

**Town of Garfield  
Financial Summary Report Narrative  
4th Quarter 2011**

**BUDGET AMENDMENTS**

The 2011 Budget was adopted by Ordinance No. 395N December 15, 2010. The budget was amended by Ordinance No. 396N, Ordinance No. 398N, Ordinance No. 402N, Ordinance No. 410, and Ordinance No. 412N increasing the appropriations to the Current Expense Reserve Fund, Street Fund, Street Reserve Fund, Capital Facilities Fund, Fire Equipment Reserve Fund, Equipment Reserve Fund, Water Fund, Utilities Reserve Fund and Utilities Equipment Reserve Fund; along with Ordinance No. 413N, closing and renumbering the Utility Deposits Fund.

The Town of Garfield adopts its budget at the fund level. All funds in 2011 came in at or under their total fund appropriations, with variations in line items within the funds.

**CURRENT EXPENSE (CE) 001**

**Revenues**

Taxes

Property tax received in 2011 totaled \$53,682.13 at 99.4% of the budget.

Local sales tax received came in at \$22,302.49 which is higher than expected at 117.4% of the budget.

Criminal justice tax also came in higher at \$6,418.41 or 128.4% of the projected budget.

Utility taxes for electricity, telephone, sewer and garbage were all higher than the projected budget.

Licenses/Permits

This entire category reflects a very minor portion of the total municipal budget and can vary widely year-to-year based upon building activity, dogs licensed, and the volume of concealed pistol licenses. Total activity in the building department was \$1,095.95. Entire funds collected in this category totaled \$1,510.95, slightly under the projected \$1,740.

State Generated Revenues

State shared revenues mirror the overall state economic condition, with revenues to the town going up or down accordingly and directly tied to population. City Assistance from the state was way down in 2011, with a total of \$9,929.75 received compared to \$19,251.73 in 2010. This income category is expected to be even less in 2012.

Misc. Revenues

Miscellaneous revenues reflect a higher than expected total due to a \$1,000 AWC Loss Control Grant received for park security. However, this receipt is offset by the expenditure for the surveillance equipment. Miscellaneous revenues totaled \$2,456.92.

Non Revenues

Non-revenues represent monies that the town simply collects and passes on to other agencies, such as the \$4.50 per building permit state fee or the portion of fees for concealed pistol licenses the state charges for processing. For 2011 this figure came in at \$327.

Other Revenues

Due to water damage at the Community Center, the town received a \$3,330.61 insurance recovery payment to be used for repair of the building. Expenditures for this repair will be incurred in 2012 budget year.

### Interfund Transfers

The \$3,600 transfer-in from the Current Expense Reserve represents the Current Expense Fund's portion of the \$12,000 audit conducted this year.

### Expenditures

#### Legislative and Executive

Insurance and election costs ended over projected budgeted figures. The insurance line item of \$3,920.92 is 208% over the budgeted line item of \$1,885. This payment reflects the annual payment to AWC for property/vehicle insurance and liability insurance and is based upon the risk factors by department and property/vehicles in that category. Working with AWC on the insurance risk, General Government and Sewer are the higher risks at 50% and 30% respectively for claims. The premium expenditure reflects this higher risk in these two categories. Election costs came in way under budget at \$271.19 as the 2012 street levy ballot measure was on the August 2011 primary election ballot rather than a special election ballot. The voter registration expense of \$2,159.53 represents the annual 2009 payment and 2010 payment for voter registration not billed until 2011.

#### Judicial

This line item is for the contract payment of \$2,274.30 with Whitman County for court services in 2011. The existing contract runs from January 1, 2008, through December 31, 2013.

#### Finance

This department represents ½ of the clerk-treasurer's expenses plus any financial costs such as accounting software support, telephone, insurance, audit fees, and training. Year end expenditures came in at 93.2% of budget for a total of \$34,009.39.

#### Legal

This department covers the costs of the town's legal counsel and is at 100% of budget at \$3,600.

#### General Government

This expenditure of \$311 represents the annual dues to the Association of Washington Cities. No other expenditures are billed to this department.

#### Fire

This department ended the year at 86.4% of the budget at \$10,945.47. Small equipment, maintenance and repair, and electricity line items were over budget, while firefighter salaries, supplies, and training were under budget.

#### Protective Inspections

The building inspector contract is paid from this department. Per agreement, the town pays the inspector 75% of the permit fee. A total of 12 building permits were issued in 2011, with 5 being reroofing permits.

#### Communications/Alarms/Dispatch

Both police and fire telephone and fire siren expenses are paid from this department. Expenditures ended at \$2,113.21 or 75.5% of the budget. Reimbursement from the Rural Fire District offsets the expenditures in this fund.

#### Other Environment Services

The only expenditure under this category is the cost for dog licenses (tags). \$54.87 represents the expenditure in 2011 for 2012 dog tags.

#### Planning & Community Development

Total costs are at \$84 which represents the poster printing charge for the town beautification contest sponsored by the Planning Commission. The winner of this year's contest was Windy Tevlin, congratulations.

### 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. This \$115.43 payment represents the 4<sup>th</sup> Quarter 2010, and 1<sup>st</sup> and 2<sup>nd</sup> Quarter 2011 assessments.

### Park/Pool

This department ended at 121.2% of its budget for the year with total expenditures of \$14,392.03. This variation is largely attributable to maintenance and repair costs including repairs to the mower, tankless water heaters, and sprinkler system repairs.

### 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. This category ended at 59.5% of its budget with \$327.00 in expenditures.

### Capital Expenditures

The only expenditure under this category was for tools and equipment for public works. Park's paid a portion of those costs at \$2,362.71. This department ended at 8.8% of its budget.

### Interfund Transfers

All the budgeted interfund transfers were made except the \$15,500 to the Current Expense Reserve Fund. Transfers totaled \$12,000 with \$6000 to the Equipment Fund, \$1,000 to the Police Equipment Fund and \$5,000 to the Fire Equipment Fund.

### Other Expenditures Intergovernmental Payments

Expenditures in this department represents the law enforcement contract with the City of Palouse. A 3-year contract renewal was approved in November of 2010 and remains in effective from 1/1/2011 to 12/31/2013. The monthly rate for 2011 was \$5,665 with an annual expenditure of \$67,980. The other two expenditures in the department include payments to the Garfield PDA (\$2,000) for interim maintenance and the Garfield Park & Recreation District (\$5,125) for one-half the cost of the boiler replacement due to improper shut down in the fall of 2010.

## **CURRENT EXPENSE (CE) RESERVE 002**

### **Revenues**

Revenues for this fund originate from the Current Expense (CE) Fund. No interfund transfers were made into this fund.

### **Expenditures**

The \$3,600.72 transfer out to Current Expense was to cover audit costs.

## **STREET FUND 101**

### **Revenues**

#### Property Taxes

In April 2010, the voters approved a special property tax levy of \$55,000 for collection in 2011. Property tax received in 2011 totaled \$46,360.46. This is lower than budgeted due to an error when the county assessed a \$50,000 levy not the \$55,000 levy and a change in their accounting procedures. This under assessment will be collected in 2012.

#### State Generated Revenues/Miscellaneous Revenues

The Transportation Improvement Board (TIB) overlay and sealcoat projects were completed in 2011 with all costs incurred and grant monies received. These projects were 100% funded through TIB with no cost to the town. Motor Vehicle Fuel Tax ended at \$12,635.58 at 126.4% of budget. The miscellaneous revenue of \$500 represents the sale of the old white Chevy pick up.

### Interfund Transfer

The budgeted \$6,000 transfer in from the Street Reserve Fund was completed.

### **Expenditures**

The general operations of the Street Fund ended at 94.5% of the budget projected for the year. There are a few line items significantly over including street oiling and street signs with the purchase of the poles and hardware. Conversely other line items are under including gravel, small tools, and snow and ice control. Capital expenditures included \$720 for tools and \$93,881 for the TIB projects, keeping in mind, as noted above, the TIB projects were 100% covered with grant funds. A \$9,000 transfer-out was made to the Street Reserve Fund.

### **STREET RESERVE FUND 102**

#### **Revenues**

This fund received \$43.15 in interest and \$9,000 from a transfer-in from the Street Fund, ending at 94% of its projected budget.

#### **Expenditures**

The expenditure of \$2,802.80 under capital expenditures represents the purchase of a used skid street. This \$26,000 purchase plus tax was shared 10% Street Reserve; 10% Equipment Reserve; 17% Utilities Reserve Water, 17% Utilities Sewer Reserve, 16% Utilities Reserve Garbage; and 10% Utilities Equipment Reserve Water, 10% Utilities Equipment Reserve Sewer and 10% Utilities Equipment Reserve Garbage. A \$6,000 transfer-out was made to the Street Fund.

### **CAPITAL FACILITIES FUND 104**

#### **Revenues**

Real estate excise tax represents the revenue for this fund and is based upon house sales. It can vary widely from year to year. The current budget is \$800 with \$1,782.97 received. In 2010 the budget was \$800 but receipts totaled \$1,640.14.

#### **Expenditures**

No expenditures occurred in 2012.

### **FIRE EQUIPMENT RESERVE 110**

### **POLICE EQUIPMENT RESERVE 111**

### **EQUIPMENT RESERVE 112**

#### **Revenues**

The major revenues for these funds are Interfund Transfers from Current Expense. See note above.

#### **Expenditures**

There have been no expenditures for the Fire Equipment Reserve Fund or the Police Equipment Reserve Fund. The Equipment Reserve Fund expenditure of \$2,802.80 represents its 10% share of the used skid street purchase.

### **PARK GAZEBO/BANDSTAND 113**

It was anticipated this entire budget would be spent in 2011 when the gazebo was built by local community volunteer efforts but the project did not happen. No expenditures were incurred.

### **WATER FUND 401**

This fund comprises all three utilities – water, sewer and garbage (including recycling.)

#### **Revenues**

Water sales totaled \$102,346.68 with one new water hook up at \$1,000. Sewer sales totaled \$131,633.95. Garbage sales totaled \$99,566.44. Late fees collected amount to \$5,203.35. \$568.80 was collected in sales of recyclables for scrap metal in 2011. The transfer in of \$3,600.72

represents the audit costs from the Utilities Reserve-Water. The transfer in of \$15,079.86 represents the \$3,600.72 audit costs and \$11,479.14 in WWTP repairs from the Utilities Reserve-Sewer. The \$11,479.12 represents the WWTP repairs from the Utilities Equipment Reserve-Sewer. The transfer in of \$8,363.45 represents retrofitting the garbage truck from the Utilities Equipment Reserve-Garbage. The transfer in of \$15,200.24 represents the \$1,200.24 audits costs and \$14,000 garbage roller cart purchases from the Utilities Reserve-Garbage.

### **Expenditures**

Total water expenditures ended at 89.9% of budget. There were a few line items over budget including Professional Services at \$511.92 for BIAS; Supplies-pipe and fittings at \$2,071.71 and Supplies-chlorine at \$2,575.78; Utility Taxes at \$5,574.14; Fuel at \$1,452.20; Maintenance and Repair at \$2,057.37; and Lab Fees at \$1,608. With other line items under budget, this department still ended below the projected budget of \$73,113 at \$65,696.02.

Total sewer expenditures ended at 101.9%. Line items over budgeted projections included Professional Services at \$496.23 for BIAS; Fuel at \$668.59; Utilities at \$13,301.33; WWTP Maintenance and Repair at \$4,117 (205% of the \$2,000 budget line item); WWTP Maintenance and Repair at \$5,617.78; General Maintenance and Repair at \$1,050.26; Vehicle Maintenance and Repair of \$489.96; and WWTP Engineering at \$2,050.00. This department ended with expenditures of \$88,244.76, \$1,675.76 over the line item budget. There were a number of unanticipated expenditures related to upgrade and repair of the wastewater treatment plant.

Garbage expenditures at the end of 2011 came in at 99.8% of the budget. A few line items over budget included Office Supplies at \$606.65; Pro Services at \$704.09 for BIAS and an employee medical exam; B&O Tax at \$5,735.77; Fuel at \$5,203.82; Communications at \$274.14; and Utilities at \$1,753.88. However, with all that, this entire department ended basically at budget with total expenditures of \$100,789.47 and a projected budget of \$100,996.

Capital Expenditures included the \$576 from water, sewer and garbage for needed tools and equipment approved by council in late 2010. \$20,369.66 was expended for upgrades to the WWTP plant. The new roller carts totaled \$16,002.92 with enough ordered for extras and replacements. \$8,363.45 represents the cost to retrofit the garbage truck.

### **WATER LOAN 402**

This fund was established to repay the Public Works Board (Dept of Health) loan for the water reservoir. The annual payment in 2011 totaled \$22,601.05. The revenue for this payment comes from an Interfund Transfer from the Water Fund.

### **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. Both payments have been made. The revenue for this payment comes from two interfund transfers totaling \$51,197 from the Sewer Fund.

### **UTILITIES RESERVE 410**

This fund was established as part of the 2009 budget cycle as a reserve fund for the town utilities – water, sewer and garbage. A portion of water, sewer and garbage payments are designated for this reserve fund each month. In addition in 2011, a \$3,840 transfer was made from 401 garbage fees combined reserve to 410, representing the one-time \$15 roller cart fee. These receipts totaled \$36,100 plus \$10,000 from the Sewer Loan Redemption fund not needed for the final loan payment.

The capital expenditures of \$15,517.81 represent \$14,014 for the purchase of a used skid steer and \$1,503.81 for 6 new 2 yard dumpsters paid equally between Fund 410 and 412. Transfers out totaled \$33,880.82. \$3,600.72 represents the Water Reserve portion of the audit. The \$15,079.86 represents the Sewer Reserve portion at \$11,479.14 in WWTP upgrades and \$3,600.72 for the

audit. The \$15,200.24 represents the Garbage Reserve portion at \$14,000 for new roller carts and \$1,200.24 for the audit.

#### **UTILITIES EQUIPMENT RESERVE 412**

Previous to 2009 this fund's revenues came from interest and Interfund Transfers from the Water Fund. Starting in January 2010, revenues for this fund come from interest and a portion of the utility payments designated for this reserve fund. For 2011 these revenues totaled \$8,511.64 and \$255 in miscellaneous revenues for rental of the town's chipper.

The capital expenditures of \$10,412.21 represent \$8,908.40 for the purchase of a used pipe cutter and skid steer and \$1,503.81 for 6 new 2 yard dumpsters paid equally between Fund 410 and 412. The skid steer purchase was shared 10% Street Reserve; 10% Equipment Reserve; 17% Utilities Reserve Water, 17% Utilities Sewer Reserve, 16% Utilities Reserve Garbage; and 10% Utilities Equipment Reserve Water, 10% Utilities Equipment Reserve Sewer and 10% Utilities Equipment Reserve Garbage.

Transfers out of \$19,842.57 represent \$11,479.12 for WWTP upgrades (this same amount was also transferred out of Utilities Reserve (410), and \$8,363.45 for retrofitting of the garbage truck.

#### **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. 2011 interest totaled \$87.86.

#### **WATER DEPOSITS 433**

This fund is for collecting water utility deposits and roller cart deposits (non-revenues). After 12 calendar months with no late payments, water deposits can be applied to the corresponding account or reimbursed to the water user directly. The roller car deposit is for an extra cart, beyond the one provided by the town. This deposit can be refunded if the cart is not damaged and the person decides they don't need a second cart. Expenditures (listed as non-expenditures) from this fund are for water deposit and roller cart deposit reimbursements and totaled \$642.90. Effective 12/31/2011 this fund was closed and renumbered to Fund 633, with all funds remaining in the 433 Fund transferred to this fund.

#### **GARFIELD PDA 621**

This fund has no revenues or expenditures for 2011. This fund was started when the town formed the Garfield Public Development Authority.