

**Town of Garfield  
Financial Summary Report Narrative  
2nd 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 2nd Quarter totaled \$35,851.68 which is 61.8% 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 44.6% of the \$25,000 budgeted, with receipts of \$11,161.61. 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 \$3,900.52 or 54.2% of the projected budget.

Water, sewer and garbage utility taxes are at 46.9%, 54.2% and 55% respectively of their projected budgets. The telephone utility for the second quarter of 2015 is 25.5% of its budget received with a total of \$2,298.36. 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

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 6 building permits issued so far in 2015 totaling \$256.65. Animal licenses are at 64.6% of the budget with a total of 25 dog licenses issued in the second quarter of 2015. No conditional use applications have been filed so far in 2015. Concealed pistol licenses are at \$88.00 or 88% of the budgeted line item.

State Generated Revenues

City Assistance received was \$8,500.14 with a total budget of \$10,400.00. Criminal justice monies received are at \$500.00 and \$285.37 or 50% to 57.1% of the budgeted figures. \$2,607.21 in Liquor Control Board Profits was received in the second quarter or 65.2% of the \$4,000 budgeted line item.

Misc. Revenues

Miscellaneous revenues came in at \$881.91. This represents a very small portion of current expense and includes copies, investment interest (\$290.38), 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 58.4% and 0% of their projected budgets. The insurance line item is at 99.8% of its budgeted line at \$4,090.78 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 second quarter this department is at 50.7% of its budget and represents ½ of the clerk-treasurer's expenses plus any financial costs. Personal benefits started 2015 spending \$4,309.49 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 \$535.00 of the budgeted \$750.00 due to training. A grant was provided by AWC to reimburse for the cost of the clerk training and is reflected as a miscellaneous revenue under 001 revenues in the amount of \$475.00. As noted above, the insurance premium paid in total in the first month of the year, shows this line item at 92.9% 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 106.9% of budget.

#### Legal

This department covers the costs of the town's legal counsel and is at 50% 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 two quarters of 2015 \$1,137.21 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 two quarters at 35.3% 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 63% respectively.

#### Protective Inspections

The building inspector contract is paid from this department. Per agreement, the town pays the inspector 75% of the permit fee. 6 permits have been issued through the second quarter of 2015. The town pays the building inspector \$20.00 a month for reimbursement of telephone expenses. The building inspector was paid \$111.23 in the first two quarters of 2015. \$120.00 has been paid to the building inspector for reimbursement of communication expenses or 50% of the line item budget.

#### Communications/Alarms/Dispatch

Police, fire telephone and fire siren expenses are paid from this department. These items are at 55.5% 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 is at 60.6% of its budget with total expenditures of \$8451.38. 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. Park supplies is also over budget at 85.9% or \$858.56 of the budgeted \$1,000. Many of these charges were to repair vehicles used in the parks department, as well as, fixing the sprinkler system, and supplies for doing repairs to the park equipment.

#### 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. \$119.50 of expenditures has occurred thru the second quarter of 2015.

#### Capital Expenditures

A new office computer was purchased for the financial office totaling \$2,284.09 for the equipment, software and professional installation fees. This expense is divided into two line items and is 28.4% over budget with \$2,284.09 spent. The Park Equipment line item is \$158.55 over the budgeted zero dollars. This was to repair the swing set at the park.

#### Interfund Transfers

No interfund transfers have taken place by the second 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 50% 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 \$33,628.33 which is 59.0% 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 \$5,833.82 or 58.3% of this budgeted line item amount of \$10,000.

#### Misc. Revenues

Interest for the year so far totaled \$96.92.

#### Interfund Transfer

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

#### **Expenditures**

The general operations of the Street fund are at 37.9% of the annual budget projected for the year with most lines items at or below their budgeted figure with the exception of Street Supplies Operating which is at 94.4%. The bulk of these expenses were for upkeep and maintenance performed by the public works department on vehicles and tools pertaining to the street department.

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 55.1% 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 \$71.51 or 57.2%. No interfund transfers have occurred to date.

##### **Expenditures**

\$3,622.08 has been spent out of the Capital Expenditures fund on a new surveillance system in town.

#### **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. Second quarter receipts totaled \$0.0. \$58.90 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 \$40.81 for fund 310, \$41.72 for fund 311, and \$77.32 for fund 312.

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

### **Expenditures**

Fund 312 had one expenditure of \$6,889.99 for the purchase of a new mower.

### **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 \$40,821.90 roughly 44.9% of its budget; sewer receipts are \$64,526.11 roughly 49.8% of its budget; garbage receipts are \$51,301.62 roughly 51.0% of its budget; and late fees totaled \$2,586.42 for the second quarter of 2015. Interest is at \$75.96, 76% of its budget. Sales from recyclables totaled \$347.20 so far in 2015.

No Interfund transfers into Fund 401 have been completed thru the second quarter of 2015.

### **Expenditures**

Total water expenditures in the first two quarters of 2015 are at 47.8% 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 cost for Carlson's Plumbing for annual back flow testing. This line item is at 106.6% of its budget. The Water Insurance line item is also a onetime 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 \$492.00 or 98.4% of its budget and will need to be reassessed in the coming year for an appropriate budget. Other line items that are over 50% of their budgets are; Water Permits at 146.4% and Water Operating Supplies 88.2%.

Total sewer expenditures in the first two quarters of 2015 are at 73.5% 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, as well as, the professional other services we receive at the WWTP including plant operation and consulting at the plant. Currently this line item is at 430.5% or \$2,583.03 spent so far. 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 second quarter of 2015. Sewer Operating Supplies is at \$4,197.28 or 93.3%, 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 \$5,297.50 or 96.3% and is higher than anticipated due to paying an engineer for blue prints to make changes to the SO2 and de-chlorination chambers, as well as, the contracted sewer samples through Anatek. WWTP Utilities is at 79.7% with \$5,979.83 of its \$7,500.00 budget spent so far in 2015. Sewer General Repair and Maintenance is at 200% of its budget primarily due to the removal of sludge from the WWTP facility and should start subsiding. Also the WWTP Maintenance and Repair is at 259.3% of its budget with \$12,965.52 spent so far in 2015 on repairs to the influent pumps and a new program on the PLR with timers performed by Strom Electric, as well as, rebuilding and replacement of pumps at the WWTP.

Total garbage expenditures so far are at 58.1%. 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 300.2% which consists of \$2,101.53 spent primarily for converting the pockets on the old dumpsters, as well as, supplies needed for the public works department to make repairs to the garbage vehicles. 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 982.7% due to the electrical repairs and transmission repairs performed at Trans Pro and Solid Waste in Spokane. We can expect to see this account continue to rise since the truck needed some more electrical and hydraulic work that will be billed in the 3<sup>rd</sup> quarter 2015. We can expect another \$3,750 in charges from Spokane Solid Waste. This line item must be back filled from either the Utilities Reserve fund or the Utilities Equipment Reserve fund.

Water, Sewer and Garbage operating budget expenses total \$269,430.00, so far in the second quarter of 2015, \$162,354.48 has been spent bring the total expenses to 60.3% of the budget. We have completed no interfund transfers from the reserve accounts 410 and 412 to 401 for extra ordinary expenses. There is currently \$20,000.00 that can be moved from the reserve accounts to 401 to help cover extra ordinary costs, once this has occurred it will bring the second quarter percentage down to 56%. Expenses in this fund will need to be watched closely for the remainder of the year. The SO2 and chlorine chamber installation and all cost associated with this installation will need to be paid directly from Fund 412; Capital Expenditure, Sewer Machinery and Equipment which has a budget of \$10,000.00.

Interfund Transfers included \$25,598.57 to pay the bi-annual sewer loan loan payment from Fund 403. Funds transferred out from water, sewer, and garbage sales to Fund 410 Utility Reserve account total \$11,520.27. Funds transferred out from water, sewer and garbage sales to Fund 412 Utilities Equipment Reserve account total \$2,863.02.

#### **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 \$11.88 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 of 2015.

#### **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; \$11,683.90 plus \$163.63 in interest and represent 42.2% and 51.1% 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 \$2989.07 plus \$126.05 in interest and represent 37.6% and 39.3% 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 \$115.44.

**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, and to date they total \$1,669.57. Utility deposits received in the first two quarters of 2015 totaled \$1,033.50.