

**Town of Garfield
Financial Summary Report Narrative
1st Quarter 2015**

BUDGET AMENDMENTS

The 2015 Budget was adopted by Ordinance No. 449N December 10, 2014.

CURRENT EXPENSE (CE) 001

Revenues

Taxes

Property tax received through the 1st Quarter totaled \$1,963.29 which is 3.4% of the 2015 budgeted line item and represents prior year taxes. The majority of property taxes are received in April and November, following the March and October tax statements.

Local sales tax received is at 25.21% of the \$25,000 budgeted, with receipts of \$6,304.38. Please note these funds appear in two lines, 313.11.00.00 and 313.11.00.01 as the account code as changed to 313.11.00.00.

Criminal justice tax is at \$2,110.82 or 29.3% of the projected budget.

Water, sewer and garbage utility taxes are at 22.4%, 27.3% and 27.3% respectively of their projected budgets. The telephone utility for the first quarter of 2015 is 14.1% of its budget received with a total of \$1,271.12. Effective April 1, 2013 the utility tax for telephone service will be 6%, reflecting the original intent of the council at the time utility taxes were implemented. First quarter telephone utility tax collected will be mostly reflected in the second quarter.

Licenses/Permits

This entire category reflects a very minor portion of the total municipal budget. Receipts in this category include; building permits, dog licenses, and concealed pistol licenses. There have been 2 building permits issued so far in 2015 totaling \$101.80. Animal licenses are at 50% of the budget with a total of 19 dog licenses issued in the first quarter of 2015. No conditional use applications have been filed so far in 2015. Concealed pistol licenses are at \$32.00 or 32% of the budgeted line item.

State Generated Revenues

City Assistance received was \$3,825.27 with a total budget of \$10,400.00. Criminal justice monies received are at \$250.00 and \$142.70 or 25% to 28.5% of the budgeted figures. \$1,303.75 in Liquor Control Board Profits was received in the first quarter or 32.6% of the \$4,000 budgeted line item.

Misc. Revenues

Miscellaneous revenues came in at \$270.77. This represents a very small portion of current expense and includes copies, investment interest (\$225.80), sales tax interest and miscellaneous receipts.

Non Revenues

Non-revenues represent monies that the town simply collects and passes onto other agencies, such as the \$4.50 per building permit state fee or the portion of fees for concealed pistol licenses (CPL) the state charges for processing.

Interfund Transfers

No interfund transfers have been conducted so far in 2015.

Expenditures

Legislative and Executive

Currently these departments are at 50% and 0% of their projected budgets. The insurance line item is at 101% of its budgeted line at \$4,142.10 and is paid once a year. Also voter registration costs are at 74.8% of the budgeted line item. These are the voting costs paid in 2015 for the 2014 elections.

Judicial

This line item is for the contract payment with Whitman County for court services and has an established per capita fee. A payment will be made at the end of 2015.

Finance

For the first quarter this department is at 28.6% of its budget and represents ½ of the clerk-treasurer's expenses plus any financial costs. Personal benefits started 2015 spending \$2,131.00 of the projected \$9,320.00 budget. Travel expenses to attend meetings were \$205.50 or 102.8% of the budgeted \$200.00. Also the education and meetings line item is at \$475.00 of the budgeted \$750.00 due to training. A grant was provided by AWC to reimburse for the cost of the clerk training and will be reflected in the second quarter of 2015 as a miscellaneous revenue. As noted above, the insurance premium paid in total in the first month of the year, shows this line item at 94% of budget. Financial Pro Services covers the accounting software service agreement for the year and is paid once a year in January so it is currently at 83.1% of budget.

Legal

This department covers the costs of the town's legal counsel and is at 25% of budget.

Central Services

This is a new line item for the Town of Garfield starting in 2015. This fund pertains to all charges that are attributed to the management of the restaurant building until a suitable renter can be found or the Public Development Association takes back over the space. During the first quarter of 2015 \$595.31 has been spent.

General Government

This line item represents the annual dues to the Association of Washington Cities. No other expenditures are billed to this department. Membership dues for 2015 were \$298.00 or 85.1% of the budgeted item.

Fire

This category started the first quarter at 26.1% of the budget. Starting with the second quarter of 2013, the town entered into an interlocal agreement with the Whitman County Rural Fire District #3 via Resolution 2013-05 to form a Joint Fire Protection Board (JFB). Fire expenditures will be split 40% town / 60% fire district with the town reimbursing the JFB for the expenditures. Medical Exams was at \$114.00 and is paid each time a new volunteer fire fighter joins the department. The insurance line item was not budgeted as the fire department was in the process of sourcing new insurance and unsure of the cost. 2016 will be budgeted again at \$1,900.00 for annual insurance on the fire department building, vehicles and equipment. The fire fighter insurance and pension is paid twice a year and are currently at 48% and 60% respectively. Total fire control funds are at 28.7% for the first quarter of 2015.

Protective Inspections

The building inspector contract is paid from this department. Per agreement, the town pays the inspector 75% of the permit fee. 2 permits have been issued through the first quarter of 2015. The town pays the building inspector \$20.00 a month for reimbursement of telephone expenses. No check has been issued to date for building inspection. First quarter activity will be reflected in the second quarter financial statements.

Communications/Alarms/Dispatch

Police, fire telephone and fire siren expenses are paid from this department. The budget started at 23.5% of its projected budget.

Other Environment Services

The only expenditure under this category is for dog licenses which will be purchased in the final quarter of 2015.

Planning & Community Development

To date, there have been no expenditures in this department.

Substance Abuse

This is a state mandated payment to the authorized county substance abuse counseling service (Palouse River Counseling) and is based upon liquor sales. There has been nothing spent so far in this department during 2015.

Park/Pool

This department started at 18.2% of its budget with total expenditures of \$2,543.00. Insurance for the year is paid in the first quarter and was at 92.6% of its budget. Training was over budget with \$90.00 spent to pay for the public works employees to become licensed pesticide applicators so that future applications can be done with town personnel.

Non-Expenditures

These expenditures are pass-thru costs, such as the \$4.50 for building permits and processing costs for concealed pistol licenses collected (agency deposits) and sent to the state. \$36.00 of expenditures has occurred in the first quarter of 2015.

Capital Expenditures

A new office computer will be purchased in 2015 but the expense will not show up until the second quarter of 2015. So far in the first quarter of 2015 no money has been spent from the capital expenditure fund.

Interfund Transfers

No interfund transfers have taken place within the first quarter of 2015.

Other Expenditures Intergovernmental Payments

This fund represents the law enforcement contract with the City of Palouse. A 3-year contract renewed from 2014-2017 was approved in October of 2013. A monthly rate of \$6,189.72 will continue throughout 2015. Currently the line item is at 25% of its budget.

CURRENT EXPENSE (CE) RESERVE 002

Revenues

No revenues to date have occurred.

Expenditures

No expenditures to date have occurred.

STREET FUND 101

Revenues

Property Taxes

This line item represents the voter approved special levy for streets and is at \$1,841.54 which is 3.2% of the 2015 budgeted line item and represents prior year taxes. The majority of property taxes are received in April and November, following the March and October tax statements.

State Generated Revenues

Motor Vehicle Fuel Taxes started the year at \$2,891.13 or 28.9% of this budgeted line item amount of \$10,000.

Misc. Revenues

Interest for the year so far totaled \$76.38.

Interfund Transfer

No interfund transfers were received from the Street Reserve Fund so far in 2015.

Expenditures

The general operations of the Street fund started at 17.0% of the annual budget projected for the year with most lines items at or below their budgeted figure.

Street Professional Services (BIAS) and Street Insurance are both paid in January for the full year to reflect the full annual costs and came in at 38.6% and 87.2% respectively for their annual budgeted line items.

No interfund transfers have occurred in the Street Reserve fund to date.

STREET RESERVE FUND 102

Revenues

Investment interest today is at \$55.60. No interfund transfers have occurred to date.

Expenditures

There have been no expenditures to date.

CAPITAL FACILITIES PROJECT FUND 304

Per council direction, at the end of 2012 this fund was reclassified as 304 Capital Facilities Project Fund by Ordinance No. 426N.

Revenues

The revenue for this fund is Real Estate Excise Tax and is based upon house sales. It can vary widely from year to year. First quarter receipts totaled \$0.0. \$45.79 in interest was received.

Expenditures

No expenditures have occurred to date.

FIRE EQUIPMENT RESERVE 310

POLICE EQUIPMENT RESERVE 311

EQUIPMENT RESERVE 312

Per council direction, at the end of 2012 these funds were reclassified as Capital Projects Funds and renumbered 310, 311 and 312 respectively, by Ordinance No. 426N.

Revenues

Effective with Resolution 2013-02 interest earnings for these funds are deposited directly into each of these funds respectively. Investment interest collected so far in 2015 is \$31.73 for fund 310, \$32.44 for fund 311, and \$62.37 for fund 312.

No interfund transfers have occurred to date in funds 310, 311 and 312.

Expenditures

No expenditures have occurred to date.

WATER FUND 401

This fund comprises all three utilities – water, sewer and garbage (including recycling.)

Revenues

By council action, a portion of the utility payments for water, sewer and garbage are designated for the reserve funds – Utilities Reserve (410) and Utilities Equipment Reserve (412). Hence the two revenue lines each for water, sewer and garbage sales and water, sewer and garbage sales combined reserve. The transfer to the reserve funds appears under Interfund Transfers Utilities Reserve and Utilities Equipment Reserve. Water receipts are at \$21,650.22 roughly 23.8% of its budget; sewer receipts are \$31,315.10 roughly 24.2% of its budget; garbage receipts are \$25,818.14 roughly 25.7% of its budget; and late fees totaled \$1,441.81 for the first quarter of 2015. Interest is at \$69.15, 69.2% of its budget. Sales from recyclables totaled \$347.20 so far in 2015. One new water connection has been paid for in 2014 and will be installed in the spring of 2015 for the customer.

Expenditures

Total water expenditures started at 22.3% of budget. Water Pro Services is the water department's portion of charges for the BIAS accounting software, a one time charge at the beginning of the year. Also the Water Insurance line item is a one time purchase at the beginning of the year which is at 98.6% of its budget. The Water Contracted Lab Fees line item is currently at \$452.00 or 90.4% of its budget and will need to be reassessed in the coming year for an appropriate budget.

Total sewer expenditures started at 39.9% of its budget. Sewer Pro Service includes the sewer's portion of the BIAS accounting software and is paid once in a year with this line item at 222.9% of its budget or \$1,337.56. Also insurance is paid once a year for the full year and its budget is at 98.8%. A few other line items are higher than usual for the first quarter of 2015. Sewer Operating Supplies is at \$2,527.30 or 56.2%, many of the items purchased in this line item are at the request of the Dept. of Ecology to be able to properly conduct tests at the sewer plant. Sewer Professional Services is at 66.1% and is higher than anticipated due to paying an engineer for blue prints to make changes to the SO₂ and de-chlorination chambers. Sewer General Repair and Maintenance is at 73.6% of its budget due to the removal of sludge from the WWTP facility. Also the WWTP Maintenance and Repair is at 92.5% of its budget with \$4,627.33 spent so far in 2015 on repairs to the influent pumps and a new program on the PLR with timers performed by Strom Electric.

Total garbage expenditures so far are at 32%. Insurance and Garbage Pro Service are at 91.6% and 97.5% respectively for annual one time purchases that are completed at the beginning of the year. A few other line items are above their projected budgeted amount and include; Garbage Operational Supplies is 168.5% which consists of \$593.52 spent for converting the pockets on the old dumpsters. Garbage Small Tools and Equipment is at 291.1% which consists only of the purchase of the 4 yard dumpsters for the school and the town has been reimbursed \$727.66 for the school's portion of the containers. The Garbage Vehicle Maintenance and Repair line item is at 902.9% due to the electrical repairs and transmission repairs performed at Trans Pro and Solid Waste in Spokane. This line item must be back filled from either the Utilities Reserve fund or the Utilities Equipment Reserve fund.

Interfund Transfers included \$25,598.57 to pay the bi-annual sewer loan payment from Fund 403. Funds transferred out from water, sewer, and garbage sales to Fund 410 Utility Reserve account total \$7,269.85. Funds transferred out from water, sewer and garbage sales to Fund 412 Utilities Equipment Reserve account total \$1,795.42.

WATER LOAN 402

This fund was established to repay the Public Works Board (Dept. of Health) loan for the water reservoir. The annual payment is paid in September. The revenue for this payment comes from an Interfund Transfer of \$21,733.00 from the Water Fund. No payment has been made to date from this fund. Interest was collected on the account in the amount of \$9.24 for 2015.

SEWER LOAN REDEMPTION 403

This fund was established to repay the Department of Ecology loan for the wastewater treatment plant (WWTP). The annual payment of \$51,197 is made in two installments per year in March and September. The revenue for this payment comes from two interfund transfers totaling \$51,198.00 from the Sewer Fund. The first loan payment of \$25,598.57 along with the corresponding interfund transfer from the Sewer Fund to cover that expenditure was made in March. The second installment of the payment will be made in the third quarter.

UTILITIES RESERVE 410

Per council, a portion of water, sewer and garbage rates each month are designated for this reserve fund. Receipts to date total; \$7,269.85 plus \$124.45 in interest and represent 26.6% and 38.9% of their budgeted line items.

No Interfund transfers have occurred to date.

UTILITIES EQUIPMENT RESERVE 412

Per council, a portion of water, sewer and garbage rates each month are designated for this reserve fund. Receipts to date total \$1,795.42 plus \$97.32 in interest and represent 23.5% and 30.3% of their budgeted line items.

No capital expenditures or interfund transfers have occurred to date.

SEWER LOAN RESERVE 413

This fund was required when the town received its loan from the Department of Ecology for the WWTP. The town is required to have sufficient resources in this fund to make the final loan payment in 2022. Revenues for this fund come from interest only. 2015 interest to date totaled \$89.75.

WATER DEPOSITS 633

This fund is solely for collecting water utility deposits (non-revenues). After 12 calendar months with no payment problems, water deposits can be applied to the corresponding account or reimbursed to the water user directly. Expenditures (listed as non-expenditures) from this fund are for water deposit reimbursements. To date they total \$196.42. Utility deposits received in the first quarter of 2015 totaled \$206.70.