

2011 FINAL BUDGET MESSAGE

Adoption 12/15/10

A copy of the 2011 Final Budget is attached. Budgeted funds include any estimated balances to be carried over from 2010. The estimated population for the Town of Garfield remains at 630.

2011 PROPOSED BUDGET – EXPENDITURES

Proposed expenditures for 2011, state on a comparative basis with the 2010 budget and 2009 actual expenditures are as follows:

<u>Expenditures</u>	Actual 2009	Budget 2010	Proposed Budget 2011
End Cash & Investments - General	170,026	116,026	141,360
End Cash & Investments - Streets	76,380	35,363	42,891
End Cash & Investments - Utility Funds	462,542	351,491	344,541
General:			
General Government	41,506	51,447	49,644
Public Safety	18,551	17,193	17,669
Environment	126	60	60
Transportation	0	0	0
Economic Environment	0	1,540	40
Mental & Physical Health	167	350	350
Culture & Recreation	18,170	9,924	11,877
<u>Street Funds</u>	39,896	62,137	61,775
<u>Utility (Water/Sewer/Garbage) Funds</u>	203,419	250,929	251,936
Total Appropriations	321,834	393,580	393,351
Non-Expenditures - General	335	550	550
Non-Expenditures - Utility Funds	59,917	61,195	61,195
Other Financing Uses - General	78,088	144,600	120,112
Other Financing Uses - Street Funds	40,168	62,885	120,695
Other Financing Uses - Utility Funds	330,210	362,732	258,327
Total Appropriations without End Balance	<u>830,554</u>	<u>1,025,542</u>	<u>954,230</u>
Total All Estimated Uses	<u>1,539,502</u>	<u>1,528,422</u>	<u>1,483,022</u>

The 2011 budget (appropriations) as proposed is approximately 7.5 percent lower than 2010 primarily due to the completion of the 2nd Street Waterline ARRA Grant project, the Police Department Justice Assistance ARRA Grant and the purchase of used machinery/equipment (street sweeper and chipper) in 2010.

GENERAL FUND (CURRENT EXPENSE/RESERVE FUNDS/CAPITAL FACILITIES)

The general budget is balanced by a projected levy of approximately \$58,012 for general fund purposes. The actual budget estimate lists revenues at \$54,000, slightly lower than the projected levy, considering any possible late payments or non-payments.

The estimated yield from retail sales and use taxes, real estate excise tax, utility and occupation tax is \$72,000.

STREET FUNDS

A special tax collection of \$55,000 to finance street maintenance and repair and street improvements went before the voters in May 2010 and was approved. In November 2010, the town was notified it would be receiving two grants from the Transportation Improvement Board. \$24,797 was awarded for sealing coating on portions of 3rd Street (Main to Cleveland) and 4th Street (Jefferson to Cleveland) and \$81,964 for an overlay on 2nd Street (Main to Union).

UTILITY FUNDS / RESERVE FUNDS

This fund comprises the Water, Sewer and Garbage proprietary operations of the town. As previously adopted by the town council in December 2008, the water, and garbage rates will increase by 6% each biennium and sewer rates 4% each biennium. This first rate increase will take effective January 2011. The new Utilities Reserve Fund established in 2009, continues in the 2011 budget with no anticipated revenue changes. A portion of monthly utility rates are transferred into this fund monthly.

PERSONNEL

The town 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 0% to 9%. Personnel benefits offered for 2011 include employee medical and dental through the Association of Washington Cities. Medical is with Group Health Plan. Dental is with Washington Dental Services Plan. The projected premium increase for these benefits is 8.5% for medical and 0% for dental. Additionally, the town will be joining the Public Employees Retirement System (PERS) effective January 2011. Along with the employee, the town, over a 5-year period, will buy back prior service year credits. Prior to 2011 the town had a retirement plan for employees through Ing insurance and contributed a \$1,000 a year to this deferred compensation retirement plan. The town's PERS contribution for January through June 2011 will be 5.3%. The projected contribution for the town starting July 2011 is 8.61%. As agreed upon when retiring, the former Public Works Superintendent's medical and dental COBRA premiums will be paid through July 2011.

LAW ENFORCEMENT, FIRE CONTROL AND COMMUNICATIONS

Total costs for law enforcement, fire control and communications are \$82,829 for 2011. Law enforcement services are contracted with the City of Palouse. The current contract expires December 2010. The newly approved contract for 2011-2013 takes effect January 1, 2011 and runs through December 31, 2013. For 2011, there would be no increase in the annual contract of \$67,980. For 2012 the annual fee would increase by 1.5% to \$68,999.70 and for 2013 increase by 1.5% to \$70,019.40.

CAPITAL PROJECTS

Projects proposed for 2011 include construction of a new public safety building, revamping the town hall building for shop storage and office space and council chambers/clerk office expansion, retrofitting the garbage truck with a cart tipper and new roll carts, and upgrading sewer plant equipment. The town is applying for Community Development Block Grant Funds for the public safety building. A combination

of reserve funds and user fees will be used to fund the garbage truck capital project. Reserve fund will be used to fund the sewer plant upgrades.

2011 PROPOSED BUDGET – REVENUES

Estimated revenues for 2011 compared to amounts received in 2009 and the latest estimates for 2010 are as follows:

<u>Revenues</u>	Actual 2009	Budget 2010	Proposed Budget 2011
Estimated Begin Balances - General	149,413	149,946	170,197
Estimated Begin Balance - Streets	113,783	76,200	42,000
Estimated Begin Balances - Utility Funds	440,118	456,877	380,329
<u>General:</u>			
Taxes	133,395	126,000	126,000
Licenses & Permits	3,102	2,740	1,740
Intergovernmental Revenues	32,923	40,519	26,520
Charges for Goods & services	0	0	0
Fines and Penalties	0	0	0
Miscellaneous Revenues	1,804	1,760	2,560
<u>Street Funds</u>			
Taxes	325	55,000	55,000
Intergovernmental Revenues	13,705	12,500	116,761
Miscellaneous Revenues	631	600	600
<u>Utility (Water/Sewer/Garbage) Funds</u>			
Intergovernmental Revenues	9,500	118,150	0
Charges for Services	319,977	316,600	339,600
Miscellaneous Revenues	9,927	9,590	5,210
Total Estimated Revenues	525,290	683,459	673,991
Non-Revenues - General	332	470	470
Non-Revenues - Streets	0	0	0
Non-Revenues - Utility Funds	675	750	750
Other Financing Sources - General	6,000	20,255	14,175
Other Financing Sources - Streets	28,000	16,085	11,000
Other Financing Sources - Utility Funds	275,890	124,380	190,110
Total Estimated Resources without Beginning Balances	<u>836,188</u>	<u>845,399</u>	<u>890,496</u>
Total All Estimated Revenues	<u>1,539,502</u>	<u>1,528,422</u>	<u>1,483,022</u>