

BUDGET ADOPTION RESOLUTION

**TOWN OF EAST DUKE, OKLAHOMA
RESOLUTION NO. 0610-19**

A RESOLUTION APPROVING THE TOWN OF EAST DUKE, OKLAHOMA BUDGET FOR THE FISCAL YEAR 2019 - 2020 AND ESTABLISHING BUDGET AMENDMENT AUTHORITY

WHEREAS, The Town of East Duke 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, 2020 (FY 2019 - 2020) consistent with the Act; and

WHEREAS, The Act in section 17-215 provides for the chief executive office 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

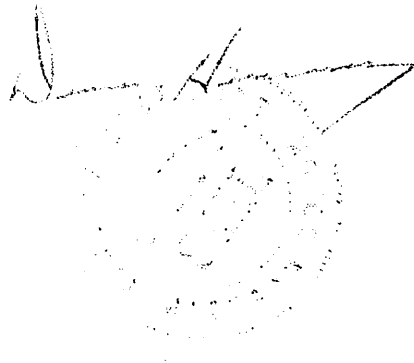
WHEREAS, The budget has been formally presented to the Town of East Duke governing body at least 30 days prior to the start of the fiscal year in compliance with Section 17-205; and

WHEREAS, The Town of East Duke 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

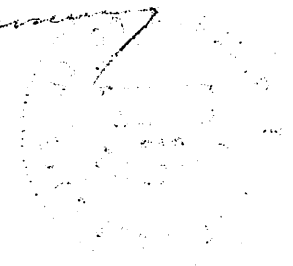
**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE
TOWN OF EAST DUKE, OKLAHOMA:**

SECTION 1. The Town Council of the Town of East Duke does hereby adopt the FY 2019 - 2020 Budget on the 10th day of June 2019 with total resources available in the amount of approximately \$1,923,344 and total fund/departmental appropriations in the amount of \$1,234,008. Legal appropriations (spending/encumbering limits) are hereby established as follows:

Fund: Department	Appropriation Amount
General Fund:	
General government	\$39,000
Fire Department	5,750
Street & Alley Department	7,000



Parks & Recreation Department	1,000
Police Department	60,582
Community Building Department	5,000
Municipal Court	2,000
Duke Municipal Authority:	
Administration Department	\$50,925
Sewer Department	5,000
Water Department	990,446
Trash Department	67,305

Dennis Henning


SECTION 2. The Town Council does hereby authorize the Town Clerk to transfer any unexpended and unencumbered appropriations, at any time throughout FY 2019 - 2020, 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.

TOWN OF EAST DUKE OKLAHOMA
Fiscal Year 2019 - 2020 Annual Budget

BUDGET MEMO

DATE June 10, 2019
TO Town of East Duke, Council Members
FROM Tracy Reed, CPA
RSMeacham CPAs & Advisors
RE 2019/2020 Annual Budget

The FY 2020 Annual Budget for the Town of East Duke is presented, as attached, for approval by the Council in accordance with the Oklahoma Municipal Budget Act.

The budget includes the following highlights for fiscal year 2019 / 2020:

- Recurring revenues are budgeted at 90%, as indicated. If collected at 100% approximately an additional \$6,098 of revenues would be collected in FY20.
- Capital Outlay for the DMA includes \$85,000 in the Water department for the water tower project which is funded by a \$75,000 SWODA/REAP grant.
- No pay increases are budgeted for employees, however health insurance is provided to full time employees with the Town & DMA paying 75% of the cost, which is expected to be ~\$15,000 for FY20.
- Continued debt service payments for the USDA note is budgeted at \$11,080, with an optional additional \$3,000 / month payment. Will be paid off in April at current rate.
- Per council's request, no rate increases are included in the budget at this time. We would always recommend that, at a minimum, our utility rates be increased in line w/ inflation, which is currently 2.1%. A 2.1% rate increase across all utilities is projected to generate \$22,638.
- In our experience, municipalities need a profit margin in their utilities of 25% - 35% in order to provide needed revenues for future capital needs and the operational needs of the General Fund. You'll note at the bottom of the DMA budget, our combined profit margin for water and sewer is 13%, while the trash department's profit margin is 4%. *Please note, these calculations exclude capital outlay and administrative costs.* These margins are below the amounts we would recommend.
- We know that we've had to increase water rates significantly in recent years due to the increases from our water provider. Therefore, while you may wish to forgo an increase in the current year, we would recommend that we begin building our profit margins slowly over the years to provide the resources necessary for future capital needs and operational expenses of both the Town and DMA.
- Should you choose to increase rates in line w/ the current inflation rates (2.1%), the profit margins would increase to 14% for Water & Sewer and 6% for Trash and would give a projected gain for the year of \$2,544. While a 25% increase across all utilities would produce profit margins of 29% for Water & Sewer and 23% for Trash, which is in the ballpark of our recommended margins.
- **This budget projects an overall loss of <\$11,878> for fiscal year 2020. In order to breakeven for FY20, a utility rate increase across all utilities of 2% would be required.**
- *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 FY 2020 budget was presented to Council on May 13, 2019 for consideration.

The legal level of control for the Town's 2019 / 2020 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 proposed Town of East Duke Fiscal Year 2019/2020 Annual Budget will be considered at a public hearing on June 10, 2019, at 7:00 p.m. in the East Duke Town Hall. Copies of the proposed budget are available for review in the Office of the City Clerk, 120 W 2nd Street, Duke, OK 73532. Notice is hereby given that the Town of East Duke 2019/2020 Annual Budget will be adopted during a meeting of the City Council on June 10, 2019.

TOWN OF EAST DUKE, OKLAHOMA
Fiscal Year 2019 - 2020 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE 2019 (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	\$ 203,439	\$ 132,630	\$ (120,332)	\$ (75,000)	\$ (62,702)	\$ 140,737
ENTERPRISE FUNDS:						
DMA	\$ 497,875	\$ 1,089,500	\$ (1,113,676)	\$ 75,000	\$ 50,824	\$ 548,699
TOTAL ENTERPRISE FUNDS	\$ 497,875	\$ 1,089,500	\$ (1,113,676)	\$ 75,000	\$ 50,824	\$ 548,699
GRAND TOTAL ALL FUNDS	\$ 701,314	\$ 1,222,130	\$ (1,234,008)	\$ -	\$ (11,878)	\$ 689,436

**Town of East Duke
General Fund
Budget 2019-2020**

	Actual 2017-2018	Approved Budget 2018-2019	Projected YTD 2018-2019	Proposed Budget 2019-2020	
REVENUES					
Sales taxes	\$ 33,805	\$ 29,976	\$ 30,715	\$ 27,643	* 90%
Use taxes	13,061	11,100	12,225	11,003	* 90%
Beverage tax	2,373	2,150	3,015	2,713	* 90%
Franchise taxes	9,180	8,881	11,208	10,087	* 90%
Cigarette tax	386	323	265	239	* 90%
Motor Vehicle tax	2,822	2,486	2,825	2,543	* 90%
Gas Excise Tax	762	685	724	652	* 90%
License & permits	3,473	2,000	2,821	2,000	
Investment income	1,741	750	1,823	750	
Donations - Playground Equipment	-	-	-	-	
Grant Income:					
FEMA - Storm Sirens	16,425	-	-	-	
SWODA	12,574	-	-	75,000	
Miscellaneous	-	-	-	-	
Total revenues before carryover	<u>96,602</u>	<u>58,351</u>	<u>65,621</u>	<u>132,630</u>	
EXPENDITURES					
General government:					
Materials & supplies	1,208	2,000	557	2,000	
Other services & charges	28,724	32,000	37,496	37,000	
Capital outlay - Storm Sirens	-	-	-	-	
Total general government	<u>29,932</u>	<u>34,000</u>	<u>38,053</u>	<u>39,000</u>	
Fire Department:					
Personal Services	900	1,000	1,040	1,250	
Materials & supplies	1,893	1,500	441	1,000	
Other services & charges	2,756	3,500	3,029	3,500	
Total Fire Department	<u>5,549</u>	<u>6,000</u>	<u>4,511</u>	<u>5,750</u>	
Street & Alley:					
Materials & supplies	4,481	5,000	-	2,500	
Other services & charges	4,174	4,500	4,200	4,500	
Capital Outlay - Street Improvements	13,743	-	-	-	
Total Street & Alley	<u>22,398</u>	<u>9,500</u>	<u>4,200</u>	<u>7,000</u>	

**Town of East Duke
General Fund
Budget 2019-2020**

	<u>Actual 2017-2018</u>	<u>Approved Budget 2018-2019</u>	<u>Projected YTD 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Parks & Recreation:				
Other services & charges	539	1,000	939	1,000
Capital Outlay - Playground Equipment	-	-	-	-
Total Parks & Recreation	539	1,000	939	1,000
Police Department:				
Personal services	38,497	54,582	12,715	54,582
Materials & supplies	2,052	4,000	1,575	4,000
Other services & charges	1,778	2,000	1,656	2,000
Capital Outlay - vehicle	-	-	-	-
Total police department	42,327	60,582	15,945	60,582
Community Building				
Materials & supplies	1,233	1,000	209	1,000
Other services & charges	3,791	4,000	2,975	4,000
Capital outlay	2,167	-	-	-
Total community building	7,191	5,000	3,184	5,000
Municipal Court				
Other services & charges	80	2,000	-	2,000
Total municipal court	80	2,000	-	2,000
Total expenditures	108,016	118,082	66,832	120,332
Revenue over (under) expenditures	(11,414)	(59,731)	(1,211)	12,298
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in/(out)	55,000	50,000	-	(75,000)
Sale of assets	1,010	-	-	-
Net other financing sources (uses)	56,010	50,000	-	(75,000)
Revenues and other financing sources over (under) expenditures and other uses	44,596	(9,731)	(1,211)	(62,702)
Beginning Fund Balance (estimated)	163,778	208,374	208,374	203,439
Ending Fund Balance	208,374	198,643	207,163	140,737

**Town of East Duke
Duke Municipal Authority
Budget 2019-2020**

June 10, 2019	Actual 2017-2018	Approved Budget 2018-2019	Projected YTD 2018-2019	Proposed Budget 2019-2020
<u>Operating revenues:</u>				
Charges for services:				
Water charges - Town	\$ 1,016,508	\$ 875,000	1,030,955	\$ 975,000
0% Rate Increase		-	-	-
Water charges - Centralvue	-	130,000	-	-
2019 0% Rate Increase		-	-	-
Sewer charges	34,540	33,000	34,359	33,000
0% Rate Increase		-	-	-
Sanitation charges	72,910	70,000	75,524	70,000
0% Rate Increase		-	-	-
Total charges for services	<u>1,123,958</u>	<u>1,108,000</u>	<u>1,140,837</u>	<u>1,078,000</u>
Miscellaneous	3,775	1,000	-	1,000
Penalty	11,300	9,500	12,733	9,500
Total operating revenues	<u>1,139,033</u>	<u>1,118,500</u>	<u>1,153,571</u>	<u>1,088,500</u>
Cost of Goods Sold:				
Electricity for Pumps	23,559	24,373	23,491	23,960
Trash Haul	63,069	63,000	65,529	67,305
Water Purchase	697,674	710,206	647,912	647,912
Water Purchase-30% increase	-	-	-	-
Water Purchase-Lease	11,934	22,000	10,311	22,000
Total Cost of Goods Sold	<u>796,236</u>	<u>819,580</u>	<u>747,243</u>	<u>761,178</u>
	<u>342,797</u>	<u>298,920</u>	<u>406,328</u>	<u>327,322</u>
<u>Gross Profit:</u>				
<u>Operating expenses:</u>				
Administration Department:				
Personal services	36,576	43,925	37,519	43,925
Materials and supplies	3,574	4,000	3,599	4,000
Other services and charges	2,526	3,000	1,873	3,000
Capital Outlay	9,238	-	-	-
Total Administration Department:	<u>51,914</u>	<u>50,925</u>	<u>42,991</u>	<u>50,925</u>
Sewer Department:				
Materials and supplies	963	2,500	-	2,500
Other services and charges	2,191	2,500	1,420	2,500
Capital Outlay	-	-	-	-
Total Sewer Department:	<u>3,154</u>	<u>5,000</u>	<u>1,420</u>	<u>5,000</u>
Water Department:				
Personal services	65,794	75,494	68,089	75,494
Materials and supplies	19,768	25,000	14,513	25,000
Other services and charges	16,121	40,000	27,035	40,000
Debt service	-			
USDA Note - \$1,108 / mo.	-	13,296	-	11,080
USDA Note - optional additional \$3k /	6,977	36,000	115,963	30,000
Capital Outlay	10,242	87,000	121,587	115,000
Total Water Department:	<u>118,902</u>	<u>276,790</u>	<u>347,187</u>	<u>296,574</u>
Total operating expenses	<u>173,970</u>	<u>332,714</u>	<u>391,598</u>	<u>352,498</u>
Net operating income (loss)	\$ 168,827	\$ (33,794)	\$ 14,730	\$ (25,176)

**Town of East Duke
Duke Municipal Authority
Budget 2019-2020**

June 10, 2019	Actual 2017-2018	Approved Budget 2018-2019	Projected YTD 2018-2019	Proposed Budget 2019-2020
<u>Nonoperating revenue :</u>				
Investment income	854	-	2,191	1,000
Grant Income	-	-	98,000	-
Total nonoperating revenue	854	-	100,191	1,000
Net Income (loss) before contributions and transf	169,681	(33,794)	114,921	(24,176)
Transfers In from other funds	-	-	-	75,000
Transfers to other funds, net	(55,000)	(50,000)	-	-
	(55,000)	(50,000)	-	75,000
Revenues and other financing sources over (under) expenditures and other uses	114,681	(83,794)	114,921	50,824
Beginning Fund Balance (estimated)	370,625	485,306	485,306	497,875
Ending Fund Balance	485,306	336,882	600,227	548,699
	45,349			

GROSS PROFIT BY DEPARTMENT - Excludes Capital Outlay

Sewer Revenues	33,000	34,359	33,000
Sewer Expenses	5,000	1,420	5,000
Gross Profit	28,000	32,939	28,000
GP %	85%	96%	85%
Water Revenues	875,000	1,030,955	975,000
Water Expenses	946,369	907,313	875,446
Gross Profit	(71,369)	123,641	99,554
GP %	26%	12%	10%

Sewer & Water combined-excluding capital outlay	908,000	1,065,313	\$ 1,008,000
	951,369	908,733	880,446
	(43,369)	156,580	127,554
	-5%	15%	13%

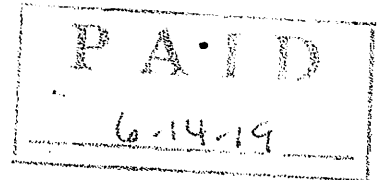
Trash Revenues	70,000	75,524	70,000
Trash Expenses	63,177	65,529	67,305
Gross Profit	6,823	9,995	2,695
GP %	10%	13%	4%

The Duke Booster

Donna K. Lanford

580-679-4519 Cell Phone

TheDukeBooster@gmail.com



Your Business advertisement was published

1 times in the month of MAY 30 2019

 times in the month of .

The total cost is \$25⁰⁰.

Please remit to:

The Duke Booster

309 6th Street

Duke, Ok. 73532

*Thank You!
Donna*

Thank you for your continued support

We appreciate your business.

Town of East Duke

PO Box 340
 Duke, OK 73532
 Phone 580-679-3400 Fax 580-679-3401

PURCHASE ORDER

The following number must appear on all related correspondence, shipping papers, and invoices:

P.O. NUMBER: 70

REMIT PAYMENT TO:

The Duke Booster
309 6th St.
Duke OK 73532

SHIP TO:

Town of East Duke
 Town Hall
 120 W. 2nd Street
 Duke, OK 73532

P.O. DATE	REQUISITIONER	BLANKET ENCUMBRANCE	REGULAR ENCUMBRANCE
5-29-19	Cheyenne Howler		X

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
		publish public hearing notice for FY20 Budget		25.00

PAID
 6-14-19

SUBTOTAL	
SALES TAX	N/A
SHIPPING & HANDLING	
OTHER	
TOTAL	25.00

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to:

TOWN OF EAST DUKE
 PO BOX 340
 DUKE, OK 73532

Authorized by *Dennis Newman* Date _____

RECEIVED
 JUL 01 2019
 State Auditor and Inspector
Jackson