

**Town of Garfield
Financial Summary Report Narrative
3rd 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 3rd Quarter totaled \$40,323.19 which is 69.5% 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 69.18% of the \$25,000 budgeted, with receipts of \$17,297.45. 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 \$5,974.33 or 83% of the projected budget.

Water, sewer and garbage utility taxes are at 83.3%, 81.7% and 83.2% respectively of their projected budgets. The telephone utility for the third quarter of 2015 is 36.8% of its budget received with a total of \$3,309.14 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 79.2% of the budget with a total of 25 dog licenses issued in the third 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 \$14,726.75 with a total budget of \$10,000.00. Criminal justice monies received are at \$750.00 and \$433.98 or 75% to 86.8% of the budgeted figures. \$3,910.60 in Liquor Control Board Profits was received in the third quarter or 97.8% of the \$4,000 budgeted line item.

Misc. Revenues

Miscellaneous revenues came in at \$1,215.45. This represents a very small portion of current expense and includes copies, investment interest (\$545.31), 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 60% 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 third quarter this department is at 74.6% of its budget and represents ½ of the clerk-treasurer's expenses plus any financial costs. Personal benefits in the first three quarters of 2015 are \$6,737.51 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 75% 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 three quarters of 2015 \$1,261.32 has been spent. Also from this fund a new garbage disposal was purchased for \$198.8 and paint for the fire hall at \$276.45

General Government

This line item represents the annual dues to the Association of Washington Cities at \$298.00 and the fire department annual dues at \$14.02 resulting in 89.1% of the budgeted line item.

Fire

This category started the first three quarters at 50.8% 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 third quarter of 2015. The building inspector was paid \$234.87 in the first three quarters of 2015. The town pays the building inspector \$20.00 a month for reimbursement of telephone expenses. \$180.00 has been paid to the building inspector for reimbursement of communication expenses or 75% of the line item budget.

Communications/Alarms/Dispatch

Police, fire telephone and fire siren expenses are paid from this department. These items are at 85% 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 \$103.17 spent so far in this department during 2015.

Park/Pool

This department is at 82.1% of its budget with total expenditures of \$11,447.98. Insurance for the year is paid in the first quarter and was at 92.6% of its budget. Training was over budget with \$143.90 spent to pay for the public works employees to become licensed pesticide applicators so that future applications can be done with town personnel and \$538.80 was the park's portion of the 2015 public works new hire to attend school to acquire his CDL license. Park supplies is also over budget at 101.7% or \$1,016.95 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. \$182.50 of expenditures has occurred through the third 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

So far in the third quarter of 2015 \$27,300.00 in interfund transfers have been transferred out of fund 001 Current Expense. \$12,000.00 was transferred into the Equipment Capital Project Fund 312, \$1,000.00 to the Police Capital Projects Fund 311, \$3,000.00 to the Fire Capital Projects Fund 310 and \$11,300.00 to Current Expense Reserve Fund 002.

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 75% of its budget.

CURRENT EXPENSE (CE) RESERVE 002

Revenues

No revenues to date have occurred.

An interfund transfer into Fund 002 from Current Expense 001 in the amount of \$11,300.00 has 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 \$37,822.54 which is 66.4% 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.

State Generated Revenues

Motor Vehicle Fuel Taxes started the year at \$9,190.86 or 91.9% of this budgeted line item amount of \$10,000.

Misc. Revenues

Interest for the year so far totaled \$197.00.

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 64.4% 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 116.3%, 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. Gravel, Hot and Cold Mix is at 92% of its \$2,500.00 budget due to completing more patch and fill repairs on downtown roads. Street Rental and Leases is at 112.7% or over budget \$76.31, this is the line item is used to rent the grader from the county to grade roads and also rent a local resident's angle mower to mow grasses on the bank leading to the school. Training was over budget \$373.80 or at 224.6% of its projected budget for 2015. This was due to training for a pesticide applicator license and also for the public works new hire to attend training to receive his CDL license.

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.

A \$2,000.00 interfund transfer out to Fund 102 has occurred in the Street Reserve fund to date.

STREET RESERVE FUND 102

Revenues

Investment interest today is at \$130.16 or 104.1%. An inter-fund transfer into Fund 102 in the amount of \$2,000.00 has occurred.

Expenditures

No expenditures have occurred 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. Third quarter receipts totaled \$0.0. \$101.21 in interest was received.

Expenditures

An expenditure of \$3,622.08 was made to purchase new surveillance cameras to monitor town property.

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 \$74.30 for fund 310, \$75.95 for fund 311, and \$131.73 for fund 312.

Three interfund transfers from Current Expense Fund 001 were made to Fund 310 for \$3,000.00, Fund 311 for \$1,000.00 and Fund 312 for \$12,000.00

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 \$69,129.63 roughly 76% of its budget; sewer receipts are \$95,733.37 roughly 73.9% of its budget; garbage receipts are \$76,945.42 roughly 76.5% of its budget; and late fees totaled \$4,003.10 for the third quarter of 2015. Interest is at \$102.00, 102% of its budget. Sales from recyclables totaled \$347.20 so far in 2015.

Several expenses above and beyond the normal budgeted items were required from the water, sewer and garbage fund so far in 2015. Funds from the 410 (Utilities Reserve) and 412 (Utilities Equipment Reserve) were budgeted to transfer back into Fund 401 to cover these additional costs. In the first three quarters \$18,000.00 has been transferred back to Fund 401.

Expenditures

Total water expenditures in the first three quarters of 2015 are at 77.1% 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, and the cost of random drug testing for employees who hold a CDL license. This line items is at 132% 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. Water Permits is at 146.4% of its budget due to some additional temporary water permits issued for new employees watching over the water system. The Water Contracted Lab Fees line item is currently at \$532.00 or 106.4% of its budget and will need to be reassessed in the coming year for an appropriate budget. Other line items that are over 75% of their budgets are; Water Operating Supplies at 137% which is any item purchased that affects the water daily operation, Water Training is at 116.8% and over budget due to the water's portion of sending a new employee to training to acquire his CDL license.

Total sewer expenditures in the first three quarters of 2015 are at 84.6% 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 other professional services we receive at the WWTP including plant operation and consulting at the treatment plant. Currently this line item is at 500.2% or \$3,001.28 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 third quarter of 2015. Sewer Operating Supplies is at \$5,696.55 or 126.6%, 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 Utilities Professional Services is at \$6,667.50 or 121.2% 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 99.4% with \$7,451.67 of its \$7,500.00 budget spent so far in 2015. Sewer General Repair and Maintenance is at 285.8% of its budget primarily due to the removal of sludge from the WWTP facility and the contracted transport of the removed sludge. The the WWTP Maintenance and Repair has been reduced by \$10,000.00 as these fees for pumps and WWTP capital infrastructure was reclassified as a Sewer Capital Expense and paid directly from Fund 412 (Utilities Equipment Reserve). A few other items were over their budgets for the third quarter and include; Sewer Taxes and Assessment is at 122.9% and high due to increased purchases for the sewer plant, Sewer Vehicle Repair is at \$262.15 of its budgeted \$200.00 and this is for parts to service vehicles used while conducting sewer plant operations, and Sewer Training which is \$583.80 over budget due to acquiring a CDL for the new hire.

Total garbage expenditures so far are at 86.9%. Insurance and Garbage Pro Service are at 91.6% and 103.5% 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 325.6% which consists of \$2,279.27 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 \$14,991.39 due mostly to the electrical repairs and transmission repairs performed at Trans Pro and Solid Waste in Spokane, as well as, new tires for the garbage truck and various other small items that needed repaired on the garbage truck. This line item must be back filled from either the Utilities Reserve fund or the Utilities Equipment Reserve fund.

Inter fund Transfers included \$20,870.00 to pay the annual water loan payment from Fund 402 and a total of \$51,197.14 has been transferred out to Fund 403 to pay for sewer loan payment which is paid in two installments each year. Funds transferred out from water, sewer, and garbage sales to Fund 410 Utility Reserve account total \$20,983.55. Funds transferred out from water, sewer and garbage sales to Fund 412 Utilities Equipment Reserve account total \$5,232.86.

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 \$20,870.00 from the Water Fund. A payment of \$20,862.51 has been made to date from this fund. Interest was collected on the account in the amount of \$21.60 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 \$51,197.14 from the Sewer Fund. The two loan payments of \$51,197.14 along with the corresponding interfund transfer from the Sewer Fund to cover that expenditure was made in March and September.

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; \$20,983.55 plus \$316.80 in interest and represent 76.7% and 99% of their budgeted line items.

Two interfund transfers were sent from Fund 410 to Fund 401 to help over run expenses in the water, sewer and garbage fund.

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 \$5,232.86 plus \$234.16 in interest and represent 68.6% and 72.9% of their budgeted line items.

\$10,000.00 was reclassified as a Capital Expenditure Sewer Machinery and moved from Fund 401 sewer line item 535.50.48.03 to Fund 412 line item 594.35.64.01. Most of these items were pumps and equipment purchased for the operation of the sewer plant.

A interfund transfer out from Fund 412 to Fund 401 in the amount of \$3,000.00 was completed to help cover over runs on the garbage truck expenses.

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 \$210.12.

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 \$1,865.99. Utility deposits received in the first three quarters of 2015 totaled \$1,133.50.