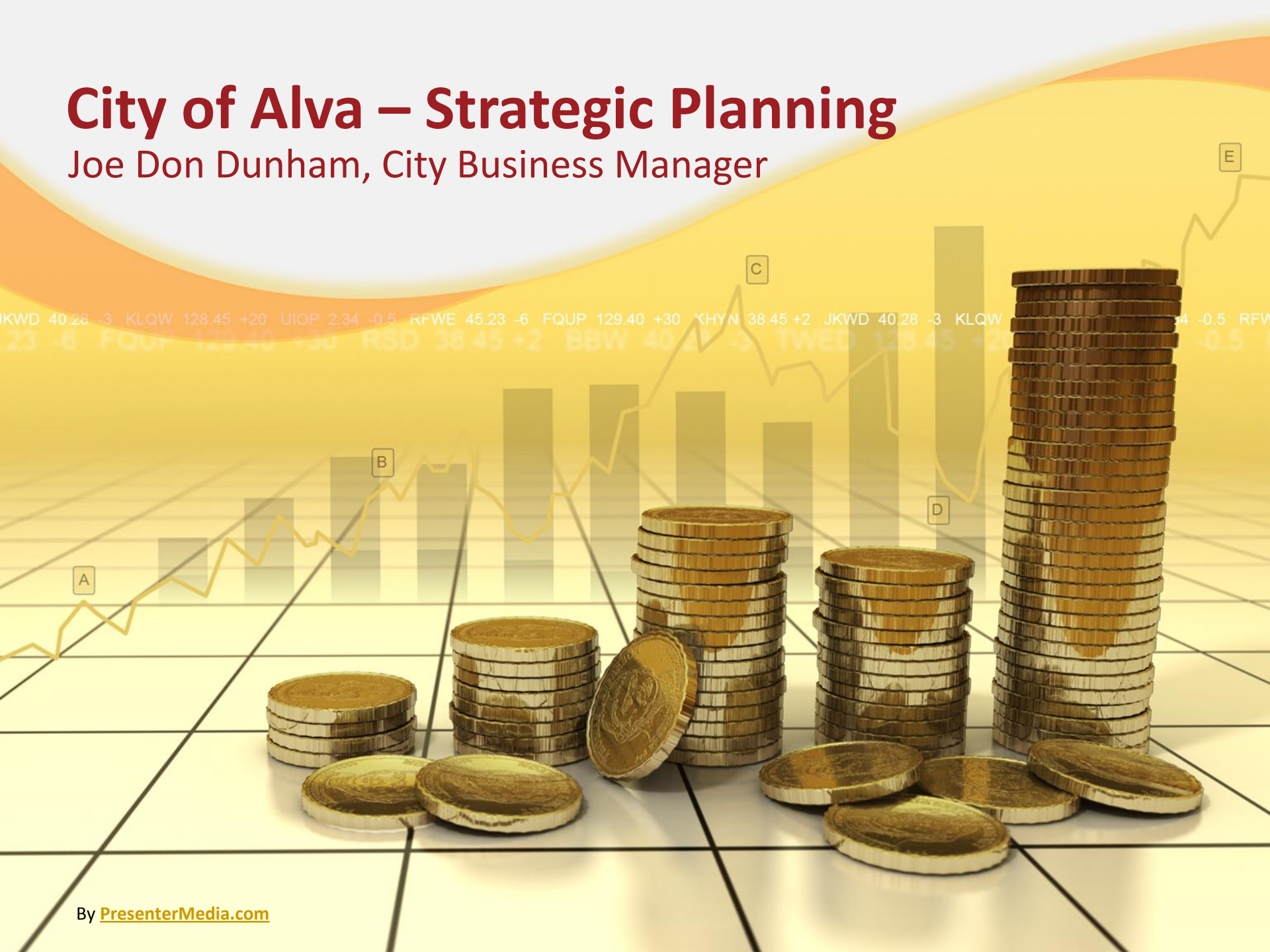
City of Alva – Strategic Planning

Joe Don Dunham, City Business Manager



By PresenterMedia.com

Discussion Topics

Phase 1

Municipal Budgeting

Estimate of Needs vs. Municipal Budget Act

Phase 2

Financial Comparison

Current Year vs. Previous Years

Phase 3

City Employment

Comparison by Department

Phase 4

Areas for Success

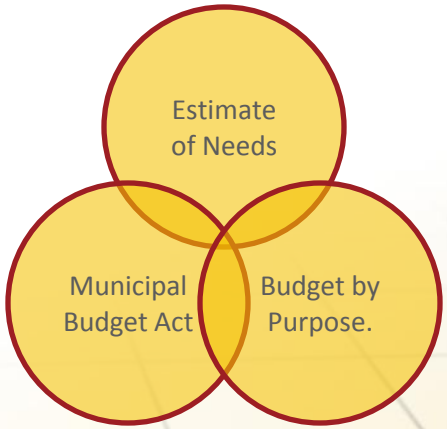
Planning for the future

CITY OF ALVA

Municipal Budgeting

Estimate of Needs (68 O.S. § 3001-3033 & 62 O.S. § 461)

- Legal Deadlines
  - Governing Body must begin preparing Estimate of Needs & Reports of revenues, first Monday in August
  - Excise Board convenes July 1, to set schedule for public meetings.
  - Prepare estimate of needs by September 1st.
  - Submit financials and needs estimate to county excise board.
    - Incorporated towns 8/22
    - Cities by 8/27



Municipal Budgeting

Estimate of Needs (68 O.S. § 3001-3033 & 62 O.S. § 461)

- Budget Content
  - Financial Statements Estimate of Needs
  - Sinking Fund Budget
  - Cash Fund Appropriation
  - Budget Amendment Form

Municipal Budgeting

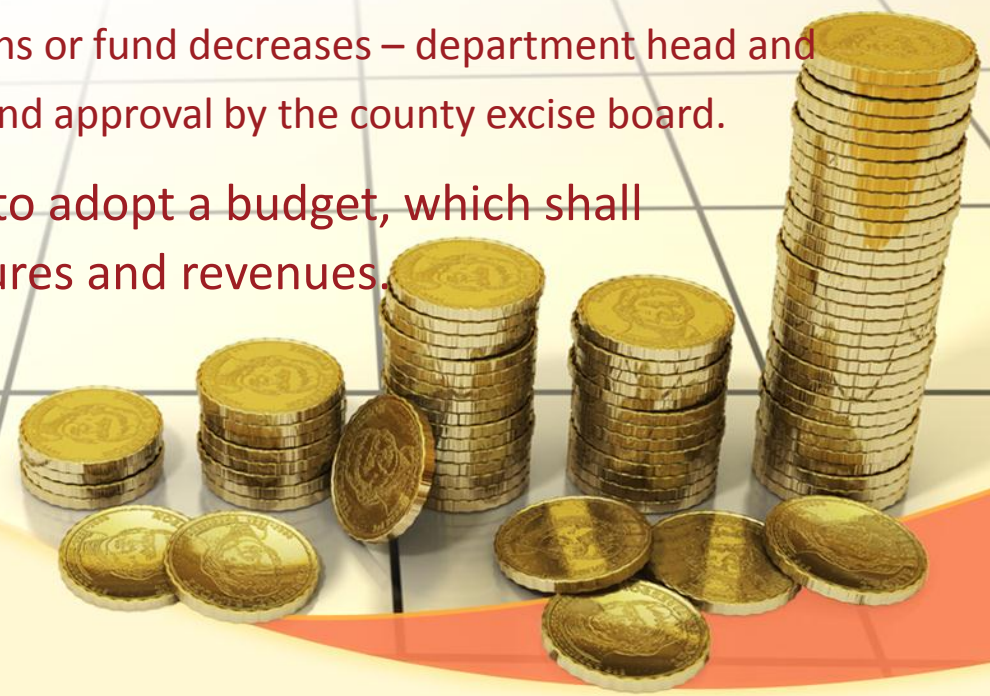
Estimate of Needs (68 O.S. § 3001-3033 & 62 O.S. § 461)

- Other Provisions
  - Estimated revenue of General Fund is limited to 90% of prior year recurring revenue plus unencumbered and unreserved fund balance carry over
- Long form requires budget to be departmentalized and in the following accounts
  - Personal Services
  - Maintenance and operations
  - Capital Outlay

Municipal Budgeting

Estimate of Needs (68 O.S. § 3001-3033 & 62 O.S. § 461)

- Public utilities may be operated in a separate fund without appropriation.
- Budget amendments:
  - Department head and governing body approval required and excise board written notification.
  - Supplemental appropriations or fund decreases – department head and governing body approval, and approval by the county excise board.
- Every municipality is required to adopt a budget, which shall contain estimates of expenditures and revenues.



Municipal Budgeting

Municipal Budget Act (Title 11 O.S. § 17-201 through 17-216)

- **Legal Deadlines**
  - Chief Executive Officer must submit the budget to the Governing Body thirty (30) days prior to the beginning of the Fiscal Year. (June 1st)
  - Governing Body must hold a public hearing on the proposal no later than fifteen (15) days prior to the Fiscal Year beginning. (June 15th)

Municipal Budgeting

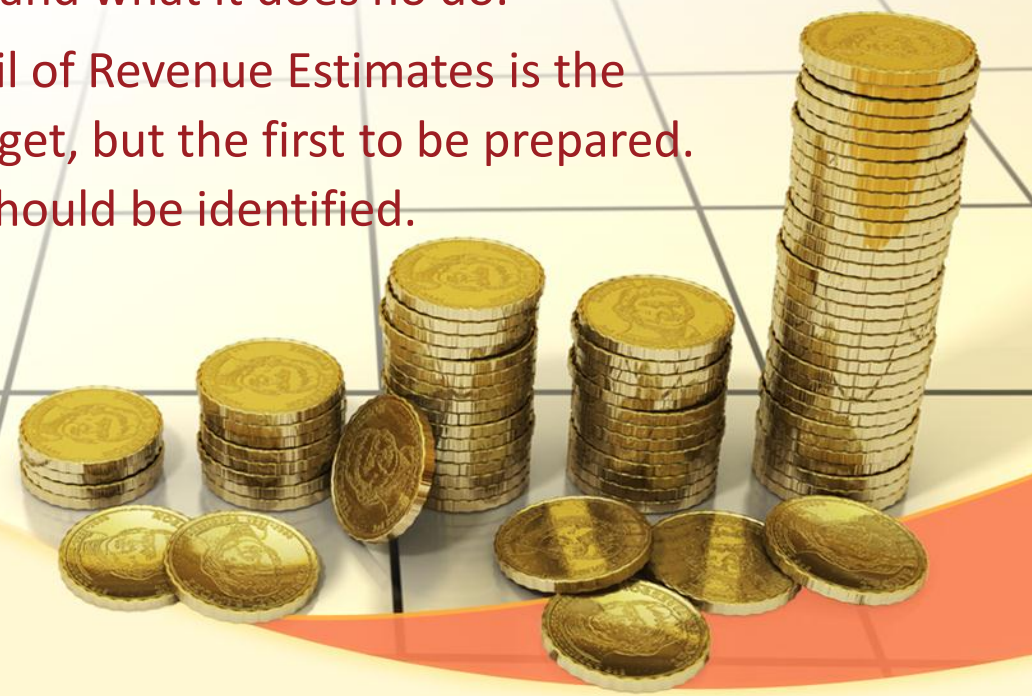
Municipal Budget Act (Title 11 O.S. § 17-201 through 17-216)

- Notice of the date, time and place of the hearing together with the proposed budget summary shall be published in a newspaper of general circulation In the municipality not less than five (5) days before the date of the hearing. (June 11th)
- Governing Body must adopt budget resolution at least seven (7) days prior to the beginning of the fiscal year. (June 24th)
- Adopted budget must be filed with the State Auditor & Inspector and Municipal Clerk within 30 days of the beginning of the fiscal year.

Municipal Budgeting

Municipal Budget Act (Title 11 O.S. § 17-201 through 17-216)

- **Budget's Required Content:**
  - Budget message is the last to be prepared, but the first in terms of placement on the budget document. The message will describe the state of the city and will say what the budget does, and what it does no do.
  - Budget Summary/Detail of Revenue Estimates is the second item in the budget, but the first to be prepared. All sources of income should be identified.



Municipal Budgeting

Municipal Budget Act (Title 11 O.S. § 17-201 through 17-216)

- **Budget's Required Content (cont.):**
  - Summary of Expenditure Estimates/Fund Budgets should be classified in tabular for by department and object account category.
  - Detail of Departmental Needs is where the majority of time will be spent. This item is actually prepared by the executive and department heads. The budget will account for
    - Personnel Services
    - Materials and supplies
    - Other services and charges
    - Capital Outlay
    - Debt Services
    - Fund Transfers

Municipal Budgeting

Municipal Budgeting

- **Other Provisions:**
  - Requires budget for general fund and all other funds established by the governing body.
  - Must be balanced (estimated revenues = appropriations).
  - Legal Level of control
  - Cannot exceed 90% of appropriations for any fund until actual revenues equal to estimate are received
  - Budget amendments made anytime.
  - Sinking fund estimated file with county excise board.

Municipal Budgeting

Comparison of Estimate of Needs & Municipal Budget Act

ESTIMATE OF NEEDS

- More Restrictive – Less Flexibility
- Only requires a budget for the General & Sinking Fund
- Estimated revenue is limited to 90% of prior year recurring revenue.

MUNICIPAL BUDGET ACT

- More Flexibility – modern approach to budgeting.
- Requires budgeting for all Funds
- All estimated revenues can be budgeted.

City of Alva

Fund Listing

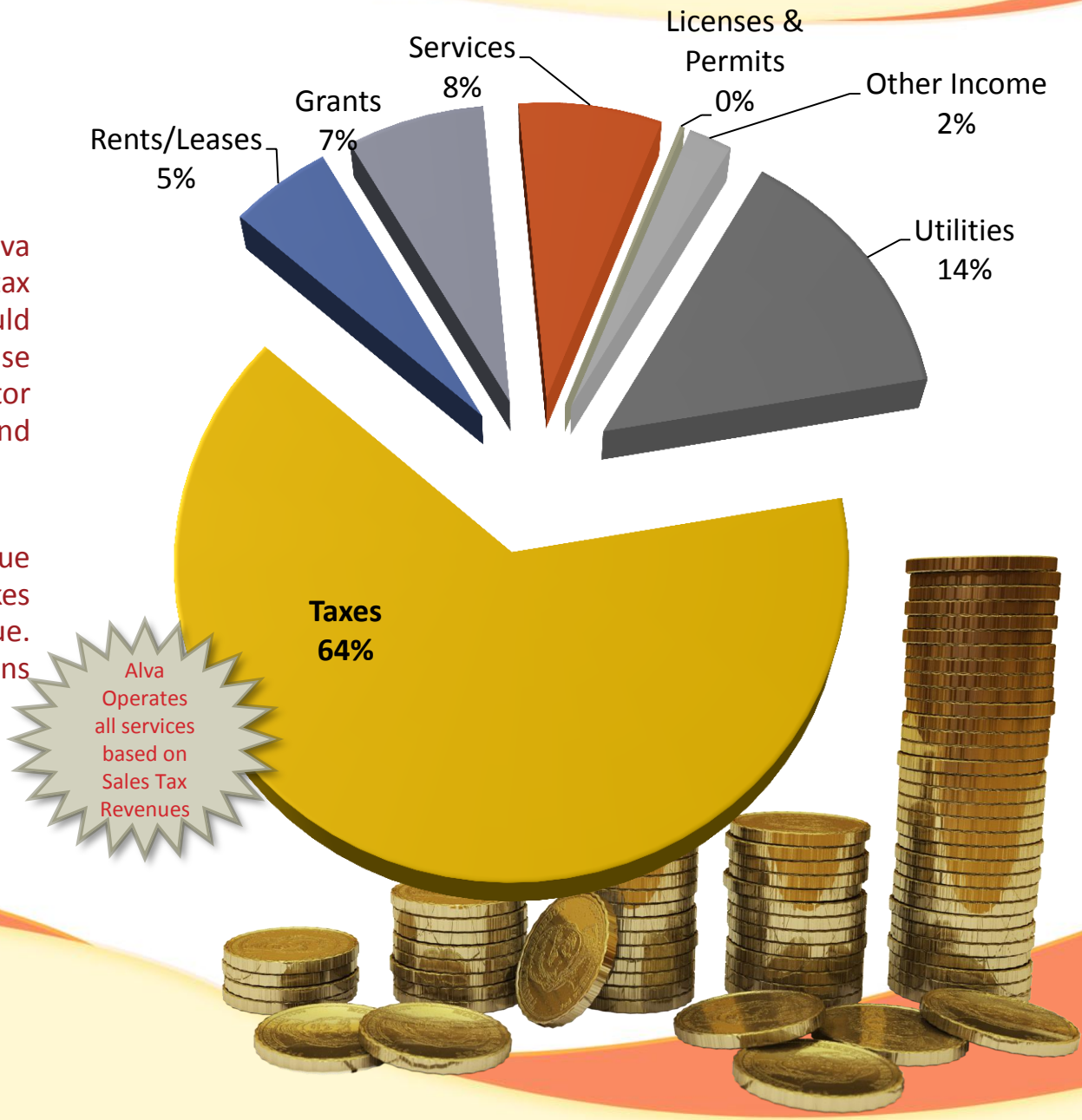
Budgeted		Cash		
General	Airport	APD Drug	Easter	Hotel Tax
Cemetery	Street & Alley	Fire Defense	Christmas #2	Special Library
AEDA Eco Dev.	AEDA Scholarship	Meter Deposit	Cemetery Beaut.	Municipal Court
8141 CDBG 97	11153 CDBG-ED03	2005 Bond Res	2005 Prin./Int.	AUA Homestead Holding
AUA Dev.		Airport Grant	Revolving	

City of Alva

Budgeted Revenue

As we can see 64% of all City of Alva Budgeted revenue is based on tax collections. These taxes would include Sales & Use Tax, Franchise Taxes, Beverage Taxes, Motor Vehicle Taxes, Cigarette Taxes and Gasoline Excise Taxes.

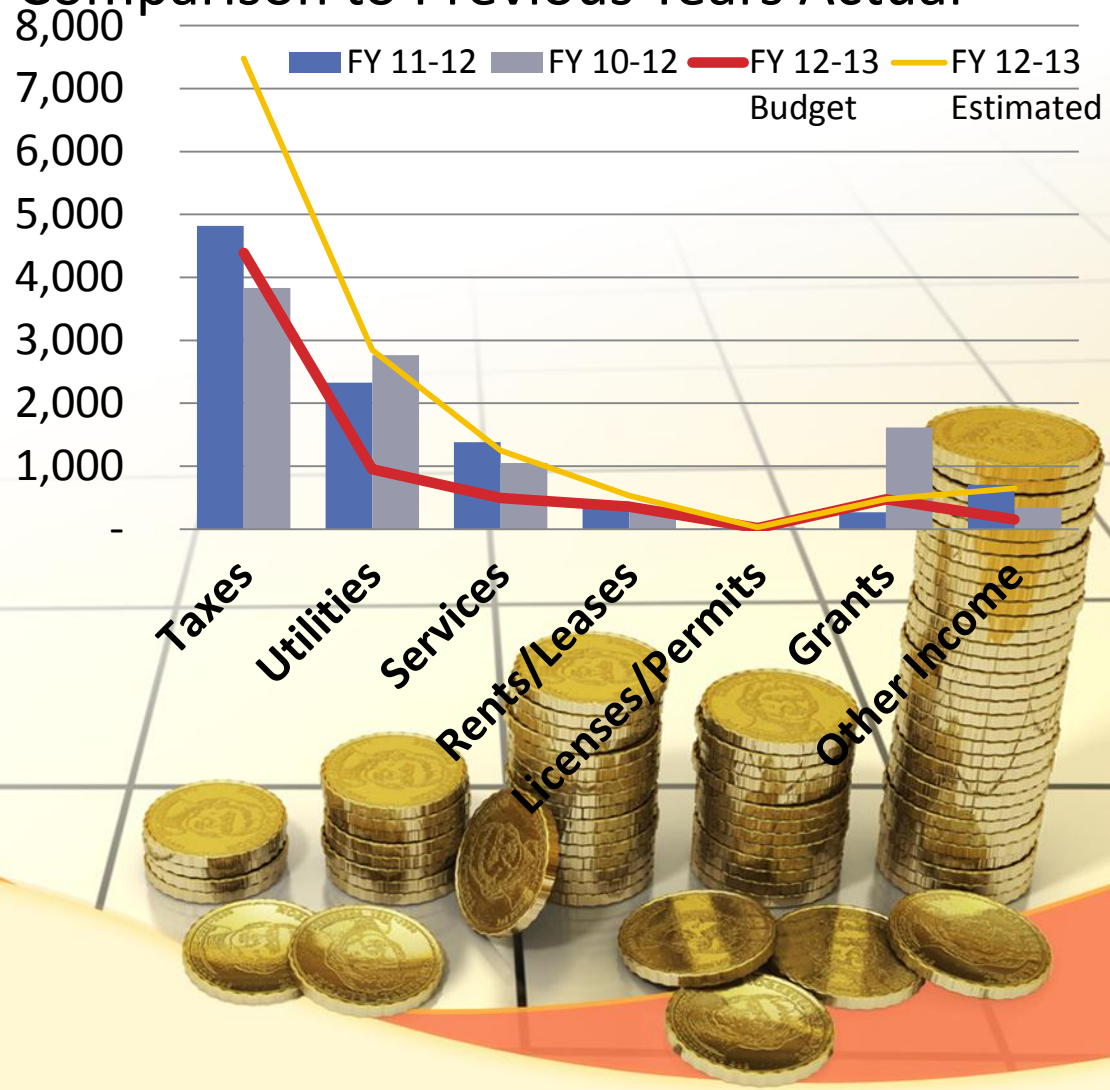
The next largest area of revenue collection is utilities and that makes up 14% of all budgeted revenue. This would represent collections from Sanitation and Landfill



City of Alva

Budgeted Year Revenue Comparison to Previous Years Actual

This information shows Taxes have been on the increase and are expected to increase dramatically this year if collections hold. Other revenues are remaining pretty consistent.

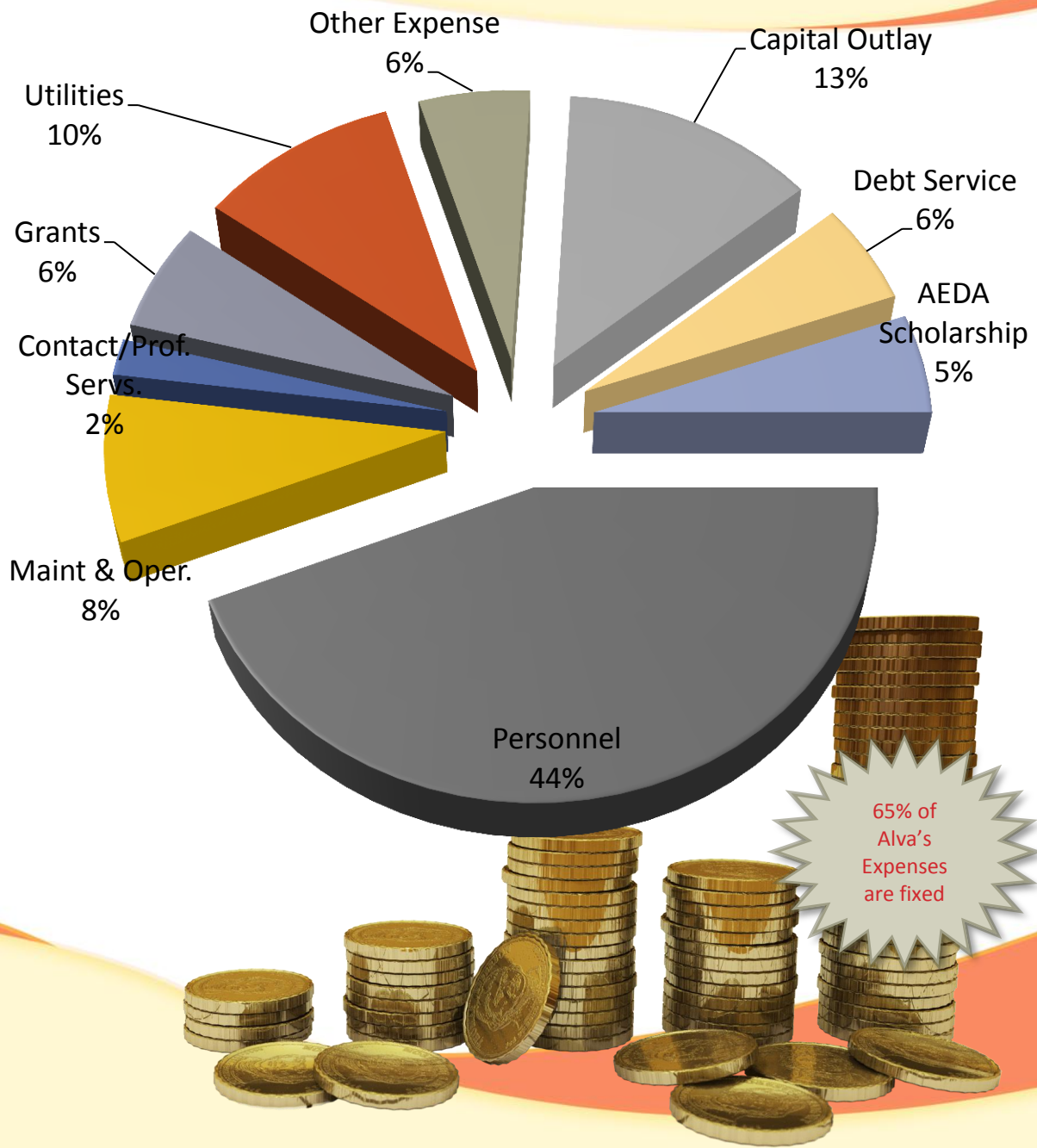


City of Alva

Budgeted Expenses by Area

Personnel expenditures make up 44% of all expenditures for the City. These expenditures include salaries, taxes, health & W/C insurance.

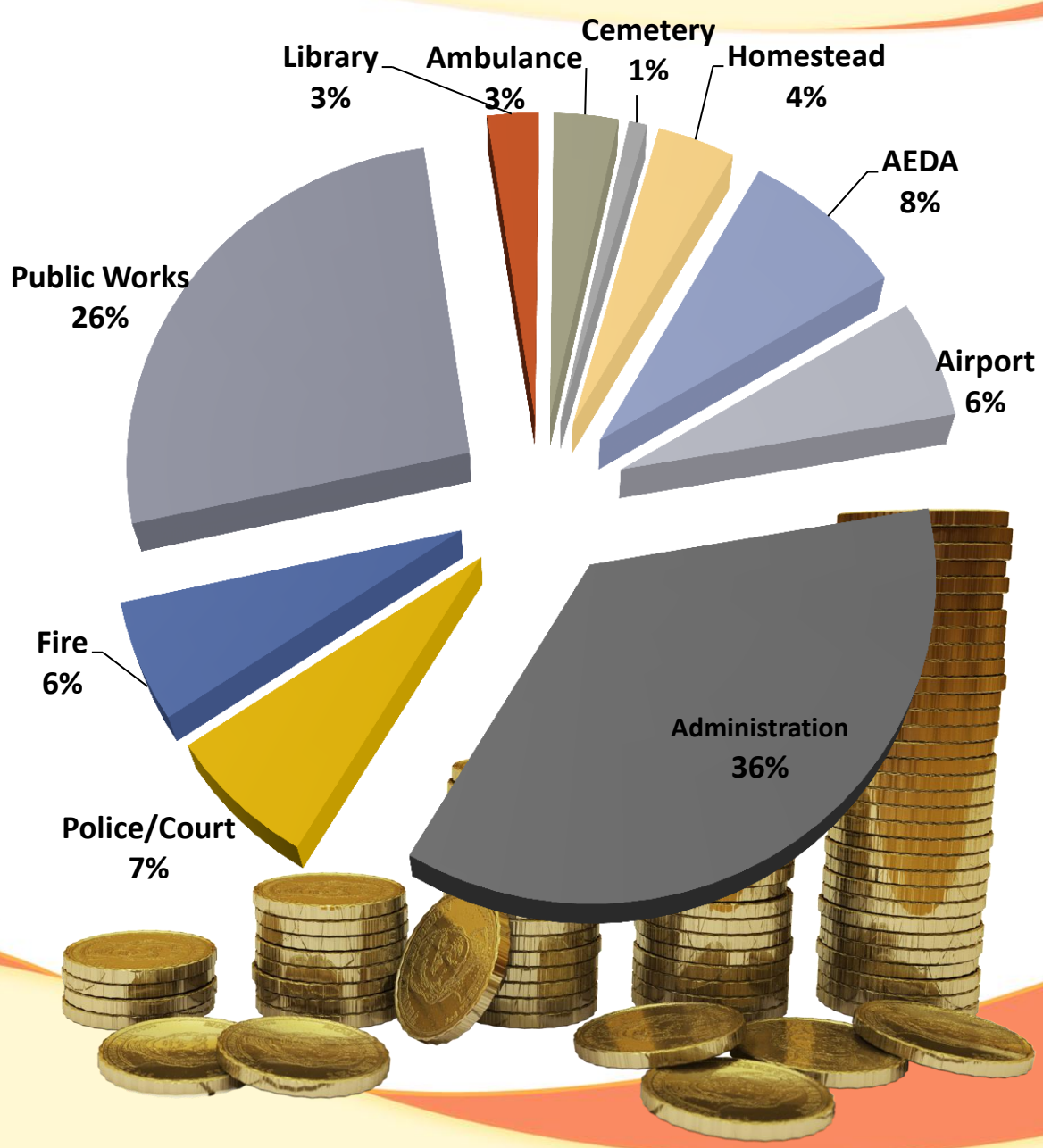
65% of all of the City of Alva expenditures are fixed.



City of Alva

Budgeted Expenses by Department

When budgeted expenses are broken down by expense area we can see administration makes up 36% of all City of Alva expenditures. The next largest expenditure area is Public Works which is 26%.



Alva Operates all services based on Sales Tax Revenues

City of Alva

Budgeted Year Expense Comparison to Previous Years Actual

When comparisons are made to previous years budgets this year's budget is pretty consistent with previous year actual numbers. If spending continues as it has been over the last couple of months we can expect some additional increases in salaries, maintenance and operations and contract/professional services.

City of Alva

Purchasing Priorities/Capital Improvement List

General Fund		
Equipment		263,292
Vehicles		384,000
Building Repairs		45,000
Fire Hydrants		10,000
Water Well Improvements		15,000
Books		15,000
Replace two-way Radios		45,270

Other Funds		
ARC		
	Building Repairs	56,000
	Master Plan	10,000
	Bleachers/Picnic Tables	12,400
	Field Maintenance	65,000
Street & Alley		
	Street Improve.	120,000
AUA Development		
	Street Improve.	20,000
Airport		
	T-Hangers	125,000
	Truck	30,000

Personnel

By expense area

Currently the City has employment of 68 full time employees and 48 part time employees. Part time employees include Mayor, City Council, City Marshall, City Clerk, City Treasurer and Municipal Court Judge.

Administration – 9

Police – 10

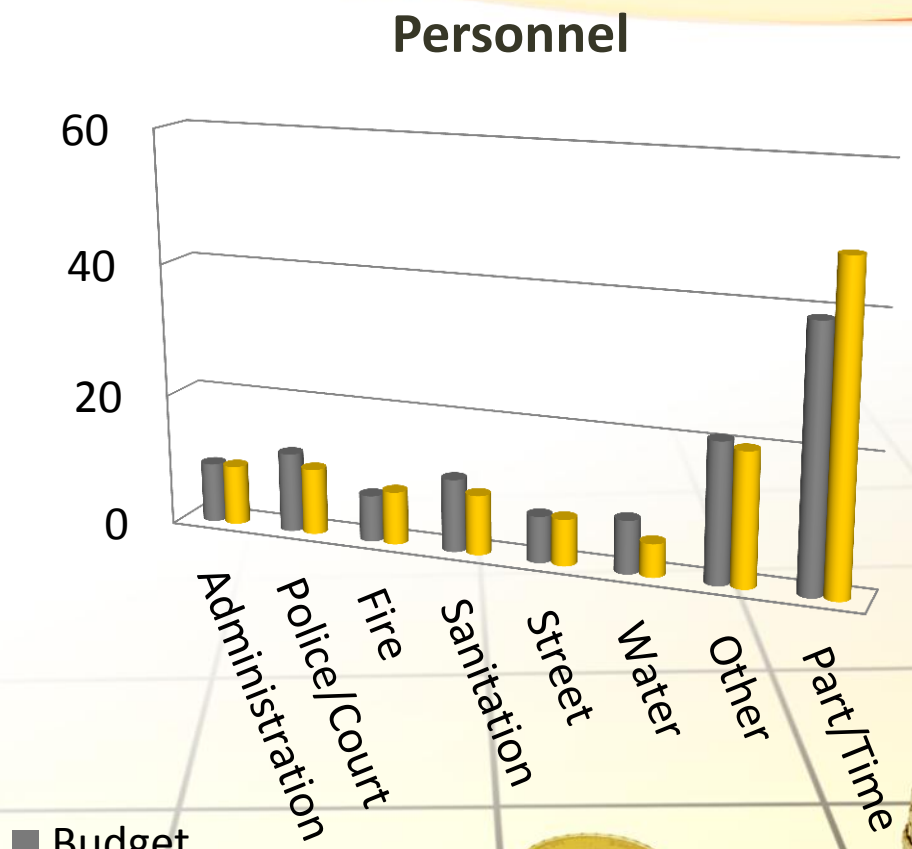
Fire – 8

Sanitation – 9

Street – 7

Water – 5

Other - 20



Priorities for City of Alva

Areas for Alva to Succeed

Examine our house – The City of Alva needs to take a serious look at how the decisions are being made. How can the City make decisions which are smart/informed decisions.

Determine Revenue need to support growth. There are certain services the City is required to provide. What kind of revenue is required to support these services in Alva.

You can not look at just one side of the income statement. Expenses have to be addressed also. It is the fiduciary duty of public services to spend public money in a sensible, reasonable fashion.

Economic growth – How is the City of Alva going to support the growth which is expected.

Questions?

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