



## 2020 PROPOSED ANNUAL OPERATING & CAPITAL BUDGET



PUBLISHED ACCORDING TO DISTINGUISHED BUDGET  
PRESENTATION AWARD CRITERIA AS ADOPTED BY  
THE GOVERNMENT FINANCE OFFICERS ASSOCIATION

City of Buffalo, Minnesota  
212 Central Avenue  
Buffalo, Minnesota 55313  
(763) 682-1181  
<http://www.ci.buffalo.mn.us>  
Copyright, 2019 City of Buffalo, MN 55313

Prepared by Ashley Hansen, Finance Manager

# TABLE OF CONTENTS

<b>Introduction &amp; Background</b>	
Executive Summary .....	1
City Officials .....	2
City Organization.....	3
Geographic map & Demographics.....	4
Mission, Vision & Goals.....	6
Fund Structure, Budget Process & Policies .....	8
<b>Budget Overview</b>	
All Funds Budget Summary.....	21
Revenues.....	24
Property Tax Information.....	35
Staffing Summary.....	39
Capital Improvements Overview.....	41
<b>General Fund</b>	
Summary – Revenues & Expenditures .....	44
Departmental Summaries.....	50
Park .....	70
<b>Special Revenue Funds</b>	
Summary – Revenues & Expenditures .....	81
Fire.....	84
Library.....	85
Airport .....	86
Civic Center .....	87
<b>Enterprise Funds</b>	
Summary – Revenues & Expenses .....	89
Electric .....	92
Water & Wastewater .....	96
Liquor .....	99
Golf .....	101

## TABLE OF CONTENTS

### Internal Service Funds

Summary – Revenues & Expenses .....	103
MIS Services .....	106

### Capital Improvements

Summary.....	108
Detail.....	109

## Appendix

Debt Overview .....	123
Glossary .....	127

## EXECUTIVE SUMMARY

### 2020 Budget Document

The style and content of the 2020 Budget Document is a continuation of the effort started last year to present a more meaningful and understandable document to those people unaccustomed to accounting or function of local government. The City uses the Government Finance Officers Association (GFOA) Template for Budget Presentation. It is our goal to gain certification by the GFOA of our budget publication.

The City of Buffalo has issued 47 new single-family home permits in 2019 compared to 41 in 2018. There has also been a significant number of permits for multi-family as well. The total value of all 2019 permits (including commercial) is \$49,893,228. Increased value has a significant impact on future property taxes. Spreading the property tax levy over more value decreases the average property tax bill to homeowners and businesses.

High density residential with mixed use commercial is making for transformative activity in the Central Business District. This type of activity will assist in creating the density that is needed to support new commercial ventures in this area. Businesses will not locate in our community without a population base to support sales in the area. Patient and sustainable business growth is necessary for the future economic health of the City of Buffalo.

It is the City's "Core Function" to provide certain services such as streets, water, wastewater, public safety and parks to the Citizens of Buffalo. The People of Buffalo expect these services to be delivered in an efficient and effective manner. The services provided by the City should focus on and enhance the quality of life of the Citizens of Buffalo. We strive to assure a safe and peaceful environment for our citizens. The Budget can be read as a "biography" of the community. The budget should reflect the goals, values, and needs of the community – it should reflect its personality. To that end this budget is presented.

Please let us know if you have any questions regarding the City of Buffalo budget or operations. Thank you.

Merton Auger  
City Administrator

# DIRECTORY OF OFFICIALS, BOARDS AND COMMISSIONS

## City Council

### Term Expires

<b>Mayor Teri Lachermeier</b> .....	<b>December 31,2020</b>
<b>Council Member Eric Anderson</b> .....	<b>December 31, 2022</b>
<b>Council Member Steve Downer</b> .....	<b>December 31, 2020</b>
<b>Council Member Scott Enter</b> .....	<b>December 31, 2022</b>
<b>Council Member Linda Kittock</b> .....	<b>December 31, 2020</b>

## Boards and Commissions

### Planning Commission

### Housing and Redevelopment Authority of Buffalo

### Airport Advisory Board

### Library Advisory Board

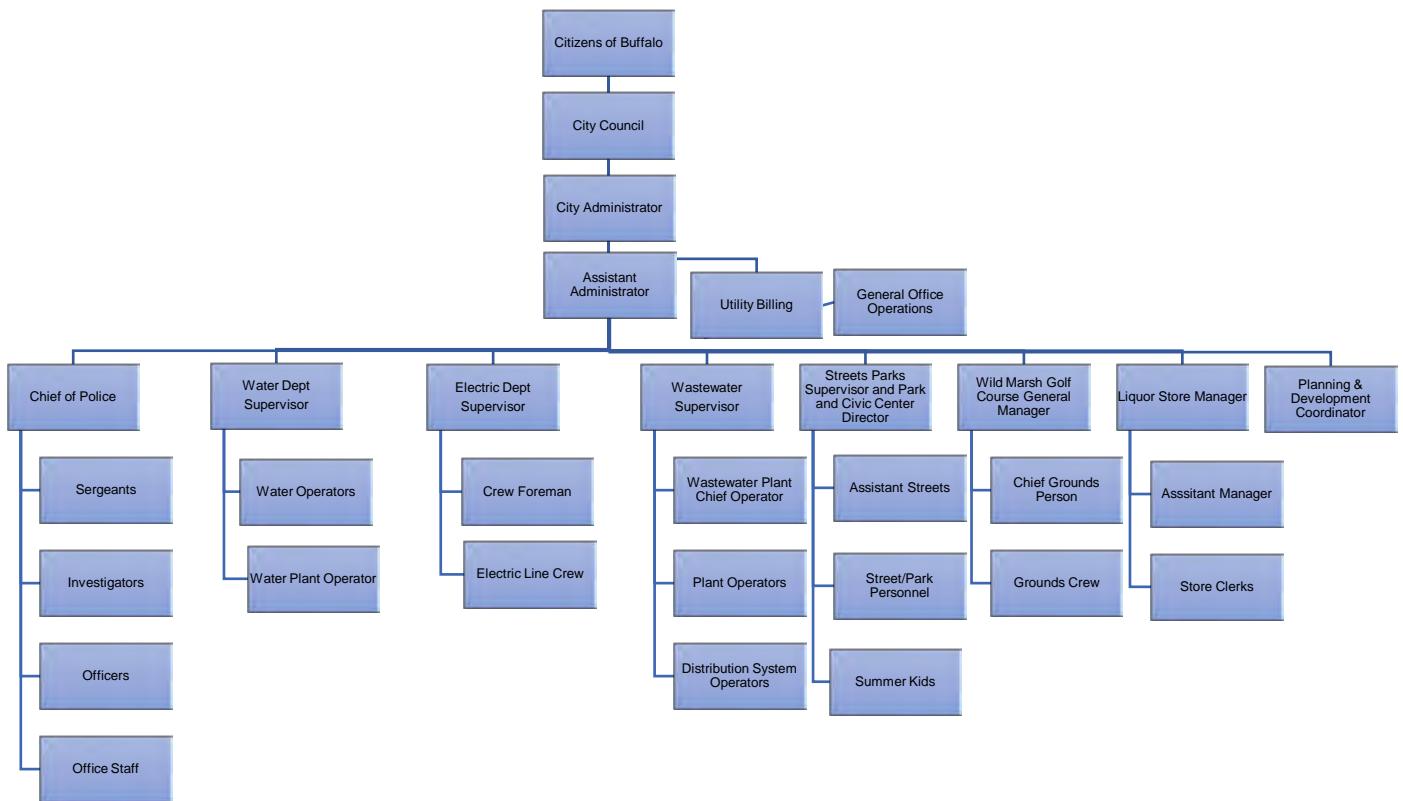
### Parks Advisory Board

### Wild Marsh Golf Course Advisory Board

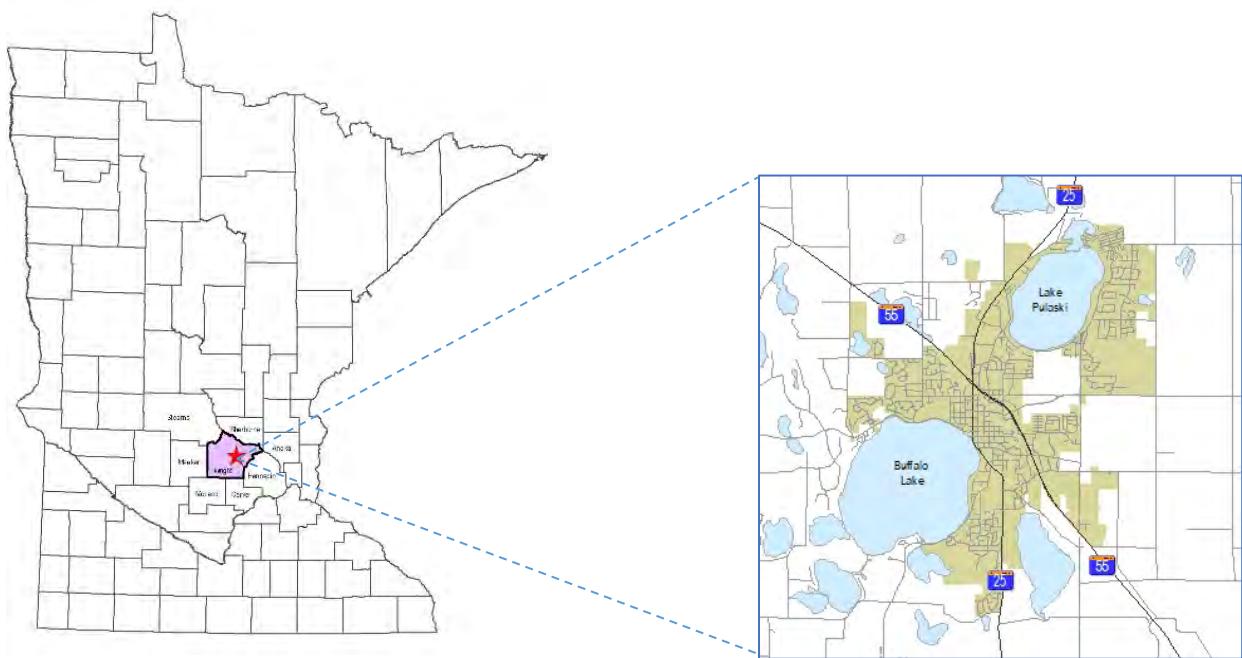
## Administration

<b>Merton Auger</b> .....	<b>City Administrator</b>
<b>Laureen Bodin</b> .....	<b>Assistant City Administrator</b>
<b>Jennifer Nash</b> .....	<b>Community Development Director</b>
<b>Pat Budke</b> .....	<b>Chief of Police</b>
<b>Joseph Steffel</b> .....	<b>Utilities Director</b>
<b>Lee Ryan</b> .....	<b>Parks and Recreation Director</b>
<b>Jason Swanson</b> .....	<b>Liquor Store Manager</b>
<b>John Harnois</b> .....	<b>Fire Chief</b>
<b>Ashley Hansen</b> .....	<b>Finance Manager</b>
<b>Suzanne Kolbinger</b> .....	<b>Community Center Director</b>
<b>Eric Ritter</b> .....	<b>Golf Course General Manager</b>

## ORGANIZATIONAL CHART



## GEOGRAPHIC LOCATION



Buffalo is a mix of small community charm and suburban amenities with a charming downtown area and various large retail located on the main highways of Highway 55 and Highway 25. Buffalo is located just outside the Twin Cities Metro area about 42 miles northwest of downtown Minneapolis and also a convenient drive to the St. Cloud Metro area. Buffalo is the county seat of the growing Wright County and a regional destination for shopping, services and leisure.

## DEMOCRAPHICS

### **Incorporated:**

April 1887

### **Population Growth**

<u>Year</u>	<u>City</u>	<u>% Increase</u>
1970	3,275	
1980	4,560	39%
1990	6,856	44%
2000	10,097	47%
2010	15,543	54%**
2018	16,479	6.0%*

### **Form of Government:**

#### **Age Distribution**

Statutory Type A

<u>Age</u>	<u>City</u>
Under 5	903
5-9	788
10-14	774
15-19	752
20-24	609
24-34	1,706
35-44	1,607
45-54	1,147
55-59	371
60-64	298
65-74	473
75-84	424
85 & over	245

### **Population:**

\*\*Census 2000

**Median Age:** **32.1**

### **Fire Protection:**

Buffalo Volunteer Fire Department

### **Police Protection:**

Buffalo Police Department

<u>Persons**</u>	<u>City</u>
<b>Household Size</b>	
Total Households	5,994*
Avg. Household Size	2.68
Avg. Family Size	3.17

### **Ethnic Characteristics\*\***

	<u>City</u>
White	9,768
Black	53
Asian	136
American Indian Alaska Native	49
Some other Race	31
Two or more Races	128

\*State Demographer Est. as of April 1, 2019

\*\*Some Data Based on U.S. Census of 2000

# Buffalo

[www.ci.buffalo.mn.us](http://www.ci.buffalo.mn.us)

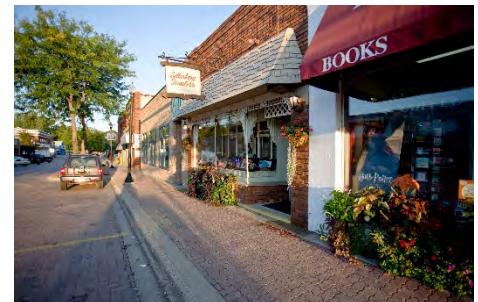


## Mission

Buffalo: A community where excellence and experience come together

## Vision Statement

Buffalo will continue to grow by fostering an environment of superior services, innovation in all areas, and a safe environment to live, work and play. Every citizen will accept responsibility and will be accountable for success!



## City of Buffalo Values

- Accountability
- Integrity
- Excellence

- Transparency
- Innovative
- Visionary

- Responsibility



Buffalo

[www.ci.buffalo.mn.us](http://www.ci.buffalo.mn.us)





# Buffalo

## Goals Program

The Buffalo City Council and staff met in the Spring of 2016 in an all-day goal setting session. During the meeting, City Council completed an organizational assessment—measuring the City's strengths, weaknesses, opportunities and threats. From this analysis, the Council and staff began refining its focus honing in on the City's Mission, Vision and Values. Once complete with this exercise, the Council developed its priority goals.

The City intends to use the Mission, Vision, Values and Goals as strategic guideposts when conducting business. Once formally adopted, the Mission, Vision, Values and Goals will be used as a tool by Council during the decision making process and integrated into the City's organizational culture.

### Priority Goals

- Continue to plan for infrastructure updating and needed expansion
- Maintain/increase focus on diversified housing
- Maintain focus on technology growth—both within the organization and in the community as a whole
- Build on and improve communication and marketing efforts
- Begin planning for fire station needs in 3-5 years
- Support commercial development opportunities
- Ensure planning for organizational and staffing needs—succession planning
- Support community efforts to identify Community Center needs
- Maintain focus on Downtown revitalization and viability

# FUNDS AND FUND STRUCTURE

## Fund Accounting

The use of fund accounting is one of the basic requirements of generally accepted accounting principles (GAAP) for government and one of the major differences between government and private-sector accounting. It requires separate record keeping for each individual fund that a government uses.

A fund is a separate fiscal and accounting entity with a separate set of self-balancing accounting records. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

## Fund Structure

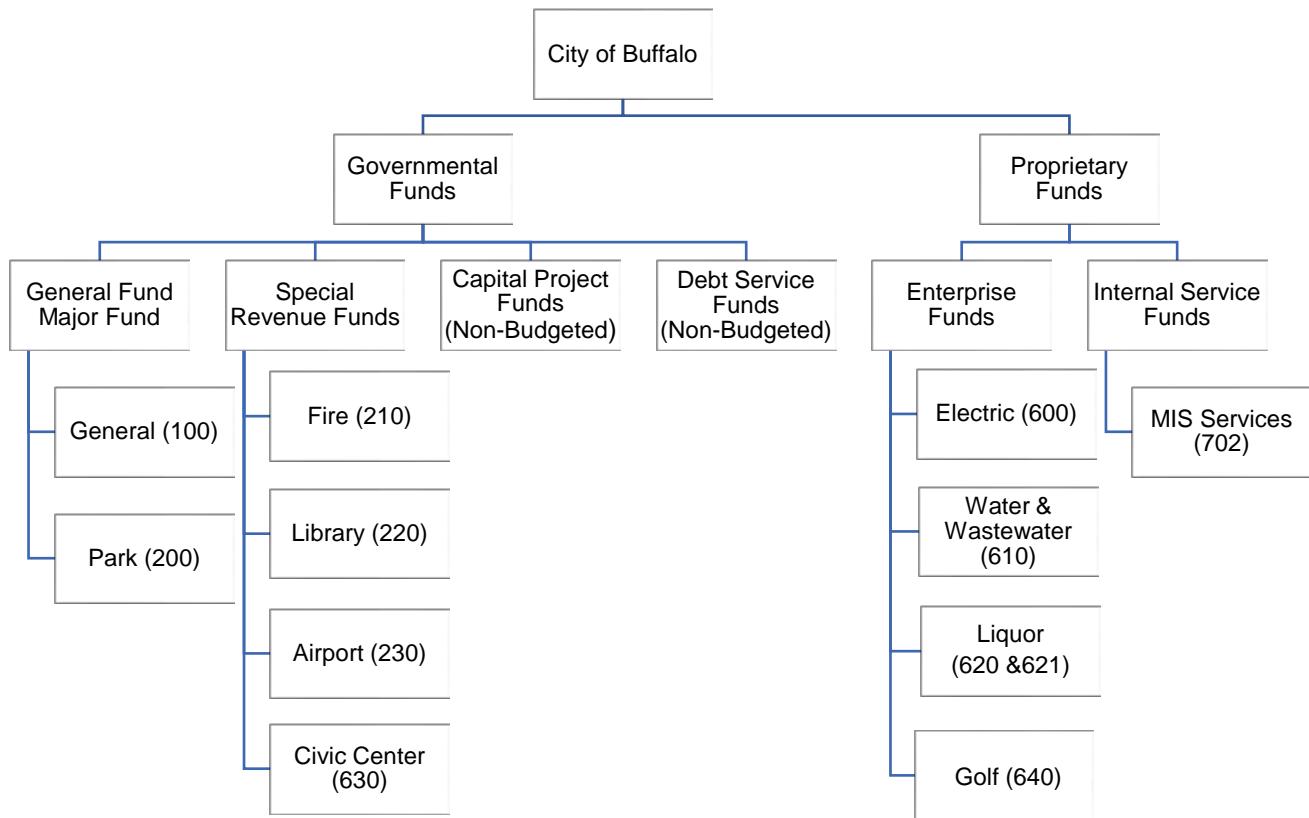
The City's funds are grouped into five generic fund types and two broad categories as follows:

Governmental Funds

- General Fund
- Special Revenue Funds
- Capital Project Funds (Non-budgeted)
- Debt Service Funds (Non-budgeted)

Proprietary Funds

- Enterprise Funds
- Internal Service Funds



City of Buffalo Fund Structure

**Governmental Funds** – Governmental funds are maintained to account for the city’s “government-type” operating and financing activities (e.g., activities that receive a significant portion of their funding from property taxes, state aids, and various grants). The governmental funds budgeted for the city are the General fund and Special Revenue funds.

The General Fund, Special Revenue funds, and Enterprise funds comprise the majority of the day-to-day operating activities of the city. The remaining fund types are more specialized funds and typically account for one-time and/or specific activities rather than ongoing and recurring services.

### General Fund

The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund supports the primary core of governmental services from administrative, financial and legislative functions to infrastructure maintenance, recreation and public safety services.

### Special Revenue Funds

Special Revenue funds are established to account for services and expenditures where revenue is restricted for a designated purpose. The city currently budgets for four Special Revenue funds:

- Fire Fund – The city supports a volunteer fire department.
- Library Fund – The city maintains a library that is part of the Great River Regional Library system.
- Airport Fund – The city owns and operates a municipal airport.
- Civic Center Fund – The city owns and operates an ice arena with two rinks.

### Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure, other than those financed by proprietary or special revenue funds.

### Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Note: The City has additional funds that are audited, but not included in the budget. The City does not adopt annual budgets for its Capital Project Funds or General Debt Service Funds. Capital Project budgets and funding are approved by the City council on a project-by-project basis.*

**Proprietary Funds** – Proprietary funds are used to account for the ongoing “business-type” activities of the city (e.g., activities that receive a significant portion of their funding through user charges). There are two types of proprietary funds: Enterprise and Internal Service. The City budgets for both types of proprietary funds.

### Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

The city currently has four Enterprise funds that represent separate business activities for the city.

- Electric Utility Fund – The city provides electric, fiber, and internet service to its citizens and commercial entities.
- Water & Wastewater Utilities Fund – The city provides water & wastewater service to its citizens and commercial entities.
- Liquor Fund – The city owns and operates two municipal off-sale liquor stores. Each store is internally maintained in its own fund but externally reported together.
- Golf Fund – The city owns and operates Wild Marsh, an 18-hole public golf course.

### Internal Service Funds

Internal Service Funds are used to account for any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments on a cost-reimbursement basis. The city established an internal service fund beginning in 2020 for MIS Services (IT).

### Major vs. Nonmajor

Major funds represent the significant activities of the City and basically include any fund whose revenues or expenditures, excluding other financing sources and uses, constitutes more than 10% of the revenues or expenditures of the appropriated budget. This definition for budgetary purposes differs than that used for financial reporting purposes pursuant to generally accepted accounting principles (GAAP). The major and nonmajor budgeted funds of the City are as follows:

### Major Governmental Funds

The main operating fund for the City of Buffalo, the *General Fund* is a major fund of the City and is used to account for the resources devoted to funding services traditionally associated with local government.

### Major Proprietary Funds

Account for the acquisition, operation and maintenance of government facilities and services, which are entirely self-supported by user charges. The major funds of this type include the *Electric Utility Fund* and the *Water and Sewer Fund*.

### Nonmajor Special Revenue Funds

Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds include: Fire Fund, Library Fund, Airport Fund and Civic Center Fund.

### Nonmajor Proprietary Funds

Account for the acquisition, operation and maintenance of government facilities and services, which are entirely self-supported by user charges. Funds include: Highway Liquor Fund, Downtown Liquor Fund, Golf Fund and MIS Services Fund.

### Fund Balance

Fund balance is generally defined as the difference between a fund's assets and liabilities. An adequate fund balance is necessary for numerous reasons, such as to have funds available in case of an emergency or unexpected event, to maintain or enhance the City's financial position and related bond ratings, to provide cash for operations prior to receipt of property tax revenues, and to maximize investment earnings.

## Classification of Fund Balance

### 1. Nonspendable

Amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or prepaid items.

### 2. Restricted

Amounts subject to externally enforceable legal restrictions. Examples include grants, tax increment and bond proceeds.

### 3. Unrestricted

- Committed fund balance –  
Amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- Assigned fund balance –  
Amounts a government intends to use for a specific purpose; intent can be expressed by the government body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance –  
Residual amounts that are available for any purpose in the general fund. The General fund should be the only fund that reports a positive unassigned fund balance amount. This classification is also used to account for deficit fund balances in other governmental funds.

## Classifications & Terminology

### Revenues and Other Financing Sources

In governmental funds, the primary classification of governmental fund revenues is by fund and source. Major revenue source classifications are taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeits, special assessments, and miscellaneous. Also included are account numbers for other financial inflows, including other financing sources, special items, extraordinary items and capital contributions.

### Taxes

The City relies on property taxes to support the basic functions of local government. These functions include general government, public safety, street maintenance, parks and recreation, library, debt service, and tax abatement. The amount is determined based on the availability of other revenue sources and the expenditure level necessary to conduct City business in accordance with Council directives. The City also levies a market rate levy for the Housing and Redevelopment Authority.

### Licenses and Permits

This revenue source is only found in the General Fund and includes business licenses, building-related permits and fees, and other non-business licenses and permits. Building permits make up the majority of this type of revenue and is volatile depending on new construction and remodeling projects.

### Intergovernmental

The City receives distributions of various aid and grant funding from other governmental agencies (Federal, State, & County). Budgeted revenues in the General Fund primarily come from the State of Minnesota and include LGA (Local Government Aid), municipal state aid for street maintenance, and

aid for police and fire pensions. The Airport Fund also receives aid from the State of Minnesota for maintenance and operation. Budgeted revenues from the State are susceptible to the overall State of Minnesota budget conditions.

### Charges for Services

This revenue category comes from a variety of sources. Charges for services in the General Fund include administration charges, project engineering, plat review fees, police services, recreation program fees (boat, park shelter, athletic field rentals), and user fees for garbage, recycling, and storm water. Special Revenue Fund charges for services include fire charges billed out to neighboring townships, airport fuel sales and hangar/lot leases, ice rentals and facility use fees.

### Fines and Forfeitures

Court fines make up this revenue category and consist of fines paid for traffic and criminal offenses occurring within the City of Buffalo. This revenue represents only the City's portion of each fine with the State and County receiving their share of each fine as well. This revenue source is only found in the General Fund.

### Special Assessments

Charges assessed on properties within a specific area which benefit directly from public improvements such as pavements (sidewalks), roads, sewers & street lights.

### Other Revenue

Other Revenues include investment income, reimbursement for services provided by the City, disbursement of cable franchise fees collected by Sherburne Wright County Cable Communication Commission (SWC4), and donations for recreation programs and special events.

### Other Financing Sources

This type of revenue consists of capital lease proceeds and any gain on the sale of property or equipment.

### Transfers In

Transfers In includes revenue from the enterprise funds to cover services provided by the General Fund and Special Revenue Funds. The City's general fund tax levy would be significantly higher without these transfers of excess profits.

### Sales (Proprietary Funds)

In addition to the revenue types used by governmental funds, proprietary funds also include Sales of services and merchandise. This includes electric, BWIG, Fiber, Water and Sewer Charges, merchandise at the Liquor Stores and Golf Course and Green Fees.

### Expenditure/Expense

Governmental expenditures are classified according to character, function (or program), activity and object. The expenditure accounts provide the classification by function and activity, and the object code provides the character and object classification. This method of describing expenditures (use of both expenditure accounts and object code) permits analysis and aggregation of data in different ways and for different purposes.

## Function/Activity Classification

The primary classification of expenditures is by function and activity. The major functions and sub-functions used to describe activities are:

### Function

#### Sub-function

#### **General Government**

- Legislative (Council)
- Executive
- City/Town Clerk
- Financial Administration
- Law
- Personnel Administration
- Other

#### **Public Works**

- Highways, Streets and Roadways
- Sanitation

#### **Culture-Recreation**

- Recreation
- Parks
- Libraries

#### **Public Safety**

- Police
- Fire
- Building Inspection
- Civil Defense
- Animal Control
- Other Protection

#### **Debt Service**

#### **Miscellaneous**

## Character & Object Classification

In addition to the function/activity classification, expenditures should be classified according to character and object class. The character designates the fiscal period that the expenditures are presumed to benefit, and the object indicates the type of item purchased or service obtained. These can be used in both governmental and proprietary funds.

### Character Classification

#### Current Operating Expenditures

These are expenditures that benefit the current fiscal period.

#### Capital Outlays

These are expenditures that benefit both the current and future fiscal periods.

#### Debt Service Expenditures

These expenditures are in the form of debt principal payments, periodic interest payments, and related service charges that benefit prior fiscal periods, as well as current fiscal periods.

#### Intergovernmental Revenues

This object of expenditures includes outlays that result in the acquisition of or additions to capital assets.

## Object Classification

### Personal Services

This object of expenditure includes expenses for salaries, wages, and related employee benefits provided for all persons employed by the city. Employee benefits include employer contributions to social security, Medicare, PERA, health, life, disability insurance, health care savings plan and worker's compensation.

### Supplies

This object of expenditure includes articles and commodities that are consumed or materially altered when used, such as office supplies, operating supplies, repair and maintenance supplies, and small tools and minor equipment.

### Other Services & Charges

This object of expenditure includes expenses for services other than personal services. Examples of such charges include professional services, communication, training, insurance, utility services, repair and maintenance, rentals and depreciation.

### Capital Outlay

This object of expenditures includes outlays that result in the acquisition of or additions to capital assets.

### Debt Service

This object of expenditure includes interest, principal payments and related charges of the city's bond payments and certificate of indebtedness.

### Other Financing Uses

This object of expenditure includes transfers to other funds.

## MATRIX OF FUNDS AND BUDGET UNITS

This matrix illustrates the relationship between the various functional units used for budgeting (e.g., departments, programs) and the fund structure used for accounting and financial reporting purposes.

Department/ Division	Funds										
	General	Park	Fire	Library	Airport	Electric	Water & Sewer	Liquor	Civic Center	Golf	MIS Services
<b>GENERAL GOVERNMENT:</b>											
City Council/Borads	X										
City Clerk	X										
Election	X										
Administration	X	X	X	X	X	X	X	X	X	X	X
Engineering	X	X			X	X	X	X			
MIS											X
Transportation	X										
Planning & Zoning	X										
<b>PUBLIC SAFETY:</b>											
Police	X										
Fire	X		X								
Civil Defense	X										
<b>PUBLIC WORKS:</b>											
Street Maintenance	X										
Storm Sewer	X										
Trail Maintenance	X										
Snow Removal	X										
Compost	X										
Sanitation	X										
Electric						X					
BWIG							X				
Fiber Optic							X				
Water								X			
Wastewater								X			
<b>CULTURE &amp; RECREATION:</b>											
Parks		X									
Library				X							
Airport					X						
Community Center	X										
Civic Center									X		
Golf										X	
<b>MISCELLANEOUS:</b>											
Liquor								X			
<b>OTHER FINANCING USES:</b>	X						X	X			

## Accounting Practices

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund types use the modified accrual basis of accounting. Under this method, revenues are recognized when they become available and measurable. "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred.

All enterprise fund types use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

## Budgetary Basis of Accounting

The budgetary basis of accounting determines when a government charges expenditures to a budget appropriation or when it credits revenue to its funds for budgeting purposes. Although the City presents financial statements in its Annual Financial Report in accordance with GAAP, the budget is adopted on a modified cash basis. The major difference between the two basis of accounting is as follows:

- For budgetary purposes, revenues are recorded when received. Under GAAP, revenues are recorded when susceptible to accrual.
- For budgetary purposes, interfund loans and repayments are recorded as revenues and expenditures. Under GAAP, the transactions are classified as increases or reductions in the "due to/due from" accounts.
- Capital expenditures are budgeted as an expense in the enterprise funds. Under GAAP these expenditures are reclassified as capital assets.
- Capital Lease proceeds are budgeted as a revenue in the enterprise funds. Under GAAP these revenue sources are accounted for as a liability.
- For external reporting purposes, the General Fund includes revenues, expenditures, and other financing sources and uses, and fund balances of other internally maintained funds: Park & Community Center. The General Fund, however, is budgeted based on the internally maintained General Fund.
- For budgetary purposes, Net Assets is used for the enterprise funds (Net Assets = Assets – Liabilities). Under GAAP, Net position is used (Net Position = Assets + Deferred Outflows – Liabilities – Deferred Inflows)

## Budgeting

The City Administrator is responsible for the preparation and the administration of the annual operating budget based on input from the department heads.

The City will use financial forecasts as a tool for planning wherever possible. Projecting key financial factors into the future allows the City to anticipate and plan for change. It is recognized that the complexities of local government finance make financial forecasts an indication of trends and not a specific prediction of the future. City Council and staff will determine the financial forecasts needed to support decision-making.

The City will not use short-term borrowing, internal or external, to balance the budget for any fund.

The City will not sell assets or use one-time accounting principle changes to balance the budget for any fund.

The City will strive to provide ample time and opportunity for public input into its budget setting deliberations each year, including any required public hearings.

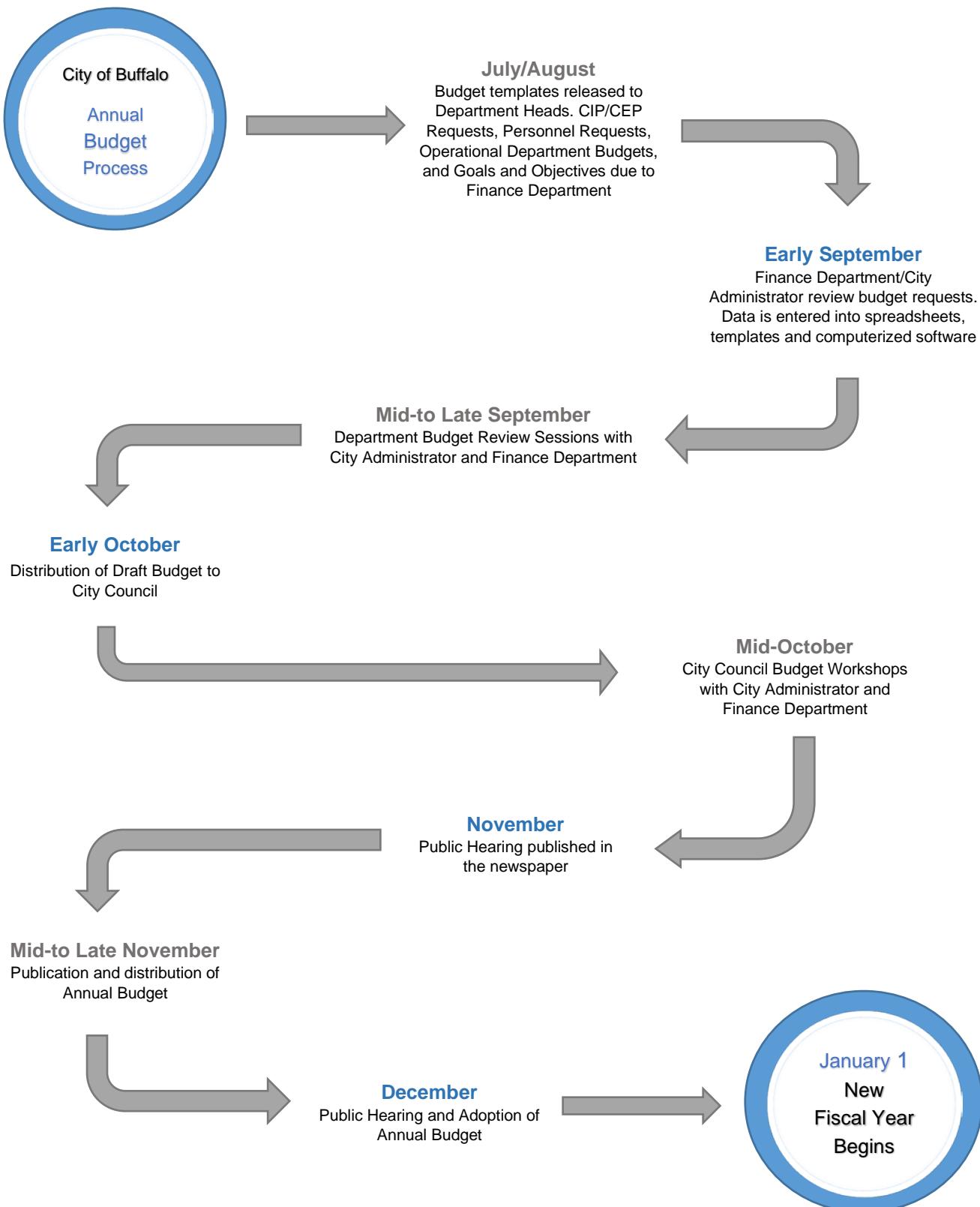
Department heads will be responsible for administration of their departmental operating budget. Requests for budget adjustments must be submitted and approved before any program incurs cost overruns for the annual budget period.

## Budget Amendments

The budget shall be adjusted as needed to recognize significant deviations from original budget expectations. The City Council shall consider budget amendments each December. Budget amendments are intended to recognize changes made by the City Council during the year, to reflect major revenue and expenditure deviations from budgeted amounts, and to consider year-end budget requests. Budget amendments are not intended to create a budget that matches budgeted revenues and expenditures to actual revenues and expenditures.

Administrative budget amendments may be made throughout the year by department heads to adjust line item budgets within their department as long as the total departmental budget does not change. These line item budget changes exclude personal service and capital outlay categories. Administrative budget amendments must be requested and approved by the City Administrator and Finance Manager. The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

## BUDGET PROCESS



## 2020 BUDGET CALENDAR

Event	Dates	Function
Budget templates released to Department Heads	July 15	Provides information including Council Goals & relevant data for Department Heads to utilize for budget preparation
Budget requests submitted to City Administrator and Finance Department	August 1	City Administrator to comment and recommend changes
Finance Department compiles Budget	August 1 – September 30	Finance Department reviews requests and prepares proper format for budget
Adoption and Certification of Preliminary Tax Levies to Wright County	September 3	Resolution to authorize the necessary tax levies
Draft Budget submitted to City Council	October 10	Allows elected officials to review the budget in detail
Budget Workshop(s)	November 14	Allows for discussion, rationale and changes to budget
Produce and Distribute Budget Document	August 1 – November	Allows for review of preliminary budget prior to adoption
Notice of Public Hearing Published	November 25	Notifies public of time, date and location of public hearing
Public Hearing	December 2	Allows for public discussion and approval of 2020 Budget and Final Tax Levies
Adoption of 2020 Budget & Final Tax Levies	December 16	Resolution to authorize final tax levies and adopted budget for 2020
Certification of Final Levies to Wright County, Adopted Budget information reported to State of Minnesota	By December 28	Certification of final levy to county auditor and reporting final budget to State of Minnesota



## 2020 Annual Budget

---

### Budget Overview

# CITY OF BUFFALO, MINNESOTA

## 2020 BUDGET SUMMARY

### REVENUES BY TYPE – ALL BUDGETARY FUNDS

Revenue Type	General Fund		Special Revenue Funds	Enterprise Funds	Internal Service Funds	2020	2019
	General	Park				Adopted Budget	Adopted Budget
Taxes	4,764,809	33,391	80,628	735,625	-	5,614,453	5,677,882
Licenses and Permits	375,250	-	-	-	-	375,250	357,795
Intergovernmental	1,335,639	-	457,933	-	-	1,793,572	1,660,101
Charges for Services	1,577,930	55,500	1,454,670	23,783,715	749,400	27,621,215	26,353,648
Sales	-	-	-	6,584,500	-	6,584,500	5,543,000
Fines & Forfeitures	32,000	-	-	-	-	32,000	32,000
Special Assessments	5,000	-	-	-	-	5,000	5,000
Other Revenue	150,000	29,750	127,950	591,707	-	899,407	772,004
Other Financing Sources	669,580	55,000	241,646	3,761,372	-	4,727,598	2,703,174
Transfers In	900,000	925,000	465,000	-	-	2,290,000	2,460,000
<b>Total Revenue &amp; Other Sources</b>	<b>\$9,810,208</b>	<b>\$1,098,641</b>	<b>\$2,827,827</b>	<b>\$35,456,919</b>	<b>\$749,400</b>	<b>\$49,942,995</b>	<b>\$45,564,604</b>

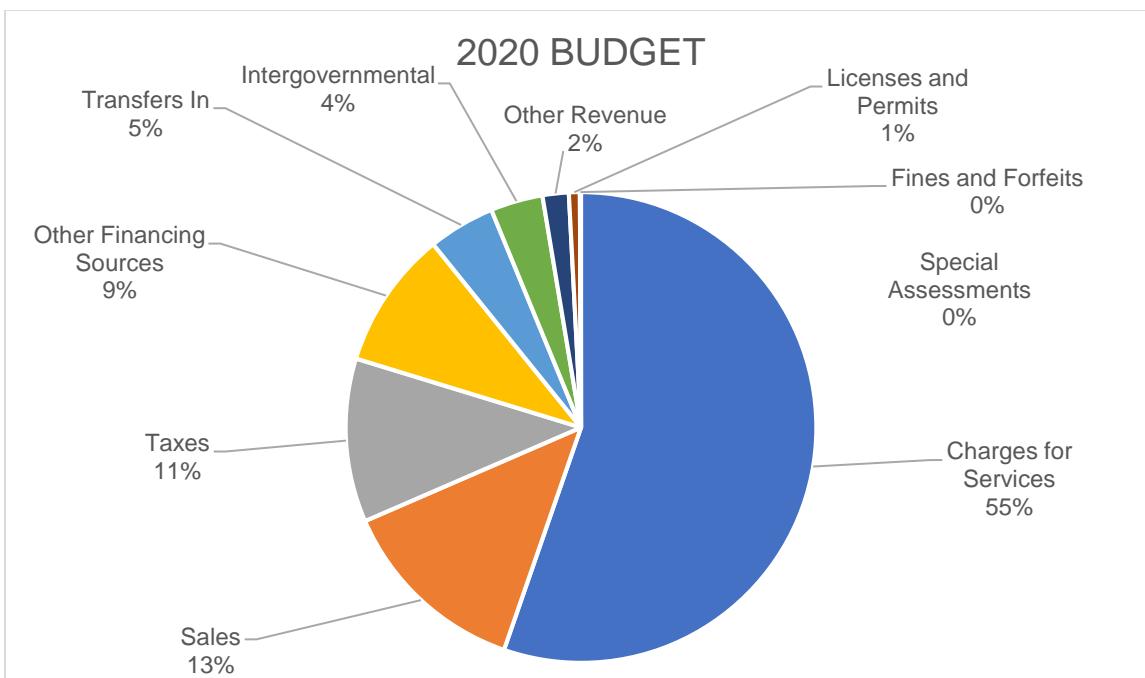
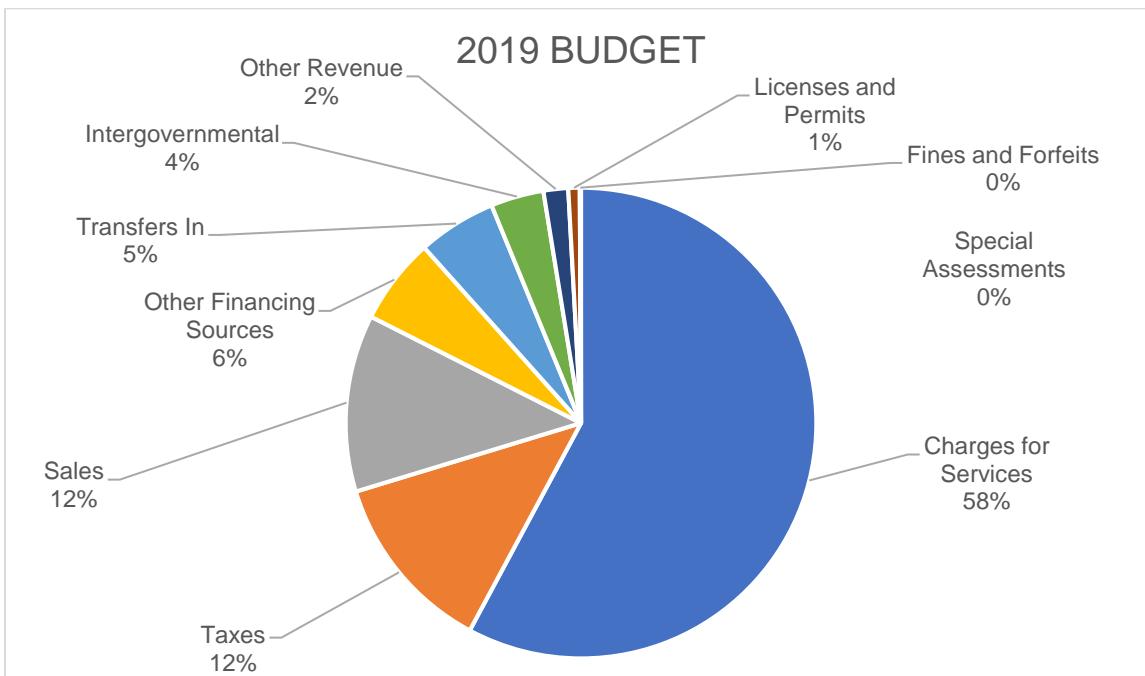
### EXPENDITURES BY OBJECT – ALL BUDGETARY FUNDS

Expenditure Type	General Fund		Special Revenue Funds	Enterprise Funds	Internal Service Funds	2020	2019
	General	Park				Adopted Budget	Adopted Budget
Personal Services	3,628,464	448,963	411,215	4,329,057	126,146	8,943,845	7,997,533
Supplies	712,740	291,550	416,700	15,898,907	161,727	17,481,624	16,819,133
Other Services & Charges	2,994,909	230,478	861,238	5,798,119	456,524	10,341,268	9,317,730
Capital Outlay	598,080	98,000	690,124	4,280,020	-	5,666,224	4,162,546
Debt Service	140,623	43,025	180,056	2,267,453	-	2,631,157	2,707,948
Transfers Out	1,784,198	-	48,404	1,475,000	-	3,307,602	3,510,477
<b>Total Expenditures &amp; Other Uses</b>	<b>\$9,859,014</b>	<b>\$1,112,016</b>	<b>\$2,607,737</b>	<b>\$34,048,556</b>	<b>\$744,397</b>	<b>\$48,371,720</b>	<b>\$44,515,367</b>
Change in Fund Balance	(\$48,806)	(\$13,375)	\$220,090	\$1,408,363	\$5,003	\$1,571,275	\$1,049,237
Fund Balance, Jan. 1	\$5,518,658	(\$269,083)	(\$1,519,645)	\$17,480,432	-	\$21,210,362	\$19,049,875
Fund Balance, Dec. 31	\$5,469,852	(\$282,458)	(\$1,299,555)	\$18,888,795	\$5,003	\$22,781,637	\$20,099,122

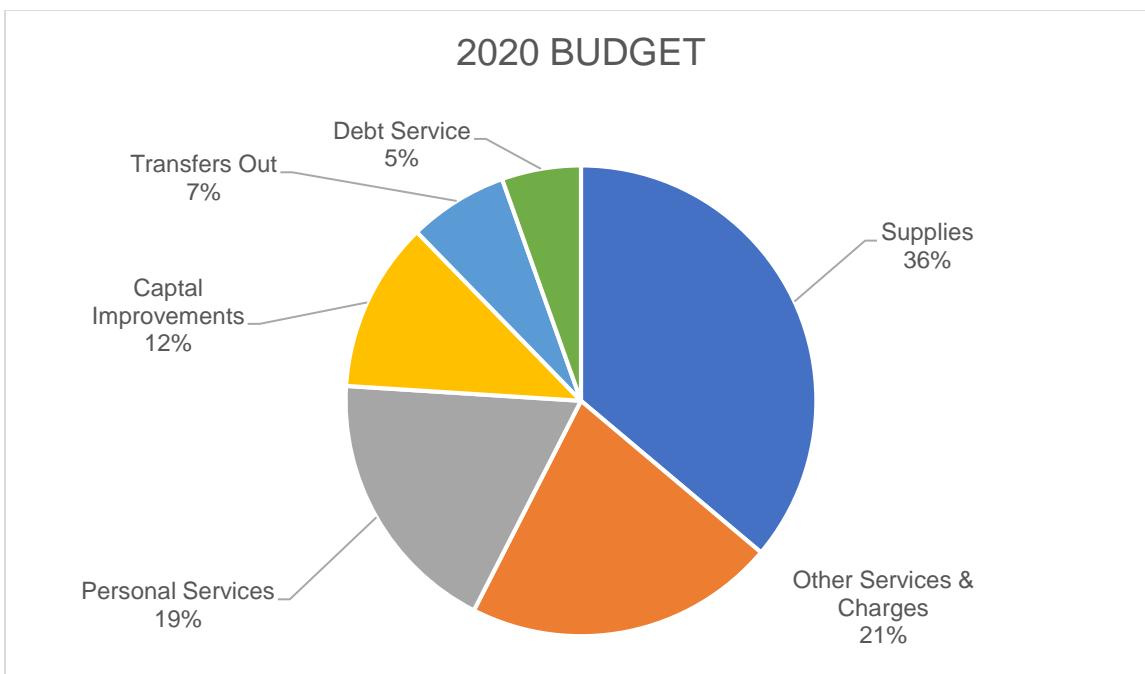
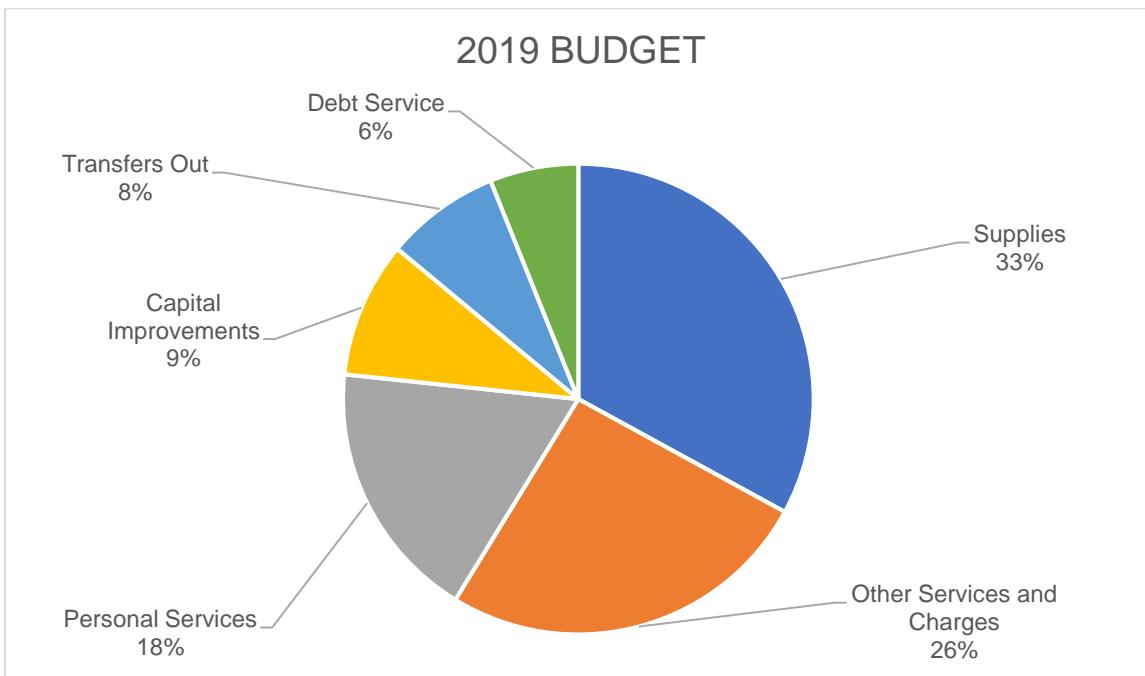
*Note: 2020 Beginning Fund balance is estimated and unaudited*

## BUDGET SUMMARY

### REVENUES BY TYPE – ALL BUDGETARY FUNDS



**BUDGET SUMMARY**  
**EXPENDITURES BY OBJECT – ALL BUDGETARY FUNDS**

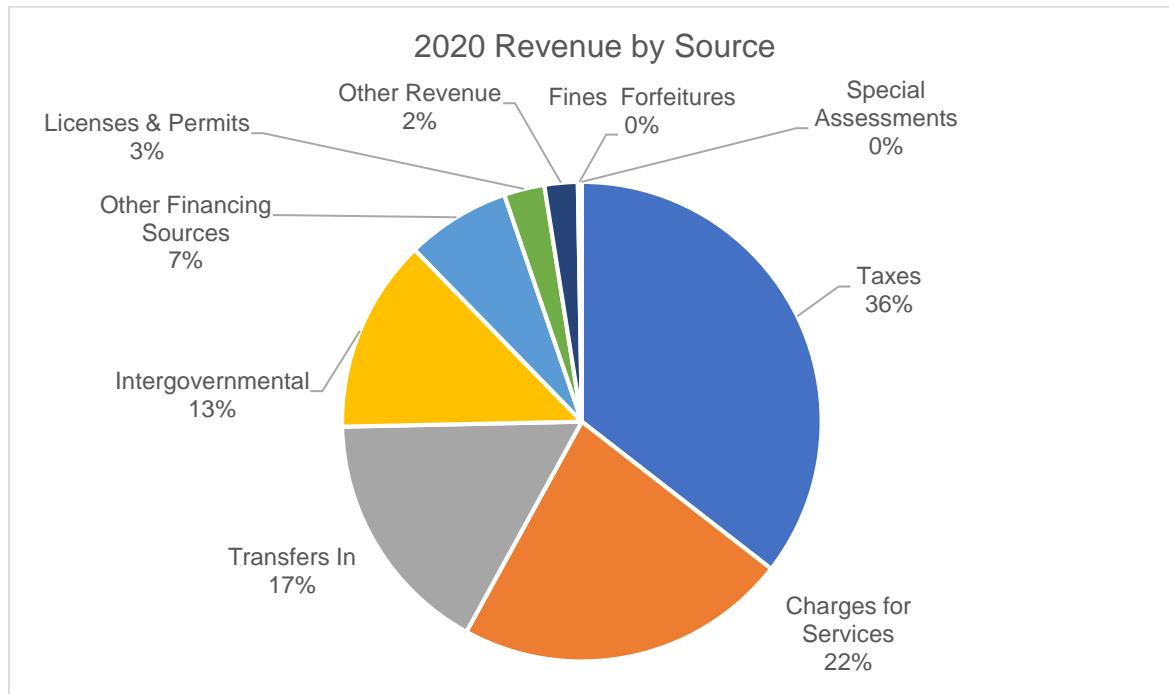
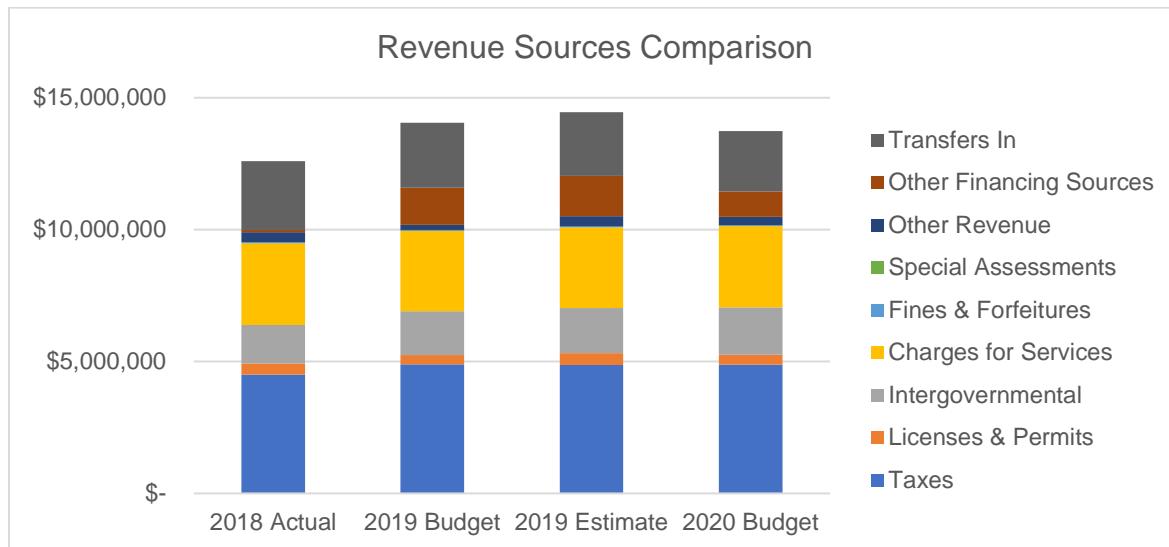


# REVENUE SOURCES, TRENDS AND ASSUMPTIONS

The City of Buffalo maintains several funds for recording fiscal transactions. The City's revenues are estimated and budgeted conservatively based on relevant revenue history, stability or expected volatility, and economic trends. In addition, a master fee schedule is adopted annually that reviews rates/charges to ensure they are appropriate.

The following is a summary of major revenue sources, trends, and assumptions for fiscal year 2020.

## Governmental Fund Revenues



## Taxes

The City relies on property taxes to support the basic functions of local government. These functions include general government, public safety, street maintenance, parks and recreation, library, debt service, and tax abatement. The amount is determined based on the availability of other revenue sources and the expenditure level necessary to conduct City business in accordance with Council directives. The 2020 property tax levy is \$8,439,165 of which \$4,746,708 is budgeted in the General Fund, \$3,592,038 to Debt Service funds, \$80,628 to library operations, and \$19,791 to tax abatement payments. The City also levies a market rate levy for the Housing and Redevelopment Authority (HRA). For 2020, the HRA levy is \$261,735.

## Licenses and Permits

This revenue source is only found in the General Fund and includes business licenses, building-related permits and fees, and other non-business licenses and permits. Building permits make up the majority of this type of revenue and is volatile depending on new construction and remodeling projects. Building permit revenues have been increasing for the past few years. This trend is expected to continue into 2020 with new residential & two high-density housing developments.

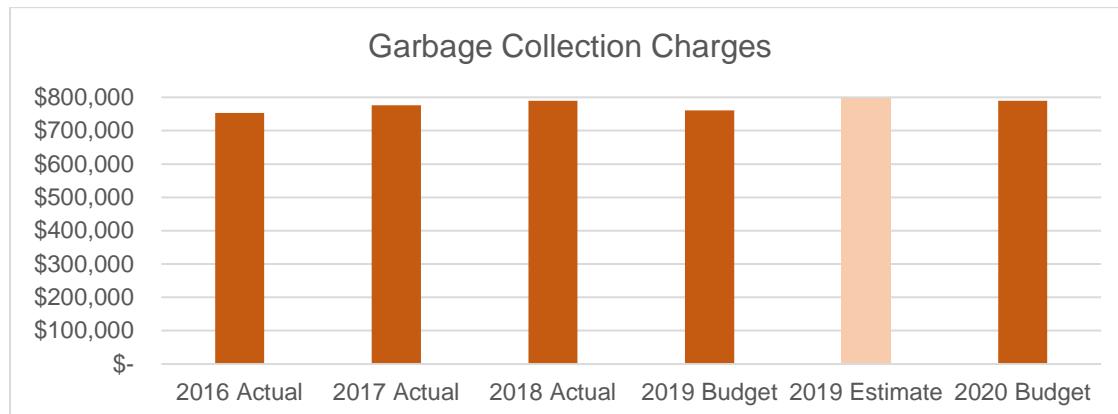
## Intergovernmental

The City receives distributions of various aid and grant funding from other governmental agencies (Federal, State, & County). Budgeted revenues in the General Fund primarily come from the State of Minnesota and include LGA (Local Government Aid), municipal state aid for street maintenance, and aid for police and fire pensions. The Airport Fund also receives aid from the State of Minnesota for maintenance and operation. Both Federal and State Aid for the airport is expected in 2020 for larger capital projects. Budgeted revenues from the State are susceptible to the overall State of Minnesota budget conditions.

## Charges for Services

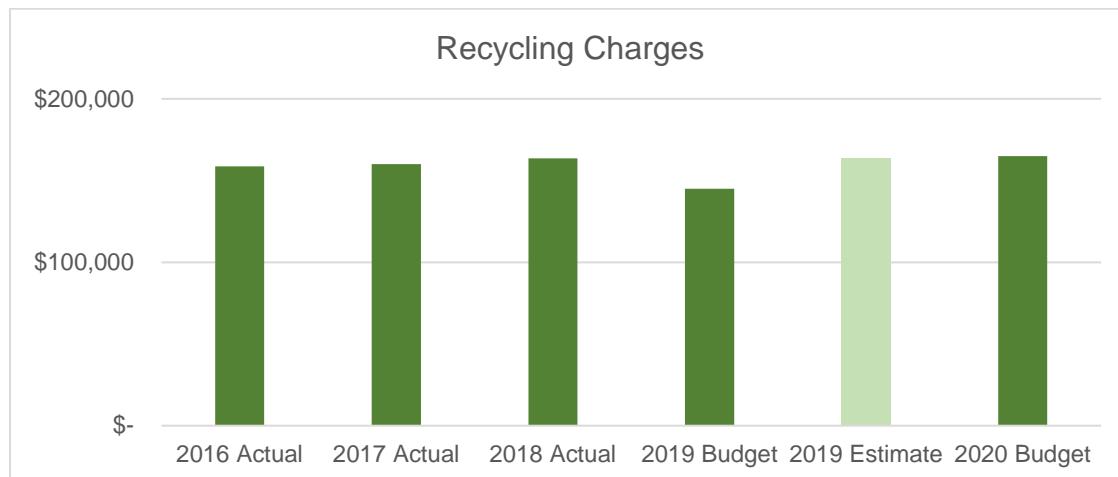
This revenue category comes from a variety of sources. Charges for services in the General Fund include administration charges, project engineering, plat review fees, police services, recreation program fees (boat, park shelter, athletic field rentals), and user fees for garbage, recycling, and storm water. Special Revenue Fund charges for services include fire charges billed out to neighboring townships, airport fuel sales and hangar/lot leases, ice rentals and facility use fees.

### Garbage Charges



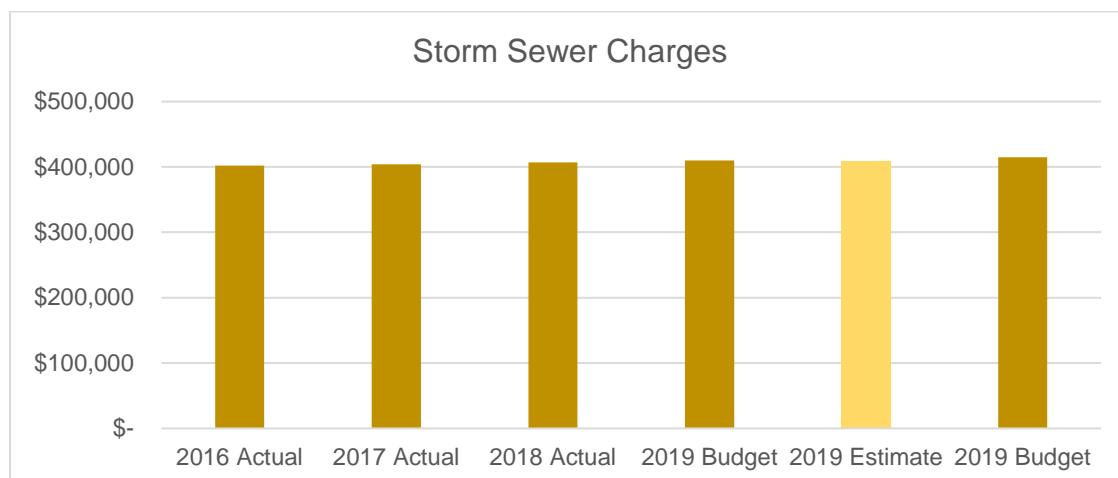
Garbage Collection charges in 2020 are expected to be approximately \$789,480. Revenue fluctuates depending on the number of customers, number of carts and cart size selection. Carts are offered in three sizes with monthly charges ranging from \$6.74 to \$20.74 per month. Rates for garbage collection have remained the same over the last few years. There is a 2% rate increase planned for 2020.

### Recycling Charges



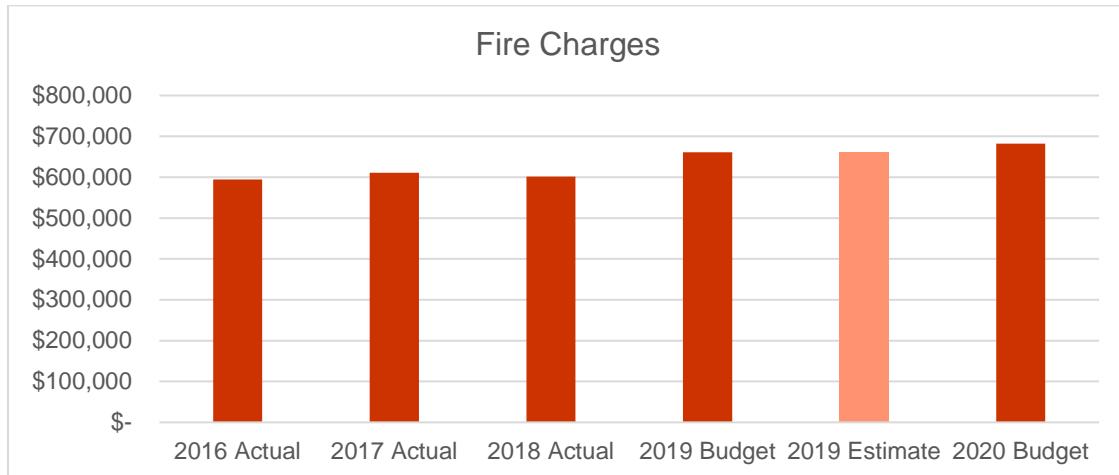
Recycling revenues in 2020 are expected to be approximately \$165,000. To encourage recycling, carts are offered in three sizes with the same monthly charge of \$2.25 per month. There is a 2% rate increase planned for 2020.

### Storm Sewer Charges



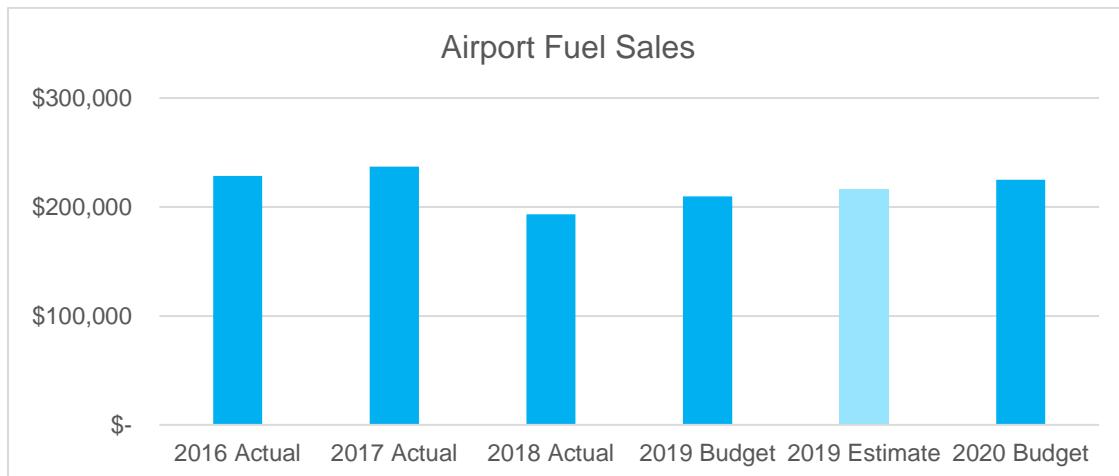
Storm Sewer charges are expected to be approximately \$415,000, which is consistent with the last few years.

## Fire Charges



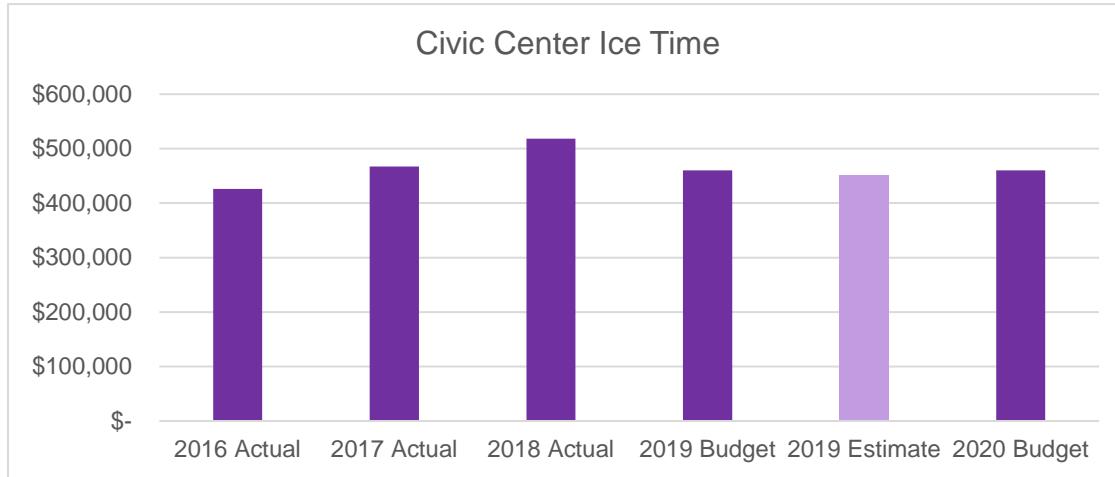
The Buffalo Volunteer Fire Department provides fire protection to the City of Buffalo and four surrounding townships. To cover the operating and capital needs of the department, fire protection services are charged out to these entities based on a 4 year history of market valuation and the number of fire calls. Fire charges have been consistent the last few years. A new fire truck was purchased in 2019 and construction of a new fire station is planned in 2020. An increase of 4% in fire charges is planned for 2020.

## Airport Fuel Sales



Airport Fuel Sales in 2020 are expected to be approximately \$225,000.

## Civic Center Ice Time



Civic Center Ice Time revenue in 2020 is expected to be approximately \$460,000, which is consistent with the last few years. Revenues in 2018 were budgeted conservatively but exceeded the 2017 Actual with additional revenue from new summer programs.

### Fines and Forfeitures

Court fines make up this revenue category and consist of fines paid for traffic and criminal offenses occurring within the City of Buffalo. This revenue represents only the City's portion of each fine with the State and County receiving their share of each fine as well. This revenue source is only found in the General Fund.

### Special Assessments

Charges assessed on properties within a specific area which benefit directly from public improvements such as pavements (sidewalks), roads, sewers & streetlights. In general, the City of Buffalo does not assess for street and utility reconstruction projects. Street and utility reconstruction is part of the property tax levy.

### Other Revenue

Other Revenues include investment income, reimbursement for services provided by the City, disbursement of cable franchise fees collected by Sherburne Wright County Cable Communication Commission (SWC4), donations for recreation programs and special events, and interest earned on investments.

### Other Financing Sources

This type of revenue consists of capital lease proceeds and any gain on the sale of property or equipment. Interfund Transfers are considered an Other Financing Source but due to the size, is budgeted as its own revenue source.

### Transfers In

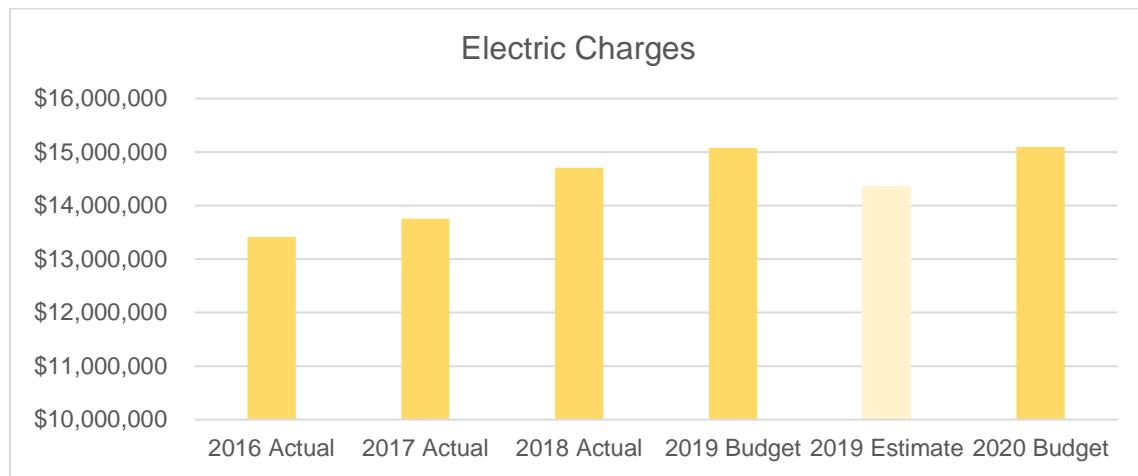
Transfers In includes revenue from the enterprise funds to cover services provided by the General Fund and Special Revenue Funds. The City's general fund tax levy would be significantly higher

without these transfers of excess profits. Budgeted transfers from enterprise funds to the General Fund in 2020 include \$900,000 from Electric and \$475,000 from the Liquor Funds to Parks. A \$100,000 transfer from the Electric Fund to the Civic Center Fund is also budgeted in 2020.

## Proprietary – Enterprise Fund Revenue

### Electric Utility Fund

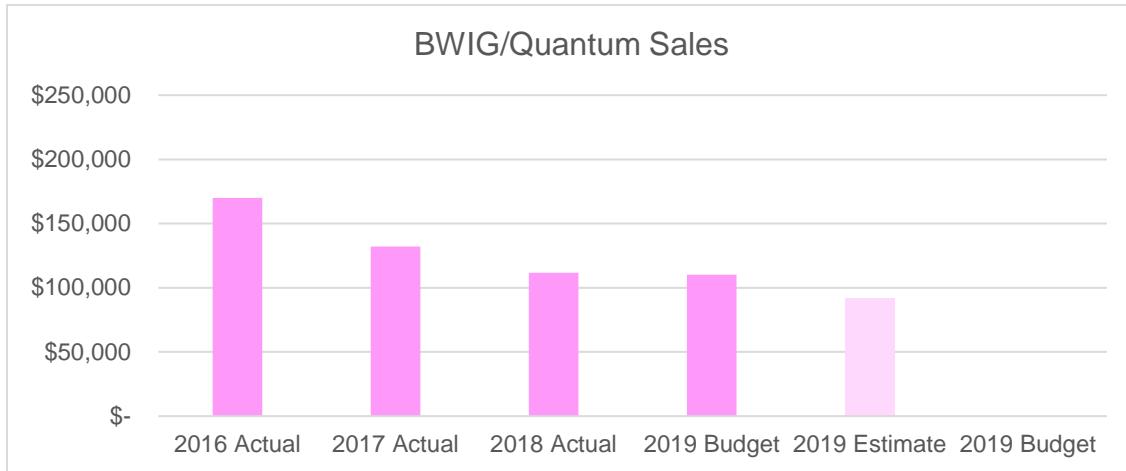
#### Electric Sales



Electric Sales are expected to be approximately \$15,094,747 in 2020, which includes a 2.65% increase. The 2019 estimate is expected to be less than the 2019 budget amount due to a wet and cool weather pattern.

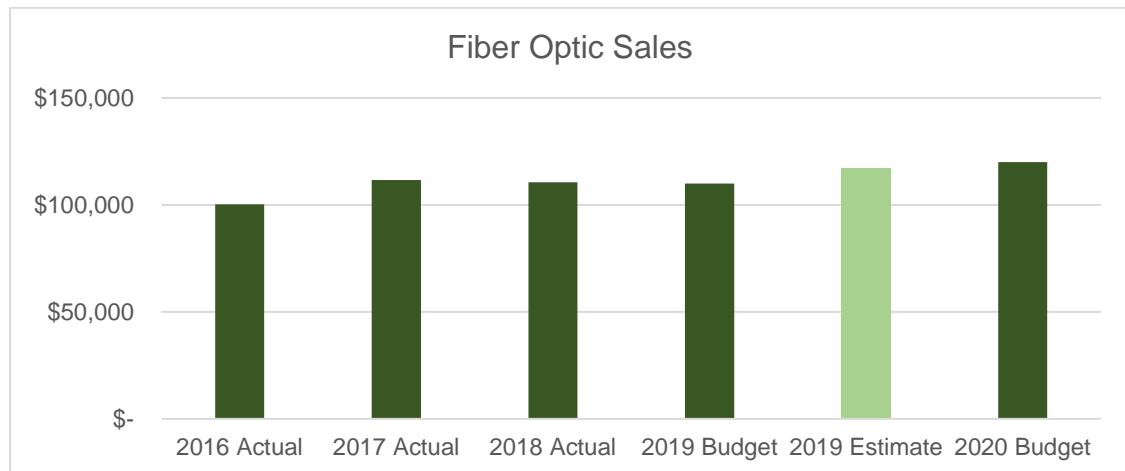
Revenues from electric sales are heavily influenced by weather conditions and consumer demand. When summers are hot and dry, revenue is typically higher with increased air conditioning usage. In contrast, cool and wet summers result in lower revenue. Revenues are also influenced by rate increases, inflation and population growth. The City tries to be conservative when estimating electric revenue. Estimates are based primarily on historical sales and population growth as weather conditions are impossible to predict.

## BWIG/Quantum Sales



BWIG/Quantum offerings are expected to be discontinued at the end of 2019. Sales have decreased over the last few years and the City is focusing its resources on providing Fiber Optics to City residents going forward.

## Fiber Optic Sales



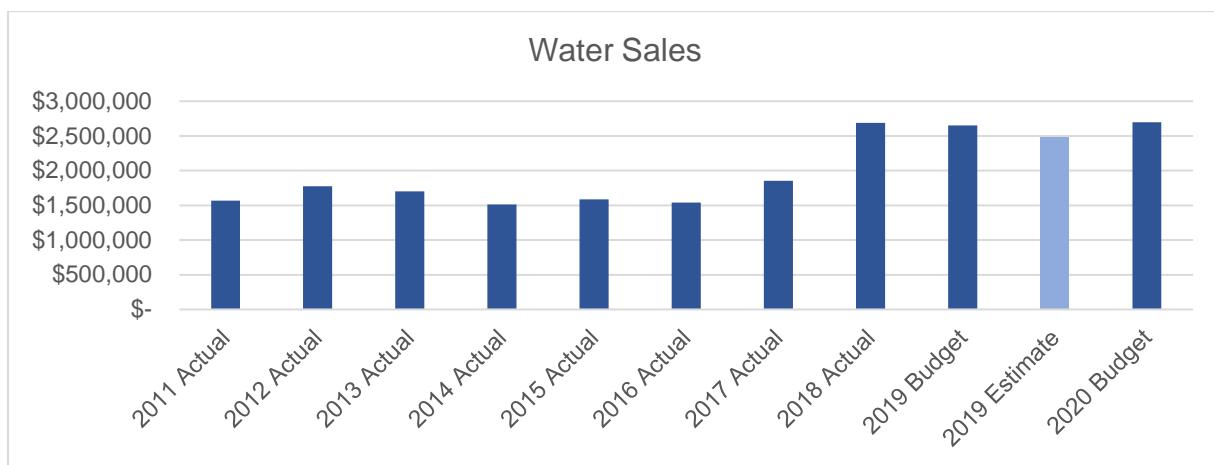
Fiber Optic Sales are expected to be approximately \$120,000. Over the last few years, the City has expanded its commercial customer base. In 2019, efforts were made to provide fiber to residential customers starting with the new Greenbriar Hills development.

## Water and Sewer Utility Fund

In 2017, a utility rate study was conducted to analyze the overall health of the water & sewer fund. To meet the current operating, debt service, and future capital improvement needs, the study recommended an adjustment to the existing rate structure and rate increases in 2018 to stabilize revenues, followed by moderate annual increases thereafter. Prior to 2018, water and sewer rates had remained largely stagnant for the last decade, while costs to operate & maintain the infrastructure increased.

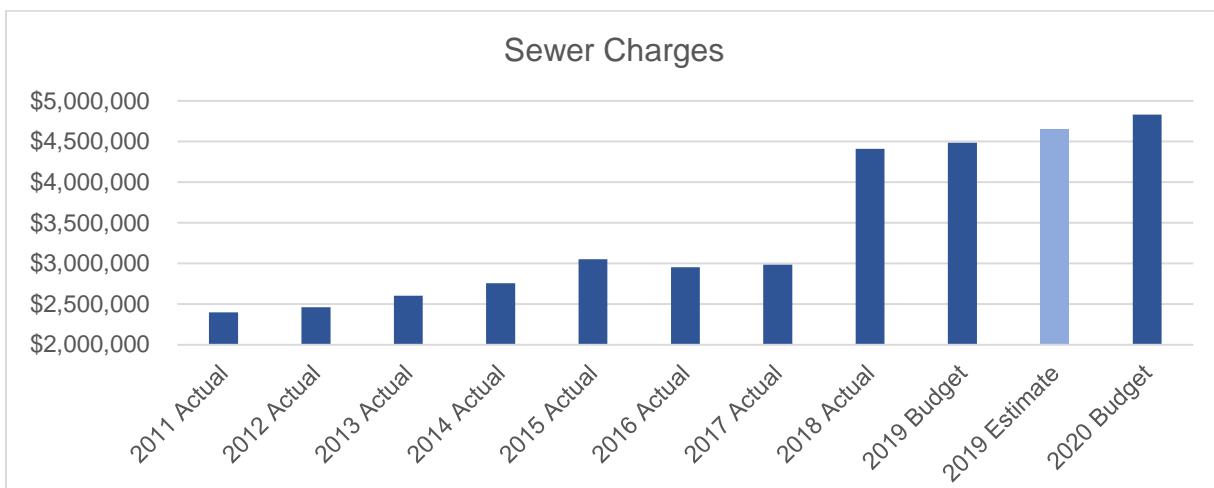
### Water Charges

Revenues from water charges are influenced by rate increases, weather conditions and population growth. Since weather conditions are impossible to predict, the projected increase in water charges revenue is based primarily on historical sales and population growth estimates. The 2020 budget also includes a scheduled rate increase of 4%.



### Sewer Charges

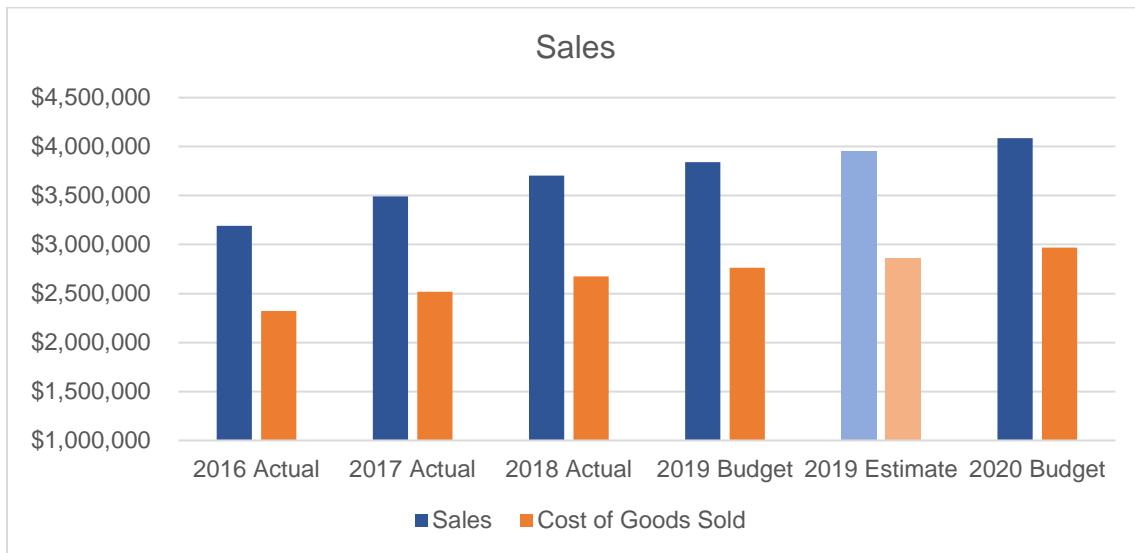
Sewer charge rates are set each year based on water usage in the months of January, February and March. To ensure that sewer rates cover the actual cost of providing the service, a scheduled rate increase of 4% is budgeted for 2020.



## Liquor Funds

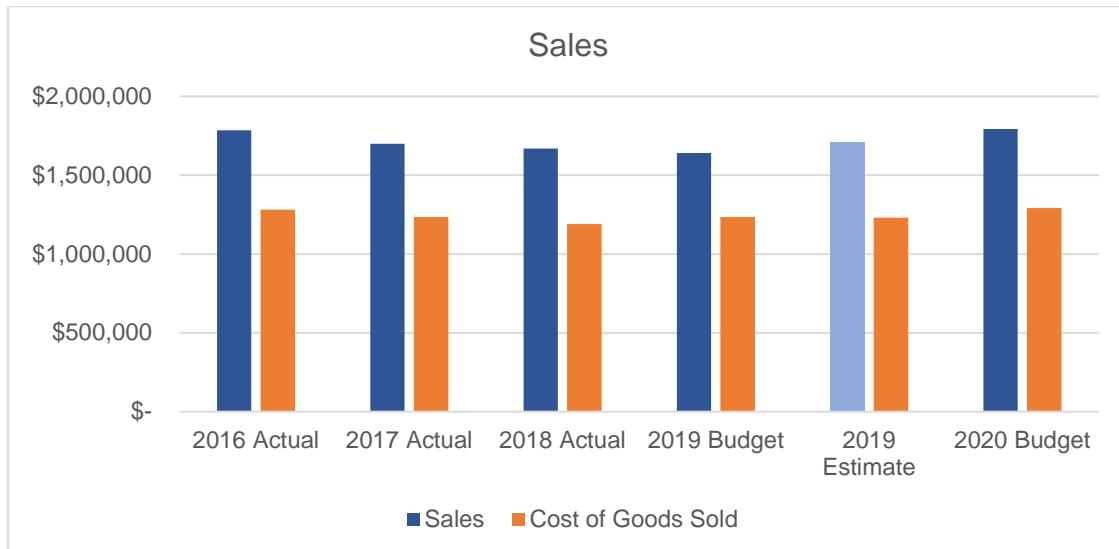
Sales are the main revenue source for the City's two municipal off-sale liquor stores. Sales at the Buffalo Wine & Spirits store are expected to increase slightly in 2020. Sales at the Downtown Wine & Spirits store are also expected to increase slightly due to more traffic in the downtown area. Cost of goods sold could see a small increase. Gross profit has ranged fairly consistent around 28-30% over the past few years and that trend is expected to continue in 2020.

### Buffalo Wine & Spirits



Sales are expected to be approximately \$4,085,000 in 2020.

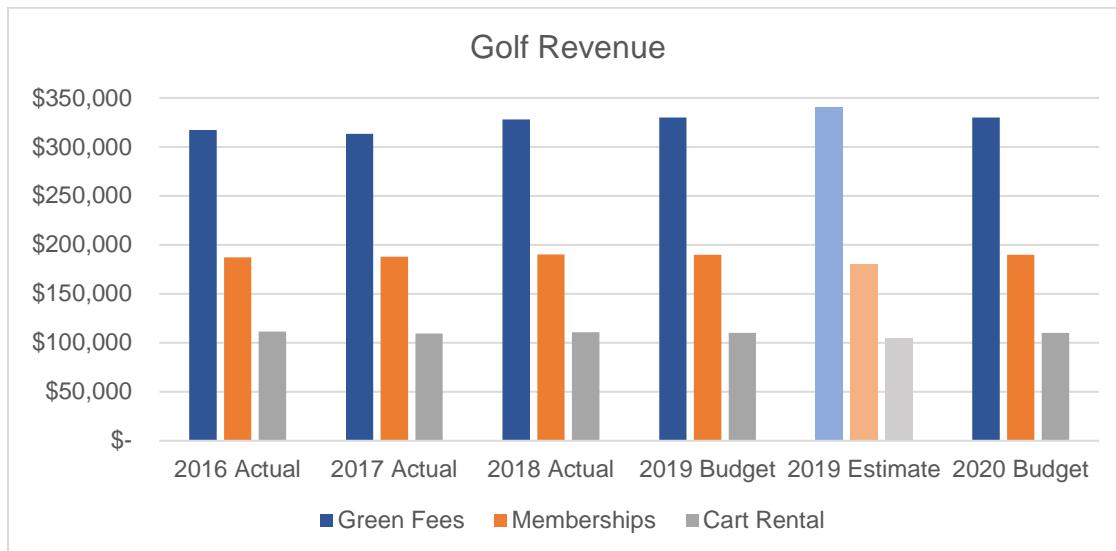
### Downtown Wine & Spirits



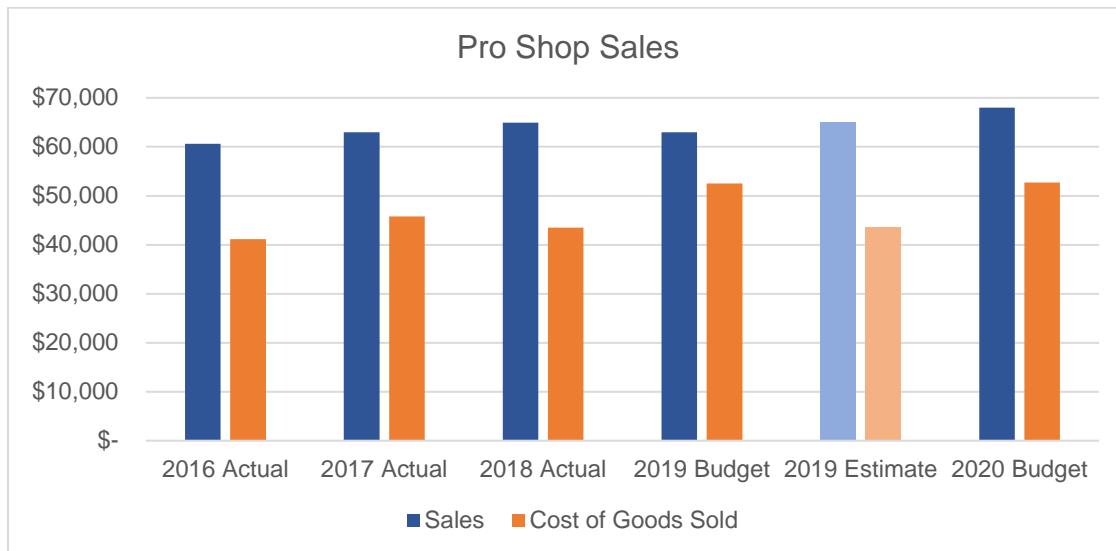
Sales are expected to be approximately \$1,792,000 in 2020.

## Golf Fund

Green fees and memberships have historically been the main source of revenue for the City owned Wild Marsh Golf Course. The course is open approximately 7-8 months out of the year, depending on weather conditions. In years with warmer and shorter winters, revenue tends to be higher as golfers have more opportunity to get out on the course. Revenue has increased slightly over the last few years and in 2020 revenue is expected to be consistent with 2019.

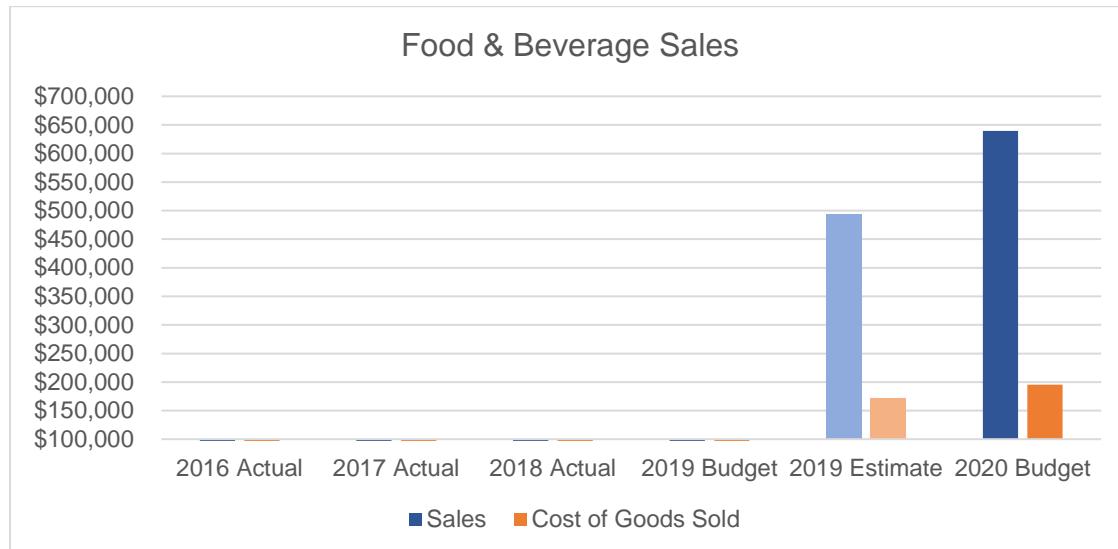


Revenue is expected to be approximately \$630,000 from green fees, memberships and cart rentals in 2020.



Revenue from pro shop sales is expected to grow slightly at approximately \$68,000.

In 2019 the City took over operation of the restaurant operations at the course. Previously, the space was leased to a private party.



Revenue from food and beverage sales is anticipated to be \$639,500.

## PROPERTY TAX

### Summary of Adopted Tax Levy and Tax Rate Payable 2020

The 2020 Operating Budget has a total levy for City operations equaling \$8,419,374. The levy is the amount of money needed to balance the budget after all revenues and expenditures are considered. The levy for City operations increased \$413,057 (+5.2%), from 2019. The total tax levy increased by \$411,701 (+5.1%), from 2019. The majority of the increase is in the debt service levy. A debt service levy was added for bond Series 2019B which was sold for major street reconstruction and construction of a new downtown fire station.

The following table summarizes the 2020 tax levy for the City:

<b>Program or Service</b>	<b>2019 Actual Levy</b>	<b>2020 Proposed Levy</b>	<b>\$ Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
General Fund	\$4,537,436	\$4,602,952	\$65,516	1.4%
Debt Service	3,109,647	3,592,038	482,391	15.5%
Library	80,628	80,628	-	0.0%
Payment to Other Government	-	-	-	0.0%
Lease Purchase	278,606	143,756	(134,850)	-48.4%
Tax Abatement (EDA)	21,147	19,791	(1,356)	-6.4%
<b>Total</b>	<b>\$8,027,464</b>	<b>\$8,439,165</b>	<b>\$411,701</b>	<b>5.1%</b>

The City of Buffalo also adopts a market rate levy for the Buffalo Housing and Redevelopment Authority (HRA). The following table summarizes the 2020 tax levy for the Buffalo HRA:

<b>Program or Service</b>	<b>2019 Actual Levy</b>	<b>2020 Proposed Levy</b>	<b>\$ Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
General Fund	\$242,326	\$261,735	\$19,409	8.0%
<b>Total</b>	<b>\$242,326</b>	<b>\$261,735</b>	<b>\$19,409</b>	<b>8.0%</b>

## Tax Distribution

The City of Buffalo is only one of several taxing jurisdictions that share property tax dollars, each making their own financial and policy decisions. Tax levies applicable to City of Buffalo property owners may include:

- **City of Buffalo General Fund and Debt Levies** – Buffalo City Council approves final tax levies.
- **Buffalo Housing & Redevelopment Authority Special Taxing District (HRA)** – HRA Board recommends tax levy to Buffalo City Council. City Council approves final tax levy.
- **Wright County** – County Commissioners approve final tax levy.
- **Lake Improvement District (LID)** – Properties on Pulaski Lake may be subject to an ad valorem tax to be appropriated and expended on projects of special benefit to the district. Budget recommendations from the LID board are passed through the county board for approval and collection.
- **ISD 877 – Buffalo Hanover Montrose School District** – School District property tax levies are limited by state law. The Minnesota Department of Education computes the levy limitation and the School Board approves the tax levy. Other levies for the School District require voter approval.
- **State General Tax** – applicable mainly to Commercial/Industrial in the City of Buffalo.

The following graphic illustrates the total tax for a residential property as shared by the taxing jurisdictions based on the actual 2019 tax capacity rates. Only 40 percent of the total tax is levied for City activities in 2019.

*Note: Wright County portion includes Lake Improvement District.*

2019 Tax Dollar Breakdown



City of Buffalo 40¢

Wright County 37¢

BHM School District 22¢

Buffalo HRA 1¢

## Tax Capacity and Tax Impact

The city-wide tax capacity represents the taxable property value within the City. It is determined by applying the state-wide property tax formula for each parcel, then adding each parcel's tax capacity. The city-wide tax capacity is then applied to the proposed levy to determine the local tax rate.

The following table summarizes the local tax rate.

	<b>2019 Actual</b>	<b>2020 Estimated</b>
Net Tax Capacity for Levy	\$14,034,273	\$15,138,136
Tax Levy	8,027,464	8,439,165
Local Tax Rate	57.199%	55.748%

*Note - Amounts from Wright County Auditor's Office*

The following table summarizes the estimated tax impact on residential homes, based on the 2020 tax levy and budget. Estimates are provided by Wright County and assume no change in property valuation.

<b>Taxable Market Value of Home</b>	<b>2019 Actual</b>	<b>2020 Estimated</b>	<b>\$ Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
\$150,000	\$857.99	\$836.20	(\$21.79)	-2.5%
\$200,000	\$1,143.98	\$1,114.94	(\$29.04)	-2.5%
\$250,000	\$1,429.98	\$1,393.67	(\$36.31)	-2.5%
\$300,000	\$1,715.97	\$1,672.41	(\$43.56)	-2.5%
\$350,000	\$2,001.97	\$1,951.14	(\$50.83)	-2.5%
\$400,000	\$2,287.96	\$2,229.87	(\$58.09)	-2.5%
\$450,000	\$2,573.96	\$2,508.61	(\$65.35)	-2.5%
\$500,000	\$2,859.95	\$2,787.34	(\$72.61)	-2.5%

*Note – Amounts are for City taxes only for a Class 1a Residential Homestead Property. The Class rate changes for properties valued over \$500,000.*

The following table summarizes the estimated tax impact on commercial property, based on the 2020 tax levy and budget. Estimates are provided by Wright County and assume no change in property valuation.

<b>Taxable Market Value of Property</b>	<b>2019 Actual</b>	<b>2020 Estimated</b>	<b>\$ Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
\$500,000	\$5,290.91	\$5,156.58	(\$134.33)	-2.5%
\$1,000,000	\$11,010.81	\$10,731.26	(\$279.55)	-2.5%

## STATEMENT OF LEVY, TAX CAPACITY AND FUND BALANCES

<u>Certified Years</u>	<u>Total Tax Levy</u>	<u>Market Capacity</u>	<u>City Value</u>	<u>Tax Rate</u>
2010	\$4,866,596	\$13,522,256	\$1,142,777,800	35.901
2011	\$4,759,916	\$12,376,480	\$1,046,606,500	38.459
2012	\$5,214,025	\$11,185,773	\$1,036,294,000	47.037
2013	\$5,326,183	\$10,275,800	\$ 937,655,775	51.834
2014	\$5,246,724	\$10,606,539	\$ 963,575,700	49.976
2015	\$5,839,678	\$11,286,006	\$1,047,609,600	51.769
2016	\$6,515,502	\$11,883,841	\$1,080,912,800	54.838
2017	\$7,336,615	\$12,309,099	\$1,092,279,500	59.604
2018	\$7,906,723	\$13,164,521	\$1,200,484,050	60.060
2019	\$8,027,464	\$14,034,273	\$1,230,989,900	57.199
2020	\$8,439,165	\$15,138,136	\$1,332,440,500	55.748*

\*Proposed

## **GENERAL FUND OF THE CITY OF BUFFALO AUDITED YEAR-END FUND BALANCES**

	<u>GENERAL FUND BALANCE</u>	<u>PERCENTAGE OF REVENUES</u>
December 31, 2009	1,989,073	28.5%
December 31, 2010	2,283,780	37.0%
December 31, 2011	2,643,458	44.1%
December 31, 2012	2,555,358	45.0%
December 31, 2013	3,979,600	42.0%
December 31, 2014	4,122,060	57.0%
December 31, 2015	4,246,090	58.0%
December 31, 2016	4,635,960	57.0%
December 31, 2017	4,986,993	62.0%
December 31, 2018	5,366,584	60.6%
December 31, 2019	5,518,658*	55.9%*

\*Estimated/Unaudited

## STAFFING SUMMARY

### GENERAL FUND (Including Park):

Department/Division	FY 2018	FY 2019	FY 2020	Change
<b>City Clerk (includes Election)</b>				
Full-time Employees	0	1	1	-
Part-time Employees	1	0	0	-
<b>City Administration*</b>				
Full-time Employees	7	7	8	▲1
Part-time Employees	1	1	1	-
<b>Engineering</b>				
Full-time Employees	1	1	1	-
Part-time Employees	0	0	0	-
<b>Transportation</b>				
Full-time Employees	0	0	0	-
Part-time Employees	2	0	0	-
<b>Planning &amp; Zoning*</b>				
Full-time Employees	1	1	1	-
Part-time Employees	0	0	0	-
<b>Police</b>				
Full-time Employees	21	21	21	-
Part-time Employees	0	0	0	-
<b>Public Works – Maintenance*</b>				
Full-time Employees	11	11	11	-
Part-time Employees	1	1	1	-
<b>Community Center</b>				
Full-time Employees	1	1	1	-
Part-time Employees	1	1	1	-
<b>Park*</b>				
Full-time Employees	1	1	1	-
Part-time Employees	26	29	29	
<b>Total Employee Headcount</b>	<b>75</b>	<b>76</b>	<b>77</b>	<b>▲1</b>

### Special Revenue Funds:

Department/Division	FY 2018	FY 2019	FY 2020	Change
<b>Fire</b>				
Full-time Employees	0	0	0	-
Part-time Employees	33	34	34	-
<b>Library*</b>				
Full-time Employees	0	0	0	-
Part-time Employees	0	0	0	-
<b>Airport*</b>				
Full-time Employees	0	0	0	-
Part-time Employees	0	0	0	-
<b>Civic Center*</b>				
Full-time Employees	3	3	3	-
Part-time Employees	14	15	15	-
<b>Total Employee Headcount</b>	<b>50</b>	<b>52</b>	<b>52</b>	<b>-</b>

\*Note: Employee headcount is based on the assigned department. Employee time is expensed across multiple departments/divisions.

## Enterprise Funds:

Department/Division	FY 2018	FY 2019	FY 2020	Change
<b>Electric*</b>				
Full-time Employees	10	13	13	-
Part-time Employees	1	1	0	▼1
<b>BWIG*</b>				
Full-time Employees	2	2	0	▼2
Part-time Employees	0	0	0	-
<b>Fiber</b>				
Full-time Employees	0	1	1	-
Part-time Employees	0	0	0	-
<b>Water*</b>				
Full-time Employees	4	4	5	-
Part-time Employees	1	0	0	-
<b>Wastewater*</b>				
Full-time Employees	6	6	8	▲2
Part-time Employees	1	1	2	▲1
<b>Liquor</b>				
Full-time Employees	5	5	5	-
Part-time Employees	18	18	18	-
<b>Golf Course</b>				
Full-time Employees	3	4	4	-
Part-time Employees	37	90	90	-
<b>Total Employee Headcount</b>	<b>88</b>	<b>145</b>	<b>147</b>	-

## Internal Service Fund:

Department/Division	FY 2018	FY 2019	FY 2020	Change
<b>MIS*</b>				
Full-time Employees	1	1	1	-
Part-time Employees	0	0	0	-
<b>Total Employee Headcount</b>	<b>1</b>	<b>1</b>	<b>1</b>	-

## City Total:

	FY 2018	FY 2019	FY 2020	Change
Full-time Employees	77	83	85	▲2
Part-time Employees	137	191	191	-
<b>Total Employee Headcount</b>	<b>214</b>	<b>274</b>	<b>276</b>	<b>▲2</b>

\*Note: Employee Headcount is based on the assigned department. Employee time is expensed across multiple departments/divisions.

### \*\*2020 Staffing Changes\*\*

Added City Clerk (mid-year 2019)

Added Human Resource Specialist to City Administration

Utility Billing Coordinator II moved to Water from Electric

Part-time Utility Billing Coordinator II moved to Wastewater from Electric

Added Fiber Optics Technician (mid-year 2019)

Added Electric Linesman Apprentice (mid-year 2019)

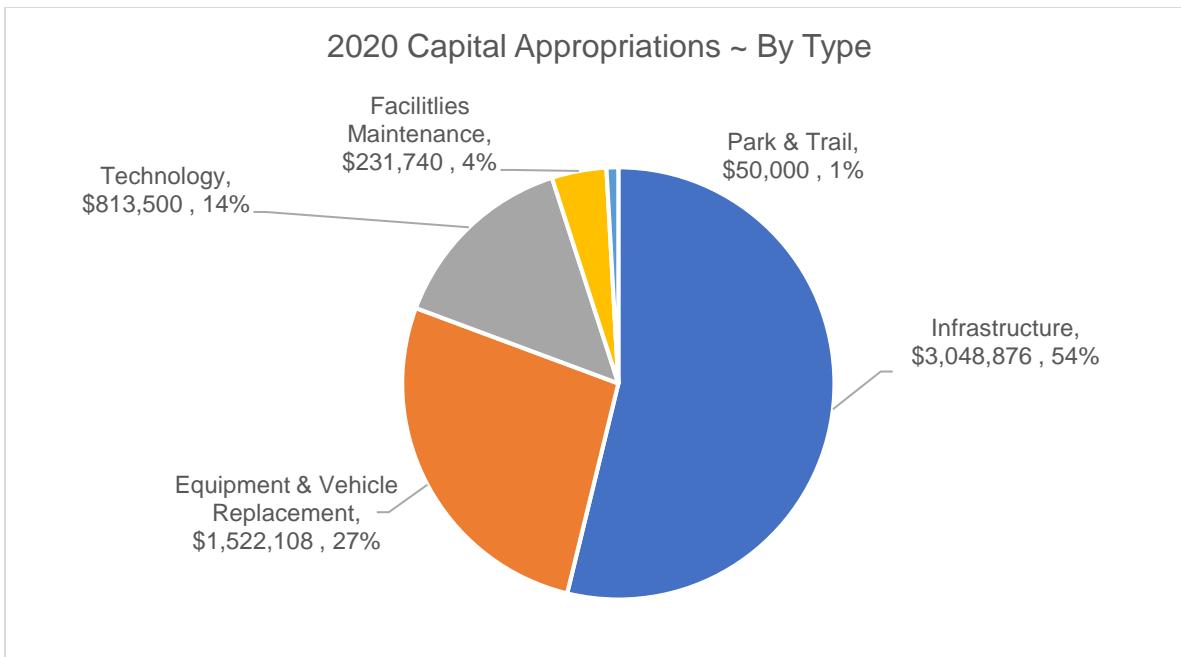
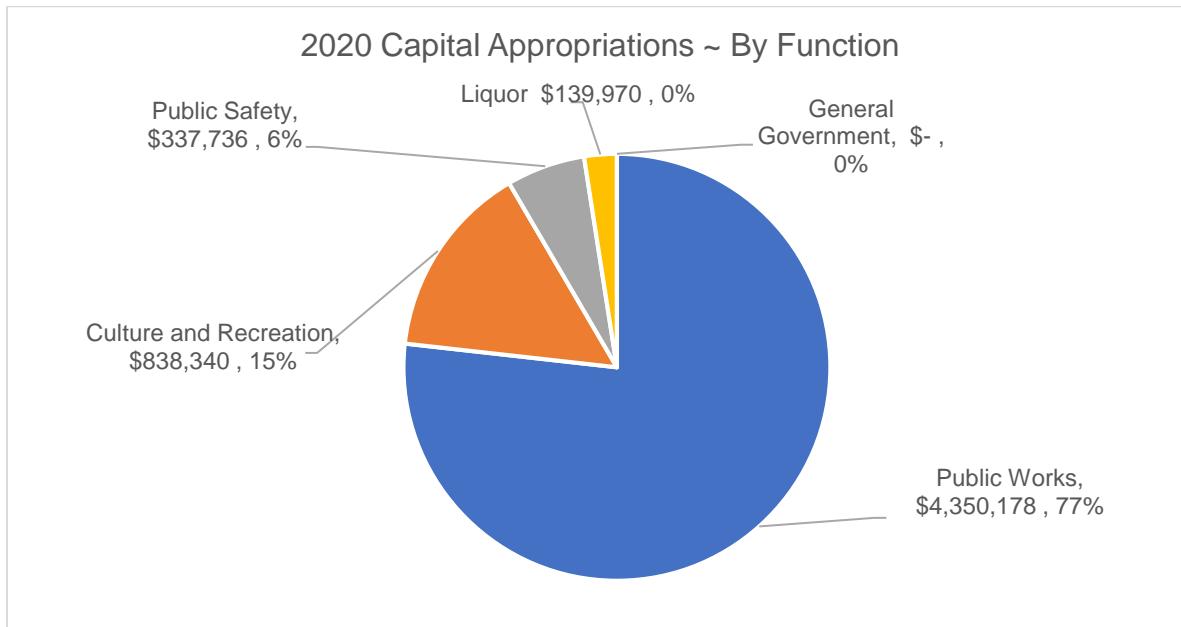
Added Electric maintenance worker (mid-year 2019)

Added 2 Water & Wastewater Operators (mid-year 2019)

# CAPITAL IMPROVEMENT OVERVIEW

## Annual Appropriations

Within the annual operating budget, the City of Buffalo has appropriated \$5,666,224 for routine capital expenditures in 2020.



## Significant Non-recurring Projects

Significant non-recurring projects for larger infrastructure and capital improvements are not included in the annual operating and capital budget. Plans, budget amounts, and funding are approved by City Council on a project by project basis. These projects are accounted for in a capital project fund or the related enterprise fund. The following is a summary of current and potential significant non-recurring projects at this time.

### Pre-design Phase:

- Trunk Highway 25 South Reconstruction (2016-9): Minnesota Department of Transportation currently has tentative improvement plans to reconstruct Highway 25 from south of 1<sup>st</sup> St. S to north of Settlers Parkway/Wright CR 147 in Buffalo in 2023. In conjunction with this project, the City is planning improvements to the underground water, sewer & electrical infrastructure.
- Bellavista 2<sup>nd</sup> Electric Territory & Distribution (2018-6): Acquisition of electric service territory for the area known as Bellavista 2<sup>nd</sup> Addition was acquired in 2018. Electric underground infrastructure will be expanded to this area to provide service for future residential development.
- Dague Avenue & 30<sup>th</sup> Street Reconstruction (2018-13): Future improvements to make Dague Avenue a collector road are necessary to accommodate the increased traffic from the upcoming Greenbriar Hills residential development. Federal and State funding is being sought after to aid in the funding of these improvements. This project is in the very early stages and a feasibility study is currently being conducted.
- Civic Center Refrigeration and Floor Renovations (2019-11): The City has contracted with B32 Engineering Group to conduct a study to evaluate feasible refrigerant replacement options and technology and identify systems that will best serve the facility and the City for the next 30 years. The existing system uses R-22 refrigerant which is scheduled to be phased-out of production by the year 2020.

### Design Phase:

- Downtown Fire Station (2018-16): The City has contracted with Short Elliott Hendrickson (SEH) to provide architectural services and project oversight for the design and construction of a new downtown fire station. The existing station no longer meets the needs of the Buffalo Fire Department. Total estimated project cost is \$8.1 million. This project will be partially funded by a reserve of fire charge revenue with bond proceeds covering the remaining amount. Bonds were issued in 2019 with the remainder planned to be issued in 2020.
- Centennial Fire Station Training Tower (2019-14): The City has contracted with Short Elliott Hendrickson (SEH) to provide architectural services and project oversight for the design and construction of a fire training tower to be located at the Centennial Fire Station. This project is to be bid out in 2020 with project (2018-16) Downtown Fire Station.

- Street Maintenance Improvements - 2020 (2020-1):  
In conjunction with the City's pavement management plan, areas are being identified for a pavement management preservation project in 2020.

### Construction Phase:

- Retaining Wall Improvements (2015-7B) ~ CSAH 35:  
Improvements to the retaining wall on CSAH 35 are planned with Wright County in 2020. Current project estimate is \$690,000 with Wright County funding 50%. Funding is provided by bond proceeds from Series 2015A.
- Douglas Drive Reconstruction (2018-5A):  
Improvements are planned in the Douglas Drive Area to address deficiencies identified in the combined condition of streets, watermain and sanitary sewer system. A full street and utility reconstruction is recommended as the most cost effective, long term solution. The total estimated project cost is \$1,700,000 and is funded with proceeds from bond Series 2019B. A portion of this project was started in 2019 but will be finished in 2020 due to weather related construction delays.
- SE Area Phase 3 – 2<sup>nd</sup> Street S. and 3<sup>rd</sup> Ave. S. (2018-5B):  
Over the past few years, improvements have been made to one of the City's oldest areas, the SE Area. The third and final phase of these improvements started in 2019. Due to weather related construction delays, remaining work for this project will be completed in 2020. The watermain and sanitary sewer systems are nearly 80 years old. Due to the combined condition of the streets, watermain and sanitary sewer system in this area, a full street and utility reconstruction is recommended. The total estimated project cost is \$1,600,000 and is funded with proceeds from bond Series 2019B.



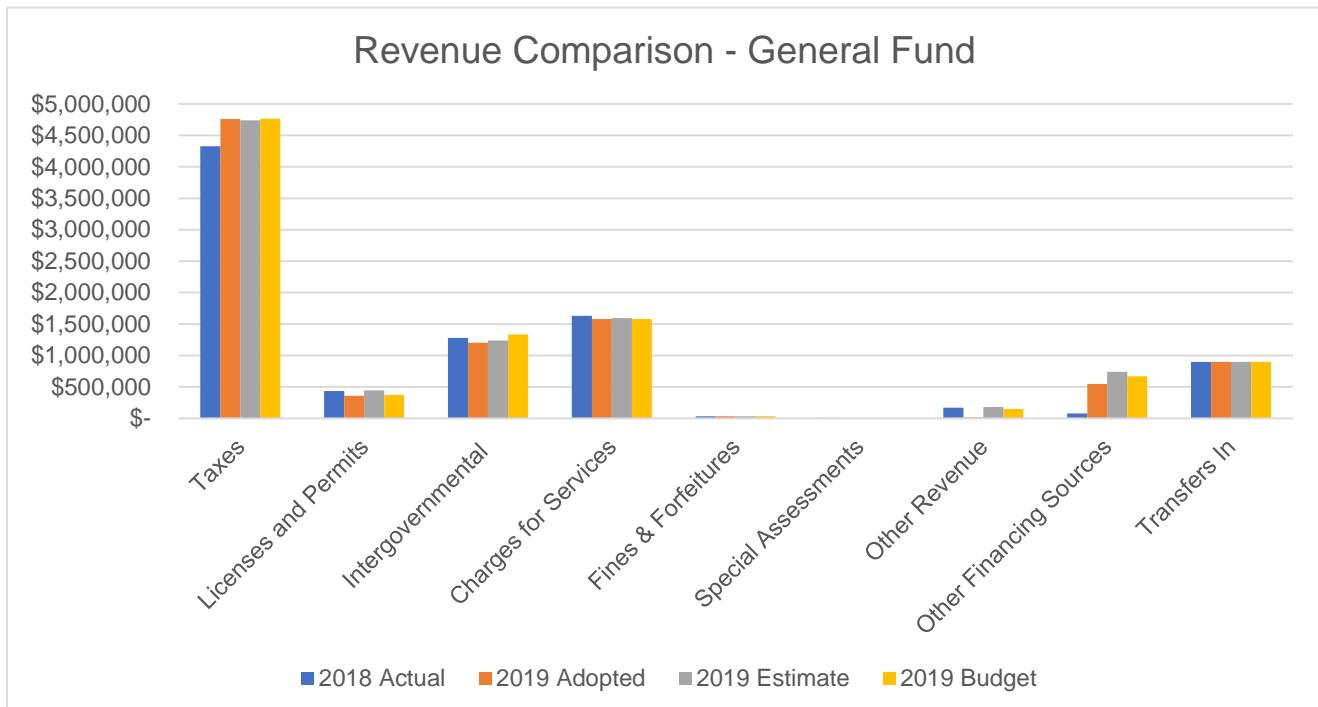
## 2020 Annual Budget

---

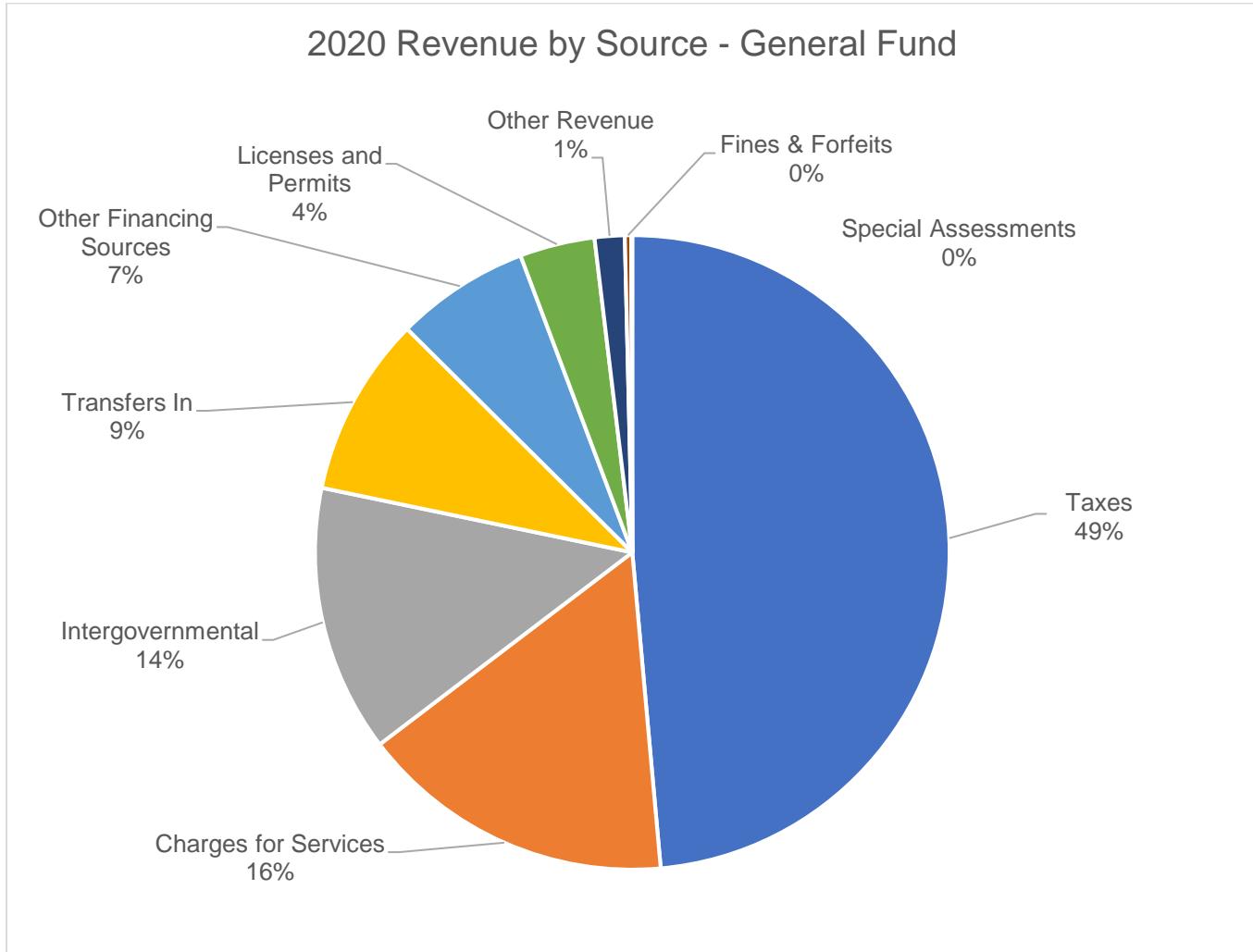
### General Fund

## REVENUE COMPARISON – GENERAL FUND (100)

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Taxes	4,329,843	4,758,162	4,740,837	4,764,809
Licenses and Permits	432,679	357,795	447,200	375,250
Intergovernmental	1,279,532	1,203,219	1,238,137	1,335,639
Charges for Services	1,632,778	1,581,887	1,597,537	1,577,930
Fines & Forfeitures	30,613	32,000	35,250	32,000
Special Assessments	5,810	5,000	2,550	5,000
Other Revenue	168,969	17,000	182,197	150,000
Other Financing Sources	78,957	547,000	741,198	669,580
Transfers In	900,305	900,000	900,000	900,000
<b>Total Revenues &amp; Other Sources</b>	<b>\$8,859,486</b>	<b>\$9,402,063</b>	<b>\$9,884,906</b>	<b>\$9,810,208</b>

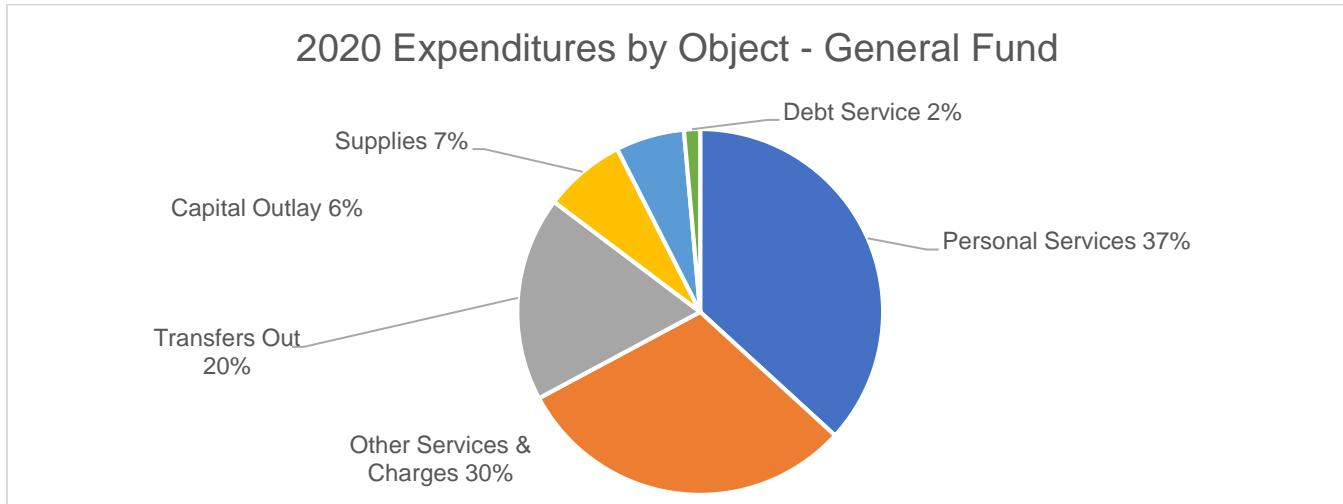
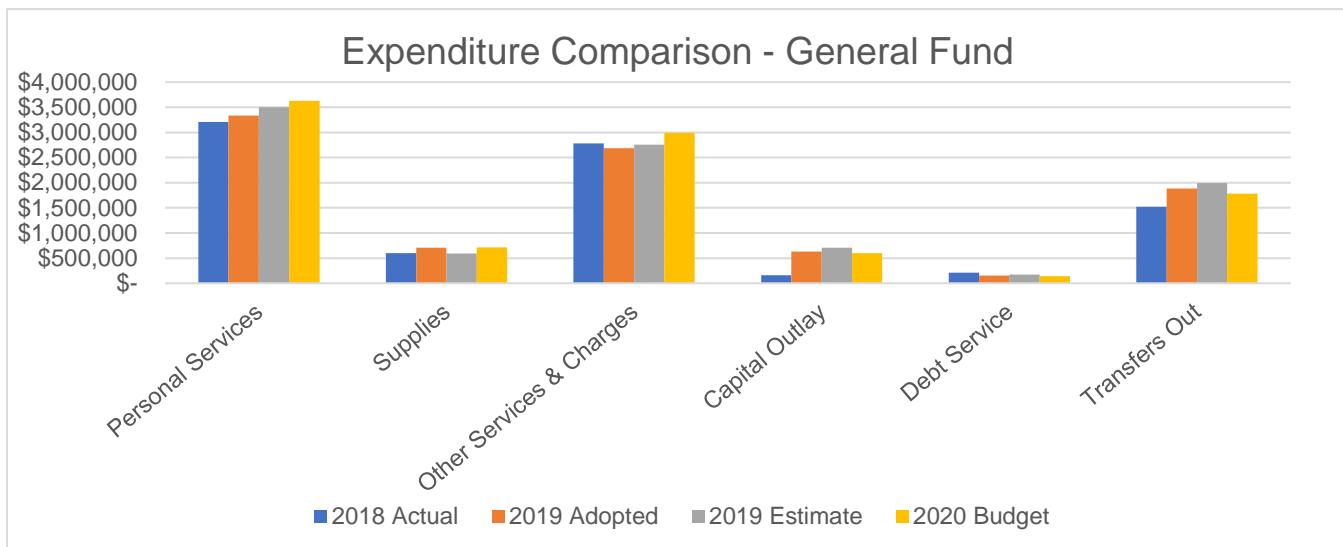


## REVENUE COMPARISON – GENERAL FUND (100)



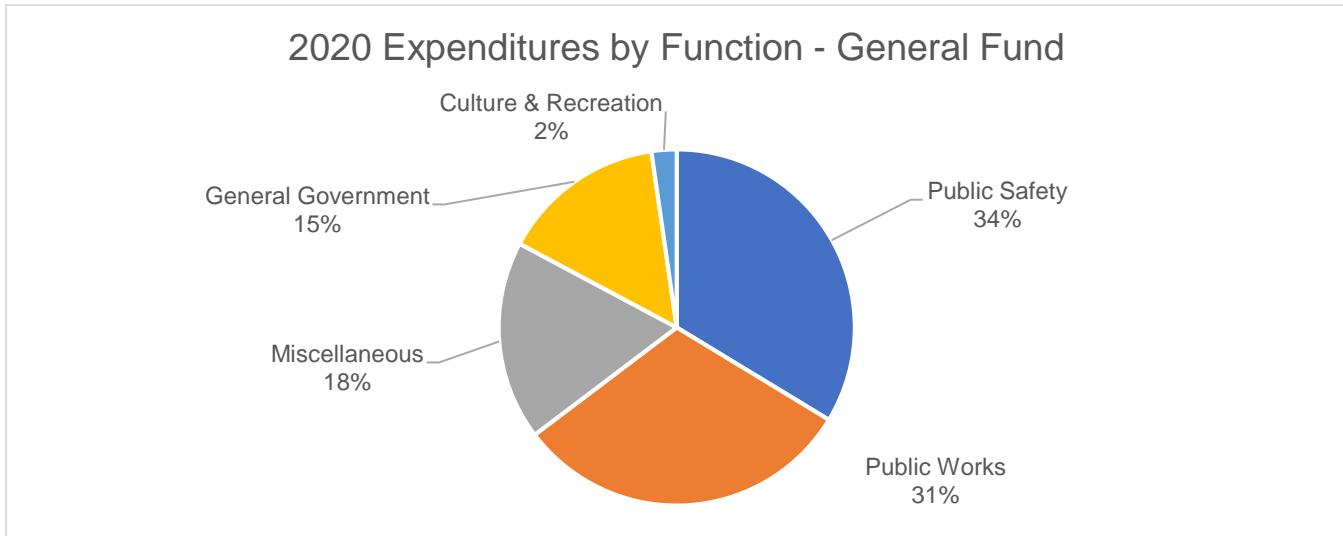
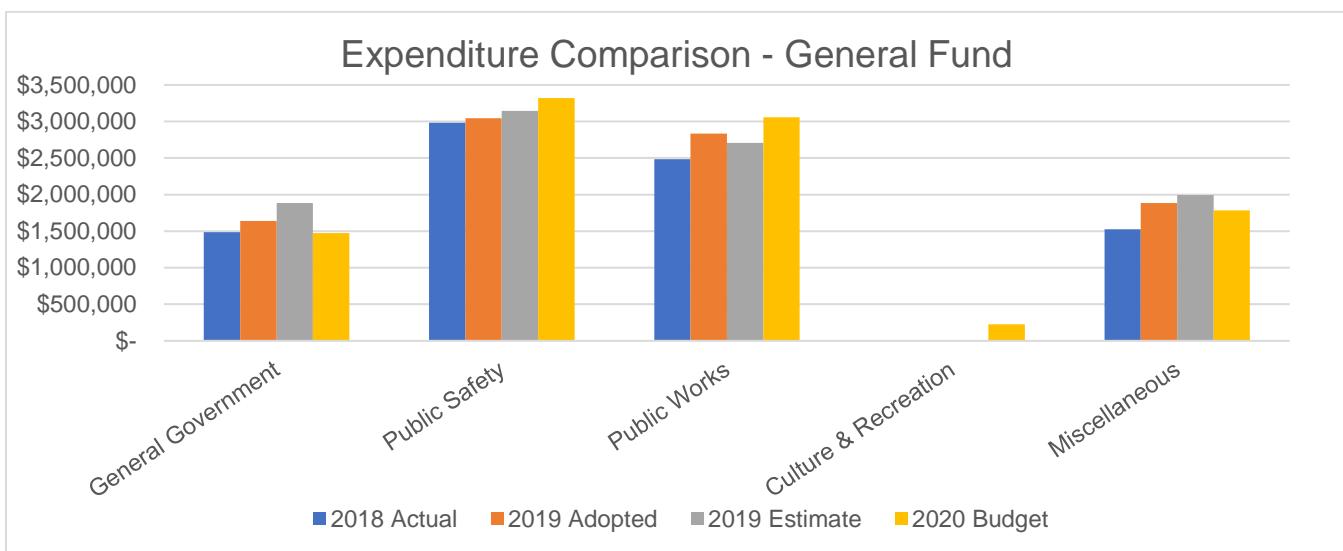
**EXPENDITURE COMPARISON – GENERAL FUND (100)**  
**BY OBJECT**

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Personal Services	3,206,489	3,334,976	3,504,933	3,628,464
Supplies	596,224	704,205	593,543	712,740
Other Services & Charges	2,784,890	2,690,299	2,757,564	2,994,909
Capital Outlay	156,990	631,759	708,277	598,080
Debt Service	211,293	155,347	174,025	140,623
Transfers Out	1,524,010	1,885,477	1,994,490	1,784,198
<b>Total Expenditures &amp; Other Uses</b>	<b>\$8,479,896</b>	<b>\$9,402,063</b>	<b>\$9,732,832</b>	<b>\$9,859,014</b>



**EXPENDITURE COMPARISON – GENERAL FUND (100)  
BY FUNCTION**

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
General Government	1,486,758	1,639,266	1,883,716	1,471,690
Public Safety	2,985,374	3,043,511	3,146,804	3,320,842
Public Works	2,483,754	2,833,809	2,707,822	3,057,791
Culture & Recreation	-	-	-	224,493
Miscellaneous	1,524,010	1,885,477	1,994,490	1,784,198
<b>Total Expenditures &amp; Other Uses</b>	<b>\$8,479,896</b>	<b>\$9,402,063</b>	<b>\$9,732,832</b>	<b>\$9,859,014</b>



**2020 BUDGET SUMMARY –GENERAL FUND  
FUND 100**

**STATEMENT OF REVENUES, EXPENDITURES & CHANGE IN FUND BALANCE**

Description	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
<b>Revenues</b>				
Taxes	4,329,843	4,758,162	4,740,837	4,764,809
Licenses and Permits	432,679	357,795	447,200	375,250
Intergovernmental	1,279,532	1,203,219	1,238,137	1,335,639
Charges for Services	1,632,778	1,581,887	1,597,537	1,577,930
Fines & Forfeitures	30,613	32,000	35,250	32,000
Special Assessments	5,810	5,000	2,550	5,000
Other Revenue	168,969	17,000	182,197	150,000
<b>Total Revenues</b>	<b>7,880,224</b>	<b>7,955,063</b>	<b>8,243,708</b>	<b>8,240,628</b>
<b>Other Sources</b>				
Other Financing Sources	78,957	547,000	741,198	669,580
Transfers In	900,305	900,000	900,000	900,000
<b>Total Revenue &amp; Other Sources</b>	<b>\$8,859,486</b>	<b>\$9,402,063</b>	<b>\$9,884,906</b>	<b>\$9,810,208</b>
<b>Expenditures</b>				
Personal Services	3,206,489	3,334,976	3,504,933	3,628,464
Supplies	596,224	704,205	593,543	712,740
Other Services & Charges	2,784,890	2,690,299	2,757,564	2,994,909
Capital Outlay	156,990	631,759	708,277	598,080
Debt Service	211,293	155,347	174,025	140,623
<b>Total Expenditures</b>	<b>6,955,886</b>	<b>7,516,586</b>	<b>7,738,342</b>	<b>8,074,816</b>
<b>Other Uses</b>				
Transfers Out	1,524,010	1,885,477	1,994,490	1,784,198
<b>Total Expenditure &amp; Other Uses</b>	<b>\$8,479,896</b>	<b>\$9,402,063</b>	<b>\$9,732,832</b>	<b>\$9,859,014</b>
<b>Change in Fund Balance</b>	<b>\$379,590</b>	<b>-</b>	<b>\$152,074</b>	<b>(\$48,806)</b>
<b>Fund Balance, January 1</b>	<b>\$4,986,993</b>	<b>\$5,366,584</b>	<b>\$5,366,584</b>	<b>\$5,518,658</b>
<b>Fund Balance, December 31</b>	<b>\$5,366,584</b>	<b>\$5,366,584</b>	<b>\$5,518,658</b>	<b>\$5,469,852</b>

Fund: General - 100

Function: General Government

Department: Mayor and Council

---

#### Description of Services:

The legislative body of city government is the City Council. Comprised of four council members and the mayor, the City Council is responsible for enacting ordinances, adopting the yearly budget and establishing basic policies of the city. They are also responsible for appointing the city administrator, and members of the city advisory commissions. The mayor and council members are elected at large. The mayoral term is for two years, while council members are elected for overlapping four-year terms.

#### Budget Summary:

The council's budget remains consistent with previous years. The Mayor earns \$7,500 per year and each council member earns \$5,000. Other services & charges includes the addition of an internal user charge for IT services.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Personal Services	34,340	34,986	34,986	34,986	0.0%
Supplies	-	-	-	-	0.0%
Other Service & Charges	23,161	36,100	21,286	46,794	29.6%
Capital Outlay	-	-	-	-	0.0%
Debt Service	1,249	411	415	-	-100.0%
<b>Total</b>	<b>\$58,750</b>	<b>\$71,497</b>	<b>\$56,687</b>	<b>\$81,780</b>	<b>14.4%</b>

Fund: General - 100

Function: General Government

Department: City Clerk

---

#### Description of Services:

The city clerk is responsible for administering elections, maintaining official records, updating city code, improving records management and data practices, and serving as the data practices compliance officer and responsible authority.

#### Budget Summary:

Due to City growth, a separate city clerk position was created in 2019. Prior to 2019, the duties of the city clerk fell under the city administrator. The 2020 budget for other services and charges includes IT allocation charges and appropriations to have the City Code updated.

#### Revenues/Expenditures by Use:

<b>Expenditures</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	-	-	45,908	109,684	100.0%
Supplies	-	-	1,625	2,325	100.0%
Other Service & Charges	-	-	120	26,019	100.0%
Capital Outlay	-	-	-	-	100.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>\$47,653</b>	<b>\$138,028</b>	<b>100.0%</b>

Fund: General - 100

Function: General Government

Department: Elections

---

#### Description of Services:

This department provides for the registration of voters and conducts all elections according to local ordinances and state law. This includes administration of precincts, filing of local offices, proofing ballots, publishing all required legal notices, coordination of election judge staff, provide residents with important voting information and ensure all elections are fair and accurate.

#### Budget Summary:

The Election budget fluctuates and coincides with election years. For 2020, there are two primary and one general election scheduled. To aid in processing absentee ballots and early voters, along with the additional primary election, the 2020 budget includes appropriations for additional staff and supplies.

#### Revenues/Expenditures by Use:

<b>Expenditures</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	4,920	-	-	9,301	100.0%
Other Service & Charges	15,581	2,500	2,500	28,500	1040.0%
Capital Outlay	-	-	-	-	0.0%
<b>Total</b>	<b>\$20,501</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$37,801</b>	<b>1412.0%</b>

Fund: General - 100

Function: General Government

Department: Administration

---

#### Description of Services:

The City Administration Department is the general administrative unit of the City government. As such, it oversees all city operations and activities as directed by the City Council. Primary responsibilities include:

- directing the administration of City affairs.
- enforcing laws, City ordinances and resolutions as adopted by the governing body.
- ensuring services are delivered in a cost-effective, efficient and high-quality manner.
- prepare the agenda and materials for council meetings as well as regular and special management reports.
- advise the Council on policy matters and oversees the preparation of the annual budget and capital improvement plan for adoption by the City Council.
- direct certain facets of personnel; Labor contracts, employment hires, benefit registration, etc.

This department also encompasses financial administration, assessing, general engineering and the City Attorney. The City contracts with Wright County for assessing, Bolton & Menk for engineering services and Jovanovich, Kadlec & Athmann for legal services.

#### Budget Summary:

- Pending development and planned projects caused an increase in engineering expenditures. This is expected to continue in 2020.
- Administration of the tax abatement agreement entered into in 2016 is included in the department budget. A payment of \$19,791 is planned for 2020.
- Other services & charges includes the addition of an internal user charge for IT services.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	361,653	383,618	404,197	417,436	8.8%
Supplies	22,359	22,440	27,388	26,670	18.9%
Other Service & Charges	378,530	362,247	371,302	388,851	7.3%
Capital Outlay	-	38,937	38,937	-	-100.0%
<b>Total</b>	<b>\$762,524</b>	<b>\$807,242</b>	<b>\$841,824</b>	<b>\$832,957</b>	<b>3.2%</b>

Fund: General - 100

Function: General Government

Department: Engineering

---

**Description of Services:**

The Engineering budget covers engineering functions related to maintaining mapping and geographic information system (GIS) data.

The City contracts with Bolton & Menk to perform general engineering services, including working with the State of Minnesota and Wright County, responding to citizen and staff requests, and general engineering functions. This activity is charged out under administration.

**Budget Summary:**

Other services & charges includes the addition of an internal user charge for IT services. There are no major budget changes for 2020.

**Revenues/Expenditures by Use:**

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	76,004	79,335	77,470	80,403	1.3%
Supplies	1,897	2,775	1,830	2,775	0.0%
Other Service & Charges	11,458	15,300	13,876	19,494	27.4%
Capital Outlay	-	-	6,000	-	0.0%
<b>Total</b>	<b>\$89,360</b>	<b>\$97,410</b>	<b>\$99,176</b>	<b>\$102,672</b>	<b>5.4%</b>

Fund: General - 100

Function: General Government

Department: MIS

---

#### Description of Services:

This department is responsible for the continued operations of the city's information technology equipment. The department also aids computer users to provide timely, accurate and meaningful data for program monitoring and decision-making.

#### Budget Summary:

Major upgrades were made to aging servers and other infrastructure in 2019, requiring the assistance of outside vendors.

Beginning in 2020, all MIS appropriations are being moved out of the General fund and into an internal service fund that will be operated under a cost-reimbursement basis. All funds & departments within the City will reimburse MIS for services provided.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	% of
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Total Budget</b>
Personal Services	138,081	143,533	159,339	-	-100.0%
Supplies	1,897	3,625	413	-	-100.0%
Other Service & Charges	118,809	70,450	213,722	-	-100.0%
Capital Outlay	6,831	225,000	290,468	-	-100.0%
Debt Service	30,333	5,248	5,296	-	-100.0%
<b>Total</b>	<b>\$295,952</b>	<b>\$447,856</b>	<b>\$669,238</b>	<b>\$ -</b>	<b>100.00%</b>

Fund: General - 100

Function: General Government

Department: Transportation

---

#### Description of Services:

The City provides a transportation alternative for weeknight transportation within Buffalo City limits through Buffalo Allied Transit (BAT). This program runs in conjunction with Trailblazer Transit. This department also incurs expenditures related to the City's share of Wright County Area Transportation (WCAT) capital costs.

#### Budget Summary:

Prior to 2018 the BAT program's primary expenditures consisted of bus rental and wages and benefits for two drivers. Going forward, the City has entered into an agreement with Trailblazer Transit/SMART-RIDE to provide both equipment and staff.

The WCAT joint powers agreement was dissolved at the end of 2018 with Wright County taking over operation in 2019.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	927	-	-	-	0.00%
Supplies	-	-	-	-	0.00%
Other Service & Charges	64,467	42,400	11,531	15,650	-56.0%
Capital Outlay	-	-	-	-	0.00%
<b>Total</b>	<b>\$65,394</b>	<b>\$42,400</b>	<b>\$11,531</b>	<b>\$18,650</b>	<b>-56.0%</b>

Fund: General - 100

Function: General Government

Department: Planning & Zoning

---

#### Description of Services:

The Planning and Zoning department is responsible for preparing and implementing the comprehensive plan and coordinating the overall development of the City. This includes developing proposals for public improvements, drafting zoning ordinances and processing applications such as rezoning, variances, and conditional use permits.

#### Budget Summary:

The 2020 budget includes \$60,000 for an update to the City's comprehensive plan. Other services & charges includes the addition of an internal user charge for IT services.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	123,171	126,361	122,193	143,561	13.6%
Supplies	-	-	-	75	100.0%
Other Service & Charges	71,088	44,000	32,914	119,166	170.8%
Capital Outlay	-	-	-	-	0.00%
<b>Total</b>	<b>\$194,259</b>	<b>\$170,361</b>	<b>\$155,107</b>	<b>\$262,802</b>	<b>54.3%</b>

Fund: General - 100

Function: Public Safety

Department: Police Protection

---

#### Description of Services:

The City of Buffalo is one of only three cities to operate their own police department in Wright County. The Police Department is responsible for:

- the protection of life and property and an atmosphere of community security through the deterrence of criminal activity by visible patrols.
- the enforcement of traffic laws.
- the apprehension of criminal offenders.
- emergency response services.
- the delivery of other community services such as animal control and school liaison.



Buffalo Police Department is staffed by 21 personnel consisting of 17 Officers, 3 Administrative and 1 Community Service Officer. The officer breakdown is 1 Chief, 2 Sergeants, 2 Detectives and 12 Patrol Officers.

Buffalo Hanover Montrose School District - ISD 877 contracts with the City of Buffalo to provide a licensed police officer at the high school to service as a liaison between the school and its students.

#### Budget Summary:

Other services & charges includes the addition of an internal user charge for IT services. Capital Outlay includes the acquisition and replacement of two squad vehicles and an upgrade to the facility security system.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	1,842,510	1,915,602	1,962,127	2,070,808	8.1%
Supplies	101,841	96,165	107,977	100,795	4.8%
Other Service & Charges	296,135	272,700	279,989	399,251	46.4%
Capital Outlay	56,092	96,322	126,533	96,080	-.03%
Debt Service	64,258	53,314	60,618	51,547	-3.3%
<b>Total</b>	<b>\$2,360,836</b>	<b>\$2,434,103</b>	<b>\$2,537,244</b>	<b>\$2,718,481</b>	<b>11.7%</b>

Fund: General - 100

Function: Public Safety

Department: Fire Protection

---

#### Description of Services:

The Buffalo Fire Department responds to all fire and emergency medical incidents in the City of Buffalo and other surrounding rural areas. The department is supported by paid on-call volunteer firefighters. The City's share of the cost to provide fire protection is expensed in the General Fund and reported as revenue in the Fire Fund. The Fire department's operating revenues, expenditures and capital outlay are also accounted for in the Fire Fund, which is a special revenue fund.

#### Budget Summary:

2019 included the replacement of a fire truck. Construction of a new downtown fire station is planned for 2020. To aid in funding, a 4% increase in fire charges is planned with the City's share decreasing by 3% in 2020. The remaining amount of the increase is charged out to the other four townships serviced by the Buffalo Volunteer Fire Department. The allocation of charges is based on a 4 year history of market value, # of fire calls, and share of debt service for the new fire station.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Other Service & Charges	393,129	440,465	443,825	425,775	-3.3%
<b>Total</b>	<b>\$393,129</b>	<b>\$440,465</b>	<b>\$443,825</b>	<b>\$425,775</b>	<b>-3.3%</b>

Fund: General - 100

Function: Public Safety

Department: Building Inspection

---

#### Description of Services:

This department inspects all new and remodeled construction within the city by a state certified building inspector. The City of Buffalo contracts with Metro West Inspections for building inspection services.

#### Budget Summary:

Building Inspection services were previously budgeted under the Administration department. To be more consistent with financial reporting and the MN State Uniform Chart of Accounts, this activity was moved to its own department. Data from 2018 actual and the 2019 budget was pulled out of Administration for comparison.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Other Service & Charges	227,567	166,093	165,413	173,735	4.6%
<b>Total</b>	<b>\$227,567</b>	<b>\$166,093</b>	<b>\$165,413</b>	<b>\$173,735</b>	<b>4.6%</b>

Fund: General - 100

Function: Public Safety

Department: Civil Defense

---

#### Description of Services:

This department maintains a state of emergency preparedness in case of natural disaster, unusual occurrences, or all-out war. Its primary purpose is to coordinate other city departments or governmental units in the safeguarding of life and property during and following such emergencies. While Wright County handles most of the emergency preparedness planning for the area, the City's civil defense budget is for the operation and maintenance of its emergency sirens.

The City of Buffalo Police Chief is responsible for ongoing maintenance, operational and future capital outlay needs. There are six emergency sirens located within the City. Three are owned and operated by the City. The other three are owned and operated by Xcel Energy.

#### Budget Summary:

Unplanned maintenance and repairs were necessary in 2018. There are no major changes planned for 2020.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Other Service & Charges	3,842	2,850	322	2,850	0.0%
Capital Outlay	-	-	-	-	0.0%
<b>Total</b>	<b>\$3,842</b>	<b>\$2,850</b>	<b>\$322</b>	<b>\$2,850</b>	<b>0.0%</b>

Fund: General - 100

Function: Public Works

Department: Streets

Division: Street Maintenance

---

#### Description of Services:

The street department maintains approximately 72 miles of streets and roadways within the city. Tasks include street surfacing and repairs, street cleaning, snow and ice removal, storm sewers and traffic regulating device installation and maintenance. Staffing for storm sewer, trail Maintenance, compost and snow removal are provided by the street department but accounted for in separate divisions.

#### Budget Summary:

Personal services expenditures may fluctuate from year to year as the street department shares its personnel with storm sewer, trail maintenance, compost, snow removal and the parks departments. Personnel also aid other departments. Wages and benefits are allocated according to the amount of time spent in each department.

The 2020 capital budget includes the acquisition of a street sweeper and a portion of a Jetter & Vac-Combo Truck to be shared with the wastewater department.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Personal Services	499,655	535,540	531,643	522,611	-2.4%
Supplies	404,435	464,200	390,184	463,450	-0.2%
Other Service & Charges	243,378	267,350	243,822	286,228	7.1%
Capital Outlay	79,942	271,500	246,339	482,000	77.5%
Debt Service	114,570	96,374	107,696	89,076	-7.6%
<b>Total</b>	<b>\$1,341,980</b>	<b>\$1,634,964</b>	<b>\$1,519,684</b>	<b>\$1,843,365</b>	<b>12.7%</b>

Fund: General - 100

Function: Public Works

Department: Streets

Division: Trail Maintenance

---

Description of Services:

The Street Department is responsible for maintaining approximately 45 miles of trails within the city limits.

Budget Summary:

Personal services expenditures may fluctuate from year to year as personnel is shared with other departments/divisions. Wages and benefits are allocated according to the amount of time spent in each department.

The 2020 capital budget includes a trail connection from Bella Vista to Varner Way.

Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Personal Services	7,983	10,965	3,466	6,436	-41.3%
Supplies	6,512	40,000	10,000	30,000	-25.0%
Other Service & Charges	-	-	-	-	0.0%
Capital Outlay	-	-	-	20,000	100.0%
<b>Total</b>	<b>\$14,495</b>	<b>\$50,965</b>	<b>\$13,466</b>	<b>\$56,436</b>	<b>10.7%</b>

Fund: General - 100

Function: Public Works

Department: Streets

Division: Storm Sewer

---

#### Description of Services:

The Street Department is responsible for maintaining the stormwater collection system. Storm sewers collect rainwater runoff from streets and other impervious surfaces and drain them into lakes or other natural wetlands. Larger projects relating to storm sewer are accounted for in a capital project fund.

#### Budget Summary:

Personal services expenditures may fluctuate from year to year as personnel is shared with other departments/divisions. Wages and benefits are allocated according to the amount of time spent in each department.

There are no major budget changes for 2020

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	10,207	12,952	10,454	7,032	-45.7%
Supplies	57,283	75,000	54,126	70,000	-6.7%
Other Service & Charges	13,601	24,544	9,711	18,594	-24.2%
Capital Outlay	14,125	-	-	-	0.0%
<b>Total</b>	<b>\$95,217</b>	<b>\$112,496</b>	<b>\$74,291</b>	<b>\$95,626</b>	<b>-15.0%</b>

Fund: General - 100

Function: Public Works

Department: Streets

Division: Compost

---

#### Description of Services:

The City maintains a compost facility accessible from Spring – Fall. Residents or businesses within the City limits may bring in acceptable deposits and take out composted materials.

#### Budget Summary:

Personal services expenditures may fluctuate from year to year as personnel is shared with other departments/divisions. Wages and benefits are allocated according to the amount of time spent in each department.

There are no major budget changes for 2020.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	19,977	17,236	20,727	17,809	3.3%
Supplies	-	-	-	-	0.0%
Other Service & Charges	11,375	25,250	20,214	25,250	0.0%
Capital Outlay	-	-	-	-	0.0%
<b>Total</b>	<b>\$31,352</b>	<b>\$42,486</b>	<b>\$40,941</b>	<b>\$43,059</b>	<b>1.3%</b>

Fund: General - 100

Function: Public Works

Department: Streets

Division: Snow Removal

#### Description of Services:

The Street Department provides snow removal services for 72 miles of city streets and 45 miles of trails. Effort is made to clear City streets within 24 hours of the start of a snowfall. This requires approximately 12 hours of operations for a normal snowfall of 2 to 6 inches, beginning with arterials followed by residential and cul-de-sac streets. Ice control is ordered as conditions warrant.



#### Budget Summary:

Actual expenditures fluctuate heavily depending on the amount and frequency of winter precipitation. There are no major budget changes for 2020.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Personal Services	87,059	74,848	132,423	74,848	0.0%
<b>Total</b>	<b>\$87,059</b>	<b>\$74,848</b>	<b>\$132,423</b>	<b>\$74,848</b>	<b>0.0%</b>

Fund: General - 100

Function: Public Works

Department: Sanitation

---

#### Description of Services:

The City of Buffalo contracts with an outside vendor to facilitate and organize garbage and recycling collection for residential service only. Residents are charged a monthly fee for the disposal of waste material and recycling collected by a third-party refuse hauler. The garbage and recycling fees charged to residents are used to pay the contracted hauling and disposal service and related expenditures. The City handles all customer service duties related to the residential refuse and recycling service.

#### Budget Summary:

The City currently has a service contract with Randy's Sanitation that runs through December 31, 2021. The overall cost fluctuates based on the number & size of carts being utilized by City of Buffalo residents. There is a scheduled rate increase of 2% for both garbage and recycling collection for 2020.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	-	-	-	-	0.0%
Supplies	-	-	-	-	0.0%
Other Services & Charges	912,768	918,050	927,017	944,458	2.9%
Capital Outlay	-	-	-	-	0.0%
Debt Service	884	-	-	-	0.0%
<b>Total</b>	<b>\$913,652</b>	<b>\$918,050</b>	<b>\$927,017</b>	<b>\$944,458</b>	<b>2.9%</b>

Fund: General - 100

Function: Culture & Recreation

Department: Community Center

---

#### Description of Services:

The community center budget is for the operation and maintenance of the Buffalo Community Center. Senior programs are provided to enhance the quality of life, promote wellness, and sustain independence and creative potential through life-long learning. Programming offered includes exercise classes, Tai Chi, Choir & pianist, Line Dance, Toy shop and Bison Fishing Forever to name a few.

#### Budget Summary:

Prior to 2020, community center activity was internally maintained in a separate fund (fund 260) but externally reported as a part of the City's general fund. The fund did not meet the criteria of a special revenue fund under GASB 54. To more consistent with the City's financial reporting the 2020 budget includes the community center activity in the general fund (fund 100).

There are no major operating changes in 2020.

#### Expenditures by Use:

Expenditures	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget	% Change
Personal Services	-	-	-	133,549	100.0%
Supplies	-	-	-	16,650	100.0%
Other Service & Charges	-	-	-	74,294	100.0%
Capital Outlay	-	-	-	-	100.0%
<b>Total</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$224,493</b>	<b>100.0%</b>

Fund: General - 100

Function: Miscellaneous

Department: Transfers Out

#### Description of Services:

Transfers to other funds are accounted for in this department.

#### Budget Summary:

The general fund budget typically includes operating transfers to other funds: park, library, airport and community center. A transfer to the civic center started in 2017.

Transfers to debt service funds are budgeted to pay bonds for which storm sewer revenue was pledged for repayment.

Beginning in 2020, the community center is budgeted in the general fund, so a transfer is no longer needed.

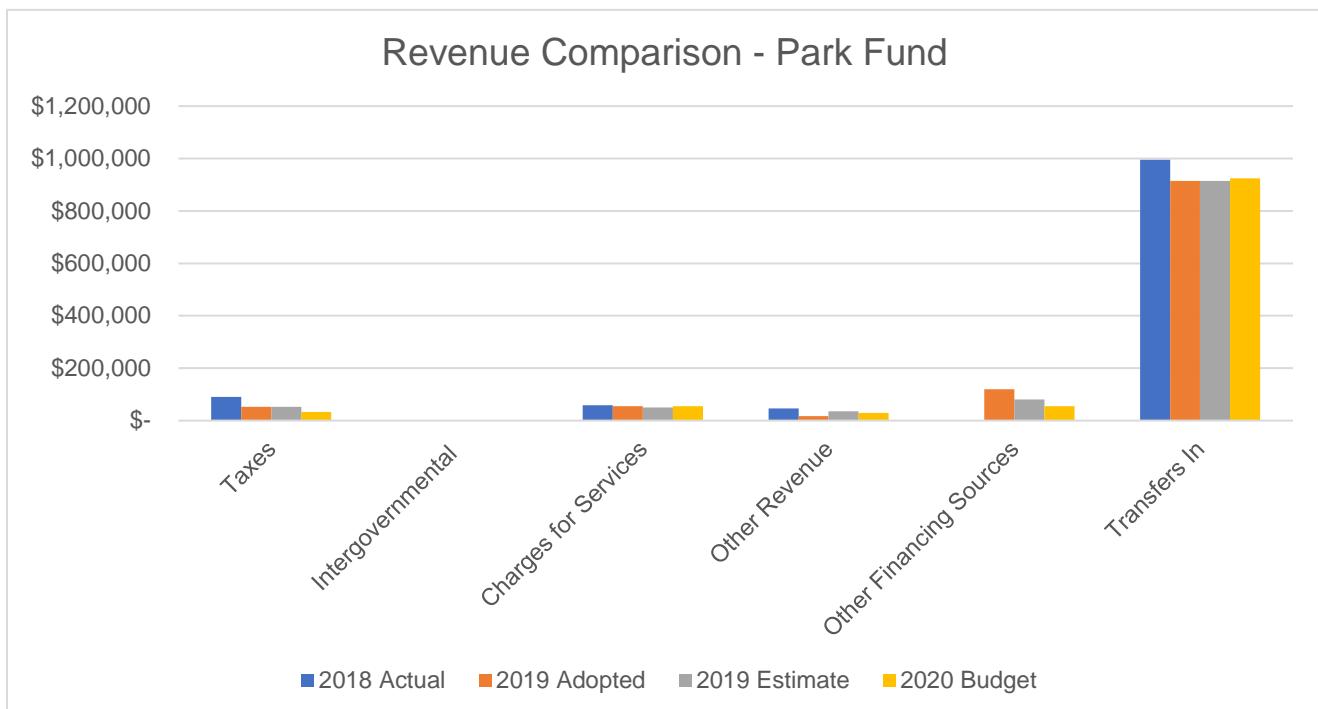
#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Transfers out	1,524,010	1,885,477	1,994,490	1,784,198	-5.4%
<b>Total</b>	<b>\$1,524,010</b>	<b>\$1,885,477</b>	<b>\$1,994,490</b>	<b>\$1,784,198</b>	<b>-5.4%</b>



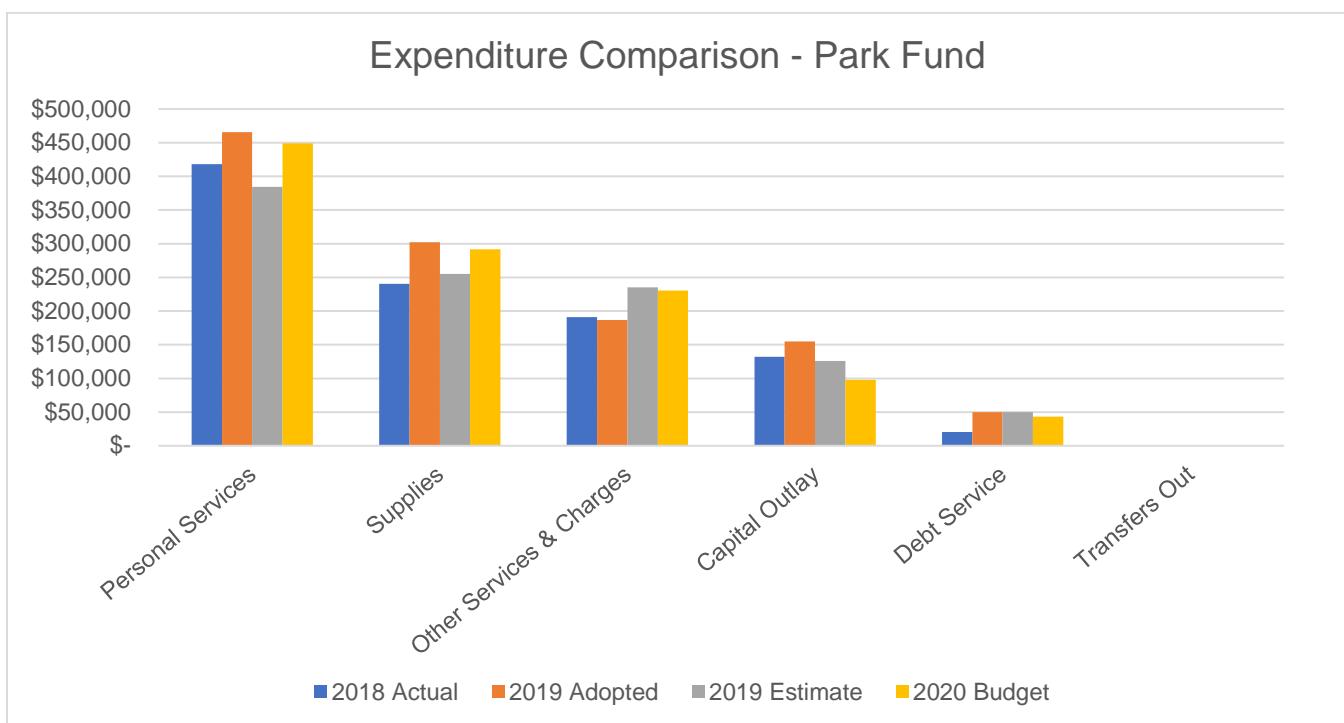
## REVENUE COMPARISON – PARK FUND (200)

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Taxes	90,456	52,383	52,383	33,391
Intergovernmental	-	-	-	-
Charges for Services	58,405	55,000	49,505	55,500
Other Revenue	46,033	16,800	35,940	29,750
Other Financing Sources	1,206	120,000	80,290	55,000
Transfers In	995,000	915,000	915,000	925,000
<b>Total Revenues &amp; Other Sources</b>	<b>\$1,191,662</b>	<b>\$1,159,183</b>	<b>\$1,133,118</b>	<b>\$1,098,641</b>



## EXPENDITURE COMPARISON – PARK FUND (200)

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Personal Services	418,023	465,688	384,556	448,963
Supplies	240,273	302,150	255,208	291,550
Other Services & Charges	191,245	186,580	235,230	230,478
Capital Outlay	132,249	155,000	126,010	98,000
Debt Service	20,414	49,765	49,765	43,025
Transfers Out	-	-	-	-
<b>Total Expenditures &amp; Other Uses</b>	<b>\$1,002,204</b>	<b>\$1,159,183</b>	<b>\$1,050,769</b>	<b>\$1,112,016</b>



**2020 BUDGET SUMMARY –GENERAL FUND  
FUND 200 (PARK)**

**STATEMENT OF REVENUES, EXPENDITURES & CHANGE IN FUND BALANCE**

Description	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
<b>Revenues</b>				
Taxes	90,456	52,383	52,383	33,391
Intergovernmental	-	-	-	-
Charges for Services	58,405	55,000	49,505	55,500
Other Revenue	46,033	16,800	35,940	29,750
<b>Total Revenues</b>	<b>194,894</b>	<b>124,183</b>	<b>137,828</b>	<b>118,641</b>
<b>Other Sources</b>				
Other Financing Sources	1,206	120,000	80,290	55,000
Transfers In	995,000	915,000	915,000	925,000
<b>Total Revenue &amp; Other Sources</b>	<b>\$1,191,662</b>	<b>\$1,159,183</b>	<b>\$1,133,118</b>	<b>\$1,098,641</b>
<b>Expenditures</b>				
Personal Services	418,023	465,688	384,556	448,963
Supplies	240,273	302,150	255,208	291,550
Other Services & Charges	191,245	186,580	235,230	230,478
Capital Outlay	132,249	155,000	126,010	98,000
Debt Service	20,414	49,765	49,765	43,025
<b>Total Expenditures</b>	<b>1,002,204</b>	<b>1,159,183</b>	<b>1,050,769</b>	<b>1,136,251</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditure &amp; Other Uses</b>	<b>\$1,002,204</b>	<b>\$1,159,183</b>	<b>\$1,050,769</b>	<b>\$1,112,016</b>
<b>Change in Fund Balance</b>	<b>\$189,458</b>	-	<b>\$82,349</b>	<b>(\$13,375)</b>
<b>Fund Balance, January 1</b>	<b>(\$484,501)</b>	<b>(\$351,432)</b>	<b>(\$351,432)</b>	<b>(\$269,083)</b>
<b>Fund Balance, December 31</b>	<b>(\$351,432)</b>	<b>(\$351,432)</b>	<b>(\$269,083)</b>	<b>(\$282,458)</b>

Fund: General - 200

Function: Culture & Recreation

Department: Parks

---

#### Description of Services:

The Parks Department maintains the entire City park system. Maintenance tasks include playground and play structures, ball fields, ice rinks, building and shelters, landscaping, trees and plantings, irrigation systems, painting, blacktop repair, trash and litter control, various construction projects, and all turf and seed upkeep. The City of Buffalo Parks system is comprised of green space consisting of 5 regional parks, 19 neighborhood parks, 11 baseball & softball fields and 7 soccer & lacrosse fields.

#### Budget Summary:

The main source of funding for the City's parks is transfers from other funds. The liquor stores are budgeted to transfer \$475,000 in 2020 with the general fund providing the remaining \$450,000. The 2020 capital budget includes the acquisition of a mower to replace aging equipment, a GPS Mosquito Sprayer and tiered seating for the bandshell in Sturges Park.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Taxes	90,456	52,383	52,383	33,391	-36.3%
Intergovernmental	-	-	-	-	0.0%
Charges for Services	58,405	55,000	49,505	55,500	0.9%
Other Revenue	46,033	16,800	35,940	29,750	77.1%
Other Financing Sources	1,206	120,000	80,290	55,000	-54.2%
Transfers In	995,000	915,000	915,000	925,000	1.1%
<b>Total</b>	<b>\$1,191,662</b>	<b>\$1,159,183</b>	<b>\$1,133,118</b>	<b>\$1,098,641</b>	<b>-5.2%</b>

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	382,135	429,895	350,764	413,534	-3.8%
Supplies	227,776	296,300	243,137	277,300	-6.4%
Other Service & Charges	185,592	179,830	227,767	219,391	35.5%
Capital Outlay	132,249	155,000	126,010	98,000	-36.8%
Debt Service	20,414	49,765	49,765	43,025	-13.5%
<b>Total</b>	<b>\$948,166</b>	<b>\$1,110,790</b>	<b>\$997,443</b>	<b>\$1,051,250</b>	<b>-3.2%</b>

Fund: General - 200

Function: Culture & Recreation

Department: Parks

Division: Boat Inspections

---

#### Description of Services:

The City of Buffalo is fortunate to have two lakes within its City limits: Buffalo Lake & Pulaski Lake. To aid in the prevention of aquatic invasive species from entering Lake Pulaski, the City hires and staffs inspectors for the boat landing from Memorial Day to Labor Day. Training is provided by the DNR. The cost is shared by the City and the Lake Improvement District.

#### Budget Summary:

There are no major changes for 2020.

#### Expenditures by Use:

Expenditures	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget	% Total Budget
Personal Services	18,747	17,646	18,679	18,205	3.2%
Supplies	494	500	250	500	0.0%
Other Service & Charges	-	-	-	-	0.0%
<b>Total</b>	<b>\$19,241</b>	<b>\$18,146</b>	<b>\$18,929</b>	<b>\$18,705</b>	<b>3.1%</b>

Fund: General - 200

Function: Culture & Recreation

Department: Parks

Division: Parkshore Pavilion

---

#### Description of Services:

The City offers watercraft rentals and operates concession stands during the summer months at both the Pavilion on Buffalo Lake and Griffing Park on Pulaski Lake. Watercraft available for rent consists of 2 pontoons, 4 fishing boats, 4 paddle boats, 3 canoes, 4 kayaks, and 4 stand-up paddle boards.

#### Budget Summary:

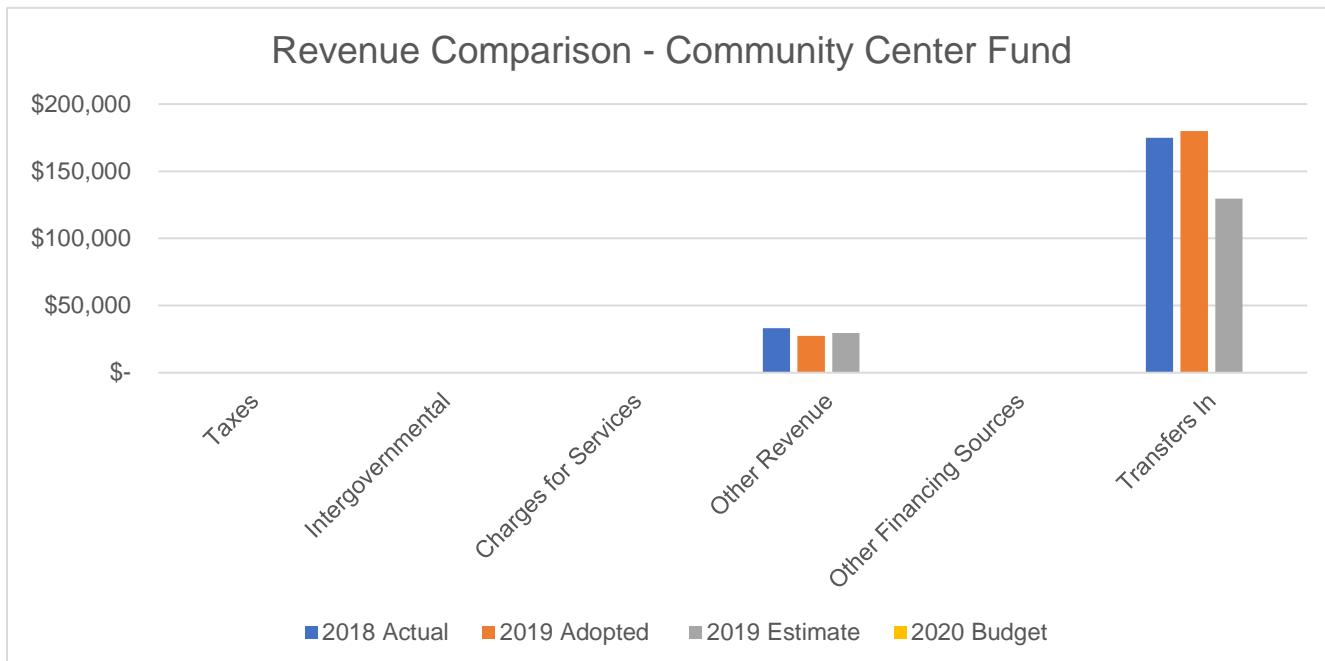
Concession purchases were moved from general park expenditures. Other services & charges includes the addition of an internal user charge for IT services.

#### Expenditures by Use:

Expenditures	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget	% Change
Personal Services	17,141	18,147	15,113	17,224	-5.1%
Supplies	12,497	5,850	12,071	14,250	143.6%
Other Service & Charges	5,159	6,250	7,213	10,587	69.4%
Capital Outlay	-	-	-	-	0.0%
<b>Total</b>	<b>\$34,797</b>	<b>\$30,247</b>	<b>\$34,397</b>	<b>\$42,061</b>	<b>39.1%</b>

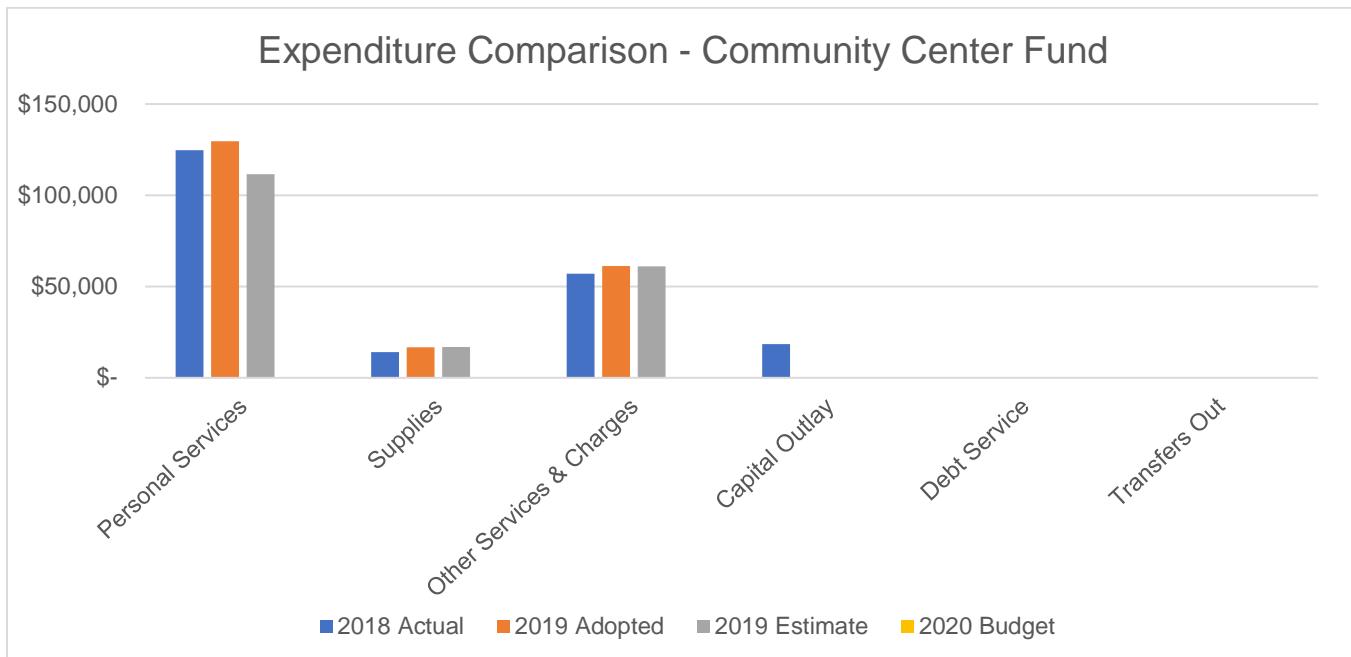
## REVENUE COMPARISON – COMMUNITY CENTER FUND (260)

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	33,103	27,500	29,497	-
Other Financing Sources	-	-	-	-
Transfers In	175,000	180,000	129,616	-
<b>Total Revenues &amp; Other Sources</b>	<b>\$208,103</b>	<b>\$207,500</b>	<b>\$159,113</b>	-



## EXPENDITURE COMPARISON – COMMUNITY CENTER FUND (260)

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Personal Services	124,621	129,600	111,517	-
Supplies	14,024	16,650	16,900	-
Other Services & Charges	57,040	61,250	61,122	-
Capital Outlay	18,481	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Expenditures &amp; Other Uses</b>	<b>\$214,166</b>	<b>\$207,500</b>	<b>\$189,539</b>	-



**2020 BUDGET SUMMARY –GENERAL FUND  
FUND 260 (COMMUNITY CENTER)**

**STATEMENT OF REVENUES, EXPENDITURES & CHANGE IN FUND BALANCE**

Description	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
<b>Revenues</b>				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	33,103	27,500	29,497	-
<b>Total Revenues</b>	<b>33,103</b>	<b>27,500</b>	<b>29,497</b>	<b>-</b>
<b>Other Sources</b>				
Other Financing Sources	-	-	-	-
Transfers In	175,000	180,000	129,616	-
<b>Total Revenue &amp; Other Sources</b>	<b>\$208,103</b>	<b>\$207,500</b>	<b>\$159,113</b>	<b>-</b>
<b>Expenditures</b>				
Personal Services	124,621	129,600	111,517	-
Supplies	14,024	16,650	16,900	-
Other Services & Charges	57,040	61,250	61,122	-
Capital Outlay	18,481	-	-	-
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<b>214,166</b>	<b>207,500</b>	<b>\$189,539</b>	<b>-</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditure &amp; Other Uses</b>	<b>\$214,166</b>	<b>\$207,500</b>	<b>\$189,539</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(\$6,063)</b>	-	<b>(\$30,426)</b>	<b>-</b>
<b>Fund Balance, January 1</b>	<b>\$37,154</b>	<b>\$30,426</b>	<b>\$30,426</b>	<b>-</b>
<b>Fund Balance, December 31</b>	<b>\$30,426</b>	<b>\$30,426</b>	-	-

Fund: General - 260

Function: Culture & Recreation

Department: Community Center

---

#### Description of Services:

The community center budget is for the operation and maintenance of the Buffalo Community Center. Senior programs are provided to enhance the quality of life, promote wellness, and sustain independence and creative potential through life-long learning. Programming offered includes exercise classes, Tai Chi, Choir & pianist, Line Dance, Toy shop and Bison Fishing Forever to name a few.

#### Budget Summary:

Historically the main source of revenue for the community center (fund 260) was an operating transfer from the general fund (fund 100). These two funds were budgeted separate but are reported as a combined general fund in the annual audited financial statements. Beginning in 2020, the community center budget will be a part of the general fund (fund 100).

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Taxes	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	0.0%
Charges for Services	-	-	-	-	0.0%
Other Revenue	33,103	27,500	29,497	-	-100.0%
Transfers In	175,000	180,000	129,616	-	-100.0%
<b>Total</b>	<b>\$208,103</b>	<b>\$207,500</b>	<b>\$159,113</b>	<b>-</b>	<b>-100.0%</b>

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	124,621	129,600	111,517	-	-100.0%
Supplies	14,024	16,650	16,900	-	-100.0%
Other Service & Charges	57,040	61,250	61,122	-	-100.0%
Capital Outlay	18,481	-	-	-	-100.0%
<b>Total</b>	<b>\$214,166</b>	<b>\$207,500</b>	<b>\$189,539</b>	<b>-</b>	<b>-100.0%</b>



CITY OF BUFFALO, MINNESOTA

## 2020 Annual Budget

---

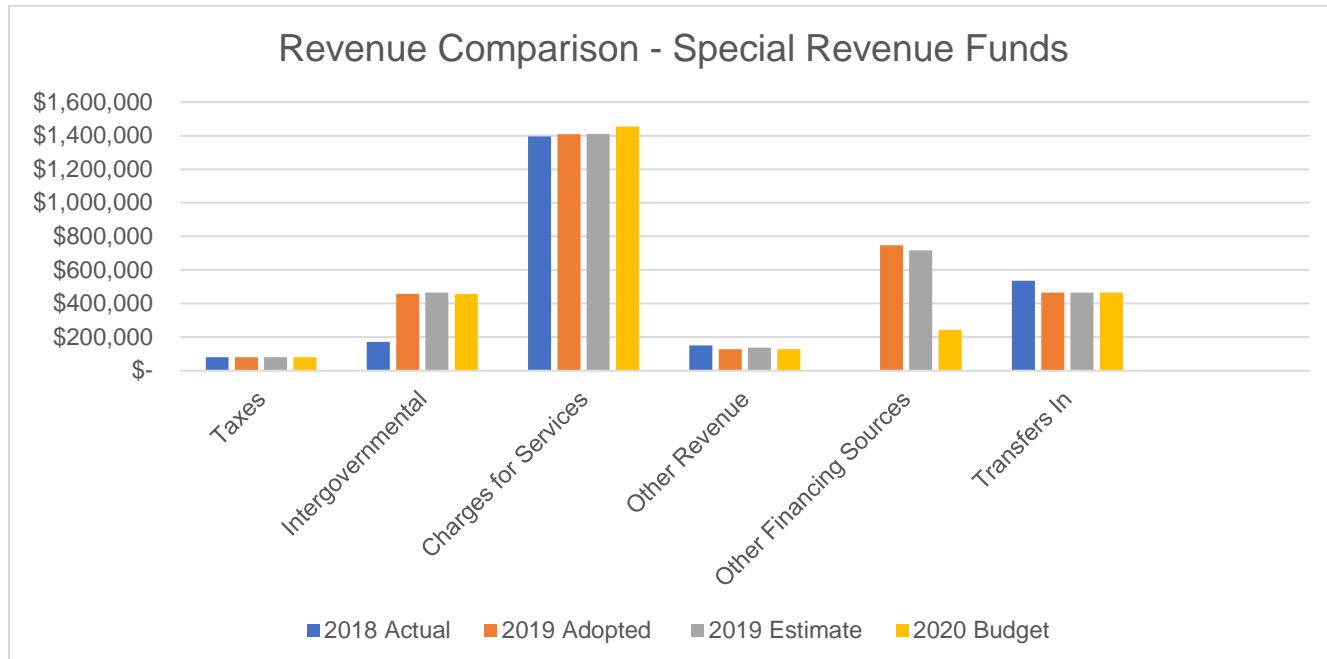
### Special Revenue Funds

**2020 BUDGET SUMMARY – SPECIAL REVENUE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES & CHANGE IN FUND BALANCE**

Description	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
<b>Revenues</b>				
Taxes	81,056	80,628	80,628	80,628
Intergovernmental	171,578	456,882	465,661	457,933
Charges for Services	1,396,048	1,408,721	1,410,574	1,454,670
Other Revenue	151,654	128,300	136,703	127,950
<b>Total Revenues</b>	<b>1,800,336</b>	<b>2,074,531</b>	<b>2,093,566</b>	<b>2,121,181</b>
<b>Other Sources</b>				
Other Financing Sources	-	747,546	716,118	241,646
Transfers In	535,000	465,000	465,000	465,000
<b>Total Revenue &amp; Other Sources</b>	<b>\$2,335,336</b>	<b>\$3,287,077</b>	<b>\$3,274,684</b>	<b>\$2,827,827</b>
<b>Expenditures</b>				
Personal Services	384,699	407,243	407,798	411,215
Supplies	347,588	390,405	543,246	416,700
Other Services & Charges	811,612	809,333	801,622	861,238
Capital Outlay	107,351	1,153,316	1,191,400	690,124
Debt Service	80,407	190,261	193,258	180,056
<b>Total Expenditures</b>	<b>1,731,657</b>	<b>2,950,558</b>	<b>3,137,234</b>	<b>2,559,333</b>
<b>Other Uses</b>				
Transfers Out	1,450,000	150,000	20,000	48,404
<b>Total Expenditure &amp; Other Uses</b>	<b>\$3,181,657</b>	<b>\$3,100,558</b>	<b>\$3,157,324</b>	<b>\$2,607,737</b>
<b>Change in Fund Balance</b>	<b>(\$846,321)</b>	<b>\$186,519</b>	<b>\$117,360</b>	<b>\$220,090</b>
<b>Fund Balance, January 1</b>	<b>(\$790,684)</b>	<b>(\$1,637,005)</b>	<b>(\$1,637,005)</b>	<b>(\$1,519,645)</b>
<b>Fund Balance, December 31</b>	<b>(\$1,637,005)</b>	<b>(\$1,450,486)</b>	<b>(\$1,519,645)</b>	<b>(\$1,299,555)</b>

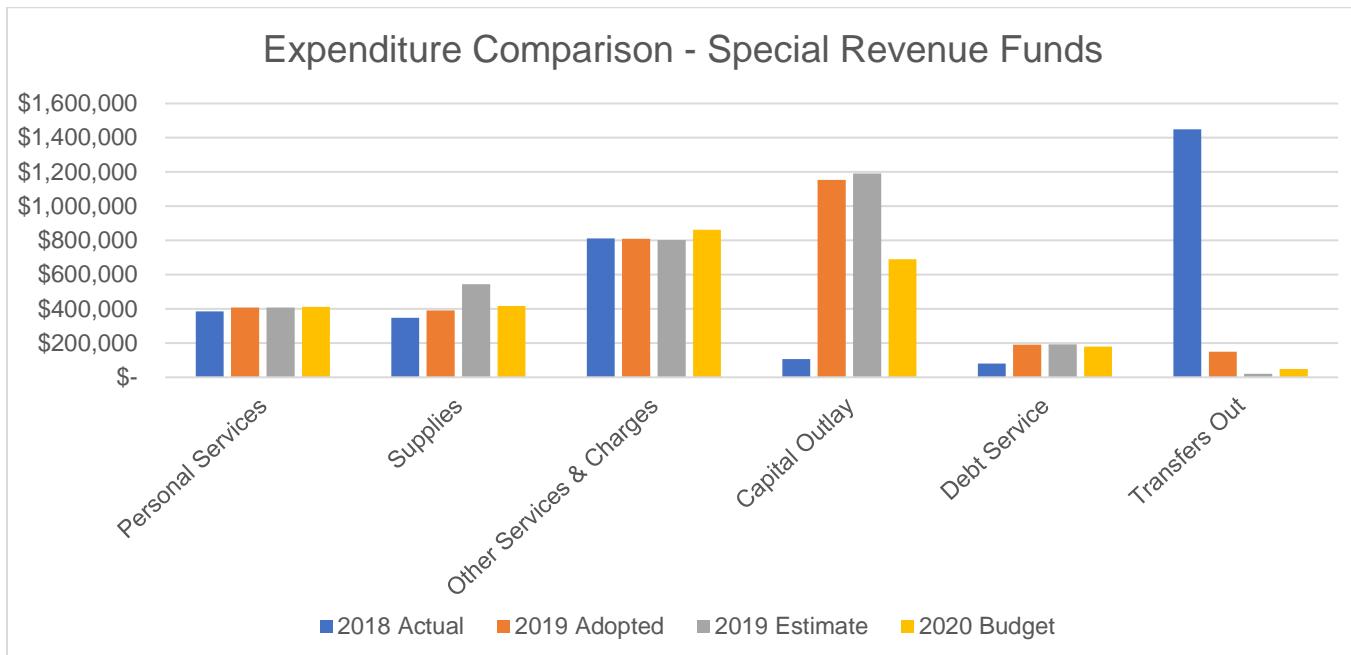
## REVENUE COMPARISON – SPECIAL REVENUE FUNDS

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Taxes	81,056	80,628	80,628	80,628
Intergovernmental	171,578	456,882	465,661	457,933
Charges for Services	1,396,048	1,408,721	1,410,574	1,454,670
Other Revenue	151,654	128,300	136,703	127,950
Other Financing Sources	-	747,546	716,118	241,646
Transfers In	535,000	465,000	465,000	465,000
<b>Total Revenues &amp; Other Sources</b>	<b>\$2,335,336</b>	<b>\$3,287,077</b>	<b>\$3,274,684</b>	<b>\$2,827,827</b>



## EXPENDITURE COMPARISON – SPECIAL REVENUE FUNDS

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Personal Services	384,699	407,243	407,798	411,215
Supplies	347,588	390,405	543,246	416,700
Other Services & Charges	811,612	809,333	801,622	861,238
Capital Outlay	107,351	1,153,316	1,191,400	690,124
Debt Service	80,407	190,261	193,258	180,056
Transfers Out	1,450,000	150,000	20,000	48,404
<b>Total Expenditures &amp; Other Uses</b>	<b>\$3,181,657</b>	<b>\$3,100,558</b>	<b>\$3,157,234</b>	<b>\$2,607,737</b>



Fund: Special Revenue - 210

Function: Public Safety

Department: Buffalo Volunteer Fire Department

---

Description of Services:

The Fire Department provides three basic services to the community of Buffalo, 1) Responding to Calls, 2) Safety & Fire Inspections and 3) Prevention & Education. The latter two areas help to address and minimize potential problems and risks before a response is needed. The Fire department also serves the Townships of Buffalo, Chatham, Maple Lake, Marysville and Rockford. The rural entities pay fire charges to the City for a portion of the operating and capital expenditures, based on the previous 4-year average percentage of total fire calls and market values for the pay year. The City's portion is expensed in the General Fund.

Budget Summary:

2019 capital outlay included the purchase of a new fire engine. 2020 capital outlay includes the purchase of new SCBA equipment for the volunteer firefighters.

Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Intergovernmental	122,781	116,500	127,668	122,688	5.3%
Charges for Services	601,922	660,906	660,906	682,430	3.3%
Other Revenue	3,975	2,000	2,522	1,000	-50.0%
Other Financing Sources	-	685,546	716,118	241,646	-64.8%
<b>Total</b>	<b>\$728,678</b>	<b>\$1,464,952</b>	<b>\$1,507,214</b>	<b>\$1,047,764</b>	<b>-28.5%</b>

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	105,242	119,585	118,780	119,558	0.0%
Supplies	83,677	99,380	144,100	108,625	9.3%
Other Service & Charges	226,172	226,450	229,918	242,133	6.9%
Capital Outlay	-	685,546	690,771	241,656	-64.7%
Debt Service	73,987	183,991	186,988	176,398	-4.1%
Transfers Out	1,450,000	150,000	-	48,404	-67.7%
<b>Total</b>	<b>\$1,939,078</b>	<b>\$1,464,952</b>	<b>\$1,370,557</b>	<b>\$936,774</b>	<b>-36.1%</b>

Fund: Special Revenue - 220

Function: Culture and Recreation

Department: Library

---

Description of Services:

The Library budget provides for all expenditures for the maintenance of the building and grounds. Great River Regional Library provides staff and circulation materials.

Budget Summary:

Minnesota State Statutes, Chapter 134.34 requires a minimum level of financial support be provided for operating expenses for public library services. This amount is determined each year by the Minnesota Department of Education. The state-certified level of library support for 2020 is: \$71,302.

To ensure enough financial support and reserves for future improvements, the City regularly budgets an operating transfer from the General Fund as well as a separate levy included in the property tax levy.

The 2019 actual included the replacement of a 30 Ton A/C Condensing Unit. The 2020 budget includes a boiler replacement.

Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Taxes	81,056	80,628	80,628	80,628	0.0%
Other Revenue	1,312	200	4,122	500	150.0%
Other Financing Sources	-	62,000	-	-	-100.0%
Transfers In	15,000	15,000	15,000	15,000	0.0%
<b>Total</b>	<b>\$97,368</b>	<b>\$157,828</b>	<b>\$99,750</b>	<b>\$96,128</b>	<b>-39.1%</b>

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	1,906	2,782	900	3,219	15.7%
Supplies	29,616	26,000	28,250	25,800	-.8%
Other Service & Charges	51,433	54,950	49,643	57,837	5.3%
Capital Outlay	-	71,770	69,020	53,770	-25.1%
<b>Total</b>	<b>\$82,955</b>	<b>\$155,502</b>	<b>\$147,813</b>	<b>\$140,626</b>	<b>-9.6%</b>

Fund: Special Revenue - 230

Function: Culture and Recreation

Department: Buffalo Municipal Airport

#### Description of Services:

The City of Buffalo owns and operates the Buffalo Municipal Airport (CFE). Amenities include a paved runway (18/36) that is 3200' x 75' and self-service 100LL fuel available 24 hours/day. The airport also offers lot and hangar space that can be rented by aircraft owners.



#### Budget Summary:

The airport capital improvement plan has two large projects scheduled for 2020: Part 2 of Apron Pavement Repairs and NW Area Private Hangar Taxilane Expansion. Funding for the projects is provided mostly from the Federal and State Governments with the City's portion budgeted to be \$42,835. Other services & charges includes the addition of an internal user charge for IT services. There are no other major budget changes for 2020.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Intergovernmental	48,797	340,382	337,993	335,245	-1.5%
Charges for Services	265,357	275,415	289,620	300,240	9.6%
Other Revenue	468	100	1,052	250	150.0%
Transfers In	50,000	50,000	50,000	50,000	0.0%
<b>Total</b>	<b>\$364,622</b>	<b>\$665,897</b>	<b>\$678,665</b>	<b>\$685,735</b>	<b>3.0%</b>

	2018	2019	2019	2020	%
<b>Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	37,655	40,879	42,593	34,014	-16.8%
Supplies	186,014	205,250	204,814	210,500	2.6%
Other Service & Charges	59,403	50,150	51,431	64,154	27.9%
Capital Outlay	23,291	358,000	354,098	356,698	-0.4%
Transfers Out	-	-	20,000	-	0.0%
<b>Total</b>	<b>\$306,363</b>	<b>\$654,279</b>	<b>\$672,936</b>	<b>\$665,366</b>	<b>1.7%</b>

Fund: Special Revenue - 630

Function: Culture and Recreation

Department: Civic Center – Ice Arena

---

#### Description of Services:

The Buffalo Civic Center is a year-round recreational and meeting facility featuring two indoor, regulation-size ice sheets and an outdoor rink available during the winter months. The facility is available for open skating, youth and adult hockey, figure skating, group rentals, birthday parties, events and meeting space. The Civic Center is home to the Buffalo Bison boys and girls hockey teams, Buffalo Youth Hockey Association and the Buffalo Figure Skating Club



#### Budget Summary:

Operating transfers to the civic center began in 2017 and are planned to continue until the interfund receivable is eliminated.

2020 Budget includes appropriations for Zamboni maintenance. Other services & charges includes the addition of an internal user charge for IT services.

#### Revenues/Expenditures by Use:

<b>Revenues</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Charges for Services	528,769	472,400	460,048	472,000	-0.1%
Other Revenue	145,899	126,000	129,007	126,200	0.2%
Transfers In	470,000	400,000	400,000	400,000	0.0%
<b>Total</b>	<b>\$1,144,668</b>	<b>\$998,400</b>	<b>\$989,055</b>	<b>\$998,200</b>	<b>0.0%</b>

<b>Expenditures</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	239,896	243,997	245,525	254,424	4.3%
Supplies	48,281	59,775	166,082	71,775	20.1%
Other Service & Charges	474,604	477,783	470,630	497,114	4.0%
Capital Outlay	84,060	38,000	77,511	38,000	0.0%
Debt Service	6,420	6,270	6,270	3,658	-41.7%
<b>Total</b>	<b>\$853,261</b>	<b>\$825,825</b>	<b>\$966,018</b>	<b>\$864,971</b>	<b>4.7%</b>



## 2020 Annual Budget

---

### Enterprise Funds

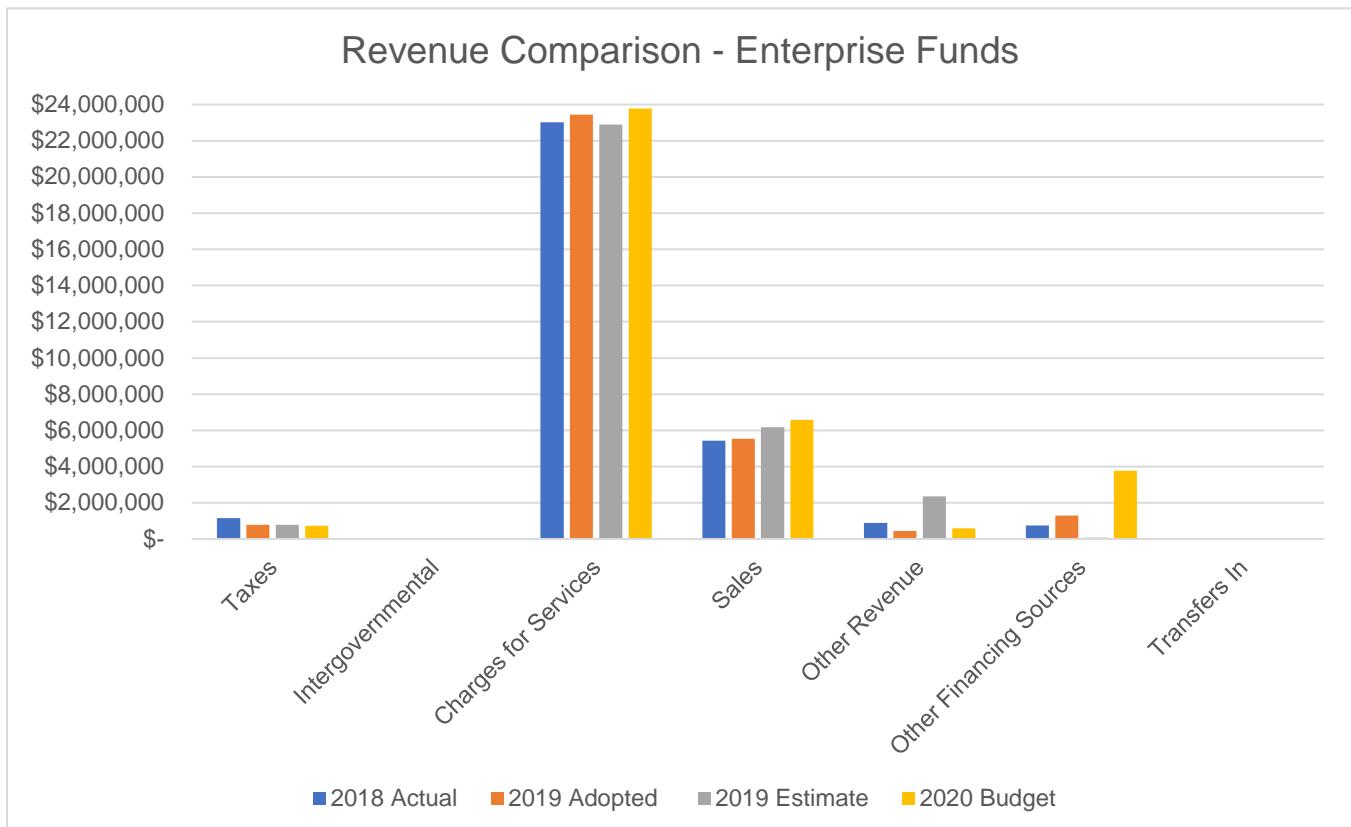
**2020 BUDGET SUMMARY – ENTERPRISE FUNDS**  
**STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND BALANCE**

Description	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
<b>Revenues</b>				
Taxes	1,147,729	786,709	786,709	735,625
Intergovernmental	17,398	-	-	-
Charges for Services	23,016,628	23,452,694	22,894,433	23,783,715
Sales	5,436,553	5,543,000	6,168,664	6,584,500
Other Revenue	881,632	437,750	2,350,946	591,707
<b>Total Revenues</b>	<b>30,499,940</b>	<b>30,220,153</b>	<b>32,200,752</b>	<b>31,696,547</b>
<b>Other Sources</b>				
Other Financing Sources	739,934	1,288,628	76,062	3,761,372
Transfers In	-	-	-	-
<b>Total Revenue &amp; Other Sources</b>	<b>\$31,239,874</b>	<b>\$31,508,781</b>	<b>\$32,276,814</b>	<b>\$35,456,919</b>
<b>Expenditures</b>				
Personal Services	3,504,504	3,660,026	4,058,818	4,329,057
Supplies	14,520,931	15,405,723	14,675,683	15,898,907
Other Services & Charges	5,899,850	5,570,268	6,204,373	5,798,119
Capital Outlay	1,898,099	2,222,471	1,659,646	4,280,020
Debt Service	2,419,240	2,312,575	2,364,164	2,267,453
<b>Total Expenditures</b>	<b>28,242,624</b>	<b>29,171,063</b>	<b>28,962,684</b>	<b>32,573,556</b>
<b>Other Uses</b>				
Transfers Out	1,395,000	1,475,000	1,475,000	1,475,000
<b>Total Expenses &amp; Other Uses</b>	<b>\$29,637,624</b>	<b>\$30,646,063</b>	<b>\$30,437,684</b>	<b>\$34,048,556</b>
<b>Change in Net Assets</b>	<b>\$1,602,250</b>	<b>\$862,718</b>	<b>\$1,839,130</b>	<b>\$1,408,363</b>
<b>Net Assets, January 1</b>	<b>\$14,039,052</b>	<b>\$15,641,302</b>	<b>\$15,641,302</b>	<b>\$17,480,432</b>
<b>Net Assets, December 31</b>	<b>\$15,641,302</b>	<b>\$16,504,020</b>	<b>\$17,480,432</b>	<b>\$18,888,795</b>

*Note ~ For budgetary purposes, Other Financing Sources and Capital Outlay are included in the change of net assets. For financial reporting, these items are recorded as assets or liabilities in accordance with GAAP.*

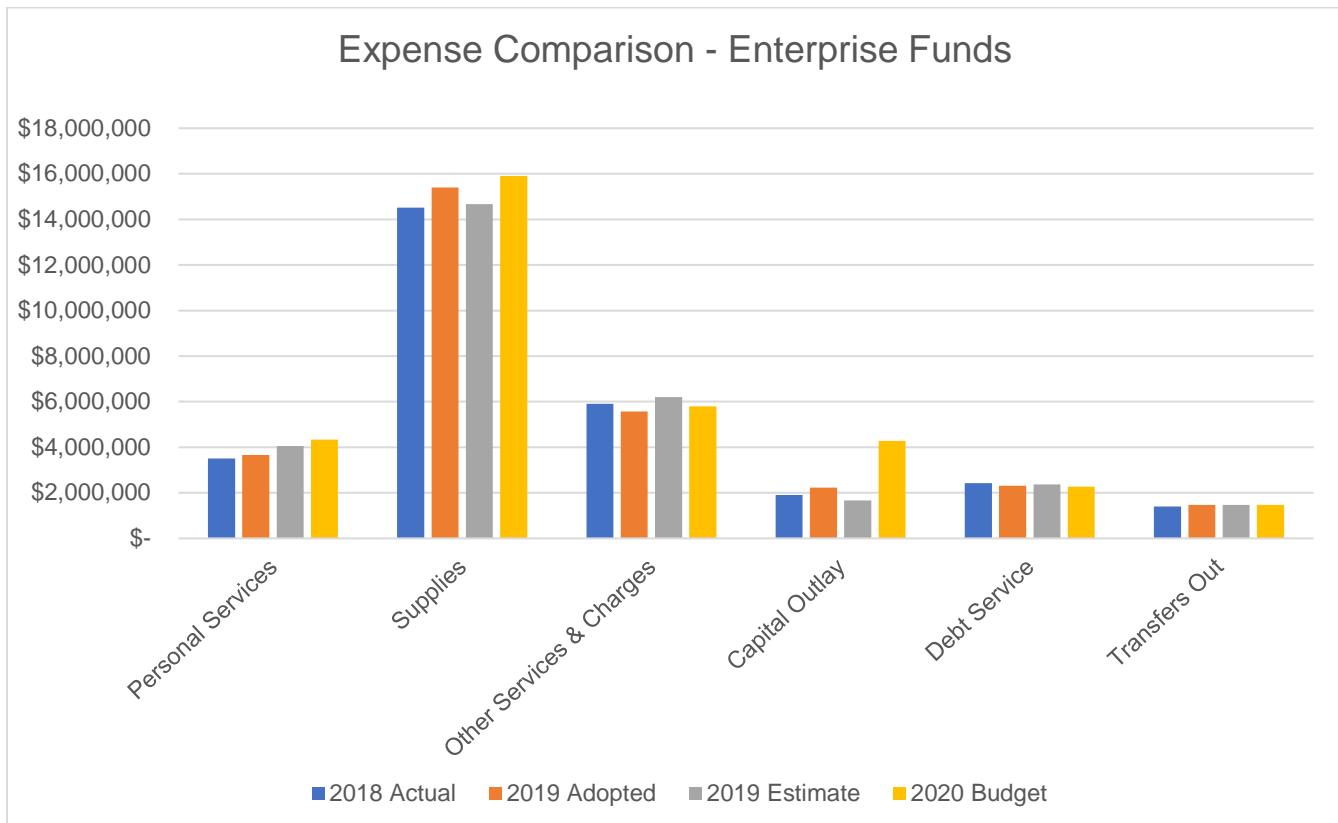
## REVENUE COMPARISON – ENTERPRISE FUNDS

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Taxes	1,147,729	786,709	786,709	735,625
Intergovernmental	17,398	-	-	-
Charges for Services	23,016,628	23,452,694	22,894,433	23,783,715
Sales	5,436,553	5,543,000	6,168,664	6,584,500
Other Revenue	881,632	437,750	2,350,946	591,707
Other Financing Sources	739,934	1,288,628	76,062	3,761,372
Transfers In	-	-	-	-
<b>Total Revenues &amp; Other Sources</b>	<b>\$31,239,874</b>	<b>\$31,508,781</b>	<b>\$32,276,814</b>	<b>\$35,456,919</b>



## EXPENSE COMPARISON – ENTERPRISE FUNDS

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Personal Services	3,504,504	3,660,026	4,058,818	4,329,057
Supplies	14,520,931	15,405,723	14,675,683	15,898,907
Other Services & Charges	5,899,850	5,570,268	6,204,373	5,798,119
Capital Outlay	1,898,099	2,222,471	1,659,646	4,280,020
Debt Service	2,419,240	2,312,575	2,364,164	2,267,453
Transfers Out	1,395,000	1,475,000	1,475,000	1,475,000
<b>Total Expenses &amp; Other Uses</b>	<b>\$29,637,624</b>	<b>\$30,646,063</b>	<b>\$30,437,684</b>	<b>\$34,048,556</b>



Fund: Enterprise – 600

Function: Public Works

Department: Electric

---

#### Description of Services:

The City of Buffalo owns and operates an electric utility, Buffalo Municipal Electric (BME), currently providing service to over 6,000 customers within a service territory of 7 square miles. BME operates under the direction of the City Council and City Administrator. As a city owned utility, BME is responsive to the community offering a standard of service with favorable response times, competitive rates, and maintaining public safety.

The electric distribution system provides power by 79% underground and 21% overhead transmission and consists of a substation, transmission lines, poles and transformers. BME also maintains and operates 1,505 streetlights. Buffalo is a member of the Minnesota Municipal Power Agency (MMPA) and receives all its electric power requirements from MMPA's generation portfolio.

*Locally, serving a part of Buffalo's electricity requirement is MMPA's 7 Megawatt (MW) utility-scale solar facility located in Buffalo providing power to local homes and businesses.*



*Tatanka Solar Farm, Buffalo MN*

#### Budget Summary:

Revenues from electric sales fluctuate as they are heavily influenced by weather conditions and consumer demand.

Personal services & supplies for new construction are included in the budget but are capitalized at the end of the year. The amount for 2020 is budgeted at \$339,401

The City purchases power from MMPA. This cost makes up most the supplies expense. The amount budgeted in 2020 for purchased power is \$9,488,356.

Capital Outlay includes electric territory payments and new acquisition, replacement of aging equipment, and improvements to the electric distribution infrastructure. This includes upgrades to the general system, low income housing and conversion of overhead to underground transmission.

The electric fund transfers out \$900,000 a year to the general fund which helps reduce the amount required for the general property tax levy. \$100,000 is budgeted as a transfer to the civic center fund.

Fund: Enterprise – 600

Function: Public Works

Department: Electric

---

Revenues/Expenses by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Taxes	1	-	-	-	0.0%
Intergovernmental	6,382	-	-	-	0.0%
Charges for Services	15,156,600	15,581,670	14,976,842	15,507,758	-0.5%
Other Revenue	178,352	76,250	155,986	184,000	141.3%
Other Financing Sources	697,354	330,500	-	1,182,500	257.8%
<b>Total</b>	<b>\$16,038,689</b>	<b>\$15,988,420</b>	<b>\$15,132,828</b>	<b>\$16,874,258</b>	<b>5.5%</b>

	2018	2019	2019	2020	%
<b>Expenses</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	1,276,434	1,312,854	1,404,690	1,381,955	5.3%
Supplies	9,653,103	10,313,288	9,346,880	10,066,654	-2.4%
Other Services & Charges	1,962,664	1,780,668	1,782,292	1,861,198	4.5%
Capital Outlay	1,077,799	762,500	430,964	1,635,500	114.5%
Debt Service	184,134	191,885	243,471	219,539	14.4%
Transfers Out	970,000	1,000,000	1,000,000	1,000,000	0.0%
<b>Total</b>	<b>\$15,124,134</b>	<b>\$15,361,195</b>	<b>\$14,208,297</b>	<b>\$16,164,846</b>	<b>5.2%</b>

Fund: Enterprise – 600

Function: Public Works

Department: Electric

Division: BWIG

---

#### Description of Services:

The City of Buffalo owns and operates the Buffalo Wireless Internet Group (BWIG) through which it provides broadband Internet service at an affordable price. It is BWIGs goal to make the Internet accessible to as many as possible within the community by means of a wireless network. BWIG offers both residential and business service plans.

#### Budget Summary:

Included in the 2020 budget is the shutdown of the Buffalo Wireless Internet Group (BWIG). With changes in technology, a significant investment would be required to keep the program running. The City has decided to focus its resources and attention to expanding fiber optics within the community.

#### Expenses by Use:

<b>Expenses</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	151,014	159,486	140,550	-	-100.0%
Supplies	4,301	9,625	1,060	-	-100.0%
Other Services & Charges	214,703	90,350	214,454	-	-100.0%
Capital Outlay	-	-	-	-	0.00%
Debt Service	2,909	741	741	455	-38.6%
Transfers Out	-	-	-	-	0.00%
<b>Total</b>	<b>\$372,927</b>	<b>\$260,202</b>	<b>\$356,805</b>	<b>\$455</b>	<b>-99.8%</b>

Fund: Enterprise – 600

Function: Public Works

Department: Electric

Division: Fiber Optics

---

#### Description of Services:

Buffalo Municipal Utilities has built a fiber optic network with reliability in mind. Fiber optic internet connection services up to 100 mbps to commercial/industrial customers.

#### Budget Summary:

The City plans to expand on the fiber optic services available to its residents and business community. A fiber optic technician was added in 2019. Additions to the City's fiber infrastructure are planned in the 2020 capital budget.

#### Expenses by Use:

<b>Expenses</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	3,854	15,864	64,375	98,810	522.9%
Supplies	16,216	17,500	40,075	42,000	140.%
Other Services & Charges	245,295	39,800	339,503	128,059	221.8%
Capital Outlay	118,277	200,000	230,000	280,500	40.3%
Debt Service	5,893	4,383	4,383	2,938	-33.0%
Transfers Out	-	-	-	-	0.0%
<b>Total</b>	<b>\$389,535</b>	<b>\$277,547</b>	<b>\$678,336</b>	<b>\$552,307</b>	<b>99.0%</b>

Fund: Enterprise – 610

Function: Public Works

Department: Water & Wastewater

---

#### Description of Services:

The Water/Wastewater Department maintain the City's water and sanitary sewer utilities. The department operates and maintains the public water supply and wastewater collection system.

#### Budget Summary:

In 2017, a utility rate study was conducted to analyze the overall health of the water & sewer fund. To meet the current operating, debt service, and future capital improvement needs, the study recommended an adjustment to the existing rate structure with rates increases in 2018 to stabilize revenues, followed by moderate annual increases thereafter. Prior to 2018, water and sewer rates had remained largely stagnant for the last decade, while costs to operate & maintain the infrastructure increased.

The 2018 levy included a \$300,000 sewer levy needed to meet the requirements of the City's NPDES/SDS permit pursuant to Minnesota Statute 115.46.

The 2020 budget includes a 4% increase to both water and sewer charges. Actual increases seen to individual utility customers are largely dependent on usage patterns.

2019 Other revenue includes receipt of SAC & WAC fees for new development.

2020 Other financing sources includes a planned \$1,500,000 bond issuance for capital outlay.

#### Revenues by Use:

	2018	2019	2019	2020	%
Revenues	Actual	Adopted	Estimate	Budget	Change
Taxes	804,086	500,000	500,000	500,000	0.0%
Intergovernmental	6,670	-	-	-	0.0%
Charges for Services	7,227,177	7,237,024	7,279,690	7,623,957	5.3%
Other Revenue	685,051	360,000	2,164,261	360,000	0.0%
Other Financing Sources	336	608,128	26,770	1,772,000	191.4%
Transfers In	-	-	-	-	0.0%
<b>Total</b>	<b>\$8,723,320</b>	<b>\$8,705,152</b>	<b>\$9,970,721</b>	<b>\$10,255,957</b>	<b>17.8%</b>

Fund: Enterprise – 610

Function: Public Works

Department: Water & Wastewater

Division: Water

#### Description of Services:

The City's public water supply system currently serves approximately 16,000 residents. Licensed personnel work with State and Federal authorities to ensure rules and regulations are followed in all aspects of treatment, sampling and testing. The water supply system consists of the water treatment plant, 5 wells, 5 water towers, 2 boost stations, 1021 hydrants, 99.6 miles of underground watermain and 4,524 water service lines.



#### Budget Summary:

The 2020 capital budget includes replacement of aging vehicles, small improvements to the City's water infrastructure & related facilities and upgrading the remaining water meters in the City to radio read meters.

Additional staff was added in 2019 to aid in utility billing, operations and maintaining the city's water & sewer infrastructure.

#### Expenses by Use:

<b>Expenses</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	452,208	463,831	458,002	600,564	29.5%
Supplies	327,095	406,103	332,401	466,728	14.9%
Other Services & Charges	1,145,395	1,236,550	1,244,309	1,244,543	0.6%
Capital Outlay	143,558	314,971	250,000	1,420,000	350.8%
Debt Service	813,405	772,893	772,893	749,156	-3.1%
Transfers Out	-	-		-	0.0%
<b>Total</b>	<b>\$2,881,661</b>	<b>\$3,194,348</b>	<b>\$3,057,605</b>	<b>\$4,480,991</b>	<b>40.3%</b>

Fund: Enterprise – 610

Function: Public Works

Department: Water & Wastewater

Division: Wastewater

---

#### Description of Services:

The City's wastewater collection system consists of the wastewater treatment plant, 27 lift stations, 23 grinder stations, 79 miles of sanitary main, 19 miles of sanitary forcemain, and services approximately 5,155 accounts.

#### Budget Summary:

The 2020 capital budget includes replacement of aging vehicles, equipment and small improvements to the City's wastewater infrastructure & related facilities.

Additional staff was added in 2019 to aid in utility billing, operations and maintaining the city's water & sewer infrastructure.

#### Expenses by Use:

<b>Expenses</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>%</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	615,008	614,208	614,193	857,492	39.6%
Supplies	438,702	416,007	421,753	544,750	30.9%
Other Services & Charges	1,686,944	1,774,950	1,890,467	1,837,737	3.5%
Capital Outlay	478,885	560,000	125,000	532,178	-5.0%
Debt Service	1,322,448	1,264,051	1,264,051	1,222,576	-3.3%
Transfers Out	-	-		-	0.0%
<b>Total</b>	<b>\$4,541,987</b>	<b>\$4,629,216</b>	<b>\$4,315,464</b>	<b>\$4,994,733</b>	<b>7.9%</b>

Fund: Enterprise – 620

Function: Miscellaneous - Liquor Store

Department: Buffalo Wine & Spirits

---

#### Description of Services:

The City of Buffalo owns and operates two municipal off-sale liquor stores. These stores were established to control the sale of off sale liquor in the City of Buffalo and to provide additional revenue to support the City's parks.

#### Budget Summary:

The City invested in new point-of sale software in 2018. Sales at the highway liquor store have been gradually increasing the last few years. The 2020 budget anticipates a continuance of that trend.

#### Revenues/Expenses by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Taxes	43,240	20,465	20,465	-	-100.0%
Intergovernmental	2,879	-	-	-	0.0%
Sales	3,703,480	3,840,000	3,948,599	4,085,000	6.4%
Other Revenue	597	100	991	400	300.0%
Other Financing Sources	-	-	-	-	0.00%
Transfer In	-	-	-	-	0.00%
<b>Total</b>	<b>\$3,750,196</b>	<b>\$3,860,565</b>	<b>\$3,970,055</b>	<b>\$4,085,400</b>	<b>5.8%</b>

	2018	2019	2019	2020	%
<b>Expenses</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	380,978	420,930	365,780	377,240	-10.4%
Supplies	2,680,567	2,773,300	2,802,480	2,979,500	7.4%
Other Services & Charges	199,617	211,000	215,462	229,238	8.6%
Capital Outlay	23,909	-	-	-	0.0%
Debt Service	1,835	924	925	362	-60.8%
Transfers Out	400,000	400,000	400,000	450,000	12.5%
<b>Total</b>	<b>\$3,686,906</b>	<b>\$3,806,154</b>	<b>\$3,784,647</b>	<b>\$4,036,340</b>	<b>6.0%</b>

Fund: Enterprise – 621

Function: Miscellaneous - Liquor Store

Department: Downtown Wine & Spirits

---

#### Description of Services:

The City of Buffalo owns and operates two municipal off-sale liquor stores. These stores were established to control the sale of off sale liquor in the City of Buffalo and to provide additional revenue to support the City's parks.

#### Budget Summary:

The City invested in new point-of sale software in 2018. 2020 capital includes a roof replacement for the entire downtown building.

At the end of 2018, the City entered into a lease agreement for half of the space and started receiving rental payments in 2019.

#### Revenues/Expenses by Use:

	2018	2019	2019	2020	%
<b>Revenues</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Taxes	68,797	32,719	32,719	-	-100.0%
Sales	1,668,127	1,640,000	1,700,961	1,792,000	9.3%
Other Revenue	626	-	17,672	46,107	100.0%
Other Financing Sources	-	-	-	-	0.00%
Transfer In	-	-	-	-	0.00%
<b>Total</b>	<b>\$1,737,550</b>	<b>\$1,672,719</b>	<b>\$1,751,352</b>	<b>\$1,838,107</b>	<b>9.9%</b>

	2018	2019	2019	2020	%
<b>Expenses</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>
Personal Services	216,203	213,029	200,659	212,500	-0.2%
Supplies	1,199,589	1,237,900	1,224,206	1,298,900	4.9%
Other Services & Charges	142,354	142,200	131,116	150,061	5.5%
Capital Outlay	22,884	-	-	139,970	100.0%
Debt Service	2,762	1,158	1,160	362	-68.7%
Transfers Out	25,000	75,000	75,000	25,000	-66.7%
<b>Total</b>	<b>\$1,608,792</b>	<b>\$1,669,287</b>	<b>\$1,632,141</b>	<b>\$1,826,793</b>	<b>9.4%</b>

Fund: Enterprise – 640

Function: Culture and Recreation

Department: Golf Course

#### Description of Services:

The City owns and operates an 18 – hole championship golf course known as Wild Marsh.



#### Budget Summary:

Taxes levied are for debt service payments on bond Series 2016A and not used for general operations.

2019 Capital outlay included replacement of aging pedestrian bridges on the course. 2020 capital outlay includes replacement of the City's aging golf cart fleet.

In 2019, the City took over operation of the restaurant and event facilities.

#### Revenues/Expenditures by Use:

Revenues	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget	% Change
Taxes	231,605	233,525	233,525	235,625	0.9%
Intergovernmental	1,467	-	-	-	0.0%
Charges for Services	632,851	634,000	637,901	652,000	2.8%
Sales	64,946	63,000	519,104	707,500	1023.0%
Other Revenue	17,006	1,400	12,036	1,200	-14.3%
Other Financing Sources	42,244	350,000	49,292	806,872	130.5%
Transfer In	-	-	-	-	0.0%
Total	<b>\$990,119</b>	<b>\$1,281,925</b>	<b>\$1,451,858</b>	<b>\$2,403,197</b>	<b>87.5%</b>

Expenses	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget	% Change
Personal Services	408,805	459,824	810,569	800,496	74.1%
Supplies	201,358	232,000	506,828	500,375	115.7%
Other Services & Charges	302,878	294,750	386,770	347,283	17.8%
Capital Outlay	32,787	385,000	623,682	271,872	-29.4%
Debt Service	85,854	76,540	76,540	72,065	-5.8%
Transfers Out	-	-	-	-	0.0%
Total	<b>\$1,031,682</b>	<b>\$1,448,114</b>	<b>\$2,404,389</b>	<b>1,992,091</b>	<b>37.6%</b>



## 2020 Annual Budget

---

### Internal Service Funds

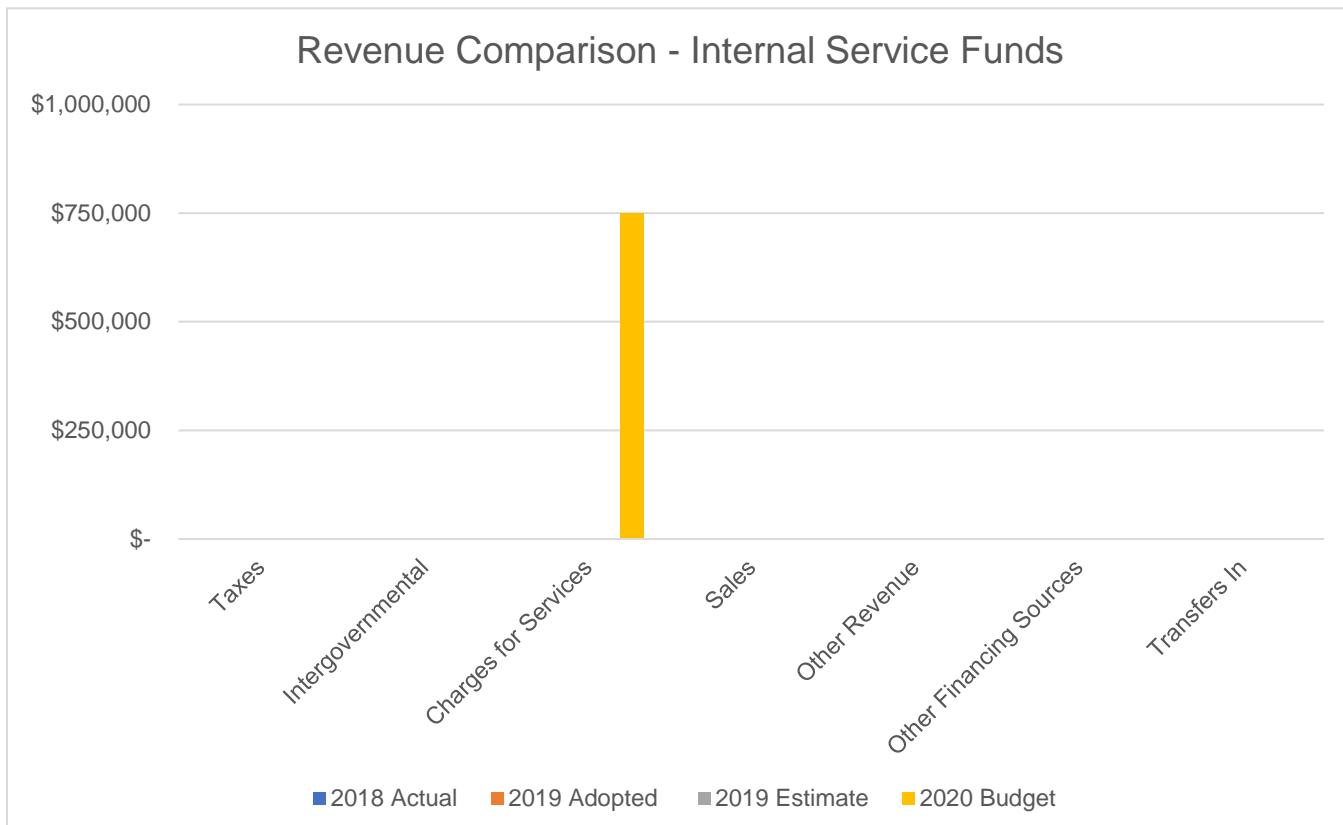
**2020 BUDGET SUMMARY – INTERNAL SERVICE FUNDS**  
**STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND BALANCE**

Description	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
<b>Revenues</b>				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	749,400
Sales	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>749,400</b>
<b>Other Sources</b>				
Other Financing Sources	-	-	-	-
Transfers In	-	-	-	-
<b>Total Revenue &amp; Other Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$749,400</b>
<b>Expenditures</b>				
Personal Services	-	-	-	126,146
Supplies	-	-	-	161,727
Other Services & Charges	-	-	-	456,524
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>744,397</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenses &amp; Other Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$744,397</b>
<b>Change in Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$5,003</b>
<b>Net Assets, January 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets, December 31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$5,003</b>

*Note ~ For budgetary purposes, Other Financing Sources and Capital Outlay are included in the change of net assets. For financial reporting, these items are recorded as assets or liabilities in accordance with GAAP.*

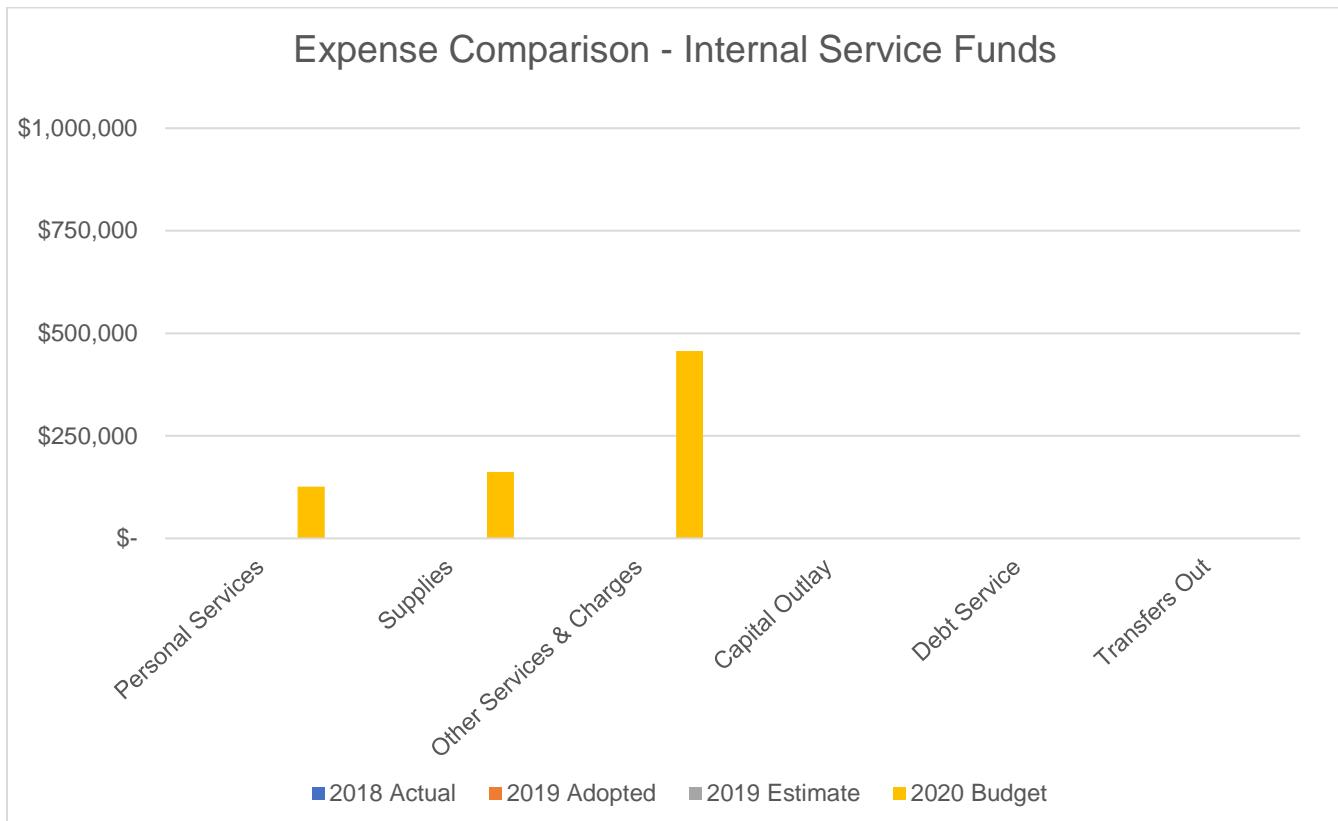
## REVENUE COMPARISON – INTERNAL SERVICE FUNDS

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	749,400
Sales	-	-	-	-
Other Revenue	-	-	-	-
Other Financing Sources	-	-	-	-
Transfers In	-	-	-	-
<b>Total Revenues &amp; Other Sources</b>		-	-	<b>\$749,400</b>



## EXPENSE COMPARISON – INTERNAL SERVICE FUNDS

	2018 Actual	2019 Adopted	2019 Estimate	2020 Budget
Personal Services	-	-	-	126,146
Supplies	-	-	-	161,727
Other Services & Charges	-	-	-	456,524
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Expenses &amp; Other Uses</b>		-	-	<b>\$744,397</b>



Fund: Internal Service - 702

Function: General Government

Department: MIS

---

#### Description of Services:

The MIS Services Fund (IT) is a self-sustaining internal service fund. The MIS department manages the network of servers and peripheral equipment to provide continuity and accountability for MIS related services. The fund's revenues are derived from service charges to each budget unit receiving MIS services. Service charges are adjusted annually to cover all current costs plus a portion of capital outlays.

#### Budget Summary:

Beginning in 2020, all MIS appropriations are being moved out of the General fund and into an internal service fund that will be operated under a cost-reimbursement basis. All funds & departments within the City will reimburse the fund for services provided. Centralizing MIS services into one fund will help improvement management of IT resources, distribute capital costs over multiple annual reporting periods, and provide financial management stability to each budget unit.

#### Revenues/Expenditures by Use:

	2018	2019	2019	2020	%
Revenues	Actual	Adopted	Estimate	Budget	Change
Taxes	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	0.0%
Charges for Services	-	-	-	749,400	100.0%
Other Revenue	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$749,400</b>	<b>100.0%</b>

	2018	2019	2019	2020	%
Expenditures	Actual	Adopted	Estimate	Budget	Change
Personal Services	-	-	-	126,146	100.0%
Supplies	-	-	-	161,727	100.0%
Other Service & Charges	-	-	-	456,524	100.0%
Capital Outlay	-	-	-	-	0.0%
Debt Service	-	-	-	-	0.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 744,397</b>	<b>100.00%</b>



## 2020 Annual Budget

---

### Capital Improvements

## DEFINITION

Each year, as part of the annual budgeting process, the City of Buffalo prepares a five-year capital improvement plan (CIP) that includes the following year's capital expenditure budget. The CIP is a planning tool used to identify expenditures that will support existing and projected needs within each budgeted fund as related to the acquisition or construction of capital assets. Expenditures are not approved simply by being included in the CIP as funding sources or City priorities may have changed. All capital expenditures are subject to the City's purchasing policy, requiring quotes/bids and approvals commensurate to the total cost.

Capital Assets are major assets that are used in operations and have initial useful lives extending beyond a single reporting period. Capital assets with an original unit cost of greater than or equal to the City's capitalization threshold of \$5,000, including ancillary costs, and with a useful life of two years or more will be capitalized for financial accounting purposes.

The Airport, Electric and Water & Sewer Funds may include small infrastructure improvements. Larger infrastructure and capital projects are not included in this CIP and are accounted for in a capital project fund or the related enterprise fund. Plans, budget amounts, and funding are approved by City Council on a project by project basis.

## SUMMARY

Department	2020	2021	2022	2023	2024
<b>Mayor &amp; Council</b>	-	32,200	-	-	-
<b>City Clerk</b>	-	-	-	-	-
<b>Election</b>	-	-	-	-	-
<b>Administration</b>	-	-	-	-	-
<b>Engineering</b>	-	12,000	-	-	-
<b>Police</b>	96,080	125,000	65,000	80,000	60,000
<b>Civil Defense</b>	-	-	-	-	-
<b>Street</b>	482,000	240,000	280,000	225,000	370,000
<b>Community Center</b>	-	-	-	-	-
<b>Park</b>	118,000	325,000	269,000	272,000	197,000
<b>Fire</b>	241,656	85,000	125,000		
<b>Library</b>	53,770	-	-	-	-
<b>Civic Center</b>	38,000	-	-	-	-
<b>Airport</b>	356,698	380,000	-	360,000	-
<b>Electric</b>	1,635,500	1,180,000	905,000	425,000	800,000
<b>Fiber</b>	280,500	45,000	-	-	-
<b>Water</b>	1,420,000	803,000	640,000	155,000	47,000
<b>Wastewater</b>	532,178	627,678	584,000	60,000	60,000
<b>Buffalo Wine &amp; Spirits</b>	-	-	2,000,000	-	-
<b>Downtown Wine &amp; Spirits</b>	139,970	-	-	-	-
<b>Wild Marsh</b>	271,872	115,000	113,000	80,000	65,000
<b>MIS</b>	-	-	-	-	-
<b>Total</b>	<b>\$5,666,224</b>	<b>\$3,969,878</b>	<b>\$4,981,000</b>	<b>\$1,657,000</b>	<b>\$1,599,000</b>

## DEPARTMENT DETAIL

### Mayor & Council:

Description	2020	2021	2022	20203	2023
<b>Council Dais</b>	-	32,200	-	-	-
<b>Total</b>	-	<b>\$32,200</b>	-	-	-

### City Clerk:

Description	2020	2021	2022	2023	2024
	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### Election:

Description	2020	2021	2022	2023	2024
	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### Administration:

Description	2020	2021	2022	2023	2024
	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### Engineering:

Description	2020	2021	2022	2023	2024
<b>Handheld GPS Unit</b>	-	12,000	-	-	-
<b>Total</b>	-	<b>\$12,000</b>	-	-	-

\*Indicates existing equipment replacement

Police:

Description	2020	2021	2022	2023	2024
<b>Ford Police Interceptor SUV*</b>	60,000	60,000	-	-	60,000
<b>Ford Police Interceptor SUV*</b>	-	60,000	-	60,000	-
<b>Squad Video Cameras*</b>	22,580	-	-	-	-
<b>Security Camera System ~ Building</b>	13,500	-	-	-	-
<b>Detective SUV or Sedan*</b>	-	-	20,000	20,000	-
<b>CSO Pickup*</b>	-	-	45,000	-	-
<b>Adapt Portion of Old Fire Station for Overflow Storage</b>	-	5,000	-	-	-
<b>Total</b>	<b>\$96,080</b>	<b>\$125,000</b>	<b>\$65,000</b>	<b>\$80,000</b>	<b>\$60,000</b>

Civil Defense:

Description	2020	2021	2022	2023	2024
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Indicates existing equipment replacement

Street:

Description	2020	2021	2022	2023	2024
<b>Jetter &amp; Vac-Combo* (Shared)</b>	225,000	-	-	-	-
<b>Street Sweeper*</b>	240,000	-	-	-	-
<b>Tip Bed Trailer</b>	17,000	-	-	-	-
<b>Power Pressure Wash*</b>	-	10,000	-	-	-
<b>Cranes for Shop</b>	-	10,000	-	-	-
<b>1.5 Ton SS Dump Truck w/ Attachments</b>	-	85,000	-	-	-
<b>Hot Mix Trailer</b>	-	30,000	-	-	-
<b>Bobcat Tool Carrier</b>	-	60,000	-	-	-
<b>Dump Truck with Roll Off</b>	-	-	270,000	-	-
<b>Paint Sprayer</b>	-	-	10,000	-	-
<b>Full Size Loader*</b>	-	-	-	225,000	-
<b>Streets &amp; Parks Facility Addition</b>	-	-	-	250,000	300,000
<b>Crack Filler Trailer</b>	-	-	-	-	70,000
<b>Total</b>	<b>\$482,000</b>	<b>\$240,000</b>	<b>\$280,000</b>	<b>\$225,000</b>	<b>\$370,000</b>

Community Center:

Description	2019	2020	2021	2022	2023
	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\*Indicates existing equipment replacement

Park:

Description	2020	2021	2022	2023	2024
<b>Trail Connection – Bella Vista to Varner Way</b>	20,000	-	-	-	-
<b>Zip Line Play Apparatus</b>	-	20,000	-	-	-
<b>Sturges Park Bandshell Tiered Seating</b>	30,000	-	-	-	-
<b>Playground Equipment Replacement</b>	-	45,000	45,000	90,000	90,000
<b>Griffing Park Shelter*</b>	-	30,000	-	-	-
<b>Sturges Park Multi-Purpose Building</b>	-	-	120,000	-	-
<b>Disc Golf Course Renovation</b>	-	-	-	20,000	-
<b>Basketball Court Resurfacing</b>	-	-	-	-	12,000
<b>1585 John Deere Mower*</b>	55,000	-	60,000	-	-
<b>GPS Mosquito Sprayer*</b>	13,000	-	-	-	-
<b>Mini Excavator</b>	-	75,000	-	-	-
<b>½ Ton 4x2 Truck ~ 4 Door*</b>	-	35,000	-	-	-
<b>Mid-Size Loader*</b>	-	110,000	-	-	-
<b>Playground Equipment – Lions Park</b>	-	10,000	-	-	-
<b>Brush Wolf*</b>	-	-	6,000	-	-
<b>Security Cameras for Parks</b>	-	-	30,000	-	-
<b>Mower &amp; attachments*</b>	-	-	48,000	-	-
<b>Track Skid Steer*</b>	-	-	-	80,000	-

Description	2020	2021	2022	2023	2024
Woodchipper	-	-	-	45,000	-
½ Ton 4x4 Truck ~ 8' Box*	-	-	-	37,000	-
Large mower with wings	-	-	-	-	65,000
Cameras for Parks	-	-	-	-	30,000
<b>Total</b>	<b>\$118,000</b>	<b>\$325,000</b>	<b>\$269,000</b>	<b>\$272,000</b>	<b>\$197,000</b>

### Fire:

Description	2020	2021	2022	2023	2024
MSA SCBA Equipment*	241,656	-	-	-	-
E21 Pumper – Updates	-	85,000	-	-	-
A21 Aerial – Updates	-	-	125,000	-	-
<b>Total</b>	<b>\$241,656</b>	<b>\$85,000</b>	<b>\$125,000</b>	<b>-</b>	<b>-</b>

### Library:

Description	2020	2021	2022	2023	2024
Boiler Replacement	53,770	-	-	-	-
<b>Total</b>	<b>\$53,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Civic Center:

Description	2020	2021	2022	2023	2024
Cooling System Efficiency Upgrade	18,000	-	-	-	-
Rubber Flooring Replacement	20,000	-	-	-	-
<b>Total</b>	<b>\$38,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Indicates existing equipment replacement

## Airport:

Note: Amounts listed are total project costs. Federal, State, and City % share of funding is indicated after each project description.

Description	2020	2021	2022	2023	2024
<b>Apron Pavement Repairs – TLA001 &amp; TLA 002 (90% Fed, 5% State, 5% City)</b>	246,698	-	-	-	-
<b>Replace Guidance Sign Panels (90% Fed, 10% City)</b>	10,000	-	-	-	-
<b>Relocate AWOS (70% State, 30% City)</b>	100,000	-	-	-	-
<b>Runway 18/36, Taxiway &amp; Apron Slurry Seal (90% Fed, 5% State, 5% City)</b>	-	270,000	-	-	-
<b>Hangar Area, Taxilane, Entrance Road, Parking Lot Crack Repair (70% State, 30% City)</b>	-	110,000	-	-	-
<b>Runway 18/36, Taxiway &amp; Apron Slurry Seal (90% Fed, 5% State, 5% City)</b>	-	-	-	250,000	-
<b>8 Unit T-Hangar Construction (90% Fed, 10% City)</b>	-	-	-	110,000	-
<b>Total</b>	<b>\$356,698</b>	<b>\$380,000</b>	<b>-</b>	<b>\$360,000</b>	<b>-</b>

## Electric:

### A) Capital Distribution Improvements

Description	2020	2021	2022	2023	2024
<b>Lake Blvd Line Extension – Baker Road South</b>	330,000	-	-	-	-
<b>Line Extension – Hwy 55 West</b>	355,000	-	-	-	-
<b>OH to URD Conversion – 3<sup>rd</sup> St NW</b>	200,000	-	-	-	-
<b>HWY 25 NW Line Extension</b>	104,000	-	-	-	-
<b>New Service – Wright County</b>	100,000	-	-	-	-
<b>Electric Substation Improvements</b>	50,000	-	-	-	-

Description	2020	2021	2022	2023	2024
<b>New Service – 1<sup>st</sup> Ave Lofts</b>	80,000	-	-	-	-
<b>New Service – Downtown Fire Station</b>	60,000	-	-	-	-
<b>Electric Substation – 125 VDC Battery Operating Power Supply</b>	40,000	-	-	-	-
<b>LED Light Replacement Program</b>	20,000	20,000	20,000	20,000	-
<b>Street Light Pole Rehab</b>	15,000	15,000	-	-	-
<b>Line Extension – 25<sup>th</sup> St. – CR12 – Baker Road</b>	-	250,000	-	-	-
<b>Underground – VFI sectionalizing Equipment</b>	-	210,000	-	-	-
<b>OH to URD Conversion – Hwy 25 West</b>	-	60,000	80,000	-	-
<b>New Underground – 3<sup>rd</sup> St S – Centennial Drive – Amory Loop</b>	-	50,000	-	-	-
<b>New Underground – Bellavista II</b>	-	-	525,000	-	-
<b>New Underground – Feeder tie Baker Road</b>	-	-	-	170,000	-
<b>Line Extension &amp; Territory – East Pulaski Road</b>	-	-	-	85,000	-
<b>East Pulaski – Hwy 25 North Tie</b>	-	-	-	-	300,000
<b>Reconductor OH 3 Phase Line – Bentfield Mills – CSAH134 – HWY 55</b>	-	-	-	-	70,000
<b>Underground – 3<sup>rd</sup> St. South to Calder Ave</b>	-	-	-	-	250,000
<b>Total</b>	<b>\$1,354,000</b>	<b>\$605,000</b>	<b>\$625,000</b>	<b>\$275,000</b>	<b>\$620,000</b>

## B) Capital Equipment

Description	2020	2021	2022	2023	2024
<b>Track Skid Steer*</b>	-	80,000	-	-	-
<b>Hybrid Vehicle – Service/Locator*</b>	-	65,000	-	-	-
<b>Hydro Seeder</b>	15,000	-	-	-	-
<b>Frost Breaker*</b>	6,500	-	-	-	-
<b>Mini-Excavator</b>	-	55,000	-	-	-
<b>Underground Radar Fault Finder*</b>	-	30,000	-	-	-
<b>Mixing Station Vehicle HDD</b>	-	85,000	-	-	-
<b>36ft. Electric &amp; Fiber Aerial Service Unit</b>	-	-	100,000	-	-
<b>Unit#30 Cargo/Dump*</b>	-	-	50,000	50,000	-
<b>42ft. Electrical Aerial Service Unit</b>	-	-	-	100,000	120,000
<b>Digger Derrick/Chassis Unit#12*</b>	-	-	-	-	60,000
<b>Total</b>	<b>\$21,500</b>	<b>\$315,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$180,000</b>

## C) Electric Service Territory Acquisition

Description	2020	2021	2022	2023	2024
<b>Service Territory – Annual</b>	260,000	260,000	130,000	-	-
<b>Total</b>	<b>\$260,00</b>	<b>\$260,000</b>	<b>\$130,00</b>	<b>-</b>	<b>-</b>

Fiber Optics:

Description	2020	2021	2022	2023	2024
<b>Shonhaugen Electronics Hut</b>	45,000	45,000	-	-	-
<b>Substation Building 2 Improvements</b>	50,000	-	-	-	-
<b>Fiber Line Extension – Lake Blvd – Baker Road South</b>	29,000	-	-	-	-
<b>Interim Fiber Deployment - State Hwy 25</b>	25,000	-	-	-	-
<b>Fiber Conversion – OH to URD – 3<sup>rd</sup> St NW</b>	20,000	-	-	-	-
<b>Fiber Line Extension – Hwy 55 West</b>	29,000	-	-	-	-
<b>Service &amp; Buildout Van – Dodge Ram Promaster 2500 Cargo Van – High Roof</b>	42,500	-	-	-	-
<b>Vibratory Plow</b>	40,000	-	-	-	-
<b>Total</b>	<b>\$280,500</b>	<b>\$45,000</b>	-	-	-

Water:

Description	2020	2021	2022	2023	2024
<b>Radio Read Water Meters</b>	800,000	-	-	-	-
<b>Mixing Systems (Water Towers #5)</b>	18,000	-	-	-	-
<b>PLC Programming Replacement &amp; Upgrade</b>	40,000	-	-	-	-
<b>Water Tower #5 Overcoat</b>	250,000	-	-	-	-
<b>Water Tower #1 Coating</b>	-	500,000	-	-	-
<b>Water Tower #2 Coating</b>	-	-	500,000	-	-
<b>Filter Media Replacement – WTP</b>	250,000	250,000	-	-	-
<b>Drain tile – 501 Building</b>	15,000	-	-	-	-
<b>Vehicle – 4x4 Truck*</b>	47,000	-	-	-	47,000
<b>Drone</b>	-	18,000	-	-	-
<b>High Service Valves</b>	-	35,000	-	-	-
<b>Aerator Hydraulics</b>	-	-	100,000	-	-
<b>Raw Water Matrix</b>	-	-	40,000	-	-
<b>Dry Chlorine Scrubber Equipment</b>	-	-	-	85,000	-
<b>Booster Station #1 – Rehab</b>	-	-	-	70,000	-
<b>Total</b>	<b>\$1,420,000</b>	<b>\$803,000</b>	<b>\$640,000</b>	<b>\$155,000</b>	<b>\$47,000</b>

\*Indicates existing equipment replacement

## Wastewater:

Note: WWTP = Wastewater Treatment Plant

Description	2020	2021	2022	2023	2024
<b>Jetter &amp; Vac-Combo (shared)*</b>	225,000	-	-	-	-
<b>Lift Station Panel Upgrades – (2 per year)</b>	60,000	60,000	60,000	60,000	60,000
<b>WWTP ~ VFD &amp; Rewind Motor (Aerator #1,3,5 &amp;7)</b>	47,178	47,178	-	-	-
<b>WWTP ~ Rehab secondary clarifier #4</b>	200,000	-	-	-	-
<b>WWTP ~Rehab secondary clarifier #3</b>	-	350,000	-	-	-
<b>WWTP ~ Rehab secondary clarifier #5</b>	-	-	350,000	-	-
<b>Mower</b>	-	48,000	-	-	-
<b>Lift Station 21 Upgrades</b>	-	25,500	-	-	-
<b>Garage Roof Replacements</b>	-	45,000	45,000	-	-
<b>Ford F-150*</b>	-	45,000	45,000	-	-
<b>WWTP Control Building Improvements</b>	-	-	29,000	-	-
<b>Lift Station – Equipment replacements</b>	-	7,000	55,000	-	-
<b>Total</b>	<b>\$532,178</b>	<b>\$627,678</b>	<b>\$584,000</b>	<b>\$60,000</b>	<b>\$60,000</b>

## Buffalo Wine & Spirits:

Description	2020	2021	2022	2023	2024
<b>Building Improvement</b>	-	-	2,000,000	-	-
<b>Total</b>	-	-	<b>\$2,000,000</b>	-	-

Downtown Wine & Spirits:

Description	2020	2021	2022	2023	2024
<b>Roof Replacement</b>	139,970	-	-	-	-
<b>Total</b>	<b>\$139,970</b>	-	-	-	-

Wild Marsh Golf:

Description	2020	2021	2022	2023	2024
<b>High Top Tables &amp; Booths</b>	-	16,000	-	-	-
<b>Golf Carts*</b>	231,872	-	-	-	-
<b>Beverage Carts</b>	-	35,000	-	-	-
<b>Utility Carts</b>	15,000	15,000	-	-	-
<b>Equipment Lift</b>	10,000	-	-	-	-
<b>Bunker Machine</b>	15,000	-	-	-	-
<b>Course Renovation – Bunker #2</b>	-	10,000	-	-	-
<b>Triplex Mower*</b>	-	32,000	32,000	-	-
<b>HD Utility Vehicle*</b>	-	-	30,000	30,000	-
<b>Fairway Mower*</b>	-	-	50,000	50,000	-
<b>Large Area Rough Mower*</b>	-	-	-	-	65,000
<b>Total</b>	<b>\$271,872</b>	<b>\$115,000</b>	<b>\$113,000</b>	<b>\$80,000</b>	<b>\$65,000</b>

\*Indicates existing equipment replacement

MIS:

Description	2020	2021	2022	2023	2024
<b>Total</b>	-	-	-	-	-



## 2020 Annual Budget

---

### Appendix

## DEBT OVERVIEW

### Legal Debt Limit

Minnesota State Statutes Section 475.51 limits net debt to no more than 3% of the assessor's market value of the taxable property within the municipality. Bond issues covered by this limit are those financed by property taxes unless at least 20% of the annual debt service costs are financed by special assessments of tax increments. At present the City has \$23,190,000 in debt that is subject to the debt limit. The City's current legal debt limit and debt margin is as follows:

City of Buffalo  
Computation of Legal Debt Margin  
December 31, 2019  
(Unaudited)

Estimated Taxable Market Value (Note A)	<u>\$ 1,314,435,400</u>
Debt Limit: 3% of Market Value	\$ 39,433,062
Total Indebtedness	<u>\$92,531,000</u>
Less:	
Other Deduction Allowed by Law:	
(1) Obligations Payable Wholly or Partly From Special Assessments	4,700,000
(2) Obligations Issued for Acquisition and Improvement of Public Utilities and Conveniences from Which Revenue May be Derived	62,954,428
(3) Obligations Payable Wholly from the Income from Revenue Producing Conveniences	<u>1,686,572</u>
Total Deductions	<u>69,341,000</u>
Total Amount of Debt Applied Against Debt Limit	<u>23,190,000</u>
Legal Debt Margin	<u>\$ 16,243,062</u>

*Note A – Source: Wright County Auditor/Treasurer*

## Bond Rating

The City maintains a bond rating of A+/Stable from Standard & Poor's for general obligation debt.

## Impact on Operations

The City's property tax levy attributable to debt is at \$3,735,794. This amount collected in 2020 will be used to make principal and interest payments due in 2021. \$3,592,038 of this total goes to Debt Service funds (\$2,856,413 governmental, \$500,000 water & sewer & \$235,625 golf). The remaining \$143,756 goes to the General and Park Funds to cover lease purchase obligations. All existing debt will be retired by 2040.

## Annual Debt Service

Debt Service Funds are established to identify and account for long-term, general obligation debt issued by the City other than Enterprise Fund debt. Repayment of issued debt in the form of principal and interest payments to bond holders is backed by the full faith and credit of the government unit.

Debt service payments on Enterprise Fund debt is accounted for in those funds. Most of the bond and interest payments are funded by revenue generated within.

2020 Annual debt service listed by debt issuance:

### General Obligation bonds paid out of Debt Service Funds

City

Debt Series	Maturity	2020 Debt Service Payments			Remaining Debt
		Interest	Principal	Total	
2010C	02/2028	50,140	130,000	180,140	1,385,000
2011A	02/2024	83,253	610,000	693,253	2,635,000
2011A*	02/2027	63,575	170,000	233,575	1,420,000
2012B	03/2020	1,100	110,000	111,100	-
2013A	04/2024	32,900	360,000	392,900	1,465,000
2013B	12/2028	11,790	35,000	46,790	340,000
2015A	02/2031	82,868	240,000	322,868	3,125,000
2016C	02/2032	50,138	155,000	205,138	2,110,000
2019A	08/2025	3,461	13,947	17,408	61,625
2019B	02/2040	286,507	-	286,507	6,710,000
2019C	08/2026	138,000	235,000	373,000	2,525,000
Total		803,732	2,058,947	2,862,679	21,776,625

\*2011A is a Public Facility Lease Revenue Bond between the HRA & the City. Payment is expensed as rent to the Civic Center and receipted to the HRA for payment of the bond.

Housing & Redevelopment Authority (*Paid with HRA Levy*)

Debt		2020 Debt Service Payments			Remaining
Series	Maturity	Interest	Principal	Total	Debt
2009A	02/2020	506	21,000	21,506	-
2012C	02/2033	41,885	75,000	116,885	1,450,000
2017C	02/2020	5,099	330,000	335,099	-
<b>Total</b>		<b>47,490</b>	<b>426,000</b>	<b>473,490</b>	<b>1,450,000</b>

General Obligation & Revenue bonds paid out of Enterprise Funds

Electric

Debt		2020 Debt Service Payments			Remaining
Series	Maturity	Interest	Principal	Total	Debt
2010B	02/2021	11,400	140,000	151,400	240,000
2013A	04/2022	13,200	150,000	163,200	585,000
2014B	02/2025	51,881	30,000	81,881	1,765,000
2015B	02/2022	9,585	180,000	189,585	375,000
2016B	02/2026	16,355	110,000	126,355	710,000
2018A	02/2028	45,600	160,000	205,600	1,440,000
2018B	02/2029	67,838	185,000	252,838	2,115,000
<b>Total</b>		<b>215,859</b>	<b>955,000</b>	<b>1,170,859</b>	<b>7,230,000</b>

Water & Sewer

Debt		2020 Debt Service Payments			Remaining
Series	Maturity	Interest	Principal	Total	Debt
2011B	08/2032	94,053	155,000	249,053	2,410,000
2012A	09/2033	157,492	-	157,492	5,610,000
2013B	12/2028	8,970	30,000	38,970	255,000
2014A	11/2028	993,295	1,225,000	2,218,295	27,050,000
2017A	06/2033	215,988	-	215,988	6,840,000
2017B	04/2033	66,950	190,000	256,950	2,820,000
2019A	08/2025	372,239	1,541,053	1,913,292	6,463,375
2019C	08/2026	60,000	175,000	235,000	1,025,000
<b>Total</b>		<b>1,968,987</b>	<b>3,316,053</b>	<b>5,285,040</b>	<b>52,473,375</b>

Golf

Debt		2020 Debt Service Payments			Remaining
Series	Maturity	Interest	Principal	Total	Debt
2016A	05/2035	70,905	150,000	220,905	2,695,000
Total		70,905	150,000	220,905	2,695,000

Debt Service requirements to maturity for all existing bond issuances:

Year	Interest	Principal	Total	Remaining
				Debt
2020	3,106,970	6,906,000	10,012,970	85,625,000
2021	2,827,050	7,190,000	10,017,050	78,435,000
2022	2,558,865	7,720,000	10,278,865	70,715,000
2023	2,282,646	7,410,000	9,692,646	63,305,000
2024	2,000,791	8,660,000	10,660,791	54,645,000
2025	1,706,508	8,745,000	10,451,508	45,900,000
2026	1,424,629	7,725,000	9,149,629	38,175,000
2027	1,186,579	7,760,000	8,946,579	30,415,000
2028	943,750	7,760,000	8,703,750	22,655,000
2029	640,793	4,180,000	4,820,793	18,475,000
2030	523,939	4,030,000	4,553,939	14,445,000
2031	404,943	4,150,000	4,554,943	10,295,000
2032	282,901	3,955,000	4,237,901	6,340,000
2033	157,276	3,885,000	4,042,276	2,455,000
2034	63,953	675,000	738,953	1,780,000
2035	43,136	695,000	738,136	1,085,000
2036	29,475	205,000	234,475	880,000
2037	23,250	210,000	233,250	670,000
2038	16,875	215,000	231,875	455,000
2039	10,275	225,000	235,275	230,000
2040	3,450	230,000	233,450	-
Total	20,238,052	92,531,000	112,769,052	

Note: Future debt issuances or refundings are not reflected in the above schedule.

# GLOSSARY OF TERMS

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary has been included in the document.

**Account** – A term used to identify an individual asset, liability, expenditure controls, revenue control, or fund balance.

**Accounting System** – The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis of Accounting** – The method of accounting under which revenues are recorded when they are earned, and expenditures are recorded when goods and services are received.

**Activity** – A specific and distinguishable line of work performed by one or more organizational components of a governmental unit to accomplish a function for which the governmental unit is responsible.

**Adoption** – The formal action taken by the City Council to authorize or approve the budget.

**Amortization** – (a) The portion of the cost of a limited-life or tangible asset charged as an expense during a particular period. (b) The reduction of a debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**Appropriation** – An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

**Assessed Valuation** – Value placed upon real estate or other property as a basis for levying taxes.

**Assets** – Property owned by a government that has a monetary value.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the government body or by an official or body to which the governing body delegates the authority.

**Audit** – The examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

- a) To ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principles applicable to governmental units and on a basis consistent with that of the preceding year.
- b) To determine the propriety, legality, and mathematical accuracy of a governmental unit's financial transactions.
- c) To ascertain whether all financial transactions have been properly recorded.
- d) To ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

**Bond** –A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s)) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

**Bonded Indebtedness** – Outstanding debt by issues of bonds, which is paid by ad valorem or other revenue.

**Budget** – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**Budget Document** –The official written statement prepared by the budget office and supporting staff that presents the proposed budget to the legislative body.

**Budget Message** – A general discussion of the proposed budget presented in writing as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the chief executive and budget officer.

**Budgetary Control** – The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

**Capital Assets** – Items purchased with an expected life of two years or more and a cost of \$5,000 or more which are held and used. Capital assets are also called fixed assets. For entity-wide financial reporting purposes, these items are included on the statement of net position in the annual financial report and, other than land, are depreciated.

**Capital Improvement Program** – A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

**Capital Outlay** – A level of budgetary appropriations which include expenses for acquiring capital assets, including land or buildings, improvements of grounds, and equipment.

**Capital Projects Funds** – To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Cash Basis** – The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

**Certified Levy** – Total tax levy of a jurisdiction, which is certified to the County Auditor.

**Charges for Services** – Charges for current services rendered.

**Chart of Accounts** – The classification system used by a City to organize the accounting for various funds.

**Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Component Unit** – A legally separate entity associated with the primary government

**Contingency** – Budget for expenditures which cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. The contingency also serves as a hedge against shortfalls in revenues or unexpected expenditures.

**Culture and Recreation** – To account for costs related to recreational activities, programs, and facilities including maintenance of City parks.

**Current** – A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods.

**Debt** – An Obligation resulting from the borrowing of money or from the purchase of goods and services.

**Debt Margin** – The amount of available debt, which may be issued by a governmental unit before reaching its debt limit.

**Debt Service Funds** – To account for the accumulation of resources for payment of general long-term debt.

**Department** – An organizational unit for purposes of administration and budgeting.

**Depreciation** – The portion of the cost of a capital asset which is charged as an expense during a specific period.

**Division** – An organizational unit within a department for purposes of administration and accounting.

**Enterprise Funds** – To account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost of providing services are to be recovered primarily on a user-charge basis to the general public.

**Estimated Market Value** – Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

**Expenditure** – Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of good received or services rendered whether cash payment have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

**Fines & Forfeitures** – A sum of money imposed or surrendered as a penalty

**Fiscal Policy** – A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal Policy provides an agreed-upon set of principles for the planning and programming of budgets and their funding.

**Fiscal Year** – The budget and accounting year that begins on the first day of January and ends on the last day of December of each year.

**Full Faith and Credit** – A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

**Full Time Equivalent (FTE)** – The number of employee hours (2080) needed to be equal to one full-time employee. Several part-time employees may be combined to make one full-time equivalent.

**Function** – A group of related activities aimed at accomplishing a major service or regulatory program for which the government unit is responsible.

**Fund** – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance** – The difference between assets and liabilities reported in a governmental fund. General Government Expenditures, which represents a set of accounts, to which are charged the expenditures for operating the city.

**General Fund** – The fund used to account for all financial resources, except those required to be accounted for in another fund.

**Generally Accepted Accounting Principles (GAAP)** – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GAAP.

**General Obligation Bonds** – When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds.

**Goal** – A statement of broad direction, purpose, or intent based on the need of a community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given period.

**Governmental Accounting** – The composite of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

**Governmental Accounting Standards Board (GASB)** – The authoritative accounting and financial reporting standard-setting body for government entities.

**Governmental Funds** – Funds used to account for the acquisition, use and balance of expendable financial resources and the related current liabilities-except those accounted for in proprietary funds and fiduciary funds. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

**Grant** – A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

**Housing and Redevelopment Authority (HRA)** – Separate taxing authority created to provide housing redevelopment programs within the city. The HRA may buy, own and sell land for housing and economic development purposes and engage in other housing and redevelopment activities consistent with MN law.

**Infrastructure** – The basic facilities, equipment, services and installations needed for the growth and functioning of a community. Includes roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

**Improvement Bonds** – Bonds payable from the proceeds of special assessments from properties benefiting from an improvement.

**Interfund Transfers** – Amounts transferred from one fund to another.

**Intergovernmental Revenues** – Revenues from other governments in the form of grants, entities, shared revenues or payments in lieu of taxes.

**Investments** – Securities held for the production of income in the form of interest.

**Legal Debt Limit** – The maximum amount of outstanding gross or net debt legally permitted.

**Legal Debt Margin** – The legal debt limit less outstanding debt subject to limitation.

**Levy** – (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes special assessments, or service charges imposed by a governmental unit.

**Licenses & Permits** – Revenues received from the sale of business and non-business licenses.

**Local Government Aid (LGA)** – Intergovernmental revenue from the state to municipalities to help fund general expenditures.

**Long-Term Debt** – Debt with a maturity of more than one year after the date of issuance.

**Market Value** – An assessor's estimate of what property would be worth on the open market if sold. The market value is set on January 2 of the year before taxes are payable.

**Market Value Homestead Credit (MVHC)** – a property tax relief program devised by the State government to give local property tax payers relief from the burden of local property taxes by providing a credit or reduction on the amount of property taxes.

**Market Value Homestead Exclusion (MVHE)** – a property tax relief program devised by the State government to give local property tax payers relief from the burden of local property taxes by excluding a portion of property value from taxation

**Maturities** – The dates on which the principal or stated value of investments or debt obligations mature and may be reclaimed

**Miscellaneous** – Revenues or expenditures not classified in any other revenue or expenditure category.

**MMPA** – Minnesota Municipal Power Association

**Modified Accrual Basis** – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the tax levied and revenue earned.

**Net Assets** – The excess of a fund's assets over liabilities. The term net assets is used in proprietary funds. The term fund balance is used in governmental funds.

**Nonspendable Fund Balance** – Amounts that are not in a spendable form or are required to be maintained intact.

**Object of Expenditure** – Expenditure classification based upon the types or categories of goods and services purchased. Typical objects of expenditure include: - personal services (salaries and wages); - charges and services (utilities, maintenance contracts, travel); - supplies and materials; and, - capital outlay.

**Objective** – Desired output-oriented accomplishments, which can be measured and achieved within a given time frame.

**Operating Budget** – A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them.

**Operating Expenses** – Proprietary fund expenses related directly to the fund's primary activities

**Operating Transfer** – Routine and/or recurring transfers of assets between funds.

**Ordinance** – A formal legislative enactment by the government body of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

**Other Charges & Services** – A level of budgetary appropriations which include expenses for outside professional services, advertising, insurance, utility costs, repairs maintenance, and miscellaneous costs.

**PERA** – Public Employees Retirement Association

**Personal Services** – A level of budgetary appropriations which include expenses for salaries, wages, and related employee benefits such as the City's share of retirement and insurance.

**Policy** – A set of guidelines used for making decisions.

**Program** – Group activities, operations or organizational units directed to attaining specific purposes or objectives.

**Proprietary Funds** – Account for government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination on net income, financial position and changes in financial position. Includes enterprise and internal service funds

**Public Safety** – To account for expenditures related to the protection of persons and property.

**Public Works** – To account for expenditures for the maintenance of City property.

**Purchased Power** – The electricity purchased wholesale to be distributed to consumers within the municipal utility service area.

**Reimbursement** – Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

**Reserve** – An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

**Resolution** – A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**Resources** – The actual assets of a governmental unit, such as cash, plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected, and bonds authorized and not issued.

**Revenue** – The term designates an increase to a fund's assets which:

- does not increase a liability (e.g., proceeds from a loan);
- does not represent a repayment of an expenditure already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in contributed capital.

**Revenue Bond** – A bond that is backed by a particular revenue source such as sewer user fees and municipal liquor store sales.

**Revenue Estimate** – A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year

**Restricted Fund Balance** – Amounts subject to externally enforceable legal restrictions.

**Special Assessment** – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

**Special Revenue Fund** – A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

**Supplies** – A level of budgetary appropriations which include expenses for commodities which are used such as office supplies, operating supplies, and repair and maintenance supplies.

**Taxes** – Compulsory charges levied by a government to finance services performed for the common benefit

**Tax Capacity** – A valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes. The assessor determines the estimated market (resale) value of the property. This value is converted to tax capacity by a formula specified in state law.

**Tax Capacity Rate** – Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

**Tax Classification Rate** – Rate at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial, farm, etc.) and, in some cases there are two tiers of classification rates, with the rate increasing as the estimated market value increases.

**Tax Increment Financing (TIF)** – Financing tool originally intended to combat severe blight in areas, which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

**Tax Levy** – The total amount to be raised by general property taxes for the purpose stated in the resolution certified to the county auditor.

**Tax Rate** – The amount applied to properties tax capacity to determine the taxes generated by the property.

**Taxes Compulsory** – charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

**Trust Fund** – A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of the trust.

**Truth in Taxation** – The "taxation and notification law" which requires local governments to set estimated levies, inform taxpayers about the impacts, and hold a separate hearing to take taxpayer input.

**Unassigned Fund Balance** – Residual amounts that are available for any purpose in the general fund.

**Unrestricted Fund Balance** – The total of committed fund balance, assigned fund balance, and unassigned fund balance.

**User Fees** – The payment of a charge for direct receipt of a public service by the party benefiting from the service.