



## Adopted Budget

June 5, 2023

Fiscal Year 2023-2024 (FY24)

RECEIVED

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State Auditor  
and Inspector

Mc Intosh

**City of Eufaula**

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**City Council**

**Mayor, Freeholder Todd Warren**

**Vice-Mayor, Ward 1 Councilmember Josh Cummings**

**Ward 2 Councilmember Nancy Mouser**

**Ward 3 Councilmember, Jamie Upton**

**Ward 4 Councilmember - Open**

**Staff**

**City Manager, Jeb S. Jones**

**City Clerk-Treasurer, Valarie Cox**

**Public Works Director, Willie Eastteam**

**Police Chief, Open**

**TCommunity Development Director, Andrea Oldham**

## Table of Contents

Budget Message .....	4
Introduction .....	7
Form of Government.....	8
Budget Process.....	8
Budget Amendments .....	8
Fund Descriptions.....	9
Position Control Summary .....	12
Sales Tax Transfer Process .....	13
RESOLUTION NO. 21-06-02 .....	<b>Error! Bookmark not defined.</b>
RESOLUTION NO. 22-06-03 .....	<b>Error! Bookmark not defined.</b>
RESOLUTION NO. 22-06-04 .....	<b>Error! Bookmark not defined.</b>

## Appendices

Appendix A	Line Item Budget
Appendix B	Combined Budget Summary
Appendix C	Budgeted Fund Transfers
Appendix D	Organizational Chart
Appendix E	Council Strategic Pillars

# Budget Message

Mr. Mayor and Council,

I am honored to present the proposed budget for the Fiscal Year 2023-2024 (FY24). This document gives you and the public a transparent look into the revenue, expense, and capital purchase projections for the proposed FY24 budget. In addition, this document will act as the financial management tool used to guide our fiscal decisions as our organization moves through the coming year.

The FY24 budget demonstrates the proactive approach the City of Eufaula will take to position and move our community forward to improve its quality of life. This budget will provide the financial mechanisms needed to touch each department in the General Fund, Public Works Authority, and the Eufaula Economic Development Authority.

## Revenues

- **Sales Tax:** Sales Tax collections have continued their recent trend; as a result, Eufaula should set a new collection record for FY24. I have based this budget on utilizing 88% of our projected revenues to maintain a conservative approach.
- **Utility Rates:** FY24 will be the sixth year of rate increases for the base water bill under Resolution 18-09-04, approved September 10, 2018. The projected revenue for FY23-24 is approximately \$162,000; the rate revenue is used for debt service on the 2018/2019 OWRB-DWSRF water loans.

## Expenditures

- **Personnel**
  - A one-time non-recurring employee stipend of \$500 for full-time and \$250 for part-time employees for the first week in December.
  - During the FY 24 budget year, staffing levels will hold steady.
- **Operations and Maintenance**
  - This year's budget will reflect increases to multiple expense lines to offset increased operating costs due to inflationary pressures.
  - Budget accounting has been created for the Code Enforcement Department to track the associated costs for this service better.
  - Continued corporate sponsorship with the Eufaula Chamber Foundation for \$10,000 from the Economic Development Fund; the Chamber Foundation provides grants to support local businesses.

- **Capital Outlay**

- General Fund**

- Purchase of 4 SCBAs for the Fire Department from the General Fund of \$30,000.
    - This budget year, we will test fleet leasing as an option for vehicle purchases.
    - Purchase of a 4' asphalt roller and an asphalt drag box, \$65,000.
    - Purchase of seasonal (Christmas, 4<sup>th</sup> of July, Halloween) light displays for the park for \$50,000.

- CIP Fund**

- Splash Pad bathroom facility \$75,000

- Public Works Authority**

- Sewer system rehabilitation project funded from the Oklahoma Water Resource Board – Clean Water State Revolving Fund (OWRB-CWSRF) loan, and an Indian Health Services Grant, EPWA CWSRF Fund \$5.255 million budgeted.
    - Purchase of a 50hp tractor \$35,000

- **Debt Service**

- 2012 Clean Water State Revolving Fund (CWSRF) loan payments from the PWA Fund \$183,965.
    - 2015 Clean Water State Revolving Fund (CWSRF) loan payments from the CWSRF Fund \$33,516.
    - 2014 JPMorgan Chase note payments from the PWA Fund \$245,570.
    - 2015 JPMorgan Chase note payments from the PWA Fund \$371,856.
    - 2018 Drinking Water State Revolving Fund (DWSRF) loan payments from the PWA Fund \$34,860.
    - 2019 Drinking Water State Revolving Fund (DWSRF) loan payments from the PWA Fund \$161,575.
    - 2020 City Hall Renovation loan payments from PWA Fund (Use Tax transfer) \$139,411.
    - 2021 Clean Water State Revolving Fund (CWSRF) loan payments from the PWA Fund \$38,058

**Total Debt Service of \$1,208,811 for FY24.**

**Important Items**

- The construction of a splash pad and playground is ongoing, with completion expected in July 2024. The Fire Station Project is in the beginning stages; I have a 6-month goal to complete. Late in the FY23 fiscal year, we picked up an additional \$2,004,000 in sewer project funding, which will translate to WWTP racetrack and clarifier rehabilitation project and sewer line rehabilitation in the residential area north of Broadway.

The proposed budget is balanced per the Oklahoma Municipal Budget Act, Title 11 of the Oklahoma Statutes.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeb S. Jones". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Jeb S. Jones  
City Manager

## Introduction

This document includes the budgets for three separate legal entities: City of Eufaula, Eufaula Public Works Authority, and Eufaula Economic Development Authority.

### City of Eufaula

The City of Eufaula provides many core services that the community is familiar with including Police, Fire, Parks and Recreation, Cemeteries, and Streets. The primary funding source for these operations is sales tax.

#### Associated Funds

- General Fund
- Airport Fund
- Cemetery Perpetual Care Fund
- Disaster Emergency Fund
- Police Account Fund
- Police Drug Fund
- Recreation Account Fund
- Arvest/Southpoint Project Fund

### Eufaula Public Works Authority

The Eufaula Public Works Authority (EPWA) was formed in 1976 as a legal trust in accordance with state statutes. The EPWA provides or contracts for the core services of water, wastewater, and solid waste. The primary funding source is user fees charged for services and budgeted supplements from the City of Eufaula.

#### Associated Funds

- Eufaula Public Works Authority Fund
- Meter Fund (Restricted Use)
- Eufaula Public Works/CWSRF Fund
- CIP Fund

### Eufaula Economic Development Authority

The Eufaula Economic Development Authority (EEDA) was formed in 2005 as a legal trust in accordance with state statutes. The EEDA promotes economic development and growth in Eufaula. The primary funding source is a portion of the tax assessed on hotels and motels.

#### Associated Funds

- Eufaula Economic Development Authority Fund

## Form of Government

In 2015 the people of Eufaula voted to change the City's form of government to a statutory Council-Manager government, as well as petition for a Special Election in November 2022 over the same Statutes relating to the Council-Manager government are in Title 11, Chapter 10 and can be found at <https://www.oscn.net/applications/oscn/Index.asp?ftdb=STOKST11&level=1>

The City of Eufaula's Code of Ordinances are available online through American Legal Publishing at <https://codelibrary.amlegal.com/codes/eufaulaok/>

## Budget Process

This document is the product of extensive financial review and operations analysis.

### January

- Begin reviewing current year revenues and expenses to develop budget projections.

### February

- Department Heads submit budget requests to the City Manager for review and consideration.

### March

- Presentation of proposed budget by staff and review by the City Council.

### April

- Public Hearing for the proposed budget.

### May

- Second review of proposed budget by the City Council with any potential changes.

### June

- Adoption of final budget by the City Council.
- City Clerk files the adopted budget with the State Auditor and Inspector.

## Budget Amendments

Although budgets are a key component for planning and operations, they cannot account for every potential event in a year. The governing body of the City and the Authorities adopting the budget authorize the City Manager/Trust Manager to amend the budget by moving budgeted funds between line items within a department and between departments within a fund. Any other level of amendment



requires formal approval by the City or Authority governing body in a public meeting pursuant to the Oklahoma Open Meetings Act.

## **Fund Descriptions**

### **General Fund**

### **Fund #10**

The General Fund is the primary operating fund for the City of Eufaula. The fund includes departmental budgets for Administration, Police, Fire, Cemetery, Streets, and City Clerk.

Reference the *Sales Tax Transfer Process* for an explanation of required sales tax transfers between the General Fund and the Eufaula Public Works Authority Fund and how that can affect the respective budgets.

### **Airport Fund**

### **Fund #30**

The Airport Fund is primarily funded by transfers from the General Fund. The Eufaula Municipal Airport is an entitlement airport, which allows \$150,000 (90/10 match) each year for the Airport from the Federal Aviation Administration (FAA). Projects must be engineered by a selected consultant and approved by the FAA.

### **Cemetery Perpetual Care Fund**

### **Fund #32**

The City of Eufaula owns and operates two cemeteries, Greenwood Cemetery and Evergreen Cemetery. For each cemetery plot sold, \$#### of the \$400 price is deposited in this fund. The money is restricted by state law to be used exclusively for the ongoing maintenance to the cemeteries. (Note: Regular maintenance costs, including personnel and contract mowing, is budgeted in the General Fund.)

### **Disaster Emergency Fund**

### **Fund #34**

The Disaster Emergency Fund is aptly named to serve as a reserve fund for disaster emergencies. The full fund balance is budgeted each year so that funds are available in an emergency without requiring a budget amendment. Although budgeted, the funds are only used for emergencies. In 2020 City received \$220,000 in CARES Act funds, which were placed in this fund. That money is unrestricted and could be reallocated by the City Council for a specific purpose through a budget amendment.

### **Eufaula Economic Development Authority Fund      Fund #37**

This fund accounts for the revenue and expenses of the Eufaula Economic Development Authority (EEDA), a separate legal entity from the City of Eufaula. The EEDA Fund is primarily funded by a portion of hotel/motel tax (4% of the total 9%).

**Health Department Fund****Fund #39**

This fund is a holdover from when the City had more expenses related to the Health Department, Department of Human Services, and Hospital.

**Police Account Fund****Fund #41**

Police court revenue and impound fees are deposited into this fund. From the revenue, the expenses for the municipal judge and state court fees are paid, and a budgeted amount is transferred to the General Fund to offset Police Department operation expenses. The City makes a minimal amount from municipal citations; in FY18, a total of \$58,247 was collected in fines, of which \$23,364 went to state court fees and municipal judge expenses, while in the General Fund, \$669,591 was spent for the Police Department.

**Police Drug Fund****Fund #42**

When a drug case that the police department worked results in seizure/forfeiture of property as set by state law parameters, the property can be deemed surplus and sold. The revenues of those sales are deposited in the Police Drug Fund and can be used for certain police department expenses.

**Recreation Account Fund****Fund #43**

The Recreation Account Fund is funded by a portion of the hotel/motel tax (5% of the total 9%). This fund provides for 4<sup>th</sup> of July Fireworks Show expenses, and both operational and capital improvement expenses for recreational items, e.g. playground equipment, boat dock upkeep, etc.

**Arvest Acct/ Southpoint Project Fund****Fund #46**

These funds are associated with the project at Southpoint to improve parking and recreational facilities.

**Capital Improvements Fund****Fund #50**

The Capital Improvements Fund is funded through the Capital Improvement Plan (CIP) Fee charged to each utility customer. The current monthly account charge is \$7.15. Of that, \$1.65 goes to pay the debt on the water meters installed in 2015-2017. The remaining \$5.50 is unrestricted for capital projects to be budgeted each year.

**Eufaula Public Works Authority Fund****Fund #90**

The Public Works Authority is currently funded from two sources: sales tax and utility charges. Reference the *Sales Tax Transfer Process* for an explanation of required sales tax transfers between the General Fund and the Eufaula Public Works Authority Fund and how that can affect the respective budgets.

In September 2018, the City Council implemented a seven-year rate increase plan for utility rates. This action provided several benefits to the City, including the start to long-term financial stability and the increase in fiscal capacity for debt service. The Eufaula Public Works Authority was approved in December 2018 for \$7.185 million of financing by the Oklahoma Water Resource Board – Drinking Water State Revolving Fund (OWRB-DWSRF). The loan money is accounted for in the Eufaula Public Works/CWSRF Fund #97.

### **Meter Fund**

### **Fund #92**

The Meter Fund is used to segregate utility customer deposits from all other funds. When a customer starts service with the Eufaula Public Works Authority, their deposit is put into this fund. That money cannot be used for any other purpose except for disbursement back to the customer when the account is closed, or application of the customer's deposit to any unpaid balance on the account.

### **Eufaula Public Works/CWSRF Fund**

### **Fund #97**

The Eufaula Public Works/CWSRF Fund has two functions:

**AMR Debt Payments:** The monthly account charge of \$1.65 is transferred to this account, and then used to pay the OWRB loan.

**DWSRF-OWRB Loan:** In 2018, the Eufaula Public Works Authority obtained authority for \$7.185 million in loans from the Oklahoma Water Resource Board. The loan has a draw-down feature to limit interest payments before the funds are needed. Project invoices are evaluated by the City's Engineer, approved by the EPWA, and then submitted to the OWRB for approval. Once approved, the OWRB transfers funds to the appropriate account, and the EPWA then issues payment on the invoice. Additionally, in 2021 the Eufaula Public Works Authority obtained a \$2.7 million loan from The Oklahoma Water Resource Board for sewer system improvements. This loan has the same features as our initial loan for water improvements; this fund will receive and disperse funds in the same manner.

## Position Control Summary

Full-Time Positions Budgeted					
Fund/Department	FY20	FY21	FY22	FY23	FY23
<b>General Fund</b>					
Administration	3	3	3	3	2
Police	10 <sup>a</sup>	10 <sup>b</sup>	10	10	10 <sup>g</sup>
Tourism/Econ. Dev.	0	1	1 <sup>c</sup>	1	1
Cemetery	1	1	1	1	1
City Clerk	2	2	2	2	2
Parks				2	2 <sup>h</sup>
Streets					2
<b>Public Works Authority</b>					
Administration	1 <sup>d</sup>	1	1	1	1
Sewer	2	2	2	2	2
Water	9	10 <sup>e</sup>	10 <sup>f</sup>	9	8
<b>Total</b>	<b>28</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>31</b>

<sup>a</sup> The Student Resource Officer position was created in addition to existing Officer positions.

<sup>b</sup> This is contingent on the Dispatch division being consolidated with another dispatch agency which would eliminate four full-time positions.

<sup>c</sup> One position proposed to be as Tourism and Economic Development Director.

<sup>d</sup> Custodian position was eliminated.

<sup>e</sup> One position proposed to be added to the Maintenance Division of Public Works to allow for adequate coverage of services.

<sup>f</sup> One position proposed to be added to the Maintenance Division of Public Works to allow for adequate coverage of services in parks and general maintenance.

<sup>g</sup> The Position of Assistant Chief of Police was added January of 2022

<sup>h</sup> Parks Department maintenance staff was taken out of Public Works and moved to the General Fund beginning with the FY23 budget.

This process is followed to comply with Sales Tax Agreements entered by the City of Eufaula and the Eufaula Public Works Authority as a condition of existing loans with the Oklahoma Water Resource Board and JPMorgan Chase. The agreement only applies to Sales Tax (does not include Use Tax, Cigarette Tax, etc.).

EXAMPLE		
Annual Sales Tax Collection		
	Revenue	Expense
<b>General Fund</b>		
Deposited from OTC	\$2,000,000	\$ -
Transferred to PWA	\$ -	\$2,000,000
Sub-Total	\$2,000,000	\$2,000,000
<b>Public Works Authority</b>		
Received from General Fund	\$2,000,000	\$ -
Debt Service	\$ -	\$ 700,000
Transferred to General Fund		\$1,300,000
Sub-Total	\$2,000,000	\$2,000,000
<b>General Fund</b>		
Received from PWA	\$1,300,000	\$ -
Spent as needed	\$ -	\$1,300,000
Sub-Total	\$1,300,000	\$1,300,000
Total as Budgeted	\$5,300,000	\$5,300,000
Actual Cash Total	\$2,000,000	\$2,000,000

Sales Tax funds received from the Oklahoma Tax Commission are deposited in the General Fund.

Public Works Authority receives Sales Tax transfer from the General Fund.

General Fund receives the remaining Sales Tax Funds from the Public Works Authority.

General Fund transfers the full amount received to the Public Works Authority.

Public Works Authority makes debt payments for the month, then transfers any remaining Sales Tax funds back to the General Fund.

General Fund spends the funds as needed.

Note: At the end of the Fiscal Year, if more Sales Tax was received than budgeted, a final transfer is made from the Public Works Authority to the General Fund.

## Sales Tax Transfer Process