



# 2020 Annual Operating Budget



1685 Crosstown Blvd NW, Andover, MN 55304  
Phone: (763) 755-5100 \* Fax: (763) 755-8923  
[www.andovermn.gov](http://www.andovermn.gov)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Andover  
Minnesota**

For the Fiscal Year Beginning

**January 1, 2019**

*Christopher P. Morill*

Executive Director

**CITY OF ANDOVER**  
**2020 Annual Operating Budget**

**Table of Contents**

**Introduction**

Public Official Listing ..... 1  
 Organizational Chart..... 2  
 Budget Message..... 3  
 City Council Resolution Adopting Budget ..... 29  
 Values and Goals ..... 32  
 Budget Development Process ..... 33  
 2020 Budget Development Calendar ..... 34  
 Accounting, Auditing and Financial Reporting Policy ..... 36  
 Operating Budget Policy..... 37  
 Revenue Policy ..... 39  
 Capital Improvement Policy ..... 39  
 Debt Administration ..... 40  
 Investment Policy ..... 41  
 Revenue Projections ..... 44  
 2020 Budget Summary by Fund Type ..... 49  
 2020 Budget Summary – Revenues and Expenditures Fund Summary..... 50  
 2020 Budget Summary – Revenues and Expenditures All Funds ..... 51  
 2020 Budget Summary – Revenues and Expenditures by Fund Type ..... 52  
 Revenue Comparison – General Fund ..... 53  
 Expenditure Comparison – General Fund..... 54  
 Expenditure Budget Summary – By Department – General Fund..... 55  
 Five Year Financial Projections – General Fund ..... 56  
 2020 FTE Summary..... 57  
 2020 Capital Improvement Budget..... 58

**General Fund**

Definition..... 61  
 Statement of Revenues, Expenditures and Changes in Fund Balance ..... 63  
 Mayor & Council..... 64  
 Administration ..... 65  
 Newsletter ..... 66  
 Human Resources ..... 67  
 Attorney ..... 68  
 City Clerk ..... 69  
 Elections ..... 70  
 Financial Administration ..... 71  
 Assessing ..... 72  
 Information Systems..... 73  
 Planning and Zoning..... 74

**General Fund (Continued)**

Engineering..... 75  
 Facilities Management..... 76  
 Police Protection..... 77  
 Fire Protection ..... 78  
 Protective Inspection ..... 79  
 Emergency Management ..... 80  
 Animal Control..... 81  
 Streets & Highways ..... 82  
 Snow & Ice ..... 83  
 Street Signs ..... 84  
 Traffic Signals ..... 85  
 Street Lighting ..... 86  
 Street Lights Billed ..... 87  
 Parks & Recreation ..... 88  
 Natural Resource Preservation..... 89  
 Recycling ..... 90  
 Unallocated..... 91

**Special Revenue Funds**

Definition..... 93  
 Statement of Revenues, Expenditures and Changes in Fund Balance – All  
     Special Revenue Funds..... 95  
 Economic Development Authority Fund  
     Statement of Revenues, Expenditures and Changes in Fund Balance ..... 96  
     Fund Overview ..... 97  
 Community Development Block Grant Fund  
     Statement of Revenues, Expenditures and Changes in Fund Balance ..... 98  
     Fund Overview ..... 99  
 Community Center Fund  
     Statement of Revenues, Expenditures and Changes in Fund Balance ..... 100  
     Fund Overview ..... 101  
 Drainage and Mapping Fund  
     Statement of Revenues, Expenditures and Changes in Fund Balance ..... 102  
     Fund Overview ..... 103  
 Lower Rum River Watershed Fund  
     Statement of Revenues, Expenditures and Changes in Fund Balance ..... 104  
     Fund Overview ..... 105

**CITY OF ANDOVER**  
**2020 Annual Operating Budget**

**Table of Contents**

**Special Revenue Funds (Continued)**

Forestry Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	106
Fund Overview .....	107
Right of Way Management / Utility Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	108
Fund Overview .....	109
Charitable Gambling Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	110
Fund Overview .....	111
Construction Seal Coating Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	112
Fund Overview .....	113

**Debt Service Funds**

Definition .....	115
Statement of Revenues, Expenditures and Changes in Fund Balance – All Debt Service Funds .....	117
Certificates / Capital Notes – 2014A G.O. Equipment Certificate	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	118
Fund Overview .....	119
Certificates / Capital Notes – 2016A G.O. Equipment Certificate	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	120
Fund Overview .....	121
Certificates / Capital Notes – 2020A G.O. Equipment Certificate	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	122
Fund Overview .....	123
General Obligation Bonds – 2018A G.O. Capital Improvement Plan Bonds	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	124
Fund Overview .....	125
General Obligation Bonds – 2012C G.O. Abatement Bonds	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	126
Fund Overview .....	127
General Obligation Bonds – 2019A G.O. Taxable Abatement Bonds	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	128
Fund Overview .....	129
General Obligation Bonds – 2010A G.O. Open Space Referendum Bonds	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	130
Fund Overview .....	131

**Capital Projects Funds**

Definition .....	133
Statement of Revenues, Expenditures and Changes in Fund Balance – All Capital Projects Funds .....	135
Water Trunk Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	136
Fund Overview .....	137
Sewer Trunk Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	138
Fund Overview .....	139
Storm Sewer Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	140
Fund Overview .....	141
Road and Bridge Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	142
Fund Overview .....	143
Park Dedication Projects	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	144
Fund Overview .....	145
Building Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	146
Fund Overview .....	147
Trail & Transportation	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	148
Fund Overview .....	149
Capital Equipment Reserve	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	150
Fund Overview .....	151
2020A G.O. Equipment Certificates	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	152
Fund Overview .....	153
2018A G.O. Capital Improvement Plan Bonds	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	154
Fund Overview .....	155
2019 G.O. Abatement Bonds	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	156
Fund Overview .....	157

**CITY OF ANDOVER**  
**2020 Annual Operating Budget**

**Table of Contents**

**Capital Projects Funds (Continued)**

Tax Increment Projects	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	158
Fund Overview .....	159
Permanent Improvement Revolving	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	160
Fund Overview .....	161

**Enterprise Funds**

Definition .....	163
Statement of Revenues, Expenditures and Changes in Retained Earnings –	
All Enterprise Funds .....	165
Water Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	166
Fund Overview .....	167
Sanitary Sewer Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	168
Fund Overview .....	169
Storm Sewer Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	170
Fund Overview .....	171

**Internal Service Fund**

Definition .....	173
Statement of Revenues, Expenditures and Changes in Fund Balance – All	
Internal Service Funds .....	175
Central Equipment Maintenance Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	176
Fund Overview .....	177
Risk Management	
Statement of Revenues, Expenditures and Changes in Fund Balance .....	178
Fund Overview .....	179

**Appendix**

Budget Year 2020 – Operating Transfers .....	180
2020 – 2024 Capital Improvement Plan Development Calendar .....	182
Capital Improvements Plan 2020-2024 .....	183
Summary of Outstanding Bond Issues .....	195
Future Debt Service Requirements .....	196
Computation of Legal Debt Margin .....	197
Property Tax Levies and Collections .....	198
Special Assessment Levies and Collections .....	198

**Appendix (Continued)**

Principal Taxpayers .....	199
Building Permits, Property Values and Households .....	199
Demographics .....	200
Miscellaneous Statistical Data .....	201
Glossary of Terms .....	202

This page left blank intentionally.

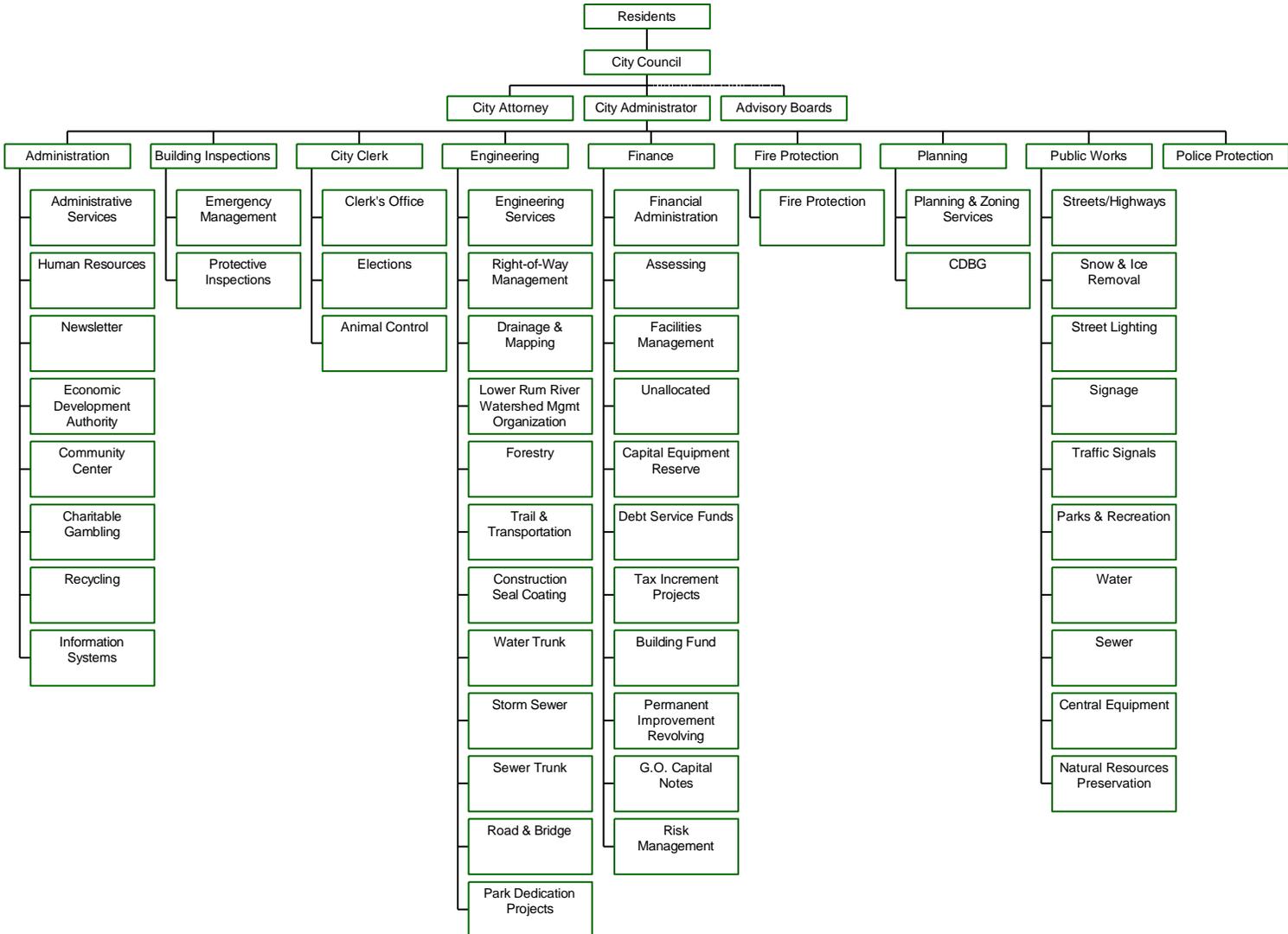
# CITY OF ANDOVER

## Adopted 2020 City Budget

Julie Trude	Mayor
Jamie Barthel	Councilmember
Sheri Bukkila	Councilmember
Valerie Holthus	Councilmember
Michael Knight	Councilmember

James Dickinson	City Administrator / City Clerk
Joe Janish	Community Development Director
David Berkowitz	Director of Public Works / City Engineer
Fred Patch	Building Official
Jerry Streich	Fire Chief

# CITY OF ANDOVER 2020 Organizational Chart





---

1685 CROSSTOWN BOULEVARD N.W. • ANDOVER, MINNESOTA 55304 • (763) 755-5100  
FAX (763) 755-8923 • WWW.ANDOVERMN.GOV

TO: Mayor, City Council Members and Residents of Andover

FROM: Jim Dickinson, City Administrator

SUBJECT: Adopted 2020 City Budget

DATE: December 3, 2019

### **INTRODUCTION**

City Code 1-6-2 C. Major Areas of Accountability requires the City Administrator to submit an annual budget to Council, which accurately reflects the financial needs of the City organization. Additionally, state law requires that Council approve a preliminary budget and certify a proposed levy to the Anoka County Property Records and Taxation Division by September 30, 2019. In response to these requirements, a proposed budget was presented to Council on September 3, 2019 in advance of this deadline. Council held budget-planning sessions on March 26, April 23, May 28, June 25, July 23, and August 27 to discuss budget priorities and adopted the preliminary 2020 City Levy on September 3, 2019. Additional budget discussion was held with the Council on September 24, October 22, and November 26 before the public hearing that was held on December 3, 2019. The Council's final action on adopting the 2020 City Budget and 2020 Levy occurred on December 3, 2019. The official adoption of the 2020 Budget and City Levy will be submitted to Anoka County and the Minnesota Department of Revenue on or before December 28, 2019.

This budget document should be viewed as more than just a collection of financial data, but as the financial plan in which the organization will implement and accomplish Council policies, as well as meet the articulated needs of the community and residents. In addition to the financial data contained within, this document includes information on the City organization, describes programs and services, and provides statistical values measuring activity performance and workloads. Most importantly, this budget reflects the City's plans, policies, procedures and objectives regarding services to be provided in 2020.

As part of the budget development process, City staff, including department supervisors, performed a comprehensive review of their specific service needs, prioritized spending requests to achieve the most effective operational delivery of services, and then balanced the allocation of

the City's human and financial resources against those needs. It has been our goal to accomplish this in a fair, impartial and balanced manner that meets with the approval of Council and the residents we serve.

### **GENERAL INFORMATION**

The city we know today as Andover was first organized in 1857 under the name "Round Lake Township." However, in 1860 the name was changed to "Grow Township" in honor of Senator Galusha A. Grow of Pennsylvania. Senator Grow spoke at a political campaign in Anoka that year, and the town name was changed to reflect Senator Grow because of his strong advocacy of the Union cause. At that time, the population was 330 and included the geographical area we know today as Ham Lake. In fact, the area of Ham Lake was considered a part of Grow Township until 1871.

In 1972, the Grow Township Board of Supervisors recognized that the town was growing at a very rapid rate. They felt a village form of government would provide better services to the community. Board supervisors then voted in favor of proceeding with the incorporation process. The board voted to submit a new name for the village. "Andover Village" was chosen because the name Andover had historical interest. The historical interest, we believe, came from the Andover train station.

You may have heard the popular "train myth" about how Andover received its name. The myth states that a train tipped over in a swamp, and an eyewitness, relaying the incident, said it "went over and over," thereby naming the city "Andover." However, research reveals that the name Andover first appeared in an article dated March 14, 1899 in the *Anoka County Union Newspaper* - before train tracks were ever built in the city.

The article stated that the Eastern Minnesota line of the Great Northern Railway was in the process of constructing railroad tracks from the Coon Creek Cut-off to the North. The railway announced that new railroad stations with mathematical precision were to be located five miles apart from each other. The new stations (from Coon Creek to the North, along the new railroad line) were to be named Andover, Cedar, Bethel, Isanti, Cambridge, Stanchfield, Braham, Grasston, Cornell, and Brook Park. On July 4, 1899, the first train passed through the Andover station. Where the railway came up with the name Andover remains unknown.

Andover Village was established in 1972 and then became the City of Andover, a city of the fourth class, in 1974. Today the City of Andover's population exceeds 20,000, classifying it as a second-class city.

### **BUDGET GUIDELINES**

The following are City Council's 2020 Budget Development guidelines established by the City Council on April 2, 2019, used by City Staff while preparing their proposed operating budgets, and presented with a brief description of the outcome of each guideline as part of the budget process:

- 1) A commitment to a City Tax Capacity Rate to meet the needs of the organization and positioning the City for long-term competitiveness using sustainable revenue sources and operational efficiencies.

*Note: The Anoka County Assessor taxable market value figures for the City of Andover are reflecting a 9.74% increase in total taxable market value. The 2020 Property Tax Levy that was approved estimates increasing the current City tax rate by 0.71%.*

- 2) A fiscal goal that works toward establishing the General Fund working capital fund balance at no less than 45% of planned 2020 General Fund expenditures and the preservation of emergency fund balances (snow emergency, public safety, facility management and information technology) through targeting revenue enhancements or expenditure limitations in the 2019 adopted General Fund budget.

*Note: With property tax revenues making up close to 80% of the total General Fund revenues, cash flow designations approaching 50% would be appropriate and are recommended by the City's auditor. The 2020 budget exceeds this guideline, also emergency fund balances (approximately 3% of planned General Fund expenditures) are in place to stabilize a situation and not be a complete solution.*

- 3) A commitment to limit the 2020 debt levy to no more than 25% of the gross tax levy and a commitment to a detailed city debt analysis to take advantage of alternative financing consistent with the City's adopted Debt Policy.

*Note: The adopted 2020 debt levy was 21.33% of the gross tax levy while accommodating the additional long-term debt for the 2018A GO Capital Improvement Plan Bonds and the 2019A GO Tax Abatement Bonds that were sold by the City.*

- 4) A comprehensive review of the condition of capital equipment to ensure that the most cost-effective replacement schedule is followed. Equipment will be replaced based on a cost benefit analysis rather than a year-based replacement schedule.

*Note: The City Vehicle Purchasing Committee performed this analysis and has made recommendations to the City Council as part of the 2020 – 2024 Capital Improvement Plan (CIP) that was adopted at the October 15, 2019 City Council meeting.*

- 5) The use of long-term financial models that identify anticipated trends in community growth and financial resources that will help designate appropriate capital resources for future City needs. The financial models will be used in the budget planning process to ensure that key short-term fiscal targets are in line with long-term fiscal projections.

*Note: The City continually maintains various financial models to determine the long-term impacts of present day expenditures and financing decisions. Fiscal assumptions are based upon a complex set of financial data including growth factors, tax capacity valuations, per capita spending, fund balance reserves and debt ratios.*

- 6) Continued commitment to strategic planning targeted toward meeting immediate and long-term operational, staffing, infrastructure and facility needs.

*Note: A Council Community Vision and Organizational Goals and Values document was adopted by the City Council at the December 3, 2019 City Council meeting. Direction provided in that document will continue to be integrated into various department work plans and budgets.*

- 7) A management philosophy that actively supports the funding and implementation of Council policies and goals, and a commitment to being responsive to changing community conditions, concerns and demands, and to do so in a cost-effective manner.

*Note: Management paid special attention to fiscal values, commercial & residential development/redevelopment, collaboration opportunities, service delivery and the livability/image of the community.*

### **SIGNIFICANT EVENTS OF THE CURRENT YEAR**

Andover was one of the fastest growing cities in terms of population growth in the Twin Cities metropolitan area between 2000 through 2006. Since 2006, the pace of residential development has slowed and is attributable to regional and national economic factors. The City has taken a revised outlook on where growth is most likely to occur in contrast to previously determined urban services staging areas. This has required the City to identify alternate locations for sewer supported growth. In 2019, the City issued 116 new single-family building permits with a total valuation of \$37,258,817 compared to 60 new single-family building permits with a total valuation of \$19,703,857 the prior year. More detailed information is available on City growth later in this budget message.

Some additional noteworthy events/activities that occurred in 2019 include:

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- 1) In 2019, the City again saw new residential development which included approval of 125 urban lots within the Catcher's Creek West, Catcher's Creek East, Shadowbrook North, Winslow Cove Second Addition and Villas at Crosstown Woods. Also 7 rural lots were approved in a development known as the Estates at Cedar Ridge. The City currently has a supply of 208 urban lots and 16 rural lots (which includes the lots above).
- 2) In 2019, the City saw commercial, industrial and institutional construction throughout the community totaling close to \$30 million in valuation. Many businesses came to Andover that did extensive tenant finishes or remodels in existing multi-tenant buildings.
- 3) In 2019, Legacy Christian Academy a K-12 private school started their expansion project. The expansion includes a three-story classroom addition (approximately 33,000 sq. ft.) between the existing buildings to replace temporary classrooms.
- 4) Andover High School will receive close to \$30 million in additions totaling 67,000 square feet and other improvements adding another 5,700 square feet of space in the school. Phase 1 of the additions and remodeling started in 2018 and was completed in 2019. Part of the project is the removal of 12 portable classrooms. The school was originally designed for 1,400 students, but today 1,700 students attend the school. Phase 2 construction will take place in 2020 and when the construction is complete the school's capacity will be 2,000 students.
- 5) The City completed the master planning concept layout of the City Campus site in 2016 to prepare for the facility needs for the ultimate build out of the City. The master planning concept layout provides for the Public Works, Public Safety, General Government and Recreational long-term needs of the community. In 2017, the City hired two architectural firms to start the design for a Public Works Maintenance Facility, cold storage building and to explore a potential expansion of the Andover YMCA/Community Center. Both projects completed design in 2018. The Public Works component (Maintenance Facility, Fleet Storage Building and Vehicle Wash Bay) was out for bid in late 2018 and a bid awarded for construction in early 2019 with a \$10.5 million budget. The Community Center Expansion design continued throughout 2018, the project (a new sports complex with elevated walking track, additional fieldhouse court, team training space, youth center, remodeled Community Rooms, added meeting spaces and expanded parking) was out for bid in early 2019 and a bid awarded for construction in late Spring 2019 with a \$17.9 million budget.
- 6) In 2018, working with the Anoka County Parks Department, two new outdoor gathering spaces at the Bunker Hills Activities Center started construction. The first area will remove the current ramps on the south side of the building and replace it with a 120-person capacity deck. This will provide additional space for meetings, family gatherings, weddings, and other events. The second area

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

converts the existing greenhouse into an exterior patio area accessible from the inside as well as the outside. This project started in 2018 and was completed in 2019.

- 7) In 2017 and 2018, the City of Andover, in cooperation with the Anoka County Highway Department, worked through the planning of the Hanson Boulevard expansion and reconstruction. Right of Way clearing and utility work took place in 2018 with full construction of Phase 1 in 2019, Phase 2 will be underway and completed in 2020. This project is financed primarily by a federal grant. Trails and intersection improvements are also constructed as part of the project phases.
- 8) The City of Andover EDA went through the public hearing process in 2011 to modify the City Development Plan to create redevelopment areas of the community and to facilitate the opportunity to acquire dilapidated and substandard multi-family homes within specified target areas. The EDA was successful in acquiring one 4-plex property in November of 2011 to start the redevelopment process with hopes of continuing to add to the critical land mass necessary to start marketing for a redevelopment project. In late 2017 the EDA was successful in acquiring three more 4-plex properties and one additional 4-plex in 2018. The EDA continues to pursue the acquisition of properties in the redevelopment areas from willing sellers.
- 9) In 2016, City Staff started work with the State of Minnesota Board of Soil and Water Resources on a wetland restoration of the old Woodland Creek Golf Course parcel. The City acquired the old 74-acre golf course in late 2013, subsequently a 6-acre parcel was sold to a developer and a 6-unit subdivision called Shadow Ponds was the outcome. The remaining acreage was to be restored to a wetland with passive nature trails. Construction bids were received in late 2016 with the first phase of construction completed the summer and fall of 2017. Other restoration elements including the addition of a boardwalk continued throughout 2018. Final restoration work on the project's nature trails continued into 2019 and the trails were open to the public in the summer of 2019.
- 10) Andover residents continue to have one of the highest recycling rates per person for all recyclable materials in Anoka County. In 2014, the City added a new Recycling Center to expand the current recycling opportunities for Andover residents. In 2019, the City hosted monthly recycling events (on weekends), generally with a specific focus, such as paper shredding and appliance or electronics collection.
- 11) A strategic planning session was held with the City Council, a final Council Community Vision and Organization Goals and Values document was approved at the July 7, 2015 City Council meeting. Direction provided in that document has been integrated into various department work plans and budgets. As part of the 2020 Budget Development process the Council participated in a new strategic planning process throughout 2019 updating the Council Community Vision and Organization Goals and Values document.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- 12) The City's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2018 was awarded the Government Finance Officers Association's "Excellence in Financial Reporting Award." The City completes this document internally and recognized significant cost savings in the form of reduced financial consulting fees. This is the seventeenth consecutive year receiving the award and it is anticipated that the City's CAFR for the year ended December 31, 2019 will also achieve this award.
- 13) For the eighteenth year in a row, the City of Andover was awarded the Government Finance Officers Association Distinguished Budget Presentation Award for the City's 2019 Annual Budget. This award recognizes excellence in the preparation of the City's budget document as a policy document, an operations guide, as a financial plan and as a communications device.
- 14) Ongoing implementation of a single-family rental housing license program to provide property owners/landlords with educational materials and checklists on how to inspect and maintain the exterior of the property, a list of potential ordinance violations that may occur with a rental property, and an exterior inspection of the building and grounds with city staff. This program was authorized by the Andover City Council in 2009 and is reviewed annually, there were close to 260 single family rental licenses issued throughout the City in 2019.
- 15) The City continues to make significant progress on the process of digitally imaging documents retained, this includes standard and legal documents and large construction plan documents. The imaging project has helped the City reduce staffing through data storage retrieval efficiencies, eliminated the need for office expansion and has expedited City research projects.
- 16) The City continues to utilize updates to our financial management software to improve reporting and operating efficiencies. These updates continue to yield reduced personnel costs and more timely reports. In 2019, the City saw increased growth in the number of online and counter credit card payments for various City permits and services. Approximately 50% of the Building Department's permits were done online.

### **OVERVIEW**

The Adopted 2020 Budget anticipates General Fund revenues in the amount of \$11,794,736 to meet anticipated budgeted expenditures in the amount of \$12,155,896, thus a decrease in (use of) fund balance is planned. As a result, total General Fund balance reserves are projected to decrease to 63.3% in 2020 as compared to 68.5% in 2019 in conjunction with corresponding expenditures for those years. The Adopted 2020 General Fund Budget represents an increase in expenditures of \$460,403 over last year. Designated capital operating levies increased \$34,721 in 2020 bringing the balance to \$2,076,509. The 2020 Debt Service Levy includes two equipment notes, two abatement bonds, capital

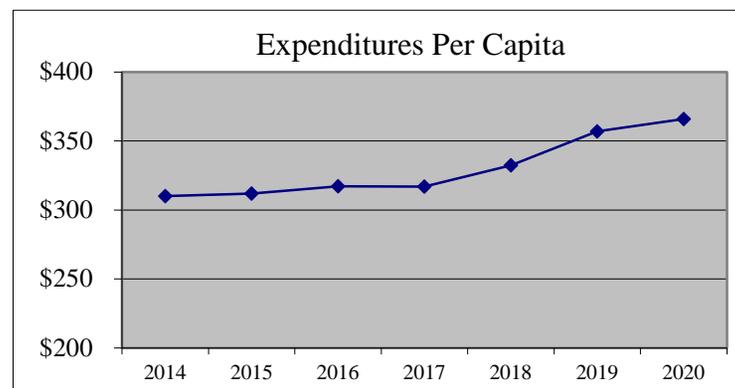
Mayor, Councilmembers, Residents  
2020 Adopted City Budget

improvement plan bonds and the open space referendum bonds; and increases the City debt ratio to gross City levy to 21.33% from 16.15% for the prior year.

The increase in General Fund expenditures is primarily related to the increase in the cost of health insurance. In the past several year’s budgets, the City has dealt with significant state aid cuts in Market Value Homestead Credit (MVHC) and Local Government Aid (LGA), tight levy limits enacted by the State Legislature that have prevented Andover from capturing any additional tax revenue from the City’s previously expanding tax base. The availability of additional tax levy in 2013 was significantly limited by the new market value exclusion program and decreasing taxable market values, but the decertification of a tax increment financing district negated those decreases to a net overall increase of .41%. In 2014, LGA was reinstated for the City and that funding (\$73,490) was used to help offset the growing needs of the Road and Bridge Capital Projects Fund for street improvements/replacements. In 2015, the City received zero LGA funding; in 2016, the City received \$2,698; in 2017, 2018 and 2019, the City received zero LGA funding; and as notified by the State, the City will be receiving zero in 2020.

General Fund expenditure trends since 2014 are as follows:

	Expenditures Before Transfers	% Change	Population	Expenditures Per Capita
2014 Actual	\$ 9,881,404	n/a	31,874	\$ 310.01
2015 Actual	\$ 9,890,003	0.09%	31,704	\$ 311.95
2016 Actual	\$ 10,259,726	3.74%	32,335	\$ 317.29
2017 Actual	\$ 10,289,975	0.29%	32,470	\$ 316.91
2018 Actual	\$ 10,875,244	5.69%	32,728	\$ 332.29
2019 Estimate	\$ 11,767,993	8.21%	32,975	\$ 356.88
2020 Adopted	\$ 12,155,896	3.30%	33,228	\$ 365.83

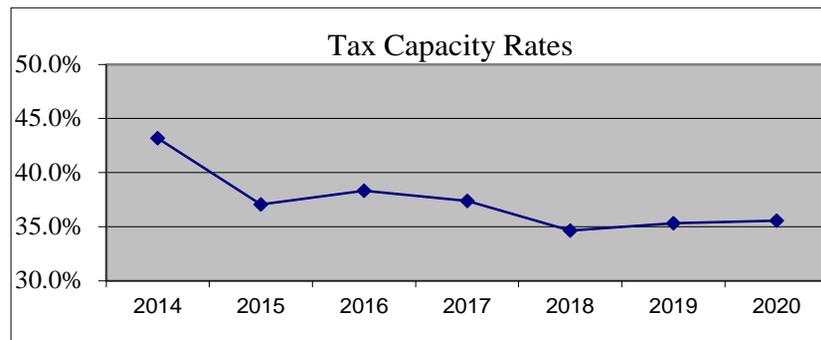


Note: The population figures were estimates by Met Council.

The 2020 Adopted Budget provides for an adopted tax capacity rate of 35.559%, which compares to 35.310% for 2019 (this rate comparison excludes the open space and watershed levies). The 2020 increasing tax capacity rate is reflective of an increase in the adopted tax levy minimized by the growth in the tax capacity values.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

	<u>Tax Capacity Values</u>		<u>Tax Capacity Rates</u>	
		% Change		% Change
2014	\$ 21,978,322	n/a	43.197%	n/a
2015	\$ 25,705,350	16.96%	37.069%	-14.19%
2016	\$ 26,847,273	4.44%	38.314%	3.36%
2017	\$ 27,920,178	4.00%	37.374%	-2.45%
2018	\$ 31,287,043	12.06%	34.627%	-7.35%
2019	\$ 32,975,265	5.40%	35.310%	1.97%
2020	\$ 36,188,656	9.74%	35.559%	0.71%



Note: The tax capacity rates do not include the open space and watershed levies.

Some highlights of the Adopted 2020 Budget are as follows:

Capital Projects Levy – The 2020 Budget specifically designates \$2,036,509 of the general tax levy to capital projects and equipment needs relating to Capital Outlay (\$275,000), Facility Maintenance Reserve (\$355,000), Road and Bridge (\$1,287,469), Pedestrian Trail Maintenance (\$104,040) and Park Projects (\$15,000). Specific designation of the tax levy to anticipated City needs and priorities for transportation and trail maintenance, park projects and equipment outlays allows the City to strategically allocate its resources and raise the public’s awareness of City spending priorities. The Road and Bridge levy is calculated according to Council Policy based on annual growth increases/decreases; with Capital Outlay, Pedestrian Trail Maintenance and Park Levies changed according to the City Council budget guidelines.

- Road and Bridge – Under the Capital Projects Levy, a total of \$1,391,509 is for transportation programming related to maintaining City streets, roadways and pedestrian trails. Approximately 7.48% (\$104,040) of this levy is dedicated towards pedestrian trail maintenance. \$315,110 is designated to the City’s seal coating and crack sealing programs, with the remaining \$972,359 dedicated to street overlays pursuant to previous Council direction of designating a one percent tax levy and capturing two percent of new tax capacity growth to transportation infrastructure needs. This commitment was initiated by the City Council in 1997 and increased from one percent to two percent of new tax capacity growth during 2006. As a percentage, this funding commitment represents approximately 9.61% of the Gross Tax Levy and increased \$34,721 as compared to the 2019 levy.
- Park Improvements – Under the Capital Projects Levy, \$15,000 is designated for miscellaneous park related capital projects that come up throughout the year. The 2020 levy remains the same as the 2019 levy.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- Capital Equipment/Projects – Under the Capital Projects Levy, 275,000 is designated to underwrite a wide range of capital improvement/equipment project expenditures. Through the annual \$275,000 designation, the City, over time, will be able to build a fund reserve to avoid cash flow “spikes” and address a wide range of capital improvement needs under a more controlled spending environment. This designated levy is to address a wide range of facility maintenance and equipment needs. The 2019 levy decreased \$525,000 as compared to the 2018 levy. This reduction is due to the \$525,000 being reallocated towards debt service as it was originally planned for a city campus expansion project.
- Facility Maintenance Reserve – Under the Capital Projects Levy, \$355,000 is designated to help fund many maintenance related repairs identified in the recent facility condition assessment. It was new for 2018 and remains unchanged (\$355,000) as compared to 2019.

Sheriff’s Police Contract Services – The Anoka County Sheriff’s contract reflects a 1.94% general increase (\$61,908). The 2020 Budget maintains the existing 80 hours per day of patrol service, six hours per day of service provided by a Community Service Officer, two Patrol Investigators, School Liaison Officers in the middle and high school, and 50% of a Crime Watch Coordinator’s position.

Attorney - The City Attorney budget reflects a 2.00% general increase (\$3,900) over the 2019 budget.

Council Memberships and Contributions – The following are included as part of the 2020 General Fund budget:

▪ North Metro Mayors Association	\$15,010	- membership
▪ Metro Cities	\$ 9,542	- membership
▪ Mediation Services	\$ 3,366	- program contribution
▪ YMCA – Water Safety Program	\$ 9,000	- program contribution (youth services)
▪ Alexandra House	\$15,328	- program contribution (domestic abuse programs)
▪ Youth First (Program Funding)	\$12,000	- program contribution (youth services)
▪ NW Anoka County Community Consortium - JPA	\$10,000	- program contribution (youth services)
▪ Teen Center Funding (YMCA)	\$ 8,100	- program contribution (youth services)
▪ Lee Carlson Central Center for Family Resources	\$ 1,500	- program contribution (mental health services)

The following memberships/contributions are included as part of the 2020 budget in other funds:

▪ Youth First – City Partner Fee	\$ 2,000	Charitable Gambling Fund	- program contribution (youth services)
----------------------------------	----------	--------------------------	-----------------------------------------

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

▪ Teen Center Funding (YMCA)	\$16,400	Charitable Gambling Fund	- program contribution (youth services)
▪ Alexandra House	\$ 5,600	Charitable Gambling Fund	- program contribution (domestic abuse programs)
▪ Senior High Parties	\$ 1,000	Charitable Gambling Fund	- donation (youth programs)
▪ Family of Promise	\$ 3,000	Charitable Gambling Fund	- program contribution (homelessness programs)
▪ Stepping Stone	\$ 1,000	Charitable Gambling Fund	- program contribution (homelessness programs)
▪ Hope for Youth	\$ 1,000	Charitable Gambling Fund	- program contribution (homelessness programs)

### **ORGANIZATIONAL MANAGEMENT**

Staffing and Staffing Cost Reallocation – The 2020 Budget does include one additional full-time staff member for the Community Center.

Cost-of-Living Adjustments – The total compensation package for 2020 includes step changes for eligible employees and a 3.00% cost of living adjustment. Administration and Human Resources continually review position-based salaries in detail to confirm competitiveness with other government entities. For a few positions to remain competitive with other governmental entities, budget has been included for salary adjustments in 2020.

Health Insurance Costs – Premiums for health insurance increased 10% in 2020. Employer health care contributions are to be maintained at an employer ratio of 76% of the low-end family coverage and 100% of the single coverage. This will be the thirteenth year the City will be offering a high deductible insurance plan with a health savings account (HSA); but in 2020, the City added a health reimbursement arrangement (HRA) to “buy down” the premium.

### **CITY GROWTH**

New institutional/commercial/industrial businesses moved to Andover in 2019. These business’ included Star Nails, Mathnasium, Canine Crossing, Inspire Academy of Music, Andover Tobacco, Sora Pediatric Therapy, CBD RS, and Custom Smiles Dentistry.

Andover High School is to receive close to \$30 million in additions totaling 67,000 square feet, and other improvements to another 5,700 square feet of space in the school. Phase 1 additions and remodeling started in 2018 and was completed in 2019. Priority among the projects is an addition to the building to create safe and secure learning environments through the removal of 12 portable classrooms. The school was

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

originally designed for 1,400 students, but today 1,700 students attend the school. The projects will bring the school's capacity to 2,000 students. There will also be an expansion of the school's security control space, classroom expansion, group learning space, staff planning areas, additional student lockers; expansion of administrative and guidance areas to support the expanded capacity; and an auditorium expansion to increase seating and better serve the increased student capacity and community. In addition, there will be an expansion of the school's cafeteria to accommodate the expanded capacity; an expansion of Andover's strength/fitness space to provide all students and school/community programs with opportunities before and after school; an additional gymnasium attached to existing gym space to accommodate the expanded capacity and address storage deficiencies. Phase 2 is expected to occur in the spring of 2020.

Legacy Christian Academy started their expansion project during 2019 and will include additional classrooms. The expansion includes a three-story classroom addition (approximately 33,000 sq. ft.) between the existing buildings to replace temporary classrooms.

The Anoka County Parks Department completed two new outdoor gathering spaces at the Bunker Hills Activities Center. The first area removed the current ramps on the south side of the building and replaced it with a 120-person capacity deck. This will provide additional space for meetings, family gatherings, weddings, and other events. The second area converted the existing greenhouse into an exterior patio area accessible from the inside as well as the outside. Construction on the deck and patio started in 2018 and was completed in the spring of 2019.

New residential development included approval of 125 urban lots within the Catcher's Creek West, Catcher's Creek East, Shadowbrook North, Winslow Cove Second Addition and Villas at Crosstown Woods. Also 7 rural lots were approved in a development known as the Estates at Cedar Ridge. The City currently has a supply of 208 urban lots and 16 rural lots (which includes the lots above).

In 2019, the City issued 116 new single-family building permits with a total valuation of \$37,258,817 compared to 60 new single-family building permits with a total valuation of \$19,703,857 for the preceding year. The City has not issued any new multi-family dwelling permits in last seven years. It is anticipated that residential development will continue to rebound and drive the City's customer base. The 2010 census shows the population at 30,598.

The growth within the last several years continues to produce a profound increase in demand for City services and has significantly added to the City's infrastructure and staffing needs. Consequently, this change will result in significant future operational and maintenance costs. The chart below illustrates the significant growth that has occurred since 1995.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

<b>Growth Factors</b>	<b>1995</b>	<b>2019 Estimate</b>	<b>% Change</b>
Population	20,497	32,978	61
Housing Units	6,300	10,550	67
Streets (miles)	150	201	34
Cul-de-sacs	155	357	130
Storm Sewer (miles)	18	80	344
Water Main (miles)	35	121	246
Sanitary Sewer (miles)	53	100	89
Parks (Number)	54	68	26
Developed Park Acreage	512	630	23
Trails (miles)	0	39	100
Developed Residential (acres)	7,750	9,723	25
Undeveloped Residential (acres)	14,616	12,773	(12)
Fire/Medical Runs	625	1,262	102

<b>Growth Factors</b>	<b>2000</b>	<b>2019 Estimate</b>	<b>% Change</b>
Calls for Service – Police	9,588	16,759	75
Incident Reports	8,385	7,611	(9)

Note: Reference Year is 2000 due to database reporting changes.

**CAPITAL OUTLAY/IMPROVEMENTS**

Requests for capital outlay/improvements in the Adopted 2020 Budget are funded through a variety of sources including the General Fund and capital equipment/project levies, Special Revenue and Enterprise Funds, assessments and through the issuance of notes and bonds. Capital equipment and improvements in the Adopted 2020 Budget amounts to \$7,034,112. Of that total amount, \$155,000 will be funded by the General

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

Fund levy, \$337,634 will be funded by the capital equipment/project levy and reserves, \$1,264,000 will be funded through general obligation equipment certificates and the remaining through other funding sources. The City's 2020 - 2024 Capital Improvement Plan (CIP) process was instrumental in producing the outcomes outlined in the 2020 Budget and should be referred to for a detailed analysis of significant capital outlays/improvements. For additional information on all the capital outlay / improvements in the City's 2020 – 2024 CIP, please see the appendix for a brief description of each item and/or go to the City's website at [www.andovermn.gov](http://www.andovermn.gov) and view the complete document located in the Finance Department section.

Most replacements and improvements will reduce operating costs. Some new projects will enhance city services to residents with direct impact on operations. Notable adopted capital outlay/improvement expenditures are below followed by a list of improvement projects and their impact on operations.

Parks Department - \$100,000 is programmed for improvements to City parks that include updating and repairing play structures, and accessibility improvements to various parks and playgrounds. This will allow the City to replace two play structures that have become maintenance issues and/or no longer meet ADA requirements. Replacing playground structures only saves about \$500 in miscellaneous replacement parts on an annual basis since they still need to get routinely inspected. \$180,000 is budgeted for the lighting of a baseball field at Andover Station North and will add approximately \$4,000 annually in electrical expense to the Parks Department's operational budget. \$285,000 is being contemplated through the issuance of equipment notes for the replacement of a water tanker (\$175,000) and the addition of a large capacity mower (\$110,000). The additional mower will add approximately \$2,500 to the operational budget for fuel and maintenance.

Facility Management - \$250,000 is budgeted for the reconstruction of the parking lots and roadway around the public works facility. \$110,000 is budgeted for the addition of fencing around the north side of the new public works additions and \$85,000 for sealing all exterior brick and/or block municipal buildings. All funded by the Facility Maintenance Reserve levy and/or operations.

Fire - \$510,000 is budgeted for the replacement of a fire engine. The new engine is planned to have a carrying capacity of 2,000 gallons of water thus eliminating the need for a tanker. Elimination of a fire tanker will save approximately \$1,500 a year in both fuel and annual maintenance. Funding for this item is contemplated through the issuance of equipment notes.

Emergency Management - \$55,000 is budgeted for the construction of an additional emergency warning siren in the north central part of Andover where duplicate coverage was lacking. Funding for this project is through the Capital Equipment Reserve Capital Projects Fund and will add approximately \$1,200 to the annual operating budget of the General Fund.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

Community Center – \$323,478 is budgeted for the replacement of the ice refrigeration system from an R-22 system to an ammonia-based system and the replacement of the current field house floor (\$184,634). Funding for these projects are through the Capital Equipment Reserve Capital Projects Fund and the Community Center Operations Special Revenue Fund.

Streets / Highway - \$275,000 is budgeted for the replacement of a front-end loader. Modernization and fuel efficiencies will save approximately \$500 a year. Funding for this item is contemplated through the issuance of equipment notes.

PROJECT TITLE	COST	DESCRIPTION	ANNUAL SAVINGS	ANNUAL COST
Replacement - Sinks / Fixtures	\$15,000	Replace all sinks and fixtures throughout the facility.	\$ -	\$ -
Refacing Rink Boards	\$30,000	Replace the white poly and yellow kick plates on the rink boards along with new netting above the glass on the ends.	\$ -	\$ -
Replacement - Ice Arena Refrigeration	\$323,478	Convert the existing R-22 freon system to a new ammonia-based refrigeration system that is being installed in the new sports complex.	\$ -	\$ -
Replacement - Field House Floor	\$184,634	Replace cracks/failed concrete in two corners of the fieldhouse floor and resurface the entire floor with new paint.	\$ -	\$ -
Emergency Operations Center Improvement	\$10,000	Continue remodeling a functional Emergency Operational Center (EOC) by improving workable space at fire station #1.	\$ -	\$ -
New - Emergency Sirens	\$55,000	Install an additional emergency warning siren in the north central rural part of Andover.	\$ -	\$1,200
New Development Projects	\$175,000	New developments include the construction of sanitary sewer, water main, storm sewers and streets. (City share.)	\$ -	\$5,000
Pedestrian Trail Maintenance	\$63,000	Trail maintenance such as crack filling and fog sealing for the City's pedestrian trail system.	\$1,000	\$ -
Pedestrian / Park Trail Reconstruction	\$70,000	Reconstruction of trail segments.	\$1,000	\$ -
Pedestrian Curb Ramp Replacements	\$19,000	Replace existing pedestrian curb ramps to meet standards.	\$ -	\$ -
New Pedestrian Trail and Sidewalk Segments	\$405,000	Planned trail and sidewalk connections provide key links within the existing system.	\$ -	\$2,000
Railroad Underpass Trail	\$12,000	Construct a railroad underpass to connect internal development trails from the Winslow Cove 2nd Addition to the east side of the tracks. Land was acquired in 2019. 50% design in 2020, construction in 2022.	\$ -	\$ -
Annual Parking Lot Maintenance	\$250,000	Reconstruction of parking lots and roadway around Public Works.	\$2,500	\$ -
Surface Seal All Brick Structures	\$85,000	Apply a surface seal application to all brick and/or block municipal buildings.	\$ -	\$ -
Replacement - Furnace / Condenser PW	\$6,000	Replace a furnace/condensing unit at Public Works.	\$200	\$ -
Replacement - Furnace / Condenser PW	\$6,000	Replace a furnace/condensing unit at Public Works.	\$200	\$ -

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

Fencing Around Public Yard	\$110,000	Construct a 6 ft fence around the north side of Public Works to provide screening and security.	\$ -	\$ -
Replace/Repair Play Structures - Various Parks	\$100,000	Replace the existing playground equipment and repair the fall zones to achieve ADA accessibility.	\$500	\$ -
Replace/Repair Major Park Projects - Various Parks	\$20,000	Additional funding for major park improvements: Fencing rebuilds at various parks, shelter replacements and parking lot reconstruction.	\$ -	\$ -
Annual Miscellaneous Park Projects	\$15,000	For miscellaneous projects requested by the public, staff, City Council or the Park and Recreation Commission each year.	\$ -	\$ -
Andover Station North East Ball Field Lighting	\$180,000	Lighting the east ball field at Andover Station North complex.	\$ -	\$4,000
Storm Sewer Improvements	\$62,000	Each year, areas of the City are identified where improvements are required to maintain our storm sewer system.	\$ -	\$ -
Annual Street Seal Coat Project	\$200,000	This project provides for a seal coat of the streets.	\$2,000	\$ -
Annual Street Crack Seal Project	\$170,000	This project provides for a crack sealing of the streets.	\$1,700	\$ -
Annual Pavement Markings	\$60,000	The pavement striping for City streets is conducted one time per year.	\$ -	\$ -
Annual Curb Replacement	\$56,000	Repair/replace damaged and failing concrete curb and gutter throughout the City.	\$500	\$ -
Municipal State Aid Routes / New & Reconstruct	\$580,000	Streets to be constructed and/or rehabilitated to meet State Aid Standards.	\$3,000	\$ -
Annual Street Reconstruction	\$1,226,000	The Street Reconstruction projects will consist of milling the existing street surface and constructing a new asphalt surface.	\$5,000	\$ -
Gravel Road Improvements	\$21,000	Improvements to gravel roadways within the City.	\$ -	\$ -
Street Overlays	\$920,000	Overlay of approximately 1.5" of bituminous on roadways that are identified as still structurally sound that will significantly extend the roadways life cycle.	\$ 3,500	\$ -
Pedestrian Crossing	\$10,000	Pedestrian crossing treatment at Nightingale St and Veterans Memorial Blvd.	\$ -	\$500
Recondition & Paint Water Tower #2	\$150,000	Recondition and paint water tower #2 to preserve the water system storage infrastructure.	\$500	\$ -
TOTAL	\$5,589,112			

**FUND BALANCE**

The City adopts fund balance goals to meet short and long-term needs. Fund balance goals are established to provide for cash flow needs, capital purchases, emergency contingencies and other specific needs.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

The General Fund projected to use \$361,160 of fund balance to cover operations in 2020. The work done by staff relative to the 2020 revenue and expenditure estimates has achieved the Council 2020 budget guideline that works toward establishing the General Fund fund balance for working capital at no less than 45% of planned 2020 General Fund expenditures available from the 2019 budget (the targeted fund balance is approximately \$5,548,049). The estimates are also necessary to preserve the following emergency reserve fund balances for core services:

- Snow Emergency (\$90K) - salt and sand needed for an abnormal snowfall season
- Public Safety (\$90K) - police, fire and civil defense unexpected costs
- Facility Management (\$90K) - roofing, HVAC and emergency facility repairs
- Information Technology (\$90K) - phone system and network server emergencies
- Economic Development (\$300K) – TIF Management Fee Migration
- Fiscal Disparities Fluctuation (\$300K) – changes in calculation

In the Special Revenue Funds, the Economic Development Authority (EDA) Fund is projected to decrease \$93,078 largely due to the decertification of the tax increment finance district in 2012, 2014 and 2016 which were charged an administrative fee by the EDA (\$130,000). This also includes the construction of monument entrance signs located throughout the city, some include electronic reader boards. Staffing and expenditures will be migrated over to the General Fund over time. The Community Center is budgeted to decrease \$215,171 as operations will be disrupted during the expansion phase of adding a sports complex and another court to the fieldhouse. Also, the existing field house floor will be repaired and the R-22 refrigeration system in the ice arena will be converted to an ammonia system to tie into the new sports complex.

The Debt Service Funds are projected to increase by \$672,715 in 2020 due to the timing of when levies are collected and when the debt service payments are made.

In the Capital Projects Funds, the Water Trunk Fund and Sewer Trunk Fund are increasing (\$193,001 and \$267,910) as funds are being set aside for future trunk replacements. The Park Dedication Projects Fund is decreasing by \$227,546 due to a portion of park dedication fees being used to fund the Community Center expansion project. The Building Fund is decreasing by \$237,134 due to the replacement of the Public Works parking lot and the R-22 conversion of the Community Center Ice Arena's refrigeration system. The 2018A GO Capital Improvement Plan Bonds and 2019A GO Taxable Abatement Bonds are decreasing (\$1,000,000 and \$8,000,000) as construction is expected to be completed on both projects. The Tax Increment Projects Fund is decreasing (\$945,000) as new redevelopment/economic strategies take place.

### **COMMUNITY VISION & GOALS**

While each budget year appears to only be dealing with the task at hand, the City of Andover, in addition to adopting each year's budget development guidelines, does keep in mind throughout the process the community's slogan, vision statement and short and long term organizational goals that are meant to say who and what the City of Andover is. The city's adopted slogan is "Welcome Home" and the vision statement is "Andover, a safe, growing community in which to live and work which enhances the quality of its citizens' lives through recreational opportunity, quiet neighborhoods, civic involvement, and fiscal and environmental stewardship."

#### The long-term organizational values are:

1. EXCELLENCE AND QUALITY IN THE DELIVERY OF SERVICES - the City of Andover exists to provide quality services to the public in a professional and cost-effective manner.
2. FISCAL RESPONSIBILITY - the City of Andover believes that fiscal responsibility and prudent stewardship of public funds is essential if citizens are to have confidence in government.
3. ETHICS AND INTEGRITY- the City of Andover believes that ethics and integrity are the foundation blocks of public trust and confidence and that all relationships are built on these values.
4. TREATING THE CITIZEN AS OUR CUSTOMER - the City of Andover believes that the citizen is our customer and, as such, should be treated with courtesy, respect, and integrity.
5. OPEN AND HONEST COMMUNICATION - the City of Andover believes that open and honest communication with each other and the public we serve is the key to having an effective organization and informed citizens.

#### The short term (one to five years) organizational goals are:

1. FISCAL GOALS - the City recognizes the following fiscal values as the basis for delivering current and future services to the residents of Andover.
  - A. Assure city financial stability through cost effective services.
  - B. Focus spending on community needs; wants need to be supported by new or redirected sustainable revenues.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- C. Explore new revenue streams and capture new growth for community needs.
- D. City investments need to be securely invested and focus on long term sustainability.
- E. While still providing excellent services to all Andover residents, look for and identify opportunities to reduce tax burdens whenever possible.
- F. Maintain property values and keep property taxes affordable through good fiscal management.
- G. Prioritize projects to best serve the community needs when resources are limited.
- H. Plan for large projects (master planning) to maintain consistent revenues and expenses to avoid property tax spikes.
- I. All new infrastructure should consider future operations and maintenance in addition to initial cost.

2. COMMERCIAL/RESIDENTIAL DEVELOPMENT/REDEVELOPMENT GOALS - the City wants to be supportive of those invested in or wanting to invest in the community.

- A. Facilitate upgrades or redevelopment of blighted or underdeveloped parcels to improve livability, community character and tax base.
- B. Work with business owners and property owners to assist them in being successful in the community.
- C. Continually analyze existing commercial areas to determine if expansion is feasible and seek out new areas to better serve the community, including the consideration of an interim use zone for older industrial zones.
- D. Continually evaluate how to meet sewer/water and street needs of any proposed development and redevelopment projects.
- E. Review City development processes to help reduce unnecessary steps, time delays and development costs.
- F. Review development requirements to minimize impacts from overly burdensome requirements.
- G. Be aware of negative environmental impacts to the community including to proposed developments and the attempt to mitigate where economically feasible and practical.
- H. Evaluate city code, housing programs and housing types to determine useful programs and code updates that the City could adopt that have a positive impact on community market value, meet housing demands and preserve neighborhoods.
- I. Evaluate whether the City is adequately providing locations, through zoning, for expanded commercial areas and “starter homes”.
- J. Secure approval and implement the 2018 Comprehensive Plan update, soliciting input from large property owners on land set aside for future development.
- K. Support 2020 Census efforts to count every person to ensure our population is not underestimated.
- L. Respond to regional and state initiatives that impact the City or residents through organizational memberships.
- M. Review ordinances to support preservation of the environment through tree preservation and buffering in new developments, supporting the use of solar energy and encouraging various housing types.

3. COLLABORATION GOALS - the City is supportive of collaboration efforts that are cost-effective and improve efficiency in delivering services.
  - A. Cautiously renew any new mandate to determine whether action is required.
  - B. Foster positive relationships with school districts, Anoka County, nearby cities and local sports associations.
  - C. Advocate for safe, efficient commuting routes for our residents and business owners.
  - D. Support an effective and comprehensive transportation system for existing and future needs of the community.
  - E. Support upgrade of transportation routes to the Twin Cities Metro for commuters.
  - F. Work with waste/garbage haulers to achieve same day pick up without restricting the citizen's freedom to choose from all available companies, in addition seek ways to streamline recycling pick up within the community.
  - G. Evaluate how volunteers can help our community become a safer, more welcoming and attractive place to live.
  - H. Continue to work with the railroad company that manages the tracks through Andover to reduce the interference trains have on traffic blockages and public safety.
  - I. Continue collaboration with the YMCA on providing recreational services and be open to new ventures that utilize the community center for public benefit.
  - J. Explore safe crossing solutions for pedestrians near active pedestrian crossing intersections through appropriate improvements and community education.
  
4. SERVICE DELIVERY GOALS - the City is committed to providing efficient and cost-effective city services.
  - A. Evaluate parks maintenance to ensure the City is preserving park assets and not committing to unsustainable service delivery.
  - B. Continue fostering positive relationships with athletic, youth, and other service organizations to obtain their input and seek their contributions with time and funds towards better service to the community and facility improvements.
  - C. Alter packet format to improve viewing function on tablets and reduce redundancy found in the format.
  - D. Keep current with advances in technology where appropriate.
  - E. Commit to providing the public with effective Public Safety through Fire and Law Enforcement services.
  - F. Continually review current services and reduce or eliminate unnecessary or unwanted service deliveries.
  - G. Encourage quality building standards.
  - H. Complete Public Works Maintenance Facility and Cold Storage buildings on the city campus, and related parkway road from Nightingale Street to Tower Drive.
  - I. Continue conversations regarding Community Center expansion with partners about their needs and finances. Establish appropriate facility access and users' fees and provide a process and opportunity for public input.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- J. Review Community Center Advisory Commission structure to provide representation of all user groups.
  - K. Continually evaluate whether we are following the Park Dedication Study when spending park dedication funds and update the study when significant changes are made.
  - L. Continue to maintain Kelsey Round Lake Park as a signature nature park along with attention toward providing interpretive elements within the park.
  - M. Preserve current trails and complete trails where we have missing connections or need to improve pedestrian safety.
  - N. Develop an effective Emergency Preparedness Plan to come to the aid of those in Andover when effected by community disasters.
  - O. Review sustainability of city road/street assessment policy.
  - P. Review rural lot development standards to support more sustainable future street maintenance.
5. LIVABILITY/IMAGE GOALS - the City recognizes that providing quality basic & desired services enhances the quality of life of our residents.
- A. Continue to support preservation of natural resources (land, water and air quality).
  - B. Pursue management plan for Open Space properties that minimizes staff involvement and emphasizes users to create their own experience and support volunteer efforts to provide additional programming and activities.
  - C. Improve community aesthetics by enhancing the corridor to city campus with sustainable landscape plantings, seeking volunteer assistance.
  - D. Improve and coordinate a cohesive, attractive appearance along county corridors.
  - E. Explore new methods of collecting public feedback.
  - F. Continually review newsletter content, look and delivery.
  - G. Plan and provide quality city services to residents and adapting to changing demographics.
  - H. Look at ways information from resident surveys can be incorporated into goals, plans and policies.
  - I. Find ways to utilize volunteers and engage residents.
  - J. Evaluate whether current policies and codes inhibit families from preserving, improving and upgrading the value of homes.
  - K. Support improvements to the website that provide residents with information that is user-friendly so they can be informed about recreation and other opportunities.
  - L. Coordinate a facilitated discussion with Council and Senior staff to review City policies related to best practices in governance, transparency and conflict resolution.
  - M. Provide City updates on website under “News” section.

### **LONG-TERM FISCAL OBJECTIVES**

The City Council and staff are committed to expending public resources in the most cost-effective and economical manner possible to ensure the stability of the City's basic services. Considering past state aid reductions and previous years levy limits imposed by the state legislature and the current sporadic onset of levy limits, fiscal strategies will need to be constantly monitored to ensure a balanced approach in providing enough revenues to fund City services as follows:

- ◆ Employing a strategy aimed at reducing the City's reliance on the property tax levy to fund basic City services through “sustainable” revenue sources such as special revenues, user fees and fee-for-service transactions.
  - ✓ *The City tax rate will increase in 2020 reflective of the increase in the gross levy. City services will continue to be evaluated in terms of identifying all relevant funding sources to underwrite specific service expenditures, promoting alternatives to traditional funding methodologies, operational efficiencies, and encouraging public-private partnerships in service delivery systems.*
- ◆ The use of an appropriate cost accounting structure that will lead to the creation of individual cost centers for all City department activities to accurately reflect the true cost of providing specific services.
  - ✓ *The City employs a cost accounting system that is department specific which attempts to accurately reflect service delivery costs at the department and division levels. By including all supplemental services as they relate to personnel, charges and services, supplies and capital outlay will further distinguish the total costs of the service provided. The City has the ability to analyze these costs at the sub-category detail levels in support of overall policy goals.*
- ◆ The development of work performance goals for each department to ascertain and measure how each operating division contributes to the City's overall public service mission.
  - ✓ *Each department is responsible for identifying relevant performance data to allow for an independent analysis of specific service outcomes. Data is reviewed to provide the Council and general public with a better understanding of the operational demands, resource inputs and performance outcomes associated with a specific service delivery system.*
- ◆ The development of long-term financial models that identify anticipated trends in community growth and financial resources, designate appropriate capital resources to future City needs, tracks per capita spending growth, and establishes a link between fiscal targets and budgetary expenditure goals.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- ✓ *The City continually maintains various financial models to determine the long-term impacts of present day expenditure and financing decisions. Fiscal assumptions are based upon a complex set of financial data including growth factors, tax capacity valuations, per capita spending and debt ratios. The financial models are used as part of the budget planning process to ensure that key short-term fiscal targets are in line with long-term fiscal projections.*
- ◆ The aggressive and appropriate investment of idle City funds to maximize the generation of interest income, while ensuring adequate cash flow requirements.
  - ✓ *Investment of City funds is controlled by state statute and managed by the Finance Department. Idle funds are invested in a variety of financial instruments such as certificates of deposit, municipal bonds, federal agencies and corporate paper and are designed to maximize municipal investment income. Long-term investing is designed to achieve the best yield in the current market, following a strategy that secures income streams at a higher rate of return for a longer period of time.*
- ◆ Greater reliance on technology to enhance employee productivity in all areas of City operations and improve customer communications.
  - ✓ *The City has taken steps to invest additional time and energy on labor saving technology, such as new software, enhanced programming and optical imaging paper files. Staff implemented an optical imaging solution that enabled the City to reduce storage areas previously dedicated to paper files and provide a more economical and efficient data retrieval system. In addition, the City implemented financial management software to improve reporting and operating efficiencies. Both implementations have allowed the City to reduce staffing due to the increased efficiencies with each new system.*
- ◆ The adoption of a financial philosophy that seeks to spread the cost of significant capital outlay expenditures over an extended period of time to ensure that current and future taxpayers share equally in underwriting the cost of significant public expenditures.
  - ✓ *The City continues to capitalize the cost of significant capital expenditures over several years to ensure that both existing and future taxpayers share equally in the cost. In addition, the City has established a separate capital projects levy to underwrite the cost of selected capital projects and equipment and avoid a fiscal environment based on reactive tax and spend policies. The five year Capital Improvement planning process is critical in achieving these results.*
- ◆ Involving all employees in the process of re-engineering the work environment by encouraging cross-training opportunities, reducing and eliminating bureaucratic barriers, streamlining public process requirements, and adopting private sector business values in City operations.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

- ✓ *City staff is encouraged to identify work practice issues that are inefficient or overly bureaucratic. The management team is committed to involving their employees and fostering an environment that challenges the status quo of City operations.*
- ◆ Continuously reviewing opportunities to form partnerships with neighboring communities to share services and equipment, jointly purchase equipment and develop strategies to deal with local issues using a regional approach.
- ✓ *The City has established several equipment and service delivery sharing arrangements with neighboring communities and has several joint powers agreements in place on a variety of local and regional issues in the area of public safety, telecommunications, public access television and wastewater service initiatives.*

### **EXECUTIVE SUMMARY**

The budget, as presented, reflects Council’s direction and staff commitment to achieve a cost-effective, efficient and high-quality service delivery model. Essentially, the 2020 Adopted Budget reflects the City’s commitment to live within its means and ensure that tax dollars are wisely managed and expended in as prudent a manner possible to achieve high-quality service outcomes. It is interesting to note that the City of Andover continues to maintain one of the lower tax rates in Anoka County, as well as within the entire metropolitan area. City spending per capita continues to rank in the bottom half when compared to similar cities.

#### **Budgetary Process**

Guiding the City budget process were Council policy guidelines that were described earlier in this message. The budget process was approached by employing strategies associated with extending the useful life of existing equipment; the utilization of cost center accounting that allows for a better understanding of specific service expenditures; actively seeking equipment sharing opportunities with both private and public entities; spreading the cost of significant capital expenditures over several years; and purchasing new equipment and introducing new technologies that allow staff to work more efficiently and effectively. In addition, the prudent management of existing capital, financial and human resources by City staff, along with organizational practices that promote employee involvement, innovation and interdepartmental communications will generate substantial efficiencies in City operations.

The budget process included the opportunity for all department heads and supervisors to actively participate in a team process. Decisions concerning the operational and maintenance needs of the organization were made by the management team after a thorough review and

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

prioritization of budgetary requests. The integrity of the budget process relies upon all departments to work within the same framework in developing a budget that accurately identifies operational needs, promotes informed team review of budgetary requirements, and meets the core service needs of the requesting department.

In order to meet these growing challenges, the City must continually evaluate new ways and methods of conducting business in a more economical, competitive and cost-effective manner, while keeping the quality of City services high and meeting the reasonable service expectations of the community.

The budget process incorporates a management vision supported through:

- increased utilization, understanding and promotion of technology in the delivery of public services;
- emphasis on long-term strategic planning to appropriately identify, allocate and effectively utilize resources to meet future service needs;
- greater participation, accountability and flexibility in the work force that will allow for the development of innovative responses to the increased demand for cost-effective services;
- the need to focus on developing an alternate framework of special revenues and user fees as alternate funding mechanisms to gradually reduce the City's reliance on tax levies by recovering service costs from the appropriate users of the service;
- the recognition that the City should work to assist the community in meeting challenges as a partner and not as the sole provider; and
- a strong voice in the legislature to ensure that City issues are clearly understood and fairly addressed. Cities must take a unified approach in dealing with legislative initiatives that may negatively affect local governance to minimize misunderstandings and encourage communication to facilitate common ground issues that build confidence in local government services and inspires a partnership of collaboration and innovation across all levels of government.

The 2020 Adopted Budget is the product of the collective efforts of the management team and their respective staffs. They have worked diligently to ensure that the residents of Andover receive the highest level of service for their tax dollars. Special recognition is appropriate with respect to the involvement of Lee Brezinka, Finance Manager and Finance staff in generating reliable financial data in which a sound and valid budget document was produced.

Mayor, Councilmembers, Residents  
2020 Adopted City Budget

The entire management team should be recognized for their diligent efforts in preparing a budget that meets the needs of this growing community yet recognizes the limited nature of financial resources.

The City Council should be recognized for their frugal use of municipal resources and continual efforts to provide needed services to the residents they represent and serve. I am appreciative of the commitment, good judgment and expertise that each member of the Council has contributed to the budget process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jim Dickinson". The signature is stylized with a large, looped initial "J" and a long, horizontal stroke extending to the right.

Jim Dickinson  
City Administrator

CITY OF ANDOVER  
COUNTY OF ANOKA  
STATE OF MINNESOTA

RES. NO. 98-019

A RESOLUTION ADOPTING THE CITY OF ANDOVER 2020 BUDGET AND 2020 PROPERTY TAX LEVY TO BE CERTIFIED TO THE COUNTY AUDITOR.

WHEREAS, the preparation and adoption of budgets is recognized as sound financial practice; and

WHEREAS, the City of Andover receives significant financial support from its residents through the payment of property taxes; and

WHEREAS, the City of Andover has the responsibility to appropriately and efficiently manage the public’s funds; and

WHEREAS, Minnesota State Law requires the City to certify to the County Auditor an adopted tax levy and budget prior to December 28, 2019; and

WHEREAS, Minnesota State Law requires the City to certify to the State of Minnesota Department of Revenue an adopted tax levy by December 28, 2019.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Andover hereby adopts the 2020 City of Andover Budget and the 2020 property tax levy totaling \$14,479,586 as listed on Attachment A.

BE IT FURTHER RESOLVED that the City Council of the City of Andover hereby establishes the 2020 City of Andover Budget by fund type as follows:

REVENUES		EXPENDITURES	
General Fund	\$ 11,794,736	General Fund	\$ 12,155,896
Special Revenue Funds	1,688,000	Special Revenue Funds	2,012,733
Debt Service Funds	3,609,491	Debt Service Funds	2,936,776
Capital Projects Funds	6,993,212	Capital Projects Funds	17,055,998
Enterprise Funds	5,589,331	Enterprise Funds	5,680,308
Internal Service Funds	1,222,151	Internal Service Funds	1,410,519
<b>Total</b>	<b>\$ 30,896,921</b>	<b>Total</b>	<b>\$ 41,252,230</b>

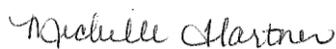
Adopted by the City of Andover this 3rd day of December 2019.

CITY OF ANDOVER



\_\_\_\_\_  
Julie Trude - Mayor

ATTEST:



Michelle Hartner – Deputy City Clerk

**CITY OF ANDOVER, MINNESOTA**  
**2020 Property Tax Levy**

Attachment A

	<b>2020 Levy</b>
General Fund Levy	
General Operations	\$ 9,194,032
Park Repair/Replacement Items	120,000
Total General Fund	9,314,032
Debt Service Funds Levy	
2010A G.O. Open Space Referendum Bonds	184,199
2012C Taxable G.O. Abatement Bonds	976,780
2016A G.O. Equipment Certificate	143,373
2018A G.O. Capital Improvement Plan Bonds	433,603
2019A Taxable G.O. Abatement Bonds	1,001,090
2020A G.O. Equipment Certificate	350,000
Total Debt Service	3,089,045
<u>Other Levies</u>	
Capital Projects Levy	
Capital Equipment/Project	275,000
Facility Maintenance Reserve	355,000
Parks Projects	15,000
Road & Bridge	1,287,469
Pedestrian Trail Maintenance	104,040
Lower Rum River Watershed	40,000
Total Other	2,076,509
<b>Gross City Levy</b>	<b>\$ 14,479,586</b>

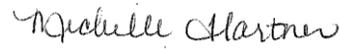
STATE OF MINNESOTA)

COUNTY OF ANOKA    )

CITY OF ANDOVER    )

I, the undersigned, being the duly qualified and acting City Clerk of the City of Andover, Minnesota, do hereby certify that I have carefully compared the attached Resolution No. 098-19 adopting the City of Andover 2020 Budget and 2020 Property Tax Levy with the original record thereof preserved in my office and have found the same to be true and correct transcript of the whole thereof.

IN TESTIMONY WHEREOF, I have hereunto subscribed my hand this 3rd day of December 2019.



Michelle Hartner  
Michelle Hartner – Deputy City Clerk

## Long-Term Organizational Values

### 1. EXCELLENCE AND QUALITY IN THE DELIVERY OF SERVICES

The City of Andover exists to provide quality services to the public in a professional and cost-effective manner.

### 2. FISCAL RESPONSIBILITY

The City of Andover believes that fiscal responsibility and prudent stewardship of public funds is essential if citizens are to have confidence in government.

### 3. ETHICS AND INTEGRITY

The City of Andover believes that ethics and integrity are the foundation blocks of public trust and confidence and that all relationships are built on these values.

### 4. TREATING THE CITIZEN AS OUR CUSTOMER

The City of Andover believes that the citizen is our customer and, as such, should be treated with courtesy, respect, and integrity.

### 5. OPEN AND HONEST COMMUNICATION

The City of Andover believes that open and honest communication with each other and the public we serve is the key to having an effective organization and informed citizens.

## Highest Priority External Values

- |         |                                                                                    |
|---------|------------------------------------------------------------------------------------|
| Goal #1 | To ensure city services keep pace with the city's growing and changing population. |
| Goal #2 | To enhance communication with the public.                                          |
| Goal #3 | To support processes that involve citizen engagement.                              |
| Goal #4 | To develop and update the city's capital improvement program.                      |
| Goal #5 | To broaden and preserve the city's tax base.                                       |
| Goal #6 | To balance and prioritize provision of city services with available resources.     |
| Goal #7 | To respect the environment.                                                        |

## Budget Development Process

### *The Budget Process*

Andover City ordinance 216, Section 2., Major Areas of Accountability requires the City Administrator to submit an annual budget to the City Council, which accurately reflects the financial needs of the City organization. Additionally, state law requires that the City Council approve a preliminary budget and certify a proposed levy to the Anoka County Property Records and Taxation Division by September 15<sup>th</sup>.

Beginning in levy year 2002, the State of Minnesota is allowing certain governmental units exemption from the public hearing and publication requirement if its total proposed property tax levy does not exceed its previous year final property tax levy by more than the percentage increase in the implicit price deflator. The City of Andover did not fall under this exemption and held a meeting pertaining to the 2020 Proposed Operating Budget and Proposed Tax Levy on Tuesday, September 3, 2019 at 7:00 p.m. in the City Council Chambers. The date was advertised in the September City Newsletter, on public TV, and in the local paper. Final City Council action adopting the City Budget and Property Tax Levy occurred on December 3, 2019. The adopted 2020 City Levy was also submitted to Anoka County and the Minnesota Department of Revenue by December 28, 2019.

The budget is prepared on an annual basis, and follows the calendar year, January 1<sup>st</sup> to December 31<sup>st</sup>.

Policies are set by the City Council in one of two ways:

- 1) Policies are initiated by actions of the City Council at its regular council meetings through adoption of ordinances, resolutions, or motions.
- 2) Policies are also initiated, studied, and reviewed at special work sessions called for that purpose.

The City Administrator and City staff address the Council's concerns in the preparation of the budget and evaluate the financial costs of the implementation of these policies and include them in the budget where economically feasible.

In summary, policy issues are identified by the City Council, evaluated, and costed out by the Administrator and management team, and returned to Council for appropriations if necessary. If no appropriation is necessary, the new policy is implemented as soon as practical by the Administrator.

Each activity manager is given a monthly financial report of expenditures compared to the adopted budget. Expenditures related to City activities may not exceed appropriations without approval of the City Council.

Below is the 2020 Budget Development Calendar used to facilitate the necessary discussions and timelines between staff and City Council.

**CITY OF ANDOVER**  
**2020 Budget Development Calendar**

<u>Date</u>	<u>Activity</u>	<u>Responsibility</u>
March 26, 2019	Council Workshop to discuss budget guidelines.	City Council / Staff
April 2, 2019	2020 Budget Calendar.	Admin / Finance
April 2 – May 6, 2019	Prepare base budgets and line item budget pages.	Admin / Finance
April 17, 2019	Council adopts 2020 Budget Development Guidelines.	City Council / Staff
April 23, 2019	Council budget progress report distributed and Council budget discussion.	Council / Staff
May 6, 2019	Distribution of base budgets, personnel services, capital budget forms and line item budget pages to all Department Heads.	Department Heads
May 6, 2019	Begin preparation of performance measures.	Department Heads
May 28, 2019	Council budget progress report distributed and Council budget discussion.	Council / Staff
June 1, 2019*	Department of Revenue notifies of required dates.	State
June 1, 2019	Prepare preliminary 2020 revenue estimates.	Finance / Department Heads
June 26, 2019	Council budget discussion.	City Council / Staff
July 2, 2019**	Requests for additional full-time staff to City Administrator.	Department Heads
July 2, 2019**	2020 Budget forms and prioritization of adjustments to base, capital outlay requests due to Finance.	Department Heads
July 2, 2019**	Staff preparation of 2019 budget expenditure estimates.	Finance / Department Heads
July 3 – 5, 2019	Compile and prepare documents for Management Team.	Finance
July 5, 2019	General Fund levy calculations.	Finance
July 8 – 12, 2019	2020 Budget Decision packages prioritized and finalized.	Admin / Mgmt Team
July 12, 2019	Deadline for updated performance measures to City Administrator.	Admin / Department Heads
July 15 – 19, 2019	Preparation of final draft of 2020 Proposed Budget for Council Workshop.	Finance
July 16, 2019	Council budget progress distributed. Receives 2020 Proposed Budget.	City Council / Staff
August 3, 2019*	County notifies City of school district & county public hearing dates.	County

\*preliminary  
\*\* no exceptions  
Continued

**CITY OF ANDOVER**  
**2020 Budget Development Calendar**

<b>Date</b>	<b>Activity</b>	<b>Responsibility</b>
August 20, 2019	City Council follow-up workshop for review of 2020 Proposed Budget.	City Council / Staff
August 20, 2019	City Council preview of Proposed 2020 Tax Levy Presentation.	City Council / Staff
September 1, 2019	State Department of Revenue (DOR) to certify levy limits for 2020.	DOR
September 17, 2019 (Req.)	City to adopt proposed 2020 tax levy and select public hearing dates.	City Council
September 24, 2019	City Council Budget discussion – focus on SRF, DSF, CPF, EF & ISF.	City Council / Staff
September 30, 2019 (Req.)	Proposed 2020 tax levy must be certified to County.	Finance
September 30, 2019 (Req.)	City to file proposed 2020 special levies with DOR	Finance / DOR
October 22, 2019	City Council Budget discussion – focus on DSF & CPF.	City Council / Staff
November 4 – 15, 2019*	County Auditor to mail parcel specific notices.	County
November 26, 2019	City Council preview of Public Hearing.	City Council / Staff
December 1 - 14, 2019* (Req.)	City conducts Public Hearing during this time frame.	City Council
December 3, 2019	City of Andover Public hearing on 2020 Tax Levy and Operating Budget.	City Council
December 18, 2019	City Council adopts 2020 Tax Levy and Operating Budget.	City Council
December 28, 2019* (Req.)	Deadline for staff to certify 2020 tax levy to State and County.	Finance
January 17, 2020*	Finalize 2020 Actual Performance measures. Adopted budget printed and distributed.	Finance
January 17, 2020	Publication of adopted budget information in newspaper.	Finance
January 24, 2020	Department of Revenue budget form completed and submitted.	Finance
March 5, 2020	Submit budget award application to GFOA. (Due 90 days after budget adoption.)	Finance

\*preliminary  
\*\* no exceptions

## ***Budgeting for City Operations***

The City is required to account for revenues and expenditures in accordance with generally accepted accounting principles. Because fund accounting is required for financial reporting, the appropriation budgets are organized and presented in like manner. The summary information section presents a summary of revenues and expenditures of each fund. A brief description of each fund type can be found at the beginning of each section.

## ***Basis of Accounting and Budgeting***

The financial reporting and budgeting systems of the City are organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts. All funds in the budget were prepared using the following basis of accounting, which is consistent with the accounting methods used for financial reporting.

Government Funds All governmental funds are maintained on a modified accrual basis with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest payments on long-term debt and capital expenditures which are recognized as expenditures when due. Governmental funds include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City of Andover adopted a budget for every governmental fund for the first time in 2002 and continues to do so.

Proprietary Funds Proprietary funds are maintained on an accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which the liability is incurred. For accounting purposes, the payment of principal on long-term debt and the purchase of capital assets is reflected on the balance sheet as it is reflecting bonds payable and capital assets with an outflow of cash. Interest on long-term debt in these funds is reflected in the expenses for the period that the payments are covering. Capital items are depreciated over their useful life with the depreciation amounts included in the expenses. For budgeting purposes, the payment of principal and interest on long-term debt and the purchase of capital assets in the proprietary funds is reflected in the budgeted expenses as an outflow of resources to assist in the analysis of these funds when analyzing rate structures. Proprietary funds include Enterprise Funds and Internal Service Funds. The City of Andover currently has three enterprise funds and two internal service funds.

The City of Andover has adopted the following accounting, auditing and financial reporting policy:

## **Accounting, Auditing and Financial Reporting Policy**

1. The City of Andover will establish and maintain a high standard of accounting practices. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
2. At the end of each fiscal year, a Certified Public Accounting firm that will include issuing a financial opinion will conduct an audit of the City records and a management and compliance report on internal controls.
3. The City of Andover will maintain a strong internal audit function.
4. The City will maintain a fixed asset system to identify and protect all City assets.
5. The Finance Department will prepare monthly financial reports for internal management purposes.

6. The City Council delegates the authority to assign fund balance, as required for prudent fiscal management, to the City Administrator and Finance Director. When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, 3) unassigned.
7. Annually, the Finance Department will prepare a comprehensive annual financial report. This report shall be made available to the elected officials, city management, bond-rating agencies, and the general public.
8. The City will annually submit its comprehensive annual financial report to the Government Finance Officers Association (GFOA) to determine its eligibility to receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

### ***Budget Monitoring and Amendments***

The Andover Financial Policies identifies an Operating Budget Policy which includes the process for monitoring and amending the budget, fund balance considerations and the capital improvement budget coordination, that policy is as follows:

### **Operating Budget Policy**

1. The formal budgeting process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided, given the anticipated level of available resources.
  - A. The City will attempt to maintain its present service level for priority and essential services subject to available revenues. New services will be considered for funding within available resources.
  - B. The City of Andover will utilize a "bottom-up" resource allocation approach. Each department will have an opportunity to request personnel, goods, capital items and services needed to carry out its responsibilities in a timely manner.
  - C. The resources to fund the budget will include all revenues reasonably anticipated from all sources and the unrestricted unassigned fund balance estimate to be carried forward at the beginning of the fiscal year.
  - D. The City enterprise operations are to be self-supporting, including capital improvements and depreciation. Enterprise operations are to be reviewed annually for self-sufficiency.
  - E. The City will utilize procedures that allow departments to integrate priorities and objectives into the budget requests.
2. The operating budget, authorizing expenditure of City monies, will be adopted annually by the City Council at the department level. Expenditures may not exceed the total for any department, within a fund, without the City Council's approval. The authority to make changes to the adopted City Budget during the operating year is as follows:
  - A. City Council approval is required for all budget adjustments or transfers that will increase the department's adopted expenditure budget, or adjustments that are made to facilitate a department restructuring.

- B. City Council approval is required for any budget adjustment that exceeds either \$10,000 or 5% of a department's expenditure budget, except that adjustments under \$10,000 may be approved as provided in C. & D. below.
  - C. City Administrator's, or their designee when unavailable, approval is required for all budget adjustments or transfers made to **personal services** or **capital outlay** under \$10,000 on a one-time basis.
  - D. Budget adjustments and transfers among expenditure accounts may be authorized during the fiscal year by the City Administrator and the Finance Director if there is no effect on the department's gross expenditure budget and the adjustment is not to employee compensation.
  - E. Under no circumstances should budget adjustments be split to avoid approval limits.
3. The City will budget to maintain fund balances at adequate levels to ensure that sufficient resources are available for current and future expenditures, whether planned or unforeseen.
    - A. The City will budget to maintain an unassigned fund balance for each operating fund, to support operations until current tax revenues are received. Based upon the semi-annual collection of local taxes, each operating fund, relying on property tax related revenues, should maintain an unassigned fund balance at year-end necessary for approximately 6 months of the subsequent year's operation.
    - B. The City will budget to maintain an unassigned fund balance available for contingencies of between 1 percent and 3 percent of budgeted expenditures for each operating fund in order to finance unforeseen items and events that occur during the course of the year. It is not necessary for each fund to hold its own contingency. The General Fund may hold contingencies for other funds when appropriate.
    - C. All unencumbered appropriations and encumbered purchases less than \$1,000 lapse at year-end. However, the appropriation authority for all major capital projects and capital assets carries forward automatically to the subsequent year. Appropriations for encumbered purchases in excess of \$1,000, which are not budgeted in the ensuing year, may be transferred to the subsequent year with the approval of the City Administrator and Finance Director. The current year appropriation is reduced and the subsequent year appropriation is increased.
  4. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports, which compare actual revenues, and expenditures to budgeted amounts.
  5. The City will coordinate development of the Capital Improvement Budget with the development of the annual operating budget. Each capital improvement project is reviewed for its impact on the operating budget in terms of revenue generation, additional personnel required and additional operating expenses.
  6. The capitalization threshold for assets of the City of Andover, as defined in the Fixed Asset Policy, applies to all budgets and purchases associated with the Capital Expenditure series of accounts.
  7. Annually, the Finance Department will prepare an Annual Operating Budget report. This report will be made available to elected officials, City management, bond-rating agencies, and general public.
  8. The City will annually submit its annual operating budget document to the GFOA to determine its eligibility to receive the GFOA's Distinguished Budget Presentation Award.

## ***Determination of Revenue Estimates***

The Finance Department is responsible for compiling all revenue estimates contained in the budget. Estimates are arrived by studying relevant revenue history along with economic trends and indices when available. Discussion regarding specific revenue sources can be found in the summary information section of the budget. The Andover Financial Policies identifies a Revenue Policy that outlines the City's revenue philosophy and that policy is as follows:

### **Revenue Policy**

1. The City will attempt to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any single revenue source. The revenue mix should combine elastic and inelastic revenue sources to minimize the effect of economic downturns.
2. The City will follow an aggressive policy of collecting revenues.
3. The City will periodically review fees and charges in order to keep pace with the cost of providing the service or that percentage of the total cost deemed appropriate by the City, and will conduct a public hearing or adopt an ordinance, as required by law, prior to setting fees or charges.
4. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax fees and charges.
5. The City will allocate Citywide revenues to funds, which provide services to the entire City.
6. All revenues, reasonably expected to be unexpended and unencumbered at the end of the year, will be anticipated as "available fund balance" in the budget of the following year.
7. The City will attempt to invest all cash holdings in accordance with the cash and investment policy and maximize those holdings with an effective payment policy.

## ***Capital Improvement Program***

Andover's Capital Improvement Program is intended to provide the City Council and staff with a process for identifying and prioritizing capital projects in order to coordinate the financing and timing of improvements, which maximizes the return to the public. The process will enable the City to evaluate long-term cost and benefits of projects being adopted for the coming year (2019) against those projects planned between 2020 and 2023. The Capital Improvement Program follows the following policy:

### **Capital Improvement Policy**

1. A Capital Improvements Plan (CIP) will be developed for a period of five years. As resources are available, the most current year of the CIP will be incorporated into the current year operating budget as the Capital Improvements Budget (CIB). The CIP will be reviewed and updated annually. Years two through five are for planning purposes only.
2. The City will maintain its physical assets in a manner, adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The City will provide for maintenance and replacement from current revenues where possible.

3. To be considered in the Capital Improvements Program, a project must have an estimated cost of at least \$5,000 in one of the calendar years of the project. Projects may not be combined to meet the minimum standard unless they are dependent upon each other. Items that are operating expense (such as maintenance agreements, personal computer software upgrades, etc.) will not be considered within the CIP.
4. Capital projects, which duplicate other public and/or private service, will not be considered.
5. The City will identify the estimated costs and potential funding sources for each capital project prior to inclusion in the CIP. The operating costs to maintain capital projects shall be considered prior to the decision to undertake the capital projects.
6. Capital projects and/or capital asset purchases will receive a higher priority if they meet a majority of the following criteria:
  - A. Mandatory project
  - B. Maintenance project (approved replacement schedules)
  - C. Improve efficiency
  - D. Provide a new service
  - E. Policy area project
  - F. Broad extent of usage
  - G. Length of expected useful life
  - H. Positive effect on operation and maintenance costs
  - I. Availability of county/state/federal grants
  - J. Elimination of hazards (improves public safety)
  - K. Prior commitments
  - L. Replacement due to disaster or loss
7. The CIP is to be presented by the City Administrator and Management Team annually to the City Council for approval. Any substantive change to the CIP after approval must be approved by the City Council.

## **Debt Administration**

The City of Andover has adopted the following Debt Policy:

1. The following Debt Policy should be used to provide guidelines for debt decisions. There are no absolute rules or formulas in determining the level of City debt. Each situation requires a thorough review of the City's debt position, financial health and economic forecast. The limitations of this policy refer to City of Andover debt only (excludes EDA and HRA).
2. The City will maintain good communications with bond rating agencies and will try to improve or maintain its current AA+ bond rating so that the City's borrowing costs are minimized and access to credit is preserved.
3. The City will not use short-term borrowing to finance operating needs except in the case of an extreme financial emergency beyond the City's control or reasonable ability to forecast.
4. The City may use long-term debt financing when all of the following conditions exist:

- A. When non-recurring capital improvements are desired, and
  - B. When it can be determined that present and future citizens will receive a benefit from the improvement, and
  - C. When the cost benefit of the improvement, including interest cost, is positive.
5. The issuance of long-term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. For purposes of this policy, current resources are defined as that portion of fund balance in excess of appropriate required reserves and designations. The City of Andover will not pledge indebtedness to outside agency financing, unless the benefit is for City of Andover residents.
  6. The City of Andover will limit the amount of total net general obligation debt to no more than 3% of the estimated market value. (Minnesota Statutes limit on debt is 3% of the estimated market value).
  7. The payback period of the bonds or notes will not exceed the estimated useful life of the capital asset constructed or purchased.
  8. The City will conservatively project the revenue sources utilized to repay the debt (i.e., taxes for G.O. debt are levied at 105% of the required debt service).
  9. Capital notes and leases may be used to finance equipment purchases anytime the total cost of the purchase exceeds \$10,000, the useful life of the equipment is greater than five years, the financing rate is less than or equal to the current and projected investment rates, or the purchase is of a non-recurring nature (copy machines and information technology equipment).
  10. The City will follow a policy of full disclosure on every Comprehensive Annual Financial Report and official statement.

## **Investment Policy**

The City of Andover has adopted the following Investment Policy:

1. Scope – this policy applies to the investments of all financial assets of the City of Andover except investments of employees' investment retirement funds.
2. General Objectives – the primary objectives, in priority order, of investment activities shall be safety, liquidity and yield:
  - A. Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
  - B. Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
  - C. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity.
3. Standard of Care
  - A. Prudence. The standard of prudence, meaning not for speculation and with consideration of the probable safety of the capital as well as the probable investment returns, shall be used by investment officials.
  - B. Ethics and Conflicts of Interest. Employees involved in the investment process shall have no personal business activity that could conflict with the proper execution and management of the investment program or could impair their ability to make impartial decisions.

- C. Delegation of Authority. Authority to manage the investment program is granted to the Finance Director who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy and applicable state statutes.
4. Safekeeping and Custody
- A. Authorized Financial Dealers and Institutions. A list will be maintained of financial institutions authorized to provide investment services.
- B. Internal Controls. The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse.
- C. Delivery vs. Payment. All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
5. Suitable and Authorized Investments
- A. Investment Types. The following investments will be permitted by this policy and are those defined by state and local where applicable:
- U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations which have a liquid market with a readily determinable market value;
  - Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, or F-1, or higher) by a nationally recognized rating agency;
  - Investment-grade obligations of state, local governments and public authorities;
  - Repurchase agreements whose underlying purchased securities consist of the investment types listed above.
  - Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
  - Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.
- B. Collateralization. Full collateralization will be required on non-negotiable certificates of deposit.
- C. Repurchase Agreements. Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase agreements.
6. Investment Parameters
- A. Diversification. Investments shall be diversified by security type and institution.
- B. Maximum Maturities. To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing, or having average lives, of more than five years from the date of purchase.
7. Reporting
- A. Methods. The Finance Director shall prepare an investment report, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made quarterly.
- B. Performance Standards. The investment portfolio will be managed in accordance with the parameters specified within this policy.
- C. Marking to Market. The market value of the portfolio shall be calculated at least quarterly.

## 8. Policy Considerations

- A. Exemption. Any investment currently held that does not meet the guidelines of this policy (originally adopted April 6, 1999) shall be exempted from the requirements of the policy.
- B. Amendments. This policy shall be reviewed as needed or requested by City Council.

### ***Distribution of Budget Information***

Copies of the proposed budget are typically available to the general public beginning the second week in August in the offices of the City Administrator and Finance Director. Notices of the public hearings are published in the City's official newspaper, the Anoka County Union, along with notices posted on public bulletin boards. Citizens are invited to provide written or oral comments at the public hearings.

The County Property Records and Taxation Division is required to notify each property owner of the impact of the proposed tax levy upon each individual parcel of property along with the final budget hearing dates.

### ***Awards***

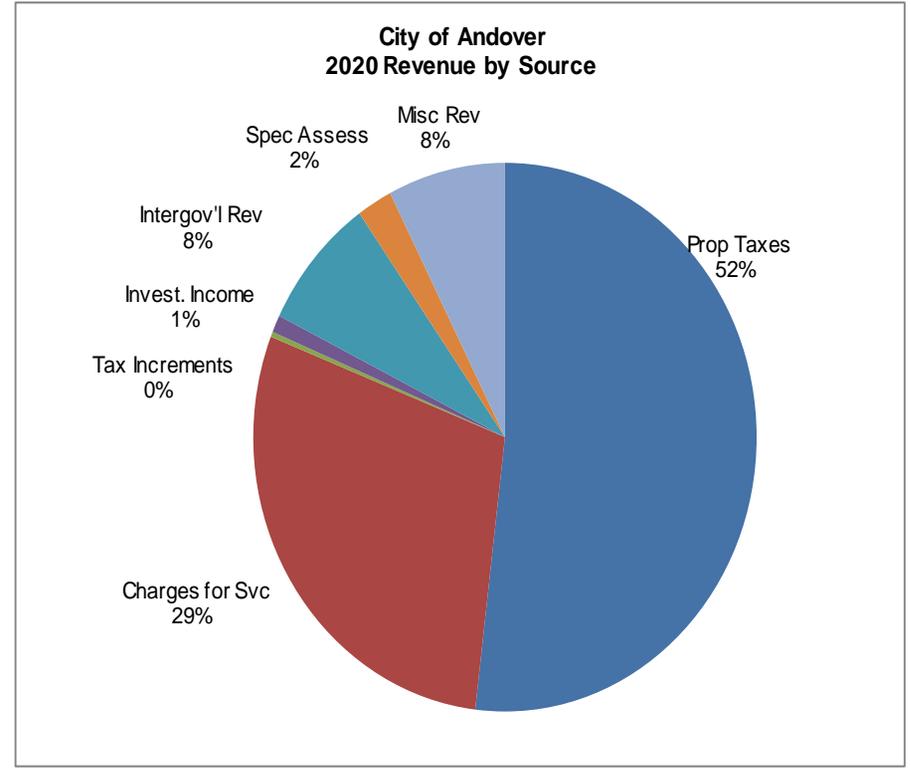
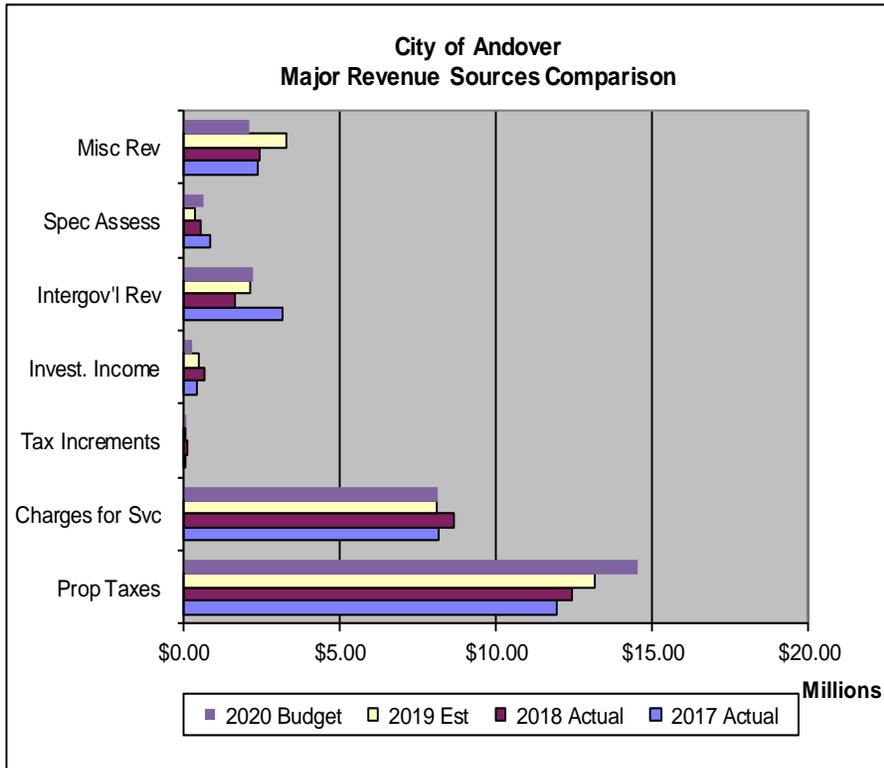
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Andover for its annual budget for the fiscal year beginning January 1, 2019. This is the eighteenth consecutive time the City of Andover has received this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

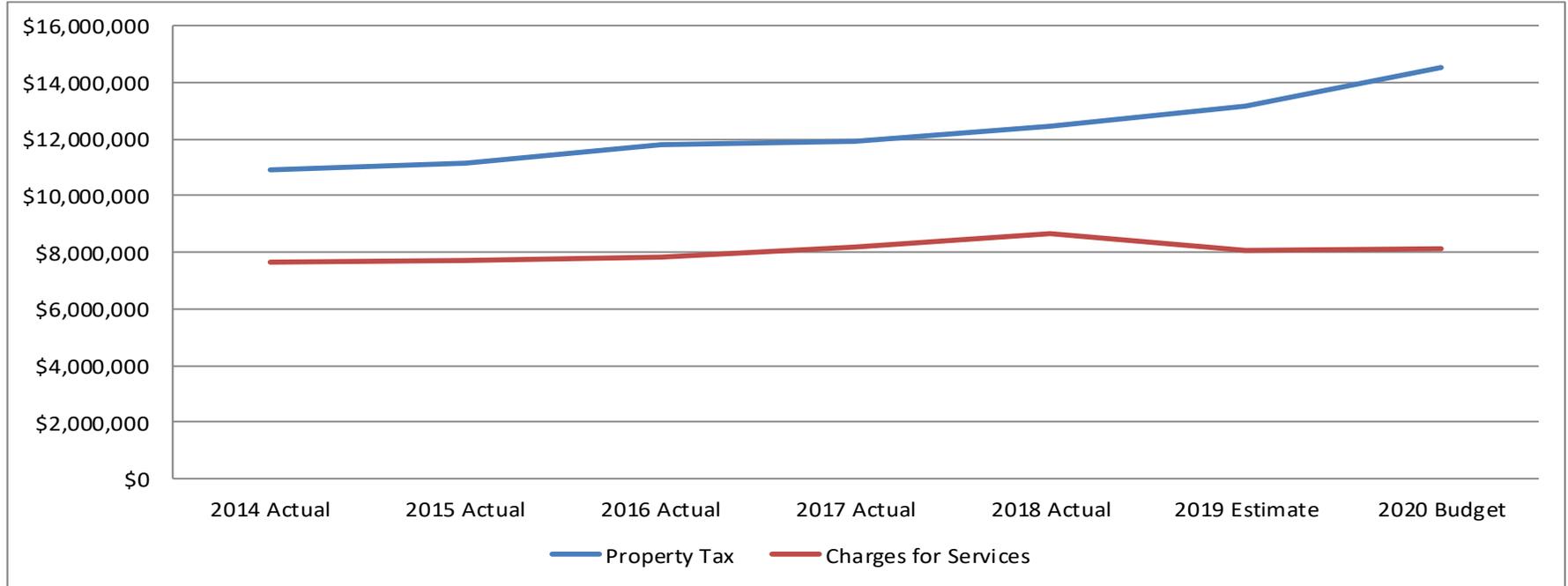
## Revenue Projections

As mentioned earlier, the Finance Department is responsible for compiling all revenue estimates contained in the budget. Estimates are arrived by studying relevant revenue history along with economic trends and indices when available.



Following are individual graphs of the major revenue sources over the last few years. Included are brief descriptions of each source and explanations of any variances over the same time period.

## Revenue Projections – Property Tax & Charges for Services



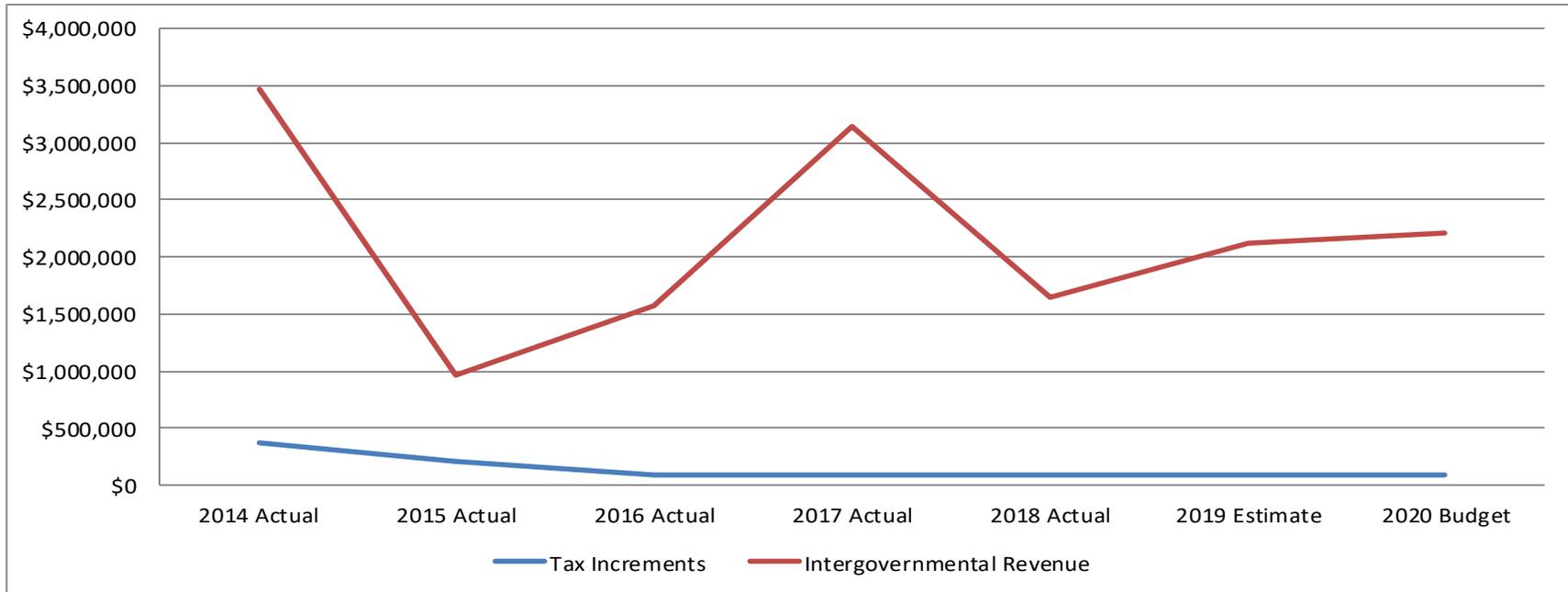
### General Property Taxes

Property taxes are a revenue source in the General, Special Revenue, Debt Service and Capital Projects Funds. This revenue source is primarily used in the General Fund and is determined on the basis of the availability of other revenue sources and the expenditure level necessary to conduct City business in accordance with Council policy and directives. The original goal for the 2020 budget for property taxes was commitment to maintain the City Tax Rate in a manner consistent with the needs of the organization to ensure the long-term competitiveness, efficiency, staffing and capital requirements. The Council, by recognizing the impact of increasing market values and acknowledging community economic concerns, were able to establish an appropriate baseline of city services and a manageable debt service expense level. The general property tax revenue does increase 10.21% as compared to 2019. This revenue source takes into account the elimination of the market value homestead credit program and the insertion of the market value homestead exclusion program (both products of the State of Minnesota Legislature in 2012).

### Charges for Services

Charges for services comes from a variety of sources in the General and Special Revenue Funds; such as project engineering and inspection services to residential and commercial developers, drainage and mapping services, ice and field house rentals, plat reviews and other miscellaneous charges for dedicated use of city staff. Over the past few years, the City has continued to grow and this is expected to continue in 2020 and beyond. In the Enterprise Funds, charges for services come from water and sewer usage charges and a storm water utility charge. The water charges are determined by a water rate study, the sewer charges by a sewer rate study and the storm water utility charge are based on the amount of funding needed to comply with federal storm water requirements, each are reviewed annually to cover all expenses. In the Internal Services Fund, the charges for services represent department charges for the maintenance of city equipment and cost of liability insurance coverage. The largest increases are in the Enterprise Funds where the number of users continues to grow and the rates increase to offset operations and provide for future infrastructure replacements.

## Revenue Projections – Tax Increments and Intergovernmental Revenue



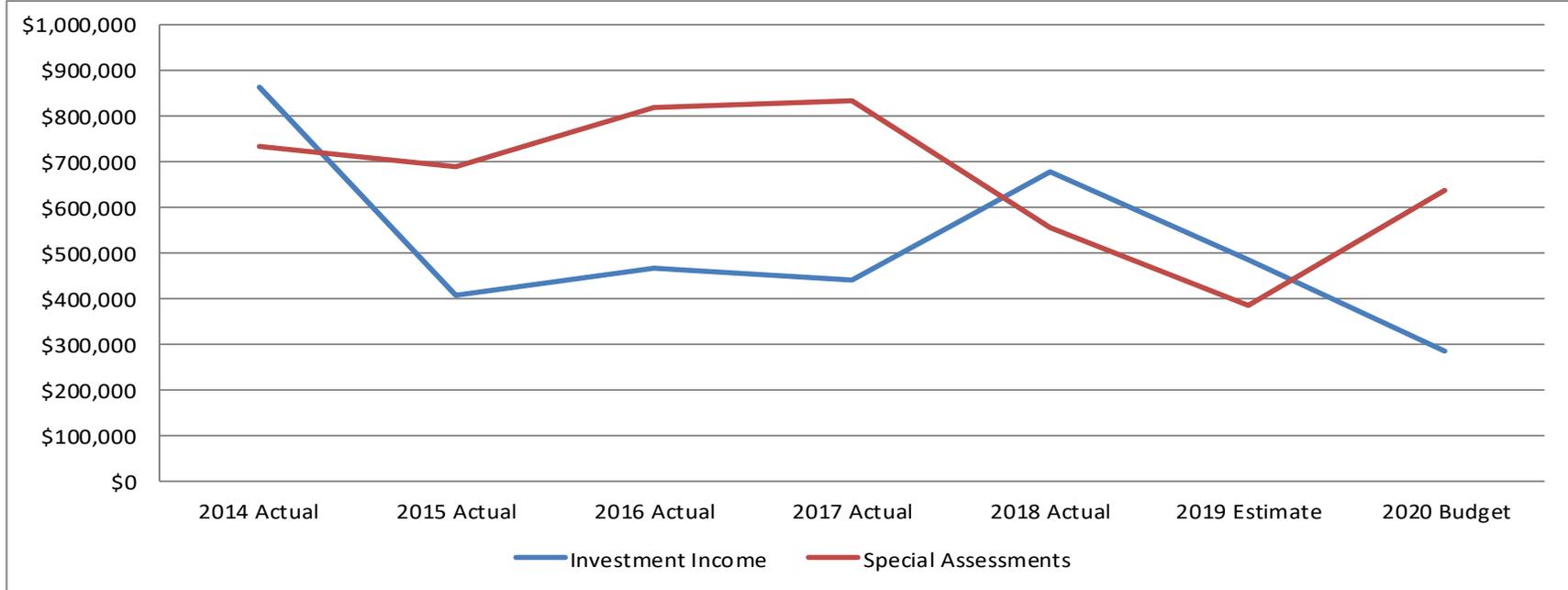
### Tax Increments

Tax Increments are a revenue source in the Capital Projects Funds. In 2012 and 2014, two significant tax increment finance districts were decertified at the end of the year resulting in a decrease of tax increment revenue for 2013 (\$1,470,700) and 2015 (\$205,000). Two more districts were decertified in 2016. Tax increment is used to pay for debt service on tax increment bond issues and expenses related to economic development and redevelopment within tax increment development districts. Annually, an extensive analysis is done reviewing the debt service requirements and the redevelopment projects contemplated in the capital improvement plan. Of the two remaining tax increment districts, one has a pay-as-you-go note associated with it and the other is reimbursing the district for expenditures already made. Looking forward, the City will create tax increment districts only when a significant project meeting a required “but/for” test is deemed to achieve City goals.

### Intergovernmental

This revenue source is present in the General, Special Revenue, Debt Service and Capital Projects Funds. In 2008, 2009, 2010 and 2011, the Governor unallotted \$196,150, \$350,938, \$490,186 and 490,186 of the Market Value Homestead Credit (MVHC) to help offset the state budget deficits. In 2012, the MVHC program was eliminated and a market value homestead exclusion program was put in its place. The new program reduced the taxable market values for certain homestead properties. The intergovernmental represents the remaining state aid distributions of State Highway aid and state police and fire aid. This revenue source also represents grants applied for and awarded from other government agencies (federal, state, school, or county) such as Community Development Block Grants and DNR grants. In 2014 and 2017, the City was able to get an advance on Municipal State Aid (MSA) construction allotment funds for projects already in progress. Any unused MSA allotment is carried over and drawn upon as eligible projects are constructed in 2015, 2016 and 2018. In 2014, LGA was reinstated for the City (\$74,655) and was used to fund the growing infrastructure needs of the Road and Bridge Capital Projects Fund. In 2015, LGA was again eliminated for the City and then reinstated again in 2016 (\$2,698) as notified by the State based on the new state formula. In 2017, 2018, 2019 and 2020, LGA was again eliminated for the City.

## Revenue Projections – Investment Income and Special Assessments



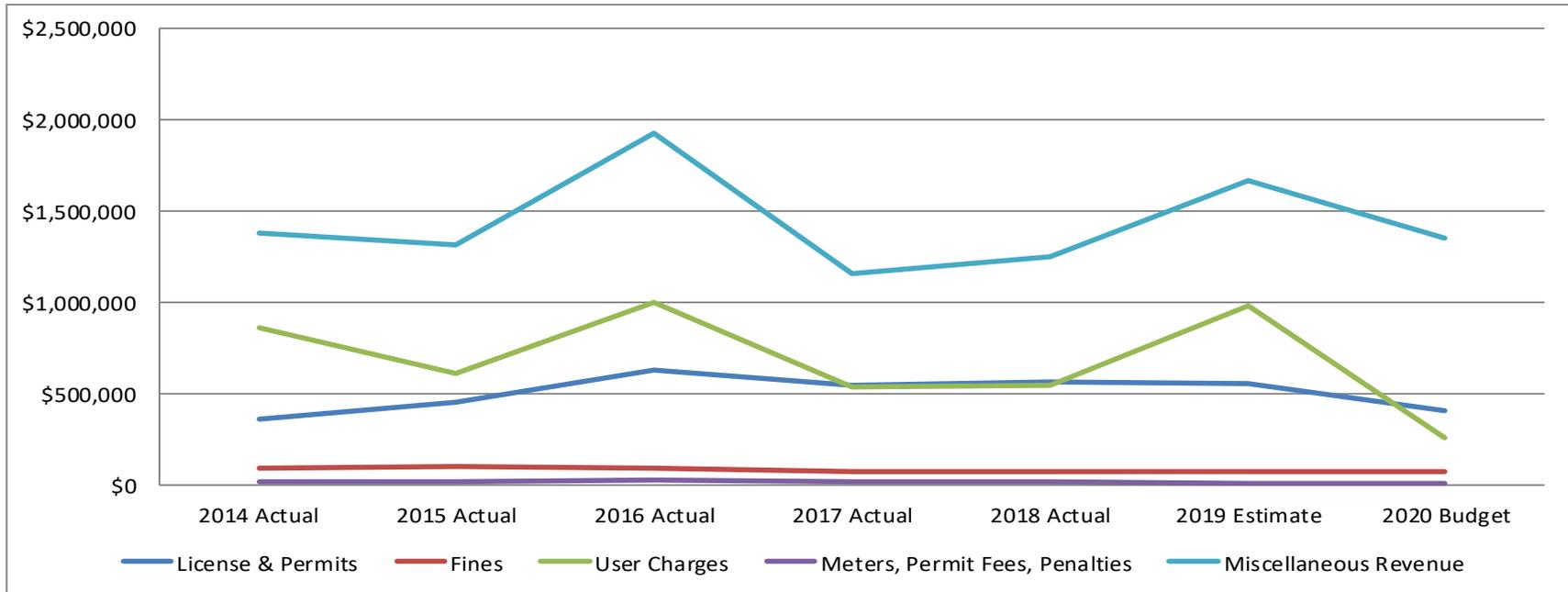
### Investment Income

This revenue source is in all funds. Investment income is interest earned on investments and is allocated to funds based on average cash balances within each fund. Revenues from this source are dependent on interest rates and cash balances available for investment. The 2015 actual, as compared to 2014, decreased due to cash escrows of refunding bonds sold in prior years being used to pay-off additional debt (\$17,177,570) and the fact that yields in the market are so low on the investments the City is allowed by Statute to invest in.

### Special Assessments

Special assessments are a revenue source in the Debt Service and Capital Projects Funds. Special Assessments are used for the payment of bonds for related capital projects and for reimbursing the City's Capital Projects Funds for projects financed internally. The 2020 budget is based on special assessment payment schedules and a review of residential development within the City of Andover. Special Assessment revenue fluctuates based on the type and cost of street reconstruction projects being assessable to benefiting properties and the timing of when those assessments are paid. It also depends on whether residential development is done as a developer-installed project (developer is paying all the expenses) or as a city-installed project (the city is funding the project through bonds or the PIR fund and assessing costs back to the property).

## Revenue Projections – Miscellaneous Revenue



### Miscellaneous Revenues

**Licenses and Permits** – This revenue source is found only in the General Fund. These revenues are based on City determined license rates; State regulated rates and the Uniform Building Code. The 2020 budgeted amount is based on 50 new single-family residential homes using a building valuation of \$200,000 each.

**Fines** – Fines are a revenue source in the General Fund only. Fines are collected through the State Court System and are remitted to the City monthly. Fine revenue remains fairly consistent from year to year.

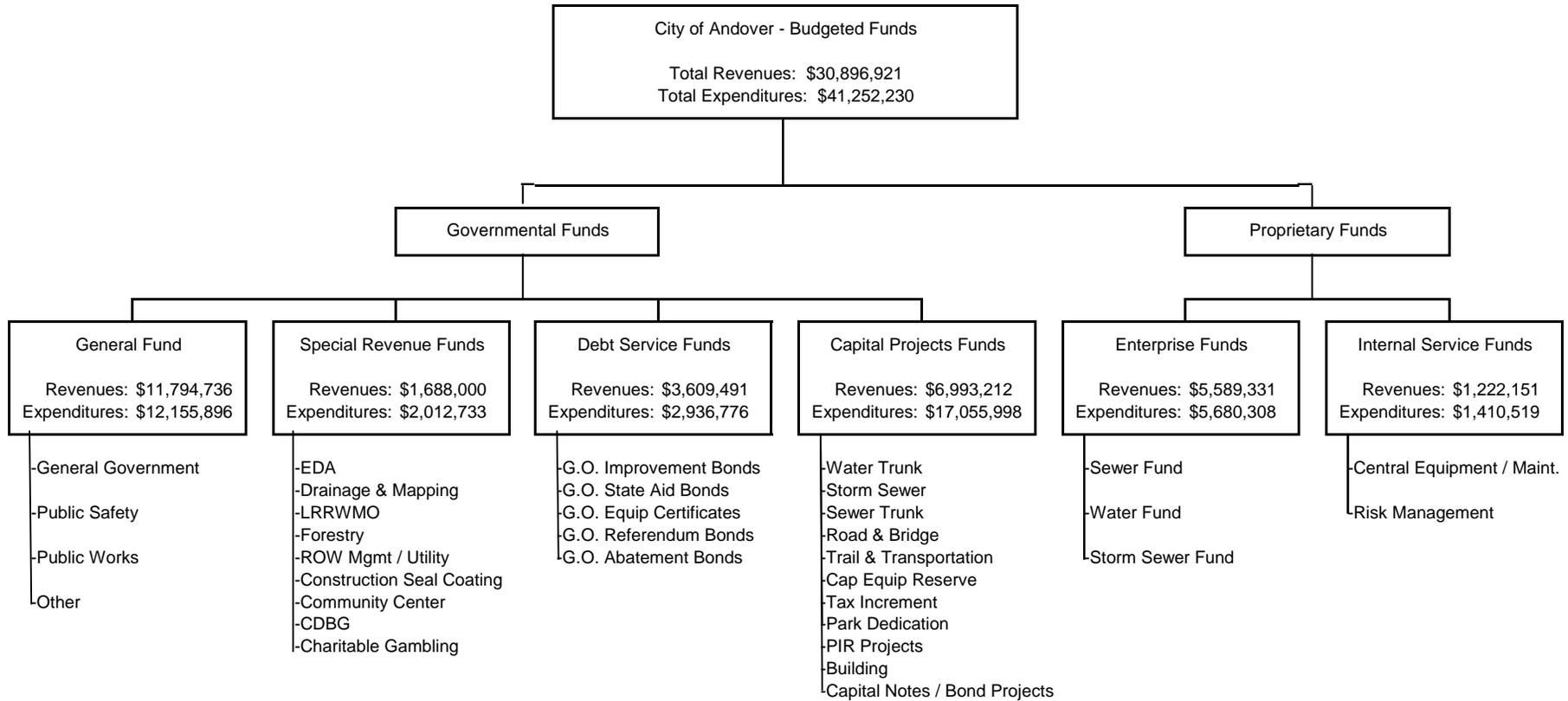
**User Charges** – This revenue source is found in the Capital Projects Funds. These charges are fees paid under development agreements when new construction for residential and commercial projects are initiated. They include park dedication fees, trail fees, water system trunk and sewer system trunk charges. In 2020, these fees are calculated on the assumption that there will be 20 new platted units and existing residential lot inventories will be drawn down.

**Meters** – Meters is a revenue source for the Water Enterprise Fund. When a house is brought on to city water services, a meter is sold to each new customer to facilitate accurate billing of service.

**Penalties** – Penalties is a revenue source for the Enterprise Funds. A penalty is a charge to past due billings.

**Miscellaneous** – Miscellaneous revenues are revenues that do not fit in any other revenue type. Included in this are payments from the YMCA for lease payments (\$635,000 – based on a 30 year lease agreement) and reimbursements for actual common space charges and natural gas. This also includes rental fees for wireless antennas. The increase in 2016 is due to land sales in the Tax Increment Projects Capital Project Fund.

**CITY OF ANDOVER  
2020 Budget Summary By Fund Type**



Fund Definitions

General Fund - accounts for the revenues and expenditures necessary to carry out basic governmental activities of the City such as general government, public safety, public works, and other.  
 Special Revenue Funds - accounts for revenue sources that finance particular functions and projects.  
 Debt Service Funds - accounts for the accumulation of resources for, and the payment of general long-term debt.  
 Capital Projects Funds - accounts for the acquisition or construction of major capital facilities financed mainly with governmental fund sources, general obligation debt, special assessments, and other.  
 Enterprise Funds - accounts for activities that consist of rendering services or providing goods to the public for which a fee or charge is collected.  
 Internal Service Funds - accounts for goods and services that are provided to other City departments, or to other governments, on a cost reimbursement basis.

**CITY OF ANDOVER**  
**2020 Budget Summary**  
**Revenues and Expenditures Fund Summary**

	<u>Actual 2018</u>	<u>Adopted 2019</u>	<u>Estimate 2019</u>	<u>Budget 2020</u>
<b>Fund Balance/Net Assets, January 1</b>	<b>\$ 43,041,576</b>	<b>\$ 54,929,619</b>	<b>\$ 54,929,619</b>	<b>\$ 51,098,796</b>
<b>Revenues &amp; Other Sources</b>				
General	11,451,964	11,378,046	11,691,216	11,794,736
Special Revenue	1,684,738	1,612,050	1,627,595	1,688,000
Debt Service	1,898,941	2,415,729	2,415,729	3,609,491
Capital Projects	15,730,745	32,111,511	24,313,305	6,993,212
Enterprise	6,157,285	5,448,054	5,448,054	5,589,331
Internal Service	1,205,682	1,173,633	1,173,633	1,222,151
<b>Total Revenues &amp; Other Sources:</b>	<b>38,129,355</b>	<b>54,139,023</b>	<b>46,669,532</b>	<b>30,896,921</b>
<b>Total Available:</b>	<b>81,170,931</b>	<b>109,068,642</b>	<b>101,599,151</b>	<b>81,995,717</b>
<b>Expenditures &amp; Other Uses</b>				
General	11,105,244	11,695,493	11,767,993	12,155,896
Special Revenue	1,539,615	1,726,479	1,658,159	2,012,733
Debt Service	1,804,650	1,803,801	2,017,484	2,936,776
Capital Projects	5,835,646	34,838,610	27,789,559	17,055,998
Enterprise	4,774,985	5,670,363	5,986,057	5,680,308
Internal Service	1,181,172	1,281,103	1,281,103	1,410,519
<b>Total Expenditures &amp; Other Uses:</b>	<b>26,241,312</b>	<b>57,015,849</b>	<b>50,500,355</b>	<b>41,252,230</b>
<b>Fund Balance/Net Assets, December 31</b>	<b>\$ 54,929,619</b>	<b>\$ 52,052,793</b>	<b>\$ 51,098,796</b>	<b>\$ 40,743,487</b>
Change in Fund Balance	\$ 11,888,043 27.62%	\$ (2,876,826) -5.24%	\$ (3,830,823) -6.97%	\$ (10,355,309) -20.27%

**CITY OF ANDOVER**  
**2020 Budget Summary**  
**Revenues and Expenditures - All Funds**

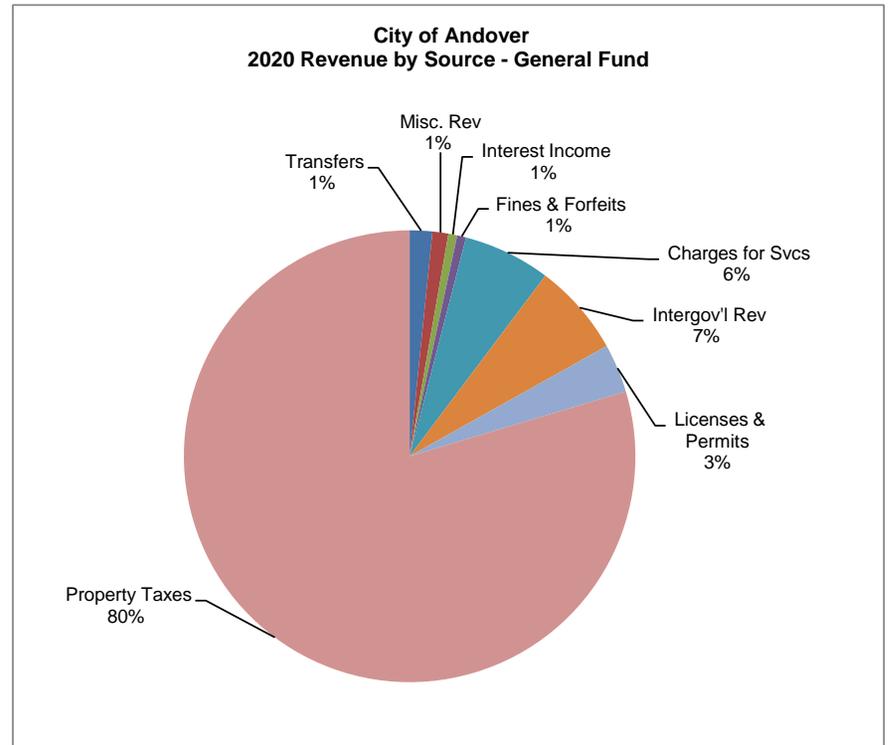
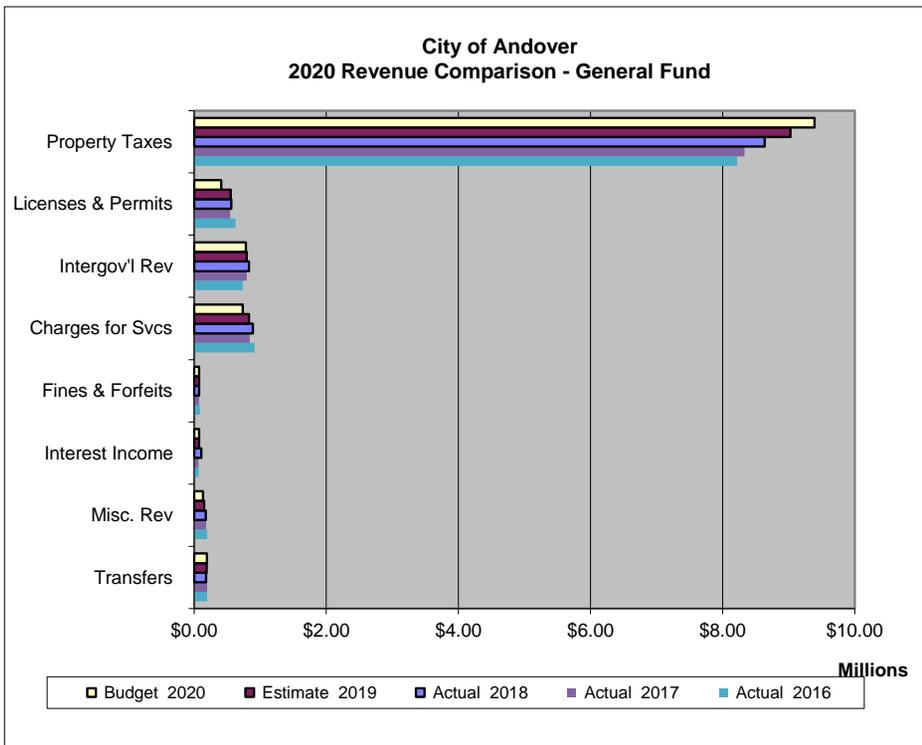
	Actual 2018	Budget 2019	Estimate 2019	Budget 2020
<b>Fund Balance/Net Assets, January 1</b>	<b>\$ 43,041,576</b>	<b>\$ 54,929,619</b>	<b>\$ 54,929,619</b>	<b>\$ 51,098,796</b>
<b>Revenues</b>				
General Property Taxes	12,433,651	13,181,487	13,181,487	14,526,735
Tax Increments	86,794	85,000	85,000	85,000
Special Assessments	554,471	611,400	384,150	636,900
Licenses and Permits	562,525	384,900	553,875	410,900
Intergovernmental	1,641,806	2,041,730	2,113,439	2,209,815
Charges for Services	8,674,561	7,867,777	8,066,762	8,142,252
Fines	73,719	75,250	75,250	75,250
Investment Income	677,771	300,050	487,300	285,200
User Charges	544,264	193,226	981,248	262,051
Meters	14,412	13,000	13,000	13,000
Miscellaneous	1,251,239	1,243,850	1,665,520	1,350,400
<b>Total Revenues:</b>	<b>26,515,213</b>	<b>25,997,670</b>	<b>27,607,031</b>	<b>27,997,503</b>
<b>Other Financing Sources</b>				
Operating Transfers In	1,294,845	1,341,353	1,814,886	1,589,418
Bond Proceeds	10,000,000	26,800,000	15,770,000	1,310,000
Proceeds from Sale of Property	65,037	-	18,920	-
<b>Total Other Financing Sources:</b>	<b>11,614,142</b>	<b>28,141,353</b>	<b>19,062,501</b>	<b>2,899,418</b>
<b>Total Revenues and Other Sources:</b>	<b>38,129,355</b>	<b>54,139,023</b>	<b>46,669,532</b>	<b>30,896,921</b>
<b>Total Available:</b>	<b>81,170,931</b>	<b>109,068,642</b>	<b>101,599,151</b>	<b>81,995,717</b>
<b>Expenditures</b>				
Personal Services	6,975,841	7,334,825	7,337,825	7,774,188
Supplies and Materials	1,292,387	1,579,212	1,563,792	1,578,737
Purchased Services	4,170,934	4,507,979	4,587,179	4,647,282
Other Services and Charges	7,380,875	9,540,699	9,245,335	9,412,673
Capital Outlay	2,351,863	30,126,000	23,151,874	12,616,000
Debt Service	2,774,567	2,585,781	2,799,464	3,633,932
<b>Total Operating Expenditures:</b>	<b>24,946,467</b>	<b>55,674,496</b>	<b>48,685,469</b>	<b>39,662,812</b>
<b>Other Uses</b>				
Operating Transfers Out	1,294,845	1,341,353	1,814,886	1,589,418
<b>Total Other Uses:</b>	<b>1,294,845</b>	<b>1,341,353</b>	<b>1,814,886</b>	<b>1,589,418</b>
<b>Total Expenditures and Other Uses:</b>	<b>26,241,312</b>	<b>57,015,849</b>	<b>50,500,355</b>	<b>41,252,230</b>
<b>Fund Balance/Net Assets, December 31</b>	<b>\$ 54,929,619</b>	<b>\$ 52,052,793</b>	<b>\$ 51,098,796</b>	<b>\$ 40,743,487</b>
Change in Fund Balance	\$ 11,888,043 27.62%	\$ (2,876,826) -5.24%	\$ (3,830,823) -6.97%	\$ (10,355,309) -20.27%

**CITY OF ANDOVER**  
**2020 Budget Summary**  
**Revenues and Expenditures by Fund Type**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
<b>Fund Balance/Net Assets, January 1</b>	<b>\$ 8,059,559</b>	<b>\$ 958,790</b>	<b>\$ 1,443,584</b>	<b>\$ 30,496,668</b>	<b>\$ 9,141,250</b>	<b>\$ 998,945</b>	<b>\$ 51,098,796</b>
<b>Revenues</b>							
General Property Taxes	9,392,032	40,000	3,089,045	2,005,658	-	-	14,526,735
Tax Increments	-	-	-	85,000	-	-	85,000
Special Assessments	-	-	-	636,900	-	-	636,900
Licenses and Permits	410,900	-	-	-	-	-	410,900
Intergovernmental	780,806	37,500	-	1,391,509	-	-	2,209,815
Charges for Services	736,210	797,300	-	-	5,390,591	1,218,151	8,142,252
Fines	75,250	-	-	-	-	-	75,250
Investment Income	75,000	5,200	-	140,000	61,000	4,000	285,200
User Charges	-	-	-	262,051	-	-	262,051
Meters	-	-	-	-	13,000	-	13,000
Miscellaneous	133,850	808,000	-	343,550	65,000	-	1,350,400
<b>Total Revenues:</b>	<b>11,604,048</b>	<b>1,688,000</b>	<b>3,089,045</b>	<b>4,864,668</b>	<b>5,529,591</b>	<b>1,222,151</b>	<b>27,997,503</b>
<b>Other Financing Sources</b>							
Operating Transfers In	190,688	-	520,446	818,544	59,740	-	1,589,418
Bond Proceeds	-	-	-	1,310,000	-	-	1,310,000
<b>Total Other Financing Sources:</b>	<b>190,688</b>	<b>-</b>	<b>520,446</b>	<b>2,128,544</b>	<b>59,740</b>	<b>-</b>	<b>2,899,418</b>
<b>Total Revenues and Other Sources:</b>	<b>11,794,736</b>	<b>1,688,000</b>	<b>3,609,491</b>	<b>6,993,212</b>	<b>5,589,331</b>	<b>1,222,151</b>	<b>30,896,921</b>
<b>Total Available:</b>	<b>19,854,295</b>	<b>2,646,790</b>	<b>5,053,075</b>	<b>37,489,880</b>	<b>14,730,581</b>	<b>2,221,096</b>	<b>81,995,717</b>
<b>Expenditures</b>							
Personal Services	5,417,774	660,633	-	-	1,160,684	535,097	7,774,188
Supplies and Materials	740,517	104,820	-	-	324,300	409,100	1,578,737
Purchased Services	4,378,227	269,055	-	-	-	-	4,647,282
Other Services and Charges	1,499,378	542,525	-	4,455,112	2,449,336	466,322	9,412,673
Capital Outlay	120,000	130,000	-	12,366,000	-	-	12,616,000
Debt Service	-	-	2,847,432	-	786,500	-	3,633,932
<b>Total Operating Expenditures:</b>	<b>12,155,896</b>	<b>1,707,033</b>	<b>2,847,432</b>	<b>16,821,112</b>	<b>4,720,820</b>	<b>1,410,519</b>	<b>39,662,812</b>
<b>Other Uses</b>							
Operating Transfers Out	-	305,700	89,344	234,886	959,488	-	1,589,418
<b>Total Other Uses:</b>	<b>-</b>	<b>305,700</b>	<b>89,344</b>	<b>234,886</b>	<b>959,488</b>	<b>-</b>	<b>1,589,418</b>
<b>Total Expenditures and Other Uses:</b>	<b>12,155,896</b>	<b>2,012,733</b>	<b>2,936,776</b>	<b>17,055,998</b>	<b>5,680,308</b>	<b>1,410,519</b>	<b>41,252,230</b>
<b>Fund Balance/Net Assets, December 31</b>	<b>\$ 7,698,399</b>	<b>\$ 634,057</b>	<b>\$ 2,116,299</b>	<b>\$ 20,433,882</b>	<b>\$ 9,050,273</b>	<b>\$ 810,577</b>	<b>\$ 40,743,487</b>
Change in Fund Balance	\$ (361,160) -4.48%	\$ (324,733) -33.87%	\$ 672,715 46.60%	\$ (10,062,786) -33.00%	\$ (90,977) -1.00%	\$ (188,368) -18.86%	\$ (10,355,309) -20.27%

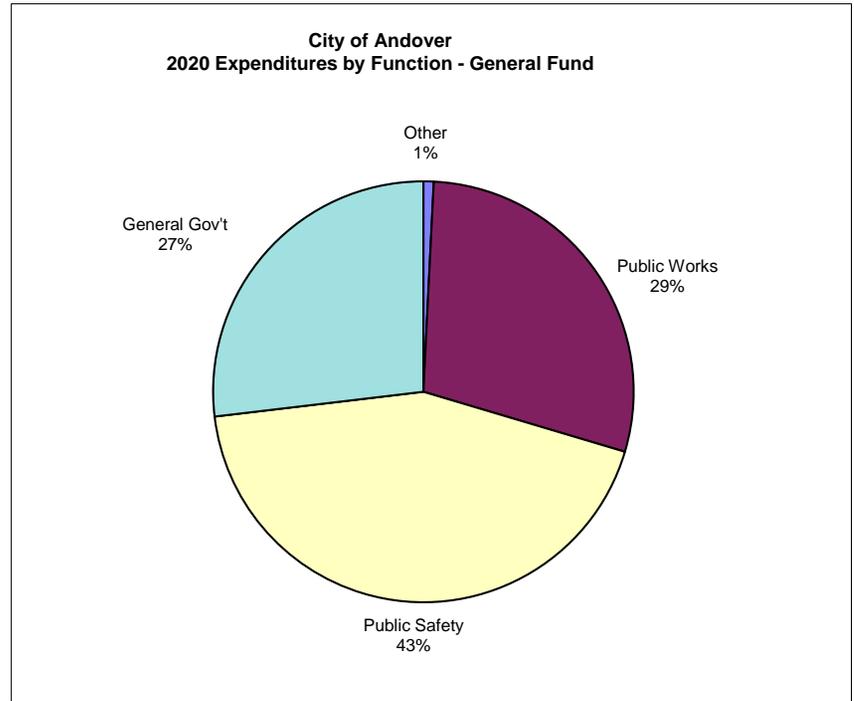
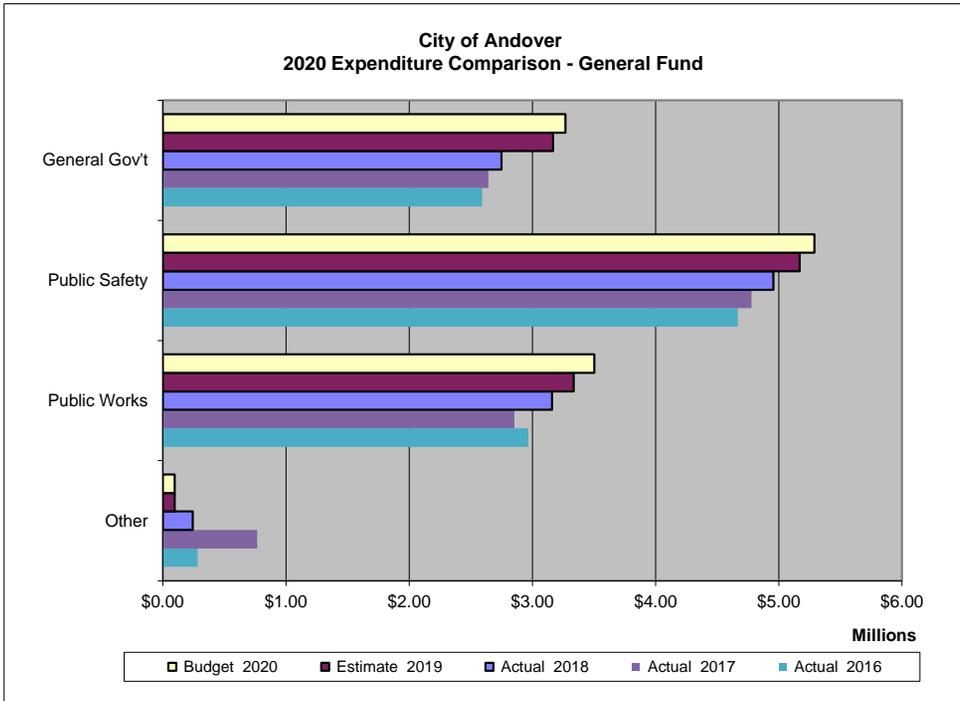
**CITY OF ANDOVER  
Revenue Comparison - General Fund**

<u>REVENUES</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Budget 2018</u>	<u>Estimate 2019</u>	<u>Budget 2020</u>
Property Taxes	\$ 8,217,768	\$ 8,332,634	\$ 8,634,130	\$ 9,023,970	\$ 9,023,970	\$ 9,392,032
License and Permits	625,906	546,378	562,525	384,900	553,875	410,900
Intergovernmental Revenues	733,953	793,932	829,861	787,918	794,918	780,806
Charges for Services	912,220	843,022	888,944	708,700	829,490	736,210
Fines and Forfeits	88,600	75,287	73,719	75,250	75,250	75,250
Interest Income	68,380	64,751	107,560	75,000	75,000	75,000
Miscellaneous Revenue	194,812	178,616	176,662	134,300	150,705	133,850
Transfers	196,930	196,930	178,558	188,008	188,008	190,688
<b>TOTAL REVENUES</b>	<b>\$ 11,038,569</b>	<b>\$ 11,031,550</b>	<b>\$ 11,451,959</b>	<b>\$ 11,378,046</b>	<b>\$ 11,691,216</b>	<b>\$ 11,794,736</b>



**CITY OF ANDOVER  
Expenditure Comparison - General Fund**

<u>EXPENDITURES</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Budget 2018</u>	<u>Estimate 2019</u>	<u>Budget 2020</u>
<b>General Government</b>	\$ 2,592,649 25%	\$ 2,642,223 24%	\$ 2,748,464 25%	\$ 3,131,900 27%	\$ 3,166,900 27%	\$ 3,267,676 27%
<b>Public Safety</b>	4,667,326 44%	4,778,336 43%	4,956,352 45%	5,169,388 44%	5,169,388 44%	5,289,484 44%
<b>Public Works</b>	2,966,674 28%	2,854,540 26%	3,158,490 28%	3,298,777 28%	3,336,277 28%	3,502,808 29%
<b>Other</b>	283,077 3%	764,875 7%	241,940 2%	95,428 1%	95,428 1%	95,928 1%
<b>TOTAL EXPENDITURES</b>	<u>\$ 10,509,726</u>	<u>\$ 11,039,974</u>	<u>\$ 11,105,246</u>	<u>\$ 11,695,493</u>	<u>\$ 11,767,993</u>	<u>\$ 12,155,896</u>



**CITY OF ANDOVER**  
**General Fund - Expenditure Budget Summary Totals - By Department**  
**Budget Year 2020**

	Actual	Actual	Actual	Actual	Actual	Budget*	Estimate	Requested*	Change (*)	
	2014	2015	2016	2017	2018	2019	2019	2020	\$	%
<b>GENERAL GOVERNMENT</b>										
Mayor and Council	\$ 84,650	\$ 85,060	\$ 86,989	\$ 84,136	\$ 87,813	\$ 107,751	\$ 107,751	\$ 108,315	564	0.52%
Administration	169,218	172,296	187,876	187,514	198,945	215,952	215,952	227,334	11,382	5.27%
Newsletter	20,974	21,042	22,731	25,287	17,770	26,800	26,800	25,000	(1,800)	-6.72%
Human Resources	18,038	15,908	13,404	15,520	13,666	28,771	28,771	34,100	5,329	18.52%
Attorney	177,427	180,313	184,990	188,644	188,031	197,041	197,041	200,941	3,900	1.98%
City Clerk	128,861	134,775	148,338	147,450	149,769	163,651	163,651	170,000	6,349	3.88%
Elections	41,508	14,497	64,433	17,852	50,629	65,640	65,640	69,994	4,354	6.63%
Finance	230,639	240,319	252,563	258,883	272,851	290,752	290,752	308,356	17,604	6.05%
Assessing	145,051	146,315	146,473	147,915	149,040	154,000	154,000	159,000	5,000	3.25%
Information Services	146,984	131,744	151,387	149,512	171,637	187,743	187,743	194,725	6,982	3.72%
Planning & Zoning	387,308	406,045	414,141	398,780	422,983	456,887	456,887	490,296	33,409	7.31%
Engineering	460,872	464,843	511,074	511,183	527,688	575,968	575,968	605,481	29,513	5.12%
Facility Management	470,397	498,813	408,250	509,547	497,642	660,944	695,944	674,134	13,190	2.00%
<b>Total General Gov</b>	<b>2,481,927</b>	<b>2,511,970</b>	<b>2,592,649</b>	<b>2,642,223</b>	<b>2,748,464</b>	<b>3,131,900</b>	<b>3,166,900</b>	<b>3,267,676</b>	<b>135,776</b>	<b>4.34%</b>
<b>PUBLIC SAFETY</b>										
Police Protection	2,818,132	2,918,308	2,936,467	2,962,551	3,053,526	3,183,610	3,183,610	3,245,518	61,908	1.94%
Fire Protection	1,264,018	1,165,223	1,285,417	1,353,209	1,445,167	1,471,101	1,471,101	1,517,670	46,569	3.17%
Protective Inspection	390,908	391,951	424,247	443,712	436,790	479,543	479,543	490,410	10,867	2.27%
Emergency Management	21,836	24,352	17,495	16,320	18,060	29,184	29,184	29,936	752	2.58%
Animal Control	4,026	3,498	3,700	2,544	2,809	5,950	5,950	5,950	0	0.00%
<b>Total Public Safety</b>	<b>4,498,920</b>	<b>4,503,332</b>	<b>4,667,326</b>	<b>4,778,336</b>	<b>4,956,352</b>	<b>5,169,388</b>	<b>5,169,388</b>	<b>5,289,484</b>	<b>120,096</b>	<b>2.32%</b>
<b>PUBLIC WORKS</b>										
Streets and Highways	600,313	629,724	686,086	597,963	656,194	696,225	696,225	738,070	41,845	6.01%
Snow and Ice Removal	637,154	442,078	468,173	449,881	599,029	586,375	586,375	631,937	45,562	7.77%
Street Signs	187,935	204,495	167,282	214,540	206,890	227,527	227,527	235,124	7,597	3.34%
Traffic Signals	34,901	30,170	27,919	36,151	33,857	39,500	39,500	40,000	500	1.27%
Street Lighting	32,646	30,664	37,089	27,735	32,829	40,400	40,400	40,400	0	0.00%
Street Lights - Billed	203,148	201,500	200,509	144,451	142,937	180,500	180,500	180,500	0	0.00%
Park & Recreation	1,009,373	1,151,314	1,247,501	1,207,360	1,282,414	1,345,517	1,349,017	1,428,590	83,073	6.17%
Natural Resource Preservation	-	-	7,255	6,503	5,158	14,107	18,107	14,216	109	0.77%
Recycling	113,902	128,036	124,860	169,956	199,182	168,626	198,626	193,971	25,345	15.03%
<b>Total Public Works</b>	<b>2,819,372</b>	<b>2,817,981</b>	<b>2,966,674</b>	<b>2,854,540</b>	<b>3,158,490</b>	<b>3,298,777</b>	<b>3,336,277</b>	<b>3,502,808</b>	<b>204,031</b>	<b>6.19%</b>
<b>OTHER</b>										
	81,185	256,720	283,077	764,875	241,940	95,428	95,428	95,928	500	0.52%
<b>Total Other</b>	<b>81,185</b>	<b>256,720</b>	<b>283,077</b>	<b>764,875</b>	<b>241,940</b>	<b>95,428</b>	<b>95,428</b>	<b>95,928</b>	<b>500</b>	<b>0.52%</b>
<b>GRAND TOTAL</b>	<b>\$ 9,881,404</b>	<b>\$ 10,090,003</b>	<b>\$ 10,509,726</b>	<b>\$ 11,039,974</b>	<b>\$ 11,105,246</b>	<b>\$ 11,695,493</b>	<b>\$ 11,767,993</b>	<b>\$ 12,155,896</b>	<b>460,403</b>	<b>3.94%</b>

**CITY OF ANDOVER  
General Fund  
Five Year Financial Projections**

	<b>Adopted 2020</b>	<b>Projections</b>				
		<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>REVENUES</b>						
Property Taxes	\$ 9,392,032	\$ 9,673,793	\$ 9,964,007	\$ 10,262,927	\$ 10,570,815	\$ 10,887,939
License and Permits	410,900	423,227	435,924	449,002	462,472	476,346
Intergovernmental Revenues	780,806	804,230	828,357	853,208	878,804	905,168
Charges for Current Services	736,210	758,296	781,045	804,476	828,610	853,468
Fines and Forfeits	75,250	77,508	79,833	82,228	84,695	87,236
Interest Income	75,000	77,250	79,568	81,955	84,414	86,946
Miscellaneous Revenue	133,850	137,866	142,002	146,262	150,650	155,170
Transfers	190,688	196,409	202,301	208,370	214,621	221,060
<b>TOTAL REVENUES</b>	<b>11,794,736</b>	<b>12,148,579</b>	<b>12,513,037</b>	<b>12,888,428</b>	<b>13,275,081</b>	<b>13,673,333</b>
<b>EXPENDITURES</b>						
General Government	3,267,676	3,316,691	3,366,441	3,416,938	3,468,192	3,520,215
Public Safety	5,289,484	5,421,721	5,557,264	5,696,196	5,838,601	5,984,566
Public Works	3,502,808	3,555,350	3,608,680	3,662,810	3,717,752	3,773,518
Other	95,928	97,367	98,828	100,310	101,815	103,342
<b>TOTAL EXPENDITURES</b>	<b>12,155,896</b>	<b>12,391,129</b>	<b>12,631,213</b>	<b>12,876,254</b>	<b>13,126,360</b>	<b>13,381,641</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ (361,160)</b>	<b>\$ (242,550)</b>	<b>\$ (118,176)</b>	<b>\$ 12,174</b>	<b>\$ 148,721</b>	<b>\$ 291,692</b>

**Conclusion:**

The above analysis reflects a conservative view of current City revenues sources and the Department Heads estimated costs to carry on current levels of services into the projected years. Staff will monitor and make recommendations as the various years come up for funding. Currently, the General Fund has had reserves to handle any deficits, but efforts are always made to avoid using these reserves.

This five year analysis demonstrates that revenues will ultimately keep up with expenditures for the General Fund. This is done by utilizing the current revenue streams through modest rate increases, by diversifying the current revenues with additional fees or charges for services, and other items including market value growth as development continues to pick up, the final debt service payment for state aid bonds increasing the amount of state aid money available for construction and maintenance of roadways, capturing debt service expense margins for operations, and the continual frugile management of Department Heads budget implementation directives and expectations.

Other issues that impact the City's budget are some rising employee benefit costs and the sheriff's contract. Health insurance premiums were originally projected to go up 45% in 2020; but with increasing deductibles and the creation of a health reimbursement account we were able to reduced that to 10%. The sheriff's contract, which represents \$3.25m of the total budget in 2020, is reflecting a 1.94% increase.

**CITY OF ANDOVER  
2020 FTE Summary**

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Current</u>	<u>2020 Budget</u>		<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Current</u>	<u>2020 Budget</u>
<b>General Fund</b>					<b>Special Revenue Funds</b>				
General Government					EDA General	0.05	0.05	-	-
Administration	1.13	1.13	1.15	1.10	Community Center	3.22	3.22	3.32	4.32
Human Resources	0.03	0.03	0.03	0.08	LRRWMO	0.07	0.07	0.07	0.09
City Clerk	1.89	1.89	1.89	1.89	ROW Mgmt / Utility	0.08	0.08	0.08	0.08
Elections	0.15	0.15	0.15	0.15		<u>3.42</u>	<u>3.42</u>	<u>3.47</u>	<u>4.49</u>
Financial Administration	1.94	1.94	1.94	2.01	<b>Enterprise Funds</b>				
Information Systems	0.91	0.91	0.91	0.91	Water	4.55	4.52	4.57	4.57
Planning & Zoning	4.03	4.03	4.03	4.05	Sewer	2.82	3.08	3.33	3.33
Engineering	4.48	4.48	4.48	4.46	Storm Sewers	2.94	2.38	2.40	2.40
Facility Management	1.05	1.05	0.96	0.87		<u>10.31</u>	<u>9.98</u>	<u>10.30</u>	<u>10.30</u>
Total General Government	<u>15.61</u>	<u>15.61</u>	<u>15.54</u>	<u>15.52</u>	<b>Internal Service Funds</b>				
Public Safety					Central Equipment	3.31	3.25	3.25	3.34
Fire Protection	3.21	3.21	3.21	3.35	Risk Mgmt	0.10	0.10	0.10	0.10
Protective Inspection	4.03	4.03	4.03	3.93		<u>3.41</u>	<u>3.35</u>	<u>3.35</u>	<u>3.44</u>
Emergency Management	0.05	0.05	0.05	0.05	<b>Grand Total</b>	<u><u>58.50</u></u>	<u><u>58.50</u></u>	<u><u>58.50</u></u>	<u><u>59.50</u></u>
Total Public Safety	<u>7.29</u>	<u>7.29</u>	<u>7.29</u>	<u>7.33</u>					
Public Works									
Streets & Highways	5.37	5.19	5.15	5.15					
Snow & Ice	1.83	2.83	2.55	2.55					
Street Signs	1.57	1.52	1.51	1.51					
Parks & Recreation	8.65	8.30	8.39	8.38					
Natural Resource Preservation	0.01	0.01	0.03	0.02					
Recycling	1.03	1.00	0.92	0.81					
Total Public Works	<u>18.46</u>	<u>18.85</u>	<u>18.55</u>	<u>18.42</u>					
Total General Fund	<u>41.36</u>	<u>41.75</u>	<u>41.38</u>	<u>41.27</u>					

Note: A majority of employees provide services to various cost centers and are allocated accordingly. 2017 & 2018 are based on actual hours charged to various departments.

**CITY OF ANDOVER**  
**2020 Capital Improvement Plan**  
**Projects By Department - Use of Funds**

Community Center		Park & Recreation - Operations	
Replacement - Sinks / Fixtures	\$ 15,000	Replace/Repair Play Structures - Various Parks	\$ 100,000
Refacing Rink Boards	30,000	Replace/Repair Major Park Projects - Various Parks	20,000
Replacement - Ice Arena Refrigeration & Dasher Board	323,478	Replacement - Water Tanker #161	175,000
Replacement - Field House Floor	184,634	New - Large Capacity Mower	110,000
	<u>553,112</u>		<u>405,000</u>
Emergency Management		Park & Recreation - Projects	
Emergency Operations Center Improvement	10,000	Annual Miscellaneous Projects	15,000
New - Emergency Sirens	55,000	Andover Station North East Ball Field Lighting	180,000
	<u>65,000</u>		<u>195,000</u>
Engineering		Sanitary Sewer	
New Development Projects	175,000	Lift Station Improvements	90,000
Pedestrian Trail Maintenance	63,000	Storm Sewer	
Pedestrian Trail Reconstruction	70,000	Storm Sewer Improvements	62,000
Pedestrian Curb Ramp Replacements	19,000	Streets / Highways	
Replacement - 3/4 Ton Truck #12	30,000	Annual Street Seal Coat Project	200,000
New Pedestrian Trail and Sidewalk Segments	405,000	Annual Street Crack Seal Project	170,000
Railroad Underpass Trail	12,000	Annual Pavement Markings	60,000
	<u>774,000</u>	Annual Curb Replacement	56,000
Facility Management		Municipal State Aid Routes / New & Reconstruct	580,000
Annual Parking Lot Maintenance / Replacement	250,000	Annual Street Reconstruction	1,226,000
Surface Seal all Brick Structures	85,000	Gravel Road Improvement	21,000
Replacement - Furnace/Condenser PW	6,000	Replacement - Front End Loader #124	275,000
Replacement - Furnace/Condenser PW	6,000	Replacement - One Ton Truck w/ Plow #133	80,000
Fencing Around Public Yard	110,000	Street Overlays	920,000
	<u>457,000</u>	New - Slide In Hotbox	19,000
Fire		Pedestrian Crossing	10,000
Replacement - Turnout Gear	23,000		<u>3,617,000</u>
Replacement - Engine 21 #4884	510,000	Water	
Replacement - (2) SCBA Compressors St 2 & 3	65,000	Recondition & Paint Water Tower #2	150,000
Replacement - 800 MHz Radios	46,000		
	<u>644,000</u>	Grand Total	<u>\$ 7,034,112</u>
Information Technology			
Windows Server 2019 DataCenter Licenses	12,000		
Aruba Switch Upgrade	10,000		
	<u>\$ 22,000</u>		

**CITY OF ANDOVER**  
**2020 Capital Improvement Plan**  
**Sources of Funds**

Assessments	\$ 654,500
Capital Equipment Reserve	337,634
Community Center Operations	157,000
Construction Seal Coating Fund	10,000
Donations	90,000
Equipment Bond	1,264,000
Facility Maintenance Reserve	681,478
General Fund	155,000
Grant	193,550
Municipal State Aid Fund	555,000
Park Improvement Fund	204,000
Road & Bridge Fund	2,195,500
Sewer Trunk Fund	125,000
Storm Sewer Fund	62,000
Trail Fund	124,450
Water Fund	25,000
Water Trunk Fund	<u>200,000</u>
Total	<u><u>\$ 7,034,112</u></u>

This page left blank intentionally.

# **CITY OF ANDOVER, MINNESOTA**

## **2020 ANNUAL BUDGET**

### **GENERAL FUND**

#### **DEFINITION:**

The General Fund is established to account for the revenues and expenditures necessary to carry out basic governmental activities of the City such as general government, public safety, public works, and park and recreation. Revenue is recorded by source: i.e., general property taxes, licenses and permits, fines, charges for services, etc. General Fund expenditures are made primarily for current day-to-day operations and operating equipment and are recorded by major functional classifications and by operating departments. This fund accounts for all financial transactions not properly accounted for in another fund.

This page left blank intentionally.

**City of Andover**  
**2020 Budget - General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 7,789,616</b>	<b>\$ 8,136,336</b>	<b>\$ 8,136,336</b>	<b>\$ 8,059,559</b>
<b>Revenues</b>				
General Property Taxes	8,634,130	9,023,970	9,023,970	9,392,032
Licenses and Permits	562,525	384,900	553,875	410,900
Intergovernmental	829,861	787,918	794,918	780,806
Charges for Services	888,947	708,700	829,490	736,210
Fines	73,719	75,250	75,250	75,250
Investment Income	107,561	75,000	75,000	75,000
Miscellaneous Revenue	176,663	134,300	150,705	133,850
<b>Total Revenues:</b>	<b>11,273,406</b>	<b>11,190,038</b>	<b>11,503,208</b>	<b>11,604,048</b>
<b>Other Sources</b>				
Transfers In	<b>178,558</b>	<b>188,008</b>	<b>188,008</b>	<b>190,688</b>
<b>Total Revenues and Other Sources:</b>	<b>11,451,964</b>	<b>11,378,046</b>	<b>11,691,216</b>	<b>11,794,736</b>
<b>Total Available:</b>	<b>19,241,580</b>	<b>19,514,382</b>	<b>19,827,552</b>	<b>19,854,295</b>
<b>Expenditures</b>				
Personal Services	4,923,582	5,145,873	5,145,873	5,417,774
Supplies and Materials	613,496	727,082	733,582	740,517
Purchased Services	3,934,398	4,272,029	4,338,029	4,378,227
Other Services and Charges	1,274,730	1,430,509	1,430,509	1,499,378
Capital Outlay	129,038	120,000	120,000	120,000
<b>Total Expenditures:</b>	<b>10,875,244</b>	<b>11,695,493</b>	<b>11,767,993</b>	<b>12,155,896</b>
<b>Other Uses</b>				
Transfers Out	<b>230,000</b>	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>11,105,244</b>	<b>11,695,493</b>	<b>11,767,993</b>	<b>12,155,896</b>
<b>Fund Balance, December 31</b>	<b>\$ 8,136,336</b>	<b>\$ 7,818,889</b>	<b>\$ 8,059,559</b>	<b>\$ 7,698,399</b>
Change in Fund Balance	\$ 346,720 4%	\$ (317,447) -4%	\$ (76,777) -1%	\$ (361,160) -4%

**Activity Description**

The City Council exercises the legislative power of the City by which all matters of policy are determined, as provided by the form of government. Council exercises budgetary control through the adoption of the annual budget, and approval of claims against the City treasury. The Council also approves capital improvement projects through the adoption of a five year capital improvement plan identifying the City's infrastructure needs. Council appoints various citizen committees to render advice on legislative and city issues. Council members respond to constituent concerns and questions by working with City administration to address community service issues.

**Process Used**

As provided by statutory authority, Council performs a legislative, regulatory and quasi-judicial function. The Council meets regularly to consider ordinances, resolutions, and other such actions as may be required by law and circumstance. Various concerns that are brought before Council for consideration are reviewed and forwarded to staff for an appropriate response. The City Administrator and staff attend meetings to provide information and other forms of support for Council deliberations.

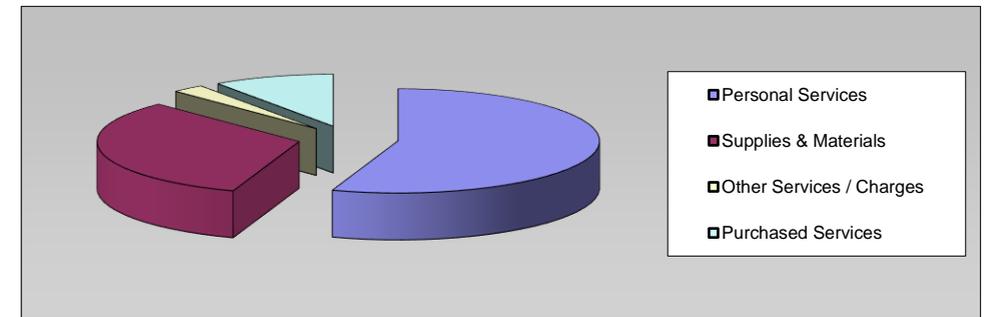
**Service Expenditure Highlights**

Council approved an increase in compensation for Current 2019.

<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Council Meetings	24	24	24
Special Workshops	13	14	10
Agenda Items - Special Workshops	84	80	60
EDA Meetings	11	9	12
Agenda Items - EDA	73	56	75

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
One Mayor and Four Council Members			
<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 43,233	\$ 59,878	\$ 59,878
Supplies & Materials	30,379	35,094	35,158
Other Services / Charges	2,655	2,779	2,779
Purchased Services	11,546	10,000	10,500
<b>TOTAL</b>	<b>\$ 87,813</b>	<b>\$ 107,751</b>	<b>\$ 108,315</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.22	\$ 0.27	\$ 0.27
Annual	\$ 2.68	\$ 3.27	\$ 3.26

Fund: 0101 - General  
 Cost Center: 41200

Department: Administration  
 Director/Manager: City Administrator

**Activity Description**

The City Administrator 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. Ensures that services are delivered in a cost-effective, efficient and high quality manner. Oversees the preparation of Annual City Budget and Capital Improvement Plan for Council adoption; Responsible for keeping Council fully advised as to the financial condition and needs of the organization.

**Process Used**

Policy goals and direction are translated in to management objectives to be administered and delegated to appropriate City departments for implementation and achievement. Through reporting relationships established by City ordinance, department directors are responsible to the administrator for properly managing and overseeing the operations of their department. A management team consisting of key department directors works with the administrator to resolve issues, review projects and address changing community service dynamics.

**Service Expenditure Highlights**

The major increase for Budget 2020 is in Personal Services due to a COLA and an increase in the cost of health insurance.

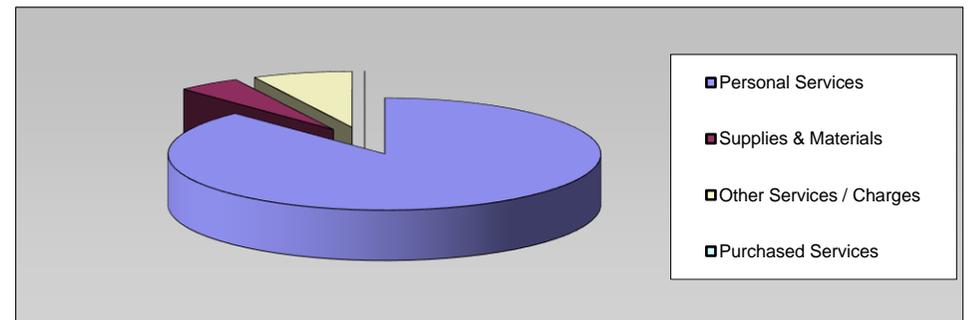
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Regular Council Agenda Items	334	354	340
Council Workshops Attended	13	14	14
Council Meetings Attended	24	24	24
Staff Meetings Held	52	52	52

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	1.13	1.15	1.10

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 176,847	\$ 188,784	\$ 199,716
Supplies & Materials	5,491	9,950	10,700
Other Services / Charges	16,572	17,218	16,918
Purchased Services	35	-	-
<b>TOTAL</b>	<b>\$ 198,945</b>	<b>\$ 215,952</b>	<b>\$ 227,334</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.51	\$ 0.55	\$ 0.57
Annual	\$ 6.08	\$ 6.55	\$ 6.84

Fund: 0101 - General  
 Cost Center: 41210

Department: Newsletter  
 Director/Manager: Newsletter Coordinator

**Activity Description**

The City publishes a newsletter containing articles regarding important municipal service news. Funding for publication is provided through general tax levies and is distributed to every household and business located within Andover's corporate boundaries.

**Process Used**

The City has an active newsletter committee comprised of Council members, and staff who meet to determine newsletter articles, format and coordinate the development of the newsletter publication. Each issue is reviewed by City departments to ensure accuracy and appropriate content. Starting in late 2017, the newsletter is now assembled in-house and contracted out for printing and distribution to all households and businesses. Articles selected for publication are intended to provide the public with timely, newsworthy and customer service oriented information. Each Council member and the City administrator prepare news articles focusing on significant issues affecting City government.

**Service Expenditure Highlights**

Newsletter setup, printing and postage costs are increasing slightly.

<b><u>Performance Measures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Number of Meetings Held	6	6	6
Newsletters Published	6	6	6
Public Circulation	11,000	11,000	11,000
Staff Preparation Hours	90	100	100

**Staffing Levels**

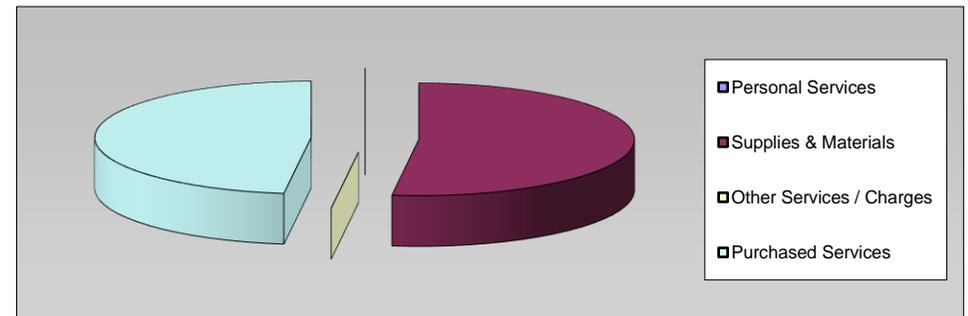
FTE Equivalent

<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
N/A	N/A	N/A

**Service Expenditures**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	9,870	14,800	13,000
Other Services / Charges	-	-	-
Purchased Services	7,900	12,000	12,000
<b>TOTAL</b>	<b>\$ 17,770</b>	<b>\$ 26,800</b>	<b>\$ 25,000</b>

**Service Expenditures By Category**



**Expenditures Per Capita**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.05	\$ 0.07	\$ 0.06
Annual	\$ 0.54	\$ 0.81	\$ 0.75

Fund: 0101 - General  
 Cost Center: 41230

Department: Human Resources  
 Director/Manager: Human Resources Manager

**Activity Description**

Personnel activities support the City's human resource needs in the areas of recruitment, selection, development, training and assessment of organizational needs. Employee benefits, compensation administration, enforcement of personnel policies, and compliance with state and federal employment laws are essential functions of the activity. Labor relations activities such as negotiations, contract administration, grievance processing and costing of benefits provide the City with the ability to interpret and manage labor components of providing City services. Conducting and facilitating employee training in the areas of customer service, safety training and programs designed to enhance the productivity and performance of the organization. New ACA requirements will also increase benefits administration.

**Process Used**

Staff needs are continually reviewed by City departments, and annually appropriated for in the budget process through review and justification factors. Human resources will facilitate this through advertisements, testing and interviews, and processing of new employees. Personnel functions include training, interviewing, record processing and management, benefits, job description development and analysis, pay equity compliance, labor negotiations, drug testing, and ensuring compliance with state and federal laws.

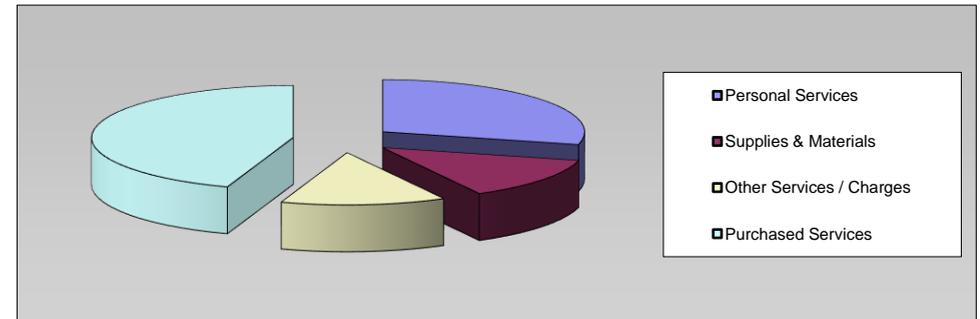
**Service Expenditure Highlights**

The Human Resources Manager is allocated out to various departments based on FTE's. Budgeted 2020 includes funding for any market rate adjustments that are approved by the City Council. As more employees become eligible for retirement, an increase in recruitment is expected.

	Actual 2018	Current 2019	Budgeted 2020
<b>Performance Measures</b>			
Workers Comp Mod Factor	0.74	0.82	0.82
Premium change in health insurance	0.00%	11.79%	20.00%
Hours spent on labor relations	10	10	10
Hours spent on benefit administration	100	100	100
Employees hired (Seasonal/FT/PT)	24	39	50

	Actual 2018	Current 2019	Budgeted 2020
<b>Staffing Levels</b>			
FTE Equivalents	0.03	0.03	0.08
<b>Service Expenditures</b>			
Personal Services	\$ 4,867	\$ 4,967	\$ 9,875
Supplies & Materials	2,853	4,304	4,475
Other Services / Charges	4,119	4,250	4,500
Purchased Services	1,827	15,250	15,250
<b>TOTAL</b>	<b>\$ 13,666</b>	<b>\$ 28,771</b>	<b>\$ 34,100</b>

**Service Expenditures By Category**



	Actual 2018	Current 2019	Budgeted 2020
<b>Expenditures Per Capita</b>			
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.03	\$ 0.07	\$ 0.09
Annual	\$ 0.42	\$ 0.87	\$ 1.03

Fund: 0101 - General  
 Cost Center: 41240

Department: Attorney  
 Director/Manager: City Administrator

**Activity Description**

The City Attorney provides City Council and staff with research and support on issues of a legal matter. The City Attorney also serves as the chief prosecuting attorney for the City on offenses committed within the City of Andover. The City Attorney attends Council and staff meetings and serves in an advisory capacity to all City departments on matters coming before the City Council.

**Process Used**

Attorney services are provided to the City through an annual contract with the Hawkins & Baumgartner, P.A. legal firm.

**Service Expenditure Highlights**

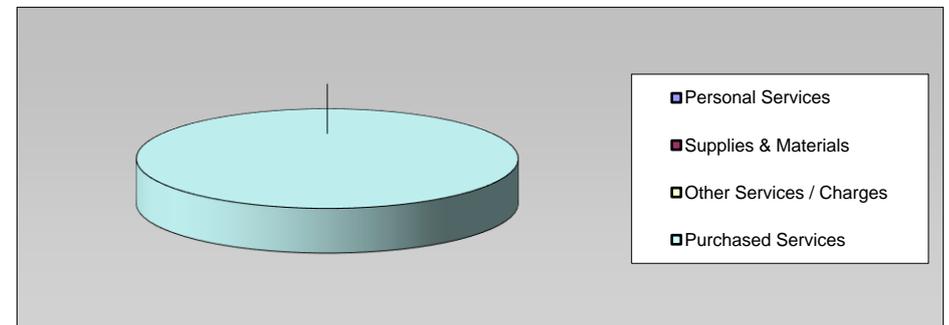
Budgeted 2020 includes a 2% increase in the contract.

<b><u>Staffing Levels</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
FTE Equivalents	N/A	N/A	N/A

<b><u>Service Expenditures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services / Charges	-	-	-
Purchased Services	188,031	197,041	200,941
<b>TOTAL</b>	<b>\$ 188,031</b>	<b>\$ 197,041</b>	<b>\$ 200,941</b>

**Service Expenditures By Category**



<b><u>Expenditures Per Capita</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.48	\$ 0.50	\$ 0.50
Annual	\$ 5.75	\$ 5.97	\$ 6.05

Fund: 0101 - General  
 Cost Center: 41300

Department: City Clerk  
 Director/Manager: City Clerk

**Activity Description**

The City Clerk's office prepares the agenda and materials for council meetings; is responsible for special assessments, elections, homestead filing; licensing of alcohol and tobacco, garbage haulers, dogs, peddlers, tree trimmers; signs all official papers; is the keeper of the official city records including resolutions, minutes, ordinances, etc.

Assists residents by telephone, e-mail and in person.

**Process Used**

Activities are conducted pursuant to city ordinances, policies and state law.

**Service Expenditure Highlights**

In Budgeted 2020, the increase is due to a COLA.

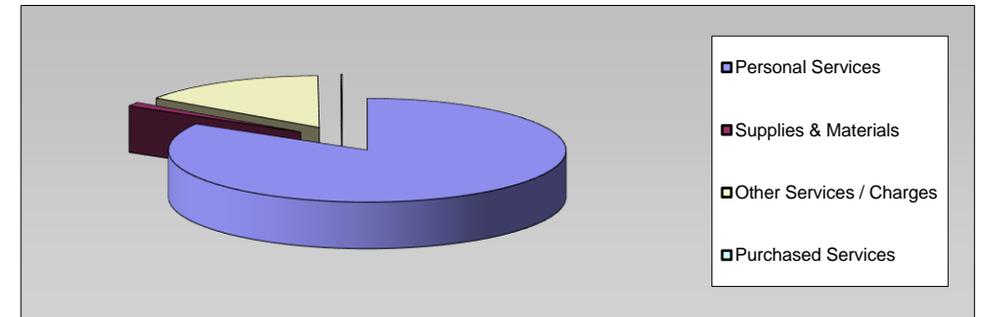
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Council packets (hardcopy)	336	456	400
Council packets (emailed)	1,134	1,425	1,200
Licenses Issued	185	242	250
Assessment Searches	131	213	215
False Alarm Letters	59	198	190

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	1.89	1.89	1.89

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 122,947	\$ 135,464	\$ 141,813
Supplies & Materials	861	2,110	2,110
Other Services / Charges	25,827	25,877	25,877
Purchased Services	134	200	200
<b>TOTAL</b>	<b>\$ 149,769</b>	<b>\$ 163,651</b>	<b>\$ 170,000</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.38	\$ 0.41	\$ 0.43
Annual	\$ 4.58	\$ 4.96	\$ 5.12

ADOPTED 2020 BUDGET  
 CITY OF ANDOVER, MINNESOTA

Fund: 0101 - General  
 Cost Center: 41310

Department: Elections  
 Director/Manager: City Clerk

**Activity Description**

Conduct State and General Elections in accordance with State Law.

**Process Used**

Notify voters of their precincts; administer filings for local offices; proof ballots; post and publish notices; hire sufficient number of judges; arrange for judges' training; notify polling places of elections; conduct public accuracy tests to ensure machine accuracy.

**Service Expenditure Highlights**

Current 2018 was an election year.

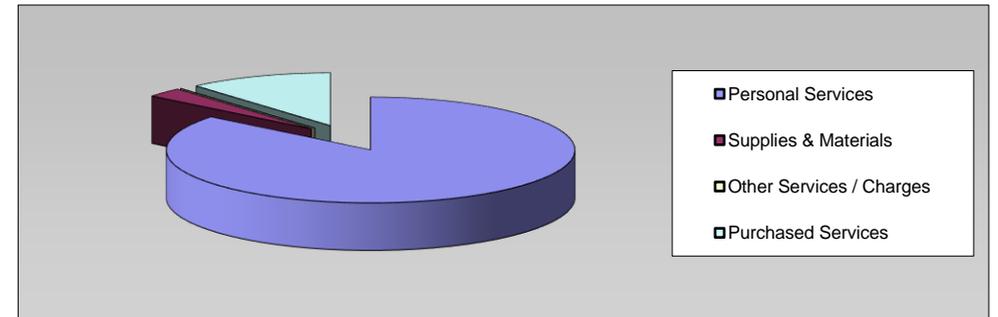
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Total number of voters	16,051	Non election	16,100
Number of Precincts	10	year	10
Registered voters	20,433		20,500

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	0.15	0.15	0.15

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 41,519	\$ 55,640	\$ 59,994
Supplies & Materials	871	2,000	2,000
Other Services / Charges	-	-	-
Purchased Services	8,239	8,000	8,000
<b>TOTAL</b>	<b>\$ 50,629</b>	<b>\$ 65,640</b>	<b>\$ 69,994</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.13	\$ 0.17	\$ 0.18
Annual	\$ 1.55	\$ 1.99	\$ 2.11

ADOPTED 2020 BUDGET  
 CITY OF ANDOVER, MINNESOTA

Fund: 0101 - General  
 Cost Center: 41400

Department: Financial Administration  
 Director/Manager: Finance Director

**Activity Description**

This department is responsible for administration of the City's financial affairs. This includes maintaining accounting records for all operations, custody and investment of funds, supervision of revenue collection and disbursements of city monies, administration of debt, payroll function, audit and budget preparation.

**Process Used**

The financial affairs are conducted in compliance with federal law, state law, generally accepted accounting principles, and various city policies.

**Service Expenditure Highlights**

No major changes for Budgeted 2020 except for Personal Services - a 3.00% cost of living adjustment and steps for newer employees.

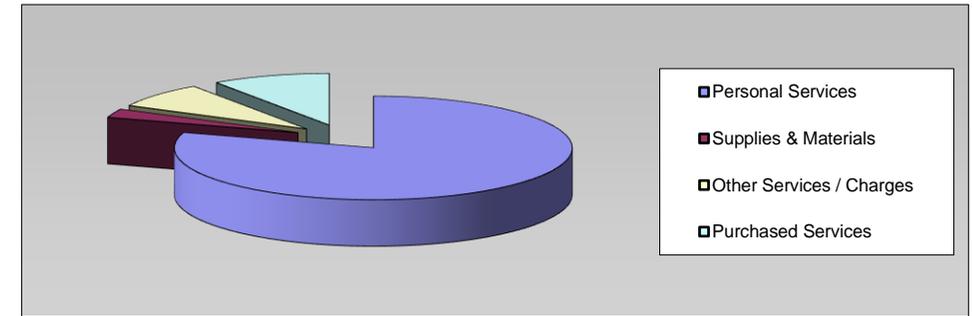
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Vendor checks issued	3,654	2,748	3,000
Payroll checks issued	255	237	240
Payroll checks - direct deposit	2,489	2,821	2,900
Number of delinquent accounts	614	631	650
Utility accounts - Storm Water	10,663	10,774	10,850
Utility accounts - Water	6,721	6,801	6,850
Utility accounts - Sewer	7,591	7,668	7,720
Utility accounts - Street Lights	7,340	7,398	7,520

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	1.94	1.94	2.01

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 219,043	\$ 230,506	\$ 245,960
Supplies & Materials	5,356	8,100	8,400
Other Services / Charges	21,910	23,196	24,396
Purchased Services	26,542	28,950	29,600
<b>TOTAL</b>	<b>\$ 272,851</b>	<b>\$ 290,752</b>	<b>\$ 308,356</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.69	\$ 0.73	\$ 0.77
Annual	\$ 8.34	\$ 8.82	\$ 9.28

Fund: 0101 - General  
 Cost Center: 41410

Department: Assessing  
 Director/Manager: Finance Director

**Activity Description**

This department is responsible for assessment for all real and personal property for valuation purposes. The City contracts with Anoka County for this service.

**Process Used**

The assessed valuation is determined by inspections of real and personal property within the city. The Assessor follows state statutes and market trends to determine taxable market values.

**Service Expenditure Highlights**

Budgeted 2020 includes a slight increase in the contract with Anoka County for assessing services.

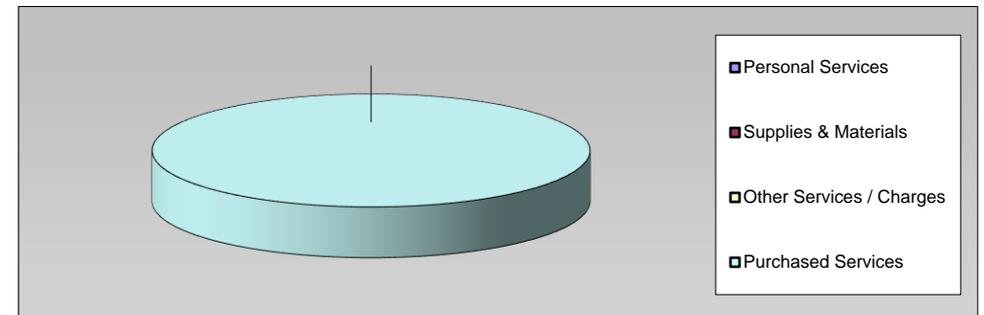
<b><u>Performance Measures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Residential Parcels Assessed	10,506	10,567	10,600
Commercial Parcels Assessed	133	156	160
Apartments Assessed	22	22	22
Unimproved Parcels Assessed	595	601	600

<b><u>Staffing Levels</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
FTE Equivalents	N/A	N/A	N/A

<b><u>Service Expenditures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services / Charges	-	-	-
Purchased Services	149,040	154,000	159,000
<b>TOTAL</b>	<b>\$ 149,040</b>	<b>\$ 154,000</b>	<b>\$ 159,000</b>

**Service Expenditures By Category**



<b><u>Expenditures Per Capita</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.38	\$ 0.39	\$ 0.40
Annual	\$ 4.55	\$ 4.67	\$ 4.79

Fund: 0101 - General  
 Cost Center: 41420

Department: Information Systems  
 Director/Manager: City Administrator

**Activity Description**

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

**Process Used**

- City website updated and monitored daily
- Train employees as needed on new and existing software
- Network data backup monitored daily
- Maintain phone systems including voice mail and assist in future upgrades
- Maintain all City servers and remote users
- Research new technology for current and future growth
- Purchase new equipment as needed
- Maintain SPAM firewall for unauthorized emails
- Maintain network security for prevention of unauthorized access

**Service Expenditure Highlights**

Minimal changes planned for 2020, biggest increase is due to health insurance and COLA.

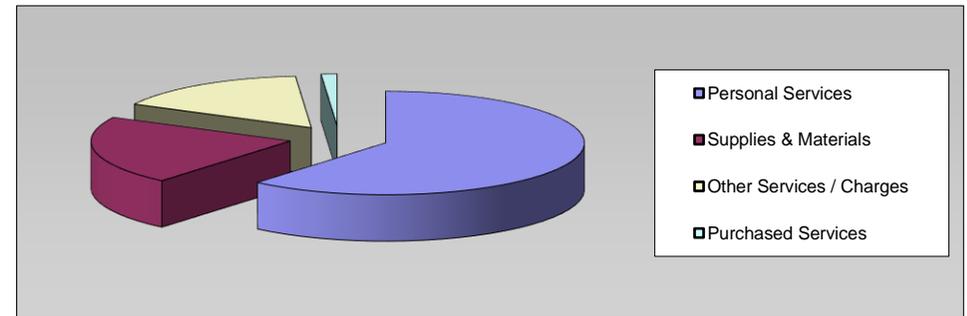
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Number of PC's / Servers	75	74	75
Number of Printers	24	24	25
Number of Phones Maintained	87	74	80

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalentents	0.91	0.91	0.91

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 110,609	\$ 114,773	\$ 119,005
Supplies & Materials	28,834	41,720	41,770
Other Services / Charges	28,482	28,750	31,450
Purchased Services	3,712	2,500	2,500
<b>TOTAL</b>	<b>\$ 171,637</b>	<b>\$ 187,743</b>	<b>\$ 194,725</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.44	\$ 0.47	\$ 0.49
Annual	\$ 5.24	\$ 5.69	\$ 5.86

**Activity Description**

Review residential and commercial developments for conformance with City's Comprehensive Plan, Ordinances, and Development Policies. Prepare ordinances for Council adoption with the implementation and enforcement of ordinances as directed. Review planning and zoning requests and make recommendations in accordance with adopted regulations

**Process Used**

The Planning Department processes development proposals, reviews plats, reviews commercial site plans and responds to citizens' requests for rezonings, special use permits, comprehensive plan amendments and variances. The Zoning Ordinance is the primary source of information. However, the Andover Review Committee and the City Attorney are also utilized before applications are processed before the Planning and Zoning Commission and City Council.

**Service Expenditure Highlights**

Budgeted 2020 Personal Services change is largely due to a change in benefits and COLA.

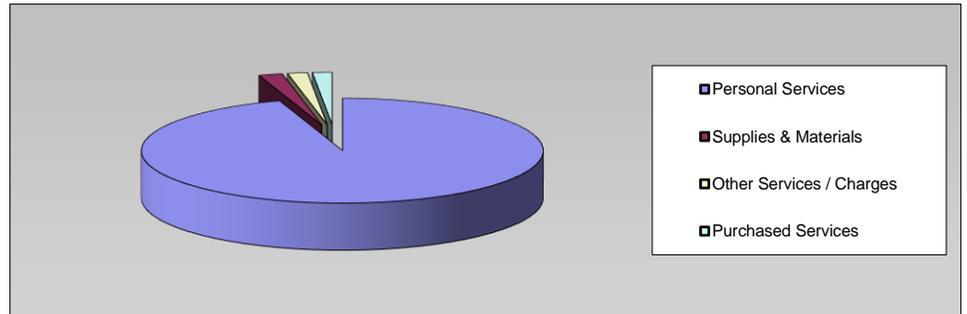
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Subdivisions Processed	7	5	3
Commercial Site Plans Processed	7	5	2
Conditional Use Permits	6	6	1
Code Amendments	2	2	1
Comp Plan Amendments	1	1	1
Rezonings	2	3	2
Variances	4	3	1
Lot Splits	8	2	1
P&Z Agendas	13	19	16
Vac of Easements	4	6	3
IUP - Interim Use Permit	1	4	3
Abatements	10	6	5
Rental Licenses	252	238	240

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	4.03	4.03	4.05

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 402,680	\$ 432,330	\$ 465,440
Supplies & Materials	6,646	9,269	9,369
Other Services / Charges	6,886	7,588	7,787
Purchased Services	6,771	7,700	7,700
<b>TOTAL</b>	<b>\$ 422,983</b>	<b>\$ 456,887</b>	<b>\$ 490,296</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.08	\$ 1.15	\$ 1.23
Annual	\$ 12.92	\$ 13.85	\$ 14.76

Fund: 0101 - General  
 Cost Center: 41600

Department: Engineering  
 Director/Manager: City Engineer

**Activity Description**

The Engineering Division provides review, design and construction related support for the development and maintenance of the City Infrastructure. The Department maintains and distributes information relative to "as-constructed" drawings for the City Infrastructure. Engineering support is provided for other City activities as needed. The department also provides project management and inspection related services for the City.

**Process Used**

Engineering support is provided for the development and long-term maintenance of the City Infrastructure (i.e. water, sanitary sewer, storm sewer, water main, streets, trails, parks, facilities, etc.). Engineering reviews plans for all commercial and residential development to ensure compliance with City standards.

**Service Expenditure Highlights**

Budgeted 2020 Personal Services change is largely due to a COLA and an increase in health insurance costs.

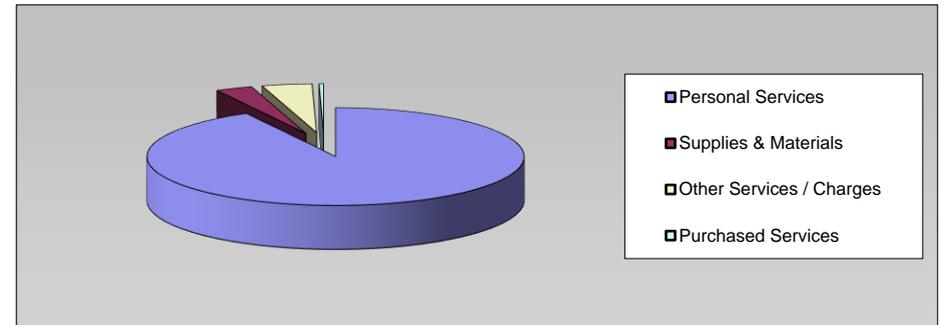
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
1. Number of Projects Constructed	8	6	6
2. Number of Projects Reviewed:			
<i>Preliminary Plats</i>	5	5	2
<i>Commercial Site Plans</i>	6	5	4
3. Number of Utility permits issued	69	72	70

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	4.48	4.48	4.46

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 493,459	\$ 529,095	\$ 557,986
Supplies & Materials	11,647	19,200	19,200
Other Services / Charges	22,332	25,373	25,995
Purchased Services	250	2,300	2,300
<b>TOTAL</b>	<b>\$ 527,688</b>	<b>\$ 575,968</b>	<b>\$ 605,481</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.34	\$ 1.46	\$ 1.52
Annual	\$ 16.12	\$ 17.47	\$ 18.22

Fund: 0101 - General  
 Cost Center: 41900

Department: Facilities Management  
 Director/Manager: Finance Director

**Activity Description**

Responsible for the custodial, mechanical, structural and ground maintenance of the City Hall and Public Works campus, park buildings and fire stations.

**Process Used**

The facilities are to be maintained in a healthy, safe and sanitary condition and to work toward facility designs that will maximize operational efficiency while projecting a positive public image and work environment.

**Service Expenditure Highlights**

Current Year 2019 included \$35,000 budget carryforward for updating lighting in two buildings and the sealing of a fire station floor. Budgeted 2020 includes the addition of a cold storage building for indoor storage that will increase utility costs.

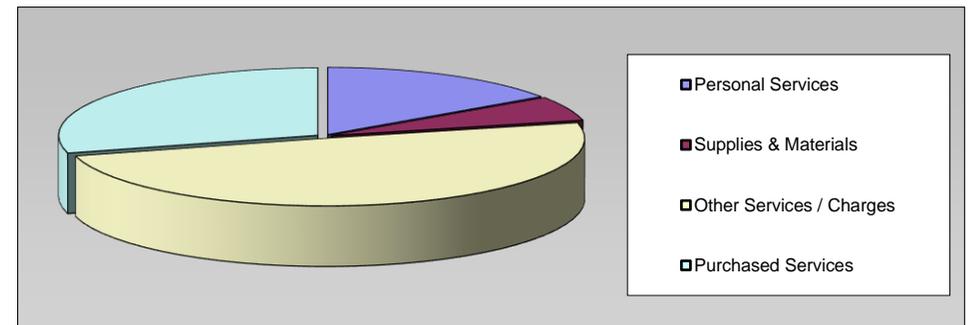
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Buildings	18	20	20
Parking Lots	14	15	16

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	1.05	0.96	0.87

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 109,407	\$ 108,163	\$ 104,213
Supplies & Materials	18,652	39,550	39,550
Other Services / Charges	217,942	309,931	333,031
Purchased Services	151,641	238,300	197,340
<b>TOTAL</b>	<b>\$ 497,642</b>	<b>\$ 695,944</b>	<b>\$ 674,134</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.27	\$ 1.76	\$ 1.69
Annual	\$ 15.21	\$ 21.10	\$ 20.29

**Activity Description**

Enforce state laws and city ordinances as directed to provide the public with law enforcement services in the area of patrol, investigation, school liaison, crime prevention and traffic control. The Anoka County Sheriff's office is responsible for recognizing public safety issues and appropriately reacting to these issues through appropriate law enforcement channels and means.

**Process Used**

The City of Andover contracts with the Anoka County Sheriff's Office to provide a wide range of public safety and law enforcement services. The Sheriff's Office serves as a member of the City's management team, and works with the City to address a wide range of public safety concerns and issues. Responses to citizen service requests are handled by deputies in accordance with established procedures and public safety circumstances. The Sheriff's Office also provides school liaison officers in community schools, prepares news articles and performs a variety of community safety programming.

**Service Expenditure Highlights**

Budgeted 2020 includes a 1.94 percent contract increase with no change in service.

<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Number of Part I & II Offenses	962	1,239	1,100
Number of Calls for Services	14,724	18,164	16,000
Number of Traffic Citations	1,585	1,246	1,200
Number of Patrol Hours	29,200	29,200	29,200
Staff Meetings Attended	50	50	50
Number of School Liaison Hours	4,160	4,160	4,160

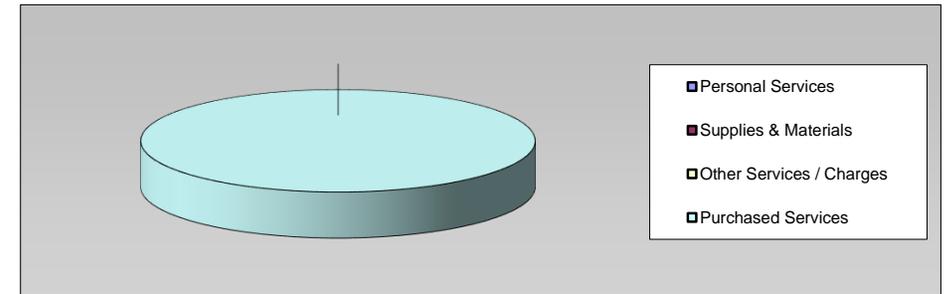
**Staffing Levels**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	N/A	N/A	N/A

**Service Expenditures**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services / Charges	-	-	-
Purchased Services	3,053,526	3,183,610	3,245,518
<b>TOTAL</b>	<b>\$ 3,053,526</b>	<b>\$ 3,183,610</b>	<b>\$ 3,245,518</b>

**Service Expenditures By Category**



**Expenditures Per Capita**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 7.78	\$ 8.04	\$ 8.14
Annual	\$ 93.30	\$ 96.54	\$ 97.67

**Activity Description**

The fire department responds to all fire and emergency medical incidents in the City of Andover. Paid on-call firefighters are alerted to an incident via a pager dispatched through the Anoka County Central Communications System. The fire department is responsible for performing new building plan reviews and existing building inspections to ensure compliance with State and Federal Fire Codes and Standards. The fire department also provides public education and fire safety information to residents. In addition, the Fire Chief is the City Emergency Manager, overseeing all City disaster and contingency plans.

**Process Used**

Paid on-call firefighters are professionally trained, each averaging over 145 hours a year to help maintain proficiency in their skills used for responding to fire and medical calls. The Fire Chief, Asst. Chief, and Fire Marshal are well versed in all appropriate State Laws, Fire Codes, and National Fire Standards used for plan reviews, inspections, and fire investigations. Public education demands have rapidly increased over the past five years.

**Service Expenditure Highlights**

Budgeted 2020 increased in Personal Services due to a COLA, increase in the cost of health insurance and any step increases for newer employees takes place.

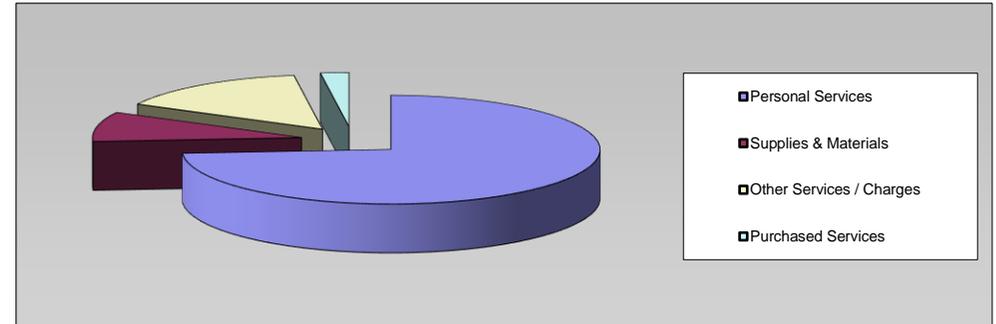
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Fire Responses	365	472	500
Emergency Medical Responses	740	790	800
Fire Inspections	66	30	60
Fire Investigations	13	20	15
Public Fire Education (hours)	622	710	700
Customer Contacts	13,638	13,268	13,000
Total Firefighter Training Hours	3,455	3,200	3,200
Average Response Time	8.0 min	8.0 min	8.0 min

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	3.21	3.21	3.35

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 1,047,875	\$ 1,071,127	\$ 1,120,517
Supplies & Materials	133,563	129,150	134,100
Other Services / Charges	229,320	242,074	229,803
Purchased Services	34,409	28,750	33,250
<b>TOTAL</b>	<b>\$ 1,445,167</b>	<b>\$ 1,471,101</b>	<b>\$ 1,517,670</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 3.68	\$ 3.72	\$ 3.81
Annual	\$ 44.16	\$ 44.61	\$ 45.67

Fund: 0101 - General  
 Cost Center: 42300

Department: Protective Inspection  
 Director/Manager: Building Official

**Activity Description**

Review and process building permit applications, perform on-site inspections of residential and commercial construction and ensure that all construction activity is in compliance with state and city building and fire codes.

**Process Used**

Building permit applications are reviewed, plan checks completed, and construction fees collected. Upon issuance of a permit, the person doing the work calls in for inspections at various stages of construction. When construction is completed in accordance with approved standards, a Certificate of Occupancy is issued.

**Service Expenditure Highlights**

The major increase for Budgeted 2020 is in Personal Services where a COLA, increase in the cost of health insurance and any step increases for newer employees takes place.

<b><u>Performance Measures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Residential			
New Construction	58	116	90
Other Permits	788	1,167	900
Commercial, Industrial, etc			
New Construction	2	1	2
Other Permits	30	28	30
Trades & Misc Permits	2,396	2,758	2,500
Permits Initiated Online	42%	48%	50%

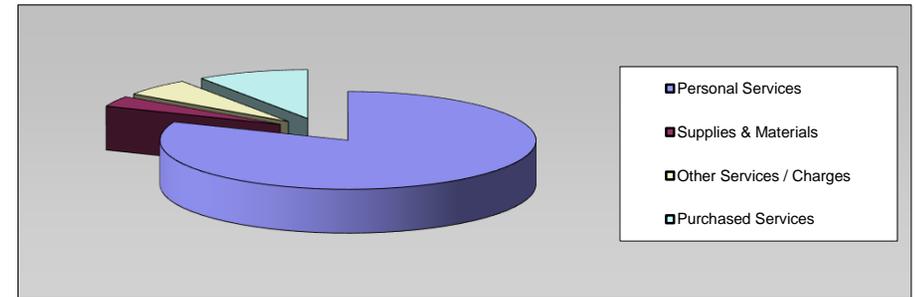
**Staffing Levels**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
FTE Equivalents	4.03	4.03	3.93

**Service Expenditures**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ 376,240	\$ 387,574	\$ 397,789
Supplies & Materials	7,258	17,050	17,050
Other Services / Charges	24,996	27,919	28,571
Purchased Services	28,296	47,000	47,000
<b>TOTAL</b>	<b>\$ 436,790</b>	<b>\$ 479,543</b>	<b>\$ 490,410</b>

**Service Expenditures By Category**



**Expenditures Per Capita**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.11	\$ 1.21	\$ 1.23
Annual	\$ 13.35	\$ 14.54	\$ 14.76

ADOPTED 2020 BUDGET  
 CITY OF ANDOVER, MINNESOTA

Fund: 0101 - General  
 Cost Center: 42400

Department: Emergency Management  
 Director/Manager: Building Official

**Activity Description**

Maintain City's emergency warning system. Repair, replace and maintain twelve (12) warning sirens throughout the city to ensure proper activation during storm, civil and emergency conditions. All sirens are visually checked every April to confirm sirens are operating properly.

**Process Used**

If a siren is found to be dysfunctional, a service call is placed, a repair-person comes out, necessary repairs are completed. The City replaced all sirens in 2002 and 2003 into battery back-up units. Siren warning tests are performed monthly to verify activation and educate citizens regarding the City's Emergency Warning System.

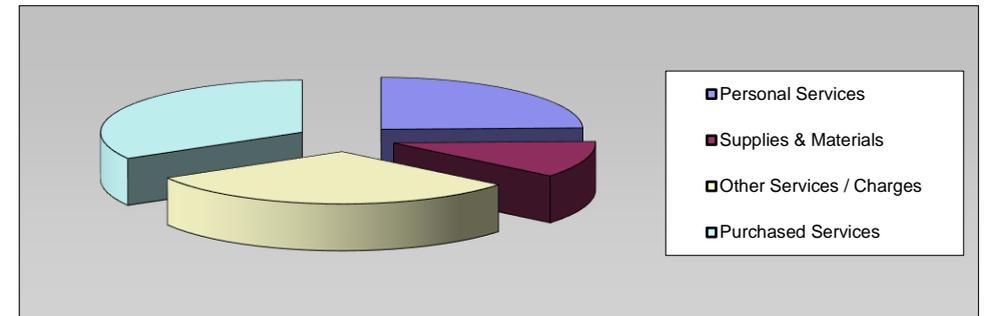
**Service Expenditure Highlights**

In Budgeted 2020, a minimal increase is planned as four sirens were replaced in 2018 and one additional siren will be constructed in 2019 and one in 2020. The efficiencies of the replacement sirens should cover the extra expenditures of the added sirens.

	Actual 2018	Current 2019	Budgeted 2020
<b>Performance Measures</b>			
Siren tests throughout the severe weather season	4	4	4
State-wide siren tests	14	12	14
Number of sirens	12	12	14

	Actual 2018	Current 2019	Budgeted 2020
<b>Staffing Levels</b>			
FTE Equivalents	0.05	0.05	0.05
<b>Service Expenditures</b>			
Personal Services	\$ 6,802	\$ 7,100	\$ 7,352
Supplies & Materials	-	3,400	3,400
Other Services / Charges	8,515	8,684	9,184
Purchased Services	2,743	10,000	10,000
<b>TOTAL</b>	<b>\$ 18,060</b>	<b>\$ 29,184</b>	<b>\$ 29,936</b>

**Service Expenditures By Category**



	Actual 2018	Current 2019	Budgeted 2020
<b>Expenditures Per Capita</b>			
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.05	\$ 0.07	\$ 0.08
Annual	\$ 0.55	\$ 0.88	\$ 0.90

Fund: 0101 - General  
 Cost Center: 42500

Department: Animal Control  
 Director/Manager: City Clerk

**Activity Description**

The enforcement of City Code Title 5 relating to dogs and cats.

**Process Used**

Letters are sent to dog and cat owners who allow their animals to run at large warning them that they are in violation of the City's ordinance. If the behavior continues, a ticket is issued by the Sheriff's office to the owner citing them for a misdemeanor.

The City contracts with an independent contractor to provide animal control services. The City, in conjunction with a veterinarian, holds a rabies vaccination clinic every spring. City staff also issue licenses for dogs in the city.

**Service Expenditure Highlights**

No changes planned for Budgeted 2020.

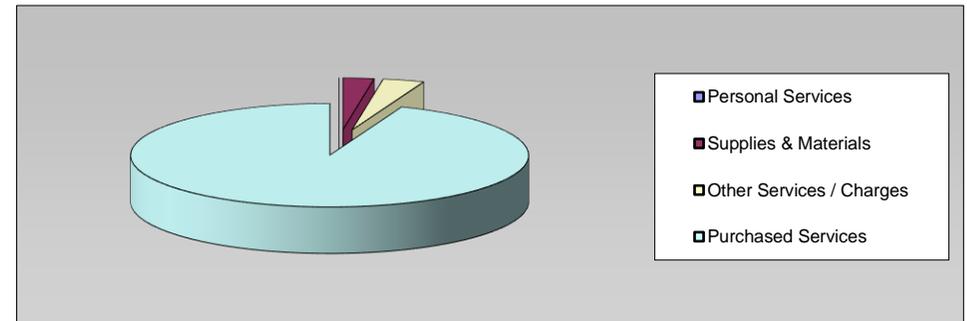
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Number of dogs licensed	234	256	260
Number of animals confined	46	98	100

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalent	N/A	N/A	N/A

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	391	150	150
Other Services / Charges	150	200	200
Purchased Services	2,268	5,600	5,600
<b>TOTAL</b>	<b>\$ 2,809</b>	<b>\$ 5,950</b>	<b>\$ 5,950</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimate	32,728	32,978	33,228
Monthly	\$ 0.01	\$ 0.02	\$ 0.01
Annual	\$ 0.09	\$ 0.18	\$ 0.18

Fund: 0101 - General  
 Cost Center: 43100

Department: Streets & Highways  
 Director/Manager: Street Supervisor

**Activity Description**

The Streets and Highways Department maintains all City streets to minimize deterioration. Maintenance includes seal coating, crack sealing, pothole patching, sweeping, gravel road maintenance and wash and seal bridges. Along with road maintenance, this department is responsible for mowing ditches and trimming boulevard trees.

**Process Used**

Staff is assigned detailed work, followed by inspections. Equipment and personnel are managed to accomplish maintenance activities.

**Service Expenditure Highlights**

Budgeted 2020 in Personal Services includes steps, COLA and benefit changes.

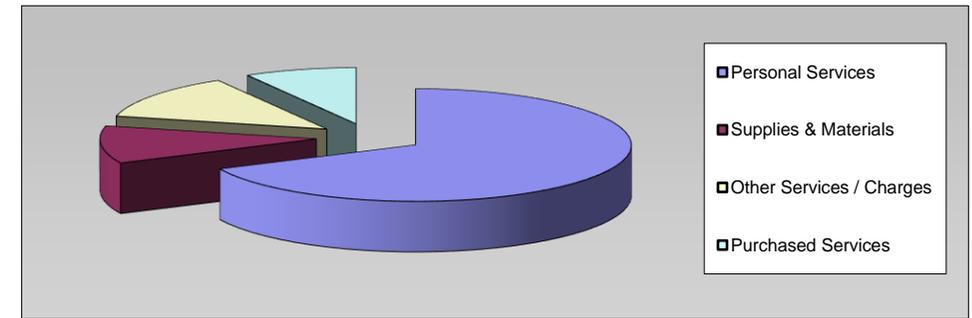
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Asphalt Streets Maintained (miles)	193.5	194.9	196.5
Gravel Roads Maintained (miles)	6.5	6.5	6.5
Cul-de-sacs & Deadends Maintained	353	357	365
Road Markings/Striping (intersections)	181	184	187
Street Sweeping (miles)	390	400	410
Gravel Usage (tons)	2,361	601	928
Asphalt Usage (tons)	1,261	551	615
Spray Patcher - Rock (tons)	200	125	300
Spray Patcher - Oil (gallons)	1,250	780	1,875

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	5.19	5.15	5.15

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 450,548	\$ 467,836	\$ 501,538
Supplies & Materials	74,974	73,300	79,350
Other Services / Charges	93,216	95,989	95,382
Purchased Services	37,456	59,100	61,800
<b>TOTAL</b>	<b>\$ 656,194</b>	<b>\$ 696,225</b>	<b>\$ 738,070</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.67	\$ 1.76	\$ 1.85
Annual	\$ 20.05	\$ 21.11	\$ 22.21

Fund: 0101 - General  
 Cost Center: 43200

Department: Snow & Ice  
 Director/Manager: Street Supervisor

**Activity Description**

All Public Works Departments provide snow removal services for 198 miles of city streets and 330 cul-de-sacs. The goal is to provide convenient, reasonably safe travel and to prevent deterioration of the streets due to winter conditions.

**Process Used**

Snowplows, equipped with underbody plows, and salt brine sanders are used to clear city streets. The streets are cleared on a systematic basis as soon as practical after a snowstorm per city policy.

**Service Expenditure Highlights**

Personal Services are allocated based on time spent removing snow and ice from roads, trails, and/or parking lots. The increase in Budgeted 2020 is due to Personal Services (health insurance and COLA) and Other Services / Charges (central equipment allocation).

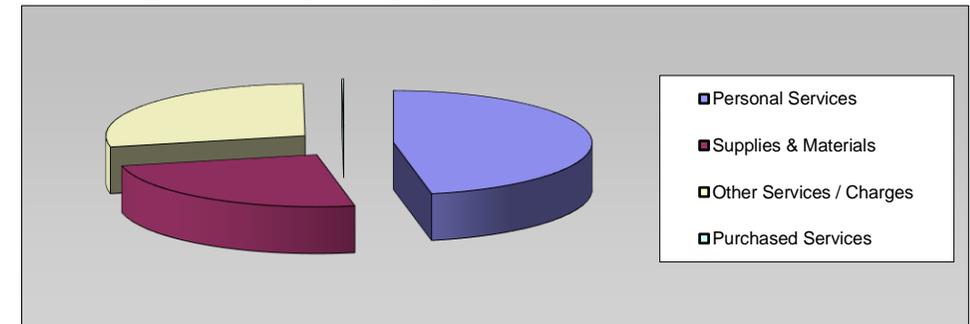
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Miles of streets plowed	200	201.5	203
Cul-de-sacs	353	357	365
Sand/Salt Usage (tons)	2,101	2,010	2,100
Brine Usage (gal)	7,000	8,500	10,000
Snow events	25	47	40

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	2.83	2.55	2.55

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 285,879	\$ 278,644	\$ 296,584
Supplies & Materials	159,219	153,800	155,600
Other Services / Charges	152,931	152,931	178,753
Purchased Services	1,000	1,000	1,000
<b>TOTAL</b>	<b>\$ 599,029</b>	<b>\$ 586,375</b>	<b>\$ 631,937</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.53	\$ 1.48	\$ 1.58
Annual	\$ 18.30	\$ 17.78	\$ 19.02

Fund: 0101 - General  
 Cost Center: 43300

Department: Street Signs  
 Director/Manager: Street Supervisor

**Activity Description**

Installs new signage and replaces/repairs existing signs. All signage for streets and highways are in compliance with Federal, State, County and City guidelines. The ultimate goal is the safety of pedestrians and to provide traffic directional information for safe travel through the city. Signage for city parks, trails, special events, ordinances, seasonal road restrictions, traffic counts and barricades are also provided by the Sign Department. Sign data such as location, type and quality of signs is being collected and data entry completed on a sign database for sign inventory.

**Process Used**

City staff / Engineers provide data regarding signage for new developments, update existing signage and any other related sign changes. City staff, engineers, residents, local sheriff, Public Works and the general public also provide notification for necessary repairs for damaged signs.

**Service Expenditure Highlights**

Minimal changes to Budgeted 2020 as compared to Current 2019.

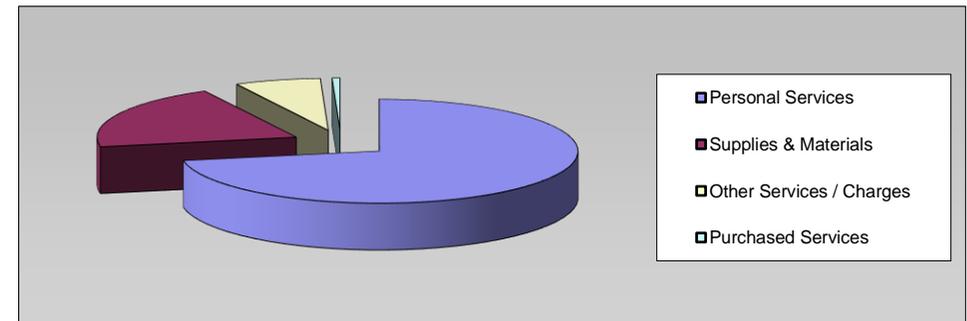
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Sign Compliant Upgrades (# of zones)	1	0.5	1
Damaged/Repair/Replace (# of signs)	45	98	100
Upgrade Street Signs (6" to 9" signs)	335	184	10
All Parks and Trail Signs	15	25	25
Traffic Counts (locations, every 4 yrs)	67	14	16
Sign Inventory / Verified (# of zones)	2	1	3
Speed Limit Signs (35mph)	20	15	23

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	1.52	1.51	1.51

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 160,872	\$ 163,349	\$ 169,367
Supplies & Materials	31,616	47,860	47,860
Other Services / Charges	14,402	14,818	16,397
Purchased Services	-	1,500	1,500
<b>TOTAL</b>	<b>\$ 206,890</b>	<b>\$ 227,527</b>	<b>\$ 235,124</b>

**Service Expenditure By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.53	\$ 0.57	\$ 0.59
Annual	\$ 6.32	\$ 6.90	\$ 7.08

Fund: 0101 - General  
 Cost Center: 43400

Department: Traffic Signals  
 Director/Manager: City Engineer

**Activity Description**

Under the Anoka County Cost Share Policy, the City of Andover is responsible for 1) the electrical cost of the overhead street lights at intersections and 2) the power of the traffic signal and maintenance costs for some aspects of the signal.

The City has wayside horns at the railroad tracks at Andover Blvd NW and Crosstown Blvd NW.

**Process Used**

Intersections are signalized at various locations within the community based on the Anoka County cost share policy and the need of the community.

Wayside horns have been installed to reduce the train horn noise at the following locations: Andover Blvd NW and Crosstown Blvd NW.

**Service Expenditure Highlights**

Anoka County Highway Department maintains all the traffic signals and EVP systems on their highway system throughout Andover and expenses continue to rise both in actual costs and increased number of signals and EVP systems. Connexus Energy maintains the overhead street lights and 5 - 10 go out every year. Wayside horns require a monthly inspection/service visit and a bi-annual complete overview of the system.

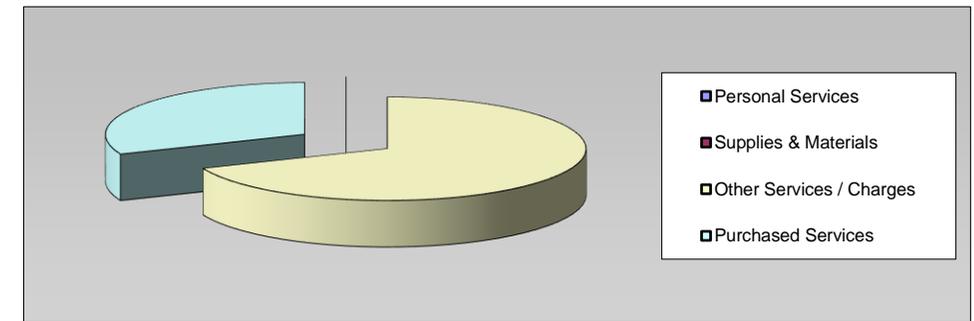
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Traffic Signals:			
Within the Community	19	20	20
Shared (Anoka & Coon Rapids)	7	7	7
Wayside Horns	2	2	2

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalent	N/A	N/A	N/A

<b>Service Expenditures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services / Charges	23,372	27,500	27,500
Purchased Services	10,485	12,000	12,500
<b>TOTAL</b>	<b>\$ 33,857</b>	<b>\$ 39,500</b>	<b>\$ 40,000</b>

**Service Expenditures By Category**



<b>Expenditures Per Capita</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.09	\$ 0.10	\$ 0.10
Annual	\$ 1.03	\$ 1.20	\$ 1.20

Fund: 0101 - General  
 Cost Center: 43500

Department: Street Lighting  
 Director/Manager: City Engineer

**Activity Description**

Street lighting and safety lighting provides a safety measure for both pedestrians and the motoring public.

**Process Used**

Street lights are installed at critical intersections of county roads and city streets, in addition to, other safety lighting needs.

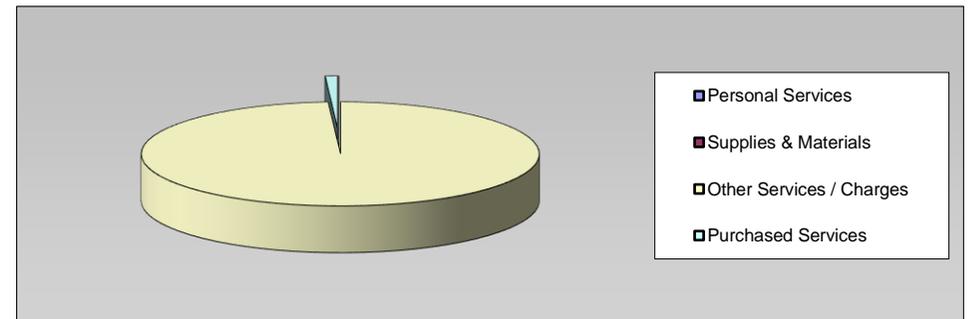
**Service Expenditure Highlights**

As the City continues to develop, new street lights are added with new and existing neighborhoods and at critical intersections within the City. Due to annual adjustments, maintenance, replacement, and/or repair of lights by Connexus Energy, the expenditures to service these lights have generally shown an upward trend in costs.

	Actual 2018	Current 2019	Budgeted 2020
<b>Performance Measures</b>			
Number of Lights installed and maintained by private utility.	305	304	330

	Actual 2018	Current 2019	Budgeted 2020
<b>Staffing Levels</b>			
FTE Equivalents	N/A	N/A	N/A
<b>Service Expenditures</b>			
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services / Charges	32,829	40,000	40,000
Purchased Services	-	400	400
<b>TOTAL</b>	<b>\$ 32,829</b>	<b>\$ 40,400</b>	<b>\$ 40,400</b>

**Service Expenditures By Category**



	Actual 2018	Current 2019	Budgeted 2020
<b>Expenditures Per Capita</b>			
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.08	\$ 0.10	\$ 0.10
Annual	\$ 1.00	\$ 1.23	\$ 1.22

Fund: 0101 - General  
 Cost Center: 43600

Department: Street Lights Billed  
 Director/Manager: City Engineer

**Activity Description**

The street lights that are internal to a residential development are funded by that development or neighborhood. Both the operation and maintenance costs of the lights are billed to the neighborhood property owners.

**Process Used**

Connexus Energy operates, maintains and bills the residents for their street lights. Streets lights are only billed to neighborhoods that have the lights

**Service Expenditure Highlights**

Due to annual adjustments, maintenance, replacement and/or repair of lights by Connexus Energy, the expenditures to service these lights have generally shown an upward trend in costs. The billing services contract continues to increase as well.

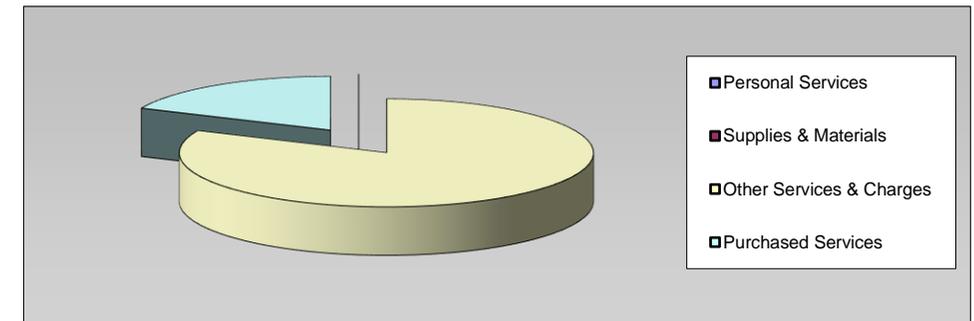
<b><u>Performance Measures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Number of Street Lights Billed	1,282	1,301	1,320

<b><u>Staffing Levels</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
FTE Equivalents	N/A	N/A	N/A

<b><u>Service Expenditures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services & Charges	116,655	147,500	147,500
Purchased Services	26,282	33,000	33,000
<b>TOTAL</b>	<b>\$ 142,937</b>	<b>\$ 180,500</b>	<b>\$ 180,500</b>

**Service Expenditures By Category**



<b><u>Expenditures Per Capita</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.36	\$ 0.46	\$ 0.45
Annual	\$ 4.37	\$ 5.47	\$ 5.43

Fund: 0101 - General  
 Cost Center: 45000

Department: Parks & Recreation  
 Director/Manager: Parks Maintenance Supervisor

**Activity Description**

The Parks Department maintains the entire City park and trail system. Most of the upgrades and additional developments of the parks are also done by the parks staff. Maintenance tasks include playground and play structures, ball infields, ice rinks, buildings and shelters, landscaping, trees and plantings, irrigation systems, painting, blacktop repair, trash and litter control, various construction projects, wood and metal fabrication, lighting and electrical, trail sign installs, and all turf and seed upkeep.

**Process Used**

The top priority for the Parks Department is to provide a safe product or facility for all the public to use. Provide diverse activities for all groups and associations through the use of city parks and/or trail systems.

**Service Expenditure Highlights**

Budgeted 2020 includes any employee changes in health insurance, a COLA adjustment and any step changes for newer employees. Other Services / Charges changed due to an increased allocation of Central Services for the operation and maintenance costs associated with parks equipment - mowers, trail machines, trucks and snow removal equipment.

<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Number of City Parks maintained	53	53	53
Total acreage mowed	336	336	338
Ballfields maintained	27	27	27
Number of playgrounds	42	42	42
Total soccer fields maintained	20	20	20
Miles of trail maintained	37	39	40
Ice Rinks / Warming Houses	12 / 4	12 / 4	12 / 4

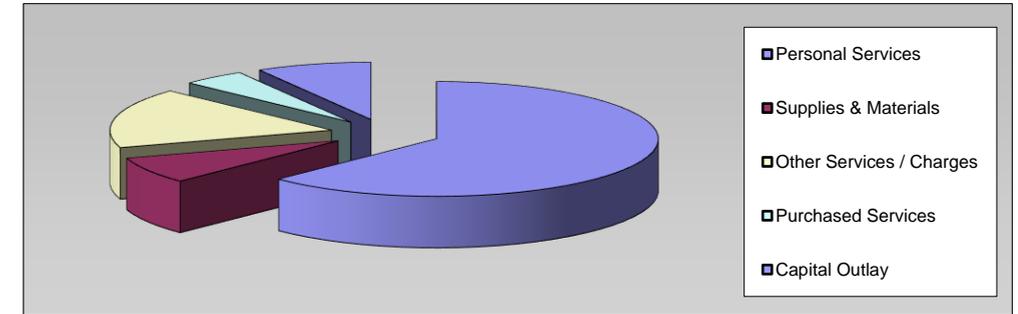
**Staffing Levels**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	8.30	8.39	8.38

**Service Expenditures**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 802,137	\$ 839,436	\$ 894,169
Supplies & Materials	80,384	112,400	106,900
Other Services / Charges	216,446	216,281	241,621
Purchased Services	34,142	60,900	65,900
Capital Outlay	149,305	120,000	120,000
<b>TOTAL</b>	<b>\$ 1,282,414</b>	<b>\$ 1,349,017</b>	<b>\$ 1,428,590</b>

**Service Expenditures By Category**



**Expenditures Per Capita**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 3.27	\$ 3.41	\$ 3.58
Annual	\$ 39.18	\$ 40.91	\$ 42.99

**Fund:** 0101 - General  
**Cost Center:** 45500

**Department:** Natural Resource Preservation  
**Director/Manager:** City Engineer

**Activity Description**

The City has several nature preserves and natural parks that could benefit from various forms of vegetation management. Activities included but not limited to prescribed burns, mowing, spot spraying invasive weeds, harvesting invasive woody species and planting native trees, shrubs, grasses and wild flowers. The City will do some activities in-house and contract some out. This will improve wildlife habitat, storm water quality aesthetics and long-term sustainability and help provide a natural environment for residents to enjoy.

Also, the City has an EAB (emerald ash borer) Management Program to chemically treat trees on public and private properties.

**Process Used**

Staff will review the applicable properties on an annual basis and prioritize them for management based on needs.

**Service Expenditure Highlights**

Current 2019 included a budget carryforward of \$4,000 for prairie restoration, oak wilt and buckthorn control.

<b><u>Performance Measures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Number of City Open Space parcels	4	4	4
Number of City Parks undeveloped	4	4	4
Total acreage managed	250	250	250
Ash trees treated	100	100	100

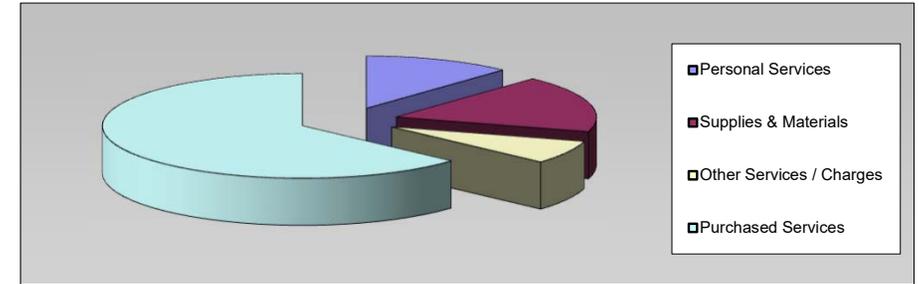
**Staffing Levels**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
FTE Equivalents	0.01	0.03	0.02

**Service Expenditures**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ 18	\$ 1,637	\$ 1,697
Supplies & Materials	327	2,500	2,500
Other Services / Charges	970	970	1,019
Purchased Services	3,843	13,000	9,000
<b>TOTAL</b>	<b>\$ 5,158</b>	<b>\$ 18,107</b>	<b>\$ 14,216</b>

**Service Expenditures By Category**



**Expenditures Per Capita**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.01	\$ 0.05	\$ 0.04
Annual	\$ 0.16	\$ 0.55	\$ 0.43

**Fund:** 0101 - General  
**Cost Center:** 46000

**Department:** Recycling  
**Director/Manager:** Recycling Coordinator

**Activity Description**

The Recycling Department provides recycling opportunities to all city residents. The goal is to provide this service in a cost effective manner.

**Process Used**

Refuse and recycling services are provided curbside by licensed haulers in an open hauling system. A drop off recycling site is provided by the City. Recycling bins are also available through the City. New recycling materials are offered as soon as they become feasible. Provides special educational programs for Andover schools and senior apartment complexes to promote waste reduction and recycling.

**Service Expenditure Highlights**

A small decrease is planned for Budgeted 2020 due to a reallocation of staffing.

<b><u>Performance Measures</u></b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Schools with recycling bins	7	7	7
Recycling Days	12	12	12
Recycling collection tonnage	3,494	3,400	3,488

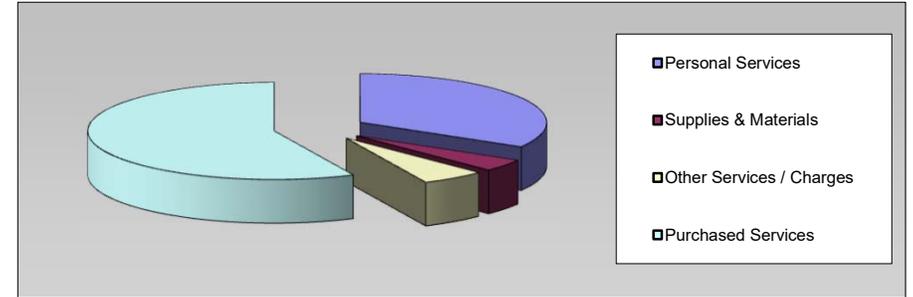
**Staffing Levels**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	1.00	0.92	0.81

**Service Expenditures**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 68,600	\$ 69,570	\$ 64,881
Supplies & Materials	4,306	7,875	7,875
Other Services / Charges	14,203	10,681	10,715
Purchased Services	112,073	110,500	110,500
<b>TOTAL</b>	<b>\$ 199,182</b>	<b>\$ 198,626</b>	<b>\$ 193,971</b>

**Service Expenditures By Category**



**Expenditures Per Capita**

	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.51	\$ 0.50	\$ 0.49
Annual	\$ 6.09	\$ 6.02	\$ 5.84

**Activity Description**

Unallocated contains funding for the unexpected and miscellaneous items not directly chargeable to a specific activity.

**Process Used**

Annually the City reviews the miscellaneous activities funding levels and based on past experiences does budget a contingency amount for unexpected expenditures.

**Service Expenditure Highlights**

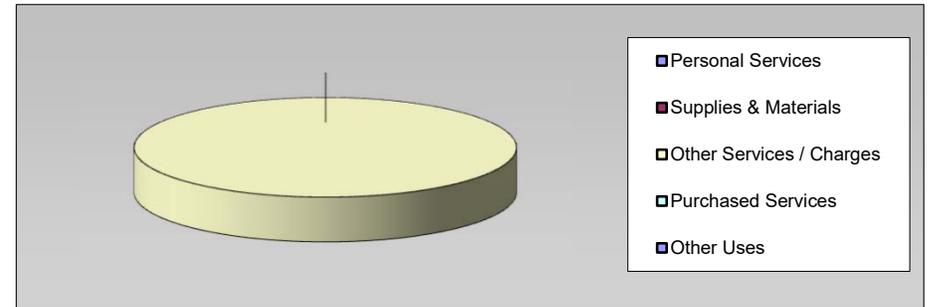
Actual 2018 included a transfer to the Trail Capital Projects Fund for the construction of some trail segments.

<b><u>Staffing Levels</u></b>	Actual 2018	Current 2019	Budgeted 2020
FTE Equivalents	N/A	N/A	N/A

<b><u>Service Expenditures</u></b>	Actual 2018	Current 2019	Budgeted 2020
Personal Services	\$ -	\$ -	\$ -
Supplies & Materials	-	-	-
Other Services / Charges	11,940	95,428	95,928
Purchased Services	-	-	-
Other Uses	230,000	-	-
<b>TOTAL</b>	<b>\$ 241,940</b>	<b>\$ 95,428</b>	<b>\$ 95,928</b>

**Service Expenditures By Category**



<b><u>Expenditures Per Capita</u></b>	Actual 2018	Current 2019	Budgeted 2020
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 0.62	\$ 0.24	\$ 0.24
Annual	\$ 7.39	\$ 2.89	\$ 2.89

This page left blank intentionally.

# **CITY OF ANDOVER, MINNESOTA**

## **2020 ANNUAL BUDGET**

### **SPECIAL REVENUE FUNDS**

#### **DEFINITION:**

Special revenue funds are established to justify revenue sources to finance particular functions or projects.

Revenue for these funds can come from a variety of sources, such as taxes, fees, gifts and grants or contributions from other governmental entities. Expenditures from these funds are normally restricted by statute, local ordinance, or grant agreements. The funds may be used for either operations or capital outlay as legal restrictions mandate.

This page left blank intentionally.

**City of Andover**  
**Special Revenue Funds**  
**2020 Budget Summary - All Special Revenue Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 844,231</b>	<b>\$ 989,354</b>	<b>\$ 989,354</b>	<b>\$ 958,790</b>
<b>Revenues</b>				
General Property Taxes	39,871	40,000	40,000	40,000
Intergovernmental	-	37,500	-	37,500
Charges for Services	767,307	738,500	746,695	797,300
Investment Income	18,169	5,050	5,900	5,200
Miscellaneous	859,391	791,000	835,000	808,000
<b>Total Revenues:</b>	<b>1,684,738</b>	<b>1,612,050</b>	<b>1,627,595</b>	<b>1,688,000</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>1,684,738</b>	<b>1,612,050</b>	<b>1,627,595</b>	<b>1,688,000</b>
<b>Total Available:</b>	<b>2,528,969</b>	<b>2,601,404</b>	<b>2,616,949</b>	<b>2,646,790</b>
<b>Expenditures</b>				
Personal Services	533,849	578,155	581,155	660,633
Supplies and Materials	81,368	96,320	74,400	104,820
Purchased Services	236,536	235,950	249,150	269,055
Other Services and Charges	371,120	452,254	403,654	542,525
Capital Outlay	11,442	58,000	44,000	130,000
<b>Total Expenditures:</b>	<b>1,234,315</b>	<b>1,420,679</b>	<b>1,352,359</b>	<b>1,707,033</b>
<b>Other Uses</b>				
Transfers Out	305,300	305,800	305,800	305,700
<b>Total Expenditures and Other Uses:</b>	<b>1,539,615</b>	<b>1,726,479</b>	<b>1,658,159</b>	<b>2,012,733</b>
<b>Fund Balance, December 31</b>	<b>\$ 989,354</b>	<b>\$ 874,925</b>	<b>\$ 958,790</b>	<b>\$ 634,057</b>
Change in Fund Balance	\$ 145,123 17%	\$ (114,429) -12%	\$ (30,564) -3%	\$ (324,733) -34%

**City of Andover**  
**Special Revenue Funds**  
**Economic Development Authority Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Requested 2020
<b>Fund Balance, January 1</b>	<b>\$ 294,760</b>	<b>\$ 247,431</b>	<b>\$ 247,431</b>	<b>\$ 129,353</b>
<b>Revenues</b>				
Charges for Services	7,003	7,000	7,000	7,000
Investment Income	4,324	2,000	2,000	2,000
Miscellaneous	177	-	-	-
<b>Total Revenues:</b>	<b>11,504</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>11,504</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
<b>Total Available:</b>	<b>306,264</b>	<b>256,431</b>	<b>256,431</b>	<b>138,353</b>
<b>Expenditures</b>				
Personal Services	11,793	6,028	6,028	6,028
Supplies and Materials	3,914	18,900	18,900	18,900
Purchased Services	33,105	63,300	88,300	63,300
Other Services and Charges	10,021	13,850	13,850	13,850
<b>Total Expenditures:</b>	<b>58,833</b>	<b>102,078</b>	<b>127,078</b>	<b>102,078</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>58,833</b>	<b>102,078</b>	<b>127,078</b>	<b>102,078</b>
<b>Fund Balance, December 31</b>	<b>\$ 247,431</b>	<b>\$ 154,353</b>	<b>\$ 129,353</b>	<b>\$ 36,275</b>
Change in Fund Balance	\$ (47,329) -16%	\$ (93,078) -38%	\$ (118,078) -48%	\$ (93,078) -72%

**Expenditure Highlights**

2019 & 2020 includes funding for monument entrance signs. 2019 also includes irrigating the median in the Andover Station area.

EDA Budget provides for ongoing maintenance around the Andover Station Development area.

**General Activity Description**

To provide for the quality development of commercial and industrial properties to ensure a strong, viable and diversified tax base.

**Process Used**

Promotion and expansion of the commercial and industrial tax base through the development and redevelopment of land.

The EDA is the primary authority involved in managing the City's four Tax Increment Financing (TIF) Districts. The EDA monitors and initiates the activities within the TIF Districts to reach the goals of the TIF plans.

**City of Andover  
Special Revenue Funds  
Community Development Block Grant Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Revenues</b>				
Intergovernmental	-	25,000	-	25,000
<b>Other Sources</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Sources:</b>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total Available:</b>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Expenditures</b>				
Other Services and Charges	-	25,000	-	25,000
<b>Other Uses</b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures and Other Uses:</b>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Fund Balance, December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Change in Fund Balance	\$ - n/a	\$ - n/a	\$ - n/a	\$ - n/a

**Expenditure Highlights**

This was a new fund created in 2004 to track the Community Development Block Grant (CDBG) Rental Rehab program. In 2020, additional grant monies will be applied for to study areas that have access to city water but are not currently hooked up.

**General Activity Description**

The Rental Rehab program provides low-interest loans for the rehabilitation of rental housing units. This fund accounts for the loans disbursed, as well as the payments received. In 2008, a housing rehab program was started. Due to the lack of interest, the rental rehab program was terminated in 2012.

**Process Used**

Rehab Grants are received from CDBG and disbursed to qualified applicants. As payments come in, these funds create a revolving loan program and new loans are given out to qualified applicants.

**City of Andover  
Special Revenue Funds  
Community Center Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 240,529</b>	<b>\$ 385,545</b>	<b>\$ 385,545</b>	<b>\$ 471,401</b>
<b>Revenues</b>				
Charges for Services	704,459	691,500	697,000	752,300
Investment Income	5,780	-	-	-
Miscellaneous	779,918	776,000	775,000	778,000
<b>Total Revenues:</b>	<b>1,490,157</b>	<b>1,467,500</b>	<b>1,472,000</b>	<b>1,530,300</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>1,490,157</b>	<b>1,467,500</b>	<b>1,472,000</b>	<b>1,530,300</b>
<b>Total Available:</b>	<b>1,730,686</b>	<b>1,853,045</b>	<b>1,857,545</b>	<b>2,001,701</b>
<b>Expenditures</b>				
Personal Services	501,107	550,460	553,460	629,296
Supplies and Materials	76,448	70,600	53,480	79,100
Purchased Services	104,076	92,500	64,000	121,000
Other Services and Charges	352,068	393,804	371,204	486,075
Capital Outlay	11,442	58,000	44,000	130,000
<b>Total Expenditures:</b>	<b>1,045,141</b>	<b>1,165,364</b>	<b>1,086,144</b>	<b>1,445,471</b>
<b>Other Uses</b>				
Transfers Out	300,000	300,000	300,000	300,000
<b>Total Expenditures and Other Uses:</b>	<b>1,345,141</b>	<b>1,465,364</b>	<b>1,386,144</b>	<b>1,745,471</b>
<b>Fund Balance, December 31</b>	<b>\$ 385,545</b>	<b>\$ 387,681</b>	<b>\$ 471,401</b>	<b>\$ 256,230</b>
Change in Fund Balance	\$ 145,016 60%	\$ 2,136 1%	\$ 85,856 22%	\$ (215,171) -46%

**Expenditure Highlights**

2009 was the first year the YMCA made a full lease payment of \$635,000. The transfer out is the difference between the tax levied for the Community Center debt service and the total annual debt service for the Community Center.

For 2020, capital outlay includes repairs to the field house floor (\$55,000), refrigeration equipment conversion (\$55,000), and refacing rink boards (\$30,000).

In 2019, an expansion of the Community Center was approved. It includes a multi-sports complex, an additional court added to the field house, senior/teen space, and additional parking. Revenues and expenditures reflect pulling ice out during the conversion process in the summer and becoming fully operational in the fall.

The capital outlay expenditure for 2018 includes carpet replacement (\$12,000), inflatables (\$5,000) and a pickleball net system (\$5,000). For 2019, capital outlay includes LED lighting upgrades in both the field house and ice arena (\$50,000) and a new skate sharpener (\$8,000).

**General Activity Description**

This fund accounts for the operations of the Andover/YMCA Community Center, particularly the ice arena, field house and concessions. The aquatic's portion of the Community Center is under the operations of the YMCA.

**Process Used**

The Community Center construction started in 2004 and was completed in the summer of 2005. The facility will be managed by the Recreational Facility Manager with oversight by a Community Center Advisory Board and the City Council. The YMCA is a long-term tenant and started making lease payments in 2008.

**City of Andover  
Special Revenue Funds  
Drainage and Mapping Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 150,107</b>	<b>\$ 158,562</b>	<b>\$ 158,562</b>	<b>\$ 150,762</b>
<b>Revenues</b>				
Charges for Services	18,782	8,000	8,000	8,000
Investment Income	2,642	1,200	1,200	1,200
<b>Total Revenues:</b>	<b>21,424</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>21,424</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>
<b>Total Available:</b>	<b>171,531</b>	<b>167,762</b>	<b>167,762</b>	<b>159,962</b>
<b>Expenditures</b>				
Supplies and Materials	646	3,300	1,000	3,300
Purchased Services	7,608	13,500	10,000	14,200
Other Services and Charges	4,715	7,000	6,000	7,000
<b>Total Expenditures:</b>	<b>12,969</b>	<b>23,800</b>	<b>17,000</b>	<b>24,500</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>12,969</b>	<b>23,800</b>	<b>17,000</b>	<b>24,500</b>
<b>Fund Balance, December 31</b>	<b>\$ 158,562</b>	<b>\$ 143,962</b>	<b>\$ 150,762</b>	<b>\$ 135,462</b>
Change in Fund Balance	\$ 8,455 6%	\$ (14,600) -9%	\$ (7,800) -5%	\$ (15,300) -10%

Fund: Drainage and Mapping  
Activity Type/Code: Special Revenue

Department Head: Dir of PW / City Engineer

**Expenditure Highlights**

Minimal changes are planned for this fund as monies are set aside for future mapping needs.

**General Activity Description**

The drainage and mapping activity provides the resource to maintain existing and develop new maps and mapping systems for the City. The City GIS is a key component in this mapping and data inventory task.

**Process Used**

Existing mapping systems and data are maintained manually in a reproducible format. The existing information is being converted to a digital format as is all new data which is developed for the City. All data will be accessible either manually or through a computerized application.

**City of Andover  
Special Revenue Funds  
Lower Rum River Watershed Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 27,043</b>	<b>\$ 44,311</b>	<b>\$ 44,311</b>	<b>\$ 59,438</b>
<b>Revenues</b>				
General Property Taxes	39,871	40,000	40,000	40,000
Investment Income	427	100	400	200
<b>Total Revenues:</b>	<b>40,298</b>	<b>40,100</b>	<b>40,400</b>	<b>40,200</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>40,298</b>	<b>40,100</b>	<b>40,400</b>	<b>40,200</b>
<b>Total Available:</b>	<b>67,341</b>	<b>84,411</b>	<b>84,711</b>	<b>99,638</b>
<b>Expenditures</b>				
Personal Services	10,197	10,603	10,603	13,865
Supplies and Materials	-	520	520	520
Purchased Services	12,833	13,950	13,950	14,255
Other Services and Charges	-	200	200	200
<b>Total Expenditures:</b>	<b>23,030</b>	<b>25,273</b>	<b>25,273</b>	<b>28,840</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>23,030</b>	<b>25,273</b>	<b>25,273</b>	<b>28,840</b>
<b>Fund Balance, December 31</b>	<b>\$ 44,311</b>	<b>\$ 59,138</b>	<b>\$ 59,438</b>	<b>\$ 70,798</b>
Change in Fund Balance	\$ 17,268 64%	\$ 14,827 33%	\$ 15,127 34%	\$ 11,360 19%

**Expenditure Highlights**

Minimal changes are planned for this fund.

Fund balance is being set aside for the preparation of the fourth generation water management plan and any additional services that may be needed.

**General Activity Description**

The function of the Lower Rum River Watershed Management Organization (LRRWMO) is to provide for: conservation of water and natural resources; prevention and alleviation of flood damage; and regulation of creeks, lakes, water courses and storm water conveyance systems for domestic, recreational and public use across municipal boundaries.

To achieve this purpose, state law gives watershed management organizations several powers, among which are:

1. Responsibility for preserving natural retention areas.
2. Preparation of plans for water management.
3. Review of municipal water management plans and of projects directly affecting the water resources of the watershed.
4. Review of local land use in the absence of an approved municipal surface water management plan.
5. Collection of data.
6. Conducting of studies and investigations.
7. Construction of improvements, either in response to petition or on the initiative of the LRRWMO.
8. Levying of taxes and assessments for the financing of the previously mentioned activities and for general administration of the organization.

**City of Andover  
Special Revenue Funds  
Forestry Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 5,407</b>	<b>\$ 5,132</b>	<b>\$ 5,132</b>	<b>\$ 5,182</b>
<b>Revenues</b>				
Intergovernmental	-	12,500	-	12,500
Investment Income	85	100	50	50
<b>Total Revenues:</b>	<b>85</b>	<b>12,600</b>	<b>50</b>	<b>12,550</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>85</b>	<b>12,600</b>	<b>50</b>	<b>12,550</b>
<b>Total Available:</b>	<b>5,492</b>	<b>17,732</b>	<b>5,182</b>	<b>17,732</b>
<b>Expenditures</b>				
Supplies and Materials	360	2,500	-	2,500
Purchased Services	-	12,500	-	12,500
<b>Total Expenditures:</b>	<b>360</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>360</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 5,132</b>	<b>\$ 2,732</b>	<b>\$ 5,182</b>	<b>\$ 2,732</b>
Change in Fund Balance	\$ (275) -5%	\$ (2,400) -47%	\$ 50 1%	\$ (2,450) -47%

**Expenditure Highlights**

This fund tracks forestry-related grants with state agencies like the Minnesota Department of Natural Resources (DNR) and administers the bare root tree sale.

A tree sale is proposed for 2020.

**General Activity Description**

Forestry shall preserve Andover's forest resources and develop control plans to ensure preservation and/or restoration of these resources.

**Process Used**

The City utilizes the Natural Resources Technician to administer the annual bare root tree sale, coordinate various tree plantings with local organizations like the Eagle Scouts, and monitor preservation and disease tree management grants.

**City of Andover**  
**Special Revenue Funds**  
**Right of Way Management / Utility Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 51,746</b>	<b>\$ 58,522</b>	<b>\$ 58,522</b>	<b>\$ 51,053</b>
<b>Revenues</b>				
Charges for Services	32,747	20,000	22,695	20,000
Investment Income	853	500	500	500
<b>Total Revenues:</b>	<b>33,600</b>	<b>20,500</b>	<b>23,195</b>	<b>20,500</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>33,600</b>	<b>20,500</b>	<b>23,195</b>	<b>20,500</b>
<b>Total Available:</b>	<b>85,346</b>	<b>79,022</b>	<b>81,717</b>	<b>71,553</b>
<b>Expenditures</b>				
Personal Services	10,752	11,064	11,064	11,444
Supplies and Materials	-	500	500	500
Purchased Services	10,772	12,900	12,900	13,800
Other Services and Charges	-	400	400	400
<b>Total Expenditures:</b>	<b>21,524</b>	<b>24,864</b>	<b>24,864</b>	<b>26,144</b>
<b>Other Uses</b>				
Transfers Out	5,300	5,800	5,800	5,700
<b>Total Expenditures and Other Uses:</b>	<b>26,824</b>	<b>30,664</b>	<b>30,664</b>	<b>31,844</b>
<b>Fund Balance, December 31</b>	<b>\$ 58,522</b>	<b>\$ 48,358</b>	<b>\$ 51,053</b>	<b>\$ 39,709</b>
Change in Fund Balance	\$ 6,776 13%	\$ (10,164) -17%	\$ (7,469) -13%	\$ (11,344) -22%

**Expenditure Highlights**

The transfer to the Road & Bridge Capital Projects is for the degradation of roadways associated with right-of-way permits.

**General Activity Description**

The function of Right-of-Way Management is to provide for: management of the public rights-of-way and to recover the rights-of-way management costs; and to regulate the use of public rights-of-way by providers of telecommunication services, public utility services and the like, in a fair, efficient, competitively neutral and substantial uniform manner.

**Process Used**

To achieve this purpose, state law gives the City several powers to include requiring the following:

1. Require permits for work within the right-of-way.
2. Collect fees to recover costs associated with the permit including damages to the right-of-way.

**City of Andover  
Special Revenue Funds  
Charitable Gambling Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 67,790</b>	<b>\$ 80,060</b>	<b>\$ 80,060</b>	<b>\$ 80,810</b>
<b>Revenues</b>				
Investment Income	1,116	400	750	750
Miscellaneous	79,296	15,000	60,000	30,000
<b>Total Revenues:</b>	<b>80,412</b>	<b>15,400</b>	<b>60,750</b>	<b>30,750</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>80,412</b>	<b>15,400</b>	<b>60,750</b>	<b>30,750</b>
<b>Total Available:</b>	<b>148,202</b>	<b>95,460</b>	<b>140,810</b>	<b>111,560</b>
<b>Expenditures</b>				
Purchased Services	68,142	27,300	60,000	30,000
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>68,142</b>	<b>27,300</b>	<b>60,000</b>	<b>30,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 80,060</b>	<b>\$ 68,160</b>	<b>\$ 80,810</b>	<b>\$ 81,560</b>
Change in Fund Balance	\$ 12,270 18%	\$ (11,900) -15%	\$ 750 1%	\$ 750 1%

**Fund:** Charitable Gambling  
**Activity Type/Code:** Special Revenue

**Department Head:** Finance Director

---

**Expenditure Highlights**

This fund was created to track the donations received from the Andover Hockey Association and Andover Football Association from their charitable gambling activities. Funding is used towards the Alexandra House, Youth First, Family of Promise, teen programing, etc.. Funding for these expenditures are dependent upon donations.

**General Activity Description**

The licensed organizations are required to donate 10% of their net profits to the City.

**Process Used**

According to State Statute, all expenditures from this fund must be for police, fire and other emergency or public safety-related services, equipment, and training, excluding pension obligations, or qualifying public service organizations.

**City of Andover  
Special Revenue Funds  
Construction Seal Coating Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 6,849</b>	<b>\$ 9,791</b>	<b>\$ 9,791</b>	<b>\$ 10,791</b>
<b>Revenues</b>				
Charges for Services	4,316	12,000	12,000	10,000
Investment Income	2,942	750	1,000	500
<b>Total Revenues:</b>	<b>7,258</b>	<b>12,750</b>	<b>13,000</b>	<b>10,500</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>7,258</b>	<b>12,750</b>	<b>13,000</b>	<b>10,500</b>
<b>Total Available:</b>	<b>14,107</b>	<b>22,541</b>	<b>22,791</b>	<b>21,291</b>
<b>Expenditures</b>				
Other Services and Charges	4,316	12,000	12,000	10,000
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>4,316</b>	<b>12,000</b>	<b>12,000</b>	<b>10,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 9,791</b>	<b>\$ 10,541</b>	<b>\$ 10,791</b>	<b>\$ 11,291</b>
Change in Fund Balance	\$ 2,942 43%	\$ 750 8%	\$ 1,000 10%	\$ 500 5%

**Fund:** Construction Seal Coating  
**Activity Type/Code:** Special Revenue

**Department Head:** Dir of PW / City Engineer

---

**Expenditure Highlights**

The Construction Seal Coating Special Revenue Fund was established in 1996 and is utilized for the first application of crack seal and seal coat in new developments.

**General Activity Description**

The Construction Seal Coating Special Revenue Fund accounts for contributions associated with land development to be used for the respective developments first application of crack seal and seal coat.

**Process Used**

The City has an annual crack seal and seal coat program. Currently the City is divided into nine zones and these developments are done within four years of being constructed. Crack sealing is completed one year prior to seal coating. This allows the crack sealing material to cure and minimize bleed through once seal coated.

This page left blank intentionally.

# **CITY OF ANDOVER, MINNESOTA**

## **2020 ANNUAL BUDGET**

### **DEBT SERVICE FUNDS**

#### **DEFINITION:**

A debt service fund accounts for the accumulation of resources for, and the payment of general long-term principal and interest. Repayment of the debt through principal and interest payments to bond holders is backed by the full faith and credit of the government unit.

This page left blank intentionally.

**City of Andover**  
**Debt Service Funds**  
**2020 Budget - All Debt Service Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 951,048</b>	<b>\$ 1,045,339</b>	<b>\$ 1,045,339</b>	<b>\$ 1,443,584</b>
<b>Revenues</b>				
General Property Taxes	1,596,368	2,115,729	2,115,729	3,089,045
Investment Income	2,573	-	-	-
<b>Total Revenues:</b>	<b>1,598,941</b>	<b>2,115,729</b>	<b>2,115,729</b>	<b>3,089,045</b>
<b>Other Sources</b>				
Operating Transfers In	300,000	300,000	300,000	520,446
<b>Total Revenues and Other Sources:</b>	<b>1,898,941</b>	<b>2,415,729</b>	<b>2,415,729</b>	<b>3,609,491</b>
<b>Total Available:</b>	<b>2,849,989</b>	<b>3,461,068</b>	<b>3,461,068</b>	<b>5,053,075</b>
<b>Expenditures</b>				
Debt Service				
Principal	1,416,000	1,444,000	1,444,000	1,561,000
Interest	385,555	355,901	568,864	1,279,832
Other	3,095	3,900	4,620	6,600
<b>Total Expenditures:</b>	<b>1,804,650</b>	<b>1,803,801</b>	<b>2,017,484</b>	<b>2,847,432</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	89,344
<b>Total Expenditures and Other Uses:</b>	<b>1,804,650</b>	<b>1,803,801</b>	<b>2,017,484</b>	<b>2,936,776</b>
<b>Fund Balance, December 31</b>	<b>\$ 1,045,339</b>	<b>\$ 1,657,267</b>	<b>\$ 1,443,584</b>	<b>\$ 2,116,299</b>
Change in Fund Balance	\$ 94,291 10%	\$ 611,928 59%	\$ 398,245 38%	\$ 672,715 47%

**City of Andover**  
**Debt Service Funds**  
**Certificates/Capital Notes - 2014A G.O. Equipment Certificate**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 334,094</b>	<b>\$ 352,239</b>	<b>\$ 352,239</b>	<b>\$ 367,844</b>
<b>Revenues</b>				
General Property Taxes	294,347	294,525	294,525	-
Investment Income	3,088	-	-	-
<b>Total Revenues:</b>	<b>297,435</b>	<b>294,525</b>	<b>294,525</b>	<b>-</b>
<b>Other Sources</b>				
Operating Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>297,435</b>	<b>294,525</b>	<b>294,525</b>	<b>-</b>
<b>Total Available:</b>	<b>631,529</b>	<b>646,764</b>	<b>646,764</b>	<b>367,844</b>
<b>Expenditures</b>				
Debt Service				
Principal	265,000	270,000	270,000	275,000
Interest	13,550	8,200	8,200	2,750
Other	740	750	720	750
<b>Total Expenditures:</b>	<b>279,290</b>	<b>278,950</b>	<b>278,920</b>	<b>278,500</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	<b>89,344</b>
<b>Total Expenditures and Other Uses:</b>	<b>279,290</b>	<b>278,950</b>	<b>278,920</b>	<b>367,844</b>
<b>Fund Balance, December 31</b>	<b>\$ 352,239</b>	<b>\$ 367,814</b>	<b>\$ 367,844</b>	<b>\$ -</b>
Change in Fund Balance	\$ 18,145 5%	\$ 15,575 4%	\$ 15,605 4%	\$ (367,844) -100%

Fund: 3212  
Cost Center: 2014A G.O. Equipment Certificates  
Activity Type/Code: Debt Service

Department Head: Finance Director

Debt Service is scheduled as listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 277,750	\$ 275,000	\$ 2,750

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City issued \$1,355,000 of Capital Notes in 2014 to facilitate the purchase of equipment.

**City of Andover**  
**Debt Service Funds**  
**Certificates/Capital Notes - 2016A G.O. Equipment Certificate**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 148,203</b>	<b>\$ 157,830</b>	<b>\$ 157,830</b>	<b>\$ 164,656</b>
<b>Revenues</b>				
General Property Taxes	143,020	142,837	142,837	143,373
Investment Income	1,290	-	-	-
<b>Total Revenues:</b>	<b>144,310</b>	<b>142,837</b>	<b>142,837</b>	<b>143,373</b>
<b>Other Sources</b>				
Operating Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>144,310</b>	<b>142,837</b>	<b>142,837</b>	<b>143,373</b>
<b>Total Available:</b>	<b>292,513</b>	<b>300,667</b>	<b>300,667</b>	<b>308,029</b>
<b>Expenditures</b>				
Debt Service				
Principal	126,000	129,000	129,000	131,000
Interest	8,683	6,261	6,261	3,791
Other	-	750	750	750
<b>Total Expenditures:</b>	<b>134,683</b>	<b>136,011</b>	<b>136,011</b>	<b>135,541</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>134,683</b>	<b>136,011</b>	<b>136,011</b>	<b>135,541</b>
<b>Fund Balance, December 31</b>	<b>\$ 157,830</b>	<b>\$ 164,656</b>	<b>\$ 164,656</b>	<b>\$ 172,488</b>
Change in Fund Balance	\$ 9,627 6%	\$ 6,826 4%	\$ 6,826 4%	\$ 7,832 5%

**Fund:** 3213  
**Cost Center:** 2016A G.O. Equipment Certificates  
**Activity Type/Code:** Debt Service

**Department Head:** Finance Director

Debt Service is scheduled as listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	134,791	131,000	3,791
2021	135,273	134,000	1,273
	<u>\$ 270,064</u>	<u>\$ 265,000</u>	<u>\$ 5,064</u>

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City issued \$520,000 of Capital Notes in 2016 to facilitate the purchase of equipment.

**City of Andover**  
**Debt Service Funds**  
**Certificates/Capital Notes - 2020A G.O. Equipment Certificate**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Revenues</b>				
General Property Taxes	-	-	-	<b>350,000</b>
<b>Other Sources</b>				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>350,000</b></u>
<b>Total Available:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>350,000</b></u>
<b>Expenditures</b>				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	8,200
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>
<b>Total Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>8,950</b></u>
<b>Other Uses</b>				
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures and Other Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>8,950</b></u>
<b>Fund Balance, December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ <b>341,050</b></u></u>
Change in Fund Balance	\$ - n/a	\$ - n/a	\$ - n/a	\$ 341,050 n/a

**Fund:** 3214  
**Cost Center:** 2020A G.O. Equipment Certificates  
**Activity Type/Code:** Debt Service

**Department Head:** Finance Director

The preliminary debt service schedule is listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 8,200	\$ -	\$ 8,200
2021	337,264	320,000	17,264
2022	337,667	325,000	12,667
2023	337,835	330,000	7,835
2024	337,680	335,000	2,680
	<u>\$ 1,358,646</u>	<u>\$ 1,310,000</u>	<u>\$ 48,646</u>

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City is contemplating the issuance of \$1,310,000 of Capital Notes in 2020 to facilitate the purchase of new equipment.

**City of Andover**  
**Debt Service Funds**  
**General Obligation Bonds - 2018A G.O. Capital Improvement Plan Bonds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 311,287</b>
<b>Revenues</b>				
General Property Taxes	-	525,000	525,000	433,603
<b>Other Sources</b>				
Operating Transfers In	-	-	-	45,300
<b>Total Revenues and Other Sources:</b>	<b>-</b>	<b>525,000</b>	<b>525,000</b>	<b>478,903</b>
<b>Total Available:</b>	<b>-</b>	<b>525,000</b>	<b>525,000</b>	<b>790,190</b>
<b>Expenditures</b>				
Debt Service				
Principal	-	-	-	85,000
Interest	-	-	212,963	356,131
Other	-	-	750	750
<b>Total Expenditures:</b>	<b>-</b>	<b>-</b>	<b>213,713</b>	<b>441,881</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>-</b>	<b>-</b>	<b>213,713</b>	<b>441,881</b>
<b>Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ 525,000</b>	<b>\$ 311,287</b>	<b>\$ 348,309</b>
Change in Fund Balance	\$ - n/a	\$ 525,000 n/a	\$ 311,287 n/a	\$ 37,022 12%

Fund: 3304  
 Cost Center: 2018A G.O. Capital Improvement Plan Bonds  
 Activity Type/Code: Debt Service

Department Head: Finance Director

Debt Service is scheduled as listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 441,131	\$ 85,000	\$ 356,131
2021	475,881	125,000	350,881
2022	474,506	130,000	344,506
2023	624,006	290,000	334,006
2024	619,256	300,000	319,256
2025	618,881	315,000	303,881
2026	622,631	335,000	287,631
2027	620,506	350,000	270,506
2028	626,206	370,000	256,206
2029	624,956	380,000	244,956
2030	623,406	390,000	233,406
2031	621,556	400,000	221,556
2032	624,331	415,000	209,331
2033	621,731	425,000	196,731
2034	623,756	440,000	183,756
2035	620,125	450,000	170,125
2036	620,538	465,000	155,538
2037	620,182	480,000	140,182
2038	619,338	495,000	124,338
2039	622,603	515,000	107,603
2040	619,969	530,000	89,969
2041	621,400	550,000	71,400
2042	621,800	570,000	51,800
2043	616,588	585,000	31,588
2044	620,675	610,000	10,675
	<u>\$ 15,065,958</u>	<u>\$ 10,000,000</u>	<u>\$ 5,065,958</u>

The Water and Sanitary Sewer Enterprise Funds will be paying a portion of the annual debt for the new public works facilities.

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City issued \$10,000,000 of Capital Improvement Plan bonds in 2018 to facilitate the construction of additional public works facilities.

**City of Andover**  
**Debt Service Funds**  
**General Obligation Bonds - 2012C G.O. Taxable Abatement Bonds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 224,637</b>	<b>\$ 277,698</b>	<b>\$ 277,698</b>	<b>\$ 336,944</b>
<b>Revenues</b>				
General Property Taxes	970,085	969,378	969,378	976,780
Investment Income	(4,378)	-	-	-
<b>Total Revenues:</b>	<b>965,707</b>	<b>969,378</b>	<b>969,378</b>	<b>976,780</b>
<b>Other Sources</b>				
Operating Transfers In	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Total Revenues and Other Sources:</b>	<b>1,265,707</b>	<b>1,269,378</b>	<b>1,269,378</b>	<b>1,276,780</b>
<b>Total Available:</b>	<b>1,490,344</b>	<b>1,547,076</b>	<b>1,547,076</b>	<b>1,613,724</b>
<b>Expenditures</b>				
Debt Service				
Principal	870,000	885,000	885,000	910,000
Interest	341,481	323,932	323,932	305,982
Other	1,165	1,200	1,200	1,200
<b>Total Expenditures:</b>	<b>1,212,646</b>	<b>1,210,132</b>	<b>1,210,132</b>	<b>1,217,182</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Fund Balance, December 31</b>	<b>\$ 277,698</b>	<b>\$ 336,944</b>	<b>\$ 336,944</b>	<b>\$ 396,542</b>
Change in Fund Balance	\$ 53,061 24%	\$ 59,246 21%	\$ 59,246 21%	\$ 59,598 18%

Debt Service is scheduled as listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,215,982	\$ 910,000	\$ 305,982
2021	1,212,632	925,000	287,632
2022	1,213,932	945,000	268,932
2023	1,209,282	960,000	249,282
2024	1,213,000	985,000	228,000
2025	1,209,356	1,005,000	204,356
2026	1,208,275	1,030,000	178,275
2027	1,205,250	1,055,000	150,250
2028	1,205,147	1,085,000	120,147
2029	1,212,675	1,125,000	87,675
2030	1,213,400	1,160,000	53,400
2031	1,218,000	1,200,000	18,000
	<u>\$14,536,931</u>	<u>\$12,385,000</u>	<u>\$ 2,151,931</u>

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City sold \$19,580,000 of Lease Revenue Bonds in 2004 to finance the construction of a community center. Approximately 50% of the debt will be paid for by a long-term lease arrangement with the YMCA of Minneapolis. The YMCA will run a full service YMCA out of the Community Center building. This issue will be used to advance refund the refunding issues sold in 2006 and 2007 that refunded the 2004 issue.

**City of Andover  
Debt Service Funds  
General Obligation Bonds - 2019A G.O. Taxable Abatement Bonds  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenues</b>				
General Property Taxes	-	-	-	<b>1,001,090</b>
<b>Other Sources</b>				
Operating Transfers In	-	-	-	<b>175,146</b>
<b>Total Revenues and Other Sources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,176,236</b>
<b>Total Available:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,176,236</b>
<b>Expenditures</b>				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	590,150
Other	-	-	-	1,200
<b>Total Expenditures:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>591,350</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 584,886</b>
Change in Fund Balance	\$ - n/a	\$ - n/a	\$ - n/a	\$ 584,886 n/a

Fund: 3406  
 Cost Center: 2019A G.O. Taxable Abatement Bonds  
 Activity Type/Code: Debt Service

Department Head: Finance Director

Debt Service is scheduled as listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 590,150	\$ -	\$ 590,150
2021	819,275	235,000	584,275
2022	1,109,775	545,000	564,775
2023	1,106,900	570,000	536,900
2024	1,107,650	600,000	507,650
2025	1,106,900	630,000	476,900
2026	1,104,650	660,000	444,650
2027	1,105,775	695,000	410,775
2028	1,100,275	725,000	375,275
2029	1,106,850	765,000	341,850
2030	1,105,650	795,000	310,650
2031	1,103,250	825,000	278,250
2032	1,108,850	860,000	248,850
2033	1,107,675	885,000	222,675
2034	1,105,750	910,000	195,750
2035	1,108,000	940,000	168,000
2036	1,104,425	965,000	139,425
2037	1,105,025	995,000	110,025
2038	1,104,725	1,025,000	79,725
2039	1,103,525	1,055,000	48,525
2040	1,106,350	1,090,000	16,350
	<u>\$22,421,425</u>	<u>\$15,770,000</u>	<u>\$ 6,651,425</u>

The portion of park dedication fees collected will be used to offset the debt service levy, not to exceed \$1,000,000. In 2020, \$111,463 will be transferred to this fund.

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City sold \$15,770,000 of Taxable Abatement Bonds in 2019 to finance the expansion of the community center.

**City of Andover**  
**Debt Service Funds**  
**General Obligation Bonds - 2010A G.O. Open Space Referendum Bonds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 244,114</b>	<b>\$ 257,572</b>	<b>\$ 257,572</b>	<b>\$ 262,853</b>
<b>Revenues</b>				
General Property Taxes	188,916	183,989	183,989	184,199
Investment Income	2,573	-	-	-
<b>Total Revenues:</b>	<b>191,489</b>	<b>183,989</b>	<b>183,989</b>	<b>184,199</b>
<b>Other Sources</b>				
Operating Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>191,489</b>	<b>183,989</b>	<b>183,989</b>	<b>184,199</b>
<b>Total Available:</b>	<b>435,603</b>	<b>441,561</b>	<b>441,561</b>	<b>447,052</b>
<b>Expenditures</b>				
Debt Service				
Principal	155,000	160,000	160,000	160,000
Interest	21,841	17,508	17,508	12,828
Other	1,190	1,200	1,200	1,200
<b>Total Expenditures:</b>	<b>178,031</b>	<b>178,708</b>	<b>178,708</b>	<b>174,028</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>178,031</b>	<b>178,708</b>	<b>178,708</b>	<b>174,028</b>
<b>Fund Balance, December 31</b>	<b>\$ 257,572</b>	<b>\$ 262,853</b>	<b>\$ 262,853</b>	<b>\$ 273,024</b>
Change in Fund Balance	\$ 13,458 6%	\$ 5,281 2%	\$ 5,281 2%	\$ 10,171 4%

Fund: 3901  
 Cost Center: 2010A G.O. Open Space Referendum Bonds  
 Activity Type/Code: Debt Service

Department Head: Finance Director

Debt Service is scheduled as listed below:

<u>Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 172,828	\$ 160,000	\$ 12,828
2021	172,870	165,000	7,870
2022	172,656	170,000	2,656
	<u>\$ 518,354</u>	<u>\$ 495,000</u>	<u>\$ 23,354</u>

**General Activity Description**

To account for the payment of principal and interest on long-term debt.

**Process Used**

The City sold \$1,660,000 of Open Space Referendum Bonds in 2010 to finance the purchase of land to remain as open space.

This page left blank intentionally.

# **CITY OF ANDOVER, MINNESOTA**

## **2020 ANNUAL BUDGET**

### **CAPITAL PROJECTS FUNDS**

#### **DEFINITION:**

Capital Projects Funds can be used to account for acquisition or construction of major capital facilities financed mainly with governmental fund resources, general obligation debt, special assessments, special assessment debt, grants, or other resources that are not part of proprietary funds or trust funds.

This page left blank intentionally.

**City of Andover**  
**Capital Projects Funds**  
**2020 Budget Summary - All Capital Projects Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 24,077,823</b>	<b>\$ 33,972,922</b>	<b>\$ 33,972,922</b>	<b>\$ 30,496,668</b>
<b>Revenues</b>				
General Property Taxes	2,163,282	2,001,788	2,001,788	2,005,658
Tax Increments	86,794	85,000	85,000	85,000
Special Assessments	554,471	611,400	384,150	636,900
Intergovernmental	811,945	1,216,312	1,318,521	1,391,509
Charges for Services	-	-	70,000	-
Investment Income	415,369	155,000	341,400	140,000
User Charges	544,264	193,226	981,248	262,051
Miscellaneous	133,886	253,550	614,815	343,550
<b>Total Revenues:</b>	<b>4,710,011</b>	<b>4,516,276</b>	<b>5,796,922</b>	<b>4,864,668</b>
<b>Other Sources</b>				
Transfers In	701,437	795,235	1,268,768	818,544
Bond Proceeds	10,000,000	26,800,000	15,770,000	1,310,000
Bond Premium	254,260	-	1,458,695	-
Proceeds from Sale of Capital Assets	65,037	-	18,920	-
<b>Total Other Sources:</b>	<b>11,020,734</b>	<b>27,595,235</b>	<b>18,516,383</b>	<b>2,128,544</b>
<b>Total Revenues and Other Sources:</b>	<b>15,730,745</b>	<b>32,111,511</b>	<b>24,313,305</b>	<b>6,993,212</b>
<b>Total Available:</b>	<b>39,808,568</b>	<b>66,084,433</b>	<b>58,286,227</b>	<b>37,489,880</b>
<b>Expenditures</b>				
Other Services and Charges	3,355,122	4,902,500	4,655,736	4,455,112
Capital Outlay	2,137,391	29,878,000	22,917,874	12,366,000
Debt Service - Principal Retirement	196,717	-	-	-
<b>Total Expenditures:</b>	<b>5,689,230</b>	<b>34,780,500</b>	<b>27,573,610</b>	<b>16,821,112</b>
<b>Other Uses</b>				
Operating Transfers Out	146,416	58,110	215,949	234,886
<b>Total Expenditures and Other Uses:</b>	<b>5,835,646</b>	<b>34,838,610</b>	<b>27,789,559</b>	<b>17,055,998</b>
<b>Fund Balance, December 31</b>	<b>\$ 33,972,922</b>	<b>\$ 31,245,823</b>	<b>\$ 30,496,668</b>	<b>\$ 20,433,882</b>
Change in Fund Balance	\$ 9,895,099 41%	\$ (2,727,099) -8%	\$ (3,476,254) -10%	\$ (10,062,786) -33%

**City of Andover  
Capital Projects Funds  
Water Trunk Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 3,500,857</b>	<b>\$ 3,666,786</b>	<b>\$ 3,666,786</b>	<b>\$ 3,537,729</b>
<b>Revenues</b>				
Special Assessments	166,435	50,000	96,150	50,000
Investment Income	62,664	25,000	25,000	25,000
User Charges	341,371	76,216	502,903	77,741
<b>Total Revenues:</b>	<b>570,470</b>	<b>151,216</b>	<b>624,053</b>	<b>152,741</b>
<b>Other Sources</b>				
Transfers In	-	300,000	300,000	300,000
<b>Total Revenues and Other Sources:</b>	<b>570,470</b>	<b>451,216</b>	<b>924,053</b>	<b>452,741</b>
<b>Total Available:</b>	<b>4,071,327</b>	<b>4,118,002</b>	<b>4,590,839</b>	<b>3,990,470</b>
<b>Expenditures</b>				
Other Services and Charges	16,865	-	-	-
Capital Outlay	272,826	795,000	995,000	200,000
<b>Total Expenditures:</b>	<b>289,691</b>	<b>795,000</b>	<b>995,000</b>	<b>200,000</b>
<b>Other Uses</b>				
Operating Transfers Out	114,850	58,110	58,110	59,740
<b>Total Expenditures and Other Uses:</b>	<b>404,541</b>	<b>853,110</b>	<b>1,053,110</b>	<b>259,740</b>
<b>Fund Balance, December 31</b>	<b>\$ 3,666,786</b>	<b>\$ 3,264,892</b>	<b>\$ 3,537,729</b>	<b>\$ 3,730,730</b>
Change in Fund Balance	\$ 165,929 5%	\$ (401,894) -11%	\$ (129,057) -4%	\$ 193,001 5%

**Expenditure Highlights**

Projects planned for 2020 include:

New Development Projects	\$ 50,000
Recondition & Paint Water Tower #2	150,000
	<u>\$ 200,000</u>

2019 is the first year of transferring in funds to create a replacement reserve for future water main replacements (\$300,000).

A portion of the connection fee is used to support the Water Treatment Plant and is transferred to the Water Enterprise Fund.

Projects planned for 2019 include:

New Development Projects	\$ 45,000
Water main improvements - east of Crooked Lake	750,000
	<u>\$ 795,000</u>

**General Activity Description**

The Water Trunk Capital Projects Fund accounts for water access fees and trunk improvements as part of development.

**Process Used**

The water system is continually reviewed by the Engineering and Water Departments through studies of service, water quality, and future system expansion or improvements.

**City of Andover  
Capital Projects Funds  
Sewer Trunk Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 6,896,679</b>	<b>\$ 7,360,496</b>	<b>\$ 7,360,496</b>	<b>\$ 6,893,416</b>
<b>Revenues</b>				
Special Assessments	74,233	20,000	20,000	20,000
Investment Income	127,533	50,000	50,000	50,000
User Charges	103,618	12,910	197,920	12,910
<b>Total Revenues:</b>	<b>305,384</b>	<b>82,910</b>	<b>267,920</b>	<b>82,910</b>
<b>Other Sources</b>				
Transfers In	400,000	400,000	400,000	400,000
<b>Total Revenues and Other Sources:</b>	<b>705,384</b>	<b>482,910</b>	<b>667,920</b>	<b>482,910</b>
<b>Total Available:</b>	<b>7,602,063</b>	<b>7,843,406</b>	<b>8,028,416</b>	<b>7,376,326</b>
<b>Expenditures</b>				
Other Services and Charges	75,593	-	-	-
Capital Outlay	165,974	1,135,000	1,135,000	215,000
<b>Total Expenditures:</b>	<b>241,567</b>	<b>1,135,000</b>	<b>1,135,000</b>	<b>215,000</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>241,567</b>	<b>1,135,000</b>	<b>1,135,000</b>	<b>215,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 7,360,496</b>	<b>\$ 6,708,406</b>	<b>\$ 6,893,416</b>	<b>\$ 7,161,326</b>
Change in Fund Balance	\$ 463,817 7%	\$ (652,090) -9%	\$ (467,080) -6%	\$ 267,910 4%

**Expenditure Highlights**

Projects planned for 2019 include:

New Development Projects	\$ 125,000
Aztec Estates Lift Station Upgrade	90,000
	<u>\$ 215,000</u>

Projects planned for 2019 include:

New Development Projects	\$ 120,000
Aztec Estates Lift Station Upgrade	90,000
Yellow Pine Lift Station Construction	700,000
Coon Creek Trunk Bypass	225,000
	<u>\$ 1,135,000</u>

**General Activity Description**

The Sewer Trunk Capital Projects Fund accounts for access fees and sanitary sewer improvements. City sewage flows through a pipe and lift station system to a large sewer interceptor, which is then carried to a metro treatment plant.

**Process Used**

The Sewer and Engineering Departments continually review the system to determine the proper sizing of pipes and lift stations to process sewage.

**City of Andover  
Capital Projects Funds  
Storm Sewer Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ (65,185)</b>	<b>\$ (66,263)</b>	<b>\$ (66,263)</b>	<b>\$ -</b>
<b>Revenues</b>				
Investment Income	(1,078)	-	-	-
<b>Other Sources</b>				
Transfers In	-	65,935	66,263	-
<b>Total Revenues and Other Sources:</b>	<b>(1,078)</b>	<b>65,935</b>	<b>66,263</b>	<b>-</b>
<b>Total Available:</b>	<b>(66,263)</b>	<b>(328)</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
Other Services and Charges	-	-	-	-
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, December 31</b>	<b>\$ (66,263)</b>	<b>\$ (328)</b>	<b>\$ -</b>	<b>\$ -</b>
Change in Fund Balance	\$ (1,078) 2%	\$ 65,935 -100%	\$ 66,263 -100%	\$ - #DIV/0!

**Fund:** 4130  
**Cost Center:** Storm Sewer  
**Activity Type/Code:** Capital Projects

**Department Head:** City Engineer

---

**Expenditure Highlights**

This fund will be closed in 2019.

**General Activity Description**

The Storm Sewer Capital Projects Fund accounts for storm sewer fees and improvements as part of development and ongoing maintenance.

**Process Used**

The storm sewer system is continually reviewed by Public Works and Engineering through studies of storm water runoff and drainage patterns.

Note: There is one part of the City where a special storm sewer trunk area assessment is required as part of any new development. This will be used to fund the oversizing of the storm sewer that was constructed under Project #93-3: Xeon Street Trunk Storm Sewer.

**City of Andover  
Capital Projects Funds  
Road and Bridge Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 6,529,720</b>	<b>\$ 6,603,576</b>	<b>\$ 6,603,576</b>	<b>\$ 5,413,780</b>
<b>Revenues</b>				
General Property Taxes	1,267,234	1,356,788	1,356,788	1,360,658
Special Assessments	284,954	539,000	200,000	564,500
Intergovernmental	809,106	1,216,312	1,315,616	1,391,509
Charges for Services	-	-	70,000	-
Investment Income	107,684	40,000	-	-
Miscellaneous	12,273	-	-	-
<b>Total Revenues:</b>	<b>2,481,251</b>	<b>3,152,100</b>	<b>2,942,404</b>	<b>3,316,667</b>
<b>Other Sources</b>				
Transfers In	5,300	5,800	5,800	5,700
<b>Total Revenues and Other Sources:</b>	<b>2,486,551</b>	<b>3,157,900</b>	<b>2,948,204</b>	<b>3,322,367</b>
<b>Total Available:</b>	<b>9,016,271</b>	<b>9,761,476</b>	<b>9,551,780</b>	<b>8,736,147</b>
<b>Expenditures</b>				
Other Services and Charges	2,269,830	4,138,000	4,138,000	3,315,000
Capital Outlay	142,865	-	-	-
<b>Total Expenditures:</b>	<b>2,412,695</b>	<b>4,138,000</b>	<b>4,138,000</b>	<b>3,315,000</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>2,412,695</b>	<b>4,138,000</b>	<b>4,138,000</b>	<b>3,315,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 6,603,576</b>	<b>\$ 5,623,476</b>	<b>\$ 5,413,780</b>	<b>\$ 5,421,147</b>
Change in Fund Balance	\$ 73,856 1%	\$ (980,100) -15%	\$ (1,189,796) -18%	\$ 7,367 0%

**Expenditure Highlights**

Some of the major 2020 projects are as follows:

Annual street seal coat	\$ 200,000
Annual street crack seal	160,000
New / reconstruct routes	1,226,000
MSA - New / reconstruct routes	580,000
Pedestrian trail maintenance	63,000
Pedestrian curb ramp replacement	19,000
Annual pavement markings	60,000
Gravel road improvements	21,000
Overlays	920,000
Pedestrian crossings	10,000
Curb replacement	56,000
	<u>\$ 3,315,000</u>

Some of the major 2019 projects are as follows:

Annual street seal coat	\$ 260,000
Annual street crack seal	248,000
New / reconstruct routes	1,163,000
MSA - New / reconstruct routes	2,270,000
Pedestrian trail maintenance	60,000
Pedestrian curb ramp replacement	18,000
Annual pavement markings	45,000
Gravel road improvements	20,000
Curb replacement	54,000
	<u>\$ 4,138,000</u>

**General Activity Description**

The Road and Bridge Fund accounts for road projects and the Pavement Management Program.

**Process Used**

Construction projects are identified by the capital improvement process and contained in the five-year Capital Improvement Plan (CIP). The council approves the CIP annually, thereby initiating a process of feasibility study, preparation of plans and specifications, public hearings, ordering of the project, bidding the project and construction.

This fund also accounts for the pavement management program, which includes annual seal coating, crack sealing and overlays for roads.

**City of Andover  
Capital Projects Funds  
Park Dedication Projects  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 136,375</b>	<b>\$ 158,707</b>	<b>\$ 158,707</b>	<b>\$ 355,032</b>
<b>Revenues</b>				
General Property Taxes	15,061	15,000	15,000	15,000
Investment Income	2,797	-	1,400	-
User Charges	75,798	82,975	222,925	136,600
Miscellaneous	12,385	76,000	12,000	166,000
<b>Total Revenues:</b>	<b>106,041</b>	<b>173,975</b>	<b>251,325</b>	<b>317,600</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>106,041</b>	<b>173,975</b>	<b>251,325</b>	<b>317,600</b>
<b>Total Available:</b>	<b>242,416</b>	<b>332,682</b>	<b>410,032</b>	<b>672,632</b>
<b>Expenditures</b>				
Other Services and Charges	10,739	15,000	15,000	15,000
Capital Outlay	72,970	192,000	40,000	355,000
<b>Total Expenditures:</b>	<b>83,709</b>	<b>207,000</b>	<b>55,000</b>	<b>370,000</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	175,146
<b>Total Expenditures and Other Uses:</b>	<b>83,709</b>	<b>207,000</b>	<b>55,000</b>	<b>545,146</b>
<b>Fund Balance, December 31</b>	<b>\$ 158,707</b>	<b>\$ 125,682</b>	<b>\$ 355,032</b>	<b>\$ 127,486</b>
Change in Fund Balance	\$ 22,332 16%	\$ (33,025) -21%	\$ 196,325 124%	\$ (227,546) -64%

**Fund:** 4150  
**Cost Center:** Park Dedication Projects  
**Activity Type/Code:** Capital Projects

**Department Head:** City Engineer

**Expenditure Highlights**

2020 Projects include:

Annual Miscellaneous Projects	\$ 15,000
Kelsey Round Lake Park - Trail Expansion	175,000
Andover Station North - East Field Lighting	180,000
	<u>\$ 370,000</u>

2019 Projects include:

Annual Miscellaneous Projects	\$ 15,000
Kelsey Round Lake Park - Trail Extension	152,000
Irrigation Projects - Small Parks	40,000
	<u>\$ 207,000</u>

The portion of park dedication fees collected will be used to offset the debt service levy for the Community Center expansion, not to exceed \$1,000,000. In 2020, \$111,463 will be transferred to the debt service fund.

**General Activity Description**

The Park Dedication Fund accounts for contributions associated with land development to be used for constructing and upgrading the City's park system.

**Process Used**

The Park and Recreation Commission evaluates the needs of the community with regard to park and recreation facilities. Recommendations are made to the City Council and projects are then placed into the annual City Capital Improvement Plan.

**City of Andover  
Capital Projects Funds  
Building Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 420,846</b>	<b>\$ 244,859</b>	<b>\$ 244,859</b>	<b>\$ 453,059</b>
<b>Revenues</b>				
General Property Taxes	49,485	355,000	355,000	355,000
Investment Income	6,149	-	-	-
<b>Total Revenues:</b>	<b>55,634</b>	<b>355,000</b>	<b>355,000</b>	<b>355,000</b>
<b>Other Sources</b>				
Transfers In	-	-	-	<b>89,344</b>
<b>Total Revenues and Other Sources:</b>	<b>55,634</b>	<b>355,000</b>	<b>355,000</b>	<b>444,344</b>
<b>Total Available:</b>	<b>476,480</b>	<b>599,859</b>	<b>599,859</b>	<b>897,403</b>
<b>Expenditures</b>				
Other Services and Charges	34,904	155,000	146,800	681,478
Debt Service - Principal Retirement	196,717	-	-	-
<b>Total Expenditures:</b>	<b>231,621</b>	<b>155,000</b>	<b>146,800</b>	<b>681,478</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>231,621</b>	<b>155,000</b>	<b>146,800</b>	<b>681,478</b>
<b>Fund Balance, December 31</b>	<b>\$ 244,859</b>	<b>\$ 444,859</b>	<b>\$ 453,059</b>	<b>\$ 215,925</b>
Change in Fund Balance	\$ (175,987) -42%	\$ 200,000 82%	\$ 208,200 85%	\$ (237,134) -52%

**Expenditure Highlights**

In 2013, the City has signed a contract for deed to purchase some land adjacent to the city hall / public works campus. As part of that agreement, annual payments will be made starting in 2013 with final payment in 2018.

Projects planned for 2020 include:

Replacement - PW Parking Lot	\$ 250,000
Surface seal brick structures	48,000
Fencing - PW yard	110,000
Community Center Refridgeration Conversion	<u>273,478</u>
	<u>\$ 681,478</u>

Projects planned for 2019 include:

Replacement - Tube Heaters FS #2	\$ 25,000
Replacement - Make Up Air Unit FS#1	30,000
Roof Replacement - PW Office Area	100,000
	<u>\$ 155,000</u>

**General Activity Description**

The Building Fund accounts for miscellaneous building improvement projects for all facilities, including land acquisitions.

**Process Used**

Facilities are reviewed annually for non-recurring repairs or for future facility needs.

**City of Andover  
Capital Projects Funds  
Trail & Transportation  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 511,082</b>	<b>\$ 509,126</b>	<b>\$ 509,126</b>	<b>\$ (14,174)</b>
<b>Revenues</b>				
Investment Income	9,302	-	-	-
User Charges	23,477	21,125	57,500	34,800
Miscellaneous	-	117,550	-	117,550
<b>Total Revenues:</b>	<b>32,779</b>	<b>138,675</b>	<b>57,500</b>	<b>152,350</b>
<b>Other Sources</b>				
Transfers In	230,000	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>262,779</b>	<b>138,675</b>	<b>57,500</b>	<b>152,350</b>
<b>Total Available:</b>	<b>773,861</b>	<b>647,801</b>	<b>566,626</b>	<b>138,176</b>
<b>Expenditures</b>				
Other Services and Charges	48	-	-	-
Capital Outlay	264,687	215,000	580,800	242,000
<b>Total Expenditures:</b>	<b>264,735</b>	<b>215,000</b>	<b>580,800</b>	<b>242,000</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>264,735</b>	<b>215,000</b>	<b>580,800</b>	<b>242,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 509,126</b>	<b>\$ 432,801</b>	<b>\$ (14,174)</b>	<b>\$ (103,824)</b>
Change in Fund Balance	\$ (1,956) 0%	\$ (76,325) -15%	\$ (523,300) -103%	\$ (89,650) 632%

**Fund:** 4170  
**Cost Center:** Trail & Transportation  
**Activity Type/Code:** Capital Projects

**Department Head:** Dir of PW / City Engineer

**Expenditure Highlights**

Projects planned for 2020 include:

10' Bituminous trail connection - Andover Station	\$ 230,000
Railroad Underpass Analysis	12,000
	<u>\$ 242,000</u>

Projects planned for 2019 include:

Railroad Underpass lot purchase	\$ 115,800
8' Boardwalk along Crosstown Blvd	465,000
	<u>\$ 580,800</u>

**General Activity Description**

The Trail and Transportation Capital Projects Fund accounts for contributions associated with land development to be used for constructing and upgrading the City's Trail System.

**Process Used**

The Park and Recreation Commission evaluates the needs of the community with regard to trail facilities. Recommendations are made to the City Council and projects are then placed into the annual City Capital Improvement Plan.

**City of Andover  
Capital Projects Funds  
Capital Equipment Reserve  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 1,687,115</b>	<b>\$ 1,386,664</b>	<b>\$ 1,386,664</b>	<b>\$ 1,677,143</b>
<b>Revenues</b>				
General Property Taxes	798,207	275,000	275,000	275,000
Intergovernmental	2,839	-	2,905	-
Investment Income	24,400	-	-	-
Miscellaneous	28,517	-	22,815	-
<b>Total Revenues:</b>	<b>853,963</b>	<b>275,000</b>	<b>300,720</b>	<b>275,000</b>
<b>Other Sources</b>				
Transfers In	66,137	23,500	181,339	23,500
Proceeds from Sale of Capital Assets	65,037	-	18,920	-
<b>Total Revenues and Other Sources:</b>	<b>985,137</b>	<b>298,500</b>	<b>500,979</b>	<b>298,500</b>
<b>Total Available:</b>	<b>2,672,252</b>	<b>1,685,164</b>	<b>1,887,643</b>	<b>1,975,643</b>
<b>Expenditures</b>				
Other Services and Charges	264,446	102,500	102,500	272,634
Capital Outlay	1,021,142	108,000	108,000	65,000
<b>Total Expenditures:</b>	<b>1,285,588</b>	<b>210,500</b>	<b>210,500</b>	<b>337,634</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>1,285,588</b>	<b>210,500</b>	<b>210,500</b>	<b>337,634</b>
<b>Fund Balance, December 31</b>	<b>\$ 1,386,664</b>	<b>\$ 1,474,664</b>	<b>\$ 1,677,143</b>	<b>\$ 1,638,009</b>
Change in Fund Balance	\$ (300,451) -18%	\$ 88,000 6%	\$ 290,479 21%	\$ (39,134) -2%

**Fund:** 4180  
**Cost Center:** Capital Equipment Reserve  
**Activity Type/Code:** Capital Projects

**Department Head:** Finance Director

**Expenditure Highlights**

Projects outlined in the 2020 - 2024 CIP for year 2020 using the Capital Equipment Reserve Capital Projects Fund include:

Using 2020 Capital Projects Reserve / levy:

Community Center Fieldhouse Floor Repair	134,634
Windows Server 2019 DataCenter Licenses	12,000
Aruba Switch Upgrade	10,000
Hills of Bunker West Park Trail Recon	70,000
Replacement - 800 MHz Radios	46,000
New - Emergency Siren Additions	55,000
Emergency Operations Center Improvement	10,000
	<u>337,634</u>

Using 2019 Capital Projects Reserve / levy:

Building A - Seal Floor	25,000
Memorial - Veterans Memorial	10,000
Annual Parking Lot Maintenance	35,000
Emergency Operations Center Improvement	7,500
Replacement - Election Voting Booths	25,000
New - Emergency Siren Additions	55,000
New - Sign Message Board	18,000
Replacement - Small Extended Cab Truck #8	35,000
	<u>210,500</u>

**General Activity Description**

Resources for this fund come from residual fund transfers, interest earnings, and property tax (capital) levy.

**Process Used**

During 2019 and 2020 budget processes, it was determined that various capital expenditures were necessary. The Andover Management Team and Andover Vehicle Purchasing Committee reviewed departmental needs and prioritized capital needs.

2018 includes a Capital Equipment Purchases levy to purchase equipment with levy dollars instead of issuing debt.

**City of Andover  
Capital Projects Funds  
2020A G.O. Equipment Certificate  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Revenues</b>				
Investment Income	-	-	-	-
<b>Other Sources</b>				
Transfers In	-	-	-	-
Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310,000</u>
<b>Total Revenues and Other Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310,000</u>
<b>Total Available:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310,000</u>
<b>Expenditures</b>				
Other Services and Charges	-	-	-	46,000
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,264,000</u>
<b>Total Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310,000</u>
<b>Other Uses</b>				
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures and Other Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310,000</u>
<b>Fund Balance, December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Change in Fund Balance	\$ - n/a	\$ - n/a	\$ - n/a	\$ - n/a

**Expenditure Highlights**

The following is a list of equipment purchased with a 2020 Capital Note.

Vehicle / Equipment Replacements:	
Replacement - 3/4 Ton Truck #12	\$ 30,000
Replacement - Fire Engine 21 #4884	510,000
Replacement - SCBA Compressor	65,000
Replacement - Front End Loader #124	275,000
Replacement - One Ton Truck w/ Plow #133	80,000
New - Slide In Hotbox	19,000
Replacement - Water Tanker #161	175,000
New - Large Capacity Mower	110,000
	<u>110,000</u>
	<u>\$ 1,264,000</u>

**General Activity Description**

This fund accounts for major capital equipment purchases. Resources for the capital equipment come from the issuance of equipment notes. The notes are typically of a 5-year duration and debt service is funded via the annual tax levy.

**Process Used**

During the 2020 budget process, it was determined that various capital equipment was necessary.

**City of Andover**  
**Capital Projects Funds**  
**2018A G.O. Capital Improvement Plan Bonds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ -</b>	<b>\$ 9,826,288</b>	<b>\$ 9,826,288</b>	<b>\$ 1,000,000</b>
<b>Revenues</b>				
Investment Income	<u>3,096</u>	<u>-</u>	<u>100,000</u>	<u>5,000</u>
<b>Other Sources</b>				
Transfers In	-	-	315,366	-
Bond Proceeds	10,000,000	10,000,000	-	-
Bond Premium	254,260	-	-	-
<b>Total Other Sources:</b>	<u>10,254,260</u>	<u>10,000,000</u>	<u>315,366</u>	<u>-</u>
<b>Total Revenues and Other Sources:</b>	<u>10,257,356</u>	<u>10,000,000</u>	<u>415,366</u>	<u>5,000</u>
<b>Total Available:</b>	<u>10,257,356</u>	<u>19,826,288</u>	<u>10,241,654</u>	<u>1,005,000</u>
<b>Expenditures</b>				
Other Services and Charges	202,575	167,000	-	-
Capital Outlay	196,927	9,833,000	9,241,654	1,005,000
<b>Total Expenditures:</b>	<u>399,502</u>	<u>10,000,000</u>	<u>9,241,654</u>	<u>1,005,000</u>
<b>Other Uses</b>				
Operating Transfers Out	<u>31,566</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures and Other Uses:</b>	<u>431,068</u>	<u>10,000,000</u>	<u>9,241,654</u>	<u>1,005,000</u>
<b>Fund Balance, December 31</b>	<u><u>\$ 9,826,288</u></u>	<u><u>\$ 9,826,288</u></u>	<u><u>\$ 1,000,000</u></u>	<u><u>\$ -</u></u>
Change in Fund Balance	\$ 9,826,288 n/a	\$ - 0%	\$ (8,826,288) -90%	\$ (1,000,000) n/a

**Fund:** 4303

**Cost Center:** 2018A G.O. Capital Improvement Plan Bonds

**Activity Type/Code:** Capital Projects

**Department Head:** Finance Director

---

**Expenditure Highlights**

It is anticipated that architectural fees and construction would cost about \$10,300,000. The land was purchased in previous years in anticipation of relocating the Maintenance Garage and Cost Storage Building in this area.

**General Activity Description**

This fund was created to account for the construction of the Maintenance Garage and Cold Storage Building on the west side of the city campus. The City issued 2018A G.O. Capital Improvement Plan Bonds in the amount of \$10,000,000 to finance the construction.

**Process Used**

During the master campus study / analysis, it was determined that a new maintenance garage was needed with all the additional equipment that has been added, in addition to, the size of the vehicles. Also needed is a structure to house all the seasonal equipment that doesn't currently fit into a building, which would increase the longevity of the equipment.

**City of Andover  
Capital Projects Funds  
2019A G.O. Taxable Abatement Bonds  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>
<b>Revenues</b>				
Investment Income	-	-	125,000	20,000
Miscellaneous	-	-	500,000	-
<b>Total Revenues:</b>	<b>-</b>	<b>-</b>	<b>625,000</b>	<b>20,000</b>
<b>Other Sources</b>				
Bond Proceeds	-	16,800,000	15,770,000	-
Bond Premium	-	-	1,458,695	-
<b>Total Other Sources:</b>	<b>-</b>	<b>16,800,000</b>	<b>17,228,695</b>	<b>-</b>
<b>Total Revenues and Other Sources:</b>	<b>-</b>	<b>16,800,000</b>	<b>17,853,695</b>	<b>20,000</b>
<b>Total Available:</b>	<b>-</b>	<b>16,800,000</b>	<b>17,853,695</b>	<b>8,020,000</b>
<b>Expenditures</b>				
Other Services and Charges	-	200,000	128,436	-
Capital Outlay	-	16,600,000	9,567,420	8,020,000
<b>Total Expenditures:</b>	<b>-</b>	<b>16,800,000</b>	<b>9,695,856</b>	<b>8,020,000</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	157,839	-
<b>Total Expenditures and Other Uses:</b>	<b>-</b>	<b>16,800,000</b>	<b>9,853,695</b>	<b>8,020,000</b>
<b>Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>	<b>\$ -</b>
Change in Fund Balance	\$ - n/a	\$ - n/a	\$ 8,000,000 n/a	\$ (8,000,000) n/a

**Fund:** 4403

**Cost Center:** 2019 G.O. Abatement Bonds

**Activity Type/Code:** Capital Projects

**Department Head:** Finance Director

**Expenditure Highlights**

It is anticipated that architectural fees and construction would cost about \$17,500,000 and would be an addition to the current facility to include a multi-purpose arena (ice switching to turf), additional senior / youth space and a additional field house court.

**General Activity Description**

This fund was created to account for the construction of the Community Center expansion project. The City issued 2019A G.O. Taxable Abatement Bonds in the amount of \$15,770,000 to finance the construction.

**Process Used**

As part of the master campus study / analysis, it was determined that an additional multi-purpose facility was needed as well as additional field house and senior/youth space.

**City of Andover  
Capital Projects Funds  
Tax Increment Projects  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 3,536,419</b>	<b>\$ 3,279,968</b>	<b>\$ 3,279,968</b>	<b>\$ 2,104,968</b>
<b>Revenues</b>				
Tax Increments	86,794	85,000	85,000	85,000
Investment Income	56,166	35,000	35,000	35,000
Miscellaneous	80,711	60,000	80,000	60,000
<b>Total Revenues:</b>	<b>223,671</b>	<b>180,000</b>	<b>200,000</b>	<b>180,000</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>223,671</b>	<b>180,000</b>	<b>200,000</b>	<b>180,000</b>
<b>Total Available:</b>	<b>3,760,090</b>	<b>3,459,968</b>	<b>3,479,968</b>	<b>2,284,968</b>
<b>Expenditures</b>				
Other Services and Charges	480,122	125,000	125,000	125,000
Capital Outlay	-	1,000,000	1,250,000	1,000,000
<b>Total Expenditures:</b>	<b>480,122</b>	<b>1,125,000</b>	<b>1,375,000</b>	<b>1,125,000</b>
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>480,122</b>	<b>1,125,000</b>	<b>1,375,000</b>	<b>1,125,000</b>
<b>Fund Balance, December 31</b>	<b>\$ 3,279,968</b>	<b>\$ 2,334,968</b>	<b>\$ 2,104,968</b>	<b>\$ 1,159,968</b>
Change in Fund Balance	\$ (256,451) -7%	\$ (945,000) -29%	\$ (1,175,000) -36%	\$ (945,000) -45%

**Expenditure Highlights**

2020 Budgeted expenditures include:

Redevelopment Site Purchases	\$ 1,000,000
Pay-As-You-Go Note	65,000
Rental Property Expenditures	51,500
TIF Administration	8,500
	<u>\$ 1,125,000</u>

2019 Budgeted expenditures include:

Redevelopment Site Purchases	\$ 1,000,000
Pay-As-You-Go Note	65,000
Rental Property Expenditures	51,500
TIF Administration	8,500
	<u>\$ 1,125,000</u>

TIF District 1-1 was decertified in 2012 and TIF District 1-2 was decertified in 2014.  
TIF District 1-3 and TIF District 1-4 was decertified in 2016.

**General Activity Description**

The Tax Increment Projects Fund accounts for activities in TIF districts 1-1, 1-2, 1-3, 1-4, 1-5 and 1-6 and all TIF land sales and expenditures to reach the goals of the TIF district plans.

**Process Used**

Promotion and expansion of the commercial / industrial tax base through redevelopment of land.

**City of Andover  
Capital Projects Funds  
Permanent Improvement Revolving  
Statement of Revenues, Expenditures and Changes in Fund Balance**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Fund Balance, January 1</b>	<b>\$ 923,915</b>	<b>\$ 1,002,715</b>	<b>\$ 1,002,715</b>	<b>\$ 1,075,715</b>
<b>Revenues</b>				
General Property Taxes	33,295	-	-	-
Special Assessments	28,849	2,400	68,000	2,400
Investment Income	16,656	5,000	5,000	5,000
<b>Total Revenues:</b>	<b>78,800</b>	<b>7,400</b>	<b>73,000</b>	<b>7,400</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>78,800</b>	<b>7,400</b>	<b>73,000</b>	<b>7,400</b>
<b>Total Available:</b>	<b>1,002,715</b>	<b>1,010,115</b>	<b>1,075,715</b>	<b>1,083,115</b>
<b>Expenditures</b>				
Other Services and Charges	-	-	-	-
<b>Other Uses</b>				
Operating Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, December 31</b>	<b>\$ 1,002,715</b>	<b>\$ 1,010,115</b>	<b>\$ 1,075,715</b>	<b>\$ 1,083,115</b>
Change in Fund Balance	\$ 78,800 9%	\$ 7,400 1%	\$ 73,000 7%	\$ 7,400 1%

**Fund:** 4601  
**Cost Center:** Permanent Improvement Revolving  
**Activity Type/Code:** Capital Projects

**Department Head:** Finance Director

---

**Expenditure Highlights**

No expenditures are planned for 2020.

**General Activity Description**

The Permanent Improvement Revolving (PIR) Fund serves as a long-term funding source for large improvement expenditures. These funds can be used to finance infrastructure improvements for new developments if requested instead of bonding for them.

**Process Used**

The City has issued four bonds totaling \$15.4 million thru 2008 in the PIR Fund for large capital projects. This fund has collected over \$19 million of special assessments over the past 17 years. The annual cash flow of this fund is intended to eliminate unfunded projects through effective management of debt payments and project expenditures.

Use of these funds for a qualifying project require a 4/5th's vote.

This page left blank intentionally.

# **CITY OF ANDOVER, MINNESOTA**

## **2020 ANNUAL BUDGET**

### **ENTERPRISE FUNDS**

#### **DEFINITION:**

Governments establish enterprise funds to account for activities that consist of rendering services or providing goods to the public for which a fee or charge is collected.

This page left blank intentionally.

**City of Andover**  
**Enterprise Funds**  
**2020 Budget Summary - All Enterprise Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 8,296,953</b>	<b>\$ 9,679,253</b>	<b>\$ 9,679,253</b>	<b>\$ 9,141,250</b>
<b>Revenues</b>				
Charges for Services	5,850,609	5,250,944	5,250,944	5,390,591
Interest	117,638	61,000	61,000	61,000
Meters	14,412	13,000	13,000	13,000
Miscellaneous	59,776	65,000	65,000	65,000
<b>Total Revenues:</b>	<b>6,042,435</b>	<b>5,389,944</b>	<b>5,389,944</b>	<b>5,529,591</b>
<b>Other Sources</b>				
Transfers In	114,850	58,110	58,110	59,740
<b>Total Revenues and Other Sources:</b>	<b>6,157,285</b>	<b>5,448,054</b>	<b>5,448,054</b>	<b>5,589,331</b>
<b>Total Available:</b>	<b>14,454,238</b>	<b>15,127,307</b>	<b>15,127,307</b>	<b>14,730,581</b>
<b>Expenditures</b>				
Personal Services	1,058,279	1,118,876	1,118,876	1,160,684
Supplies and Materials	249,699	339,300	339,300	324,300
Other Services and Charges	2,017,757	2,382,764	2,382,764	2,449,336
Capital Outlay	73,992	70,000	70,000	-
Debt Service	773,200	781,980	781,980	786,500
<b>Total Expenditures:</b>	<b>4,172,927</b>	<b>4,692,920</b>	<b>4,692,920</b>	<b>4,720,820</b>
<b>Other Uses</b>				
Transfers Out	602,058	977,443	1,293,137	959,488
<b>Total Expenditures and Other Uses:</b>	<b>4,774,985</b>	<b>5,670,363</b>	<b>5,986,057</b>	<b>5,680,308</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 9,679,253</b>	<b>\$ 9,456,944</b>	<b>\$ 9,141,250</b>	<b>\$ 9,050,273</b>
Change in Unrestricted Net Assets	\$ 1,382,300 17%	\$ (222,309) -2%	\$ (538,003) -6%	\$ (90,977) -1%

**City of Andover  
Enterprise Funds  
Water**

**Statement of Revenues, Expenditures and Changes in Fund Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 4,049,333</b>	<b>\$ 5,015,416</b>	<b>\$ 5,015,416</b>	<b>\$ 4,707,431</b>
<b>Revenues</b>				
Charges for Services	2,988,076	2,456,341	2,456,341	2,538,769
Interest	62,596	30,000	30,000	30,000
Meters	14,412	13,000	13,000	13,000
Penalties	-	-	-	-
Miscellaneous	59,431	65,000	65,000	65,000
<b>Total Revenues:</b>	<b>3,124,515</b>	<b>2,564,341</b>	<b>2,564,341</b>	<b>2,646,769</b>
<b>Other Sources</b>				
Transfers In	114,850	58,110	58,110	59,740
Gain on the Sale of Capital Assets	-	-	-	-
<b>Total Other Sources:</b>	<b>114,850</b>	<b>58,110</b>	<b>58,110</b>	<b>59,740</b>
<b>Total Revenues and Other Sources:</b>	<b>3,239,365</b>	<b>2,622,451</b>	<b>2,622,451</b>	<b>2,706,509</b>
<b>Total Available:</b>	<b>7,288,698</b>	<b>7,637,867</b>	<b>7,637,867</b>	<b>7,413,940</b>
<b>Expenditures</b>				
Personal Services	483,705	503,007	503,007	521,912
Supplies and Materials	210,045	268,300	268,300	259,300
Other Services and Charges	661,368	754,240	754,240	760,840
Capital Outlay	54,264	70,000	70,000	-
Debt Service	773,200	781,980	781,980	786,500
<b>Total Expenditures:</b>	<b>2,182,582</b>	<b>2,377,527</b>	<b>2,377,527</b>	<b>2,328,552</b>
<b>Other Uses</b>				
Transfers Out	90,700	395,226	552,909	416,625
<b>Total Expenditures and Other Uses:</b>	<b>2,273,282</b>	<b>2,772,753</b>	<b>2,930,436</b>	<b>2,745,177</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 5,015,416</b>	<b>\$ 4,865,114</b>	<b>\$ 4,707,431</b>	<b>\$ 4,668,763</b>
Change in Unrestricted Net Assets	\$ 966,083 24%	\$ (150,302) -3%	\$ (307,985) -6%	\$ (38,668) -1%

**Activity Description**

Operate and maintain the City's water system including WTP, wells, towers and water mains. Provide a continuous, potable, bacteria free water supply at proper pressure levels. Maintain customer water meters and respond to other service requests. Maintain water distribution for fire protection system needs. Conform to all State and Federal monitoring rules, provide tours and information to the public.

**Process Used**

Operate wells and WTP in a manner that ensures a safe, clean and adequate water supply, that will meet peak daily demands and fire protection demands. Maintain wells, treatment facility, and related infrastructure. Operate and maintain chemical feed equipment. Collect, analyze and record water samples daily. Maintain, test and repair water meters. Respond to emergencies 24 hours a day. Work with contractors to locate watermains, locate and operate gate valves, monitor tests during final inspections. Check WTP, 8 wells, 7 days a week, 365 days per year. Flush all watermains in the spring every other year. Maintain all hydrants. Locate, operate and clean gate valves to ensure proper operation.

**Service Expense Highlights**

Current 2019 includes a one-time transfer of \$157k for the construction of the new vehicle maintenance facility, wash bay and cold storage building. It also includes an annual operating transfer of \$300k for the creation of a replacement reserve balance for future trunk replacements in the Water Trunk Capital Projects Fund.

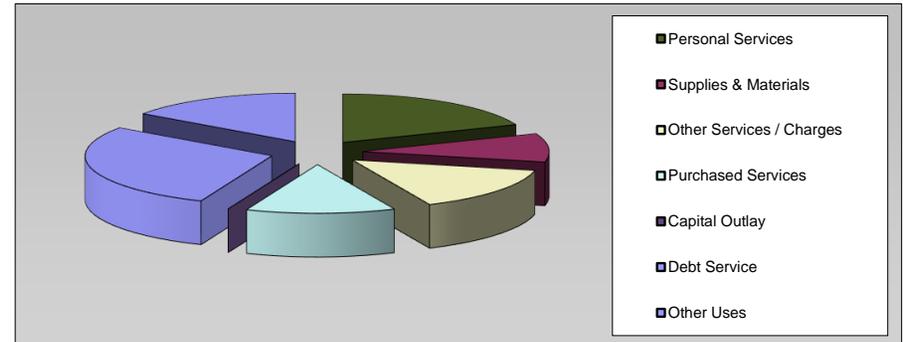
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Number of connections	6,725	6,815	6,900
Number of wells	8	8	8
Number of elevated storage tanks	2	2	2
Water Treatment Facility	1	1	1
Miles of water main	119.5	120.7	122
Number of hydrants	1,262	1,283	1,300
Number of valves	3,005	3,029	3,060

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	4.52	4.57	4.57

<b>Service Expenses</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 483,705	\$ 503,007	\$ 521,912
Supplies & Materials	210,044	268,300	259,300
Other Services / Charges	423,312	418,440	406,040
Purchased Services	238,056	335,800	354,800
Capital Outlay	-	70,000	-
Debt Service	729,884	781,980	786,500
Other Uses	90,700	552,909	416,625
<b>TOTAL</b>	<b>\$ 2,175,701</b>	<b>\$ 2,930,436</b>	<b>\$ 2,745,177</b>

**Service Expenses By Category**



<b>Expenses Per Connection</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Connections	6,725	6,815	6,900
Monthly	\$ 26.96	\$ 35.83	\$ 33.15
Annual	\$ 323.52	\$ 430.00	\$ 397.85

**City of Andover  
Enterprise Funds  
Sanitary Sewer**

**Statement of Revenues, Expenditures and Changes in Fund Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 3,759,319</b>	<b>\$ 4,034,016</b>	<b>\$ 4,034,016</b>	<b>\$ 3,850,721</b>
<b>Revenues</b>				
Charges for Services	2,325,456	2,264,910	2,264,910	2,295,571
Interest	48,637	30,000	30,000	30,000
Miscellaneous	-	-	-	-
<b>Total Revenues:</b>	<b>2,374,093</b>	<b>2,294,910</b>	<b>2,294,910</b>	<b>2,325,571</b>
<b>Other Sources</b>				
Gain on the Sale of Capital Assets	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>2,374,093</b>	<b>2,294,910</b>	<b>2,294,910</b>	<b>2,325,571</b>
<b>Total Available:</b>	<b>6,133,412</b>	<b>6,328,926</b>	<b>6,328,926</b>	<b>6,176,292</b>
<b>Expenditures</b>				
Personal Services	340,736	376,637	376,637	390,964
Supplies and Materials	18,045	37,800	37,800	34,800
Other Services and Charges	1,260,739	1,432,128	1,432,128	1,486,758
Capital Outlay	9,864	-	-	-
<b>Total Expenditures:</b>	<b>1,629,384</b>	<b>1,846,565</b>	<b>1,846,565</b>	<b>1,912,522</b>
<b>Other Uses</b>				
Transfers Out	470,012	473,957	631,640	499,773
<b>Total Expenditures and Other Uses:</b>	<b>2,099,396</b>	<b>2,320,522</b>	<b>2,478,205</b>	<b>2,412,295</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 4,034,016</b>	<b>\$ 4,008,404</b>	<b>\$ 3,850,721</b>	<b>\$ 3,763,997</b>
Change in Unrestricted Net Assets	\$ 274,697 7%	\$ (25,612) -1%	\$ (183,295) -5%	\$ (86,724) -2%

**Activity Description**

City sewage is collected through a pipe and lift station network to large Metro City Sewer interceptor pipes that carry it to the Metro Treatment Plant for processing. The sewer division inspects, cleans, and maintains the City's collection system which includes breaks in pipes, manholes, and lift stations. Sewer backups caused by blockage due to debris or breaks in pipe are cleaned and/or repaired immediately. This department maintains the integrity of the entire sanitary sewer system.

**Process Used**

Inspect all lift stations five days per week. Clean one-quarter of the City's sewer collection system via jetting and vacuuming each year. City has implemented a televising program of the collection system that analyzes the entire system over a five year period. A spot check program checks flows in problem areas. Start I/I program to monitor inflow and infiltration into sewer system. Clean known problem area once per month. Monitor inspection and testing of all new sewer lines and manholes before accepting from contractor. Respond to and record all requests from customers, respond to emergencies 24 hours a day. Contract out all major system repairs.

**Service Expense Highlights**

Current 2019 includes a one-time transfer of \$157k for the construction of the new vehicle maintenance facility, wash bay and cold storage building.

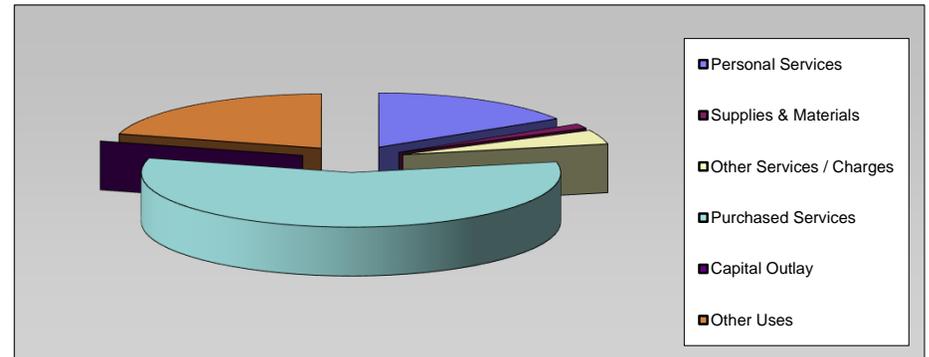
<b>Performance Measures</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Number of SAC's	9,321	9,411	9,496
Number of lift stations	9	10	10
Miles of sewer main	98.5	99.7	101
Number of sewer manholes	2,348	2,376	2,400

<b>Staffing Levels</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	3.08	3.33	3.33

<b>Service Expenses</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 340,736	\$ 376,637	\$ 390,964
Supplies & Materials	18,045	37,800	34,800
Other Services / Charges	92,090	97,090	100,858
Purchased Services	1,168,649	1,335,038	1,385,900
Capital Outlay	-	-	-
Other Uses	470,012	631,640	499,773
<b>TOTAL</b>	<b>\$ 2,089,532</b>	<b>\$ 2,478,205</b>	<b>\$ 2,412,295</b>

**Service Expenses By Category**



<b>Expenses Per Connection</b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
SAC's	9,321	9,411	9,496
Monthly	\$ 18.68	\$ 21.94	\$ 21.17
Annual	\$ 224.17	\$ 263.33	\$ 254.03

**City of Andover  
Enterprise Funds  
Storm Sewer**

**Statement of Revenues, Expenditures and Changes in Fund Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 488,301</b>	<b>\$ 629,821</b>	<b>\$ 629,821</b>	<b>\$ 583,098</b>
<b>Revenues</b>				
Charges for Services	537,077	529,693	529,693	556,251
Interest	6,405	1,000	1,000	1,000
Miscellaneous	345	-	-	-
<b>Total Revenues:</b>	<b>543,827</b>	<b>530,693</b>	<b>530,693</b>	<b>557,251</b>
<b>Other Sources</b>				
Gain on the Sale of Capital Assets	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>543,827</b>	<b>530,693</b>	<b>530,693</b>	<b>557,251</b>
<b>Total Available:</b>	<b>1,032,128</b>	<b>1,160,514</b>	<b>1,160,514</b>	<b>1,140,349</b>
<b>Expenditures</b>				
Personal Services	233,838	239,232	239,232	247,808
Supplies and Materials	21,609	33,200	33,200	30,200
Other Services and Charges	95,650	196,396	196,396	201,738
Capital Outlay	9,864	-	-	-
<b>Total Expenditures:</b>	<b>360,961</b>	<b>468,828</b>	<b>468,828</b>	<b>479,746</b>
<b>Other Uses</b>				
Transfers Out	41,346	108,260	108,588	43,090
<b>Total Expenditures and Other Uses:</b>	<b>402,307</b>	<b>577,088</b>	<b>577,416</b>	<b>522,836</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 629,821</b>	<b>\$ 583,426</b>	<b>\$ 583,098</b>	<b>\$ 617,513</b>
Change in Unrestricted Net Assets	\$ 141,520 29%	\$ (46,395) -7%	\$ (46,723) -7%	\$ 34,415 6%

**Activity Description**

Maintenance of all storm sewers, catch basins, manholes, pipes, ditches, and sediment ponds.

**Process Used**

The ditches and storm water ponds are cleaned with a backhoe for better drainage and to avoid the ponding of stagnant water. This dirt is hauled away or dumped in low places on ditch banks. When it is dumped on site, it becomes necessary to level and grade the banks to facilitate proper mowing. All catch basins and pipes are inspected and cleaned with a vac truck. The material is then hauled away for proper disposal. Occasional use of outside contractors to maintain parts of the system. Televising a portion of the system each year to help comply with new state and federal regulations. Streets are swept twice a year and as needed to protect water quality and reduce maintenance to infrastructure.

**Service Expense Highlights**

Current 2019 includes a one-time transfer (\$65,935) to close the Storm Water Capital Projects Fund since development of the area has changed the way storm water will flow.

<b><u>Performance Measures</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Number of billable units	10,971	11,061	11,146
Mileage of storm lines maintained	78	79.5	80.4
Maint. of catch basins & manholes	3,928	3,980	4,016
Maint. of sedimentation ponds	299	306	310
Maint. of culverts	386	386	386
Number of miles swept	387	389.8	393

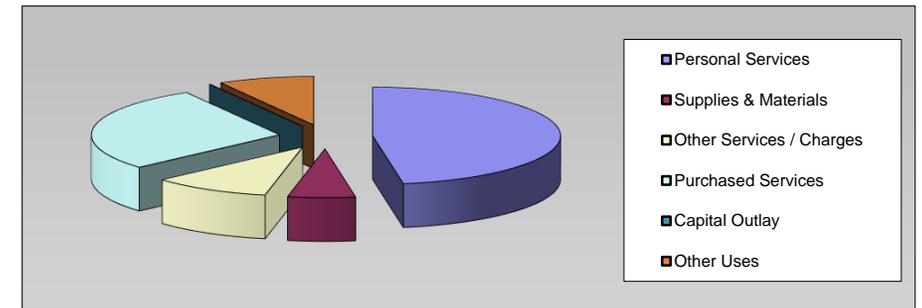
**Staffing Levels**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
FTE Equivalents	2.38	2.40	2.40

**Service Expenses**

	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Personal Services	\$ 233,838	\$ 239,232	\$ 247,808
Supplies & Materials	21,609	33,200	30,200
Other Services / Charges	45,845	50,396	53,238
Purchased Services	49,805	145,500	148,500
Capital Outlay	-	-	-
Other Uses	41,346	108,260	43,090
<b>TOTAL</b>	<b>\$ 392,443</b>	<b>\$ 576,588</b>	<b>\$ 522,836</b>

**Service Expenses By Category**



<b><u>Expenses Per Customer</u></b>	<b><u>Actual 2018</u></b>	<b><u>Current 2019</u></b>	<b><u>Budgeted 2020</u></b>
Billable Units	10,971	11,061	11,146
Monthly	\$ 2.98	\$ 4.34	\$ 3.91
Annual	\$ 35.77	\$ 52.13	\$ 46.91

This page left blank intentionally.

# **CITY OF ANDOVER, MINNESOTA**

## **2020 ANNUAL BUDGET**

### **INTERNAL SERVICE FUNDS**

#### **DEFINITION:**

Internal Service Funds are used to account for goods and services that are provided to other City departments, or to other governments, on a cost reimbursement basis.

This page left blank intentionally.

**City of Andover**  
**Internal Service Funds**  
**2020 Budget Summary - All Internal Service Funds**  
**Statement of Revenues, Expenditures and Changes in Unrestricted Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 1,081,905</b>	<b>\$ 1,106,415</b>	<b>\$ 1,106,415</b>	<b>\$ 998,945</b>
<b>Revenues</b>				
Charges for Services	1,167,698	1,169,633	1,169,633	1,218,151
Interest Income	16,461	4,000	4,000	4,000
Miscellaneous	21,523	-	-	-
<b>Total Revenues:</b>	<b>1,205,682</b>	<b>1,173,633</b>	<b>1,173,633</b>	<b>1,222,151</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>1,205,682</b>	<b>1,173,633</b>	<b>1,173,633</b>	<b>1,222,151</b>
<b>Total Available:</b>	<b>2,287,587</b>	<b>2,280,048</b>	<b>2,280,048</b>	<b>2,221,096</b>
<b>Expenditures and Other Uses</b>				
Personal Services	460,131	491,921	491,921	535,097
Supplies and Materials	347,824	416,510	416,510	409,100
Other Services and Charges	362,146	372,672	372,672	466,322
<b>Total Expenditures:</b>	<b>1,170,101</b>	<b>1,281,103</b>	<b>1,281,103</b>	<b>1,410,519</b>
<b>Other Uses</b>				
Transfers Out	11,071	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>1,181,172</b>	<b>1,281,103</b>	<b>1,281,103</b>	<b>1,410,519</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 1,106,415</b>	<b>\$ 998,945</b>	<b>\$ 998,945</b>	<b>\$ 810,577</b>
Change in Unrestricted Net Assets	\$ 24,510 2%	\$ (107,470) -10%	\$ (107,470) -10%	\$ (188,368) -19%

**City of Andover  
Internal Service Funds  
Central Equipment Maintenance  
Statement of Revenues, Expenditures and Changes in Fund Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 546,354</b>	<b>\$ 505,630</b>	<b>\$ 505,630</b>	<b>\$ 392,479</b>
<b>Revenues</b>				
Charges for Services	698,994	698,974	698,974	733,944
Interest Income	7,884	2,000	2,000	2,000
Miscellaneous	116	-	-	-
<b>Total Revenues:</b>	<b>706,994</b>	<b>700,974</b>	<b>700,974</b>	<b>735,944</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>706,994</b>	<b>700,974</b>	<b>700,974</b>	<b>735,944</b>
<b>Total Available:</b>	<b>1,253,348</b>	<b>1,206,604</b>	<b>1,206,604</b>	<b>1,128,423</b>
<b>Expenditures and Other Uses</b>				
Personal Services	293,888	302,093	302,093	324,657
Supplies and Materials	324,786	388,210	388,210	380,300
Other Services and Charges	117,973	123,822	123,822	217,472
<b>Total Expenditures:</b>	<b>736,647</b>	<b>814,125</b>	<b>814,125</b>	<b>922,429</b>
<b>Other Uses</b>				
Transfers Out	11,071	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>747,718</b>	<b>814,125</b>	<b>814,125</b>	<b>922,429</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 505,630</b>	<b>\$ 392,479</b>	<b>\$ 392,479</b>	<b>\$ 205,994</b>
Change in Unrestricted Net Assets	\$ (40,724) -7%	\$ (113,151) -22%	\$ (113,151) -22%	\$ (186,485) -48%

**Fund:** 6100 - Central Equipment  
**Cost Center:** 48800

**Department:** Vehicle Maintenance  
**Director/Manager:** Vehicle Maintenance Supervisor

**Activity Description**

Maintains and repairs all City motorized and non-motorized vehicles and equipment to provide safe operation. Evaluates equipment needs, orders equipment/vehicles and writes specifications. The department maintains nearly 500 pieces of equipment, in addition to normal preventative maintenance procedures of tires, brakes, electrical, fabricating and body work. All work; except automatic transmission overhauls, major engine and major body work are done at the Public Works garage. Staff inspects garbage trucks as part of their licensure process, and performs commercial vehicle inspections required on all applicable City vehicles.

**Process Used**

City equipment is scheduled for normal service by miles driven or hours/days of service. Most work is done based on a first-in-first-out with the exception of that emergency repairs are done in the order of importance. Emergency equipment are fire vehicles and snow plow equipment, streets, utilities, and parks. Non-emergency equipment are the Building and Engineering departments, Planning and Zoning department and all other city equipment.

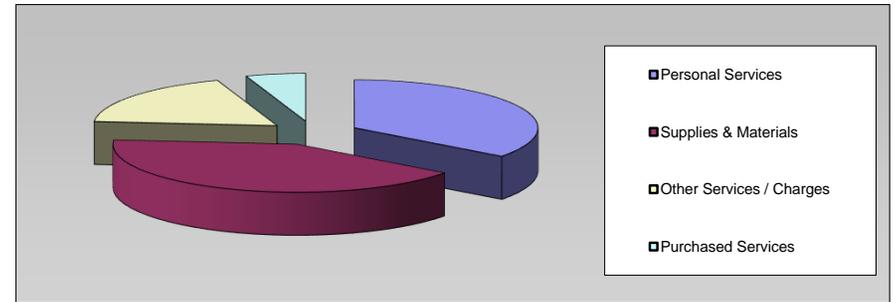
**Service Expenditure Highlights**

Personal Services changed primarily due to a COLA change. Other Services / Charges includes the utilities of the new vehicle maintenance facility and washbay.

	<u>Actual</u> <u>2018</u>	<u>Current</u> <u>2019</u>	<u>Budgeted</u> <u>2020</u>
<b><u>Performance Measures</u></b>			
Number of motorized equipment	312	317	320
Number of non-motorized equipment	503	504	505
Inspections	99	103	105
Fuel - Unleaded (gal)	9,114	14,130	10,000
Fuel - Diesel (gal)	29,474	42,315	33,000

	<u>Actual</u> <u>2018</u>	<u>Current</u> <u>2019</u>	<u>Budgeted</u> <u>2020</u>
<b><u>Staffing Levels</u></b>			
FTE Equivalents	3.25	3.25	3.34
<b><u>Service Expenditures</u></b>			
Personal Services	\$ 293,888	\$ 302,093	\$ 324,657
Supplies & Materials	324,786	388,210	380,300
Other Services / Charges	74,213	75,222	168,872
Purchased Services	43,759	48,600	48,600
<b>TOTAL</b>	<b><u>\$ 736,646</u></b>	<b><u>\$ 814,125</u></b>	<b><u>\$ 922,429</u></b>

**Service Expenditures By Category**



	<u>Actual</u> <u>2018</u>	<u>Current</u> <u>2019</u>	<u>Budgeted</u> <u>2020</u>
<b><u>Expenditures Per Capita</u></b>			
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.88	\$ 2.06	\$ 2.31
Annual	\$ 22.51	\$ 24.69	\$ 27.76

ADOPTED 2020 BUDGET  
 CITY OF ANDOVER, MINNESOTA

**City of Andover  
Internal Service Funds  
Risk Management**

**Statement of Revenues, Expenditures and Changes in Unrestricted Net Assets**

Description	Actual 2018	Adopted 2019	Estimate 2019	Adopted 2020
<b>Unrestricted Net Assets, January 1</b>	<b>\$ 535,551</b>	<b>\$ 600,785</b>	<b>\$ 600,785</b>	<b>\$ 606,466</b>
<b>Revenues</b>				
Charges for Services	468,704	470,659	470,659	484,207
Interest Income	8,577	2,000	2,000	2,000
Miscellaneous	21,407	-	-	-
<b>Total Revenues:</b>	<b>498,688</b>	<b>472,659</b>	<b>472,659</b>	<b>486,207</b>
<b>Other Sources</b>				
Transfers In	-	-	-	-
<b>Total Revenues and Other Sources:</b>	<b>498,688</b>	<b>472,659</b>	<b>472,659</b>	<b>486,207</b>
<b>Total Available:</b>	<b>1,034,239</b>	<b>1,073,444</b>	<b>1,073,444</b>	<b>1,092,673</b>
<b>Expenditures and Other Uses</b>				
Personal Services	166,243	189,828	189,828	210,440
Supplies and Materials	23,038	28,300	28,300	28,800
Other Services and Charges	244,173	248,850	248,850	248,850
<b>Total Expenditures:</b>	<b>433,454</b>	<b>466,978</b>	<b>466,978</b>	<b>488,090</b>
<b>Other Uses</b>				
Transfers Out	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>433,454</b>	<b>466,978</b>	<b>466,978</b>	<b>488,090</b>
<b>Unrestricted Net Assets, December 31</b>	<b>\$ 600,785</b>	<b>\$ 606,466</b>	<b>\$ 606,466</b>	<b>\$ 604,583</b>
Change in Unrestricted Net Assets	\$ 65,234 12%	\$ 5,681 1%	\$ 5,681 1%	\$ (1,883) 0%

**Activity Description**

The Risk Management Fund was established to provide funding for compensated absences, safety, training, loss reduction and insurance premium deductibles. Social security and Medicare tax savings resulting from participation in the "cafeteria plan" are recorded in this fund on an annual basis. This fund also functions to mitigate significant rate increases or decreases. Departmental rates are managed by analyzing claims history.

**Process Used**

The City Administrator / Finance Director along with the Human Resources Manager promote various safety and wellness programs with the funding received. One of the most notable products is the wellness fitness room. Safety training is provided both in-house and by contracting for service. The city works through a broker and is provided insurance for general liability, automotive and workers' compensation through the League of MN Cities Insurance Trust.

**Service Expenditure Highlights**

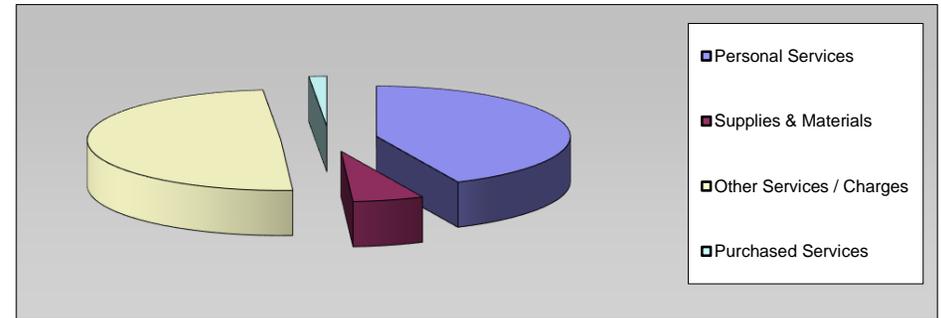
No major changes planned for Budgeted 2020. Worker Comp premium continues to increase.

<b><u>Staffing Levels</u></b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
FTE Equivalents	0.10	0.10	0.10

<b><u>Service Expenditures</u></b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Personal Services	\$ 166,243	\$ 189,828	\$ 210,440
Supplies & Materials	23,038	28,300	28,800
Other Services / Charges	232,848	241,600	241,600
Purchased Services	11,324	7,250	7,250
<b>TOTAL</b>	<b>\$ 433,453</b>	<b>\$ 466,978</b>	<b>\$ 488,090</b>

**Service Expenditures By Category**



<b><u>Expenditures Per Capita</u></b>	<b>Actual 2018</b>	<b>Current 2019</b>	<b>Budgeted 2020</b>
Population - Estimates	32,728	32,978	33,228
Monthly	\$ 1.10	\$ 1.18	\$ 1.22
Annual	\$ 13.24	\$ 14.16	\$ 14.69

This page left blank intentionally.

CITY OF ANDOVER  
Budget Year 2020  
Operating Transfers

Transfer In	Transfer Out	Amount	Purpose
General Fund	Water EF	\$ 93,975	Admin allocation
General Fund	Sewer EF	77,123	Admin allocation
General Fund	Storm Sewer EF	19,590	Admin allocation
2012C GO Abatement Bonds DSF	Community Center SRF	300,000	Debt service allocation
2018A GO Capital Improvement Plan Bonds DSF	Water EF	22,650	Debt service allocation
2018A GO Capital Improvement Plan Bonds DSF	Sewer EF	22,650	Debt service allocation
2019A GO Taxable Abatement Bonds DSF	Park Dedication CPF	175,146	Debt service allocation
Water Trunk CPF	Water EF	300,000	Replacement reserve
Sewer Trunk CPF	Sewer EF	400,000	Replacement reserve
Road and Bridge CPF	Right of Way Management/Utility SRF	5,700	Roadway degradation
Building Fund CPF	2014A GO Equipment Certificate DSF	89,344	Close debt service fund
Capital Equipment Reserve CPF	Storm Sewer EF	23,500	Debt service allocation
Water EF	Water Trunk CPF	59,740	Debt service allocation
		<u>\$ 1,589,418</u>	

**CITY OF ANDOVER**  
**2020 - 2024 CIP Development Calendar**

<u>Date</u>	<u>Activity</u>	<u>Responsibility</u>
March 26, 2019	2020 - 2024 CIP Council Workshop to determine CIP guidelines.	City Council / Staff
April 2, 2019	Council adopts 2020 Budget Development Guidelines.	City Council / Staff
April 5, 2019	Draft 2020 - 2024 CIP Calendar.	Finance
April 5 - May 1, 2019	Prepare base CIP Sheets.	Finance
April 18, 2019	Vehicle Purchasing Committee review of CIP equipment.	Vehicle Purchasing Committee
April 23, 2019	2020 - 2024 Capital Improvement Plan Discussion	City Council / Staff
May 2, 2019	CIP kick-off meeting with Department Heads to discuss CIP sheet content.	Department Heads
May 3, 2019	Projected cash flow statements prepared.	Finance
May 28, 2019	City Council progress update and Council CIP priority discussion.	City Council / Staff
June 3, 2019	All projects updated in CIP program.	Department Heads
June 7, 2019	Review projects – new and shifts.	Department Heads
June 25, 2019	City Council progress update and Council CIP priority discussion.	City Council / Staff
July - August, 2019	Commission and Committee review.	Admin / Department Heads
July 1, 2019	CIP project sheets completed.	Department Heads
July 5, 2019	CIP project sheets staff initial review.	Admin / Department Heads
July 5, 2019	Vehicle Purchasing Committee review of CIP equipment.	Vehicle Purchasing Committee
July 13, 2019	City Council review of City Utilities projects.	City Council / Staff
August 1, 2019	CIP project sheet staff final review.	Admin / Department Heads
August 5 - 16, 2019	Preparation of final draft of 2020 - 2024 CIP for Council Workshop.	Finance
August 27, 2019	City Council review of draft 2020 - 2024 CIP.	City Council / Staff
September 24, 2019	Council Workshop – progress report; public comment update.	City Council / Staff
October 15, 2019	City Council holds 2020 - 2024 CIP public hearing.	City Council
October 15, 2019	City Council adopts 2020 - 2024 CIP.	City Council

City of Andover, MN

*Capital Plan*

2020 thru 2024

**PROJECTS & FUNDING SOURCES BY DEPARTMENT**

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
<b>Central Equipment</b>								
Replacement - Service Truck #371	21-48800-01	2		45,000				45,000
<i>Capital Equipment Reserve</i>				45,000				45,000
Replace unit #371, a 2001 S10 Ext Cab 4x4 truck with 133,877 miles. The replacement truck would be a crew cab with a tailgate lift.								
<b>Central Equipment Total</b>				<b>45,000</b>				<b>45,000</b>
<b>Community Center</b>								
Replacement- Sinks/Fixtures	20-44000-01	1	15,000					15,000
<i>Comm Ctr Operations</i>			15,000					15,000
Replace all sinks and fixture throughout the facility.								
Refacing Rink Boards	20-44300-01	1	30,000					30,000
<i>Comm Ctr Operations</i>			30,000					30,000
Replace the white poly and yellow kick plates on the rink boards along with new netting above the glass on the ends.								
Refrigeration Equipment Conversion	20-44300-02	1	323,478					323,478
<i>Comm Ctr Operations</i>			50,000					50,000
<i>Facility Maintenance Reserve</i>			273,478					273,478
Convert the existing r-22 freon system to a new ammonia based refrigeration system that is being installed for the new sports complex.								
Fieldhouse Floor Repair	20-44400-01	1	184,634					184,634
<i>Capital Equipment Reserve</i>			134,634					134,634
<i>Comm Ctr Operations</i>			50,000					50,000
Repair cracks/failed concrete in two corners of the fieldhouse floor and resurface the entire floor with new paint.								
Replacement - Floor Scrubber	21-44000-01	1		15,000				15,000
<i>Comm Ctr Operations</i>				15,000				15,000
Replace the floor scrubber that is used daily in the community center.								
Remodel Old Proshop Area	21-44000-02	1		20,000				20,000
<i>Comm Ctr Operations</i>				20,000				20,000
We will be moving the pro shop to a new space with the expansion of the facility. The old space will be re-purposed.								
Replacement - Kaivac Cleaning System	21-44000-03	1		6,000				6,000
<i>Comm Ctr Operations</i>				6,000				6,000

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Kaivac Cleaning system is used to clean bleachers and player box areas. It is a power washer and wet vac system.								
Exterior Caulking	21-44000-04	1		50,000				50,000
<i>Comm Ctr Operations</i>				50,000				50,000
Cut out and replace exterior caulking between precast panel joints								
Replacement - Lobby Furniture	21-44000-05	1		25,000				25,000
<i>Comm Ctr Operations</i>				25,000				25,000
Replace the lobby furniture including tables, chairs and garbage cans.								
Repaint Field House Ceiling	21-44200-01	1		50,000				50,000
<i>Comm Ctr Operations</i>				50,000				50,000
Peel/scrape paint from fieldhouse ductwork.								
Refinish wooden benches	21-44300-01	1		6,000				6,000
<i>Comm Ctr Operations</i>				6,000				6,000
Refinish the wood benches that are in all of the rink locker rooms and the public skate area.								
Concrete Floor Sealant	22-44000-01	1			36,000			36,000
<i>Comm Ctr Operations</i>					36,000			36,000
Strip and reseal existing colored concrete floor throughout the facility.								
Replacement - Electric Edger	22-44300-02	1			10,000			10,000
<i>Comm Ctr Operations</i>					10,000			10,000
Replace the electric edger used for ice maintenance.								
Carpet - Office/Fieldhouse Foyer	23-44000-01	1				15,000		15,000
<i>Comm Ctr Operations</i>						15,000		15,000
Replacement of carpet in office area and fieldhouse foyer.								
Replacement - Roof	23-44000-02	1				1,300,000		1,300,000
<i>Comm Ctr Operations</i>						1,300,000		1,300,000
Full roof replacement (rubber membrane).								
Replacement - Zamboni Battery Pack	23-44300-01	1				15,000		15,000
<i>Comm Ctr Operations</i>						15,000		15,000
Replace the battery pack for the electric Zamboni.								
<b>Community Center Total</b>			<b>553,112</b>	<b>172,000</b>	<b>46,000</b>	<b>1,330,000</b>		<b>2,101,112</b>

### Emergency Management

Emergency Operations Center Improvement	20-42400-01	1	10,000	10,000				20,000
<i>Capital Equipment Reserve</i>			10,000	10,000				20,000
Construct a functional Emergency Operational Center (EOC) by improving workable space at fire station #1 located at 13578 Crosstown Blvd. The improvements include light station modifications, technology improvements, lockable cabinets/storage, hand-held and stationary radios.								
The funds will be used to resurface the flooring on the upper level of the fire station, cut a new door into a wall, add new technology such as screens, phones, WiFi, Map Boards, and change locks so the EOC can be secured.								
New - Emergency Siren Additions	20-42400-02	1	55,000					55,000
<i>Capital Equipment Reserve</i>			55,000					55,000

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Add an additional emergency warning siren in the north central rural part of Andover.								
Replacement - Emergency Sirens	21-42400-01	1		40,000	40,000	40,000	40,000	160,000
<i>Capital Equipment Reserve</i>				<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>160,000</i>
Replace 7 older emergency sirens, two per year.								
<b>Emergency Management Total</b>			<b>65,000</b>	<b>50,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>235,000</b>

### Engineering

New Development Projects	20-41600-01	1	175,000	180,000	185,000	190,000	200,000	930,000
<i>Sewer Trunk Fund</i>			<i>125,000</i>	<i>125,000</i>	<i>125,000</i>	<i>130,000</i>	<i>135,000</i>	<i>640,000</i>
<i>Water Trunk Fund</i>			<i>50,000</i>	<i>55,000</i>	<i>60,000</i>	<i>60,000</i>	<i>65,000</i>	<i>290,000</i>
New developments include the construction of sanitary sewer, water main, storm sewers and streets. Since the majority of the improvement projects are being privately installed by the developer, the following expenditures are the city's share for trunk water and sewer improvements.								
Pedestrian Trail Maintenance	20-41600-02	1	63,000	66,000	69,000	72,000	75,000	345,000
<i>Road &amp; Bridge Funds</i>			<i>63,000</i>	<i>66,000</i>	<i>69,000</i>	<i>72,000</i>	<i>75,000</i>	<i>345,000</i>
This project provides maintenance such as crack filling and fog sealing for the City's pedestrian trail system.								
Pedestrian/Park Trail Reconstruction	20-41600-03	1	70,000	320,000	370,000	220,000	230,000	1,210,000
<i>Capital Equipment Reserve</i>			<i>70,000</i>					<i>70,000</i>
<i>General Fund</i>				<i>320,000</i>		<i>50,000</i>	<i>60,000</i>	<i>430,000</i>
<i>Road &amp; Bridge Funds</i>					<i>370,000</i>	<i>170,000</i>	<i>170,000</i>	<i>710,000</i>
As the City's trail system ages and deteriorates, reconstruction of segments becomes necessary to maintain the high quality trail system that is so sought after in Andover.								
2020: Hills of Bunker Lake West Park (\$140,000: \$70,000 carryforward from 2019)								
2021: Kelsey Round Lake Park (\$320,000)								
2022: Tom Anderson Trail (Hanson Blvd to Bunker Lake Blvd) (\$370,000)								
2023-2025 Projects based on annual condition inspections.								
Pedestrian Curb Ramp Replacements	20-41600-04	1	19,000	20,000	22,000	24,000	26,000	111,000
<i>Road &amp; Bridge Funds</i>			<i>19,000</i>	<i>20,000</i>	<i>22,000</i>	<i>24,000</i>	<i>26,000</i>	<i>111,000</i>
This project will result in the City trails and sidewalks being in compliance with the Americans with Disabilities Act by replacing existing pedestrian curb ramps to meet standards.								
Replacement - 3/4 Ton Truck #12	20-41600-05	2	30,000					30,000
<i>Equipment Bond</i>			<i>30,000</i>					<i>30,000</i>
To replace unit #12, a 1997 Dodge pick up truck with 84,929 miles.								
New Pedestrian Trail and Sidewalk Segments	20-41600-06	1	405,000		722,000	259,000	675,000	2,061,000
<i>Grant</i>			<i>193,550</i>					<i>193,550</i>
<i>Park Dedication Funds</i>			<i>99,000</i>					<i>99,000</i>
<i>Trail Funds</i>			<i>112,450</i>		<i>722,000</i>	<i>259,000</i>	<i>675,000</i>	<i>1,768,450</i>

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
The City of Andover has an extensive trail and sidewalk system for pedestrians and bikers. Future planned trail and sidewalk connections provide key links within the existing system. The following segments are proposed to be constructed as funds become available:								
2020 10' Bit. Andover Station North Trail Connection(\$230,000 total - Partial DNR Grant-\$117,550)								
8' Bit. Trail Kelsey Round Lake Park (\$175,000 total - DNR Grant max \$76,000)								
2022: 8' Bit. Trail along Crosstown Blvd - Xeon Street to Rail Road Tracks (\$168,000)								
8' Bit. Trail along Crosstown Blvd - Rail Road Tracks to 157th Ave (\$304,000)								
8' Bit. Trail along Crosstown Blvd - 157th Ave to 159th Ave (\$250,000)								
2023: 8' Bit. Trail along Station Parkway - Thrush St to Partridge Cir. (\$74,000)								
8' Bit. Trail along Station Parkway - Patridge Cir. To Hanson Blvd (\$185,000)								
2024: 8' Bit. Trail and Boardwalk along Verdin Street - 161st Ave to 163rd Lane (\$675,000)								
Railroad Underpass Trail	20-41600-07	1	12,000		330,000			342,000
<i>Trail Funds</i>			<i>12,000</i>		<i>330,000</i>			<i>342,000</i>
Construct a Railroad Underpass Trail to connect internal development trails from the Winslow Cove 2nd Addition development to the east side of the railroad tracks. Land was acquired in 2019. Fifty percent design in 2020 (\$12,000). Construction in 2022 (\$330,000).								
Replacement - Pick Up Truck #6	22-41600-01	2			40,000			40,000
<i>Equipment Bond</i>					<i>40,000</i>			<i>40,000</i>
Replace unit #6, a 1996 Dodge pick up truck with 97,561 miles.								
<b>Engineering Total</b>			<b>774,000</b>	<b>586,000</b>	<b>1,738,000</b>	<b>765,000</b>	<b>1,206,000</b>	<b>5,069,000</b>

### Facility Management

Annual Parking Lot Maintenance/Replacement	20-41900-01	1	250,000	39,000	230,000	150,000	44,000	713,000
<i>Facility Maintenance Reserve</i>			<i>250,000</i>	<i>39,000</i>	<i>230,000</i>	<i>150,000</i>	<i>44,000</i>	<i>713,000</i>
Yearly maintenance of the City parking lots is necessary to prolong the life of the pavements. Parking lots that need maintaining include those at the City Hall complex, Public Works, Community Center, at City parks, and at the Fire Stations. Yearly maintenance may include crack sealing, seal coating, and mill and overlays. Maintenance will generally be completed with the street zones, or on an as needed basis.								
Parking lots also need to be reconstructed when they have exceeded the design life. Lots that are at that point are as follows:								
2020 Public Works drive between the Water Treatment Plant and drive aisle around old fuel island and east side of main garage. This project will also include the removal of the old fuel island and tanks.								
2022 City Hall parking lot reconstruction and expansion along with the drive lane to the City Hall garage.								
2023 Fire Station 2 parking lot.								
Surface Seal all Brick Structures	20-41900-02	1	85,000					85,000
<i>Comm Ctr Operations</i>			<i>12,000</i>					<i>12,000</i>
<i>Facility Maintenance Reserve</i>			<i>48,000</i>					<i>48,000</i>
<i>Water Fund</i>			<i>25,000</i>					<i>25,000</i>
A surface sealing application would be initiated for all brick and/or block municipal buildings. The buildings include: City Hall, Public Works, Fire Station 1, 2, & 3, Sunshine Park Building, Prairie Knoll Park Building, Andover Station North Park Building, Community Center and all utility department buildings such as the pump houses and treatment facility.								
Replacement - Furnace/Condenser PW	20-41900-03	2	6,000					6,000
<i>General Fund</i>			<i>6,000</i>					<i>6,000</i>

<b>Department</b>	<b>Project #</b>	<b>Priority</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Replace the Bryant furnace/condensing unit at Public Works.								
Replacement - Furnace/Condenser Coil PW	20-41900-04	2	6,000					6,000
<i>General Fund</i>			6,000					6,000
Replace the Rheem furnace and condensing coil at Public Works.								
Fencing Around Public Yard	20-41900-06	1	110,000					110,000
<i>Facility Maintenance Reserve</i>			110,000					110,000
Construct a 6 foot fence around the north side of Public Works to provide screening and security.								
Replacement - Tube Heaters PW	21-41900-01	1		80,000				80,000
<i>Facility Maintenance Reserve</i>				80,000				80,000
Replace the tube heaters in garage A, B and C at Public Works.								
Replacement - Air Handling Unit/Condenser FS #1	21-41900-02	1		6,000				6,000
<i>General Fund</i>				6,000				6,000
Replace the air handling unit/condenser at Fire Station #1.								
Replacement - Tube Heaters FS #1	21-41900-03	1		25,000				25,000
<i>Facility Maintenance Reserve</i>				25,000				25,000
Replace the tube heaters in the truck bay at Fire Station #1.								
New - Diesel Exhaust Capturing System FS #1	21-41900-04	1		45,000				45,000
<i>Facility Maintenance Reserve</i>				45,000				45,000
Install a vehicle exhaust capturing system at Fire Station #1.								
Replacement - Roof Top Package Unit PW	22-41900-01	2			45,000			45,000
<i>Facility Maintenance Reserve</i>					45,000			45,000
Replace the Trane roof top package unit that supplies the office area at Public Works.								
Replacement - Emergency Generator FS #1	23-41900-01	1				50,000		50,000
<i>Facility Maintenance Reserve</i>						50,000		50,000
Replace the emergency generator at Fire Station #1.								
Replacement - Emergency Generator FS #2	23-41900-02	1				35,000		35,000
<i>Facility Maintenance Reserve</i>						35,000		35,000
Replace the emergency generator and transfer switch at Fire Station #2.								
Replacement - Emergency Generator FS #3	23-41900-03	1				50,000		50,000
<i>Facility Maintenance Reserve</i>						50,000		50,000
Replace the emergency generator at fire station #3.								
Replacement - Make Up Air Unit /Exhaust Fan PW	23-41900-04	1				125,000		125,000
<i>Facility Maintenance Reserve</i>						125,000		125,000
Replace the make up air unit/exhaust fan in Mechanics shop at Public Works.								
Building A - Seal Floor	23-41900-05	1				30,000		30,000
<i>Capital Equipment Reserve</i>						30,000		30,000
Apply a sealant to the cement floor in Building A (large garage).								
Replacement - Carpet / Tile	24-41900-01	1					30,000	30,000
<i>Facility Maintenance Reserve</i>							30,000	30,000

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
------------	-----------	----------	------	------	------	------	------	-------

The replacement of carpet and tile in appropriate areas of all City buildings where deemed necessary. An annual review of all areas will be done to determine the order of replacement.

**Facility Management Total**

457,000	195,000	275,000	440,000	74,000	1,441,000
---------	---------	---------	---------	--------	-----------

**Finance**

Financial / Payroll System Upgrade / Replacement	21-41400-01	1		225,000				225,000
<i>Capital Equipment Reserve</i>				225,000				225,000

Upgrade or replace the current financial/payroll software program.

**Finance Total**

225,000	225,000
---------	---------

**Fire**

Replacement - Turnout Gear	20-42200-01	1	23,000	24,000	25,000	25,000	26,000	123,000
<i>General Fund</i>			23,000	24,000	25,000	25,000	26,000	123,000

Replace worn turnout gear. The turnout gear consists of a coat and bunker pants with suspenders. Other personal protective gear includes helmets, boots, nomex hood, goggles and appropriate protective gloves.

Replacement - Engine 21 #4884	20-42200-02	1	510,000					510,000
<i>Equipment Bond</i>			510,000					510,000

Replace unit #4884, a 1997 Pierce Quantum Engine with 1658 hours and 29,242 miles.

Replacement - (2) SCBA Compressors St 2 & 3	20-42200-03	1	65,000	65,000				130,000
<i>Equipment Bond</i>			65,000	65,000				130,000

Replace self contained breathing apparatus compressors at station 2 and 3. These compressors are used to fill breathing air into the bottles we wear on our backs to enter dangerous conditions.

Replacement - 800 MHz radios	20-42200-04	2	46,000	46,000	46,000	46,000	46,000	230,000
<i>Capital Equipment Reserve</i>			46,000	46,000	46,000	46,000	46,000	230,000

The current 800 MHz. handheld and mobile radios used by the fire department and Public Works are no longer manufactured. In addition, the service support for maintenance and repair for the same radios will not be available after 2019. The fire department currently has 37 hand held radios and has a need to increase to 40. The fire department also has 16 mobile radios mounted in vehicles or used as a base station at all three stations. The Public Works Department has 6 hand held radios that can be used to contact agencies on the 800 MHz. frequency.

Replacement - Grass Utility Vehicle (UTV) #4813	21-42200-01	1		45,000				45,000
<i>Equipment Bond</i>				45,000				45,000

Replace unit #4813, a Polaris 6 x 6 with 128 miles that is used for wildland fires.

Replacement - Thermal Imaging Cameras	21-42200-02	1		45,000				45,000
<i>Equipment Bond</i>				45,000				45,000

Thermal Imaging cameras are high end hand held heat seeking devices used to spot fires in enclosed areas through heavy smoke. It uses heat seeking technology to determine temperatures within a room. They are also used to find victims in heavy smoke conditions when firefighters cannot see. This is a critical tool for firefighters on the attack line.

Replacement - Engine 31 #4800	22-42200-01	1			475,000			475,000
<i>Equipment Bond</i>					475,000			475,000

Replace unit #4800 - a 2000 Pierce Quantum Engine with 21,211 miles.

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Replacement - Rescue 31 #4818	22-42200-02	1			100,000			100,000
<i>Equipment Bond</i>					<i>100,000</i>			<i>100,000</i>
Replace unit #4818 - a 2006 Chevrolet 3500 four door truck with 16,950 miles.								
<b>Fire Total</b>			<b>644,000</b>	<b>225,000</b>	<b>646,000</b>	<b>71,000</b>	<b>72,000</b>	<b>1,658,000</b>

### Information Technology

Windows Server 2019 DataCenter Licenses	20-41420-01	2	12,000					12,000
<i>Capital Equipment Reserve</i>			<i>12,000</i>					<i>12,000</i>
Windows server operating system upgrades. Current server operating systems vary from 2008 Server & 2012 Server.								
Aruba Switch Upgrade	20-41420-02	1	10,000					10,000
<i>Capital Equipment Reserve</i>			<i>10,000</i>					<i>10,000</i>
Upgrade current switch infrastructure to new 48 port switches in city hall to eliminate bottlenecks and number of physical devices from 4 to 2.								
<b>Information Technology Total</b>			<b>22,000</b>					<b>22,000</b>

### Park & Rec - Operations

Replace/Repair Play Structures - Various Parks	20-45000-01	1	100,000	100,000	100,000	100,000	100,000	500,000
<i>General Fund</i>			<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>500,000</i>
The parks listed are in need of replacing the existing playground equipment and repairing the fall zones to achieve ADA accessibility. The proposed playground equipment improvements/rebuilds are as follows:								
2020 - Strootman Park and Hidden Creek North Park								
2021 - Sunshine Park and Hawkridge Park								
2022 - Prairie Knoll Park and Rose Park								
2023 - Wild Iris Park and Hills of Bunker Lake West Park								
2024 - Hidden Creek East Park, Oakview Park & Shady Knoll Park								
Replace/Repair Major Park Projects - Various Parks	20-45000-02	1	20,000	35,000	35,000	35,000	35,000	160,000
<i>General Fund</i>			<i>20,000</i>	<i>35,000</i>	<i>35,000</i>	<i>35,000</i>	<i>35,000</i>	<i>160,000</i>
Future Projects: Fence rebuilds at various parks, shelter replacements and parking lot reconstruction.								
Replacement - Water Tanker #161	20-45000-03	1	175,000					175,000
<i>Equipment Bond</i>			<i>175,000</i>					<i>175,000</i>
Replace unit #161, a 2002 water tanker truck with 63,630 miles. It is used to water new turf, shrubs and trees in the parks during the summer; flushing the medians in the spring; and flooding rinks in the winter.								
New - Large Capacity Mower	20-45000-04	1	110,000					110,000
<i>Equipment Bond</i>			<i>110,000</i>					<i>110,000</i>
Purchase Toro Groundmaster 5910 or equivalent (New Purchase).								
Replacement - Cushman Field Dresser #547	21-45000-01	1		27,000				27,000
<i>Equipment Bond</i>				<i>27,000</i>				<i>27,000</i>
Replace unit #547, 1994 Cushman field dresser with 3,630 hours.								

<b>Department</b>	<b>Project #</b>	<b>Priority</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Replacement - Trailer #T-555 <i>Equipment Bond</i>	21-45000-02	1		18,000				18,000
				<b>18,000</b>				<b>18,000</b>
Replace unit #T-555, a 1993 trailer that has under gone a number of refurbishments. It would be replaced with a new galvanized trailer.								
New - Turbine Tow-Behind Blower <i>Capital Equipment Reserve</i>	21-45000-03	1		8,000				8,000
				<b>8,000</b>				<b>8,000</b>
The turbine tow-behind debris blower can be used to blow off leaves, disperse grass clippings from athletic fields, and sand/other debris off of trails. This can be pulled behind a Workman which is lightweight and able to drive on athletic fields; while the other blower attachment in our current inventory is used primarily with blowing off trails (due to the weight of the trail machines).								
Replacement - Large Capacity Mower #585 <i>Equipment Bond</i>	22-45000-01	1			120,000			120,000
					<b>120,000</b>			<b>120,000</b>
Replace unit #585, a 2001 Toro Groundmaster 580-D with 2,449 hours.								
Replacement - Tractor #515 <i>Equipment Bond</i>	22-45000-02	1			50,000			50,000
					<b>50,000</b>			<b>50,000</b>
Replace unit #515, a 2002 John Deere tractor with 4,890 hours..								
<b>Park &amp; Rec - Operations Total</b>			<b>405,000</b>	<b>188,000</b>	<b>305,000</b>	<b>135,000</b>	<b>135,000</b>	<b>1,168,000</b>

### **Park & Rec - Projects**

Annual Miscellaneous Park Projects <i>Park Dedication Funds</i>	20-45001-01	1	15,000	15,000	15,000	15,000	15,000	75,000
			<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>75,000</b>
This is for unforeseen or requested miscellaneous projects that may arise during the year, requested by the public, staff, City Council or the Park and Recreation Commission each year.								
Andover Station North East Ball Field Lighting <i>Donations</i>	20-45001-02	1	180,000					180,000
			<b>90,000</b>					<b>90,000</b>
			<b>90,000</b>					<b>90,000</b>
Lighting the ball field will allow the baseball association to play additional games during evening hours during summer months. The baseball and football association would also use the lights during the fall since the daylight hours are much shorter.								
Prairie Knoll North Parking Lot Impr <i>Park Dedication Funds</i>	20-45001-03	1		170,000				170,000
				<b>170,000</b>				<b>170,000</b>
Pave and curb the existing north parking lot.								
Dalske Preserve Boardwalk <i>Capital Equipment Reserve</i>	23-45001-01	1				110,000		110,000
						<b>110,000</b>		<b>110,000</b>
A boardwalk is required on the Dalske Preserve property to provide access across Ditch 21 to the south side of the open space property.								
<b>Park &amp; Rec - Projects Total</b>			<b>195,000</b>	<b>185,000</b>	<b>15,000</b>	<b>125,000</b>	<b>15,000</b>	<b>535,000</b>

### **Sanitary Sewer**

Lift Station Improvements <i>Assessments</i>	20-48200-01	1	90,000					90,000
			<b>90,000</b>					<b>90,000</b>
2020: Upgrade to Aztec Estates Lift Station (\$90,000) (Assessed).								

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Rural Reserve Trunk Sanitary Sewer	25-48200-01	1					3,500,000	3,500,000
<i>Assessments</i>							1,250,000	1,250,000
<i>Sewer Revenue Bonds</i>							2,250,000	2,250,000
Extension of trunk sanitary sewer from Bunker Lake Boulevard approximately parallel to Coon Creek to serve the Rural Reserve area. The sanitary sewer will be constructed through existing neighborhoods and along South Coon Creek Drive then north into the Rural Reserve Area. It is anticipated that the extension through the Rural Reserve may be constructed the following year, or as the market demands.								
<b>Sanitary Sewer Total</b>			<b>90,000</b>				<b>3,500,000</b>	<b>3,590,000</b>

### Storm Sewer

Storm Sewer Improvements	20-48300-01	1	62,000	65,000	68,000	70,000	70,000	335,000
<i>Storm Sewer Fund</i>			62,000	65,000	68,000	70,000	70,000	335,000
Each year, areas of the City are identified where improvements are required to maintain our storm sewer system. Maintenance items include replacement of failing culverts, catch basins, and storm sewer pipes; erosion issues at storm sewer outfalls, and dredging of ponds and ditches.								
Replacement - Elgin Street Sweeper #169	22-48300-01	1			250,000			250,000
<i>Equipment Bond</i>					250,000			250,000
Replace unit #169, a 2000 Elgin sweeper with approximately 5,005 hours.								
<b>Storm Sewer Total</b>			<b>62,000</b>	<b>65,000</b>	<b>318,000</b>	<b>70,000</b>	<b>70,000</b>	<b>585,000</b>

### Streets / Highways

Annual Street Seal Coat Project	20-43100-01	1	200,000	210,000	220,000	230,000	240,000	1,100,000
<i>Road &amp; Bridge Funds</i>			200,000	210,000	220,000	230,000	240,000	1,100,000
This project provides for a seal coat of older streets. Each year the public works and engineering department will determine what areas of the City will be seal coated the following year. Factors for consideration will be age and condition of the pavement, time since the last seal coat, and plans for future reconstruction of the roadways. As of 2015, new streets are not being seal coated due to surface stripping.								
Annual Street Crack Seal Project	20-43100-02	1	170,000	180,000	190,000	200,000	210,000	950,000
<i>Construction Seal Coat Fund</i>			10,000	10,000	10,000	10,000	10,000	50,000
<i>Road &amp; Bridge Funds</i>			160,000	170,000	180,000	190,000	200,000	900,000
This project provides for crack sealing of the streets. In general, each year one of the nine full zones in the City is crack sealed. Areas nearing reconstruction, those seal coated recently to hold together, or with severe cracking are excluded from this project as determined by the Engineering and Public Works Departments.								
Annual Pavement Markings	20-43100-03	1	60,000	62,000	65,000	68,000	72,000	327,000
<i>Road &amp; Bridge Funds</i>			60,000	62,000	65,000	68,000	72,000	327,000
The pavement striping for City streets is conducted one time per year. This includes centerline striping and shoulder striping. Striping enhances the safety of the roadway by directing traffic to the correct lane movement.								
The Federal Highway Administration is currently reviewing reflective standards for pavement markings. In the near future, the City may have to stripe twice per year to meet new standards. If this is approved, it will double the cost of pavement markings per year.								
Annual Curb Replacement	20-43100-04	1	56,000	58,000	60,000	62,000	65,000	301,000
<i>Road &amp; Bridge Funds</i>			56,000	58,000	60,000	62,000	65,000	301,000
Damaged and failing concrete curb and gutter throughout the City needs to be repaired or replaced to help maintain the integrity of the roadway system. Replacing damaged or failing sections of curb and gutter helps with drainage of the roadway and prolongs the life of the street system.								

<b>Department</b>	<b>Project #</b>	<b>Priority</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Municipal State Aid Routes / New & Reconstruct	20-43100-05	1	580,000		510,000	1,400,000	630,000	3,120,000
<i>Assessments</i>			25,000		17,500	187,500	103,500	333,500
<i>Municipal State Aid Funds</i>			555,000		492,500	1,212,500	526,500	2,786,500
The following projects are proposed to be constructed and/or rehabilitated to meet State Aid Standards.								
2020: Jay Street Overlay (Station Parkway to Hanson Blvd) \$580,000								
2022: Prairie Road Overlay (Andover Blvd to Bunker Lake Blvd) \$510,000								
2022: Tulip Street / 161st Avenue Recon (Round Lake Blvd to CR 20) & North portion of Tulip Street south of Valley Drive \$1,400,000.								
2024: Crooked Lake Boulevard Recon (Bunker to 133rd) \$630,000								
Annual Street Reconstruction	20-43100-06	1	1,226,000	1,401,000	2,575,000	610,000	1,581,000	7,393,000
<i>Assessments</i>			307,000	351,000	644,000	153,000	396,000	1,851,000
<i>Road &amp; Bridge Funds</i>			919,000	1,050,000	1,931,000	457,000	1,185,000	5,542,000
The Street Reconstruction projects will consist of milling the existing street surface and constructing a new asphalt surface. Minor shouldering and restoration work will be included with the project. In developments that have existing bituminous curb or no curb or ditch, concrete curb and gutter will be constructed. 25% of the total project costs are assessed to the benefiting properties in each development. This program helps to maintain the integrity and value of the community's street infrastructure.								
Areas to be reconstructed are listed below. The timing of reconstruction of developments more than two years out may be revised as street conditions and ratings are reviewed on an annual basis. Additional developments may be added to the schedule or projects moved up if it is advantageous to reconstruct them in conjunction with other nearby projects.								
2020 - Alladin Acres, Enchanted Drive Area								
2021 - Indian Meadows 2nd Addition, Lunds Round Lake Estates, Andover West								
2022 - Timber River Estates								
2023 - Dehns 1st & 2nd Addition, 7th Ave Frontage Road,								
2024 - Xenia Street / Vintage Street								
Intersection Upgrades	20-43100-07	1		285,000	300,000	1,800,000		2,385,000
<i>Grant</i>						900,000		900,000
<i>Municipal State Aid Funds</i>				285,000	300,000	900,000		1,485,000
The following are projects that are tentatively identified for improvements. Exact timing is subject to change.								
2021 - Construction of a traffic signal at South Coon Creek Drive and Round Lake Blvd (\$285,000) if warrants are met.								
2022 - Crosstown Blvd / Crosstown Drive Intersection. Improvements could include separating the southbound right turning movement onto Crosstown Drive to improve safety (\$300,000).								
2023 - Nightingale Street / Crosstown Blvd Intersection (\$1,800,000). The City will apply for potential grant opportunities as they arise.								
Gravel Road Improvements	20-43100-08	1	21,000	21,000	22,000	23,000	24,000	111,000
<i>Road &amp; Bridge Funds</i>			21,000	21,000	22,000	23,000	24,000	111,000
Gravel roadways within the City are in need of annual improvements, including grading, adding material, and dust control. Over time and with snow plowing operations, the gravel roadway settles and additional material is needed to maintain the traveling surface.								
Replacement - Front End Loader #124	20-43100-09	1	275,000					275,000
<i>Equipment Bond</i>			275,000					275,000
Replace unit #124, a 1998 front end loader with 6,136 hours.								
Replacement - One Ton Truck w/ Plow #133	20-43100-10	1	80,000					80,000
<i>Equipment Bond</i>			80,000					80,000

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Replace unit #133, a 2004 Ford F450 dump truck and 9' snow plow, steel 2-3 yard tipper box and aluminum box cover (for chipping trees into it) with 54,320 miles.								
Street Overlays	20-43100-11	1	920,000	1,200,000	1,000,000	1,000,000	1,000,000	5,120,000
<b>Assessments</b>			<b>232,500</b>	<b>300,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>1,282,500</b>
<b>Road &amp; Bridge Funds</b>			<b>687,500</b>	<b>900,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>3,837,500</b>
The City of Andover has implemented a street overlay program to prolong the life of the City's roadway infrastructure. This program will include an overlay of approximately 1.5" of bituminous on roadways that are indentified as still structurally sound, or have issues with wear course striping where a mill and overlay would significantly extend the roadways life cycle. The Engineering Department and Public Works will identify roads that meet these criteria one year prior to the overlay project being constructed.								
2020 - Woodland Estates (\$730,000)								
2020 - Martin Street (Station Parkway to Bunker Lake Blvd) (\$190,000)								
2021-2024 Streets to be determined annually based on road condition.								
New - Slide-In Hotbox	20-43100-12	1	19,000					19,000
<b>Equipment Bond</b>			<b>19,000</b>					<b>19,000</b>
A self-contained asphalt hot box that slides into a 1-ton dump truck. Primarily used for winter patching, in place of cold patching with expensive bagged cold patch material.								
Pedestrian Crossing	20-43100-13	2	10,000	200,000				210,000
<b>Road &amp; Bridge Funds</b>			<b>10,000</b>	<b>200,000</b>				<b>210,000</b>
Pedestrian Crossing treatment at Nightingale Street and Veterans Memorial Boulevard.								
New - Dump Truck w/ Snow removal	21-43100-01	1		240,000				240,000
<b>Equipment Bond</b>				<b>240,000</b>				<b>240,000</b>
Purchase an additional dump truck with snow removal equipment moving the oldest truck into a back-up position in case of breakdowns during a snow emergency.								
New - One Ton Truck w/ Snow removal	21-43100-02	1		70,000				70,000
<b>Equipment Bond</b>				<b>70,000</b>				<b>70,000</b>
Add an additional 3/4 truck w/ snow removal equipment.								
Replacement - Bobcat S185 #120	21-43100-03	1		60,000				60,000
<b>Equipment Bond</b>				<b>60,000</b>				<b>60,000</b>
Replace unit #120, a 2004 Bobcat S185 high-flow hydraulics with 1,830 hours.								
New - Dump truck w/ Snow removal	22-43100-01	1			240,000			240,000
<b>Equipment Bond</b>					<b>240,000</b>			<b>240,000</b>
Add a new dump truck with snow removal equipment to take the place of an older truck and keep that truck as a dedicated haul truck.								
Replacement - Backhoe Loader #80	22-43100-02	1			100,000			100,000
<b>Equipment Bond</b>					<b>100,000</b>			<b>100,000</b>
Replace unit #80, a 1998 John Deere 624 loader with 3,344 hours on it.								
Pedestrian Tunnel Under Crosstown Blvd.	22-43100-03	1			750,000			750,000
<b>G.O. Bond</b>					<b>750,000</b>			<b>750,000</b>
This would be a pedestrian underpass walkway under Crosstown to accommodate pedestrian traffic from a possible development of a parking lot or other sports fields on the north side of Crosstown Boulevard that could cross under Crosstown Boulevard to Sunshine Park Facilities or just connect to the city's trail system.								
Replacement - Dump Truck w/ Snow removal #200	23-43100-01	1				240,000		240,000
<b>Equipment Bond</b>						<b>240,000</b>		<b>240,000</b>
Replace unit #200, a 2000 Sterling dump truck with snow removal equipment with 74,280 miles.								
Replacement - Aerial bucket truck #00-139	23-43100-02	1				200,000		200,000
<b>Equipment Bond</b>						<b>200,000</b>		<b>200,000</b>

<b>Department</b>	<b>Project #</b>	<b>Priority</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Replace unit #00-139, a 2001 Ford F550 aerial bucket truck with 24,243 miles.								
Replacement - Dump Truck w/ Snow removal #201	24-43100-01	1					252,000	252,000
<i>Equipment Bond</i>							<i>252,000</i>	<i>252,000</i>
Replace unit #201, a 2000 Sterling dump truck with snow removal equipment with 50,908 miles.								
<b>Streets / Highways Total</b>			<b>3,617,000</b>	<b>3,987,000</b>	<b>6,032,000</b>	<b>5,833,000</b>	<b>4,074,000</b>	<b>23,543,000</b>
<b>Water</b>								
Recondition & Paint Water Tower #2	20-48100-01	1	150,000	1,000,000				1,150,000
<i>Water Trunk Fund</i>			<i>150,000</i>	<i>1,000,000</i>				<i>1,150,000</i>
Recondition and paint Water Tower #2 to preserve the water system storage infrastructure.								
Rehabilitation of Wells	21-48100-01	1		30,000		55,000		85,000
<i>Water Fund</i>				<i>30,000</i>		<i>55,000</i>		<i>85,000</i>
The motor, pump and column pipe are taken out for inspection and worn parts are replaced. The well is televised to determine the depth and condition. If the well is at or close to the original drill depth everything is put back in place. The well may need to be cleaned out to the original depth if there is a substantial decrease in the depth.								
Water Main Improvements	21-48100-02	1		460,000				460,000
<i>Assessments</i>				<i>20,000</i>				<i>20,000</i>
<i>Water Trunk Fund</i>				<i>440,000</i>				<i>440,000</i>
Install water main, hydrants, and service lines to provide water service to existing areas in the City that are not currently served with City water. The following projects are proposed to be constructed along with the planned reconstruction of the streets in these areas:								
2021: Water Main Loop from Crosstown Blvd at RR Tracks to Miller's Woods Development (\$460,000)								
Water Meter Reading System AMI/AMR	21-48100-03	2		1,300,000				1,300,000
<i>Water Fund</i>				<i>1,300,000</i>				<i>1,300,000</i>
A meter reading system that will read all water meters by a Drive By Radio Read System. The Drive By System is a system where an employee drives through the water service area and gathers all the meter readings by way of a vehicle mounted computer and receiver.								
<b>Water Total</b>			<b>150,000</b>	<b>2,790,000</b>		<b>55,000</b>		<b>2,995,000</b>
<b>GRAND TOTAL</b>			<b>7,034,112</b>	<b>8,713,000</b>	<b>9,415,000</b>	<b>8,864,000</b>	<b>9,186,000</b>	<b>43,212,112</b>

**CITY OF ANDOVER**  
**Summary of Outstanding Bond Issues**  
**2019 - 2020**

Description	Date of		Rate of Interest	Issued	Outstanding at	2019		Outstanding at	2020		Outstanding at	
	Issue	Maturity			12/31/2018	Retired	Issued	12/31/2019	Retired	Issued	12/31/2020	
<b>Governmental Activities</b>												
<b>General Obligation Abatement Bonds</b>												
2012C G.O. Abatement Bonds	12/27/2012	2/1/2031	1.00-3.00%	17,315,000	13,270,000	(885,000)	-	12,385,000	(910,000)	-	11,475,000	
2019A G.O. Abatement Bonds	8/1/2019	2/1/2040	3.00 - 5.00%	15,770,000	-	-	15,770,000	15,770,000	-	-	15,770,000	
					<u>13,270,000</u>	<u>(885,000)</u>	<u>15,770,000</u>	<u>28,155,000</u>	<u>(910,000)</u>	<u>-</u>	<u>27,245,000</u>	
<b>Certificates of Indebtedness/Capital Notes</b>												
2014A G.O. Equipment Certificates	5/29/2014	2/1/2020	1.50 - 2.00%	1,555,000	545,000	(270,000)	-	275,000	(275,000)	-	-	
2016A G.O. Equipment Certificates	2/19/2016	2/1/2021	1.90%	520,000	394,000	(129,000)	-	265,000	(131,000)	-	134,000	
Subtotal - Certificates of Indebtedness					<u>939,000</u>	<u>(399,000)</u>	<u>-</u>	<u>540,000</u>	<u>(406,000)</u>	<u>-</u>	<u>134,000</u>	
<b>Capital Improvement Bonds</b>												
2018A G.O. Capital Improvement Plan Bonds	12/27/2018	2/1/2044	3.00-5.00%	10,000,000	10,000,000	-	-	10,000,000	(85,000)	-	9,915,000	
Subtotal - Capital Improvement Bonds					<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>(85,000)</u>	<u>-</u>	<u>9,915,000</u>	
<b>Referendum Bonds:</b>												
2010A G.O. Open Space Referendum Bonds	2/18/2010	2/1/2022	2.00-3.125%	1,660,000	655,000	(160,000)	-	495,000	(160,000)	-	335,000	
					<b>TOTALS</b>	<b>\$ 24,864,000</b>	<b>\$ (1,444,000)</b>	<b>\$ 15,770,000</b>	<b>\$ 39,190,000</b>	<b>\$ (1,561,000)</b>	<b>\$ -</b>	<b>\$ 37,629,000</b>
<b>Business-Type Activities</b>												
<b>General Obligation Revenue Bonds</b>												
2009A G.O. Water Revenue Bonds	3/26/2009	2/1/2024	2.00-4.25%	1,025,000	465,000	(70,000)	-	395,000	(75,000)	-	320,000	
2016B G.O. Water Revenue Refunding Bonds	12/7/2016	2/1/2023	2.00%	3,925,000	3,310,000	(635,000)	-	2,675,000	(650,000)	-	2,025,000	
Subtotal - General Obligation Bonds												
					<b>TOTALS</b>	<b>\$ 3,775,000</b>	<b>\$ (705,000)</b>	<b>\$ -</b>	<b>\$ 3,070,000</b>	<b>\$ (725,000)</b>	<b>\$ -</b>	<b>\$ 2,345,000</b>
					<b>TOTALS</b>	<b>\$ 28,639,000</b>	<b>\$ (2,149,000)</b>	<b>\$ 15,770,000</b>	<b>\$ 42,260,000</b>	<b>\$ (2,286,000)</b>	<b>\$ -</b>	<b>\$ 39,974,000</b>

**CITY OF ANDOVER**  
**Debt Service Summary**

	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	Total Payments	Less Interest	Total
<b>Governmental Activities</b>												
General Obligation Abatement Bonds												
2012C G.O. Abatement Bonds	1,215,981.26	1,212,631.26	1,213,931.26	1,209,281.26	1,213,000.01	6,040,703.16	2,431,400.00	-	-	14,536,928.21	(2,151,928.21)	12,385,000.00
2019A G.O. Abatement Bonds	590,150.00	819,275.00	1,109,775.00	1,106,900.00	1,107,650.00	5,524,450.00	5,531,175.00	5,525,700.00	1,106,350.00	22,421,425.00	(6,651,425.00)	15,770,000.00
	<u>1,806,131.26</u>	<u>2,031,906.26</u>	<u>2,323,706.26</u>	<u>2,316,181.26</u>	<u>2,320,650.01</u>	<u>11,565,153.16</u>	<u>7,962,575.00</u>	<u>5,525,700.00</u>	<u>1,106,350.00</u>	<u>36,958,353.21</u>	<u>(8,803,353.21)</u>	<u>28,155,000.00</u>
Certificates of Indebtedness												
2014A G.O. Equipment Certificates	277,750.00	-	-	-	-	-	-	-	-	277,750.00	(2,750.00)	275,000.00
2016A G.O. Equipment Certificates	134,790.50	135,273.00	-	-	-	-	-	-	-	270,063.50	(5,063.50)	265,000.00
	<u>412,540.50</u>	<u>135,273.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,813.50</u>	<u>(7,813.50)</u>	<u>540,000.00</u>
Capital Improvement Bonds												
2018A G.O. Capital Improvement Plan Bonds	441,131.26	475,881.26	474,506.26	624,006.26	619,256.26	3,113,181.30	3,114,781.30	3,102,784.42	3,100,431.25	15,065,959.57	(5,065,959.57)	10,000,000.00
Referendum Bonds												
2010A G.O. Open Space Referendum Bonds	172,827.50	172,870.00	172,656.25	-	-	-	-	-	-	518,353.75	(23,353.75)	495,000.00
	<u>2,832,630.52</u>	<u>2,815,930.52</u>	<u>2,970,868.77</u>	<u>2,940,187.52</u>	<u>2,939,906.27</u>	<u>14,678,334.46</u>	<u>11,077,356.30</u>	<u>8,628,484.42</u>	<u>4,206,781.25</u>	<u>53,090,480.03</u>	<u>(13,900,480.03)</u>	<u>39,190,000.00</u>
<b>Business-Type Activities</b>												
General Obligation Revenue Bonds												
2009A G.O. Water Revenue Bonds	89,498.75	86,592.50	88,492.50	85,252.50	86,806.25	-	-	-	-	436,642.50	(41,642.50)	395,000.00
2016B G.O. Water Revenue Refunding Bonds	697,000.00	693,900.00	695,550.00	696,900.00	-	-	-	-	-	2,783,350.00	(108,350.00)	2,675,000.00
	<u>786,498.75</u>	<u>780,492.50</u>	<u>784,042.50</u>	<u>782,152.50</u>	<u>86,806.25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,219,992.50</u>	<u>(149,992.50)</u>	<u>3,070,000.00</u>
	<u>3,619,129.27</u>	<u>3,596,423.02</u>	<u>3,754,911.27</u>	<u>3,722,340.02</u>	<u>3,026,712.52</u>	<u>14,678,334.46</u>	<u>11,077,356.30</u>	<u>8,628,484.42</u>	<u>4,206,781.25</u>	<u>56,310,472.53</u>	<u>(14,050,472.53)</u>	<u>42,260,000.00</u>

**CITY OF ANDOVER**  
**Computation of Legal Debt Margin**  
**December 31, 2019**  
**(Unaudited)**

<b>Estimated Taxable Market Value (Note A)</b>		<b><u>\$ 3,121,797,779</u></b>
<b>Debt Limit: 3% of Market Value</b>		<b>93,653,933</b>
<b>Total Bonded Debt</b>	<b>\$ 42,260,000</b>	
<b>Less:</b>		
<b>Non-Tax Levy Supported Debt: (Note B)</b>		
G.O. Revenue Bonds	<b><u>3,070,000</u></b>	
<b>Total Debt Applicable</b>	<b>39,190,000</b>	
<b>Less:</b>		
<b>Balance Available in Related Debt Service Funds</b>	<b><u>1,343,584</u></b>	
<b>Net Debt Applicable</b>		<b><u>37,846,416</u></b>
<b>Legal Debt Margin</b>		<b><u>\$ 55,807,517</u></b>

**Note A:** Source: Anoka County Property Tax Division

**Note B:** The computation on legal debt margin only includes debt supported by a tax levy.

**CITY OF ANDOVER, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

Year	Total Tax Levy*	Collected Within the Fiscal Year of Levy				Collections In Subsequent Years	Total Collections to Date	
		Tax Levy	Market Value Homestead Credit	Total Collected	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 10,593,520	\$ 9,992,240	\$ 54,629 *	\$ 10,046,869	94.84%	\$ 153,703	\$ 10,200,572	96.29%
2010	10,856,299	10,125,752	3,905 *	10,129,657	93.31%	183,556	10,313,213	95.00%
2011	10,856,299	10,119,681	853 *	10,120,534	93.22%	141,987	10,262,521	94.53%
2012	10,631,299	10,460,838	2,354	10,463,192	98.42%	126,670	10,589,862	99.61%
2013	10,631,299	10,535,521	1,246	10,536,767	99.11%	101,544	10,638,311	100.07%
2014	10,843,925	10,776,635	-	10,776,635	99.38%	73,000	10,849,635	100.05%
2015	11,143,925	11,054,157	-	11,054,157	99.19%	49,343	11,103,500	99.64%
2016	11,593,925	11,525,770	3,461	11,529,231	99.44%	18,480	11,547,711	99.60%
2017	11,938,555	11,858,376	3,545	11,861,921	99.36%	29,967	11,891,888	99.61%
2018	12,416,357	12,342,648	2,824	12,345,472	99.43%		Not Available	

\* Included in the total tax levy is approximately \$400,000 of market value homestead credit (MVHC) that the City will not be receiving. Due to State legislative actions to deal with the State budget deficit, the MVHC program was significantly reduced for the City.

**CITY OF ANDOVER, MINNESOTA**  
**SPECIAL ASSESSMENT LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

Year	Current Assessments Due (1)	Current Assessments Collected	Percent of Assessments Collected	Delinquent Assessment Collections	Total Assessment Collections	Total Collections as a Percent of Current Assessments Due	Outstanding Delinquent Assessments	Delinquent Assessments as a Percent of Current Assessments Due
2009	\$ 319,448	\$ 332,739	104.16%	\$ 36,693	\$ 369,432	115.65%	\$ 202,999	63.55%
2010	325,361	314,097	96.54%	61,247	375,344	115.36%	218,860	67.27%
2011	308,794	304,164	98.50%	5,112	309,276	100.16%	267,016	86.47%
2012	348,129	376,601	108.18%	25,087	401,688	115.38%	237,175	68.13%
2013	338,411	387,584	114.53%	168,941	556,525	164.45%	82,826	24.47%
2014	326,597	387,651	118.69%	3,788	391,439	119.85%	215,970	66.13%
2015	334,054	514,868	154.13%	4,003	518,871	155.33%	269,754	80.75%
2016	267,704	510,275	190.61%	2,153	512,429	191.42%	268,716	100.38%
2017	265,163	513,140	193.52%	212	513,352	193.60%	272,101	102.62%
2018	305,249	555,684	182.04%	412	556,096	182.18%	283,528	92.88%

**Note:** (1) Only includes assessments certified to Anoka County.

**CITY OF ANDOVER, MINNESOTA**  
**PRINCIPAL TAXPAYERS**  
Current Year and Ten Years Ago  
(Unaudited)

Taxpayers	2019			2009		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Minnegasco, Inc.	\$ 317,604	1	0.96%	\$ 137,886	6	0.44%
Connexus Energy	222,898	2	0.68%	226,488	1	0.72%
Presbyterian Homes of Andover	209,904	3	0.64%	164,899	4	0.52%
Walmart Real Estate Business Trust	173,938	4	0.53%			
Target Corporation	161,826	5	0.49%	221,656	2	0.70%
Great River Energy	161,208	6	0.49%	98,944	10	0.31%
Andover Limited Partnership	143,250	7	0.43%	169,706	3	0.54%
Andover Station 2016 LLC	123,650	8	0.38%			
DST Properties LLC	108,864	9	0.33%			
Estates of Arbor Oaks LLC	90,023	10	0.0027			
116 LLC				141,966	5	0.45%
Andover Station LLC				109,680	7	0.35%
BDT Holdings LLC				109,416	8	0.35%
Grey Oaks Inc.				100,798	9	0.32%
Rademacher Family Ltd Partnership						
<b>Total</b>	<b>\$ 1,713,165</b>		<b>5.20%</b>	<b>\$ 1,481,439</b>		<b>4.70%</b>
<b>Net Tax Capacity</b>	<b>\$ 32,975,265</b>			<b>\$ 31,446,280</b>		

Source: Anoka County Property Tax Division

**CITY OF ANDOVER, MINNESOTA**  
**ESTIMATED MARKET VALUES AND NEW CONSTRUCTION**  
Last Ten Fiscal Years  
(Unaudited)

Year	Estimated Market Values			New Construction			
	Commercial / Industrial (1)	Residential	Total	Commercial / Industrial		Residential	
				Permits	Value	Permits	Value
2009	\$ 248,129,500	\$ 2,807,144,500	\$ 3,055,274,000	11	\$ 767,430	47	\$ 9,246,347
2010	229,977,800	2,526,288,900	2,756,266,700	11	1,247,106	71	14,700,800
2011	199,728,200	2,305,897,900	2,505,626,100	24	11,461,453	58	11,803,000
2012	192,112,500	2,206,195,400	2,398,307,900	25	5,042,964	81	15,243,007
2013	174,971,400	2,141,898,900	2,316,870,300	15	9,249,466	98	20,351,892
2014	166,531,500	2,103,536,600	2,270,068,100	14	4,285,281	52	13,926,901
2015	173,717,700	2,435,950,500	2,609,668,200	16	2,513,609	74	19,631,775
2016	181,926,900	2,530,046,700	2,711,973,600	7	14,009,200	111	28,893,036
2017	196,837,900	2,610,055,500	2,806,893,400	-	-	94	27,847,717
2018	207,569,200	2,908,606,300	3,116,175,500	2	2,860,000	60	19,703,857

Note: (1) Also includes agricultural, public utility, railroad operating property, and personal property.

**CITY OF ANDOVER, MINNESOTA**  
**DEMOGRAPHICS**  
(Unaudited)

	U.S. Census		2020 Est (1)	Percent of Change 2000 - 2010
	2000	2010		
Population	26,588	30,598	33,400	15.08%
Households	8,205	9,811	11,000	19.57%
Household Size (Population/Household)	3.24	3.12	3.04	-3.76%

**POPULATION DEMOGRAPHICS (2010 U.S. CENSUS)**

Populaton by Age (2010 U.S. Census):	Persons	Percent
4 and under	1,737	9.2%
5 - 9	2,620	10.6%
10 - 14	3,032	10.4%
15 - 19	2,807	7.6%
20 - 24	1,410	3.7%
25 - 34	2,887	14.5%
35 - 44	4,922	22.0%
45 - 54	5,932	13.1%
55 - 59	1,803	4.1%
60 - 64	1,393	2.0%
65 - 74	1,409	1.7%
75 - 84	454	0.8%
85 and over	192	0.3%
<b>Total population</b>	<b>30,598</b>	<b>100.0%</b>
Total female population	15,074	
Total male population	15,524	
2017 median age	39.1 yrs	

	City of Andover	Anoka County	State of Minnesota
<b>Income Statistics:</b>			
2017 per capita income	\$ 40,544	\$ 32,321	\$ 34,712
2017 median household income	105,270	76,796	65,699
2017 median family income	112,295	89,666	82,785
2017 median gross rent	1,624	1,034	906
2017 median value owner occupied housing	258,400	205,000	199,700

(1) Source: Metropolitan Council

**CITY OF ANDOVER, MINNESOTA**  
**MISCELLANEOUS STATISTICAL DATA**  
(Unaudited)

---

Date incorporated	1974
Form of government	Plan A
Miles of streets	
City	201
County	43
Storm sewer (miles)	80
Water main (miles)	121
Sanitary sewer (miles)	100
Parks:	
Number	68
Developed acreage	630
Trails (miles)	39
Acreage:	
Developed	9,723
Undeveloped	12,773

Largest Employers in the City

<u>Firm</u>	<u>Type of Business / Product</u>	<u>Number of Employees</u>
ISD No 11 Anoka-Hennepin	Elementary and secondary education	928
Walmart	Retail	335
Fairview Andover Clinic	Healthcare	300
Anoka County Sheriff's Office	County government and services	250
Kottkes' Bus Service	Transportation	225
Target	Retail	150
GAF Materials Corp	Roofing materials - manufacturing	150
Anoka County Highway Department	County government and services	105
YMCA	Youth organization and fitness center	100
Bunker Hills Regional Park / Activities Center	Regional park and recreation	100
T & K Foods / Kings County Market	Grocery store	80

## GLOSSARY OF TERMS

**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 (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

**ACTIVITY:** A cost center for recording charges for services delivered or functions performed. Each activity has an assigned manager who is responsible for planning and conducting the various approved objectives or workloads.

**AMORTIZATION:** (1) The portion of the cost of a limited-life or tangible asset charged as an expense during a particular period. (2) The reduction of a debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**APPROPRIATION:** An authorization made by the legislative body of a government that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**ASSESSED VALUATION:** A valuation set upon real estate or other property by a government as a basis for levying taxes.

**ASSESSMENT:** (1) The process of making the official valuation of property for taxation. (2) The valuation placed upon property as a result of this process.

**ASSETS:** Property owned by a government that has a monetary value.

**BALANCED BUDGET:** When revenues and other financing sources equal expenditures/expenses and other financing uses.

**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.

**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.

**CAPITAL ASSETS:** Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

**CAPITAL IMPROVEMENTS BUDGET:** A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget, which includes capital outlays. The capital budget normally is based on a capital improvement plan (CIP).

**DELINQUENT TAXES:** Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached.

**DIVISION:** An organizational unit within a department for purposes of administration and cost accounting.

**EMS:** Emergency Medical Services

**ENTERPRISE FUND:** (1) A fund established to account for operations financed and operated in a manner similar to private business enterprises. In this case, the governing body intends that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**EXPENDITURES:** Where accounts are kept on the accrual or modified basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purchases are made.

**FINES & FORFEITS:** A sum of money imposed or surrendered as a penalty.

**FISCAL DISPARITIES:** A distribution of 40% of the growth in commercial and industrial properties within the seven-county metropolitan area since 1971.

**FISCAL YEAR:** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

**FULL FAITH AND CREDIT:** A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

**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 excess of a fund's assets over its liabilities, generally called a reserve. A negative fund balance is sometimes called a deficit.

**GENERAL FUND:** The fund used to account for all financial resources, except those required to be accounted for in another fund.

**GENERAL OBLIGATION BONDS:** When a government pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds that are to be repaid from taxes and other general revenues.

**GENERAL OBLIGATION REVENUE BONDS:** Intended to be paid first from the revenues of the enterprise fund. They are backed by the full faith, credit and taxing power of the City.

**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.

**G.I.S.:** Geographic Information System

**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.

**GPS:** Global Positioning System

**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.

**HIGHWAY MAINTENANCE:** An intergovernmental revenue from the State to be used for maintenance of the municipal state aid street system. The money comes from the state gasoline tax and fees from motor vehicle registration.

**HOMESTEAD AND AGRICULTURAL CREDIT AID (HACA):** A property tax relief program that replaced the former homestead credit program and the agricultural credit program. HACA is tied to class rate reductions for certain classes of property.

**HRA:** Housing and Redevelopment Authority. 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.

**INTERGOVERNMENTAL REVENUES:** Revenues from other governments in the form of grants, entities, shared revenues or payments in lieu of taxes.

**INTERNAL SERVICE FUND:** A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

**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.

**LEGISLATIVE:** Having the power to create laws.

**LEVY:** (1) (Verb) To impose taxes, special assessments or service charges for the support of government activities. (2) (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

**LOCAL GOVERNMENT AID (LGA):** A state government revenue sharing program for cities and townships that is intended to provide an alternative to the property tax. LGA is distributed through a formula based on tax base, population, population decline, age of housing and the percent of market value classified as commercial or industrial.

**LOCAL PERFORMANCE AID (LPA):** A state program for cities and counties that is intended to provide an incentive for local governments to develop performance measurement systems.

**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.

**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 taxes levied and revenue earned.

**MATURITIES:** The dates on which the principal or stated value of investments or debt obligations mature and may be reclaimed.

**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:** Serving as a goal; being the object of a course of action.

**OPERATING BUDGET:** A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenue estimates).

**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:** A level of budgetary appropriations, which includes expenses for outside professional services, advertising, insurance, utility costs, repairs maintenance and miscellaneous costs.

**PERA:** Public Employees Retirement Association

**PERFORMANCE MEASURES:** A quantitative or qualitative measurement of activity.

**PERSONAL SERVICES:** A level of budgetary appropriations, which includes expenses for salaries, wages, and related employee benefits such as the City's share of retirement and insurance.

**POLICE DEPARTMENT AID:** An intergovernmental revenue from the State to be used to maintain the Police Department. A premium tax of two percent is imposed on automobile insurance and apportioned to qualifying cities.

**POLICY:** A set of guidelines used for making decisions.

**PRE-EMPTIVE DEVICES:** Radio frequency controlled traffic light on emergency vehicles.

**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.

**RESERVES:** Assets kept back or saved for future use or special purpose.

**RESIDUAL EQUITY TRANSFER:** Non-recurring or non-routine transfers of assets between funds.

**RETAINED EARNINGS:** An equity account reflecting the accumulated earnings of the government's proprietary funds (those funds where service charges will recover costs of providing those services).

**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 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.

**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 includes expenses for commodities that are used such as office supplies, operating supplies, repair and maintenance supplies.

**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:** The property tax rate that is based on the taxes levied as a proportion of the property value. A tax rate of 18.751% produces \$18.75 of taxes on each \$100 of tax capacity that a property is valued at.

**TAX LEVY:** The total amount to be raised by general property taxes for the purposes stated in the resolution certified to the County Auditor.

**TAXES:** Compulsory charges levied by a government to finance services performed for the common benefit.

**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.

**VARIANCE:** A relaxation of the terms of the zoning ordinance where such variance will not be contrary to the public interest and where, owing to conditions peculiar to the property and not the result of the actions of the applicant, a literal enforcement of the ordinance would result in unnecessary and undue hardship.

**WORKING CAPITAL:** Current assets minus current liabilities.

**WORKLOADS:** A measure of the services provided.