BUDGET ADOPTION RESOLUTION

TOWN OF TALOGA, OKLAHOMA
RESOLUTION NO. 2020-04

A RESOLUTION APPROVING THE TOWN OF TALOGA, OKLAHOMA BUDGET FOR THE FISCAL YEAR 2020-2021 AND ESTABLISHING BUDGET AMENDMENT AUTHORITY

WHEREAS, The Town of Taloga has adopted the provisions of the Oklahoma Municipal Budget Act (the Act) in 11 O.S. Sections 17-201 through 17-216; and

WHEREAS, The Chief Executive Officer has prepared a budget for the fiscal year ending June 30, 2021 (FY 2020-2021) consistent with the Act; and

WHEREAS, The Act in section 17-215 provides for the chief executive officer of the Town, 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 budget has been formally presented to the Town of Taloga governing body at least 30 days prior to the start of the fiscal year in compliance with Section 17-205; and

WHEREAS, The Town of Taloga governing body has conducted a Public Hearing 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 TOWN COUNCIL OF THE TOWN OF TALOGA, OKLAHOMA:

SECTION 1. The Town Council of the Town of Taloga does hereby adopt the FY 2020-2021 Budget on the 8th day of June 2020 with total resources available in the amount of $1,554,357 and total fund/departmental appropriations in the amount of $643,387. Legal appropriations (spending/encumbering limits) are hereby established as follows:

Fund: **Department**	**Appropriation Amount**
General Fund:	
General government	$244,001
Fire Department	$50,000
Street & Alley	$36,528
Parks Department	$600
Utility Authority	

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Administration	$65,000
Water/Sewer	$117,000
Gas	$75,000
Garbage	$55,258

SECTION 2. The Town Council does hereby authorize the Town Clerk to transfer any unexpended and unencumbered appropriations, at any time throughout FY 2020-2021, from one line item to another, one object category to another within a department, or one department to another within a fund, without further approval by the Town Board.

SECTION 3. All supplemental appropriations or decrease in the total appropriation of a fund shall be adopted at a meeting of the Town Council and filed with the State Auditor and Inspector.

SECTION 4. Be it further provided that the Town Clerk is hereby authorized to take any and all actions as may be required for the implementation of these budgets.

ADOPTED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF TALOGA this 8th day of June, 2020.

TOWN OF TALOGA, OKLAHOMA

Vice **Mayor**

ATTEST:

Clerk

TOWN OF TALOGA, OKLAHOMA

Fiscal Year 2020/ 2021 Annual Budget

BUDGET MEMO

May 20, 2020

The 2020 / 2021 Annual Budget for the Town of Taloga 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:

- This is an unusual year as the national economy is reeling from COVID-19 coupled with Oklahoma's specific oil/gas reliance. Russell Evans, an economist based at Oklahoma City University, spoke at the City of Oklahoma City council meeting in mid-April 2020 referencing the local economy was already shaky at the start of the 2020 calendar year and the collapse in oil prices has exacerbated the challenges faced by the city and state. It is likely the U.S. economy will shrink 25% to 40% starting in June 2020 and continue through the summer and fall.

- The New York Times reported on April 24, grocery stores, pharmacies and other sellers of essential items experienced a surge of demand in March 2020, which was outweighed by a steep decline in other categories as businesses shuttered and shoppers restricted their spending. Sales at gas stations, pushed down by low oil prices as well as reduced commuting, fell 17 percent. With sales taxes being the biggest source of revenue for most cities, we will see this plunge in revenue directly as business activity grinds to a halt and consumers stay home. Even as we stretch finances temporarily - by trimming budgets, appropriating funds earmarked for other purposes or passing emergency legislation - the economy recovery is expected to be slow.

- In light of the above information, we have prepared the following breakdown of sales tax revenue provided by the Oklahoma Tax Commission. We utilized this breakdown in projecting the impact of COVID-19 on the municipality.

Sales Tax Top 5 for Taloga	
Chemical & Allied Products	40%
Convenience Stores	19%
Electric Power Generation	12%
Industrial Machinery & Equipment Merchant Wholesalers	4%
Wireless Telecommunications Carriers	3%
	79%

- We are showing a loss between General Fund and PWA of about $122,169. This is due to a 75% budgeting of sales tax revenues (other tax revenues are budgeted at 80%). We have sufficient reserves to absorb the loss in the current year, if that is the Board's desire. We would recommend limiting capital outlay expenditures to those only being largely funded by grants and those deemed absolutely necessary. The Town currently has one street project in the budget fully funded by grants for $36,378.

- There is a budgeted rate increase in trash revenues of 2.33% due to rate increase from the provider, no other rate increases are budgeted for utility revenues. Revenue collections have been decreased 8% due to the impact of the unemployment related to the pandemic.

- The budget does not include salary increases for employees for fiscal year 2021.

- See the chart below for consideration of collection on tax revenues at tiered percentages and the reflected net gain/(loss) for the fiscal year:

Tax Collections	Net Gain/(Loss)
100%	(99,871.78)
90%	(109,969.91)
85%	(115,018.98)
80%	(120,068.05)

- As of April 30, 2020, the municipality had 541 and 580 days of cash on hand in the General fund and TPWA, respectively. This represents the number of days the municipality can support the operating expenses based on the cash balance at March 31, 2020.

- If fiscal year 2021 proceeds in line with the proposed budget, the municipality will have 467 and 569 days of cash on hand in the General fund and PWA, respectively, at June 30, 2021.

  Please note, in our experience most of our municipalities have a 25-35% profit margin on Utility services. We are budgeting a 8% net loss across all utilities. If we had a 30% profit margin in all utilties, we would bring in an additional $87,000 in revenues.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, the fiscal year 2020 / 2021 budget was initially presented to Council on May 20, 2020 for consideration. A public hearing will be scheduled for Monday, June 8, 2020.

The legal level of control for the City's 2020 / 2021 budget is established at the Department level. Additional detail is provided for analysis purposes only.

If you have any questions, please contact Michelle Kauk, CPA.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given the the proposed Town of Taloga Fiscal Year 2020/2021 Annual Budget was considered at a public hearing on June 8, 2020, at 6:50pm. in the Taloga Town Hall. Copies of the proposed budget are available for review in the Office of the City Clerk. Notice is hereby given that the Town of Taloga 2020/2021 Annual Budget will be adopted during a meeting of the City Council on Monday, June 8, 2020 at 7:00pm. in the City Hall.

TOWN OF TALOGA, OKLAHOMA

Fiscal Year 2020/2021 Annual Budget

BUDGET SUMMARY-PRELIMINARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	Net Change	ENDING BALANCE
GENERAL FUND	$ 536,354	$ 218,663	$ (331,129)	$ (112,466)	$ 423,887
ENTERPRISE FUNDS					
TPWA	$ 496,785	$ 302,556	$ (312,258)	$ (9,702)	$ 487,083
TOTAL ENTERPRISE FUNDS	**$ 496,785**	**$ 302,556**	**$ (312,258)**	**$ (9,702)**	**$ 487,083**
GRAND TOTAL ALL FUNDS	**$ 1,033,139**	**$ 521,218**	**$ (643,387)**	**$ (122,169)**	**$ 910,970**

Town of Taloga
General Fund
2020-2021 Budget

Department	2018 - 2019 Actual	2019 - 2020 Budget	2019 - 2020 Projected	2020-2021 Budget
Beginning Fund Balance	$ 886,003	$ 741,202	$ 692,247	$ 536,354
Revenues:				
Sales tax - General Gov.	$ 59,093	$ 51,389	$ 55,190	$ 41,393
Sales tax - Fire	14,773	12,847	11,038	8,279
Sales tax - Ambulance	14,773	12,847	-	-
Residential gas tax	1,158	1,558	453	-
Residential gas tax - Fire	289	-	-	-
Residential gas tax - Ambulance	289	-	-	-
Cigar tax	786	649	686	549
Franchise	11,749	12,689	12,108	10,897
Alcohol Beverage tax	15,774	14,213	19,207	15,366
Use tax	83	90	-	-
Gas Excise Tax	569	510	566	453
Motor Vehicle Tax	2,196	1,953	2,185	1,748
Interest income	13,067	8,000	9,168	8,000
Rent/lease	400	700	240	500
Royalty	1,334	500	522	500
Ambulance Run payments	5,982	7,500	2,081	-
Reimbursements		-	75,898	-
Fines	205	200	84	100
Grant Revenue - REAP			59,248	36,378
Miscellaneous	4,390	500	1,614	500
Donations - Fire	56,001	25,000	25,374	20,000
Donations - Ambulance	670	-	-	-
Donations - Parks	-	-	126	-
Fire Grant	4,000	4,000	4,642	4,000
Fire Sale of Assets	23,600	-	-	-
Salary reimbursement PWA	90,200	89,000	65,040	70,000
Total Revenues	$ 321,381	$ 244,145	$ 345,471	$ 218,663
Expenditures				
General Government:				
Personal service	$ 177,753	$ 180,000	$ 183,043	$ 191,001
Materials & supplies	-	5,000	3,127	3,000
Other services/charges	50,333	40,000	49,476	50,000
Capital outlay		-	833	-
Total Expenditures	$ 228,086	$ 225,000	$ 236,479	$ 244,001
Fire Department:				
Materials & supplies	8,844	25,000	18,112	20,000
Other services/charges	31,200	20,000	34,648	30,000
Capital outlay	-	-	139,608	-
	$ 40,044	$ 45,000	$ 192,367	$ 50,000
Ambulance				
Materials & supplies	-	7,000	-	-
Other services/charges	12,678	15,000	97	-
	$ 12,678	$ 22,000	$ 97	$ -
Street & Alley				
Materials & supplies	293	1,100	-	-
Other services/charges	-	-	144	150
Capital outlay	-	-	71,653	36,378
	$ 293	$ 1,100	$ 71,797	$ 36,528
Park				
Materials & supplies	-	-	60	100
Other services/charges	-	-	564	500
	$ -	$ -	$ 624	$ 600
Transfers	$ 730	$ -	$ -	$ -
Total Expenditures	$ 281,831	$ 293,100	$ 501,365	$ 331,129
Net Income	$ 39,550	$ (48,955)	$ (155,893)	$ (112,466)
Ending Fund Balance	$ 925,553	$ 692,247	$ 536,354	$ 423,887

Town of Taloga
Utility Authority
2020-2021 Budget

Department (80)	2018 - 2019 Actual	2019-2020 Budget	2019 - 2020 Projected	2020 - 2021 Budget
Beginning Fund Balance	$ 491,573	$ 496,785	$ 490,202	$ 496,785
Revenues:				
Water	$ 98,717	$ 90,000	$ 100,092	$ 92,085
Sewer	43,864	50,000	37,876	$ 34,846
Gas Revenue				
Res Gas Revenue	58,889	55,000	60,192	55,377
Commercial Gas Rev	53,832	5,000	44,674	41,100
Comm Gas/No tax revenue	-	45,000	11,455	10,539
Garbage	63,380	55,000	60,278	55,456
Garbage Rate Increase 2.33%				1,404
Gas Sales Tax Revenue	-	-	-	-
Res Gas Sales Tax Rev	-	1,500	-	-
Comm Gas Sales Tax Rev	-	500	-	-
Late penalties revenue	2,517	500	2,462	2,500
Reconnect fees	400	250	120	250
Water Deposits	(2,906)	-	552	-
Gas Deposits	1,125	-	716	-
Polycart deposits	1,050	-	-	-
Miscellaneous Revenues	6,682	500	6,796	1,000
Interest	6,828	4,000	4,619	5,000
Transfer In debt service	3,786	-	-	-
Refunds/reimbursements	2,795	3,000	500	3,000
Total revenues	$ 340,959	$ 310,250	$ 330,332	$ 302,556
Expenditures				
Administration				
Materials & supplies	126	28,000	7,088	10,000
Other services/charges	73,835	48,000	53,897	55,000
Capital Outlay			693	-
	73,961	76,000	61,678	65,000
Water/Sewer Department:				
Personal service- Reimburseme	$ 90,200	$ 81,000	$ 72,185	$ 70,000
Materials & supplies	-	5,000	36,161	35,000
Other services/charges	72,187	7,000	12,187	12,000
	$ 162,387	$ 93,000	$ 120,533	$ 117,000
Gas				
Other services/charges	64,801	75,000	72,106	75,000
	$ 64,801	$ 75,000	$ 72,106	$ 75,000
Garbage				
Other services/charges	49,773	45,000	48,137	55,258
	$ 49,773	$ 45,000	$ 48,137	$ 55,258
Meter				
Gas and water refund	$ 815	$ -	$ -	$ -
Refund apply to PWA	1,086	-	-	-
Other services/charges	1,028	-	-	-
	$ 2,929	$ -	$ -	$ -
Polycart				
Polycart deposit refund	$ 975	$ 1,000	$ -	$ -
	$ 975	$ 1,000	$ -	$ -
Total Expenditures	$ 354,826	$ 290,000	$ 302,454	$ 312,258
Net Operating Income	$ (13,867)	$ 20,250	$ 27,878	$ (9,702)
Other Outflows				
Capital Outlay	$ -	$ -	$ -	$ -
Transfers out	(225)	-	-	-
	$ (225)	$ -	$ -	$ -
Net Income	$ (14,092)	$ 20,250	$ 27,878	$ (9,702)
Ending Fund Balance	**$ 477,481**	**$ 517,035**	**$ 518,080**	**$ 487,083**

Gross Profit By Department				
Water & Sewer				
Revenue	142,581	140,000	137,968	126,930
Expenses	162,387	93,000	120,533	117,000
GP	(19,806)	47,000	17,435	9,930
GP%	-14%	34%	13%	8%
Garbage				
Revenue	63,380.00	55,000.00	60,278.40	55,456.13
Expenses	49,773.00	45,000.00	48,137.33	55,258.20
GP	13,607.00	10,000.00	12,141.07	197.93
GP%	21%	18%	20%	0%
Gas				
Revenue	112,721	105,000	116,321	107,015
Expenses	64,801	75,000	72,106	75,000
GP	47,920	30,000	44,215	32,015
GP%	43%	29%	38%	30%
Total Gross Profit				
Revenue	318,682	300,000	314,567	289,401
Expenses	354,826	290,000	302,454	312,258
GP	(36,144)	10,000	12,113	(22,857)
GP%	-11%	3%	4%	-8%

AFFIDAVIT OF PUBLICATION

County of Dewey, State of Oklahoma

Vici Vision
422 W Broadway St/PO Box 2
Vici, OK 73859
580-995-3425

Town of Taloga Budget

I, **Darian Nance**, of lawful age, being duly sworn upon oath, deposes and says that I am the Publisher of Vici Vision, a weekly publication that is a "legal newspaper" as that phrase is defined in 25 O.S. § 106, as amended to date, for the City of Vici, for the County of Dewey, in the State of Oklahoma. The attachment hereto contains a true and correct copy of what was published in the regular edition of said newspaper, and not in a supplement, in consecutive issues on the following dates:

PUBLICATION DATES:
May 28, 2020

Darian Nance

Darian Nance, Publisher

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Signed and sworn to before me on this 28th day of May, 2020.

Connie E. Touchstone

Notary Public

OFFICIAL SEAL
CONNIE E. TOUCHSTONE
NOTARY PUBLIC OKLAHOMA
DEWEY COUNTY
COMM. NO. 16006115 EXP. 06-22-20

(SEAL)

My Commission expires: 06-22, 2020.

Commission # 16006115

LEGAL NOTICE

(Published in the Vici Vision May 28, 2020)

In accordance with Section 17-208, Title 11, Oklahoma Statutes. Notice is hereby given that the proposed Town of Taloga Fiscal Year 2020/2021 Annual Budget will be considered at a public hearing on June 8, 2020, at 6:30 p.m. in the Taloga Town office. Copies of the proposed budget are available for review in the Office of the Town Clerk. Notice is hereby given that the Town of Taloga 2020/2021 Annual Budget will be adopted during a meeting of the Board of Trustees on Monday, June 8, 2020 at 7:00 pm. In the Town Office.

TOWN OF TALOGA, OKLAHOMA
Fiscal Year 2020/2021 Annual Budget
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