

City of Blackwell, OK
Fiscal Year 2018/2019 Annual Budget
BUDGET MEMO - Amendment #1

The 2018/2019 Annual Budget for the City is amended for changes in personnel. The approved budget projected specific staffing changes by department. This amendment reconciles the projected staffing changes with actual changes made in the first 30 days of the fiscal year. The net change is a decrease in fund balance of \$43,384 for the City as a whole.

The original budget projected budget cuts of \$686,829 in personnel services. Actual staffing changes has resulted in \$812,182 net cuts in personnel services positions before severance costs. This increase is due to a shift in the cost of the positions eliminated offset with the addition of open positions. Severance costs of \$168,737 were paid to achieve the personnel cuts. The actual savings in the current year will be \$643,445 (\$812,182 less \$168,737).

The difference between the original projected budget savings and the actual budget savings is a decrease in fund balance of \$43,384 (\$686,829 versus \$643,445). This loss is reflected in the \$189,722 decrease in the General Fund budget and a \$146,388 increase in the Blackwell Municipal Authority budget; a \$43,384 net decrease for the City as a whole.

Projection for FY2020

As we discussed in budget sessions, the FY19 budget takes steps towards cutting the City's operational deficit. I stated our expectations were to cut the deficit in half for FY19 and continue to make improvements in FY20.

Assuming there are no unforeseen expenses and revenues are collected consistent with projected balances, the operating budget for FY2020 will reflect a net loss of \$723,000 before any capital projects or transfers from the Blackwell Public Trust. **Clearly that statement is an early projection and requires complete compliance with the proposed budget for FY19.**

I recommend that the City address the projected shortfall for the FY2020 year by staying firm with the current hiring freeze of the City. As attrition occurs over the current fiscal year, those positions should be absorbed by the current workforce up to an estimated 12 positions. Raising utility rates to address the shortfall should also be considered.

As we are only one month into FY19, it is difficult to project the impact of the rate increases enacted for the FY19 year. Revenue projection from the rate changes previously approved will have an impact on future years. All such items need to be considered as we move forward with the plans for the City. I will keep management abreast of the current financial situation and, as applicable, on the FY2020 budget year.

The legal level of control for the City's 2018/2019 budget is established at the Department level. Additional detail is provided for analysis purposes only. If you have any questions, please contact Meredith Meacham Wilson, CPA.

**CITY OF BLACKWELL, OKLAHOMA
ANNUAL CAPITAL/OPERATING BUDGET
FISCAL YEAR 2018-2019**

**GENERAL FUND
Amendment #1 - August 2018**

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
OPERATING REVENUES			
Tax Revenues			
Sales Tax	\$ 1,068,061	\$ -	\$ 1,068,061
Franchise Tax	64,252	-	64,252
Other Taxes	52,352	-	52,352
Charges for Services			
Ambulance	415,000	-	415,000
Fire	7,500	-	7,500
Parks & Recreation	11,000	-	11,000
Police	30,000	-	30,000
Animal Control	500	-	500
Library	500	-	500
Other Income			
Rental	20,000	-	20,000
Permit & License	20,000	-	20,000
Misc	50,000	-	50,000
Interest	-	-	-
Total OPERATING REVENUES	1,739,165	-	1,739,165
OPERATING EXPENSES			
Administration			
Personal services	192,900	(19,596)	173,304
Materials & supplies	8,000	-	8,000
Other services/charges	128,000	-	128,000
Capital outlay	19,000	-	19,000
Debt service	-	-	-
Total Administration	347,900	(19,596)	328,304
Airport			
Personal services	-	-	-
Materials & supplies	-	-	-
Other services/charges	25,000	-	25,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Airport	25,000	-	25,000
Ambulance			
Personal services	510,129	55,446	565,575
Materials & supplies	70,000	-	70,000
Other services/charges	65,000	-	65,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Ambulance	645,129	55,446	700,575

GENERAL FUND
Amendment #1 - August 2018

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
Code Enforcement			
Personal services	129,070	(19,183)	109,887
Materials & supplies	8,500	-	8,500
Other services/charges	32,000	-	32,000
Capital outlay	1,000	-	1,000
Debt service	-	-	-
Total Code Enforcement	170,570	(19,183)	151,387
City Council			
Personal services	6,508	-	6,508
Materials & supplies	10,000	-	10,000
Other services/charges	145,000	-	145,000
Capital outlay	-	-	-
Debt service	-	-	-
Total City Council	161,508	-	161,508
Court			
Personal services	74,622	-	74,622
Materials & supplies	25	-	25
Other services/charges	11,000	-	11,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Court	85,647	-	85,647
Emergency Preparedness			
Personal services	93,704	-	93,704
Materials & supplies	500	-	500
Other services/charges	10,000	-	10,000
Capital outlay	10,000	-	10,000
Debt service	-	-	-
Total Emergency Preparedness	114,204	-	114,204
Fire Department			
Personal services	560,129	5,446	565,575
Materials & supplies	60,000	-	60,000
Other services/charges	25,000	-	25,000
Capital outlay	167,516	-	167,516
Debt service	-	-	-
Total Fire Department	812,645	5,446	818,091
Fleet Maintenance			
Personal services	57,481	60,481	117,962
Materials & supplies	4,000	-	4,000
Other services/charges	3,000	-	3,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Fleet Maintenance	64,481	60,481	124,962

GENERAL FUND
Amendment #1 - August 2018

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
General Government			
Personal services	20,815	-	20,815
Materials & supplies	21,000	-	21,000
Other services/charges	165,000	-	165,000
Capital outlay	-	-	-
Debt service	-	-	-
Total General Government	206,815	-	206,815
Library			
Personal services	124,181	-	124,181
Materials & supplies	28,000	-	28,000
Other services/charges	28,000	-	28,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Library	180,181	-	180,181
Parks			
Personal services	-	-	-
Materials & supplies	15,000	-	15,000
Other services/charges	7,250	-	7,250
Capital outlay	-	-	-
Debt service	-	-	-
Total Parks	22,250	-	22,250
Police - Animal Control			
Personal services	65,995	-	65,995
Materials & supplies	5,000	-	5,000
Other services/charges	5,000	-	5,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Police - Animal Control	75,995	-	75,995
Police - Communications			
Personal services	302,021	(52,861)	249,160
Materials & supplies	4,000	-	4,000
Other services/charges	18,000	-	18,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Police - Communications	324,021	(52,861)	271,160
Police - Patrol			
Personal services	988,053	125,459	1,113,512
Materials & supplies	85,000	-	85,000
Other services/charges	80,000	-	80,000
Capital outlay	58,053	-	58,053
Debt service	-	-	-
Total Police - Patrol	1,211,106	125,459	1,336,565

GENERAL FUND
Amendment #1 - August 2018

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
Pools			
Personal services	45,373	-	45,373
Materials & supplies	20,000	-	20,000
Other services/charges	9,500	-	9,500
Capital outlay	5,000	-	5,000
Debt service	-	-	-
Total Pools	<u>79,873</u>	-	<u>79,873</u>
Recreation			
Personal services	-	-	-
Materials & supplies	-	-	-
Other services/charges	9,000	-	9,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Recreation	<u>9,000</u>	-	<u>9,000</u>
Street Department			
Personal services	445,136	34,530	479,666
Materials & supplies	65,000	-	65,000
Other services/charges	17,000	-	17,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Street Department	<u>527,136</u>	<u>34,530</u>	<u>561,666</u>
Total OPERATING EXPENSES	<u>5,063,462</u>	<u>189,722</u>	<u>5,253,184</u>
NET OPERATING INCOME/(LOSS)	\$ (3,324,296)	\$ (189,722)	\$ (3,514,018)
OTHER FINANCING SOURCES/(USES)			
Transfer In	2,610,000	189,722	2,799,722
BPT	714,500	-	714,500
Transfer Out	-	-	-
Total OTHER FINANCING SOURCES/(USES)	<u>3,324,500</u>	<u>189,722</u>	<u>3,514,222</u>
NET CHANGE IN FUND BALANCE	\$ 204	\$ -	\$ 204
BEGINNING FUND BALANCE	-	-	-
ENDING FUND BALANCE	<u>\$ 204</u>	<u>\$ -</u>	<u>\$ 204</u>

**CITY OF BLACKWELL, OKLAHOMA
ANNUAL CAPITAL/OPERATING BUDGET
FISCAL YEAR 2018-2019**

**BLACKWELL MUNICIPAL AUTHORITY
Amendment #1 - August 2018**

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
OPERATING REVENUES			
Utilities			
Water	\$ 1,100,000	\$ -	\$ 1,100,000
Rate increase and base charge \$9/10	410,000	-	410,000
Sewer	645,000	-	645,000
Rate increase	365,000	-	365,000
Residential Electric	3,975,000	-	3,975,000
Rate increase 2% and base \$9	394,803	-	394,803
Commercial Electric	1,450,000	-	1,450,000
Rate increase 2% and base \$10	72,821	-	72,821
Power - Demand	1,550,000	-	1,550,000
Rate increase 2%	32,386	-	32,386
Refuse	815,000	-	815,000
Rate decrease of 0%	-	-	-
Maintenance and operations fee	500,000	-	500,000
Rate increase	-	-	-
Other Income			
Penalty and fee income	115,000	-	115,000
Miscellaneous	25,000	-	25,000
Interest	10,000	-	10,000
Utility Note Sales Tax 1.5%	801,046	-	801,046
Total OPERATING REVENUES	12,261,055	-	12,261,055
OPERATING EXPENSES			
Administration			
Personal services	192,900	(19,596)	173,304
Materials & supplies	9,000	-	9,000
Other services/charges	105,000	-	105,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Administration	306,900	(19,596)	287,304
Authority Expenses			
Personal services	-	-	-
Materials & supplies	4,500	-	4,500
Other services/charges	125,000	-	125,000
Capital outlay	-	-	-
Debt service			
2006 Bonds	584,000	-	584,000
2008 Bonds	178,350	-	178,350
2012 Bonds	420,000	-	420,000
2015 Bonds	-	-	-
Total Authority Expenses	1,311,850	-	1,311,850
Electric			
Personal services	648,899	(23,834)	625,065
Materials & supplies	245,000	-	245,000
Other services/charges	80,000	-	80,000
Capital outlay	30,000	-	30,000
Debt service	-	-	-
Total Electric	1,003,899	(23,834)	980,065

BLACKWELL MUNICIPAL AUTHORITY
Amendment #1 - August 2018

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
Fleet Maintenance			
Personal services	57,481	(57,481)	0
Materials & supplies	3,000	-	3,000
Other services/charges	1,000	-	1,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Fleet Maintenance	61,481	(57,481)	4,000
OMPA			
Personal services	-	-	-
Materials & supplies	-	-	-
Other services/charges	4,560,028	-	4,560,028
Capital outlay	-	-	-
Debt service	-	-	-
Total OMPA	4,560,028	-	4,560,028
Sewer			
Personal services	322,654	(13,038)	309,616
Materials & supplies	45,000	-	45,000
Other services/charges	60,000	-	60,000
Capital outlay	-	-	-
Debt service	843,500	-	843,500
Total Sewer	1,271,154	(13,038)	1,258,116
Refuse Disposal			
Personal services	-	-	-
Materials & supplies	-	-	-
Other services/charges	458,350	-	458,350
Capital outlay	-	-	-
Debt service	-	-	-
Total Refuse Disposal	458,350	-	458,350
Utility Office			
Personal services	166,809	-	166,809
Materials & supplies	22,000	-	22,000
Other services/charges	55,000	-	55,000
Capital outlay	-	-	-
Debt service	-	-	-
Total Utility Office	243,809	-	243,809
Warehouse			
Personal services	-	27,611	27,611
Materials & supplies	1,500	-	1,500
Other services/charges	3,000	-	3,000
Capital outlay	2,500	-	2,500
Debt service	-	-	-
Total Warehouse	7,000	27,611	34,611
Water			
Personal services	448,468	(60,000)	388,468
Materials & supplies	495,000	-	495,000
Other services/charges	205,000	-	205,000
Capital outlay	135,000	-	135,000
Debt service	-	-	-
Total Water	1,283,468	(60,000)	1,223,468
Total OPERATING EXPENSES	10,507,940	(146,338)	10,361,602
NET OPERATING INCOME/(LOSS)	\$ 1,753,116	\$ 146,338	\$ 1,899,454

BLACKWELL MUNICIPAL AUTHORITY
Amendment #1 - August 2018

	Approved Budget Fiscal Year 2018-2019	Proposed Amendments	AMENDED Budget Fiscal Year 2018-2019
OTHER FINANCING SOURCES/(USES)			
Transfer In	-	-	-
BPT Capital Improvement	32,500	-	32,500
BPT Water Improvement	-	-	-
Loan Proceeds - 2015 LOAN	135,000	-	135,000
Transfer Out	(2,528,500)	(189,722)	(2,718,222)
Total OTHER FINANCING SOURCES/(USES)	(2,361,000)	(189,722)	(2,550,722)
NET CHANGE IN FUND BALANCE	\$ (607,884)	\$ (43,384)	\$ (651,268)
BEGINNING FUND BALANCE	2,100,000	-	2,100,000
ENDING FUND BALANCE	\$ 1,492,116	\$ (43,384)	\$ 1,448,732

Gross Profit Margin by Department (excluding Capital Outlay)

<u>Electric</u>			
Revenues	7,475,009	-	7,475,009
Expenses	5,533,927	(23,834)	5,510,093
Gross Profit	1,941,082	23,834	1,964,916
Profit Margin	26%	#DIV/0!	26%
<u>Water</u>			
Revenues	1,510,000	-	1,510,000
Expenses	1,283,468	(60,000)	1,223,468
Gross Profit	226,532	60,000	286,532
Profit Margin	15%	#DIV/0!	19%
<u>Sewer</u>			
Revenues	1,010,000	-	1,010,000
Expenses	1,271,154	(13,038)	1,258,116
Gross Profit	(261,154)	13,038	(248,116)
Profit Margin	-26%	#DIV/0!	-25%
<u>Garbage</u>			
Revenues	815,000	-	815,000
Expenses	458,350	-	458,350
Gross Profit	356,650	-	356,650
Profit Margin	44%	#DIV/0!	44%