

**TOWN OF GARFIELD
2010 FINAL BUDGET MESSAGE
Public Hearing November 23, 2009**

A copy of the 2010 Preliminary Budget is attached. Budgeted funds include any estimated balance to be carried over from 2009. The estimated population for the Town of Garfield remains at 630.

2010 PROPOSED BUDGET – EXPENDITURES

Proposed expenditures for 2010, state on a comparative basis with the 2009 budget and 2008 actual expenditures are as follows:

<u>Expenditures</u>	Actual 2008	Budget 2009	Budget 2010
End Cash & Investments - General	149,414	110,512	116,662
End Cash & Investments - Streets	113,783	67,910	86,297
End Cash & Investments - Utility Funds	440,043	416,130	473,365
 <u>General:</u>			
General Government	44,166	45,696	49,712
Public Safety	36,855	20,166	17,193
Environment	53	60	60
Transportation	0	0	0
Economic Environment	30,703	40	40
Mental & Physical Health	225	350	350
Culture & Recreation	17,500	18,075	9,621
 <u>Street Funds</u>	 40,222	 44,740	 49,303
<u>Utility (Water/Sewer/Garbage) Funds</u>	186,354	203,670	219,440
 Total Appropriations	 356,078	 332,797	 345,719
 Non-Expenditures - General	 1,520	 1,260	 550
Non-Expenditures - Utility Funds	59,648	60,562	61,195
Other Financing Uses - General	50,976	136,469	127,311
Other Financing Uses - Street Funds	324,436	40,170	15,000
Other Financing Uses - Utility Funds	112,520	468,896	256,402
 Total Appropriations without End Balance	 <u>905,178</u>	 <u>1,040,154</u>	 <u>806,177</u>
 Total All Estimated Uses	 <u>1,608,418</u>	 <u>1,634,706</u>	 <u>1,482,501</u>

GENERAL FUND (CURRENT EXPENSE/RESERVE FUNDS)

The 2010 general budget (appropriations) as proposed is approximately 8.5 percent lower than 2009 primarily due to the final payment of the Public Safety Building Feasibility Study and the budgeted expenditure for police equipment through a Justice Assistance Grant in 2009. The general budget is balanced by a projected levy of approximately \$57,408 for general fund purposes. The actual budget estimate lists revenues at \$54,000, slighter lower than the projected levy, considering any possible late payments or non-payments. This entire regular property tax appears in Current Expense with the recent voter approval to annex into the Whitman County Library District. Although this was voted on and passed in late 2008, to start in the year 2009, the financial change does not take effect until 2010 and reflects a \$9,500 reduction in library expenses for the town. The support of the Library District by the community is greatly appreciated.

The estimated yield from retail sales and use taxes, real estate excise tax, utility and occupation tax is \$72,000, which is \$1,700 lower than the 2009 budget. This reflects a reduction in anticipated real estate excise tax with housing sales down. It is difficult to predict sales tax revenue due to economic fluctuations with the current economic status of the state.

PERSONNEL

The city has 3 full-time employees (Public Works Superintendent, Public Works Assistant and Clerk-Treasurer) and one part-time relief employee for sanitation services. Proposed wage increases range from 3% to 4%. Personnel benefits offered remain the same for 2010 and include employee medical, dental and vision through the Association of Washington Cities. Medical and vision is with Group Health Plan. Dental is with Washington Dental Services Plan. The projected premium increase for these benefits is 5.8% for medical and 5.5% for dental. Additionally the town offers a \$1,000 contribution to a deferred compensation retirement plan through Ing.

LAW ENFORCEMENT, FIRE CONTROL AND COMMUNICATIONS

Total costs for law enforcement, fire control and communications are \$83,643 for 2010. Law enforcement services are contracted with the City of Palouse. The current contract expires December 2010. The annual contract amount of \$66,000 has remained unchanged since inception May 2008. The first increase (3%) will take effect May 2010 for a total annual payment of \$67,320 in 2010. Increases in fire control are primarily due to an adjustment to the fire chief salary in 2009, insurance increases, additional supplies, and transfer out to fire equipment.

STREET FUNDS

The 2010 street budget (appropriations) as proposed is approximately 31 percent lower than 2009, in part due to the completion of the 2nd Street Sidewalk Project and no budgeted transfer from the street reserve fund. A special tax collection of \$55,000 to finance street maintenance and repair and street improvements went before the voters in April 2010 and was approved.

UTILITY FUNDS / RESERVE FUNDS

This fund comprises the Water, Sewer and Garbage proprietary operations of the town. The new Utilities Reserve Fund established in 2009, continues in the 2010 budget with no anticipated revenue changes. A portion of monthly utility rates are transferred into this fund monthly. The 2010 utility funds budget (appropriations) as proposed is approximately 36.5% percent lower than 2009, in part due to the utility reserve fund already established and no initial transfer needed as well as the majority of the engineering work for 2nd Street Water line project completed in 2009.

CAPITAL PROJECTS – STREET FUND / UTILITY FUND

In 2009 the town undertook a variety of capital projects including decommissioning Well #1 and paving the white goods area of the recycling center. The 2009 budget included the 2nd Street Water Line Replacement of an old 4 inch leaded-joint pipe with a new 8 pipe. The total budget for this project is estimated at \$138,150 with \$118,150 from an ARRA Stimulus Grant. It is anticipated that most of the engineering for this project will be completed in 2009, but construction will likely not start until 2010. A budgeted construction figure of \$118,150 is in the 2010 budget.

<u>Revenues</u>	Actual 2008	Budget 2009	Proposed Budget 2010
Estimated Begin Balances - General	167,934	143,098	150,009
Estimated Begin Balance - Streets	128,115	113,020	75,000
Estimated Begin Balances - Utility Funds	424,464	417,560	444,277
<u>General:</u>			
Taxes	107,263	126,200	126,000
Licenses & Permits	4,647	2,740	2,740
Intergovernmental Revenues	39,518	45,855	30,520
Charges for Goods & services	0	0	0
Fines and Penalties	25	0	0
Miscellaneous Revenues	5,215	3,215	1,760
<u>Street Funds</u>			
Taxes	49,252	0	55,000
Intergovernmental Revenues	275,952	10,000	10,000
Miscellaneous Revenues	7,935	1,800	600
<u>Utility (Water/Sewer/Garbage) Funds</u>			
Intergovernmental Revenues	2,954	133,450	118,150
Charges for Services	269,287	316,600	316,600
Miscellaneous Revenues	15,732	8,230	9,590
Total Estimated Revenues	777,780	648,090	670,960
Non-Revenues - General	810	520	470
Non-Revenues - Streets	0	0	0
Non-Revenues - Utility Funds	3,025	750	750
Other Financing Sources - General	6,000	11,000	10,000
Other Financing Sources - Streets	17,188	28,000	10,000
Other Financing Sources - Utility Funds	83,102	272,668	121,035
TOTAL			
Total Estimated Resources without Beginning Balances	<u>887,905</u>	<u>961,028</u>	<u>813,215</u>
Total All Estimated Revenues	<u>1,608,418</u>	<u>1,634,706</u>	<u>1,482,501</u>