

RESOLUTION NO. 2018-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHEROKEE, OKLAHOMA, AND THE CHEROKEE DEVELOPMENT AUTHORITY ADOPTING AND APPROVING ITS FY2018-2019 BUDGET AND OTHER BUDGETS AND APPROPRIATING THE REVENUES FOR THE STATED PURPOSES AS CONTAINED IN THE BUDGETS; DIRECTING THE MAYOR/CHAIRMAN, CITY MANAGER/TRUST MANAGER AND CITY CLERK/TRUST SECRETARY TO TAKE ANY AND ALL ADDITIONAL ACTIONS AS MAY BE REQUIRED FOR THE IMPLEMENTATION OF THIS BUDGET.

RESOLUTION

WHEREAS, the City of Cherokee has adopted the provisions of the Oklahoma Municipal Budget Act ("Act") in 11 O.S. Sections 17-201 through 17-216;

WHEREAS, the City Manager/Trust Manager, with participation from the Chief Financial Officer ("CFO"), has prepared and presented to the Cherokee City Council and the Cherokee Development Authority, the General Fund and other Budgets for the fiscal year ending June 30, 2019 (FY 2018-2019) consistent with the Act;

WHEREAS, the Act in Section 17-215 provides for the CFO of the City, or designee, as authorized by the governing body, to transfer any unexpended and unencumbered appropriation from one department to another within the same fund; and,

WHEREAS, the City of Cherokee/Cherokee Development Authority have conducted Public Hearings at least 15 days prior to the start of the fiscal year, and published notice of the Public Hearing in compliance with Section 17-208 of the Act; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHEROKEE, OKLAHOMA. AND THE CHAIRMAN AND BOARD OF TRUSTEES OF THE CHEROKEE DEVELOPMENT AUTHORITY, THAT:

SECTION 1. The City Council of the City of Cherokee and the Chairman and Board of Trustees of the Cherokee Development Authority do hereby adopt the FY 2018-2019 General Fund Budget and related budgets on the 21st day of June 2018 with the total resources available in the amount of \$3,263,051 and total appropriations in the amount of \$2,452,543, and as further provided by Exhibit A, attached hereto and incorporated herein by reference.

SECTION 2. The City of Cherokee/Cherokee Development Authority do hereby authorize the Chief Financial Officer, with the City Manager/Trust Manager's approval, to transfer any unexpended and unencumbered appropriations, at any time throughout FY 2018-2019, from one-line item to another, one object category to another within the same department, or

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JUL 02 2018
State Auditor
and Inspector

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Dated this 21st day of June 2018.



(Seal)

THE CITY OF CHEROKEE, OKLAHOMA

Karen Cole Hawkins

Karen Hawkins, Mayor

ATTEST:

Anna Hansel

City Clerk

Approved as to Content:

Don Bowman

Don Bowman, City Manager

Approved as to Legality:

Bryce S. Kennedy, Jr.

Bryce S. Kennedy, Jr., City Attorney

from one department to another within a fund, without further approval by the City of Cherokee/Cherokee Development Authority. All other budget amendments must be approved by the City of Cherokee/Cherokee Development Authority.

Section 3. All supplemental appropriations or decreases in the total appropriations of a fund shall be adopted at a meeting of the City Council/Board of Trustees and filed with the State Auditor and Inspector.

Section 4. Be it further provided that the Mayor/Chairman, City Manager/Trust Manager and City Clerk/Trust Secretary are hereby authorized to take any and all additional actions as may be required for the implementation of these budgets.

Dated this 21st day of June 2018.



(Seal)

CHEROKEE DEVELOPMENT AUTHORITY

Karen Cole Hawkins
Karen Hawkins, Chairman

ATTEST:

Peter Hanzel
Trust Secretary

Approved as to Content:

Don Bowman
Don Bowman, Trust Manager

Approved as to Legality:

Bryce S. Kennedy, Jr.
Bryce S. Kennedy, Jr., Trust Attorney

CITY OF CHEROKEE, OKLAHOMA
Fiscal Year 2018/ 2019 Annual Budget

BUDGET MEMO

May 23, 2018

updated June 21, 2018

The 2018 / 2019 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 no rate increases for water & sewer utility services provided by the City.

The budget includes 5% rate increases for trash services. This increase is in response to the estimated 23% increase from our trash provider three years ago and is intended to help offset the costs to the City, while not burdening the citizens with the full impact of the increase in one fiscal year. Our trash provider is increasing our rates another 3% in FY19. The utility rate increase will generate an estimated \$12,250 in additional revenues. Even with the proposed rate increase to our customers, the City is projected to have a gross profit of 20% in the trash department, compared to a typical gross profit of 35%. The rate increase in 2015-2016 was 10%, and in 2016-2017 and 2017-2018 it was 5%.

For every 1% increase in utility rates, we can expect an additional \$10,150 in revenues.

A 2% cost-of-living pay increase for employees has been budgeted for fiscal year 2019 at an estimated additional cost of \$10,607 in the General Fund and \$4,718 in the CDA. We recommend that these total dollar amounts be distributed among employees at the discretion of the City Manager.

Various Capital Outlay items are detailed on the Capital Outlay Detail sheets attached. The total dollars included in the budget are:

General Fund	\$	105,000
CDA		435,000
Special Revenue Fund		48,000
	\$	<u>588,000</u>

Debt Service included in the budget are detailed below:

	CDA:
<u>Water Department:</u>	
RO Water Plant - OWRB	91,217
Water Meters - ODOC	6,250
<u>Sewer Department:</u>	
OWRB - Sewer Lagoons	81,271
Total Debt Service:	<u>\$ 178,738</u>

This budget projects a loss of <\$255,266> for the fiscal year.

Please keep in mind that Oklahoma municipalities have to rely upon tax and utility revenues to provide services to citizens. These revenues must be able to fund current operations and capital outlay, as well as provide reserves for future capital projects.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, the fiscal year 2018 / 2019 budget was initially presented to Council on May 23, 2018 for consideration. A public hearing was held on Thursday, June 14, 2018.

The legal level of control for the City's 2018 / 2019 budget is established at the Department level. Additional detail is provided for analysis purposes only.

If you have any questions, please contact Russ Meacham, CPA or Tracy Reed, CPA.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given the the proposed City of Cherokee Fiscal Year 2018/ 2019 Annual Budget will be considered at a public hearing held on Thursday, June 14, 2018 at 6:30pm. 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 2017 / 2018 Annual Budget will be adopted during a meeting of the Town Council on June 21, 2018.

CITY OF CHEROKEE, OKLAHOMA
Fiscal Year 2018/ 2019 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	\$ 413,066	\$ 615,535	\$ (830,876)	\$ 50,000	\$ (165,341)	\$ 247,725
ENTERPRISE FUNDS						
Development Authority	\$ 543,700	\$ 1,351,500	\$ (1,266,527)	\$ (225,000)	\$ (140,027)	\$ 403,673
SPECIAL REVENUE FUNDS	\$ 109,008	\$ 230,242	\$ (355,140)	\$ 175,000	\$ 50,102	\$ 159,110
GRAND TOTAL ALL FUNDS	\$ 1,065,774	\$ 2,197,277	\$ (2,452,543)	\$ -	\$ (255,266)	\$ 810,508

City of Cherokee
Development Authority
Fiscal Year 2018/ 2019 Annual Budget

	Actual 2016-2017	APPROVED BUDGET 2017-2018	PROJECTED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019
OPERATING REVENUES				
Water Revenues	\$ 552,148	\$ 560,000	\$ 573,690	\$ 565,000
Rate Increase - 0%	-	12,320	-	-
Sewer Revenues	206,960	205,000	208,565	205,000
Rate Increase - 0%	-	4,730	-	-
Trash Revenues	235,094	235,000	248,163	245,000
Rate Increase - 5%	-	11,750	-	12,250
RV Park Rental	49,022	18,000	15,643	10,000
Penalties	22,565	11,000	9,760	10,000
Grant Income - CDBG & REAP - water lines	-	-	-	220,000
Grant Income - OWRB - Lift station	-	-	-	73,000
Grant Income - CDBG - Water Tower	-	145,500	-	-
Other Revenues	6,876	1,500	1,285	1,250
TOTAL OPERATING REVENUES	1,072,665	1,204,800	1,057,106	1,341,500
OPERATING EXPENSES				
Administration Department				
Personal Services	96,765	110,339	92,626	104,385
Materials and Supplies	6,267	5,000	5,714	5,000
Other Services and Charges	105,475	120,000	78,115	100,000
Total Administration Department	208,506	235,339	176,455	209,385
RV Park Department				
Other Services and Charges	32,879	17,500	8,644	6,500
Total RV Park Department	32,879	17,500	8,644	6,500
Water Department				
Personal Services	144,043	159,384	132,186	163,270
Materials and Supplies	61,385	55,000	57,323	80,000
Other Services and Charges	63,386	80,000	78,754	80,000
Capital Outlay	-	235,000	310,426	220,000
Debt Service:	16,774	-	-	-
Water Meters (ODOC) \$520.83/mo-matures April 2021	-	6,250	6,250	6,250
RO Water Plant (OWRB 2005)-matures Sept. 2026	-	91,265	91,265	91,217
Total Water Department	285,589	626,899	578,688	543,270
Sewer Department				
Materials and Supplies	-	100	29	100
Other Services and Charges	4,873	15,000	2,519	5,000
Capital Outlay - Lagoons (OWRB Loan)	-	-	-	-
Capital Outlay - Lift Station	-	12,000	10,834	215,000
Debt Service -2015 OWRB \$2.64M; 2.27%; 30 yrs-Lagoon	69,656	117,944	97,428	81,271
Total Sewer Department	74,529	145,044	110,808	301,371
Trash Department				
Other Services & Charges - 3% increase in FY19	204,321	205,000	193,006	206,000
Total Trash Department	204,321	205,000	193,006	206,000

City of Cherokee
Development Authority
Fiscal Year 2018/ 2019 Annual Budget

	Actual 2016-2017	APPROVED BUDGET 2017-2018	PROJECTED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019
TOTAL OPERATING EXPENDITURES	805,824	1,229,782	1,067,602	1,266,527
OPERATING INCOME (LOSS)	266,841	(24,982)	(10,496)	74,973
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	9,887	10,000	14,261	10,000
Depreciation	(204,084)	-	-	-
Gain on Sale of Assets	(9,261)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(203,457)	10,000	14,261	10,000
		10,000		
INCOME (LOSS) BEFORE TRANSFERS	63,384	(14,982)	3,765	84,973
TRANSFERS IN				
General Fund	-	-	-	-
Other	-	8,000	7,906	-
Total transfers in	-	8,000	7,906	-
TRANSFERS OUT	-			
General Fund	-	(50,000)	-	(50,000)
Special Revenue Fund	-	(175,000)	-	(175,000)
Total transfers out	-	(225,000)	-	(225,000)
NET INCOME	63,384	(231,982)	11,672	(140,027)
BEGINNING RETAINED EARNINGS-estimated	476,954	488,848	488,848	543,700
ENDING RETAINED EARNINGS-estimated	488,848	256,866	500,520	403,673

City of Cherokee
General Fund
Fiscal Year 2018/ 2019 Annual Budget

	Actual 2016-2017	APPROVED BUDGET 2017-2018	PROJECTED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019	
OPERATING REVENUES					
Sales tax	\$ 351,283	\$ 315,180	\$ 338,617	\$ 304,755	*90%
Use Tax	42,714	40,176	68,923	62,031	*90%
Franchise Tax	97,230	99,987	134,920	121,428	*90%
Beverage Tax	34,210	30,674	36,968	33,271	*90%
Tobacco Tax	6,933	6,100	6,328	5,695	*90%
Hotel Tax	8,340	7,285	4,901	4,411	*90%
Fines and Forfeitures	22,474	7,000	6,569	6,500	
Fire Revenues	3,775	1,000	1,000	1,000	
Library Revenue	18,217	17,000	22,404	17,000	
Licenses & Permits	586	500	495	500	
Oil & Gas Revenues	208,564	100,000	144,438	30,000	
Grants	8,317	3,844	3,844	3,844	
Interest	2,748	100	151	100	
Donations	-	-	-	-	
Pocket Park	-	1,300	8,400	-	
Other Revenue	72,321	40,000	53,587	25,000	
TOTAL OPERATING REVENUES	877,712	670,146	831,545	615,535	
OPERATING EXPENSES					
General Government					
Personal Services	107,816	106,943	103,887	112,470	
Materials and Supplies	4,332	5,500	3,312	5,000	
Other Services and Charges	219,307	240,000	199,986	220,000	
Condemnation Expense	-	-	-	-	
Capital Outlay - City Hall renovations	-	-	-	20,000	
Total General Government	331,456	352,443	307,185	357,470	
Police Department					
Personal Services	151,501	166,745	163,670	222,740	
Materials and Supplies	988	2,000	1,632	2,000	
Other Services and Charges	11,162	16,000	15,568	15,000	
Capital Outlay	313	-	5,131	-	
Total Police Department	163,964	184,745	186,001	239,740	
Fire Department					
Personal Services	42,990	27,780	17,544	37,028	
Materials and Supplies	14,796	6,500	36	5,000	
Other Services and Charges	18,137	17,000	17,001	17,000	
Capital Outlay	-	20,000	45,119	60,000	
Debt Service	-	-	-	-	
Total Fire Department	75,923	71,280	79,700	119,028	
Economic Development					
Other Services and Charges-Main Street	25,000	25,000	25,000	25,000	
Total Industrial Park and Economic Development	25,000	25,000	25,000	25,000	

City of Cherokee
General Fund
Fiscal Year 2018/ 2019 Annual Budget

	Actual 2016-2017	APPROVED BUDGET 2017-2018	PROJECTED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019
Library Department				
Personal Services	41,424	51,062	47,721	53,639
Materials and Supplies	16,516	14,000	12,657	13,000
Other Services and Charges	25,621	27,500	21,738	23,000
Total Library Department	83,561	92,562	82,115	89,639
TOTAL EXPENDITURES	679,903	726,030	680,003	830,876
REVENUES OVER (UNDER) EXPENDITURES	197,810	(55,884)	151,542	(215,341)
OTHER FINANCING SOURCES (USES)				
Depreciation Expense	(136,564)			
Transfers-in				
Capital Projects	-	20,000	-	-
CDA	-	50,000	-	50,000
Special Revenue	40,961	-	20,561	-
Other			-	
Total transfers in	40,961	70,000	20,561	50,000
Transfers-out	(75,000)	(37,000)	(56,000)	-
Total transfers out	(75,000)	(37,000)	(56,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(170,603)	33,000	(35,439)	50,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	27,207	(22,884)	116,103	(165,341)
BEGINNING FUND BALANCE-estimated	82,407	196,573	196,573	413,066
ENDING FUND BALANCE-estimated	196,573	173,689	312,676	247,725

City of Cherokee
Special Revenue Fund
Fiscal Year 2018/ 2019 Annual Budget

	Actual 2016-2017	APPROVED BUDGET 2017-2018	PROJECTED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019	
OPERATING REVENUES					
Sales Tax - Emergency Services	43,910	39,397	42,327	38,094	*90%
Sales Tax - Parks & Streets	175,642	157,591	169,309	152,378	*90%
Gasoline Excise Tax	2,801	2,538	2,879	2,591	*90%
Motor Vehicle Tax	10,693	9,639	10,726	9,654	*90%
Cemetery Income	20,700	10,000	14,730	11,000	
Cemetery Income-Capital Improvements	-	1,600	2,430	1,375	
Airport Income	6,960	5,500	7,040	6,500	
Swimming Pool Income	10,831	6,000	6,873	7,500	
Interest Income	130	140	247	150	
Other income	775	19,300	25,715	1,000	
TOTAL OPERATING REVENUES	284,137	251,705	282,276	230,242	
OPERATING EXPENSES					
Streets Department					
Personal Services	97,555	106,088	101,180	118,892	
Materials and Supplies	6,356	1,000	1,061	1,000	
Other Services and Charges	37,307	35,000	22,235	35,000	
Capital Outlay		6,470	8,627	-	
Total Streets Department	141,218	148,558	133,103	154,892	
Parks Department					
Personal Services	71,391	90,829	65,835	88,747	
Materials and Supplies	21,337	3,500	1,228	3,500	
Other Services and Charges	27,882	51,000	28,882	50,000	
Capital Outlay		87,000	-	25,000	
Total Parks Department	120,610	232,329	95,944	167,247	
Airport Department					
Other Services and Charges	4,562	5,000	5,899	5,000	
Capital Outlay		20,000	14,021	-	
Total Airport Department	4,562	25,000	19,920	5,000	
Cemetery Department					
Other Services and Charges	9,016	10,000	2,372	5,000	
Capital Outlay		-	-	23,000	
Total Cemetery Department	9,016	10,000	2,372	28,000	
TOTAL EXPENDITURES	275,406	415,887	251,340	355,140	

City of Cherokee
Special Revenue Fund
Fiscal Year 2018/ 2019 Annual Budget

	Actual 2016-2017	APPROVED BUDGET 2017-2018	PROJECTED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019
OTHER FINANCING SOURCES (USES)				
Transfer In - General Fund	75,000	37,000	42,000	-
Transfer In - Capital Project Fund	60,669	-	-	-
Transfer In- CDA		175,000	-	175,000
Transfers Out - General Fund	(40,961)	(20,000)	(15,421)	-
Transfers Out- CDA		(8,000)	(7,906)	-
Transfers Out - Special Revenue Fund	(60,669)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	34,039	184,000	18,673	175,000
Net Income	42,770	19,818	49,610	50,102
BEGINNING FUND BALANCE-estimated	94,406	74,193	74,193	109,008
ENDING FUND BALANCE-estimated	74,193	94,011	123,803	159,110