City of Edmond

Notice of Public Meeting

The City of Edmond encourages participation from all its citizens. To request an accommodation due to a disability, please contact the ADA Coordinator at least 48 hours prior to a scheduled meeting. The ADA Coordinator can be contacted by email: ADAcoordinator@edmondok.gov or phone: 405-359-4518.

Finance / Audit Committee
Regular Meeting Agenda
City Hall Council Chamber, 22 E. Main Street, Edmond, Oklahoma
8:00 a.m., Thursday, May 21, 2026

Notice to the Public

Official action can only be taken on items which appear on the agenda. The Finance / Audit Committee may discuss, adopt, approve, amend, reject, deny, strike or continue any item listed on the agenda. When more information is needed to act on an item, the Finance / Audit Committee may refer the matter to the City of Edmond staff for additional study. Under certain circumstances, items are deferred/continued to a specific later date or stricken from the agenda entirely.

1. Call to Order.

2. Consideration of Approval of Meeting Minutes from the Finance/Audit Committee Meeting held April 16, 2026.

3. Discussion of Existing Franchise Fees and Taxes Collected from Public Utility Providers, Including Communications/Telecommunications, Natural Gas, Electric, Cable, and Internet Service Providers.

4. Capital Maintenance Plan Discussion and Update of Preliminary Data Collection and Ongoing Challenges.

5. Discussion Regarding FY26 Q3 Budget to Actuals Report, March 2026 Sales & Use Tax Summaries, and Debt Detail Report.

6. Discussion of Items for Future Meetings.

7. Citizen Comments.

   This is an opportunity for residents and non-residents to address the Finance / Audit Committee on Finance / Audit Committee related matters not on the agenda or scheduled for a public hearing. All remarks must be directed to the Chair of the meeting, are limited to three minutes or less, and must otherwise be made in accordance with Section I of the City Council / Public Works Authority rules, available here and upon request at City Hall.

   Please note that members of the Finance / Audit Committee cannot respond to issues brought up in Citizen Comments if they are not on the agenda, in accordance with state law.

8. Comments from the Finance / Audit Committee Chair and Members.

9. Adjournment.

Finance / Audit Committee **2.**

Meeting Date: 05/21/2026

Submitted By: Ethan Davis, Finance

Item

Consideration of Approval of Meeting Minutes from the Finance/Audit Committee Meeting held April 16, 2026.

Background

Time Frame

Issue

Recommendations

Action Needed

Public Notification

Attachments

Minutes

City of Edmond

Finance / Audit Committee Regular Meeting

April 16, 2026

1. **Call to Order of the Finance / Audit Committee Meeting.**

   Chairman Ross VanderHamm called the Finance/Audit Committee meeting to order at 8:00 a.m. Thursday, April 16, 2026. Present were Chairman Ross VanderHamm, Mayor Nash, Councilmember Watterson, and board members Taylor Wilson and Rick McCune.

   Absent: None

2. **Consideration and Approval of Meeting Minutes from the Finance/Audit Committee Meeting held March 19th, 2026.**

   Taylor Wilson suggested amended note six paragraph two regarding the interest rate. Kris Neifing mentioned 4.5% and Chris Gander said 4.25-5% was an estimate.

   With that amendment, a motion was made by Taylor Wilson and seconded by Rick McCune to approve the minutes. Motion carried as follows:

   YES: Chairman VanderHamm, Mayor Nash, Councilmember Watterson, Rick McCune, and Taylor Wilson.

   NO: None

3. **Consideration of Accepting the City Treasurer's Month-End Pooled and Trustee Investment Reports for March 2026.**

   Taylor Wilson asks for clarification on admin fees with respect to Oklahoma Water Resource Board (OWRB) Note payments. Staff informs Taylor and the committee that admin fees are a 50-basis point add-on to the interest rates on the notes.

   Motion by Taylor Wilson and seconded by Mayor Nash to accept the investment reports for March 2026. Motion carried as follows:

   YES: Chairman VanderHamm, Mayor Nash, Councilmember Watterson, Rick McCune, and Taylor Wilson.

   NO: None

4. **Presentation of the Annual Performeter by Frank Crawford from Crawford & Associates.**

   Frank Crawford of Crawford & Associates was in attendance to discuss the results of the annual Performeter. Frank explains that the Annual Consolidated Financial Report is around two hundred pages, whereas the Performeter provides a simplification of those findings and scores

them on a scale of 0-10 and weights them together and provides a final score. Frank moves to discuss several different slides.

Slide 5 – Performeter Rating. Gives historical data and provides a snapshot of changes over time. The high point, 2020 was due to COVID measures that saw individuals tend to spend their money locally and purchase online which also contributed to use tax. Now that we're back to normal, spending habits are changing as people are going out again. During COVID there was also a large amount of low interest/free dollars in the economy that tended to boost spending. Frank describes this as a "once in a generation" event of free money. Spending habits are changing as economics are changing. This change is seen across the board for other governments they've reviewed. The score is broken down in 3 different categories to provide context for position, performance and capability. 5 is considered satisfactory, and Edmond's score of 6.7 is still well above a 5, but still not as healthy as we've been in the past. Performance, Edmond's highest category, is very strong.

Councilmember Watterson – have we ever been below 6.7?

Frank says 6.7 is one of the lowest that he can recall and that Edmond usually lives in the 7's. Highest score he's ever seen across all government's they've reviewed is 9.1, and that's only occurred twice in his 25 years of doing the Performeter. 8's are super impressive but 7's are common for Oklahoma municipalities due to limitations not faced by other states. Every other state in the country can levy property taxes, except for municipalities in Oklahoma.

Slide 7 – Financial Position Ratings. A quick look at several different ratios they review to determine health or financial position.

Slide 9 – Level of General Fund Unassigned Fund Balance. Frank says this is a fancy word for unspent revenue. It's what's been carried forward from prior years that we have available to spend, but that wasn't spent. Fund balance is segregated into different constraints, some is non-spendable (such as inventory), restricted (money from a grantor, but haven't spent it yet, but can only be spent on a specific thing), committed (ordinance passed that establishes a particular use for specific funds "rainy day"), assigned (we have intent to use the money, but no resolution or ordinance was passed for this specific use), unassigned (what's available to spend on a one-time emergency purchase). With unassigned fund balance, Frank and his team would like to see about 10% of annual revenue in the unassigned category. Pre-COVID, this was above the 10% minimum and currently Edmond is sitting at 2% and could get eaten up quickly for an emergency one-time expenditure.

Councilmember Watterson – one of takeaways, big years correspond to big sales tax year where we have a surplus of revenue. If we have additional surplus years, should we work to not spend this money?

Frank – Yes, one way to 'trick' this calculation is to bring in money and just don't spend it. This could cause problems, but in theory that is correct. Bringing in more money than is spent will increase the City's unassigned fund balance.

Taylor Wilson – Provides clarity to the board and individuals in attendance. The recommended 10% is not the same as a budgeted reserve. This unassigned fund balance is to be accumulated separately.

Frank – This would be more like a checking account where you'd ideally want to see some money left over in the account. This would be a good thing since you are spending less than you are bringing in.

Slide 11 – Non-Uniformed Employee Pension Plan Funding Ratio. This is scored as '0' overall Edmond's plan is at 80% funding. Recommendations state 80% is good, if nothing materially changes with the number of employees. The purpose of this slide is more to determine whether additional money will need to be contributed to the plan to guarantee the plan's health. Typically, we would only be awarded a '10' (score) if the funding is at 105% or more since the likelihood of running into pension funding issues would be incredibly small. If this drops below 80%, the actuaries will make recommendations to increase funding. You'd expect to see this increase slightly every year unless something materially changes with the workforce.

Chairman VanderHamm – bothered by rate and agrees to disagree with Frank regarding the scoring of this item.

Slide 14 – Current Ratio. This is cash flow measure. This is an accounting term that says we want to have twice as much cash/assets compared to liabilities. A Score of 5 would be a 2:1 ratio, Edmond scores a 10 because the ratio is greater than 5:1. This is a great percentage for the city. Most of this money is tied to short-term investment maturities.

Slide 15 – Quick Ratio. Edmond has never scored very well on the quick ratio measure due the Edmond's investment philosophy. Edmond seeks to maximize the returns on the cash because the cash is tied in short-term investments. This score has been low historically, but that's just a result of the investment direction of the city. Frank says this makes sense with how well interest rates are looking in the current environment.

Councilmember Watterson– Agrees in investment direction from a policy perspective. We've seen quality returns. Asks about whether we have a cash flow policy for a certain number of months.

Staff – Cash flow reports are produced monthly or as-needed to monitor cash position and plan for upcoming expenses. The City does not have a formal cash flow policy that says we keep a certain percentage of liquid cash, but it's unwritten policy to keep approximately $30 million on hand to cover operations knowing that we have monthly cash flow from maturing investments.

Rick McCune – Are short-term investments, accounts receivable, and CDARS not considered cash equivalents in this calculation?

Frank – not included as cash for purposes of this calculation. Only liquid cash is considered.

Slide 16 – Quick look at all financial position ratings over the last 5 years. These measures have stayed consistent over the last 5 years.

Councilmember Watterson – If 5 is satisfactory, then would your opinion be that Edmond is unsatisfactory?

Frank – Yes, this would be considered slightly unsatisfactory.

Councilmember Watterson – has this committee discussed ways to improve this score?

Frank – Remembers several discussions about how to improve the GF unassigned fund balance.

Councilmember Watterson – I don't see us talking about these things in committee meetings. From a policy perspective, should we discuss how to improve these items individually? OPEB for instance, can be increased by increasing funding.

Frank – Yes, you could target this, but this would run the risk of dropping elsewhere and could lead to a not very important shift in the overall score.

Taylor Wilson – Regarding increasing the score, the bottom line is to spend less than you take in, is that right?

Frank – Pretty much. If you want to score well, bring in a lot of money and don't spend it. If you do that, citizens could get upset if their quality of life starts to decline.

Councilmember Watterson – We need to be intentional about growth.

Frank – Target the GF growth. That will provide the biggest return.

Slide 19 – Change in Net Position. Asks the basic question: do we have more 'stuff', less 'stuff', or the same amount of 'stuff' this year compared to last year. This would include everything, accounts receivable, inventory, cash, etc. If the net position increases, then it means that yes, you have more 'stuff'. Edmond has been trending in the right direction and has historically increased every single year. Normally a change in net position is around 3-4% every year, Edmond has done historically much better than that.

Taylor Wilson – This is actual from the audit, correct?

Frank – Yes.

Councilmember Watterson – The city has done well, almost doubling in 10 years reflecting smart decision making and good policy. When we feel revenue-poor, this score makes me feel better.

Mayor Nash – When you have a growth like this, especially a lot tied to infrastructure. There will come a time when everything needs to be maintained.

Frank – that is correct, when something in brought online the maintenance will need to be considered to extend the useful life.

Slide 20 – Interperiod Equity. Who's paying for today's costs of service. For every dollar of services provided we are collecting a dollar and twenty cents. This does fluctuate every year and is slightly down over prior years.

Councilmember Watterson – I think utilities are skewing this.

Frank – Yes, utilities are bringing in the bulk.

Slide 21 – BTA (Business Type Activities) Self Sufficiency. Asks the question of whether BTA pay for themselves. Are they charging a sufficient rate to cover the costs of capital assets? Here we want to charge at least a dollar in revenue for every dollar of service we provide. We are at one dollar to one dollar and sixteen cents. That extra sixteen cents can sit in a reserve or subsidize another fund's operations. Anything over 100% will keep a 10 score. Edmond has been over this 100% ratio for the last 10 years.

Slide 22 – Debt Service Coverage. Edmond's coverage of 6.56 is great. Edmond has debtors or creditors that would be very interested in purchasing our debt. Generally speaking, this coverage should be at least 1.5 to cover debt service, Edmond is just above 6.5.

Slide 23 – Sales Tax Growth. Edmond is not seeing as much growth as it was pre-COVID. Even though the total collections went up, the percentage of collections went down because there was a decrease in the sales tax rate. Ideally would like to see this jump back up into the 2-4+% range. Edmond has had a different growth pattern than many other municipalities in the state and that large growth has started to level off. One way to increase would be the approval of a small sales tax increase, but it's subject to a vote of the people. To try to increase the sales tax rate just for operations would be a tough sell to the public.

Slide 24 Performance Ratios summary page. Current score of 8.17 (rounded to 8.2) has been a decrease over prior years, mostly related to COVID years growth, but still very strong.

Slide 27 – Revenue Dispersion. Seeks to measure how much revenue is beyond our direct control. Blue chart is charges for services, red for taxes, and green is everything else. Ideally, the blue area would dominate the chart because shocks to tax collections would see revenues stay consistent. Most Oklahoma cities sit in the 3-4's, Edmond's 5+ score is unusual.

Councilmember Watterson – Again, this would be mostly due to utility revenues?

Frank – Correct.

Page 28 – Debt Service Load. Debt service as a percentage of total expenditures. Edmond is around 14% currently, which is pretty good.

Councilmember Watterson – This is the highest it's been, and will continue to increase, especially with the addition of any new debt.

Frank – Correct, but as you build out new capital projects, it might decrease this score but increase things elsewhere.

Slide 32 – Local Sales Tax Rate. Historically Edmond has had a 3.75% sales tax rate, except for a year that had a small increase (to 4%) for 6 months in 2 separate fiscal years. Frank mentioned he has been thinking about re-benchmarking this. Frank goes on to say that the benchmarks were set up 25 years ago when 3.75% was the norm. Things have changed in recent years where the norm has moved closer to 4%, but some smaller municipalities and towns are charging as much as 5%+. Ultimately, the benchmarks were not updated, but had they been, Edmond's 3.75% sales tax rate would probably score closer to a 5.

Mayor Nash – 204 municipalities in Oklahoma that charge 4% sales tax or more. Mostly the smaller communities, but it's all over the map.

Frank concludes his presentation by thanking City staff and the board.

Councilmember Watterson – thanks Frank for putting the Performeter together. This committee and council need to be cautious because these are some of the lowest scores we've got in recent years. Mentions the need to be careful about the decisions we make. Watterson also recommends a deeper walkthrough with the finance committee next year. Some information needs to be dug in deeper and he would like to spend about a half-day or longer discussing the nuances and strategies to increase the score. Remarks that this data that is 10-22 months old is good to have, but tough to drive decision making without more current information. Also mentions the desire to develop an as-you-go Performeter analysis and would like to move this to a more regular review internally. We might not be able to assess everything, but the calculations that can be completed during the year could be used to help drive decision making.

Frank – could probably create a template you could use and update on your own.

Rick McCune – Agrees with what Preston said, could probably look at this as frequently as quarterly.

Frank – willing to help however needed.

Mayor Nash – Biggest challenge is the financial position. We must budget properly at the front-end and not keep coming back to increase the budget. Ideally, we would have very little or no budget amendments throughout the year.

Taylor Wilson – Asked about the Audit update to council.

Staff – Should be the council meeting later this month (April 27th).

Frank – Not sad about the score. He would characterize Edmond as a well-managed city. One of the top 5 well-managed cities they review. At a lower score point, yes, but because of unique issues.

Chairman VanderHamm – Thanks Frank for everything. Open to suggestions for speeding up processes and reporting.

No action needed, discussion only.

5. Discussion and Consideration Regarding the Scope and Priorities of a Capital Plan.

Ross – Large topic. Asks where the committee wants to head.

Councilmember Watterson – Mentions there were many attachments in the packet to review. Opened his eyes to how daunting a task it would be develop. Ultimately there are 2 separate topics: Capital Planning and Capital Maintenance. He is more concerned about the maintenance at this stage and is less concerned about the document currently. Capital Maintenance can inform Capital Planning but that might be several years down the road. Asks for a list of capital assets, categorization of the capital, and a maintenance estimate for those things. Using the Golf course as an example, he states we just invested in the golf course and at some point in the future we will have to recapitalize the golf course/clubhouse. Same with water, we have large investments that we will have recapitalize at some point in the future. There may be smaller maintenance items along the way which are of less concern right now, but the major investments should be 10-30 years down the road, and we need to plan for them.

For now, Councilmember Watterson asks for a list of current capital assets, current condition of capital assets, and how much to maintain to answer the three questions:

1. What do we have now?
2. How do we maintain what we have now?
3. What will we need in the future?

Mayor Nash – One other piece to work on right now, when new capital items are brought to council, they need to include the normal maintenance costs and long-term maintenance costs.

Councilmember Watterson – mentioned that he loved the Oklahoma Department of Transportation (ODOT) item in the packet. Really appreciated the criteria that they use and included to characterize the condition of the roads or rank which roads need maintenance.

Chairman VanderHamm – Liked the Oklahoma City list. They included so much, we don't have to go into that level of detail, but it is a great example.

Councilmember Watterson – I think when we get a list of capital assets, we'll find that we are planning for a majority of the maintenance, but we still need something more formal.

Taylor Wilson – Don't make it hard. Just get started. Current operational and future capital needs is a good place to start.

Councilmember Watterson – Would like to touch on it next month. Is that too soon?

Sheila Briesch – Would like to bring GFOA best practices for this. We need to look at how we're going to fund it. Each department will be a little bit different depending on what their needs are. GFOA recommends that staff bring a list to this committee or council of the assets for review every 3 years or so. Other cities don't have a maintenance plan; they just lump it into reserves. How we want to fund this is a major consideration. Suggests that any reserves be kept within their own fund as lumping it into one major fund would cause a ton of tracking issues.

Taylor Wilson – Regarding the examples in the packet, Oklahoma City page E-7 is great because it provides clarification on equipment strategy which forces looking ahead and future analysis. He also points out pages 18, 33, and 116 onwards from the City of Wichita as great examples. For some maintenance items, we're guessing and we're likely to be wrong, but it's important that we think about these things and make plans for them.

No action taken, discussion only.

6. Discussion of Items for Future Meetings.

Councilmember Watterson – Would like to briefly talk about what we should discuss at the next meeting. Watterson provided #10-#17 on this list recently.

Chairman VanderHamm – Speaking of debt, we have a potential refunding issue for the 2016. Ross would like to discuss the refunding alongside the debt policy next month and an update on capital plan.

Councilmember Watterson – Asks Frank about #10 (Crawford briefing on new fund structure).

Frank – Not ready yet.

Taylor Wilson – Would like to discuss #3 (Franchise Fees) when we have time. There might not be dollars, but there might be inequities.

Mayor Nash – Would like to talk about #3 (Franchise Fees) and also talk about impact fees and move it to council for further discussion. Force the discussion with council.

Councilmember Watterson – Impact fees, will staff have anything? Or just reboot the conversation?

Mayor Nash – reboot the conversation. At OML they think Edmond is missing out because we're charging so little on impact fees. In some states the fees are so high that it's intended to slow growth.

Taylor Wilson – Agrees they need to be discussed, but would like to separate the issues.

Councilmember Watterson – Start with impact fees?

Mayor Nash – Start with franchise fees.

Preston – Update #10 to be M(edium) instead of H(igh).

No action needed, discussion only.

7. **Citizen Comments.**

None.

8. **Comments from the Finance / Audit Committee Chair and Members.**

Chairman VanderHamm –None.

Mayor Nash – None.

Councilmember Watterson – Good discussions today, thanks staff.

Board Member Rick McCune – None.

Board Member Taylor Wilson – None.

9. **Adjournment.**

Motion by Chairman VanderHamm, seconded by Preston to adjourn, motion carried as follows:

YES: Chairman VanderHamm, Mayor Nash, Councilmember Watterson, Rick McCune, and Taylor Wilson.

NO: None

The meeting was adjourned at 9:44 a.m.

Finance / Audit Committee **3.**

Meeting Date: 05/21/2026

Submitted By: Ethan Davis, Finance

Item

Discussion of Existing Franchise Fees and Taxes Collected from Public Utility Providers, Including Communications/Telecommunications, Natural Gas, Electric, Cable, and Internet Service Providers.

Background

The City assesses franchise fees and taxes on various public utility providers operating within municipal boundaries. These fees are typically based on a percentage of gross revenues or other agreed-upon metrics and are governed by franchise agreements, ordinances, or state statutes.

Currently, payment frequency varies by provider and agreement, with some remitting monthly, others quarterly, and a few on an annual basis. These revenues represent an important and stable funding source for the City.

Time Frame

This is an ongoing revneue stream with no fixed expiration. However, periodic review is appropriate to ensure compliance, consistency, and alignment with current market conditions and regulatory requirements.

Issue

This item is intended to provide the committee with an overview of the City's current franchise fee and tax structure, including:

1. Types of utility providers subject to franchise fees
2. Applicable rates
3. Payment frequencies
4. General administrative processes used for tracking and collection

This discussion is informational in nature and serves as an initial review of existing agreements and practices.

Recommendations

No formal recommendations are being made at this time. Staff is seeking feedback, questions, and general direction from the committee based on the information presented.

Action Needed

No action needed, discussion only.

Public Notification

Posted agenda.

Attachments

Franchise Tax Payors

Franchise and Impact Fees Background

Franchise Payor	Payment Frequency	Rate	Ordinance	Resolution	Expiration	FY25 Total	FY26 Total	Grand Total
Airespring INC	Annually	2% of Gross Revenue	230			$0.00	$0.00	$0.00
AT&T/DirecTV	Quarterly	5% of Gross Revenues	2782		12/31/2027	$109,920.95	$65,593.06	$175,514.01
Comcast IP Phone	Monthly	2% of Gross Sales	230			$58.51	$40.21	$98.72
Compliance Solutions, Clear Live, LLC	Monthly	2% of Gross Revenue	230			$0.00	$0.00	$0.00
Compliance Solutions, Fusion Cloud Services, LLC	Quarterly	2% of Gross Revenue	230			$211.03	$146.76	$357.79
Compliance Solutions, Matrix Telecom, LLC FKA Matrix Telecom, Inc.	Annually	2% of Gross Revenue	230			$228.43	$296.96	$525.39
Compliance Solutions, New Horizons Communications Group	Monthly	2% of Gross Revenue	230			$0.00	$13.08	$13.08
Compliance Solutions, Travis Business Systems Inc.	Monthly	2% of Gross Revenue	230			$2.74	$4.20	$6.94
Constellation New Energy	Quarterly	2% of Gross Receipts	3033			$0.09	$0.15	$0.24
Cox	Quarterly	5% of Annual Gross Subscriber Revenue	2782	24-22	10/19/2027	$713,663.08	$505,673.22	$1,219,336.30
CREC (Central Rural Electric Cooperative)	Monthly	2% of Gross Receipts	3033			$6,012.84	$5,615.16	$11,628.00
Granite Telecommunications LLC	Annually	2% of Gross Sales	230			$4,027.94	$1,799.13	$5,827.07
Level 3 Communications LLC	Annually	2% of Gross Revenue	230			$118.57	$89.48	$208.05
Logix Communications	Monthly	2% of Gross Receipts	230			$324.64	$177.14	$501.78
MetTel of Oklahoma, Inc.	Quarterly	2% of Gross Revenue	230			$600.77	$636.42	$1,237.19
OG&E	Monthly	2% of Gross Receipts	3033			$113,502.67	$103,503.69	$217,006.36
ONG - OneGas	Monthly	3% of Gross Receipts	3805	33-20	3/2/2046	$747,103.75	$627,119.85	$1,374,223.60
OOMA INC	Quarterly	2% of Gross Receipts	230			$0.00	$0.00	$0.00
Quantumshift Communications	Annually	2% of Gross Sales	230			$0.00	$0.00	$0.00
Southwestern Bell	Annually	5% of Gross Revenues	2782	1935-07-29		$16,330.87	$0.00	$16,330.87
Spectrotel, Inc	Monthly	2% of Gross Sales	230			$31.78	$9.80	$41.58
Terracom	Monthly	2% of Gross Receipts	230			$12.97	$9.64	$22.61
Windstream	Monthly	2% of Gross Sales	230			$27.31	$13.94	$41.25
					Totals	**$1,712,178.94**	**$1,310,741.89**	**$3,022,920.83**

Discussion on Franchise Fees

Background Information:

The key distinction is that a **franchise fee** is a payment to a private company (franchisor) for the right to use its business model and brand, while a **franchise tax** is a state government levy for the privilege of legally operating a business within that state.

A **TAX** is a mandatory payment or charge collected by local, state, or fed. governments. Taxes raise revenue for a general fund or a specific purpose.

A **FEE** is a charge primarily intended to recoup costs incurred by providing specific service to the payer. Like taxes, fees are collected by local, state, or fed. governments.

Edmond's History: Historically, the receipt and record-keeping for Franchise Fees fell under the responsibility of the City Clerk's office. During an audit around 2010, a $250,000 (approx.) Franchise Fee payment was missing, and the auditors asked why. Tracking nor record of annual Franchise Fee activity was found. Finance then created a spreadsheet to track the payments and had the City Clerk's office send us the paperwork, and we reconciled to the spreadsheet. This allowed Finance to verify that all payments were received. At some point, it was decided that Finance would start accepting payments, and we took it into Finance. We were never involved with or saw any of the contracts. We only know the amount and if we received the money so as not to be written up again in an audit. Currently, we have looked for contracts and what we have been able to find is listed below under the Agreements with Parties section. Per the City Attorney, there is no one assigned to review these contracts.

State Statutes:

- **Oklahoma Administrative Code - Title 710 – OTC Chapter 40 – Franchise Tax Summary**

- **Who had to pay:**
  Corporations and similar entities doing business in Oklahoma had to file and potentially pay franchise taxes, unless specifically exempt.

- **What the tax was based on:**
  It was calculated based on the company's capital (net worth) in Oklahoma, not profits.

- **Filing & Compliance Rules:**
  The chapter laid out how to file returns, due dates, required forms, and penalties.

- **Adjustments & administration:**
  Explained how to calculate capital, allocate it to Oklahoma, apply exemptions, and handle audits or corrections.

- **Functionally Repealed by HB1039:**
  Rules established in Chapter 40 are no longer operative for new tax years as of 2024.

- **HB1039 Summary**

- **The corporate franchise tax is eliminated going forward:**
  Oklahoma businesses—both domestic and foreign corporations—will no longer owe the annual franchise (or excise) tax after **tax year 2023**. This reduces recurring costs for companies operating in the state.

- **Annual franchise tax filings are no longer required after 2023:**
  Since the tax is repealed, companies won't need to submit the annual franchise tax statement beginning with tax year 2024. This removes a paperwork burden and simplifies compliance.

- **The bill cleans up outdated statutory language:**
  References to franchise tax obligations in Oklahoma law are updated so they only apply to 2023 and earlier. This prevents future confusion for taxpayers and accountants.

- **The law took effect July 1, 2023, with an emergency clause:**
  This ensured the repeal was implemented immediately once passed and approved, avoiding gaps in administration

- **The law's impact on cities/municipalities:**
  The law does not address or impact a city's authority to collect franchise taxes and doesn't repeal any municipal ordinances. It also does not preempt local franchise agreements.

Notice from Oklahoma Tax Commission Website for HB1039:

Franchise Tax Ends in Oklahoma:

Oklahoma's franchise tax has been eliminated as part of a comprehensive tax reform plan.

Tax year 2023 is the last year that franchise tax returns will be required to be filed. This means that taxpayers who remit the maximum amount of tax must do so annually by May 1, and the final franchise tax return must be remitted on or before June 1, 2024, to avoid being delinquent.

All other taxpayers are required to remit by July 1, and the final franchise tax return must be remitted on or before September 15, 2024.

In addition, if a taxpayer has elected to file as part of their corporate income tax return, franchise tax must be remitted with the filing of the tax year 2023 corporate income tax return. Failure to remit the required franchise tax will result in potential suspension of the corporation.

For additional information, please refer to the HB1039X Franchise Tax Update found in the Oklahoma Tax Commission's Business Help Center at tax.ok.gov.

City of Edmond Charter, Ordinances:

- **Title 4**
- **4.68.050 - Franchise/license fee.**

The Grantee shall pay to the City a Franchise/License Fee in an amount equal to five (5) percent of Grantee's gross subscriber revenues. All payments of Franchise/License Fees shall be made on a monthly basis, not later than forty-five (45) days after the last day of each month. This payment shall be in addition to any other fees or payments made to the City by the Grantee. The gross revenue shall include the Grantee's gross subscriber revenues per year from providing cable services in the City (including all forms of consideration, such as initial lump sum payments). Should F.C.C. regulations be amended in the future to allow the City to receive a fee from its Grantee from other than previously mentioned subscriber revenues, then, in that event, the Grantee shall immediately commence making such additional payments to the City as are authorized to the full extent of such authorization.

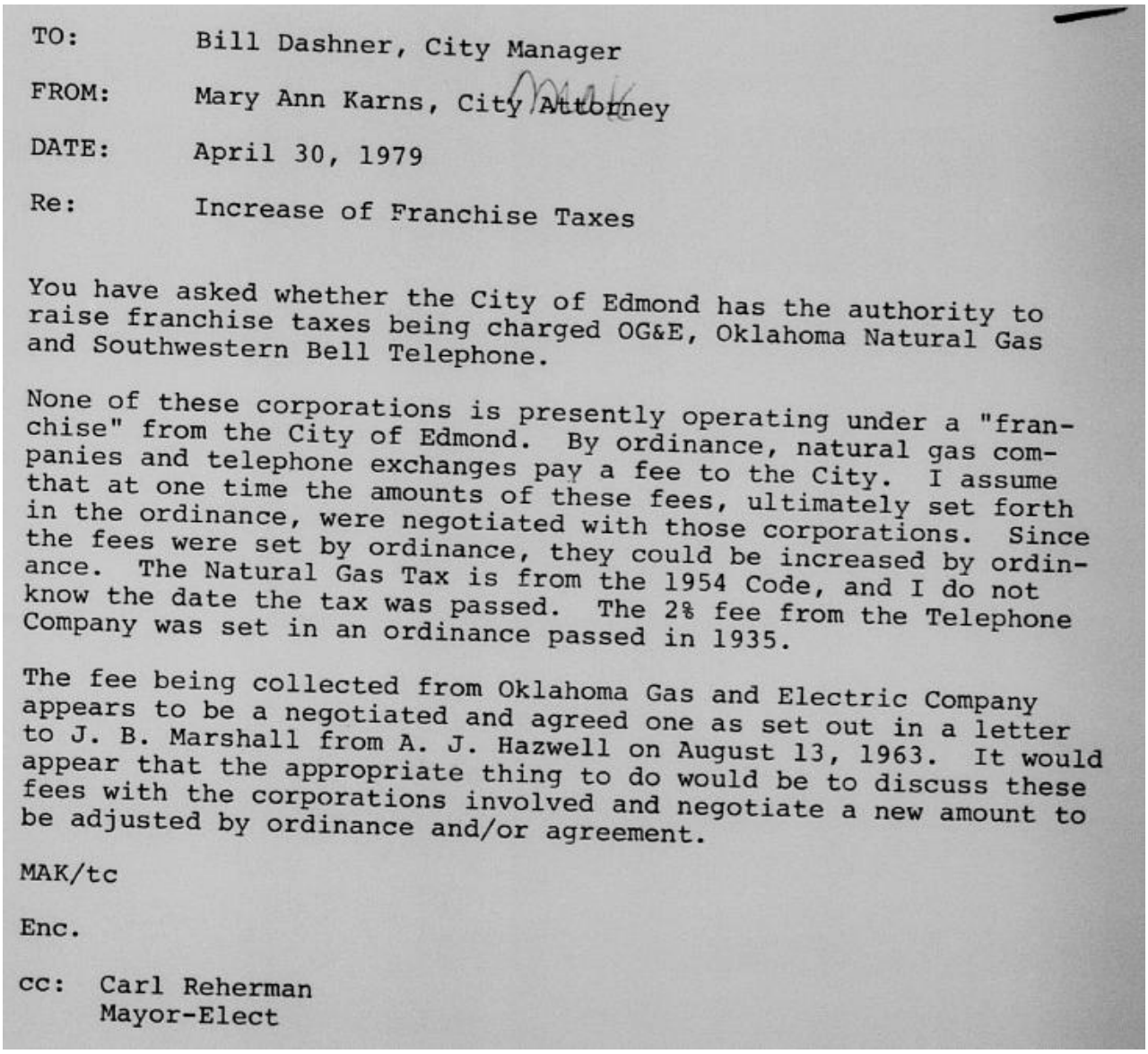
(Ord. 841, 1976; Ord. No. 2782, § 1, April 28, 2003).

- **4.68.230 - Regulation of Rates of Basic Cable Service Tier and Associated Equipment Rates.**

Ordinance 841, Dated 10-6-1976: for Community Antenna Television System

- Section 3: Term of Franchise: shall continue in force and effect for a term of 15 years.
- Section 36: Payment to the City. The Grantee shall pay to the City annually before the first day of April for the preceding calendar year, an amount equal to three percent (3%) or such percentage as the FCC might approve of the annual gross subscriber revenues

Title 4 Email from City Manager to City Attorney April 39, 1979



TO: Bill Dashner, City Manager

FROM: Mary Ann Karns, City Attorney MAK

DATE: April 30, 1979

Re: Increase of Franchise Taxes

You have asked whether the City of Edmond has the authority to raise franchise taxes being charged OG&E, Oklahoma Natural Gas and Southwestern Bell Telephone.

None of these corporations is presently operating under a "franchise" from the City of Edmond. By ordinance, natural gas companies and telephone exchanges pay a fee to the City. I assume that at one time the amounts of these fees, ultimately set forth in the ordinance, were negotiated with those corporations. Since the fees were set by ordinance, they could be increased by ordinance. The Natural Gas Tax is from the 1954 Code, and I do not know the date the tax was passed. The 2% fee from the Telephone Company was set in an ordinance passed in 1935.

The fee being collected from Oklahoma Gas and Electric Company appears to be a negotiated and agreed one as set out in a letter to J. B. Marshall from A. J. Hazwell on August 13, 1963. It would appear that the appropriate thing to do would be to discuss these fees with the corporations involved and negotiate a new amount to be adjusted by ordinance and/or agreement.

MAK/tc

Enc.

cc: Carl Reherman
Mayor-Elect

- Title 4 Chapter 4.08.010 Annual tax levied exception (see chapter 4.09.010) changed in 2006
- Title 4 Chapter 4.08.020 Quarterly payment method (see chapter 4.09.030) change in 2006

Ordinance 2782, Dated 4-28-2003: Amending Section 36 of Ordinance 841

- Section 1: The Grantee shall pay to the City a Franchise/License Fee in the amount equal to five (5) percent of Grantee's gross subscriber revenues. All payments of Franchise / License Fee shall be made on a monthly basis, not later than 45 days after the last day of each month.

Ordinance 3033, dated 7-24-2006: Amending Title 4 of Edmond Municipal Code to add new Chapter 4.09 Effective date 9-1-2006

- Chapter 4.09.010 Utility Tax Levied. There is a hereby levied and assessed an annual tax of two percent (2%) upon the gross receipts from residential and commercial sales of power, light, heart, gas, electricity or water withing the City of Edmond, which tax shall be in lieu of any other franchise, license, occupation or excise tax levied by the City, in accordance with the provision of Title 68 Section 2601-2605.
- 4.09.030 Payment of Tax. The tax levied under this ordinance shall be levied for a term of not less than one (1) year and shall be payable quarterly, on or prior to the tenth (10th) day of the months of January, April, July and October of each year and proceeds shall be placed in the general revenue fund of the city.

Lawsuits and Articles:

In February 2025, the Michigan Supreme Court struck down an East Lansing local franchise fee on the grounds that it was a tax and not a fee and was not put to a vote of the people.
A bit of background. In 2016, the city of East Lansing learned its retirement system suffered from budget shortfalls. To solve this, the city negotiated a new franchise fee agreement with the Lansing Board of Water and Light (LBWL). The East Lansing City Council enacted the franchise fee (5%) by ordinance in June 2017. It did not put the fee on the ballot.
East Lansing LBWL consumers sued the city, claiming the charge was an improperly enacted tax that violated the state constitution. The city maintained the franchise fee was, in fact, a fee. The case ended up at the Michigan Supreme Court.
For guidance, the court looked to the ruling in Bolt v. City of Lansing (1998). This decision holds that a charge is a valid user fee only if it:

1. Has a regulatory purpose, not a general revenue-raising purpose
2. Is proportionate to the required cost of the service
3. Is voluntary

Article: 'Who is paying the franchise fees?': Supreme Court ruling could hike bills further from Winter Storm Uri

This link from NonDoc states that the OK Supreme Court has struck down an Oklahoma Corporation Commission order that prohibited utility companies from billing customers for any franchise fees, municipal fees and any other taxes allowed by state law on cost related to Winter Storm Uri, the 14-day mega storm that struck in Feb 2021. Bob Anthony said about $60MM to $100MM is owed to cities and town from unpaid franchise fees and municipal taxes.

The high court's ruling said the OCC lacked the authority to say municipalities could not collect franchise percentage-based fees and taxes from an electric or gas utility's securitized debt. While that determinization may ultimately be up to a district court, the matter has been sent back to the OCC.

The OCC's now-defunct order was challenged by the City of OKC and the OML in Sept. 2022. The case's final arguments and briefs were submitted Nov. 2023. A full year later, the court held 8-0 that the OCC order was invalid. Justice Edmondson said the effect of the OCC's order "made these franchise fees and taxes related to extraordinary fuel costs to be unlawful" for the purpose of commission-approved utility tariff because of the Regulated Utility Consumer Protection Act.

Justice Rowe wrote a concurring opinion and empathized with utility customers. "How much more money will ratepayers be required to pay for the 14-day winter storm in 2021?" Nearly 4 years after the storm, it remains to be seen whether municipalities will receive their franchise fees and taxes. I wonder how many of these catastrophic weather events OK ratepayers can afford-and what can be done to prevent this from happening again.

Rinehart, deputy general counsel for OML said the organization is encouraged by the high court's decision.

City of OKC said that in 2006, OKC voters approved a 25-year franchise agreement with OGE that includes a 3 percent fee on gross revenue.

The report continues on....

List of Franchise Payers: Current as of April 20, 2026:

Franchise Payor	FY25 Total	FY26 Total	Grand Total
Airespring INC	$0.00	$0.00	$0.00
AT&T/DirecTV	$109,920.95	$65,593.06	$175,514.01
Comcast IP Phone	$58.51	$40.21	$98.72
Compliance Solutions, Clear Live, LLC	$0.00	$0.00	$0.00
Compliance Solutions, Fusion Cloud Services, LLC	$211.03	$146.76	$357.79
Compliance Solutions, Matrix Telecom, LLC FKA Matrix Telecom, Inc.	$228.43	$296.96	$525.39
Compliance Solutions, New Horizons Communications Group	$0.00	$13.08	$13.08
Compliance Solutions, Travis Business Systems Inc.	$2.74	$4.20	$6.94
Constellation New Energy	$0.09	$0.15	$0.24
Cox	$713,663.08	$505,673.22	$1,219,336.30
CREC (Central Rural Electric Cooperative)	$6,012.84	$5,615.16	$11,628.00
Granite Telecommunications LLC	$4,027.94	$1,799.13	$5,827.07
Level 3 Communications LLC	$118.57	$89.48	$208.05
Logix Communications	$324.64	$177.14	$501.78
MetTel of Oklahoma, Inc.	$600.77	$636.42	$1,237.19
OG&E	$113,502.67	$103,503.69	$217,006.36
ONG - OneGas	$747,103.75	$627,119.85	$1,374,223.60
OOMA INC	$0.00	$0.00	$0.00
Quantumshift Communications	$0.00	$0.00	$0.00
Southwestern Bell	$16,330.87	$0.00	$16,330.87
Spectrotel, Inc	$31.78	$9.80	$41.58
Terracom	$12.97	$9.64	$22.61
Windstream	$27.31	$13.94	$41.25
Totals	**$1,712,178.94**	**$1,310,741.89**	**$3,022,920.83**

How often we get paid:

Franchise Tax Payors	Payment Frequency
AT&T/DirecTV	Quarterly
Airespring INC	Annually
CREC (Central Rural Electric Cooperative)	Monthly
Comcast IP Phone	Monthly
Compliance Solutions, Clear Live, LLC	Monthly
Compliance Solutions, Fusion Cloud Services, LLC	Quarterly
Compliance Solutions, New Horizons Communications Group	Monthly
Compliance Solutions, Matrix Telecom, LLC FKA Matrix Telecom, Inc.	Annually
Compliance Solutions, Travis Business Systems Inc.	Monthly
Constellation New Energy	Quarterly
Cox	Quarterly
Granite Telecommunications LLC	Annually
Level 3 Communications LLC	Annually
Logix Communications	Monthly
MetTel of Oklahoma, Inc.	Quarterly
OG&E	Monthly
ONG - OneGas	Monthly
OOMA INC	Quarterly
Quantumshift Communications	Annually
Southwestern Bell	Annually
Spectrotel, Inc	Monthly
Terracom	Monthly
Windstream	Monthly

Terms that we have been able to identify:

Payor	Rate	Ordinance	Resolution	Expiration
Airespring INC	2% of Gross Revenue	230		
AT&T/DirecTV	5% of Gross Revenues	2782		12/31/2027
Comcast IP Phone	2% of Gross Sales	230		
Compliance Solutions, Clear Live, LLC	2% of Gross Revenue	230		
Compliance Solutions, Fusion Cloud Services, LLC	2% of Gross Revenue	230		
Compliance Solutions, New Horizons Communications Group	2% of Gross Revenue	230		
Compliance Solutions, Matrix Telecom, LLC FKA Matrix Telecom, Inc.	2% of Gross Revenue	230		
Compliance Solutions, Travis Business Systems Inc.	2% of Gross Revenue	230		
Constellation New Energy	2% of Gross Receipts	3033		
Cox	5% of Annual Gross Subscriber Revenue	2782	24-22	10/19/2027
CREC (Central Rural Electric Cooperative)	2% of Gross Receipts	3033		
Granite Telecommunications LLC	2% of Gross Sales	230		
Level 3 Communications LLC	2% of Gross Revenue	230		
Logix Communications	2% of Gross Receipts	230		
MetTel of Oklahoma, Inc.	2% of Gross Revenue	230		
OG&E	2% of Gross Receipts	3033		
ONG - OneGas	3% of Gross Receipts	3805	33-20	3/2/2046
OOMA INC	2% of Gross Receipts	230		
Quantumshift Communications	2% of Gross Sales	230		
Southwestern Bell	5% of Gross Revenues	2782	1935-07-29	
Spectrotel, Inc	2% of Gross Sales	230		
Terracom	2% of Gross Receipts	230		
Windstream	2% of Gross Sales	230		

Agreements with Parties:

1. 4-9-2007, SWB, doing business as ATT

   Term 5 years, 5% of gross revenues, paid quarterly

2. 4-9-2012, SWB, doing business as ATT

   Term 5 years, 5% of gross revenues, paid quarterly

3. 5-22-2017, SWB, doing business as ATT.

   Term 5 years, 5% of gross revenues, paid quarterly.

4. 10-10-2022, Direct TV, (Transfer portion of ATT to Direct TV)

   Term until 12-31-27 and may be extended. Assume % is same as ATT, doesn't say.

5. 1-31-2000, Cox Comm. taking over Multimedia Cablevision, Pursuant to Ord 860, dated May 7, 1977, renewed pursuant to Res. 4-88, dated May 2, 1988, assigned to Cox Com pursuant to Res. 29-99 dated 12-13-1999 and extended various time pursuant to resolutions, most recently Res. 17-17 date 9-25-2017.

   Term 5 years, 5% of gross revenues from advertising and paid quarterly

Impact Fees:

Impact fees are one-time charges imposed by local governments on new development projects to fund the infrastructure and public services required by that development.

Definition and Purpose

An impact fee is a fee levied by a local government on a new or proposed development project to cover all or part of the costs of providing public services and infrastructure necessitated by the development, such as roads, utilities, schools, parks, and emergency services. The goal is to ensure that growth pays for growth, reducing the financial burden on existing residents and taxpayers. These fees are typically a one-time payment made by developers before obtaining building permits.

Gokce Capital**+3**

How Impact Fees Work

Impact fees are calculated based on the pro-rata share of infrastructure costs that a new development imposes on the community. For example, a city may charge a builder a fee for each new single-family home to fund schools, roads, and parks. The fees are earmarked specifically for capital improvements required by the new development and cannot be used to cover existing infrastructure deficits or ongoing operational costs. While the fees are usually paid by developers, they often are passed on to homebuyers, potentially increasing the cost of new housing.

Government Finance Officers Association**+2**

Examples

In Oakland, California, a builder constructing a new single-family home may pay an impact fee of $28,000, with portions allocated to affordable housing, capital improvements, and transportation. Additionally, a school fee may be charged per square foot of residential construction. In Illinois, municipalities commonly charge higher fees for schools, followed by parks and roads, while police, fire, and library fees tend to be lower.

Gokce Capital**+1**

Benefits and Considerations

Impact fees provide a fair and efficient way to fund infrastructure without raising property taxes for existing residents. They help local governments maintain service levels and accommodate population growth. However, high fees can increase development costs, potentially discouraging investment or raising housing prices. Properly applied, they balance the needs of the community with the economic realities of development.

Gokce Capital**+2**

In summary, impact fees are a critical tool for municipalities to finance growth-related infrastructure, ensuring that new developments contribute their fair share to the community's public services and facilities.

GFOA Article

Impact Fees

PRIMER

INTRODUCTION TO IMPACT FEES

Impact fees are one-time charges imposed by local government on developers to pay a balanced share of the infrastructure costs to the community. Costs often covered include roads, utilities and public facilities such as schools, parks, police and fire stations. The goal is to have each new development pay the pro-rata share of the costs of off-site capital facilities needed to serve the new development—to help growth pay for itself and reduce the financial burden on the community. The fees may be set aside for construction or expansion of facilities required by development. The fees cannot be used to recover costs for existing infrastructure shortages nor fund operations or maintenance of capital assets.

AUTHORITY

Impacts fees are controlled by state laws or local ordinances. The use of impact fees in the U.S. has grown with widespread use in the Sun Belt and other parts of the country. Twenty-nine states have passed laws governing their use. Impact fees may only be spent on purposes allowed under state law. Usually, there is a time limit for when funds must be spent.

FEE METHODOLOGY

Various methodologies are used to determine impact fees. The fee calculation considers growth forecasts, level of service, capital costs and cost to build a unit of capacity. New development has a gradual impact on existing water and sewage capacity, school facilities and roads. Separate impact fees may be imposed based on impact to the area. Impact fees are typically distinguished by land-use type, with residential fees varying between single-family and multifamily units and sometimes by square footage. Nonresidential developments can be subject to impact fees, such as water, sewer and transportation, but typically not schools. Nonresidential impact fees are usually based on square footage and the amount of impact (e.g., a transportation impact fee would be higher on a high-volume restaurant versus a similarly sized office space) or equivalent dwelling unit and meter size for utilities.

A separate agreement should be considered to make sure the developer and municipality agree to the terms of the credits or reimbursements (e.g., when the developer is eligible and how much will be granted).

USE OF IMPACT FEES IN ECONOMIC DEVELOPMENT AND CAPITAL PLANNING

Impact fees can aid economic development and growth. By having a source of funding for the capital requirements related to growth, it lessens the impact on taxpayers and resources and helps pave the way for community acceptance. For growing municipalities, impact fees are not a one-off project funding source but can be a major part of the capital funding plan. Impact fees can also be a source of funding for reimbursements or credits to developers where, through negotiations, a developer provides infrastructure that would otherwise be funded by public resources. In recent years, nontraditional purposes of impact fees have begun to emerge, including mitigation fees to offset the negative social effects of development and to fund programs to address them, such as affordable housing and the environment. In general, public finance officers should work with legal staff to make sure impact fees comply with state laws.

QUESTIONS FINANCE OFFICERS SHOULD ASK ABOUT IMPACT FEES

As with most development issues, the decision to impose impact fees can be controversial. Following are some issues and questions finance officers should ask. How they apply and answers will vary by local context.

- Are all offsite capital costs attributed to development in a certain area accurately calculated?
- Has the finance office provided enough input and support in creating and revising the impact fee policy, including how costs and fees are calculated and how much of the costs should/can be borne by the developer versus the community at large?
- Are the assumptions underlying the impact fee calculations up to date, including growth projections and market conditions?
- Development and resulting impact fees can be unstable and have a major effect on budget resources. Are budgeted impact fee revenues modestly forecasted?
- Are state laws that impose impact fees, their allowable uses, limits and time frames understood and followed? Do we need legal counsel?
- Are there negative impacts to current or proposed fee levels, such as shifting developments to other jurisdictions?
- Are projects funded by grants, property taxes, special assessments or other sources excluded from the impact fee studies so as not to "double dip?"
- If impact fee credits or reimbursements are granted to developers, is there a credit or reimbursement policy?
- Finance officers should be involved in the impact fee process early on and through all phases of an impact fee study, including:
  - Internal and public decisions to impose or increase fees.
  - Defining policy cost categories, property types to include and locations.
  - Impact fee studies, determination of capital costs and rate calculations.
  - Coordination with capital budget and master plan.
  - Negotiating with developers (e.g., credits for developer infrastructure contributions).
  - Performing full cost/benefit of new developments (e.g., life cycle maintenance, operating/service costs).
  - Interfacing with legal counsel.

OUTSIDE RESOURCES

- Duncan Associate's: http://www.impactfees.com/
- Palm Beach County, Florida: http://discover.pbcgov.org/pzb/administration/Pages/Impact-Fees.aspx
- City of Orlando, Florida. Economic Development: http://www.cityoforlando.net/economic/impact-fees/
- National Association of Home Builders: *Impact Fee Handbook*, published in 2008, updated in 2016

About **GFOA**

The Government Finance Officers Association (GFOA) represents approximately 20,000 public finance officers throughout the United States and Canada. GFOA's mission is to promote excellence in state and local government financial management. GFOA views its role as a resource, educator, facilitator, and advocate for both its members and the governments they serve and provides best practice guidance, leadership, professional development, resources and tools, networking opportunities, award programs, and advisory services.

Finance / Audit Committee **4.**

Meeting Date: 05/21/2026

Submitted By: Ethan Davis, Finance

Item

Capital Maintenance Plan Discussion and Update of Preliminary Data Collection and Ongoing Challenges.

Background

The Capital Maintenance Plan has been discussed at several prior board meetings as part of the City's ongoing effort to develop a comprehensive, long-term planning tool for infrastructure and capital asset management. Staff has begun preliminary data collection efforts across departments to inventory existing assets, assess current conditions, and identify future capital needs. While progress has been made, the process remains in an early stage.

Time Frame

This item represents an interim update. Staff anticipates continued data collection and validation over the next several months.

Issue

Progress to date has highlighted several challenges that may impact the development timeline and accuracy of the Capital Maintenance Plan:

- Inventory tracked in multiple locations across departments
    - Discussion(s) needed with each department regarding asset tracking and condition assessments
- How infrastructure is recorded in the financial system vs. other locations

These issues require additional coordination and verification to ensure the eventual Capital Plan is both reliable and useful for long-term planning and decision-making.

Recommendations

Staff recommends that the board:

- Receive the update on current progress
- Provide direction on the scope of the Capital Maintenance Plan, specifically whether it should focus solely on infrastructure assets or include all City assets
- Discuss the need for departmental presentations to review asset inventories and condition assessments

Action Needed

No action needed, discussion only.

Public Notification

Posted Agenda.

Attachments

Capital Plan Outline

City of Edmond

Capital Maintenance Plan (CMP) – Outline

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1. Purpose & Policy Framework

Objective:
Establish a sustainable, data-driven approach to maintaining existing and future capital assets, minimizing deferred maintenance and stabilizing long-term operating costs.

Key Policy Statements:

- Maintain assets at or above target condition levels
- Prioritize maintenance before expansion (GFOA best practice)
- Integrate maintenance costs into all capital decisions
- Maintain financial capacity

---

2. Asset Inventory & Classification

(Grounded in ACFR capital asset structure)

2.1 Asset Categories

Based on ACFR Table 5 :

- Infrastructure (roads, drainage, water/sewer lines)
- Utility systems (electric, water, wastewater)
- Buildings & facilities
- Equipment & fleet
- Parks & recreation assets
- Construction in progress → future maintenance pipeline

2.2 Key Insight from ACFR

- ~$1.37B in capital assets (net)
- Rapid growth in:
    - Water ($95M additions)
    - Electric & infrastructure

      ➡️ **Implication:** Maintenance burden is accelerating, especially in utilities

---

3. Asset Condition & Lifecycle Framework

3.1 Condition Assessment System

- Standardized scoring (e.g., 1–5 scale)
- Department-led assessments (Public Works, Utilities, Parks)

3.2 Useful Life & Replacement Curves

- Define expected life by asset class:
    - Streets: 20–40 years
    - Water lines: 50+ years
    - Facilities: 30–50 years
    - Equipment: 5–15 years

3.3 Lifecycle Cost Model

For each asset:

- Acquisition cost
- Annual O&M cost
- Major rehabilitation intervals
- Replacement cost (inflation-adjusted)

➡️ Tie to ACFR trend: rising expenses (18% increase in governmental activities)

---

4. Maintenance Needs Assessment

4.1 Current Backlog

- Identify deferred maintenance across:
    - Streets & highways (notable cost driver)
    - Parks facilities
    - Water/wastewater systems

4.2 Annual Maintenance Requirement

Develop a **Target Maintenance Ratio**:

- % of asset value reinvested annually (industry: 2–4%)

Example:

- $1.37B assets → $27M–$55M annual maintenance target

4.3 Risk-Based Prioritization

Prioritize based on:

- Public safety (police/fire facilities, roads)
- Regulatory compliance (water/wastewater)
- Service disruption risk
- Financial impact

---

5. Financial Strategy & Funding Plan

5.1 Current Funding Sources (from ACFR)

- Sales tax (primary driver)
- Utility rates (enterprise funds)
- Capital Improvement Funds (2000 & 2017 CIP)
- Debt financing
- Grants & contributions

5.2 Maintenance Funding Structure

Create **dedicated maintenance allocations**:

- General Fund:
    - Ongoing facility & fleet maintenance
- CIP Funds:
    - Major rehabilitation / replacement
- Enterprise Funds:
    - Fully fund lifecycle costs via rates

5.3 Reserve & Smoothing Strategy

- Establish **Capital Maintenance Reserve Fund**
- Target:
    - % of asset value OR
    - Multi-year smoothing (avoid spikes)

➡️ Align with:

- Existing reserve discussions (~$50M target)
- Volatility in sales tax (-2.33% YoY)

---

6. Integration with Capital Improvement Plan (CIP)

6.1 Maintenance First Policy

- Require maintenance funding before new capital approvals

6.2 Lifecycle Costing in CIP

Every project must include:

- 10–20 year O&M forecast
- Annual maintenance cost impact
- Replacement reserve requirement

6.3 Growth Impact Analysis

- Tie new development to:
    - Incremental maintenance burden
    - Utility expansion costs (notable in Edmond)

---

7. Enterprise Fund Strategy (Critical for Edmond)

7.1 Utility-Specific Maintenance Plans

Given strong business-type activity performance:

- Electric
- Water
- Wastewater

Each should include:

- Asset renewal schedules
- Rate-based funding model
- Coverage of:
    - Depreciation
    - Capital replacement
    - Debt service

➡️ ACFR insight:

- Utilities generated strong net revenues ($43.4M)
  ➡️ Opportunity: fund maintenance without tax pressure

---

8. Performance Metrics & Monitoring

8.1 Core Metrics

- % of assets in “good” condition
- Deferred maintenance backlog ($)
- Annual maintenance spending vs target
- Asset failure rates
- Cost per mile / per asset unit

8.2 Financial Indicators

- Maintenance spending as % of asset value
- Capital vs maintenance spending ratio
- Impact on net position (ACFR trend tracking)

---

9. Governance & Implementation

9.1 Roles

- Finance: funding strategy & forecasting
- Public Works / Utilities: asset condition & needs
- City Council: policy & prioritization

9.2 Annual Process

1. Update asset inventory
2. Reassess condition
3. Update 5–10 year maintenance forecast
4. Integrate into budget + CIP

9.3 Reporting

- Annual “State of Assets” report
- Tie directly to ACFR/statistical section

---

10. 5–10 Year Capital Maintenance Forecast

Include:

- Asset replacement schedule
- Major rehabilitation projects
- Funding sources
- Impact on:

- Rates
- Taxes
- Debt

➡️ Critical given:

- Rapid capital growth (+13% assets YoY)
- Rising debt (+29%)

Finance / Audit Committee **5.**

Meeting Date: 05/21/2026

Submitted By: Ethan Davis, Finance

Item

Discussion Regarding FY26 Q3 Budget to Actuals Report, March 2026 Sales & Use Tax Summaries, and Debt Detail Report.

Background

The Finance Department has completed the third quarter financial review for the City as of March 31, 2026, representing nine months of FY26. The purpose of this report is to provide the committee and public with a review of actual revenues and expenditures compared to the adopted FY26 budget across all funds. In addition, March 2026 sales and use tax collections are summarized by NAICS (North American Industry Classification System) category, and an updated Debt Detail Report is presented showing outstanding debt balances as of April 1, 2026, compared to the prior fiscal year end.

Reports provided include:

1. City-wide Budget to Actuals as of 3/31/2026
2. General Fund Budget to Actuals
3. Special Revenue Fund Budget to Actuals
4. Capital Project Funds Budget to Actuals
5. Edmond Public Works Authority (EPWA) Funds Budget to Actuals
6. Other Enterprise Funds Budget to Actuals
7. Internal Service Funds (Administrative Allocation / Overhead) Budget to Actuals
8. City-wide Adopted to Current Budget Reconciliation
9. March 2026 Sales and Use Tax NAICS Summaries
10. Debt Details Report showing debt outstanding as of 4/1/2026 and prior FYE.

The web-based version (with drilldowns of reports #1-8) of these reports can be found by visiting https://edmondok.openbook.questica.com/ and selecting "March 2026 Financial Update".

Time Frame

Fiscal Year Covered: FY26 (July 1, 2025 - June 30, 2026)
Reporting Cutoff: March 31, 2026 (Q3)
Debt Comparison Dates: June 30, 2025 vs. April 1, 2026
Sales and Use Tax Summary: Collection for the month ending March 31, 2026

Issue

Reviewing Q3 performance allows the City to assess expenditure trends, identify potential budgetary adjustments, and confirm financial sustainability across all major funds. The March sales and use tax report provides insight into key economic drivers, while the debt report tracks principal changes and new issuances since the close of FY25.

Recommendations

Staff recommends reviewing content of the reports and discussing any items needing more attention.

Action Needed

No action needed, discussion only.

Public Notification
Posted Agenda.

Attachments

March Q3 Financial Update

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City Wide March Financials

Category	Adopted Budget	Current Budget	March Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	219,669,339	219,669,339	14,450,031	167,541,687	76.3	1.3%
Fines & Forfeitures	1,726,139	1,726,139	217,007	1,579,629	91.5	16.5%
Inter-governmental	9,603,557	9,872,848	422,430	2,505,265	25.4	(49.6%)
Interest	6,255,423	6,255,423	1,889,115	18,192,818	290.8	215.8%
Licenses & Permits	4,926,455	4,926,455	400,328	3,217,989	65.3	(9.7%)
Loan Proceeds	0	15,669,369	0	0	0.0	(75.0%)
Miscellaneous Revenue	4,506,198	4,541,830	392,678	4,315,222	95.0	20.0%
Taxes	109,215,980	109,215,980	8,005,166	81,949,266	75.0	0.0%
Transfers In	164,886,182	166,473,743	14,303,066	122,672,757	73.7	(1.3%)
Fund Balance	57,144,646	354,186,940	3,185,755	52,808,738	14.9	(60.1%)
Total Sources	**577,933,919**	**892,538,065**	**43,265,575**	**454,783,371**	**51.0%**	**(24.0%)**
Expenses / Expenditure						
Capital Outlay	81,829,869	372,487,429	4,892,185	94,697,352	25.4%	(49.6%)
Debt Service	51,183,638	51,183,638	9,422,984	49,772,475	97.2%	22.2%
Materials & Supplies	15,667,098	16,985,575	1,300,236	9,931,762	58.5%	(16.5%)
Other Services & Charges	147,996,130	169,230,852	5,316,873	98,625,052	58.3%	(16.7%)
Personal Services	116,371,001	116,276,828	8,393,788	79,560,327	68.4%	(6.6%)
Transfers Out	164,886,182	166,373,743	13,939,509	122,196,404	73.4%	(1.6%)
Total Operating Expenditures	280,034,229	302,493,255	15,010,898	188,117,141	62.2%	(12.8%)
Grand Total	**577,933,919**	**892,538,065**	**43,265,575**	**454,783,371**	**51.0%**	**(24.0%)**

General Fund March Financials

Category	Adopted Budget	Current Budget	March Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	6,832,971	6,832,971	576,973	5,816,987	85.1%	10.1%
Fines & Forfeitures	1,726,139	1,726,139	216,432	1,573,779	91.2%	16.2%
Inter-governmental	1,657,906	1,657,906	109,113	1,023,672	61.7%	(13.3%)
Interest	185,575	185,575	25,219	122,010	65.7%	(9.3%)
Licenses & Permits	3,180,458	3,180,458	215,335	1,689,731	53.1%	(21.9%)
Miscellaneous Revenue	325,938	325,938	11,198	298,381	91.5%	16.5%
Taxes	67,467,810	67,467,810	4,833,651	50,752,358	75.2%	0.2%
Transfers In	22,787,223	22,787,223	1,898,935	17,090,417	75.0%	0.0%
Fund Balance	700,178	184,165	511,930	(3,574,822)	(1,941.1%)	(2,016.1%)
Total Sources	**104,864,198**	**104,348,185**	**8,398,786**	**74,792,515**	**71.7%**	**(3.3%)**
Expenses / Expenditure						
Capital Outlay	754,640	774,332	0	0	0.0%	(75.0%)
Materials & Supplies	647,845	676,619	53,972	311,510	46.0%	(29.0%)
Other Services & Charges	5,666,035	5,642,730	273,455	3,376,610	59.8%	(15.2%)
Personal Services	7,477,845	7,340,187	547,856	5,160,705	70.3%	(4.7%)
Transfers Out	90,317,833	89,914,318	7,523,503	65,943,690	73.3%	(1.7%)
Total Operating Expenditures	13,791,725	13,659,536	875,283	8,848,825	64.8%	(48.8%)
Grand Total	**104,864,198**	**104,348,185**	**8,398,786**	**74,792,515**	**71.7%**	**(3.3%)**

Special Revenue Funds March Financials

Category	Adopted Budget	Current Budget	February Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	964,950	964,950	80,456	738,022	76.5%	1.5%
Fines & Forfeitures	0	0	575	5,850	0.0%	
Inter-governmental	3,316,156	3,476,143	125,810	1,045,192	30.1%	(44.9%)
Interest	1,777,936	1,777,936	146,800	1,493,414	84.0%	9.0%
Licenses & Permits	0	0	0	0	0.0%	
Loan Proceeds	0	0	0	0	0.0%	
Miscellaneous Revenue	663,523	699,154	17,119	744,538	106.5%	31.5%
Taxes	10,360,322	10,360,322	746,475	7,491,618	72.3%	(2.7%)
Transfers In	57,739,822	58,439,822	5,411,652	42,637,315	73.0%	(2.0%)
Fund Balance	12,040,420	17,469,498	382,915	6,209,320	35.5%	(39.5%)
Total Sources	**86,863,128**	**93,187,824**	**6,911,802**	**60,365,269**	**64.8%**	**(10.2%)**
Expenses / Expenditure						
Capital Outlay	4,123,603	9,628,340	1,038,810	3,711,171	38.5%	(36.5%)
Materials & Supplies	2,864,901	3,157,437	245,402	1,462,480	46.3%	(28.7%)
Other Services & Charges	6,730,869	7,083,916	227,886	3,754,318	53.0%	(22.0%)
Personal Services	58,389,745	58,539,044	4,305,001	40,806,922	69.7%	(5.3%)
Transfers Out	14,754,010	14,779,086	1,094,703	10,630,378	71.9%	(3.1%)
Grand Total	**86,863,128**	**93,187,824**	**6,911,802**	**60,365,269**	**64.8%**	**(10.2%)**
Total Operating Expenditures	67,985,515	68,780,397	4,778,289	46,023,720	66.9%	(56.0%)

Capital Projects March Financials

Category	Adopted Budget	Current Budget	March Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	147,292	147,292	18,665	136,250	92.5%	17.5%
Inter-governmental	2,879,000	2,888,000	0	192,477	6.7%	(68.3%)
Interest	538,226	538,226	214,003	2,471,868	459.3%	384.3%
Loan Proceeds	0	0	0	0	0.0%	(75.0%)
Miscellaneous Revenue	1,515,334	1,515,334	228,799	384,301	25.4%	(49.6%)
Taxes	31,387,848	31,387,848	2,425,039	23,705,290	75.5%	0.5%
Transfers In	125,000	270,000	40,417	238,750	88.4%	13.4%
Fund Balance	8,801,393	70,149,610	4,303,657	16,190,321	23.1%	(51.9%)
Total Sources	**45,394,093**	**106,896,310**	**7,230,579**	**43,319,257**	**40.5%**	**(34.5%)**
Expenses / Expenditure						
Capital Outlay	28,665,688	88,342,026	2,485,787	26,635,209	30.2%	(44.8%)
Debt Service	12,367,470	12,367,470	3,846,914	12,313,970	99.6%	24.6%
Materials & Supplies	88,360	97,360	3,901	71,836	73.8%	(1.2%)
Other Services & Charges	1,033,659	2,250,538	29,049	1,285,461	57.1%	(17.9%)
Personal Services	574,947	574,947	43,611	419,694	73.0%	(2.0%)
Transfers Out	2,663,969	3,263,969	821,317	2,593,087	79.4%	4.4%
Total Operating Uses	1,696,966	2,922,845	76,560	1,776,991	60.8%	(21.1%)
Grand Total	**45,394,093**	**106,896,310**	**7,230,579**	**43,319,257**	**40.5%**	**(34.5%)**

EPWA Funds March Financials

Category	Adopted Budget	Current Budget	March Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	193,017,649	193,017,649	12,296,752	147,430,571	76.4%	1.4%
Inter-governmental	0	0	0	0	0.0%	(75.0%)
Interest	2,539,764	2,539,764	1,339,347	12,623,872	497.0%	422.0%
Licenses & Permits	1,669,096	1,669,096	184,993	1,495,048	89.6%	14.6%
Loan Proceeds	0	15,669,369	0	0	0.0%	(75.0%)
Miscellaneous Revenue	429,718	429,718	44,787	1,722,979	401.0%	326.0%
Transfers In	16,553,648	16,553,648	1,346,631	12,288,142	74.2%	(0.8%)
Fund Balance	31,217,374	258,082,921	(1,319,999)	36,223,331	14.0%	(61.0%)
Total Sources	**245,427,249**	**487,962,165**	**13,892,511**	**211,783,944**	**43.4%**	**(31.6%)**
Expenses / Expenditure						
Capital Outlay	41,157,189	264,113,158	1,170,319	60,812,751	23.0%	(52.0%)
Debt Service	38,816,168	38,816,168	5,576,069	37,458,505	96.5%	21.5%
Materials & Supplies	5,301,259	5,705,103	436,980	3,454,841	60.6%	(14.4%)
Other Services & Charges	93,888,689	111,830,792	1,654,522	61,684,829	55.2%	(19.8%)
Personal Services	18,207,347	18,207,347	1,245,991	11,832,084	65.0%	(10.0%)
Transfers Out	48,056,596	49,289,596	3,808,630	36,540,934	74.1%	(0.9%)
Total Uses	**245,427,249**	**487,962,165**	**13,892,511**	**211,783,944**	**43.4%**	**(31.6%)**
Total Operating Expenditures	117,397,295	135,743,242	3,337,492	76,971,754	56.7%	(44.3%)

Other Enterprise Fund March Financials

Category	Adopted Budget	Current Budget	March Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	3,431,547	3,431,547	235,341	2,561,171	74.6%	(0.4%)
Inter-governmental	1,750,495	1,750,495	187,507	243,924	13.9%	(61.1%)
Interest	39,491	39,491	9,633	84,936	215.1%	140.1%
Loan Proceeds	0	0	0	0	0.0%	0.0%
Miscellaneous Revenue	185,867	185,867	10,878	134,306	72.3%	(2.7%)
Transfers In	1,023,674	1,023,674	85,306	767,756	75.0%	0.0%
Fund Balance	1,464,839	2,065,435	133,399	2,027,113	98.1%	23.1%
Total Sources	**7,895,913**	**8,496,509**	**655,315**	**5,812,455**	**68.4%**	**(6.6%)**
Expenses / Expenditure						
Capital Outlay	730,000	734,149	47,802	402,771	54.9%	(20.1%)
Debt Service	0	0	0	0	0.0%	0.0%
Materials & Supplies	902,850	911,550	70,864	538,591	59.1%	(15.9%)
Other Services & Charges	3,382,321	3,970,068	325,605	2,878,887	72.5%	(2.5%)
Personal Services	1,780,630	1,780,630	119,430	1,167,290	65.6%	(9.4%)
Transfers Out	1,100,112	1,100,112	91,614	824,916	75.0%	(0.0%)
Total Uses	**7,895,913**	**8,496,509**	**655,315**	**5,812,455**	**68.4%**	**(6.6%)**
Total Operating Uses	6,065,801	6,662,248	515,899	4,584,769	68.8%	(27.8%)

Administrative Allocation Overhead Fund March Financials

Category	Adopted Budget	Current Budget	February Actuals	YTD Actuals	% of Current Budget	Above (below) YTD Budget
Revenues / Funding Source						
Charges for Services	15,274,930	15,274,930	1,241,844	10,858,686	71.1%	(3.9%)
Inter-governmental	0	100,304	0	0	0.0%	0.0%
Interest	1,174,431	1,174,431	154,112	1,396,717	118.9%	43.9%
Licenses & Permits	76,901	76,901	0	33,210	43.2%	(31.8%)
Miscellaneous Revenue	1,385,819	1,385,819	79,898	1,030,718	74.4%	(0.6%)
Transfers In	66,656,815	67,399,376	5,520,126	49,650,376	73.7%	(1.3%)
Fund Balance	2,920,442	6,235,311	(819,398)	(4,259,776)	(68.3%)	(143.3%)
Total Sources	**87,489,338**	**91,647,072**	**6,176,582**	**58,709,931**	**64.1%**	**(10.9%)**
Expenses / Expenditure						
Capital Outlay	6,398,749	8,895,423	149,466	3,135,450	35.2%	(39.8%)
Debt Service	0	0	0	0	0.0%	0.0%
Materials & Supplies	5,861,883	6,437,506	489,117	4,092,503	63.6%	(11.4%)
Other Services & Charges	37,294,557	38,452,808	2,806,357	25,644,947	66.7%	(8.3%)
Personal Services	29,940,487	29,834,673	2,131,900	20,173,631	67.6%	(7.4%)
Transfers Out	7,993,662	8,026,662	599,743	5,663,400	70.6%	(4.4%)
Total Operating Expenditures	73,096,927	74,724,987	5,427,374	49,911,081	66.8%	(8.2%)
Total Uses	**87,489,338**	**91,647,072**	**6,176,582**	**58,709,931**	**64.1%**	**(10.9%)**

Adopted vs Current Budget Breakdown

Category	Adopted Budget	Prior Year Encumbrances	City Council Approved Budget Amendments	City Management Approved Budget Amendments	Current Budget
Expense					
Capital Outlay	81,829,869	273,026,867	17,625,893	4,800	372,487,429
Debt Service	51,183,638	0	0	0	51,183,638
Materials & Supplies	15,667,098	607,448	744,415	(33,386)	16,985,575
Other Services & Charges	147,996,130	3,157,400	18,046,236	31,086	169,230,852
Personal Services	116,371,001	17,000	(78,673)	(32,500)	116,276,828
Transfer Out	164,886,182	0	1,457,561	30,000	166,373,743
Total Uses	**577,933,919**	**276,808,715**	**37,795,432**	**0**	**892,538,065**

City of Edmond, Sales, Use and Lodging Tax Summary, April, 2026

Sales Tax

Fiscal Year 2025				Fiscal Year 2026			
Month	Collections	Rate	Growth %	Month	Collections	Rate	Growth %
July	7,373,547	3.75%	-1.81%	July	7,021,235	3.75%	-4.78%
August	7,339,630	3.75%	1.59%	August	7,569,867	3.75%	3.14%
September	7,354,713	3.75%	-3.23%	September	7,286,530	3.75%	-0.93%
October	7,515,594	3.75%	-2.76%	October	7,108,708	3.75%	-5.41%
November	6,813,256	3.75%	-10.87%	November	6,989,472	3.75%	2.59%
December	7,560,564	3.75%	5.63%	December	7,198,971	3.75%	-4.78%
January	7,482,056	3.75%	-1.73%	January	7,637,531	3.75%	2.08%
February	7,393,415	3.75%	-2.40%	February	7,515,689	3.75%	1.65%
March	6,196,591	3.75%	-3.45%	March	6,646,978	3.75%	7.27%
April	6,645,638	3.75%	-2.83%	April	7,049,674	3.75%	6.08%
May	7,130,429	3.75%	-3.17%	May			
June	7,069,480	3.75%	-2.45%	June			
	71,675,005		**-2.23%**		**72,024,654**		**0.49%**

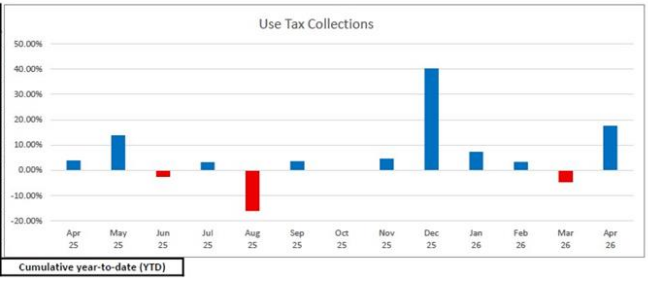
Cumulative year-to-date (YTD)



Use Tax

Fiscal Year 2025				Fiscal Year 2026			
Month	Collections	Rate	Growth %	Month	Collections	Rate	Growth %
July	1,464,753	3.75%	5.69%	July	1,512,199	3.75%	3.24%
August	1,760,188	3.75%	29.23%	August	1,477,544	3.75%	-16.06%
September	1,550,282	3.75%	2.59%	September	1,605,878	3.75%	3.59%
October	1,355,504	3.75%	9.07%	October	1,353,154	3.75%	-0.17%
November	1,450,406	3.75%	7.51%	November	1,517,802	3.75%	4.65%
December	1,550,269	3.75%	0.34%	December	2,174,209	3.75%	40.25%
January	1,784,792	3.75%	-4.36%	January	1,914,827	3.75%	7.29%
February	2,281,035	3.75%	19.07%	February	2,358,747	3.75%	3.41%
March	1,255,995	3.75%	-2.95%	March	1,197,055	3.75%	-4.69%
April	1,353,954	3.75%	3.87%	April	1,591,376	3.75%	17.54%
May	1,648,224	3.75%	13.81%	May			
June	1,339,752	3.75%	-2.54%	June			
	15,807,177		**6.98%**		**16,702,791**		**5.67%**

Cumulative year-to-date (YTD)

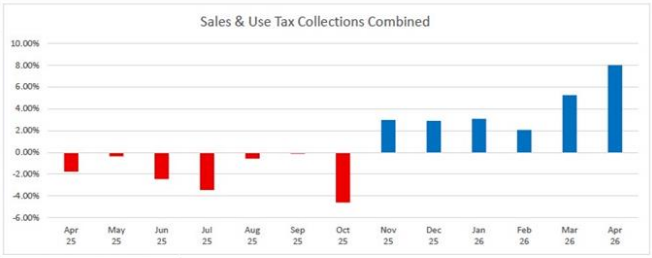


City of Edmond, Sales, Use and Lodging Tax Summary, April, 2026

Sales & Use Tax Combined

Fiscal Year 2025				Fiscal Year 2026			
Month	Collections	Rate	Growth %	Month	Collections	Rate	Growth %
July	8,838,301	3.75%	-0.64%	July	8,533,434	3.75%	-3.45%
August	9,099,818	3.75%	5.97%	August	9,047,411	3.75%	-0.58%
September	8,904,995	3.75%	-2.27%	September	8,892,408	3.75%	-0.14%
October	8,871,098	3.75%	-1.12%	October	8,461,862	3.75%	-4.61%
November	8,263,663	3.75%	-8.11%	November	8,507,273	3.75%	2.95%
December	9,110,833	3.75%	4.69%	December	9,373,180	3.75%	2.88%
January	9,266,847	3.75%	-2.25%	January	9,552,357	3.75%	3.08%
February	9,674,450	3.75%	1.93%	February	9,874,435	3.75%	2.07%
March	7,452,586	3.75%	-3.37%	March	7,844,033	3.75%	5.25%
April	7,999,591	3.75%	-1.76%	April	8,641,050	3.75%	8.02%
May	8,778,654	3.75%	-0.38%	May			
June	8,409,232	3.75%	-2.47%	June			
	87,482,182		**-0.69%**		**88,727,445**		**1.42%**

Cumulative year-to-date (YTD)



City Comparison Sales and Use Tax

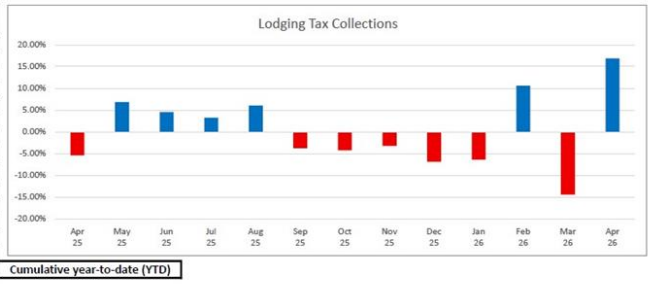
City	Sales Tax YTD	Use Tax YTD	Sales & Use Tax YTD
Edmond	**0.49%**	**5.67%**	**1.42%**
Broken Arrow	2.75%	11.40%	4.08%
Moore	3.44%	7.55%	3.93%
Tulsa	4.39%	0.97%	3.78%
Midwest City	3.18%	6.25%	3.55%
Oklahoma City	2.93%	5.77%	3.45%
Norman	1.78%	7.64%	2.67%
Yukon	-3.01%	2.79%	-2.23%

City of Edmond, Sales, Use and Lodging Tax Summary, April, 2026

Lodging Tax

Fiscal Year 2025				Fiscal Year 2026			
Month	Collections	Rate	Growth %	Month	Collections	Rate	Growth %
July	94,486	4.00%	23.71%	July	146,318	6.00%	3.24%
August	85,323	4.00%	-11.52%	August	135,766	6.00%	6.08%
September	80,959	4.00%	8.94%	September	116,897	6.00%	-3.74%
October	75,595	4.00%	11.67%	October	108,533	6.00%	-4.29%
November	75,671	4.00%	4.76%	November	109,782	6.00%	-3.28%
December	133,923	6.00%	1.18%	December	124,658	6.00%	-6.92%
January	109,167	6.00%	17.06%	January	102,190	6.00%	-6.39%
February	92,255	6.00%	16.88%	February	102,025	6.00%	10.59%
March	99,994	6.00%	22.63%	March	85,528	6.00%	-14.47%
April	81,932	6.00%	-5.38%	April	95,770	6.00%	16.89%
May	120,216	6.00%	6.83%	May			
June	124,381	6.00%	4.51%	June			
	929,304		**7.87%**		**1,127,467**		**1.10%**

Cumulative year-to-date (YTD)



NAICS Categories Performance

The North American Industry Classification System (NAICS) is the U.S. standard for categorizing types of businesses when analyzing economic information. The City groups all NAICS codes into several general categories when analyzing sales and use tax trends. More information can be found on the U.S. Census Bureau website at Census.gov/NAICS.

Sales Tax NAICS Performance

Retail comprises the largest percentage of sales tax collections at around 60% . The largest year-over- year category changes for April 2026 were in Retail (up $1.95M) and Wholesale Trade (up $401K).

SALES TAX PERFORMANCE

Total Collected		Vs Prior Year	
$	72,024,654	↑	0.49% 350K

TOP 5 SECTORS

Retail		Hotels & Restaurants		Wholesale Trade		Utilities		Manufacturing	
↑	5% 1.95M	↑	1% 91K	↑	7% 401K	↑	3% 124K	↑	12% 233K
% of Sales Tax	60%	% of Sales Tax	16%	% of Sales Tax	8%	% of Sales Tax	6%	% of Sales Tax	3%

PEER CITIES COMPARISION

	Edmond			Oklahoma City	Tulsa	Moore	Norman	Midwest City	Broken Arrow	Yukon
NAICS Category	**Apr-26**	**Apr-25**	**Growth %**	Growth %	Growth %	Growth %	Growth %	Growth %	Growth %	Growth %
Retail	42,969,597	41,022,416	4.75%	0.43%	2.46%	2.64%	0.38%	1.83%	1.35%	(1.31%)
Hotels & Restaurants	11,718,924	11,627,794	0.78%	5.14%	3.41%	1.67%	4.83%	2.40%	4.62%	(6.11%)
Wholesale Trade	5,928,793	5,528,273	7.24%	3.95%	4.03%	9.11%	1.28%	17.30%	5.11%	(12.33%)
Utilities	4,408,162	4,283,948	2.90%	9.98%	13.14%	10.00%	8.24%	9.33%	11.29%	3.63%
Manufacturing	2,131,092	1,898,078	12.28%	(0.87%)	5.90%	3.56%	(3.79%)	(13.23%)	(3.95%)	5.44%
Total	**72,024,654**	**71,675,005**	**0.49%**	**2.93%**	**4.39%**	**3.44%**	**1.78%**	**3.18%**	**2.75%**	**(3.01%)**

NAICS Categories Performance

The North American Industry Classification System (NAICS) is the U.S. standard for categorizing types of businesses when analyzing economic information. The City groups all NAICS codes into several general categories when analyzing sales and use tax trends. More information can be found on the U.S. Census Bureau website at Census.gov/NAICS.

Use Tax NAICS Performance

Retail comprises the largest percentage of use tax collections at around 69% . The largest year-over- year category changes for April 2026 were in Retail (up $644K) and Wholesale Trade (up $275K).

USE TAX PERFORMANCE

Total Collected		Vs Prior Year	
$	16,702,791	↑	5.67%
			896K

TOP 5 SECTORS

Retail		Wholesale Trade		Manufacturing		Transportation and Warehousing		Unclassified	
↑	6%	↑	23%	↑	2%	↑	18%	↑	0%
	644K		275K		24K		129K		34K
% of Sales Tax	69%	% of Sales Tax	9%	% of Sales Tax	8%	% of Sales Tax	5%	% of Sales Tax	3%

PEER CITIES COMPARISION

	Edmond			Oklahoma City	Tulsa	Moore	Norman	Midwest City	Broken Arrow	Yukon
NAICS Category	**Apr-26**	**Apr-25**	**Growth %**	Growth %	Growth %	Growth %	Growth %	Growth %	Growth %	Growth %
Retail	11,533,269	10,888,848	5.92%	9.45%	1.61%	2.71%	8.25%	6.31%	10.95%	(4.78%)
Wholesale Trade	1,494,964	1,219,522	22.59%	0.70%	8.12%	5.19%	(5.47%)	16.50%	1.24%	8.80%
Manufacturing	1,338,794	1,314,810	1.82%	(8.09%)	(9.55%)	0.60%	(12.92%)	10.96%	1.58%	(13.97%)
Transportation and Warehousing	854,494	725,721	17.74%	17.85%	16.78%	13.62%	11.46%	10.42%	18.82%	13.87%
Unclassified	505,870	471,629	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	**16,702,791**	**15,807,177**	**5.67%**	**5.77%**	**0.97%**	**7.55%**	**7.64%**	**6.25%**	**11.40%**	**2.79%**

Debt Detail for the City of Edmond

as of 4/1/2026 includes 6/30/2025 ACFR #s

	Debt Series	Debt Type	Term	Issuance Date	Maturity Date	Original Principal Amount	All-In True Interest Rate	Remaining Principal 4/1/26	Remaining Drawdown as of 4/1/26 (unused project funds)	Remaining Interest 4/1/26	Principal, Interest & Drawdown Remaining (AS OF 4/1/26)	Remaining Principal 6/30/25 (ACFR)	Remaining Drawdown as of 6/30/25 (unused project funds)	Remaining Interest 6/30/25 (ACFR)	Principal, Interest & Drawdown Remaining FYE25 ACFR
	Debt Secured by - Utility Revenue & 0.75% Sales Tax														
1	**Series 2014B Refunding Bonds** (CIP - Refunded Series 2005 Bonds)	Sales Tax & Utility System Reveue Bonds	10 Years	12/9/2014	7/1/2026	$ 20,755,000	2.62%	$ 2,245,000	$ -	$ 50,625	**$ 2,295,625**	$ 4,385,000	$ -	$ 205,375	**$ 4,590,375**
2	**Series 2016 Bonds** (Wastewater - Interceptors, Force Main Improvements, Lift Stations, Sewer Rehab)	Sales Tax & Utility System Reveue Bonds	30 Years	7/5/2016	7/1/2046	$ 41,795,000	3.18%	$ 34,335,000	$ -	$ 14,517,400	**$ 48,852,400**	$ 35,320,000	$ -	$ 15,864,625	**$ 51,184,625**
3	**Series 2017 Bonds** (Wastewater - CC Recovery Facility Expansion)	Sales Tax & Utility System Reveue Bonds	30 Years	10/19/2017	7/1/2047	$ 167,025,000	3.87%	$ 140,570,000	$ -	$ 78,406,825	**$ 218,976,825**	$ 144,420,000	$ -	$ 84,570,125	**$ 228,990,125**
4	**Series 2024 Bonds** (Electric - CC Substation, Garber Substation, Mitch Substation, Feeder Extensions)	Sales Tax & Utility System Reveue Bonds	15 Years	10/1/2024	7/1/2039	$ 20,320,000	3.93%	$ 19,820,000	$ -	$ 7,753,875	**$ 27,573,875**	$ 20,320,000	$ -	$ 8,949,286	**$ 29,269,286**
						$ 249,895,000		**$ 196,970,000**	$ -	**$ 100,728,725**	**$ 297,698,725**	**$ 204,445,000**	$ -	**$ 109,589,411**	**$ 314,034,411**
	Debt Secured by - 2% Sales Tax														
5	**Series 2013 Refunding Note** (Water - Refunded 2005, 2005B, 2005D, and 2006A OWRB DWSRF Notes)	2% Sales Tax	13 Years	7/31/2013	7/1/2026	$ 16,085,000	2.86%	$ 535,000	$ -	$ 7,651	**$ 542,651**	$ 1,995,000	$ -	$ 54,340	**$ 2,049,340**
6	**Series 2021A Note** (CIP - Streets, Kelly Danforth Intersection, ITS, Golf Course, ADA Sidewalk on 2nd)	2% Sales Tax	15 Years	7/21/2021	7/1/2036	$ 35,000,000	1.67%	$ 34,510,000	$ -	$ 3,665,859	**$ 38,175,859**	$ 34,620,000	$ -	$ 4,243,554	**$ 38,863,554**
7	**Taxable Series 2021B Note** (CIP - Golf)	2% Sales Tax	5 Years	7/21/2021	1/1/2027	$ 5,000,000	1.39%	$ 1,630,000	$ -	$ 17,028	**$ 1,647,028**	$ 3,220,000	$ -	$ 56,295	**$ 3,276,295**
8	**Series 2023A** (CIP - YMCA/Library)	2% Sales Tax	15 Years	6/1/2023	3/1/2038	$ 37,100,000	4.09%	$ 32,040,000	$ -	$ 8,771,210	**$ 40,811,210**	$ 34,120,000	$ -	$ 10,145,654	**$ 44,265,654**
9	**Series 2023B** (CIP - City Hall & Municipal Court)	2% Sales Tax	15 Years	6/1/2023	3/1/2038	$ 34,000,000	4.34%	$ 29,365,000	$ -	$ 8,530,692	**$ 37,895,692**	$ 31,270,000	$ -	$ 9,866,995	**$ 41,136,995**
10	**Taxable Series 2023C** (CIP - Parking Garage)	2% Sales Tax	15 Years	6/1/2023	3/1/2038	$ 10,000,000	5.18%	$ 8,700,000	$ -	$ 3,057,625	**$ 11,757,625**	$ 9,235,000	$ -	$ 3,529,134	**$ 12,764,134**
						$ 137,185,000		**$ 106,780,000**	$ -	**$ 24,050,062**	**$ 130,830,062**	**$ 114,460,000**	$ -	**$ 27,895,972**	**$ 142,355,972**
	Debt Secured by - Junior Lien Utility Revenue & 0.75% Sales Tax														
11	**Series 2018** (Water - 2-MG EST, Water System Control Building, Eng. Design Services, Inspections)	DWSRF Note to OWRB	20 Years	7/1/2018	9/15/2040	$ 19,000,000	2.86%	$ 14,525,779	$ -	$ 3,374,260	**$ 17,900,038**	$ 15,321,634	$ -	$ 3,812,885	**$ 19,134,520**
12	**Series 2020C** (Water - Arcadia Lake Water Treatment Plant)	DWSRF Note to OWRB	30 Years	7/1/2021	3/15/2052	$ 40,000,000	1.97%	$ 35,137,749	$ -	$ 10,090,623	**$ 45,228,372**	$ 36,160,064	$ -	$ 10,807,861	**$ 46,967,925**
13	**Series 2020A** (Wastewater - CC Sanitary Sewer Improvements) [1]	CWSRF Note to OWRB	30 Years	7/1/2021	3/15/2052	$ 12,730,000	1.60%	$ 10,938,647	$ -	$ 2,514,484	**$ 13,453,131**	$ 11,274,517	$ -	$ 2,696,042	**$ 13,970,559**
14	**Series 2020B** (Water - Danforth WL & TWR-4 Project)	DWSRF Note to OWRB	30 Years	7/1/2021	3/15/2053	$ 20,000,000	1.94%	$ 18,240,362	$ -	$ 5,362,670	**$ 23,603,032**	$ 18,748,231	$ -	$ 5,728,988	**$ 24,477,218**
15	**Series 2020D** (Water - Arcadia Lake WTP Intake and Pump Stations) [2]	DWSRF Note to OWRB	30 Years	7/1/2021	3/15/2055	$ 45,000,000	2.90%	$ 16,620,371	$ 25,879,629	$ 22,283,703	**$ 64,783,703**	$ 17,872,403	$ 26,127,597	$ 22,817,517	**$ 66,817,517**
16	**Series 2022A** (Water - Arcadia Lake WTP [WTP-01B])	DWSRF Note to OWRB	30 Years	7/1/2021	9/15/2055	$ 140,000,000	2.90%	$ 113,210,956	$ 24,455,711	$ 70,859,060	**$ 208,525,726**	$ 93,262,572	$ 46,737,428	$ 73,786,966	**$ 213,786,966**
17	**Series 2022B FAP Loan** (Water - Arcadia Lake WTP [WTP-01B] & INT-01)	FAP Note to OWRB	30 Years	7/1/2021	9/15/2051	$ 74,465,000	4.35%	$ 71,880,000	$ -	$ 57,089,698	**$ 128,969,698**	$ 73,205,000	$ -	$ 60,759,554	**$ 133,964,554**
18	**Series 2024A** (Wastewater - Chisholm Creek WW Force Main & SC Interceptor)	CWSRF Note to OWRB	30 Years	10/1/2024	9/15/2055	$ 30,000,000	2.17%	$ 5,679,559	$ 23,820,441	$ 11,317,154	**$ 40,817,154**	$ 861,556	$ 29,138,444	$ 11,388,976	**$ 41,388,976**
19	**Series 2024B** (Water - Main-03 Project)	DWSRF Note to OWRB	30 Years	10/1/2024	3/15/2056	$ 54,000,000	3.27%	$ 19,161,308	$ 34,838,692	$ 32,612,328	**$ 86,612,328**	$ -	$ 54,000,000	$ 33,005,723	**$ 87,005,723**
20	**Series 2024C FAP Loan** (Water - Tank-02A, Tower Relocate, TWR-5, 33rd St. Waterline & CC WRRF Clarifier)	FAP Note to OWRB	30 Years	10/1/2024	9/15/2054	$ 72,000,000	4.21%	$ 69,640,000	$ -	$ 53,160,190	**$ 122,800,190**	$ 70,450,000	$ -	$ 56,332,330	**$ 126,782,330**
21	**Series 2024D** (Water - 33rd St. Waterline Phase 1)	DWSRF Note to OWRB	30 Years	12/1/2024	9/15/2055	$ 9,335,000	3.31%	$ 9,179,417	$ -	$ 5,434,152	**$ 14,613,569**	$ 2,954,198	$ 6,380,802	$ 5,586,529	**$ 14,921,529**
						$ 516,530,000		**$ 384,214,148**	**$ 108,994,472**	**$ 274,098,321**	**$ 767,306,941**	**$ 340,110,176**	**$ 162,384,270**	**$ 286,723,371**	**$ 789,217,817**
					Total Aggregate Debt	**$ 903,610,000**		**$ 687,964,148**	**$ 108,994,472**	**$ 398,877,109**	**$ 1,195,835,728**	**$ 659,015,176**	**$ 162,384,270**	**$ 424,208,754**	**$ 1,245,608,200**

Electric Debt (Principal Only)	$ 19,820,000
Water Debt (Principal Only)	$ 368,130,941
Wastewater Debt (Principal Only)	$ 191,523,206
Total Utility Debt (Principal Only)	**$ 579,474,148**
Non-Utility Debt (Principal Only)	**$ 108,490,000**

FYE25 Total Principal Outstanding	**$ 659,015,176**
4/1/26 Total Principal Outstanding	**$ 687,964,148**
Difference (Increase of Principal from FYE25 to Present)	**$ 28,948,972**
Total OWRB Drawdowns FYTD26	**$ 53,389,798**
Principal Paid FYTD26	**$ 24,440,826**
Interest Paid FYTD26	**$ 25,331,645**
Total Debt Service Paid FYTD26	**$ 49,772,471**

Red Font - Represent construction loans from the Oklahoma Water Resource Board in which funds are still available for construction on water and wastewater projects (see remaing drawdown columns).
Interest payable on these loans are estimates based on anticpated drawdown rate, and won't be finalized until the drawdown of funds is completed.

[1] - Series 2020A totaled $12,730,000 in available funds to drawdown. $276,329.28 was deobligated bringing the total final loan amount to $12,453,670.72.

[2] - Series 2020D received $1MM in principal forgiveness from the Oklahoma Water Resource Board at the time of issuance. Total principal to be repaid is $44MM.

Finance / Audit Committee **6.**

Meeting Date: 05/21/2026

Submitted By: Ethan Davis, Finance

Item

Discussion of Items for Future Meetings.

Background

To allow board members to raise items for future meetings, this item has been added to the agenda.

Current list of future agenda items (in no particular order):

1. Staffing by Department Budget vs. Actual
2. Capital Plan (ongoing)
3. Franchise Fees (ongoing)
4. Credit Card Process
5. Budget Staff (carried over from the Fund Structure and Budget Reform Committee)
6. Reserve Fund Structure (carried over from the Fund Structure and Budget Reform Committee)
7. Purchasing Authority / Delegation (carried over from the Fund Structure and Budget Reform Committee)
8. Allocation Structure and Methods (carried over from the Fund Structure and Budget Reform Committee)
9. Debt Policy (ongoing)
10. (M) Crawford Briefing on New Fund Structure
11. (M) Determine and Formalize which Funds Fall under EPWA Purview vs. Council
12. (M) How & When Fire/Police State Pension Liabilities are Calculated and Incorporated into the Budget, Future Financial Risk/Exposure Based on Recent Years' Increases
13. (H) Approach to Resolve CDBG & TIF Funds Deficits by FY26 Year-End (Audit Note)
14. (L) Monthly vs. Annual Performeter Cadence
15. (L) Potential Needs for Actuarial Trust to Buffer OPEB Funding
16. (M) Close FY26 Books Faster, Potentially Adjusting Support Contracts
17. (L) Bank Charge Expenditures, Cost Reduction Strategy
18. Local Government Investment Pool (LGIP) [including changes to the investment policy]

Time Frame

None.

Issue

To allow board members to raise items for future meetings, this item has been added to the agenda.

Recommendations

Staff recommends discussing items for future meetings.

Action Needed

No action needed, discussion only.

Public Notification

Posted Agenda.