authority's power provider, GRDA, incurred significant costs of \$7,138,352 due to a historical winter storm. The SUA approved payment to GRDA and plans to recoup 50% of these costs (\$3,569,176) from its customers over a 36-month period starting November 2021.
- **Budget Amendments (FY 2021 Examples):** Water Resources: Significant funds were appropriated for water and sewer line projects (e.g., College Gardens for \$840,525 for water and \$1,077,098 for wastewater) and raw water delivery system improvements (e.g., \$1,000,000 for WTP & Raw Water Delivery project definition).
- **Airport:** Revenue and expenditure increases for federal grants, including \$555,555 for an ARFF Truck and \$277,777 for a master plan update.
- **Waste Management:** Revenue increase of \$895,279 for the sale of residential garbage trucks. A budget amendment of \$165,910 was approved for professional design services for a Recycling Staging Facility.
- **Police:** Donations received for a DUI simulator (\$11,257 and \$13,743).
- **Library:** Received donations for books and grants for cooling tower repair (\$3,000), Health Literacy (\$9,000), and downloadable materials (\$200,000).
- **Emergency Management:** Received FEMA grants for severe repetitive loss property acquisition (\$85,973) and May 2019 flooding disaster relief (\$43,608).
- **Community Development:** An additional \$500,000 was appropriated for a Community Grant Program from the General Fund. A grant of \$490,000 was received for the CDBG COVID-19 Relief.
- **Stillwater Economic Development Authority (SEDA):** Transfer of \$350,000 from the General Fund to SEDA TIF #3 Fund for development agreements (e.g., with Everyman). An increase of \$38,005 to the TIF #1- N Perkins Fund for development agreements.

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- **Stillwater Public Works Authority (SPWA):** Has an ending balance of \$105,785 for FY 2021, slightly up from \$105,435 in FY 2020.
- **Electric Utility:** Budget amendments for Warstila engines/generators (\$300,000), SEU Office Expansion (\$321,885), automated transfer switch installation (\$169,000), and significant increase in GRDA energy payments due to a winter storm (\$20,000,000).
- **Transportation:** Funds appropriated from Transportation Sales Tax Fund for Pavement Management Program (\$923,000 for surface treatment, reconstruction, engineering, and contingency, and \$3,009,500 for crack sealing, diamond grind, micro-surfacing, and mill & overlay).

7. Operational Indicators

- **Public Safety:** Traffic citations: 2,339 in 2021 (down from 5,782 in 2020).
- **Parking tickets:** 4,242 in 2021 (down from 8,160 in 2020).
- **Police calls for service:** 27,597 in 2021 (down from 33,232 in 2020).
- **Municipal court cases:** 3,530 in 2021 (down from 7,703 in 2020).
- **Streets and Sewers:** Streets (miles): 236 in 2021 (up from 235 in 2020).
- **Traffic signals:** 67 (consistent for several years).
- **Utilities:** Electric power plants: 1 (consistent).
- **Electric substations:** 8 (consistent).
- **Miles of 69KV line:** 24.3 (consistent from 2020).
- **Water plants:** 1 (consistent).
- **Water storage towers:** 12 in 2021 (down from 13 in 2020).
- **Wastewater plants:** 1 (consistent).
- **Wastewater lift stations:** 16 (consistent).
- **The Utility & Billing Services Department** handles "a little over 25,000 billing accounts each month."

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