

2010 PRELIMINARY BUDGET MESSAGE
Public Hearing November 9, 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	Proposed Budget 2010
End Cash & Investments - General	154,083	114,587	123,617
End Cash & Investments - Streets	113,783	67,910	100,613
End Cash & Investments - Utility Funds	435,374	412,055	468,105
 <u>General Funds:</u>			
General Government	44,166	45,696	49,702
Public Safety	36,855	20,166	15,013
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	9,221
 <u>Street Funds</u>	 40,222	 44,740	 45,147
 <u>Utility (Water/Sewer/Garbage) Funds</u>	 186,354	 203,670	 218,945
 Total Appropriations	 356,078	 332,797	 338,478
 Non-Expenditures - General	 1,520	 1,260	 1,260
Non-Expenditures - Utility Funds	59,648	60,562	61,195
Other Financing Uses - General	50,976	136,469	126,775
Other Financing Uses - Street Funds	324,436	40,170	10,000
Other Financing Uses - Utility Funds	112,520	468,896	131,752
 Total Appropriations without End Balance	 <u>905,178</u>	 <u>1,040,154</u>	 <u>669,460</u>
 Total All Estimated Uses	 <u>1,608,418</u>	 <u>1,634,706</u>	 <u>1,361,795</u>

The 2010 budget (appropriations) as proposed is approximately 20 percent lower than 2009 primarily due to the completion of the 2nd Street Sidewalk Project, the completion of the Public Safety Building Feasibility Study which had final payments in 2009, and the budgeted completion of the 2nd

Street Water Line project. It is possible the 2nd Street Water Line project will only be partially completed by year end 2009, with the balance of the project completed in 2010, requiring a budget amendment.

GENERAL FUND (CURRENT EXPENSE/RESERVE FUNDS)

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.

STREET FUNDS

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.

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.

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. In 2010, the town may have to complete the 2nd Street Water Line replacement of an old 4 inch leaded-joint pipe with a new 8 pipe, started in late 2009. The total budget for this projected is estimated at \$138,150 with \$118,150 from an ARRA Stimulus Grant. A budget amendment will be needed in 2010 if this project extends beyond 2009.

2010 PROPOSED BUDGET – REVENUES

Estimated revenues for 2010 compared to amounts received in 2008 and the latest estimates for 2009 are as follows:

<u>Revenues</u>	Actual 2,008	Budget 2,009	Proposed Budget 2,010
Estimated Begin Balances - General	167,934	143,098	149,973
Estimated Begin Balance - Streets	128,115	113,020	75,160
Estimated Begin Balances - Utility Funds	424,464	417,560	444,277
<u>General Funds:</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	1,960
<u>Street Funds</u>			
Taxes	49,252	0	55,000
Intergovernmental Revenues	275,952	10,000	15,000
Miscellaneous Revenues	7,935	1,800	600
<u>Utility (Water/Sewer/Garbage) Funds</u>			
Intergovernmental Revenues	2,954	133,450	0
Charges for Services	269,287	316,600	316,600
Miscellaneous Revenues	15,732	8,230	7,710
Total Estimated Revenues	777,780	648,090	556,130
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	115,035
TOTAL			
Total Estimated Resources without Beginning Balances	<u>887,905</u>	<u>961,028</u>	<u>692,385</u>
Total All Estimated Revenues	<u>1,608,418</u>	<u>1,634,706</u>	<u>1,361,795</u>