

TOWN OF BUFFALO, OKLAHOMA

Fiscal Year 2020 / 2021 Annual Budget

BUDGET MEMO

May 6, 2020

The 2020 / 2021 Annual Budget for the Town of Buffalo is presented, as attached, for approval by the Council in accordance with the Oklahoma Municipal Budget Act.

The budget includes the following highlights for the fiscal year:

- ❖ This is an unusual year as the national economy is reeling from COVID-19 coupled with Oklahoma's specific oil/gas reliance. Russell Evans, an economist based at Oklahoma City University, spoke at the City of Oklahoma City council meeting in mid-April 2020 referencing the local economy was already shaky at the start of the 2020 calendar year and the collapse in oil prices has exacerbated the challenges faced by the city and state. It is likely the U.S. economy will shrink 25% to 40% starting in June 2020 and continue through the summer and fall.
- ❖ The New York Times reported on April 24, grocery stores, pharmacies and other sellers of essential items experienced a surge of demand in March 2020, which was outweighed by a steep decline in other categories as businesses shuttered and shoppers restricted their spending. Sales at gas stations, pushed down by low oil prices as well as reduced commuting, fell 17 percent. With sales taxes being the biggest source of revenue for most cities, we will see this plunge in revenue directly as business activity grinds to a halt and consumers stay home. Even as we stretch finances temporarily - by trimming budgets, appropriating funds earmarked for other purposes or passing emergency legislation - the economy recovery is expected to be slow.
- ❖ In light of the above information, we have prepared the following breakdown of sales tax revenue provided by the Oklahoma Tax Commission. We utilized this breakdown in projecting the impact of COVID-19 on the municipality.

Sales Tax Top 5 for Buffalo	
Grocery Stores	22%
General Merchandise Stores	17%
Convenience Stores	14%
Gas Stations w/ Convenience Stores	5%
Natural Gas Distribution	4%
	63%

- ❖ Sales tax has been budgeted at 75% of current year projections. All other recurring taxes are budgeted at 80% of current year projections.
- ❖ There are no budgeted rate increases for utility revenues. Revenue collections have been decreased 8% due to the expected impact of the unemployment related to the pandemic.
- ❖ The budget includes a 5% raise for two employees for fiscal year 2021. No other wage increases are included. Retirement is budgeted at 6.5%. Health insurance rates have been adjusted to new plan amounts.
- ❖ The golf course includes reducing the golf course employment from full-time to part-time. The budget includes a part-time employee at a total cost of ~\$26,000, a savings of approximately \$36,000.
- ❖ Proposed Capital requests are detailed in the budget totaling \$4,950,125

	Capital Outlay	Funding source
General Government	\$ 43,750	Operations
Streets Department	28,000	\$20k CD; Operations
Fire Department	10,000	Operations
Cemetery	5,000	Operations
Airport Department	140,000	FAA Grant 100%
Economic Development	1,250	Operations
Water Department	4,637,000	Loan Proceeds \$4.59M; REAP Grant \$32K; Operations \$15,000
Sewer Department	15,000	Operations
Trash Department	11,375	Operations
PWA Administration	58,750	Operations
	<u>4,950,125</u>	

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TOWN OF BUFFALO, OKLAHOMA
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- ❖ With the current uncertainty of the economy, we are advising all municipal clients to eliminate all capital expenditures not supported with loan funding or grant revenues.
- ❖ The budget includes a REAP grant (and corresponding expense) in the amount of \$32,000 for water well generators, the Town expense portion for the project is \$15,000.
- ❖ Engineering, construction, and attorney's fees have been included as a capital item for the upcoming water project in the amount of \$4,590,000. These costs are offset with interim loan proceeds for the same amount.
- ❖ Interest expense for the interim financing has been estimated at a cost of approximately \$41,597 for 3 months. The principal balance will be paid off at the completion of the water line replacement project with proceeds from the USDA loan.
- ❖ Debt service for 9 months has been included in the budget for the USDA waterline replacement project in the amount of \$169,785 and debt service reserve requirement in the amount of \$16,979.
- ❖ See the chart below for consideration of collection on tax revenues at tiered percentages and the reflected net gain/(loss) for the fiscal year:

<u>Tax Collections</u>	<u>Net Gain/(Loss)</u>
100%	(84,565)
90%	(102,286)
85%	(120,598)
80%	(138,910)

- ❖ This budget projects an overall loss of <\$171,689> for fiscal year 2021. Debt payments (9 months), Debt Reserve payments (9 months) and Interest Only payments (3 months) are included at a cost of ~\$228,360. If capital projects were limited to those only with grant/loan funding, the Town would project an overall net loss of <\$11,564>.
- ❖ Looking forward in future years: With the current budget, if we include an entire year of debt service and debt reserve payments, the budget would show a net loss of <\$192,346> with the current capital outlay budgeted and a <\$32,222> net loss with capital outlay limited to grant funding.
- ❖ As of April 30, 2020, the municipality had 1,233 and 1,037 days of cash on hand in the General fund and PWA, respectively, based on the current year projected expenditures. This represents the number of days the municipality can support the current expenses based on the cash balance at April 30, 2020.
- ❖ If fiscal year 2021 proceeds in line with the proposed budget, the municipality will have 657 and 783 days of cash on hand in the General fund and PWA, respectively, at June 30, 2021.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, the fiscal year 2020 / 2021 budget was initially presented to Council on May 6, 2020 for consideration.

The legal level of control for the City's 2020 / 2021 budget is established at the Department level. Additional detail is provided for analysis purposes only.

If you have any questions, please contact Tracy Reed, CPA.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given that the proposed Town of Buffalo Fiscal Year 2020 / 2021 Annual Budget will be considered at a public hearing held Wednesday, June 3, 2020 at 6:00 pm at the High Plains RC & D Building located at 818 N. Hoy, Buffalo, OK. Copies of the proposed budget are available for review in the Office of the Town Clerk, 610 N. Hoy St, Buffalo, Oklahoma 73834.

Notice is hereby given that the Town of Buffalo 2020 / 2021 Annual Budget will be adopted during a meeting of the Board of Trustees on June 3, 2020.

TOWN OF BUFFALO, OKLAHOMA
Fiscal Year 2020 / 2021 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	\$ 1,670,779	\$ 512,988	\$ (780,103)	\$ -	\$ (267,115)	\$ 1,403,664
ENTERPRISE FUNDS						
Public Works Authority	\$ 1,317,287	\$ 5,343,525	\$ (5,248,098)	\$ -	\$ 95,426	\$ 1,412,713
GRAND TOTAL ALL FUNDS	\$ 2,988,066	\$ 5,856,513	\$ (6,028,201)	\$ -	\$ (171,689)	\$ 2,816,377

Town of Buffalo
General Fund Budget
Fiscal Year 2020 / 2021 Annual Budget

	ACTUAL 2018-2019	BUDGET FY 2019-2020	PROJECTED 2019-2020	PROPOSED BUDGET 2020-2021	
OPERATING REVENUES					
Sales tax	\$ 230,869	\$ 206,716	\$ 207,603	\$ 155,702	** 75%
Use Tax	34,095	30,066	36,267	29,014	** 80%
Franchise Tax	49,346	46,036	49,144	44,230	** 90%
Beverage Tax	65,500	58,897	80,392	64,314	** 80%
Tobacco Tax	2,007	1,734	2,073	1,658	** 80%
Swimming Pool & Park Fees	4,090	3,500	3,500	2,500	
Motor Vehicle & Gas Excise Tax	11,854	10,678	11,900	9,520	** 80%
Royalty Income	3,191	250	1,793	250	
Cemetery	3,432	3,000	5,351	3,000	
Rental revenues	18,971	17,000	19,540	17,000	
Golf Course	18,866	17,000	15,412	15,000	
Fire Department - Donations	11,086	3,800	6,735	3,800	
Library	7,506	5,000	8,300	5,000	
Licenses & Permits	1,835	1,000	5,575	1,000	
Grants					
Airport - FAA; Apron design & bidding services	-	-	-	140,000	*
Grant- OMAG Safety Equipment grant	2,000	-	-	-	
REAP Grant - Street repairs	-	25,000	25,000	-	
Fire Department - Operational grant	4,000	4,000	17,825	4,000	
Other Revenue	26,720	2,000	3,036	2,000	
TOTAL OPERATING REVENUES	495,368	435,677	499,446	497,988	
OPERATING EXPENSES					
General Government					
Personal Services	163,870	150,970	158,237	147,165	
Materials and Supplies	3,340	6,000	1,819	3,000	
Other Services and Charges	55,972	75,000	39,360	67,500	
Capital Outlay	465	-	-	33,750	
Town Hall Upgrades	543	10,000	355	10,000	
Total General Government	224,190	241,970	199,771	261,415	
Street & Alley Department					
Personal Services	33,109	38,462	28,968	36,556	
Materials and Supplies	10,868	15,000	8,479	10,000	
Other Services and Charges	14,557	15,000	13,468	15,000	
Capital Outlay - Street Repairs (\$20K from CD)	-	33,000	25,000	28,000	
Total Street & Alley Department	58,534	101,462	75,915	89,556	
Fire Department					
Personal Services	2,264	3,000	1,653	3,000	
Materials and Supplies	20,101	12,000	15,719	15,000	
Other Services and Charges	4,753	10,000	2,163	7,000	
Capital Outlay	10,038	-	-	10,000	
Total Fire Department	37,156	25,000	19,535	35,000	

Town of Buffalo
General Fund Budget
Fiscal Year 2020 / 2021 Annual Budget

	ACTUAL 2018-2019	BUDGET FY 2019-2020	PROJECTED 2019-2020	PROPOSED BUDGET 2020-2021
Cemetery Department				
Materials and Supplies	31	5,000	103	1,000
Other Services and Charges	896	2,000	3,147	3,000
Capital Outlay		1,200	1,348	5,000
Total Cemetery Department	927	8,200	4,598	9,000
Golf Course Department				
Personal Services	49,552	62,328	51,568	25,709
Materials and Supplies	13,935	12,000	-	15,000
Other Services and Charges	25,431	25,000	24,047	25,000
Capital Outlay	-	-	-	-
Fairway Mower	5,500	-	-	-
Lease payment Golf Cars/Utility Vehicle - \$367.02/month	4,670	4,670	4,670	4,670
Total Golf Course Department	99,088	103,998	80,285	70,379
Pool Department				
Personal Services	7,889	12,107	10,014	12,107
Materials and Supplies	2,190	5,000	222	2,500
Other Services and Charges	3,698	4,500	3,188	2,250
Capital Outlay	-	-	-	-
Total Pool Department	13,777	21,607	13,424	16,857
Parks Department				
Materials and Supplies	1,054	1,000	276	1,000
Other Services and Charges	15,987	8,000	9,716	10,000
Capital Outlay	3,293	-	-	-
Total Parks Department	20,334	9,000	9,992	11,000
Airport Department				
Materials and Supplies	106	500	31	150
Other Services and Charges	6,672	7,000	5,664	7,000
Capital Outlay-Design & bidding - apron reconstruction	-	-	-	140,000
Total Airport Department	6,778	7,500	5,695	147,150
Library Department				
Personal Services	8,172	10,240	8,460	13,492
Materials and Supplies	9,125	7,000	7,564	7,000
Other Services and Charges	7,941	7,000	7,739	7,000
Total Library Department	25,238	24,240	23,763	27,492
Animal Control / Code Enforcement Department				
Personal Services	-	-	7,145	11,165
Materials and Supplies	931	500	461	500
Other Services and Charges	2,617	50,000	5,729	40,000
Capital Outlay	-	-	-	-
Total Animal Control / Code Enforcement Department	3,548	50,500	13,335	51,665
Economic Development Department				
Personal Services	40,380	52,954	46,629	53,339
Other Services and Charges	575	1,000	1,475	1,000
Capital Outlay	-	-	-	1,250
Total Economic Development Department	40,955	53,954	48,104	55,589
Emergency Management Department				
Other Services and Charges	-	5,000	-	5,000
Total Emergency Management Department	-	5,000	-	5,000
TOTAL EXPENDITURES	530,525	652,431	494,417	780,103

Town of Buffalo
General Fund Budget
Fiscal Year 2020 / 2021 Annual Budget

	ACTUAL 2018-2019	BUDGET FY 2019-2020	PROJECTED 2019-2020	PROPOSED BUDGET 2020-2021
REVENUES OVER (UNDER) EXPENDITURES	(35,157)	(216,754)	5,029	(282,115)
OTHER FINANCING SOURCES (USES)				
Interest	1,927	1,500	1,825	15,000
Transfers-out to PWA for debt service	(15,000)	-	-	-
Total other financing sources (uses)	(13,073)	1,500	1,825	15,000
TOTAL OTHER FINANCING SOURCES (USES)	(13,073)	1,500	1,825	15,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(48,230)	(215,254)	6,854	(267,115)
BEGINNING FUND BALANCE (estimated)	1,715,540	1,684,865	1,667,310	1,670,779
ENDING FUND BALANCE (estimated)	\$ 1,667,310	\$ 1,469,611	\$ 1,674,164	\$ 1,403,664

Town of Buffalo
Public Works Authority Budget
Fiscal Year 2020 / 2021 Annual Budget

	ACTUAL 2018-2019	BUDGET FY 2019-2020	PROJECTED 2019-2020	PROPOSED BUDGET 2020-2021	
OPERATING REVENUES					
Utility Revenues					
Water	\$ 410,317	\$ 430,000	\$ 454,345	\$ 417,998	92%
Sewer	108,468	85,000	108,751	100,051	92%
Trash	200,972	180,000	203,779	187,476	92%
Miscellaneous Revenues	300	-	18,306	15,000	
REAP - Water well generators		-	-	32,000	*
Loan Proceeds	-	1,619,280	-	4,590,000	*
TOTAL OPERATING REVENUES	720,057	2,314,280	785,181	5,342,525	
OPERATING EXPENSES					
Water Department					
Personal Services	12,947	35,271	36,529	36,993	
Materials and Supplies	17,782	18,500	17,279	18,500	
Other Services and Charges	37,726	45,000	33,803	40,000	
Capital Outlay	236,543	1,644,280	167,998	4,637,000	*
Debt Service - 9 months debt service - \$18,865/mo.	-	113,190	-	169,785	
Debt Reserve Requirement - 9 months	-	11,319	-	16,979	
Interim Financing Interest Payments - 3 months	-	36,434	27,731	41,597	
Total Water Department	304,998	1,903,994	283,340	4,960,853	
Sewer Department					
Personal Services	43,101	50,077	50,285	50,628	
Materials and Supplies	18,062	-	1,532	2,000	
Other Services and Charges	3,014	5,000	4,136	5,000	
Capital Outlay	-	25,000	5,450	15,000	
Total Sewer Department	64,177	80,077	61,403	72,628	
Trash Department					
Personal Services	21,496	53,216	51,692	69,992	
Materials and Supplies	10,293	10,000	10,375	10,000	
Other Services and Charges	46,814	45,000	42,415	45,000	
Capital Outlay	-	10,000	10,600	11,375	
Total Trash Department	78,603	118,216	115,082	136,367	
Administration Department					
Materials and Supplies	706	-	1,864	2,000	
Other Services and Charges	3,663	20,000	2,055	17,500	
Capital Improvements	6,236	50,000	-	58,750	
Total Administration Department	10,605	70,000	3,919	78,250	
TOTAL OPERATING EXPENDITURES	458,383	2,172,287	463,744	5,248,098	
OPERATING INCOME (LOSS)	261,674	141,993	321,437	94,426	

Town of Buffalo
Public Works Authority Budget
Fiscal Year 2020 / 2021 Annual Budget

	ACTUAL 2018-2019	BUDGET FY 2019-2020	PROJECTED 2019-2020	PROPOSED BUDGET 2020-2021
NON-OPERATING REVENUES (EXPENSES)				
Transfers In	15,000	-	-	-
Interest Income	807	500	1,135	1,000
TOTAL OTHER FINANCING SOURCES (USES)	15,807	500	1,135	1,000
INCOME (LOSS) BEFORE OPERATING	277,481	142,493	322,571	95,426
NET INCOME	277,481	142,493	322,571	95,426
BEGINNING RETAINED EARNINGS (estimated)	719,709	978,764	997,190	1,317,287
ENDING RETAINED EARNINGS (estimated)	\$ 997,190	\$ 1,121,257	\$ 1,319,761	\$ 1,412,713

Gross Profit Calculations: excludes Capital Outlay

Water Revenues	410,317	430,000	454,345	417,998
Water Expenses	(68,455)	(259,714)	(283,340)	(323,853)
Gross Profit	341,862	170,286	171,005	94,145
Gross Profit %	83%	40%	38%	23%
Sewer Revenues \$	108,468	\$ 85,000	\$ 108,751	\$ 100,051
Sewer Expenses	(64,177)	(80,077)	(61,403)	(57,628)
Gross Profit \$	44,291	\$ 4,923	\$ 47,347	\$ 42,422
Gross Profit %	41%	6%	44%	42%
<u>Sewer & Water Combined:</u>				
Revenues	518,785	515,000	563,096	518,048
Expenses	(132,632)	(339,791)	(344,743)	(381,481)
Gross Profit	386,153	175,209	218,353	136,567
Gross Profit %	74%	34%	39%	26%
Trash Revenues	200,972	180,000	203,779	187,476
Trash Expenses	(78,603)	(108,216)	(104,482)	(124,992)
Gross Profit	122,369	71,784	99,297	62,484
Gross Profit %	61%	40%	49%	33%

BUDGET ADOPTION RESOLUTION – FUND-BASED BUDGET

TOWN OF BUFFALO, OKLAHOMA RESOLUTION NO. 2020-05

A RESOLUTION APPROVING THE TOWN OF BUFFALO, OKLAHOMA BUDGET FOR THE FISCAL YEAR 2020-2021 AND ESTABLISHING BUDGET AMENDMENT AUTHORITY

WHEREAS, The Town of Buffalo has adopted the provisions of the Oklahoma Municipal Budget Act (the Act) in 11 O.S. Sections 17-201 through 17-216; and

WHEREAS, The Chief Executive Officer has prepared a budget for the fiscal year ending June 30, 2021 (FY 2020-2021) consistent with the Act; and

WHEREAS, The Act in section 17-215 provides for the chief executive office of the Town, or designee, as authorized by the governing body, to transfer any unexpended and unencumbered appropriation from one department to another within the same fund; and

WHEREAS, The budget has been formally presented to the Town Board of Trustees at least 30 days prior to the start of the fiscal year in compliance with Section 17-205; and

WHEREAS, The Town Board of Trustees has conducted a Public Hearing at least 15 days prior to the start of the fiscal year, and published notice of the Public Hearing in compliance with Section 17-208 of the Act; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF BUFFALO, OKLAHOMA:

SECTION 1. The Town Board of Trustees does hereby adopt the FY 2020-2021 Budget on the 3rd day of June 2020 with total resources available in the amount of \$8,844,579 and total fund/departamental appropriations in the amount of \$6,028,201. Legal appropriations (spending/encumbering limits) are hereby established as follows:

Fund: Department	Appropriation Amount
General Fund:	
General government	\$261,415
Street & Alley	89,556
Fire	35,000
Cemetery	9,000
Golf Course	70,379
Pool	16,857
Parks	11,000
Airport	147,150
Library	27,492
Code Enforcement	51,665
Economic Development	55,589
Emergency Management	5,000

PWA:	
Water	4,960,853
Sewer	72,628
Trash	136,367
PWA Administration	78,250

SECTION 2. The Buffalo Board of Trustees does hereby authorize the Town Administrator to transfer any unexpended and unencumbered appropriations, at any time throughout FY 2020-2021, from one line item to another, one object category to another within a department, or one department to another within a fund, without further approval by the Buffalo Board of Trustees.

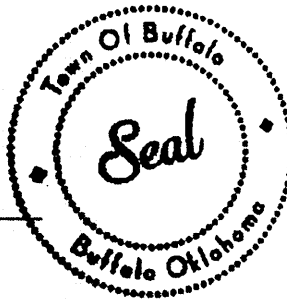
SECTION 3. All supplemental appropriations or decrease in the total appropriation of a fund shall be adopted at a meeting of the Buffalo Board of Trustees and filed with the State Auditor and Inspector.

ADOPTED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF BUFFALO this 3rd day of June, 2020.

TOWN OF BUFFALO, OKLAHOMA

ATTEST:

Linda Johnson
LINDA JOHNSON, Clerk



Jarrie Coggins
Jarrie Coggins, Mayor

Case No. / Title:

Town of Buffalo Budget Summary

AFFIDAVIT OF PUBLICATION

Buffalo Weekly News
316 N. Hoy • P.O. Box 396
Buffalo, Oklahoma 73834

STATE OF OKLAHOMA }
 }
COUNTY OF HARPER }

I, Kayla Williams, of lawful age, being duly sworn, on oath, deposes and says that I am the Publisher of Buffalo Weekly News, a weekly publication that is a "legal newspaper" as that phrase is defined in 25 O.S. § 106, as amended to date, for the City of Buffalo, for the County of Harper, in the State of Oklahoma. The attachment hereto contains a true and correct copy of what was published in the regular edition of said newspaper, and not in a supplement, in consecutive issues on the following dates:

PUBLICATION DATES

1st Insertion: May 27, 2020

2nd Insertion: _____

3rd Insertion: _____

4th Insertion: _____

PLEASE SEE REVERSE

PUBLICATION FEE: \$53.85

Calculation Measurements

107 Words 18 Lines 3 Columns 1 Issue

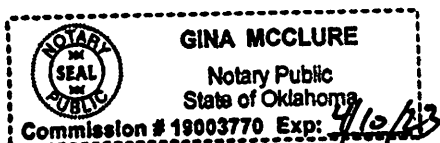
Kayla Williams
(Publisher)

Subscribed and sworn to before me on
this 10 day of June, 2020.

Gina McClure
(Notary Public)

My Commission expires: 4/10/23

Commission Number: 19003770



(Published in Buffalo Weekly News on May 27, 2020)

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GRAND TOTAL ALL FUNDS	\$ 2,988,066	\$ 5,716,513	\$ (5,888,201)	\$ -	\$ (171,689)	\$ 2,816,377

