



CITY OF FREDERICK, OKLAHOMA

FREDERICK PUBLIC WORKS AUTHORITY
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Final Budget Message FY 2009-2010

June 21, 2009

Honorable Mayor, City Council and Frederick Citizens:

Attached herewith you will find the final recommended budgets for FY 2009-2010 for the General, Enterprise (FPWA), Airport, Cemetery Trust, Capital Improvement and Frederick Economic Development Authority (FEDA) Funds. These budgets are presented to you in order that they may be adopted after a Public Hearing to receive citizen input during the June 23, 2009 Regular City Council and FPWA meetings.

These six budgets total \$11,205,740.00 – up from last years' budgets of \$10,891,374.00. Slight revenue growth as well as grant funding account for this increase. These budgets have been prepared with assistance from Finance Director Reyes based upon input received from department heads and consistent with budgeting priorities, as expressed by the City Council.

These budgets were developed in conscious recognition of the national economic uncertainty which we presently experience. Be that as it may, we have services to provide and projects to complete, so this financial plan has been prepared to enable us to proceed the best we can within our means.

These budgets are achievable and realistic, yet with less flexibility than we have enjoyed in recent years. We will need to closely track budget progress during the fiscal year. Unexpected expenses or significant revenue drops will require budget amendments and/or operational adjustments.

The ongoing challenges of providing needed and wanted services with ever escalating costs and near static revenue are very tangible. Prioritization of services which can be provided within our financial means makes for some difficult decisions. Revenue enhancement to expand our financial means would generally be preferable. Obviously, balance in those considerations is in order.

HOME OF
HACKBERRY FLAT
Wetland Restoration Project

An overview (the story behind the numbers) of the major features of the various budget components and funds is, as follows:

Income: Income was conservatively budgeted. However, as always, if budgeted revenue is not realized, decisions to forego budgeted expenditures will be required. As the economy has slowed, the number and amount of utility charge-offs has grown diminishing the full economic benefit of gross utility revenue increases. Also, significant unanticipated electric load loss would mostly likely have to be addressed via rates.

Due to the present national economic situation, it appears that the Consumer Price Index (CPI) index does not presently provide a reliable indicator of economic conditions as a basis for utility rate and other adjustments. While typically a CPI-based adjustment of at least 3 percent takes place, this year a 1.5 percent adjustment is recommended.

The ongoing need for the identification and consideration of new and sustainable revenue sources remains. Our goal should be to align ongoing costs with ongoing revenue – incremental rather than drastic adjustment. Since the only revenue increase budgeted is for the utility rates any other adjustments will be the result of subsequent Council/FPWA approval.

Expenses: A total of 54.31 fte (full time equivalent) positions are budgeted, down 6 positions from last budget year due to contracting the dispatch function with Tillman County. No change in staffing is recommended at July 1, 2009. Retirements and other factors could change that plan, as could economic considerations.

A 6.6 percent increase in health insurance and a 15 percent increase in dental insurance premiums result in the budgetary provision for a one percent employee pay adjustment. However, the recommendation is to not implement that adjustment effective July 1st, but to revisit the issue at the end of the first quarter to see if circumstances warrant implementation at that time.

The persistence (again) of increased fuel, water treatment chemical and utility systems repair materials costs are extremely challenging to deal when foregoing those expenses is seldom a realistic option. Considerable discussion with department heads has already taken place and will no doubt continue as we seek cost savings.

The **General Fund** budget's biggest change, other than some revenue growth, is in the reallocation of funding previously used for dispatching costs to street maintenance and public safety (police and fire) needs.

The **Enterprise Fund (FPWA)** budget increased slightly due to anticipated additional utility revenue. Although Phase II water treatment plant improvements have now been permitted by the DEQ, this project has not been specifically included in this year's budget as we move towards the bidding and construction phase later this year. The full implications of potential economic stimulus-based discounts are unclear at this time.

The **Airport Fund** budget continues to reflect some growth in fuel sales and higher aviation fuel prices. The oil and gas lease bonus windfall received this spring will be utilized for cash grant match requirements. A permit to drill the first well at the airport was recently issued; hopefully some meaningful production revenue will follow.

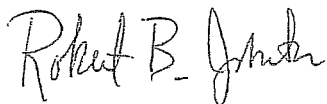
The **Capital Improvement Fund** budget as always has many more needs than means to accomplish beneficial improvements. This year's projects will be more substantial in amount due to grant-funded specific projects. We continue to seek out funding opportunities to meet additional needs. No vehicles are budgeted for replacement this year.

The **Frederick Economic Development Authority (FEDA)** continues to work on downtown redevelopment and our mutually-beneficial partnership with Henniges and other businesses interested in growing and/or locating in the Frederick area. Hopefully a quick and beneficial resolution to issues in the automotive industry is forthcoming. An investment for roof repairs on the TG&Y building is budgeted; hopefully full cost recovery will be result. The completion of an updated economic development plan in partnership with the Frederick Chamber of Commerce remains a very topical subject.

The **Cemetery Trust Fund** is budgeted as usual to transfer funds to the Capital Improvement Fund for further acquisition of needed equipment and other cemetery improvements.

Thank you for your guidance and support in the budget-making process. Please feel free to contact me before the meetings with any questions.

Sincerely,



Robert B. Johnston
City Manager/General Manager

Attachments

19-Jun

**FINAL BUDGET SUMMARY
CITY OF FREDERICK, OKLAHOMA
FY 2009-2010**

ESTIMATED REVENUES:	<u>General Fund</u>	<u>FPWA (Enterprise) Fund</u>	<u>Airport Fund</u>	<u>Cemetery Trust Fund</u>	<u>FEDA</u>	<u>Capital Improvement Fund</u>
Taxes	\$960,000.00					
Licenses & Permits	\$40,000.00					
Intergovernmental Revenue	\$57,000.00					\$269,332.00
Charges for Services	\$89,500.00	\$7,276,000.00	\$63,000.00	\$5,000.00	\$296,000.00	
Fines & Forfeitures	\$120,000.00				\$14,000.00	
Miscellaneous Revenue	\$15,625.00	\$122,500.00	\$85,000.00		\$225,000.00	\$136,438.00
Transfers In	\$1,350,197.00	\$204,000.00			\$25,000.00	
Fund Balance						
Total Estimated Revenues:	<u>\$2,632,322.00</u>	<u>\$7,602,500.00</u>	<u>\$148,000.00</u>	<u>\$5,000.00</u>	<u>\$560,000.00</u>	<u>\$405,770.00</u>

PROPOSED EXPENDITURES:

<u>General Fund:</u>	<u>Enterprise Fund:</u>	<u>Airport Fund:</u>	<u>Capital Impr. Fund:</u>
Managerial	\$350,000.00	Administration	\$663,394.00
Police	\$734,500.00	Water	\$711,916.00
Dispatch	\$90,000.00	Debt Interest	\$253,267.00
Fire	\$500,000.00	Electric	\$555,712.00
Street	\$282,189.00	Sewer	\$229,032.00
Weaver DOC	\$3,000.00	Swimming Pool	\$38,000.00
Parks	\$67,658.00	Landfill	\$20,000.00
Library	\$88,000.00	Lake	\$97,128.00
Cemetery	\$82,475.00	Contract Services	\$3,500,000.00
Emer. Mgmt.	\$5,500.00	Transfers Out	\$1,452,196.00
Transfers Out	<u>\$429,000.00</u>	Fund Balance	<u>\$81,855.00</u>
Fund Total	<u>\$2,632,322.00</u>	Fund Total	<u>\$7,602,500.00</u>
		<u>Airport Fund:</u>	
		Airport Operations	\$148,000.00
		Fund Total	<u>\$148,000.00</u>
		<u>Cemetery Trust Fund:</u>	
		Cap. Impr.	\$5,000.00
		Fund Total	<u>\$5,000.00</u>
		<u>FEDA:</u>	
		FEDA Activities	\$560,000.00
		Fund Total	<u>\$560,000.00</u>
			Police
			\$81,000.00
			Fire
			\$36,000.00
			Street
			\$75,000.00
			Weaver DOC
			Parks
			Library
			Cemetery
			\$5,000.00
			Emerg. Mgmt.
			FPWA Admin
			Water
			Electric
			\$50,000.00
			Sewer
			\$20,000.00
			Swimming Pool
			Landfill
			Lake
			Airport
			\$88,770.00
			FEDA
			\$50,000.00
			Fund Total
			<u>\$405,770.00</u>

City of Frederick
Summary of Revenue By Source
General Fund

	Prior Year Actual 07/08	Budget 08/09	Current Year Actual (11 mos.) 08/09	Budget Year 09/10
Taxes				
Sales Tax	694,993.88	800,000.00	730,155.52	800,000.00
Use Tax	30,130.22	35,000.00	44,567.81	42,000.00
Franchise	88,890.54	99,000.00	87,815.57	99,000.00
Occupation	3,645.96	6,000.00	6,394.25	6,500.00
Lodging Tax	0.00	12,500.00	11,124.72	12,500.00
Subtotal	817,660.60	952,500.00	880,057.87	960,000.00
Licenses/Permits				
Vehicle Licenses	35,098.46	40,000.00	27,725.69	40,000.00
Subtotal	35,098.46	40,000.00	27,725.69	40,000.00
Intergov't Revenue				
Alcohol Bev. Tax	39,245.34	45,000.00	41,023.38	45,000.00
St. Gasoline Tax	9,484.13	12,000.00	7,919.91	12,000.00
Subtotal	48,729.47	57,000.00	48,943.29	57,000.00
Fines & Forfeiture				
Police Fines	109,587.50	118,000.00	27,548.50	118,000.00
DUI Reimb.	1,907.60	2,000.00	117.93	2,000.00
Bonds Collected	0.00	0.00	0.00	0.00
Subtotal	111,495.10	120,000.00	27,666.43	120,000.00
Charges For Services				
Cemetery Fees	60,205.12	63,000.00	45,638.19	63,000.00
Library Fees	1,885.70	2,000.00	2,370.00	2,500.00
Dispatching Fees	82,333.32	86,400.00	21,600.00	0.00
School Resource Off.	20,727.65	25,000.00	22,608.00	24,000.00
Cemetery Clearing	0.00	0.00	0.00	0.00
Subtotal	165,151.79	176,400.00	92,216.19	89,500.00
Miscellaneous Revenue				
Interest	527.24	500.00	79.13	500.00
Miscellaneous	68.42	5,000.00	15,049.56	5,000.00
Library State Aid	8,269.36	9,625.00	9,625.00	9,625.00
Surplus Prop. Sales	0.00	0.00	0.00	500.00
Donations	0.00	1,500.00	0.00	0.00
Subtotal	8,865.02	16,625.00	24,753.69	15,625.00
Transfers From				
FPWA	1,096,278.51	1,266,050.00	1,263,893.27	1,350,197.00
Cemetery Trust	1,216.51	0.00	0.00	0.00
Airport Cash	0.00	0.00	0.00	0.00
Recoveries	0.00	0.00	0.00	0.00
Disbursement	0.00	0.00	0.00	0.00
Subtotal	1,097,495.02	1,266,050.00	1,263,893.27	1,350,197.00
Fund Balance				
Unapprop. Fund Bal.	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00
Total Income				
	2,284,495.46	2,628,575.00	2,365,256.43	2,632,322.00

City of Frederick
 Summary of Expenses by Source
 General Fund - 01

	Prior Year	Budget 08/09 (amended)	Current Year	Budget
	Actual 07/08		Actual (11 mos.) 08/09	Year 09/10
Managerial - 01				
Personnel	32,886.50	48,336.00	36,374.62	72,500.00
Materials & Supplies	3,747.53	3,000.00	497.20	2,500.00
Other Services & Chgs	271,365.27	265,000.00	294,677.36	275,000.00
Capital Outlay	0.00	0.00	0.00	0.00
Subtotal	307,999.30	316,336.00	331,549.18	350,000.00
Police Department - 15				
Personnel	450,552.56	560,775.00	500,775.20	563,500.00
Materials & Supplies	28,461.35	29,000.00	28,676.31	35,000.00
Other Services & Chgs	40,354.89	30,000.00	46,537.66	100,000.00
Capital Outlay	64,890.57	63,424.00	31,798.10	36,000.00
Subtotal	584,259.37	683,199.00	607,787.27	734,500.00
Dispatch Department - 16				
Personnel	170,060.54	170,654.00	44,716.35	0.00
Materials & Supplies	1,888.77	2,000.00	2,367.89	0.00
Other Services & Chgs	14,755.69	12,000.00	68,744.89	90,000.00
Capital Outlay	0.00	0.00	0.00	0.00
Subtotal	186,705.00	184,654.00	115,829.13	90,000.00
Fire Department - 18				
Personnel	369,032.81	408,279.00	376,766.17	432,000.00
Materials & Supplies	10,350.24	13,500.00	13,741.16	14,000.00
Other Services & Chgs	21,611.02	20,000.00	17,226.71	24,000.00
Capital Outlay	18,808.67	21,602.00	22,525.95	30,000.00
Subtotal	419,802.74	463,381.00	430,259.99	500,000.00
Street Department - 20				
Personnel	151,064.69	166,358.00	116,056.78	124,000.00
Materials & Supplies	76,353.23	62,500.00	72,558.48	112,500.00
Other Services & Chgs	21,064.32	20,000.00	20,533.22	24,000.00
Capital Outlay	21,688.92	21,689.00	21,817.69	21,689.00
Subtotal	270,171.16	270,547.00	230,966.17	282,189.00
Weaver DOC - 21				
Personnel	0.00	0.00	0.00	0.00
Materials & Supplies	0.00	0.00	0.00	0.00
Other Services & Chgs	0.00	6,000.00	2,435.76	3,000.00
Capital Outlay	0.00	0.00	0.00	0.00
Subtotal	0.00	6,000.00	2,435.76	3,000.00
Parks Department - 22				
Personnel	44,840.79	48,896.00	31,612.94	31,500.00
Materials & Supplies	13,942.33	12,750.00	4,263.95	9,000.00
Other Services & Chgs	15,521.83	18,000.00	22,750.54	24,000.00
Capital Outlay	1,579.08	3,158.00	3,473.30	3,158.00
Subtotal	75,884.03	82,804.00	62,100.73	67,658.00
Library Department - 23				
Personnel	64,994.86	72,761.00	55,038.51	72,000.00
Materials & Supplies	2,323.58	2,100.00	2,955.08	3,500.00
Other Services & Chgs	5,031.23	4,400.00	3,666.36	4,500.00
Capital Outlay	6,175.82	8,000.00	7,135.09	8,000.00
Subtotal	78,525.49	87,261.00	68,795.04	88,000.00

Cemetery Department - 24				
Personnel	48,482.12	68,393.00	57,185.90	45,275.00
Materials & Supplies	9,602.37	10,000.00	15,166.12	17,500.00
Other Services & Chgs	7,281.78	7,000.00	8,294.98	12,500.00
Capital Outlay	0.00	0.00	2,849.95	7,200.00
Subtotal	65,366.27	85,393.00	83,496.95	82,475.00
Emergency Management - 26				
Personnel	0	0	0.00	0.00
Materials & Supplies	1,350.00	2,000.00	2,143.94	2,250.00
Other Services & Chgs	3,769.24	3,000.00	3,014.50	3,250.00
Capital Outlay	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00
Transfers Out - 90				
Enterprise Fund	219,656.75	225,000.00	187,000.00	204,000.00
Airport Fund	0.00	0.00	0.00	0.00
Cemetery Trust	0.00	0.00	0.00	0.00
Recoveries	0.00	0.00	0.00	0.00
FEDA	109,828.32	225,000.00	242,313.53	225,000.00
Cap. Impr. Fund	28,573.63	0.00	0.00	0.00
Subtotals	358,058.70	450,000.00	429,313.53	429,000.00
Fund Balance	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total Expenses	2,351,891.30	2,628,575.00	2,365,256.43	2,632,322.00