

CITY OF CHEROKEE, OKLAHOMA
Fiscal Year 2015/ 2016 Annual Budget

BUDGET MEMO

May 18, 2015

The 2015 / 2016 Annual Budget for the City of Cherokee is presented, as attached, for approval by the Council in accordance with the Oklahoma Municipal Budget Act. The budget includes the following highlights for the fiscal year:

Recurring tax revenues are budgeted at a conservative 90%, as indicated.

The budget includes 3% rate increases for water utility services provided by the City, in order to keep up with the increasing costs of providing such services. These increases will generate an estimated \$18,000.

An increase of \$7/per month base fee for sewer service is included per OWRB loan requirements for the Lagoon Project. This increase is estimated to equate to \$71,400.

The budget includes 10% rate increases for trash services. This increase is in response to the estimated 23% increase from our trash provider and is intended to help offset the costs to the City, while not burdening the citizens with the full impact of the increase in the current fiscal year. This increase will generate an estimated \$20,000. Even with the proposed rate increase to our customers, the City is projected to pay more for trash service than we will receive from our customers.

A 2% cost-of-living pay increase for employees has been budgeted for fiscal year 2016.

Grant Revenues of \$250,000 are budgeted for a CDBG grant for the Sewer Lagoons.

A debt issuance from OWRB for \$1.8 million is budgeted at an estimated 3.5% for 45 years. The loan is budgeted to be used for the Sewer Lagoon Project. Estimated payments for the debt is \$83,676 for fiscal year 2016.

General Fund capital improvements include:

Benches for downtown	\$ 4,000
	<u>\$ 4,000</u>

CDA Fund capital improvements include:

Sewer Lagoon Project	\$ 2,050,000
Sewer Lift Station	100,000
	<u>\$ 2,150,000</u>

Special Revenue Fund capital improvements include:

Pickup truck for the Streets department	\$ 15,000
Pickup truck for the Parks department	15,000
Bathhouse for the swimming pool	250,000
	<u>\$ 280,000</u>

In accordance with Section 17-208, Title 11, Oklahoma Statutes, the fiscal year 2015 / 2016 budget was initially presented to Council on May 18, 2015 for consideration. A public hearing will be scheduled for Tuesday, June 9, 2015.

The legal level of control for the City's 2015 / 2016 budget is established at the Department level. Additional detail is provided for analysis purposes only.

If you have any questions, please contact Tracy Reed, CPA or Dacia Phillips, CPA.



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In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given the the proposed City of Cherokee Fiscal Year 2015/ 2016 Annual Budget will be considered at a public hearing held Tuesday, June 9, 2015. Copies of the proposed budget are available for review in the Office of the City Clerk, 121 N. Grand, Cherokee, Oklahoma 73728.

Notice is hereby given that the City of Cherokee 2015 / 2016 Annual Budget will be adopted during a meeting of the Town Council on June 9, 2015.

CITY OF CHEROKEE, OKLAHOMA

Fiscal Year 2015 / 2016 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	Net Change	ENDING BALANCE
GENERAL FUND	\$ 394,209	\$ 934,017	\$ (734,500)	\$ 199,517	\$ 593,726
ENTERPRISE FUNDS					
Public Works Authority	\$ 100,650	\$ 3,213,900	\$ (3,166,576)	\$ 47,324	\$ 147,974
SPECIAL REVENUE FUNDS	\$ 426,931	\$ 349,644	\$ (516,100)	\$ (166,456)	\$ 260,475
GRAND TOTAL ALL FUNDS	\$ 921,790	\$ 4,497,562	\$ (4,417,176)	\$ 80,385	\$ 1,002,175

City of Cherokee
General Fund
Fiscal Year 2015/ 2016 Annual Budget

	ACTUAL 2013/2014	AMENDED BUDGET 2014/2015	PROJECTED BUDGET 2014/2015	PROPOSED BUDGET 2015/2016	
OPERATING REVENUES					
Sales tax	724,601	762,000	567,552	510,797	*90%
Use Tax	101,687	-	62,324	56,092	*90%
Franchise Tax	104,064	-	124,828	112,345	*90%
Beverage Tax	32,045	-	28,778	25,901	*90%
Tobacco Tax	14,907	-	12,424	11,181	*90%
Hotel Tax	22,180	-	26,891	24,202	*90%
Fines and Forfeitures	50,849	42,000	25,813	25,000	
Library Revenue	11,006	-	22,534	9,000	
Licenses & Permits	1,998	-	1,619	1,500	
Oil & Gas Revenues	-	-	153,480	100,000	
Grants	5,896	-	8,969	5,000	
Interest	7,743	-	3,556	3,000	
Donations	-	-	1,260	-	
Other Revenue	172,780	60,000	90,601	50,000	
TOTAL OPERATING REVENUES	1,249,756	864,000	1,130,628	934,017	
OPERATING EXPENSES					
General Government					
Personal Services	326,785	140,000	111,991	115,000	
Materials and Supplies	3,813	-	5,716	6,000	
Other Services and Charges	175,958	145,000	280,423	250,000	
Condemnation Expense	-	-	-	50,000	
Capital Outlay - FY16=Downtown Benches	-	20,000	5,000	4,000	
Total General Government	506,556	305,000	403,130	425,000	
Police Department					
Personal Services	221,377	340,000	219,976	150,000	
Materials and Supplies	12,344	-	1,206	2,000	
Other Services and Charges	98,529	55,000	31,277	35,000	
Capital Outlay	2,104	10,000	16,800	-	
Debt Service	-	-	-	-	
Total Police Department	334,354	405,000	269,258	187,000	
Fire Department					
Personal Services	11,856	22,000	24,904	18,000	
Materials and Supplies	9,060	-	169	500	
Other Services and Charges	8,437	20,000	18,708	20,000	
Capital Outlay	5,385	-	17,355	-	
Total Fire Department	34,738	42,000	61,136	38,500	

**City of Cherokee
General Fund**

Fiscal Year 2015/ 2016 Annual Budget

Economic Development				
Other Services and Charges	25,000	20,000	-	-
Total Industrial Park and Economic Development	25,000	20,000	-	-
Library Department				
Personal Services	37,100	42,000	38,604	42,000
Materials and Supplies	4,293	-	4,476	5,000
Other Services and Charges	47,841	27,000	35,243	37,000
Capital Outlay	-	-	-	-
Total Library Department	89,234	69,000	78,323	84,000
TOTAL EXPENDITURES	989,882	841,000	811,847	734,500
REVENUES OVER (UNDER) EXPENDITURES	259,874	23,000	318,781	199,517
OTHER FINANCING SOURCES (USES)				
Transfers-in				
Capital Projects	334,783	-	-	-
CDA	46,050	-	-	-
Special Revenue	907,157	-	-	-
Total transfers in	1,287,990	-	-	-
Transfers-out				
	(150,000)		(347,448)	-
Total transfers out	(150,000)	-	(347,448)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,137,990	-	(347,448)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,397,864	23,000	(28,667)	199,517
BEGINNING FUND BALANCE	(848,587)	549,277	549,277	394,209
ENDING FUND BALANCE	549,277	572,277	520,610	593,726

City of Cherokee
Development Authority
Fiscal Year 2015/ 2016 Annual Budget

	ACTUAL 2013/2014	AMENDED BUDGET 2014/2015	PROJECTED BUDGET 2014/2015	PROPOSED BUDGET 2015/2016
OPERATING REVENUES				
Water Revenues	559,595	480,000	637,804	600,000
Rate Increase - 3%	-	-	-	18,000
Sewer Revenues	120,444	125,000	126,876	120,000
Rate Increase - \$7/per customer -OWRB Loan requirement	-	-	-	71,400
Trash Revenues	202,120	210,000	208,850	200,000
Rate Increase - 10%	-	-	-	20,000
RV Park Rental	116,247	105,000	135,174	110,000
Penalties	16,430	-	19,535	16,000
Grant Income - CDBG - Sewer Lagoons	-	-	-	250,000
Loan Proceeds - OWRB - Lagoon	-	-	-	1,800,000
Other Revenues	60,374	-	1,826	1,500
TOTAL OPERATING REVENUES	1,075,210	920,000	1,130,065	3,206,900
OPERATING EXPENSES				
Administration Department				
Personal Services	31,423	300,000	2,258	35,000
Materials and Supplies	-	-	-	-
Other Services and Charges	-	247,000	-	-
Capital Outlay	-	75,000	-	-
Debt Service	-	-	-	-
Total Administration Department	31,423	622,000	2,258	35,000
Operating Departments -Water, Sewer, RV Park				
Personal Services	232,414	-	149,838	155,000
Materials and Supplies	26,975	-	14,213	20,000
Other Services and Charges	403,345	-	266,898	275,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Electric Department	662,734	-	430,949	450,000
Water Department				
Personal Services	-	-	-	-
Materials and Supplies	-	-	32,504	35,000
Other Services and Charges	-	-	58,921	60,000
Capital Outlay	-	-	-	-
Debt Service	23,177	-	127,206	130,000
Total Water Department	23,177	-	218,632	225,000
Sewer Department				
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges	-	-	1,406	1,500
Capital Outlay - Lagoons (OWRB Loan + CDBG grant)	-	-	399,216	2,050,000
Capital Outlay - Lift Station	-	-	-	100,000
Debt Service -OWRB \$1.8M; 3.5%; 45 yrs - Lagoons	-	-	-	83,676
Total Sewer Department	-	-	400,622	2,235,176
Trash Department				
Other Services & Charges - Estimated 23% increase in FY16	174,881	200,000	177,960	221,400
Total Trash Department	174,881	200,000	177,960	221,400

**City of Cherokee
Development Authority
Fiscal Year 2015/ 2016 Annual Budget**

	ACTUAL 2013/2014	AMENDED BUDGET 2014/2015	PROJECTED BUDGET 2014/2015	PROPOSED BUDGET 2015/2016
TOTAL OPERATING EXPENDITURES	892,215	822,000	1,230,421	3,166,576
OPERATING INCOME (LOSS)	182,995	98,000	(100,356)	40,324
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	7,455	-	7,634	7,000
Other Income	-	-	-	-
Gain on Sale of Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,455	-	7,634	7,000
INCOME (LOSS) BEFORE TRANSFERS	190,450	98,000	(92,722)	47,324
TRANSFERS IN				
General Fund	150,000	-	247,530	-
Total transfers in	150,000	-	247,530	-
TRANSFERS OUT				
General Fund	(46,050)	-	(28)	-
Total transfers out	(46,050)	-	(28)	-
NET INCOME	294,400	98,000	154,780	47,324
BEGINNING RETAINED EARNINGS	(172,715)	121,685	121,685	100,650
ENDING RETAINED EARNINGS	121,685	219,685	276,465	147,974
<i>Gross Profit excluding capital outlay:</i>				
Water Revenues	559,595	480,000	637,804	618,000
Water Expenses	23,177	-	218,632	225,000
	536,418	480,000	419,172	393,000
	96%	100%	66%	64%
Sewer Revenues	120,444	125,000	126,876	191,400
Sewer Expenses	-	-	1,406	185,176
	120,444	125,000	125,470	6,224
	100%	100%	99%	3%
Trash Revenues	202,120	210,000	208,850	220,000
Trash Expenses	174,881	200,000	177,960	221,400
	27,239	10,000	30,890	(1,400)
	13%	5%	15%	-1%
RV Park Revenues	116,247	105,000	135,174	110,000
RV Park Expenses	-	-	-	-
	116,247	105,000	135,174	110,000
	100%	100%	100%	100%

City of Cherokee
Special Revenue Fund
Fiscal Year 2015/ 2016 Annual Budget

	ACTUAL 2013/2014	AMENDED BUDGET 2014/2015	PROJECTED BUDGET 2014/2015	PROPOSED BUDGET 2015/2016	
OPERATING REVENUES					
Sales Tax - Emergency Services	90,575	339,000	49,284	44,356	*90%
Sales Tax - Parks & Streets	362,301	-	299,699	269,729	*90%
Gasoline Excise Tax	2,728	-	3,403	3,063	*90%
Motor Vehicle Tax	11,511	-	16,680	15,012	*90%
Cemetery Income	8,253	6,500	7,768	7,000	
Cemetery Income-Capital Improvements	1,685	2,000	1,494	1,400	
911 Service Income	64,978	182,000	85,000	-	
Airport Income	7,022	-	5,256	5,000	
Swimming Pool Income	6,269	-	4,111	4,000	
Grant Income - FY15=Airport	141,000	-	150,000	-	
Interest Income	85	-	97	85	
Other income	79,017	7,000	-	-	
TOTAL OPERATING REVENUES	775,424	536,500	622,792	349,644	
OPERATING EXPENSES					
Streets Department					
Personal Services	91,106	100,000	71,893	75,000	
Materials and Supplies	7,100	-	48	100	
Other Services and Charges	121,514	80,000	37,871	40,000	
Capital Outlay - Truck	-	20,000	66,300	15,000	
Total Streets Department	219,720	200,000	176,112	130,100	
Parks Department					
Personal Services	61,710	30,000	44,915	50,000	
Materials and Supplies	17,120	-	684	1,000	
Other Services and Charges	81,746	40,000	50,478	51,000	
Capital Outlay - Truck (FY16)	-	80,000	54,480	15,000	
Capital Outlay - Pool Bathhouse	-	-	-	250,000	
Total Parks Department	160,576	150,000	150,557	367,000	
Airport Department					
Other Services and Charges	1,501	-	3,638	5,000	
Capital Outlay	-	-	103,396	-	
Total Airport Department	1,501	-	107,034	5,000	
911 Department					
Other Services and Charges	17,388	-	50,293	-	
Total 911 Department	17,388	-	50,293	-	
Cemetery Department					
Other Services and Charges	4,884	15,000	12,965	14,000	
Total Cemetery Department	4,884	15,000	12,965	14,000	
Cemetery Department - Capital Improvements					
Other Services and Charges	4	-	-	-	
Total Cemetery Department - Capital Improvements	4	-	-	-	
TOTAL EXPENDITURES	404,068	365,000	496,961	516,100	
OTHER FINANCING SOURCES (USES)					
Transfer In - General Fund	-	-	20,800	-	
Transfer In - Capital Project Fund	123,150	-	150,120	-	
Transfers Out - General Fund	(1,241,940)	-	(16,800)	-	
Transfers Out - Special Revenue Fund	(123,150)	-	(150,120)	-	
TOTAL OTHER FINANCING SOURCES (USES)	(1,241,940)	-	4,000	-	
Net Income	(870,584)	171,500	174,436	(166,456)	
BEGINNING FUND BALANCE	1,244,286	-	373,702	426,931	
ENDING FUND BALANCE	373,702	171,500	548,138	260,475	