

**Town of Garfield
Financial Summary Report Narrative
3rd Quarter 2013**

BUDGET AMENDMENTS

The 2013 Budget was adopted by Ordinance No. 428N December 5, 2012. The budget was amended by Ordinance No. 431-N.

CURRENT EXPENSE (CE) 001

Revenues

Taxes

Property tax received for the 3rd Quarter totaled \$35,878.98 which is 64% of the 2013 budgeted line item. The majority of property taxes are received in April and November, following the March and October tax statements.

Local sales tax received is at 71% of the \$25,000 budgeted, with receipts of \$17,875.98 to date. Please note these funds appear in two lines, 313.10 and 313.11 as the account code as changed to 313.11.

Criminal justice tax is at \$5,490.26 or 76% of the projected budget.

Utility tax is right on target ranging from 80% for sewer to 73% for electricity for the 3rd quarter. Effective April 1, 2013 the utility tax for telephone service was raised to 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. Building Permits for the 3rd quarter totaled \$1,348.10 or 34% over projected budget. Animal licenses are at 66.7% of the budget with a total of 31 dog licenses issued so far this year. Concealed pistol licenses are at \$194.50 or 194.5% of the budgeted line item.

State Generated Revenues

City Assistance receipts total total \$10,447.45 with a projected line item budget of \$7,500. Criminal justice monies came in approximately 76% of the budgeted figure. \$4,011.00 in Liquor Control Board Profits was received in the 3rd quarter or 100% of the \$4,000 budgeted line item.

Misc. Revenues

Miscellaneous revenues came in at \$1,758.83. This represents a very small portion of current expense and includes copies, investment interest (\$589.58), sales tax interest and miscellaneous receipts (\$165.00 from the Rural Fire District #3 Reimbursements and \$31.20 refund from Avista for the Christmas lights meter). Donations of \$866.10 from Dick Kriebel and Archie Neal were received for the park shelter improvement which turned out absolutely fabulous and \$326.10 for Loss Prevention from AWC for pea gravel in the park. We thank our incredible volunteers who donated their time and those who donated funds.

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 (CPL) the state charges for processing. The \$615.00 non-revenue amount represents a bank error in the second quarter, depositing funds that were not the towns. This same \$615 is reflected under non-expenditures, when these funds were adjusted back to the bank.

Interfund Transfers

There were no interfund transfers from the Current Expense Fund Reserve in the 3rd quarter of 2013.

Expenditures

Legislative and Executive

These departments ended at 63.3% and 89.1% of their projected budgets. The insurance line item is at 101.3% of its budgeted line of \$3,840 as the insurance total annual premium is paid in the second month of the year.

The salaries and wages line items in these departments are under budget this year due to the decline of salary payments. You will note the small expenditure under Personnel Benefits. This represents the quarterly payment to the Department of Labor and Industries for the mayor and council.

Judicial

This line item is for the contract payment with Whitman County for court services and has an established per capita fee. No payment has been made in 2013.

Finance

For the third quarter of 2013 this department is at 61.9% of its budget and represents ½ of the clerk-treasurer's expenses plus any financial costs. As noted above, the insurance premium paid in total in the second month of the year, shows this line item at 94.1% of budget.

Legal

This department covers the costs of the town's legal counsel and is at 75% of budget.

General Government

This expenditure of \$293 represents the annual dues to the Association of Washington Cities. No other expenditures are billed to this department.

Fire

This category ended at 67.2% of its 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. Starting with the second quarter any new expenditures added were 40% of the total spent.

Protective Inspections

The building inspector contract is paid from this department. Per agreement, the town pays the inspector 75% of the permit fee. The contracted fees reflect the 75% of permit fees collected paid to the building inspector. Also you will note starting this year we have a line item for building inspector communication which is the \$20 monthly payment to the inspector for cell phone service as approved by council at the February 13, 2013 council meeting.

Communications/Alarms/Dispatch

Both police and fire telephone and fire siren expenses are paid from this department. The budget ended at 45.8% of budget.

Other Environment Services

The only expenditure under this category is for dog licenses which are not purchased until the 4th quarter of the year.

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. Expenditures to date have totaled \$41.69 and represent services for the 3rd and 4th quarter of 2012.

Park/Pool

This department finished at 70.4% of its budget with total expenditures of \$11,027.94 at the end of the 3rd quarter. The supplies line is at 265.6% of budget while General Repair and Maintenance has spent nothing. This is due to a change in how expenses are now recognized. Unless an item is repaired outside of town forces, then all parts, including for repairs are recognized as supplies. Hence the disparity in expenditures for supplies versus general maintenance. This same criterion holds through for all departments of the town.

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. As noted above, this department also reflects the \$615 non-expenditure to correct the bank's error of the deposit of funds not belonging to the town.

Capital Expenditures

To date, the only expenditure in this category amounts to \$4,819.01 for the fabulous park shelters improvements mentioned above.

Interfund Transfers

To date, the budgeted transfers for the Equipment Capital Projects Fund and the Police Capital Projects fund have been completed. In addition an interfund transfer of \$10,000, as directed by the mayor, was made to the Fire Capital Projects fund reflecting the 2013 budgeted figure plus unexpended fire department funds from prior years. And, as per the Mayor, a \$7,000 transfer from Current Expense was made to the Current Expense Reserve Fund.

Other Expenditures Intergovernmental Payments

This fund represents the law enforcement contract with the City of Palouse. A 3-year contract renewal from 2014-2017 was approved on October 9th, 2013. An annual rate of \$71,419.80 will be charged for 2014, \$74,276.64 for 2015, \$75,726.12 for 2016, and \$75,726.11. Monthly installments will be paid at a rate of \$5,951.65 for 2014, \$6,189.72 for 2015, \$6,313.51 for 2016, and \$6,313.51 for 2017. This contract will take effect January 1, 2014 thru December 31, 2017.

CURRENT EXPENSE (CE) RESERVE 002

Revenues

As noted above, the Current Expense Reserve Fund received a \$7,000 transfer in from Current Expense.

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 \$33,718.41 which is 59.2% of the 2013 budgeted line item and also 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

Both line items, DOE – Soil Remediation of \$2,240.76 and TIB Overlay of \$3,461.06 represent the last grant payments from these 2012 projects, once the final close-out paperwork was received. Motor Vehicle Fuel Taxes came in at \$9,059.95 or 90.6% of this budgeted line item amount of \$10,000.

Misc. Revenues

Interest for the second quarter totaled \$133.55. The \$680 under AWC Grant is for the Loss Prevention Grant received for new stop and yield signs.

Interfund Transfer

No interfund transfers were received from the Street Reserve Fund.

Expenditures

The general operations of the Street Fund ended at 73.5% of the annual budget projected for the year, personnel benefits is at 82.8%, operating supplies at 63%, and electricity at 81.6%. Street Professional Services (BIAS) and insurance are both paid in January for the full year so reflect the full annual costs and came in at 174.5% and 101.2% respectively for their annual budgeted line items. The capital expenditure of \$2,240.76 represents the final 5% retainage to Western Construction for the JE Love storm drain project and \$3,461.06 represents the final 5% retainage to Spokane Rock for the 3rd Street Overlay project. Both of these expenditures are offset by the same amount of grant monies received from the Department of Ecology and the Transportation Improvement Board as noted above.

STREET RESERVE FUND 102

Revenues

Investment interest today is at \$98.07. No other revenues were received.

Expenditures

There have been no expenditures 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. Ending 3rd quarter receipts total \$1,485.98. \$111.52 in interest was received.

Expenditures

No expenditures have occurred to date.

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 a renumbered 310, 311 and 312 respectively, by Ordinance No. 426N.

Revenues

The major revenues for these funds are Interfund Transfers from Current Expense. Effective with Resolution 2013-02 interest earnings for these funds are deposited directly into each of these funds respectively. As noted above, all three of these funds received interfund transfers in from Current

Expense. The Fire Capital Projects Fund accrued interest of \$90.49, the Police Capital Projects Fund accrued interest of \$75.56, and Equipment Capital Fund accrued interest of \$138.80.

Expenditures

Expenditures for the 3rd quarter were \$15,031.50, which was the Town of Garfield's 40% contribution to the Joint Fire Board's purchase of a new fire vehicle.

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 \$78,052.78, roughly 73% of its budget; Sewer receipts are \$105,239.13, roughly 76% of its budget; Garbage receipts are \$76,860.38 roughly 75% of its budget; and late fees totaled \$4,300.00 at the end of the 3rd quarter. Interest is at \$330.26, over the projected \$60. Sale of Recyclables brought in \$1,115.60. No transfers-in have occurred to date.

Expenditures

Total water expenditures ended at 79.3% of budget. A few line items were over the 75% figure and include office supplies, professional services, taxes and assessments personnel benefits, fuel, chlorine, training, insurance and water operational supplies which included pipes and materials for repairs in Garfield. Total sewer expenditures ended at 72.9%. A few line items were over the 75% figure and include professional services, sewer permits, taxes and assessments, personnel benefits, plant operating supplies, fuel, and insurance. Total garbage expenditures are at 67.4% at the end of the 3rd Quarter. A few line items were over the 75% figure and include office and operating supplies, professional services, taxes & assessments, personnel benefits, operating supplies, fuel, small tools, garbage vehicle maintenance and repair, and insurance. Professional Services (BIAS) and insurance are both paid in January for the full year so reflect the full annual costs. As noted above, due to a change in how expenses are now recognized, the line items for supplies are higher and the repair and maintenance items are lower. Unless an item is repaired outside of town forces, then all parts, including for repairs are recognized as supplies.

There were no capital expenditures to date.

The interfund transfer out to Sewer Loan of \$51,197.00 represents the final of two payments per year, as noted below and also an interfund transfer to Water Loan of \$21,733.00 for its annual payment.

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 \$21,733.00 from the Water Fund. Historically the loan payment and interfund transfer for this fund are done at the end of the 3rd quarter.

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 \$51,197.14 is made in two installments per year in March and September. The revenue for this payment comes from two interfund transfers totaling \$51,197

from the Sewer Fund. The first loan payment of \$25,598.57 along with the corresponding interfund transfer from the Sewer Fund to cover that expenditure was made in March. The second loan payment of \$25,598.57 was made in 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 \$21,571.70 plus \$784.44 in interest and represent 76% and 56% of their budgeted line items.

No capital expenditures or transfers out occurred during the second quarter of 2013.

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 \$5,383.37 plus \$298.12 in interest and represent 69% and 40% of their budgeted line items.

The only expenditure this year represents the purchase of sewer snake and excise taxes totaling \$4,662.76

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. 3rd Quarter of 2013 interest is at \$230.93.

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. To date they total \$633.25.