

City of Sequim 2017 Budget

Transfers and Interfund Charges

Providing funding for Core Services, Council Priorities and Goals.



City Of Sequim Budget Overview Transfers between Funds

Key Goals

- ❖ Provide a funding source for one-time expense, capital projects, debt payments, operations, etc. within restrictions and regulatory requirements
- ❖ Transfers are appropriately authorized
- ❖ Acceptable audit documentation
- ❖ Transfers “in’ and “out” are balanced

Transfers are moneys taken out of one fund and deposited into another to provide funding for a particular activity and are considered “Other Financing Sources and Uses”. Although transfers are budgeted, the amount transferred should only be the amount necessary to complete the activity.

Transfer Report: The top of this Report identifies the receiving fund of the transfer (the use or revenue). The bottom of the report identifies the fund incurring the expense for the transfer out (the source). Significant transfers include: transfers from General Fund to Street Operations, LTGO Debt Service and Equipment Reserves, from Water and Sewer Operations/Restricted to Replacement Reserves, debt service and Street Restricted for utility related road repairs, and from REET to Parks Restricted.

DESCRIPTION	Transfer In	Transfer Description
101 Street Operations	570,000	From General Fund for operations
107 Stormwater Operations	240,000	From Water and Sewer for operations
111 Street Restricted	779,000	From Water and Sewer for utility related road repairs and from REET for projects
117 Stormwater Restricted	80,000	From Water and Sewer Restricted for future projects
121 Police Asset Seizure	20,000	From Police Expendable Trust for Equipment
140 Parks Restricted	375,000	From REET for projects
164 Equipment Reserve	528,090	From General Fund and Street Operations for equipment
206 Debt Service Fund	665,000	From General Fund, REET and Police Restricted (Public Safety Tax) for debt
306 Capital Facilities Fund	90,000	From Water, Sewer and REET for Projects
411 Water Restricted	715,000	From Water Operations to Replacement Reserve and from Water Restricted for projects and debt
422 Sewer Restricted	1,735,832	From Water/Sewer Operations and Sewer Restricted for debt, projects and reserves
500 Unemployment Reserve	7,500	From Street and Sewer Operations for potential unemployment claims
Totals Transfers In	5,805,422	
DESCRIPTION	Transfer Out	Transfer Description
001 General Fund	1,291,175	To Street Operations, LTGO Debt Service and Equipment Reserve
101 Street Operations	46,498	To Equipment Reserve for equipment
111 Street Restricted	284,000	To Streets for Utility Related road repairs
115 Lodging Tax Hotel/Motel	7,000	To Equipment Reserve for Tourism App
120 Police Restricted	245,000	To LTGO Debt Service for debt payments
150 Real Estate Excise Tax	495,000	To Parks and Streets for projects, to LTGO debt service for debt
164 Equipment Reserve	4,438	Interfund Transfers to close out 164 Sub-Funds
401 Water Operations	508,240	To Water Restricted for Debt, to Water Replacement Reserve for Projects, to Stormwater for Operations
402 Sewer Operations	829,571	To Sewer Restricted for Debt, to Sewer Replacement Reserve for Projects, to Stormwater for Operations
411 Water Restricted	690,000	To Streets for Utility Related road repairs, to Stormwater Projects, to Sewer for Debt, to other Water Restricted for projects and reserves
422 Sewer Restricted	1,384,500	To Streets for Utility Related road repairs, to Stormwater Projects, to Sewer for Debt, to Sewer Restricted for projects and reserves
621 Police Expendable Trust	20,000	To Police Asset Seizure for Equipment
Total Transfers Out	5,805,422	

City Of Sequim Budget Overview Cost Allocations for Interfund Services

Key Goals

- ❖ Apportion administrative costs to operating funds that are supported by central services
- ❖ Apportion Public Works central services costs to Public Works operating funds and capital projects
- ❖ Acceptable audit documentation

Cost Allocation Method

The City provides support services to operating units (funds and departments) through the following Central Service Departments (cost centers).

- ❖ City Council (allocations not allowed on Federal Programs)
- ❖ City Administration (City Manager, City Clerk, City Attorney, Communications and Human Resources)
- ❖ Administrative Services (Finance and Information Technology)
- ❖ Public Works Administration (GIS/Engineering, PW Admin, Admin. Pool and Facilities Maintenance)
 - The costs in Public Works administration is a mixture of overhead and direct costs of providing services. Since the City is small and employees serve multiple functions, it was easiest to centralize costs and services instead of trying to directly charge them to each public works function or capital project.
- ❖ Non-Departmental (City-wide Expenses)

The allocation base determines how the costs are distributed from the Central Services, also referred to as indirect, administrative, or overhead cost centers, to operating units which provide services directly to customers. The City uses the following allocation bases:

- ❖ Council Agenda items
- ❖ Fund Activity (expenses net of interfund charges, transfers, debt)
- ❖ Number of employees (FTEs)
- ❖ Equipment: IT equipment, vehicles, other equipment maintained by support services
- ❖ Square Footage of office space (owned and leased, public restrooms and other buildings)
- ❖ Insurance Claims to allocate insurance premiums

2017 Budget Summary

- ❖ With the completion of the Civic Center in 2015, city business has returned to normal, and the allocation model reflects this shift back to normal activity. The model has been appropriately updated to reflect equipment purchases, square footage, and FTE counts. With continued focus on city business, increasing costs and increasing fund activity (capital projects), we anticipate a reciprocal increase in Overhead revenues to the general fund by \$250k.

	General Fund	Streets Ops	Streets R	Storm Water Ops	Storm Water R	Parks R	Capital Facilities	Water Ops	Water R	Sewer Ops	Sewer R	Totals
REVENUE												
General Fund	2,672,287	-	-	-	-	-	-	-	-	-	-	2,672,287
Total Revenue	2,672,287	-	-	-	-	-	-	-	-	-	-	2,672,287
EXPENSES												
Streets	-	265,562	200,217	-	-	-	-	-	-	-	-	465,779
Storm Water	-	-	-	74,764	-	-	-	-	-	-	-	74,764
Parks	-	-	-	-	-	75,865	-	-	-	-	-	75,865
Capital Facilities	-	-	-	-	-	-	36,945	-	-	-	-	36,945
Water	-	-	-	-	-	-	-	479,222	246,334	-	-	725,556
Sewer	-	-	-	-	-	-	-	-	-	1,088,261	205,117	1,293,378
Total Expenses	-	265,562	200,217	74,764	-	75,865	36,945	479,222	246,334	1,088,261	205,117	2,672,287

