BUDGET ADOPTION RESOLUTION

TOWN OF EAST DUKE, OKLAHOMA
RESOLUTION NO. 0604-20

A RESOLUTION APPROVING THE TOWN OF EAST DUKE, OKLAHOMA BUDGET FOR THE FISCAL YEAR 2020 - 2021 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, 2021 (FY 2020 - 2021) 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 2020 - 2021 Budget on the 4th day of June 2020 with total resources available in the amount of approximately $1,991,220 and total fund/departmental appropriations in the amount of $1,218,714. Legal appropriations (spending/encumbering limits) are hereby established as follows:

Fund: Department	Appropriation Amount
General Fund:	
General government	$33,750
Fire Department	6,250
Street & Alley Department	5,000
Parks & Recreation Department	2,450
Police Department	63,029

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Community Building Department	3,750
Municpal Court	0
Duke Municipal Authority:	
Administration Department	$51,230
Sewer Department	4,000
Water Department	980,838
Trash Department	68,417

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.

TOWN OF EAST DUKE OKLAHOMA
Fiscal Year 2020 - 2021 Annual Budget

BUDGET MEMO

DATE June 4, 2020

TO Town of East Duke, Council Members

FROM Tracy Reed, CPA

RE 2020/2021 Annual Budget

The FY 2021 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 2020 / 2021:

- 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 economic 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 Duke	
Electric Power Generation	23.93%
Convenience Stores	8.68%
Automotive Parts and Accessories Stores	6.64%
Electrical Apparatus and Equipment, Wiring Suppli	6.55%
Linen Supply	5.94%
	51.74%

- Sales tax has been budgeted at 75% of current year projections. All other recurring revenues are budgeted at 80%, as indicated. This equates to a reduction in budgeted Tax revenues of <~$15k> from this years projected revenue collections.

- Utility Revenue collections have been decreased by 8% from our current year projections, due to the expected impact of unemployment related to the pandemic. This equates to a reduction in budgeted Utility revenues of <~$95k> from our projected collections this year.

- We have decreased our cost to purchase water by $30k, as we expect to use more water from our wells in FY21.

- The only Capital Outlay included in the budget is $20k for a replacement vehicle for the Duke Municipal Authority.

- No pay increases are budgeted for employees.

- All debts were paid off in FY20.

- 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 1%. A 1% rate increase across all utilities is projected to generate $10,679.

BUDGET MEMO

- As of May 31, 2020, the municipality had 1,435 and 189 days of cash on hand in the General fund and BPWA, respectively, based on the current year projected expenditures. This represents the number of days the municipality can support the current expenses based on the cash balance at May 31, 2020.

- If fiscal year 2021 proceeds in line with the proposed budget, the municipality will have 480 and 206 days of cash on hand in the General fund and CDA, respectively, at June 30, 2021.

- **This budget projects an overall loss of <$56,520> for fiscal year 2021.**

- *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 2021 budget was presented to Council on May 11, 2020 for consideration.

The legal level of control for the Town'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 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 2020/2021 Annual Budget will be considered at a public hearing on June 4, 2020, at 5:00 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 2020/2021 Annual Budget will be adopted during a meeting of the City Council on June 4, 2020.

TOWN OF EAST DUKE, OKLAHOMA

Fiscal Year 2020 - 2021 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	$ 206,520	$ 57,907	$ (114,229)	$ -	$ (56,322)	$ 150,198
ENTERPRISE FUNDS:						
DMA	$ 622,507	$ 1,104,286	$ (1,104,484)	$ -	$ (199)	$ 622,308
TOTAL ENTERPRISE FUNDS	$ 622,507	$ 1,104,286	$ (1,104,484)	$ -	$ (199)	$ 622,308
GRAND TOTAL ALL FUNDS	$ 829,027	$ 1,162,193	$ (1,218,714)	$ -	$ (56,520)	$ 772,507

Town of East Duke
General Fund
Budget 2020-2021

	Actual 2018-2019	Approved Budget 2019-2020	Projected YTD 2019-2020	Proposed Budget 2020-2021	
REVENUES					
Sales taxes	$ 29,507	$ 27,643	$ 29,435	$ 22,076	* 75%
Use taxes	14,667	11,003	21,731	17,385	* 80%
Beverage tax	3,018	2,713	3,704	2,963	* 80%
Franchise taxes	9,812	10,087	10,771	8,617	* 80%
Cigarette tax	274	239	280	224	* 80%
Motor Vehicle tax	2,816	2,543	2,825	2,260	* 80%
Gas Excise Tax	727	652	727	582	* 80%
License & permits	2,666	2,000	2,149	2,000	
Investment income	3,066	750	2,065	1,800	
Donations - Playground Equipment	-	-	-	-	
Grant Income:					
FEMA - Storm Sirens	-	-	-	-	
SWODA - Water Tower Project	-	75,000	61,669	-	
Miscellaneous	-	-	-	-	
Total revenues before carryover	66,553	132,630	135,357	57,907	
EXPENDITURES					
General government:					
Materials & supplies	743	2,000	750	750	
Other services & charges	32,363	37,000	34,000	33,000	
Capital outlay	6,342	-	-	-	
Total general government	39,448	39,000	34,750	33,750	
Fire Department:					
Personal Services	780	1,250	1,250	1,250	
Materials & supplies	331	1,000	1,206	1,500	
Other services & charges	2,669	3,500	3,171	3,500	
Total Fire Department	3,780	5,750	5,627	6,250	
Street & Alley:					
Materials & supplies	-	2,500	-	500	
Other services & charges	4,197	4,500	4,500	4,500	
Capital Outlay	-	-	-	-	
Total Street & Alley	4,197	7,000	4,500	5,000	

Town of East Duke
General Fund
Budget 2020-2021

	Actual 2018-2019	Approved Budget 2019-2020	Projected YTD 2019-2020	Proposed Budget 2020-2021
Parks & Recreation:				
Materials & Supplies	-	-	100	250
Other services & charges	765	1,000	2,000	2,200
Capital Outlay	3,287	-	-	-
Total Parks & Recreation	4,052	1,000	2,100	2,450
Police Department:				
Personal services	12,926	54,582	30,000	59,529
Materials & supplies	1,406	4,000	2,000	2,500
Other services & charges	1,461	2,000	1,000	1,000
Capital Outlay	12,945	-	-	-
Total police department	28,738	60,582	33,000	63,029
Community Building				
Materials & supplies	503	1,000	249	750
Other services & charges	3,163	4,000	2,586	3,000
Capital outlay	-	-	-	-
Total community building	3,666	5,000	2,835	3,750
Municipal Court				
Other services & charges	-	2,000	-	-
Total municipal court	-	2,000	-	-
Total expenditures	83,881	120,332	82,812	114,229
Revenue over (under) expenditures	(17,328)	12,298	52,545	(56,322)
OTHER FINANCING SOURCES (USES)				
Operating transfers in/(out)	30,000	(75,000)	(61,669)	-
Sale of assets	-	-	-	-
Net other financing sources (uses)	30,000	(75,000)	(61,669)	-
Revenues and other financing sources over (under) expenditures and other uses	12,672	(62,702)	(9,124)	(56,322)
Beginning Fund Balance (estimated)	194,118	203,439	206,790	206,520
Ending Fund Balance	206,790	140,737	197,666	150,198

Town of East Duke
Duke Municipal Authority
Budget 2020-2021

	Actual 2018-2019	Approved Budget 2019-2020	Projected YTD 2019-2020	Proposed Budget 2020-2021	
Operating revenues:					
Charges for services:					
Water charges - Town	$ 1,015,195	$ 975,000	1,076,759	$ 990,618	92%
0% Rate Increase		-	-	-	
Sewer charges	34,422	33,000	33,824	31,118	92%
0% Rate Increase		-	-	-	
Sanitation charges	75,814	70,000	78,010	71,769	92%
0% Rate Increase		-	-	-	
Total charges for services	1,125,431	1,078,000	1,188,593	1,093,506	
Miscellaneous	-	1,000	-	-	
Penalty	12,375	9,500	9,000	8,280	
Total operating revenues	1,137,806	1,088,500	1,197,593	1,101,786	
Cost of Goods Sold:					
Electricity for Pumps	23,132	23,960	21,541	21,972	
Trash Haul	65,458	67,305	66,611	68,417	
Water Purchase	659,809	647,912	802,471	772,471	
Water Purchase-30% increase	-	-	-	-	
Water Purchase-Lease	9,284	22,000	7,380	7,527	
Total Cost of Goods Sold	757,683	761,178	898,003	870,387	
Gross Profit:	380,123	327,322	299,590	231,399	
Operating expenses:					
Administration Department:					
Personal services	41,267	43,925	40,201	43,730	
Materials and supplies	3,838	4,000	4,124	4,500	
Other services and charges	2,340	3,000	2,288	3,000	
Capital Outlay	-	-	-	-	
Total Administration Department:	47,445	50,925	46,613	51,230	
Sewer Department:					
Materials and supplies	-	2,500	-	500	
Other services and charges	1,396	2,500	3,049	3,500	
Capital Outlay	-	-	-	-	
Total Sewer Department:	1,396	5,000	3,049	4,000	
Water Department:					
Personal services	69,286	75,494	87,170	110,868	
Materials and supplies	12,602	25,000	23,430	25,000	
Other services and charges	22,548	40,000	19,515	23,000	
Debt service	-				
USDA Note - $1,108 / mo.	-	11,080	-	-	
USDA Note - optional additional $3k / ı	3,007	30,000	35,716	-	
Capital Outlay	72,914	115,000	86,637	20,000	
Total Water Department:	180,357	296,574	252,468	178,868	
Total operating expenses	229,198	352,498	302,130	234,098	

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Town of East Duke
Duke Municipal Authority
Budget 2020-2021

	Actual 2018-2019	Approved Budget 2019-2020	Projected YTD 2019-2020	Proposed Budget 2020-2021
Net operating income (loss)	$ 150,925	$ (25,176)	$ (2,540)	$ (2,699)
Nonoperating revenue :				
Investment income	2,717	1,000	2,776	2,500
Grant Income	98,000	-	-	-
Total nonoperating revenue	100,717	1,000	2,776	2,500
Net Income (loss) before contributions and transfe	251,642	(24,176)	236	(199)
Transfers In from other funds	-	75,000	61,669	-
Transfers to other funds, net	(30,000)	-	-	-
	(30,000)	75,000	61,669	-
Revenues and other financing sources over (under) expenditures and other uses	221,642	50,824	61,905	(199)
Beginning Fund Balance (estimated)	284,974	506,616	506,616	622,507
Ending Fund Balance	506,616	557,440	568,521	622,308

The Duke Booster

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Duke, Ok 73532

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6/21/2020

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Advertisement Invoice:

Town of East Duke

Advertisment for Publishing 2020-2021 Budget Summary for the Town of East Duke

Total Due: $40.00

Thanks for supporting The Duke Booster

Donna K. Lanford

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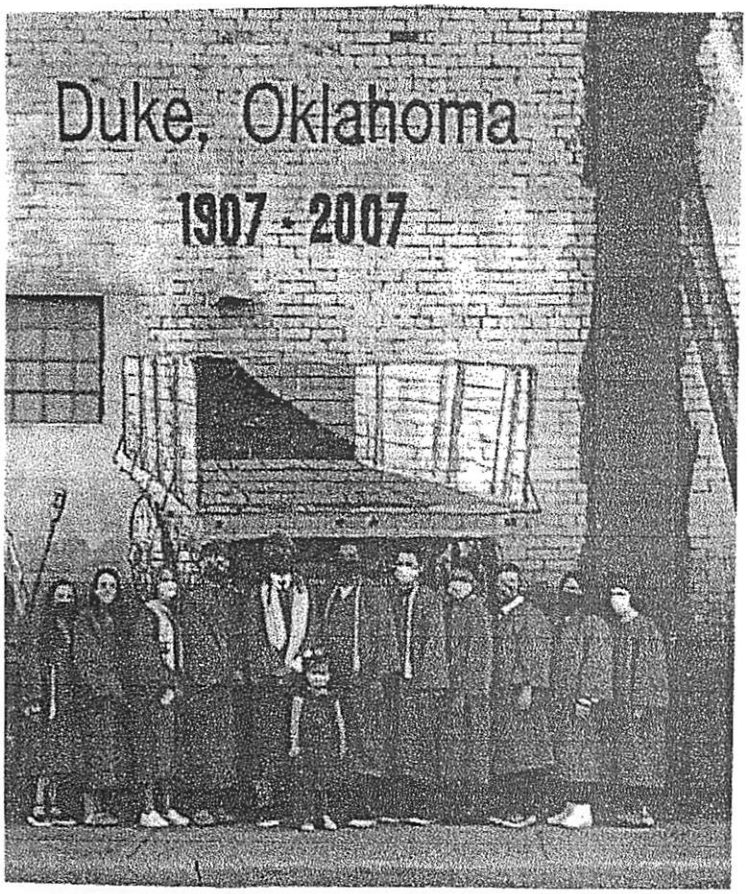
TOWN OF EAST DUKE, OKLAHOMA

Fiscal Year 2020 - 2021 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	$ 193,936	$ 57,907	$ (114,229)	$ -	$ (56,322)	$ 137,614
ENTERPRISE FUNDS:						
DMA	$ 578,219	$ 1,104,286	$ (1,104,484)	$ -	$ (199)	$ 578,020
TOTAL ENTERPRISE FUNDS	$ 578,219	$ 1,104,286	$ (1,104,484)	$ -	$ (199)	$ 578,020
GRAND TOTAL ALL FUNDS	$ 772,155	$ 1,162,193	$ (1,218,714)	$ -	$ (56,520)	$ 715,634



Congratulations Duke 2020 8th Grade Class Graduates

Congrats to this man-child Jameson Richardson for being named Faith 7!!! This is the game (unfortunately cancelled for this year) where the 10 best HS players in Oklahoma take on the 10 best HS players in Texas. It's a TREMENDOUS honor and I'm super proud of him!!!

FOUR DUKE FFA MEMBERS RECEIVE OKLAHOMA STATE FFA DEGREE

Congratulations Chance Clark, Colton Cusher, Jase Hamersley, and Matt Milner on receiving their Oklahoma State FFA Degree!

They were honored through the Oklahoma FFA virtual awards ceremony. Their hard work has paid off the past four years for them to receive this prestigious award.

Matt Milner was also recognized as one of the top achievers with the academic excellence award! Congratulations!