CITY OF CHEROKEE, OKLAHOMA

Fiscal Year 2016/ 2017 Annual Budget

BUDGET MEMO

June 8, 2016

The 2016 / 2017 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 3.6% rate increases for water & sewer 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 $30,000.

The budget includes 5% rate increases for trash services. This increase is in response to the estimated 23% increase from our trash provider last year 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 $12,000. Even with the proposed rate increase to our customers, the City is projected to have a gross profit of only 21% in the trash department, compared to a typical gross profit of 35%. The rate increase in 2015-2016 was 10%, equaling a total rate increase of 15% of the 23% increase in costs to the city.

A 2% cost-of-living pay increase for employees has been budgeted for fiscal year 2017 at an estimated additional cost of $6,800 in the General Fund and $3,200 in the CDA.

An increase in the City's retirement plan contributions from 5.6% to 7.91% is included at an estimated additional cost of $6,000 in the General Fund and $3,800 in the CDA

Grant Revenues of $227,500 are budgeted for a CDBG grant for the Water Storage Tank project.

An estimated $200k in loan proceeds and Sewer Capital Outlay are budgeted to finalize the FY16 Sewer Lagoon Project.

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

General Fund	$	100,000
Special Revenue Fund		25,000
CDA		667,500
	$	792,500

Debt service included in the budget are detailed below:

	CDA:
Water Department:	
RO Water Plant - OWRB	91,312
Water Meters - ODOC	6,250
Backhoe-John Deere	9,390
Sewer Department:	
OWRB - Sewer Lagoons	142,930
Total Debt Service:	$ 249,882

In accordance with Section 17-208, Title 11, Oklahoma Statutes, the fiscal year 2016 / 2017 budget was initially presented to Council on May 12, 2016 for consideration. A public hearing will be scheduled for Wednesday June 8, 2016.

The legal level of control for the City's 2016 / 2017 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.

RECEIVED
JUL 01 2016
State Auditor and Inspector

Alfalfa

In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given the the proposed City of Cherokee Fiscal Year 2016/ 2017 Annual Budget will be considered at a public hearing held Wednesday, June 8, 2016. 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 2016 / 2017 Annual Budget will be adopted during a meeting of the Town Council on June 8, 2016.

CITY OF CHEROKEE, OKLAHOMA

Fiscal Year 2016 / 2017 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	$ 215,006	$ 635,523	$ (772,416)	$ 75,000	$ (61,893)	$ 153,113
ENTERPRISE FUNDS						
Development Authority	$ 463,045	$ 1,656,031	$ (1,689,399)	$ (175,000)	$ (208,368)	$ 254,677
SPECIAL REVENUE FUNDS	$ 99,963	$ 277,054	$ (319,635)	$ 100,000	$ 57,418	$ 157,381
GRAND TOTAL ALL FUNDS	**$ 778,014**	**$ 2,568,607**	**$ (2,781,450)**	**$ -**	**$ (212,842)**	**$ 565,172**

City of Cherokee
Development Authority
Fiscal Year 2016/ 2017 Annual Budget

	ACTUAL 2014/2015	AMENDED MARCH 2016 BUDGET 2015/2016	PROJECTED BUDGET 2015/2016	PROPOSED BUDGET 2016/2017
OPERATING REVENUES				
Water Revenues	$ 625,460	$ 575,000	$ 650,911	$ 619,000
Rate Increase - 3.6%	-	18,000	-	22,284
Sewer Revenues	126,195	155,000	238,395	227,000
Rate Increase - 3.6%	-	71,400	-	8,172
Trash Revenues	210,045	200,000	254,069	241,500
Rate Increase - 5%	-	20,000	-	12,075
RV Park Rental	130,193	100,000	110,747	70,000
Penalties	20,415	21,000	23,007	21,000
Grant Income - CDBG - Sewer Lagoons	-	489,500	489,544	-
Grant Income - CDBG - Water Tower	-	-	-	227,500
Loan Proceeds - OWRB - Lagoon	-	2,150,000	2,370,908	200,000
Other Revenues	2,314	31,500	30,571	1,500
TOTAL OPERATING REVENUES	1,114,622	3,831,400	4,168,151	1,650,031
OPERATING EXPENSES				
Administration Department				
Personal Services	1,744	35,000	23,263	55,962
Materials and Supplies	3,804	5,000	4,479	5,000
Other Services and Charges	217,579	80,000	78,509	80,000
Capital Outlay		-	-	-
Total Administration Department	223,127	120,000	106,251	140,962
RV Park Department				
Materials and Supplies	-	-	-	-
Other Services and Charges	-	55,000	48,865	38,500
Capital Outlay	-	-	-	-
Total RV Park Department	-	55,000	48,865	38,500
Water Department				
Personal Services	224,484	200,000	226,789	200,956
Materials and Supplies	35,947	36,500	51,291	51,500
Other Services and Charges	144,686	130,000	119,151	125,000
Capital Outlay	-	36,020	48,644	337,500
Debt Service - RO Water Plant + Water Meters + Backhoe	107,046	130,000	97,598	106,952
Total Water Department	512,163	532,520	543,473	821,907
Sewer Department				
Personal Services	-	-	-	-
Materials and Supplies	109	-	80	100
Other Services and Charges	1,497	15,000	12,705	15,000
Capital Outlay - Lagoons (OWRB Loan)	464,980	2,639,500	2,765,471	200,000
Capital Outlay - Lift Station	-	100,000	-	130,000
Debt Service -OWRB $2.64M; 2.27%; 30 yrs - Lagoons	-	83,676	22,289	142,930
Total Sewer Department	466,586	2,838,176	2,800,545	488,030
Trash Department				
Other Services & Charges - Estimated 23% increase in FY16	180,770	201,400	194,153	200,000
Total Trash Department	180,770	201,400	194,153	200,000
TOTAL OPERATING EXPENDITURES	1,382,646	3,747,096	3,693,287	1,689,399
OPERATING INCOME (LOSS)	(268,024)	84,304	474,864	(39,368)
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	7,209	6,750	6,760	6,000
TOTAL OTHER FINANCING SOURCES (USES)	7,209	6,750	6,760	6,000

City of Cherokee
Development Authority
Fiscal Year 2016/ 2017 Annual Budget

	ACTUAL 2014/2015	AMENDED MARCH 2016 BUDGET 2015/2016	PROJECTED BUDGET 2015/2016	PROPOSED BUDGET 2016/2017
INCOME (LOSS) BEFORE TRANSFERS	(260,815)	91,054	481,624	(33,368)
TRANSFERS IN				
General Fund	357,530	200	267	-
Total transfers in	357,530	200	267	-
TRANSFERS OUT				
General Fund	-	(175,000)	(110,000)	-
Special Revenue Fund	-	-	-	(175,000)
Total transfers out	-	(175,000)	(110,000)	(175,000)
NET INCOME	96,715	(83,746)	371,890	**(208,368)**
BEGINNING RETAINED EARNINGS	121,685	216,483	216,483	463,045
ENDING RETAINED EARNINGS	218,400	132,737	588,373	254,677
Gross Profit excluding capital outlay:				
Water Revenues	625,460	618,000	650,911	641,284
Water Expenses	512,163	225,000	494,829	484,407
	113,297	393,000	156,082	156,877
	18%	64%	24%	24%
Sewer Revenues	126,195	191,400	238,395	235,172
Sewer Expenses	1,606	185,176	35,075	158,030
	124,589	6,224	203,320	77,142
	99%	3%	85%	33%
Sewer & Water Combined:				
Sewer & Water Revenues	751,655	809,400	889,305	876,456
Sewer & Water Expenses	513,769	410,176	529,903	642,437
Gross Profit	237,886	399,224	359,402	234,019
Gross Profit %	32%	49%	40%	27%
Trash Revenues	210,045	220,000	254,069	253,575
Trash Expenses	180,770	221,400	194,153	200,000
	29,275	(1,400)	59,916	53,575
	14%	-1%	24%	**21%**
RV Park Revenues	130,193	110,000	110,747	70,000
RV Park Expenses	-	-	48,865	38,500
	130,193	110,000	61,881	31,500
	100%	100%	56%	45%

City of Cherokee
General Fund
Fiscal Year 2016/ 2017 Annual Budget

	ACTUAL 2014/2015	AMENDED MARCH 2016 BUDGET 2015/2016	PROJECTED BUDGET 2015/2016	PROPOSED BUDGET 2016/2017	
OPERATING REVENUES					
Sales tax	$ 614,102	$ 460,797	$ 433,235	$ 389,912	*90%
Use Tax	62,262	44,092	42,691	38,422	*90%
Franchise Tax	105,456	97,345	101,871	91,684	*90%
Beverage Tax	32,687	30,901	32,177	28,960	*90%
Tobacco Tax	12,218	9,181	8,671	7,804	*90%
Hotel Tax	24,398	16,202	13,892	12,502	*90%
Fines and Forfeitures	21,830	16,000	18,327	18,000	
Fire Revenues	-	4,200	4,200	1,000	
Library Revenue	19,957	18,000	22,899	17,000	
Licenses & Permits	1,558	1,500	817	750	
Oil & Gas Revenues	174,632	15,000	16,720	15,000	
Grants	8,969	4,300	5,720	4,290	
Interest	3,002	200	212	200	
Donations	1,050	-	-	-	
Other Revenue	71,569	20,000	22,560	10,000	
TOTAL OPERATING REVENUES	1,153,690	737,717	723,991	635,523	
OPERATING EXPENSES					
General Government					
Personal Services	161,848	85,000	78,165	115,744	
Materials and Supplies	5,510	6,000	4,037	5,500	
Other Services and Charges	263,900	230,000	218,360	230,000	
Condemnation Expense		50,000	-	-	
Capital Outlay	5,000	11,600	10,133	75,000	
Total General Government	436,258	382,600	310,696	426,244	
Police Department					
Personal Services	279,953	177,000	172,147	160,453	
Materials and Supplies	1,061	3,000	2,417	3,000	
Other Services and Charges	36,658	27,000	24,048	26,000	
Capital Outlay	16,800	-	-	-	
Debt Service	-	-	-	-	
Total Police Department	334,472	207,000	198,612	189,453	
Fire Department					
Personal Services	36,936	18,000	20,573	23,919	
Materials and Supplies	141	5,000	4,372	5,000	
Other Services and Charges	20,385	15,500	16,907	16,500	
Capital Outlay	17,355	33,235	44,313	-	
Debt Service	-	-	-	-	
Total Fire Department	74,817	71,735	86,165	45,419	

City of Cherokee
General Fund
Fiscal Year 2016/ 2017 Annual Budget

	ACTUAL 2014/2015	AMENDED MARCH 2016 BUDGET 2015/2016	PROJECTED BUDGET 2015/2016	PROPOSED BUDGET 2016/2017
Economic Development				
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges-Main Street	25,000	-	-	25,000
Capital Outlay	-	-	-	-
Total Industrial Park and Economic Development	25,000	-	-	25,000
Library Department				
Personal Services	47,511	50,000	48,759	45,800
Materials and Supplies	4,765	5,000	2,769	3,500
Other Services and Charges	40,503	37,000	36,067	37,000
Capital Outlay		-	-	-
Total Library Department	92,779	92,000	87,595	86,300
TOTAL EXPENDITURES	963,326	753,335	683,068	772,416
REVENUES OVER (UNDER) EXPENDITURES	190,364	(15,618)	40,923	(136,893)
OTHER FINANCING SOURCES (USES)				
Transfers-in				
Capital Projects	-	-	-	-
CDA	-	175,000	146,667	-
Special Revenue	16,800	-	64,769	75,000
Total transfers in	16,800	175,000	211,436	75,000
Transfers-out	(382,050)	(115,200)	(153,600)	-
Total transfers out	(382,050)	(115,200)	(153,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	(365,250)	59,800	57,836	75,000
REVENUES AND OTHER SOURCES OVER (UNI EXPENDITURES AND OTHER USES	(174,886)	44,182	98,759	**(61,893)**
BEGINNING FUND BALANCE	549,277	318,934	324,664	215,006
ENDING FUND BALANCE	374,391	363,116	423,423	153,113

City of Cherokee
Special Revenue Fund
Fiscal Year 2016/ 2017 Annual Budget

	ACUTAL 2014/2105	AMENDED MARCH 2016 BUDGET 2015/2016	PROJECTED BUDGET 2015-2016	PROPOSED BUDGET 2016-2017	
OPERATING REVENUES					
Sales Tax - Emergency Services	76,763	49,356	54,155	48,739	*90%
Sales Tax - Parks & Streets	307,051	204,729	216,617	194,956	*90%
Gasoline Excise Tax	2,836	3,063	-	2,500	*90%
Motor Vehicle Tax	12,168	11,012	11,409	10,268	*90%
Cemetery Income	11,070	7,000	9,867	7,500	
Cemetery Income-Capital Improvements	1,388	1,400	2,040	1,500	
911 Service Income	66,687	-	3	-	
Airport Income	6,060	5,000	6,493	5,500	
Swimming Pool Income	8,657	5,000	6,231	6,000	
Grant Income - FY15=Airport	173,401	488,272	488,170	-	
Grant Income - Storm Drainage Resconstruction	6,750	-	-	-	
Interest Income	96	85	117	90	
Other income	-	-	-	-	
TOTAL OPERATING REVENUES	672,926	774,917	795,102	277,054	
OPERATING EXPENSES					
911 Service					
Other Services & Charges	41,911	-	-	-	
Total 911 Services	41,911	-	-	-	
Streets Department					
Personal Services	91,446	90,000	87,548	95,445	
Materials and Supplies	107	5,100	5,560	1,000	
Other Services and Charges	42,685	35,000	31,640	35,000	
Capital Outlay - Truck	60,034	45,000	55,365	-	
Total Streets Department	194,272	175,100	180,113	131,445	
Parks Department					
Personal Services	71,093	70,000	68,900	87,690	
Materials and Supplies	3,317	1,000	135	3,500	
Other Services and Charges	69,502	31,000	31,596	51,000	
Capital Outlay - Truck	-	15,000	31,773	-	
Capital Outlay - Pocket Park	58,639	250,000	12,520	25,000	
Total Parks Department	202,551	367,000	144,924	167,190	
Airport Department					
Other Services and Charges	3,906	5,000	3,853	5,000	
Capital Outlay	114,584	560,000	558,719	-	
Total Airport Department	118,490	565,000	562,572	5,000	
Cemetery Department					
Other Services and Charges	11,802	10,500	19,085	16,000	
Capital Outlay	2,500	4,250	5,667	-	
Total Cemetery Department	14,302	14,750	24,752	16,000	
TOTAL EXPENDITURES	571,526	1,121,850	912,361	319,635	

City of Cherokee
Special Revenue Fund
Fiscal Year 2016/ 2017 Annual Budget

	ACUTAL 2014/2105	AMENDED MARCH 2016 BUDGET 2015/2016	PROJECTED BUDGET 2015-2016	PROPOSED BUDGET 2016-2017
OTHER FINANCING SOURCES (USES)				
Transfer In - General Fund	24,520	115,000	115,000	-
Transfer In - Capital Project Fund	164,770	-	443,921	-
Transfer In- CDA	-	120	-	175,000
Transfer In - Special Revenue Fund			3,780	-
Transfers Out - General Fund	(16,800)	-	(48,577)	(75,000)
Transfers Out - Special Revenue Fund	(164,770)	-	(447,701)	-
TOTAL OTHER FINANCING SOURCES (USES)	7,720	115,120	66,423	100,000
Net Income	109,120	(231,813)	(50,836)	**57,418**
BEGINNING FUND BALANCE	206,195	313,288	185,463	99,963
ENDING FUND BALANCE	315,315	81,475	134,627	157,381

City of Cherokee
Capital Outlay Detail
Fiscal Year 2016/ 2017 Annual Budget

	REQUESTED CAPITAL OUTLAY 2016-2017	**BUDGETED CAPITAL OUTLAY 2016-2017**	
General Fund:			
General Government			
Capital Outlay			
Used Pickup Truck	$ 25,000	$ -	
New Building - City Hall & Police	150,000	-	*Budgeted in FY16*
Building Repairs	25,000	**25,000**	
Property Abatements	50,000	**50,000**	
		-	
Total General Government	250,000	**75,000**	
Police Department			
Capital Outlay	-	-	
Total Police Department	-	-	
Fire Department			
Capital Outlay			
Station	75,000	-	*Budgeted in FY16; from Emergency Services bank account*
Total Fire Department	75,000	-	
Economic Development			
Capital Outlay			
Main Street Donation	25,000	**25,000**	*from Hotel / Motel tax*
Total Economic Development	25,000	**25,000**	
Library Department			
Capital Outlay	-	-	
Total Library Deparment	-	-	
Total General Fund	$ 350,000	**$ 100,000**	

City of Cherokee
Capital Outlay Detail
Fiscal Year 2016/ 2017 Annual Budget

	REQUESTED CAPITAL OUTLAY 2016-2017		**BUDGETED CAPITAL OUTLAY 2016-2017**	
Cherokee Special Revenue Fund				
Street Department				
Capital Outlay				
3/4 Ton Pickup	$	30,000	$	-
				-
Total Street Department		30,000		-
Parks Department				
Capital Outlay				
Pocket Park		25,000		**25,000**
Bathhouse		175,000		-
Total Parks Department		200,000		**25,000**
Airport Department				
Capital Outlay		-		-
Total Airport Department		-		-
Cemetery Department				
Capital Outlay		-		-
Toal Cemetery Department		-		-
Total Cherokee Special Revenue Fund	$	230,000	**$**	**25,000**

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City of Cherokee
Capital Outlay Detail
Fiscal Year 2016/ 2017 Annual Budget

	REQUESTED CAPITAL OUTLAY 2016-2017	**BUDGETED CAPITAL OUTLAY 2016-2017**	
City of Cherokee Development Authority:			
Administration Department			
Capital Outlay	-	-	
Total Administration Department	-	-	
RV Park Department			
Capital Outlay	-	-	
Total RV Park Department	-	-	
Water Department			
Capital Outlay			
Water Storage Tank-CDBG Grant Request	257,500	**257,500**	*paritally funded by CDBG grant of $227k*
Water line replacement - West Side	50,000	**50,000**	
3/4 Ton Pickup	30,000	**30,000**	
Total Water Department	337,500	**337,500**	
Sewer Department			
Capital Outlay			
Lift Station	275,000	**130,000**	
Completion of Sewer Lagoon Project	200,000	**200,000**	*carryover from FY16*
Total Sewer Department	475,000	**330,000**	
Trash Department			
Capital Outlay	-	-	
Total Trash Department	-	-	
Total Cherokee Development Authority	$ 812,500	**$ 667,500**	
Total City of Cherokee Capital Outlay	$ 1,392,500	**$ 792,500**	

PROOF OF PUBLICATION

Cherokee Messenger & Republican
216 S. Grand • P.O. Box 245
Cherokee, OK 73728
(580) 596-3344

I, Desiree Malicoat, of lawful age, being duly sworn upon oath, deposes and says that I am an Authorized Agent of the Cherokee Messenger & Republican, a weekly publication that is a "legal newspaper" as that phrase is defined in 25 O.S. § 106 for the City of Cherokee, for the County of Alfalfa, in the State of Oklahoma, and that the attachment hereto contains a true and correct copy of what was published in said legal newspaper in consecutive issues on the following dates:

INSERTION DATES: 6/2/16

PUBLICATION FEE......................$ 46.50

Desiree Malicoat
Authorized agent

State of Oklahoma
County of Alfalfa

Signed and sworn to before me this 2 day of June, 2016 by Heather Gilley.

Heather Gilley
Notary Public

My Commission expires: September 02, 2019.
Commission # 15008300

HEATHER GILLEY
NOTARY PUBLIC
#15008300
IN AND FOR
STATE OF OKLAHOMA
ALFALFA COUNTY

Published in the Cherokee Messenger and Republican Thursday, June 2, 2016 1t

LEGAL NOTICE

In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given the the proposed City of Cherokee Fiscal Year 2016/2017

Annual Budget will be considered at a public hearing held Wednesday, June 8, 2016. 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 I 2016 Annual Budget will be adopted during a meeting of the Town Council on June 8, 2016.

CITY OF CHEROKEE, OKLAHOMA
FISCAL YEAR 2016 I 2017 ANNUAL BUDGET
BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	NET CHANGE	ENDING BALANCE
GENERAL FUND	$365,006	$673,825	$(1,022,416)	$75,000	$(273,590)	$91,416
ENTERPRISE FUNDS Public Works Authority	$481,498	$1,625,727	$(1,828,899)	$(175,000)	$(378,172)	$103,326
SPECIAL REVENUE FUNDS	$174,963	$261,780	$(524,635)	$100,000	$(162,856)	$12,107
GRAND TOTAL ALL FUNDS	$1,021,467	$2,561,332	$(3,375,950)	$ - -	$(814,618)	$206,849