

2022 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

The City of Stillwater, Oklahoma, manages its finances and operations through a structured system involving various funds and authorities, adhering to conservative budgetary practices and state statutes. Key financial documents include government-wide financial statements, fund financial statements, and notes to the financial statements, presenting a comprehensive view of the City's financial health, performance, and compliance.

I. Financial Structure and Governance

- **Governing Bodies:** The City of Stillwater operates under the direction of the City Council, which also serves as the Board of Trustees for the Stillwater Utilities Authority (SUA). The City Manager, Norman McNickle, holds significant administrative authority, including the ability to transfer budgeted amounts between departments within any fund, and developing annual action plans and budgets for departments.
- **Component Units and Public Trusts:** The financial statements encompass activities of the City, the Stillwater Utilities Authority (SUA), and other component units, including:
- **Stillwater Utilities Authority (SUA):** A public trust responsible for utility services (electric, water, wastewater, solid waste). The SUA Board of Trustees, composed of the Mayor and City Councilors, governs its operations.
- **Stillwater Economic Development Authority (SEDA):** Established to improve the economic climate, including assisting in housing acquisition, blighted area redevelopment, and other economic activities. Its operations are reported as a blended nonmajor enterprise fund.
- **Stillwater Public Works Authority (SPWA):** Accounts for the acquisition and financing of physical facilities, with debt service provided by charges billed to the benefited fund.
- **Stillwater Block 34 Trust:** Accounts for expenditures related to the development of Block 34.
- **Stillwater Medical Center Authority:** Required to prepare an annual budget and submit it to the City as a beneficiary.
- **Stillwater Public Library Trust:** Governed by a trust agreement.
- **Financial Statement Overview:** Government-wide financial statements: Present the City's complete financial picture using the accrual basis of accounting, focusing on economic resources. These statements include the "Statement of Net Position" (assets, deferred outflows, liabilities, deferred inflows, and net position) and the "Statement of Activities" (changes in net position).

Disclaimer: This executive summary synthesizes multiple mid-year budget amendments, statutory sinking-fund schedules, and the State Auditor's survey for Stillwater's FY 2022. While every effort has been made to ensure accuracy, figures depend on the City's published amendment requests and audited financial statements. For clarification or corrections, please contact the City of Stillwater Finance Department.

2022 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

- **Fund financial statements:** Provide more detailed information on specific governmental and proprietary funds.
- **Governmental Funds:** Account for most of the City's basic services, focusing on the flow of current financial resources. Major governmental funds include the General Fund and Transportation Improvement Fund. Other governmental funds include special revenue funds (e.g., Tourism and Convention, Rural Fire, CDBG Grants, Home Buyer's Assistance, Park Grants, Community Development Rehab, Special Operations Team, Stormwater Management, Transportation Fee, Park Donations, Gallie May Koch Donation, Merry Main Street), capital project funds (City Capital, G.O. Bond Fund), debt service funds (Sinking Fund), and permanent funds (Mabel King Trust).
- **Proprietary Funds:** Account for business-type activities where user charges recover costs. These include Enterprise Funds (Stillwater Utilities Authority operations, Airport Fund, Stillwater Economic Development Authority, Stillwater Block 34 Trust) and Internal Service Funds (SPWA).
- **Budgetary Control:** The City operates under a legally adopted annual budget prepared on a modified accrual basis. Budgetary control is maintained at the department level within each fund, and expenditures and encumbrances may not legally exceed appropriations. The City utilizes a "zero-based budgeting philosophy" for expenditure budget preparation, requiring department directors to justify spending based on annual action plans and strategies.
- **Financial Policies:** The City's financial policies include maintaining reasonable reserves for emergencies in the General Fund (\$11 million), Electric Utility (\$15 million), Water Utility (\$11 million), Wastewater Utility (\$7 million), and Waste Management Utility (\$1 million), and Airport Fund (\$3 million). Annual maintenance costs should be financed from operating revenues, not bonds. Any new projects or building repairs are subject to evaluation for future sustainability. Unobligated cash balance use requires City Council approval.

II. Key Financial and Economic Highlights (as of June 30, 2022)

- **Sales and Use Tax:** These are the City's significant local revenue sources. Sales and use tax budgets for Fiscal Year 2023 were increased by \$8.0 million and \$0.6 million, respectively, due to an additional half-cent transportation sales tax approved in February 2022 and overall upward trends. As of November 2022, collections were up \$2.8 million (18.9%) compared to the same period in Fiscal Year 2021. For the year ended June 30, 2022, sales and use taxes were \$37,423,088.

Disclaimer: This executive summary synthesizes multiple mid-year budget amendments, statutory sinking-fund schedules, and the State Auditor's survey for Stillwater's FY 2022. While every effort has been made to ensure accuracy, figures depend on the City's published amendment requests and audited financial statements. For clarification or corrections, please contact the City of Stillwater Finance Department.

2022 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

- **Debt Status:** Total primary government net position (governmental and business-type activities) was \$367,304,893 as of June 30, 2022, showing an increasing trend over the last ten years.
 - Governmental activities net position was \$102,135,943.
 - Business-type activities net position was \$265,168,950.
 - General obligation bonds outstanding for governmental activities totaled \$9,351.
 - Notes and bonds payable for proprietary funds were \$97,066.
 - The City (excluding public trusts) cannot incur indebtedness requiring payment beyond the current fiscal year without voter approval, and no such debt was incurred in FY2022.
- **Utility Operations:** Utility rates for solid waste collection services were revised effective January 1, 2021.
 - An annual increase to electric, water, and wastewater rates (3% or CPI, whichever is less) was adopted in April 2022, effective January 1 for electric and July 1 for water/wastewater.
 - Updated rate studies for electric, water, and wastewater utilities were approved in October 2022.
 - The Stillwater Utilities Authority had total electric utility customers of 21,941 in 2022, with commercial sales at \$20,098,237 (39% of total) and residential sales at \$29,662,637 (58% of total).
- **Capital Assets and Infrastructure:** The City maintains significant infrastructure, including 237 miles of streets, 67 traffic signals, 1 power plant, 8 electric substations, 24.3 miles of 69KV electric line, 1 water plant, 12 water storage towers, 1 wastewater plant, and 16 lift stations.
 - Ongoing capital improvements are a focus, as evidenced by significant changes in the City Capital Fund and Transportation Improvement Fund budgets.
- **Major Budget Adjustments (FY2022 examples from budget amendment requests):**
 - Increased Revenue Projections: Airport: Increases in landing fees, ARFF fees, pasture rentals, hangar rentals, and parking fees (\$49,000 in total). Later amendments added \$325,000 from Aviation Gas for Resale/Flowage Fee revenues, and further increases of \$200,000 for Aviation Gas.
- **Stillwater Energy Center (Electric Utility):** \$4,350,000 increase in electric sales revenue, and \$2,500,000 in energy payments from GRDA related to increased electric generation. A later increase of \$900,000 for electric sales and \$200,000 for Electric Service Connection Fees/GRDA Capacity payments.

Disclaimer: This executive summary synthesizes multiple mid-year budget amendments, statutory sinking-fund schedules, and the State Auditor's survey for Stillwater's FY 2022. While every effort has been made to ensure accuracy, figures depend on the City's published amendment requests and audited financial statements. For clarification or corrections, please contact the City of Stillwater Finance Department.

2022 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

- **Human Resources:** Increased revenue projections for reimbursements (\$342,514).
- **Library:** Various grants received for networking equipment (\$3,992.60), downloadable content for Oklahoma Virtual Library (\$45,000), American Rescue Plan Act through the Oklahoma Department of Libraries and Institute for Museum and Library Services (\$40,000, \$20,012.75, \$31,119 for wifi equipment, server upgrade, office suites, and sound system). Donations for designated projects, including children's books and adult fiction, totaled \$6,625 and \$1,559. Also \$9,000 and \$55,000 grants received for health literacy program and Storywalk health literacy project.
- **SEDA (Tax Increment Financing District #3):** \$850,000 from property taxes and \$50,000 from delinquent property tax. Also a \$900,000 transfer-in.
- **General Fund:** Increased revenue projection for sales and use tax collections (\$4,000,000 for sales tax, \$500,000 for use tax), and \$500,000 reimbursement from OSU for American Airlines MRG.
- **Police:** \$20,000 donation for Thomas and Patsy Bostick Police Gym Fund.
- **Waste Management:** \$49,110 from Oklahoma Department of Environmental Quality (ODEQ) grant for solid waste equipment.
- **Community Center:** \$235,000 donation for accessibility project.
- **Fire:** \$1,000 donation for Fire Department Education Fund and \$5,000 from Walmart for Project 37A Grant, and \$5,000 for Rescue Equipment Grant.
- **Increased Expenditures/Appropriations:****City Manager's Office:** \$6,000,000 for a loan to Lakeview Landing, LLC. \$323,000 and \$357,000 for contracts with International Association of Firefighters Local #2095 and Fraternal Order of Police, Lodge #102, respectively, covered by transfers from SUA. \$3,955 donation for picnic tables at Strickland Park. \$11,000 for a GRDA grant for "Backpacks for Kids" program. Also funds for the Grant McMurtry project (\$29,881 + \$7,471).
- **Electric Utility:** \$300,000 for Wartsila engines/generators, \$775,000 for vehicles and heavy equipment for Electric Distribution, and \$4,350,000 due to unexpected natural gas increases, and \$2,500,000 for natural gas purchases related to electric generation. An additional \$1,365,000 for electricity generation due to increased natural gas, and \$500,000 for natural gas. \$255,000 for BLS Transmission/Distribution Line Relocation Project, and \$130,000 for Monticello Electric Relocation Project. \$300,000 for parts and services for Wartsila engines/generators. \$104,500 for airport road electric upgrades and new metering station.

Disclaimer: This executive summary synthesizes multiple mid-year budget amendments, statutory sinking-fund schedules, and the State Auditor's survey for Stillwater's FY 2022. While every effort has been made to ensure accuracy, figures depend on the City's published amendment requests and audited financial statements. For clarification or corrections, please contact the City of Stillwater Finance Department.

2022 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

- **Transportation:** \$339,500 for land acquisition for 6th Street widening project (2218 W. 6th Ave, 2222 W. 6th Ave), with later amendments increasing this to \$827,000 and \$1,028,000 for additional properties on 6th Street. \$368,243 for FEMA Pre-Disaster Mitigation (PDM) Grant. \$350,000 for Street Marking Materials. Various deferred maintenance projects in the Engineering Department totaling over \$700,000.
- **Water Resources:** \$27,500 for Knoblock Water Line Replacement, \$175,700 for Kaw WL Cathodic Protection Assessment, \$558,811 for a Sewer Vac Truck for Wastewater Collections. \$2,833,000 for WTP & Raw Water Delivery Project (design and preconstruction). \$25,000 for sanitary sewer interceptor project easement acquisition. \$1,417,274 for Aspen Heights Sewer Project in Wastewater Fund. \$500,000 for land acquisition for West College, Eyler, and Manhole Rehab Project. \$175,490 for various new and replacement trucks.
- **Police:** \$2,542 for a recumbent bike for the police department gym. \$5,200 for Crisis Intervention Team education expenses.
- **Stillwater Economic Development Authority (SEDA):** \$900,000 for TIF 3 projects, including \$177,000 for assistance in development, \$312,000 for public infrastructure and improvements, \$102,000 for public school facilities, \$296,500 for new business development, and \$12,500 for implementation and administration. Additionally, \$350,000 for Increment District 3 Series A repayment.
- **Airport:** \$650,000 for capital projects including Security/IT Upgrades, Roof Repairs/Rehabilitation, HVAC Replacement/Repair, Tractor Equipment, Skid Steer Equipment, HD Truck, Riding Mowers, Winter Enclosure Kit, Airfield Plow Plant, Backup Power Generator, and Operations Fleet Replacement. \$300,000 for Aviation fuel account. \$36,156 for North Apron Construction Project.
- **Human Resources:** \$240,000 for additional re-insurance contract costs due to high claims.
- **Library:** \$190 for a plaque for two donors.
- **Self-Insurance Fund:** \$350,000 increase in transfers out from General Fund to cover health insurance claims.
- **Budget Givebacks (Reductions in FY2022 proposed budget to be adopted in FY2023):** Total of \$1,500,000 in givebacks, including:
 - **General Fund:** \$899,865 (across City Manager, Info Tech, HR, Municipal Court, Comm Dev, City Eng, Public Works, Community Resources, Police & Animal Welfare, Fire, Library, Legal, Public Relations, General Government Contingency).

Disclaimer: This executive summary synthesizes multiple mid-year budget amendments, statutory sinking-fund schedules, and the State Auditor's survey for Stillwater's FY 2022. While every effort has been made to ensure accuracy, figures depend on the City's published amendment requests and audited financial statements. For clarification or corrections, please contact the City of Stillwater Finance Department.

2022 City of Stillwater, Oklahoma Historical Financial Data Analysis

Briefing Document

4 July 2025

- **Airport Fund:** \$20,500 (Airport and Airport Contingency).
- **SUA Operating Fund:** \$579,635 (Customer Service, Electric, SUA Contingency).
- **Operating Indicators:** Police calls for service significantly increased from 27,597 in 2021 to 62,017 in 2022. Traffic citations also increased from 2,339 to 3,172. Water treated saw an increase from 2,402 million gallons in 2021 to 2,437 million gallons in 2022, and sewage treated increased from 1,655 to 1,851 million gallons. Landfill usage slightly increased to 22,147 tons.
- **Principal Employers:** Oklahoma State University remains the largest employer with 7,422 employees in 2022. Stillwater Public Schools (1,061 employees) and Stillwater Medical Center (999 employees) are also significant. Notable changes include Armstrong World Industries manufacturing plant closing in July 2022.

III. Budgetary Philosophy and Practices

- **Conservative Practices:** The City and its public trusts operate under conservative budgetary practices. Revenue is estimated using historical data and adjusted based on current trends and economic performance.
- **Zero-Based Budgeting:** The City employs a "zero-based budgeting philosophy" for annual expenditure budget preparation. Department directors must develop annual action plans to achieve departmental strategies, with budgets built around the tactics used to complete these strategies. Each department's budget submission is measured for reasonableness against a rolling three-year average of actual expenditures, requiring justification for large increases.
- **Budget Amendments:** Budget revisions, including transfers between object categories within a fund, can be approved by the City Manager. However, any revision altering the total expenditures of a fund or involving capital expenditures exceeding \$25,000 requires City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.
- **Lapsing Appropriations:** Encumbered appropriations lapse at year-end and are re-budgeted if appropriate in the following fiscal year. Unencumbered appropriations lapse at year-end.

In conclusion, Stillwater's financial health is actively managed through a detailed budgetary process, multiple financial statements, and a robust system of public trusts and component units. The City demonstrates a commitment to economic development and infrastructure maintenance while maintaining conservative financial policies and responding to changing economic conditions and operational needs.

Disclaimer: This executive summary synthesizes multiple mid-year budget amendments, statutory sinking-fund schedules, and the State Auditor's survey for Stillwater's FY 2022. While every effort has been made to ensure accuracy, figures depend on the City's published amendment requests and audited financial statements. For clarification or corrections, please contact the City of Stillwater Finance Department.