

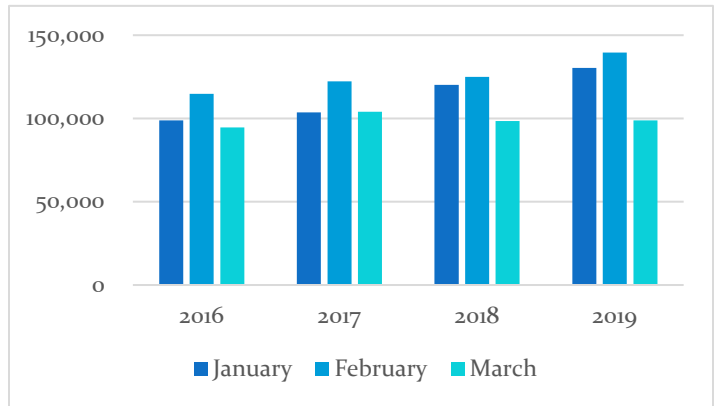


Top 10 Things You Need to Know About the Budget

Each year the City Council approves an operating budget. This budget allocates funds to be spent and collected for a variety of programs and purposes. This review is intended to provide the reader with some helpful information about the financial condition of the City and budget compliance. The Finance Department can be contacted at (509)786-2332, to answer questions about this report or other financial questions.

#10: Sales Tax Receipts

To date, we have received \$368,742 or 22% of anticipated sales tax receipts for the year. This is \$25,203 more than we received during the same period in 2018. In the 2019 Budget we anticipated an increase of 5%. It is too early in the year to be sure we will meet or exceed that expectation but at the moment receipts look promising. We will continue to closely monitor this important funding source as we watch commercial changes in our community.



#9: Lodging Tax Funds

To date, we have received \$22,150 or 17% of anticipated Hotel/Motel Tax receipts for the year. Additionally, we have received \$11,290 in TPA funds, which equates to 19% of the anticipated revenue for the year. Each year council accepts applications through its appointed LTAC committee who then make funding recommendation for Council's approval.

#8: Building Permit Receipts

To date, we have received \$144,438 or 206% of the anticipated permit fees for the year. This excess is due to improvements planned by Prosser School District. Pursuant to financial policies, these excess dollars will be treated as one-time money and proposals will be included in either a future budget amendment or in the 2020 Budget on how to use these funds.

#7: Property Tax Receipts

To date we have received only \$79,846 or nearly 6% of property tax receipts for the year. In 2019, we expect to receive \$1,287,500 in property tax receipts. When property taxes are received 41% are directed to the Street Fund and the remaining 59% go to the general fund. These funds are vitally important for both funds and without them the negative impacts to them have an adverse effect on our ability to continue standard service levels. Property Taxes are due in April and October, so funds are usually received in small trickles followed by larger deposits in late April and October.

#6: Utility Tax Receipts

The largest contributor to the general fund is utility taxes. Utility taxes are collected from utility providers. The utility tax rate is 6% for all utilities other than water, sewer and garbage. The utility rate for water is 21.6%; for sewer is 22.1%; and garbage is 5%. To date, we have received \$464,219 or 28% of our budgeted utility taxes for 2019. It is important to note that in 2019 a 1% utility tax was added to water, sewer, and garbage funds to support street improvements. To date, this utility tax allocation has collected \$12,932.

#5: Budget Amendment

On April 2nd Council approved the first quarter budget amendment which included the following:

Project or Item	Amount	Fund
Parks Signs – Planned for 2018 but not completed until 2019	\$17,500	001 – General Fund
Community Center Refrigerator – Replace aging unit	\$2,250	001 – General Fund
GPS Unit for GIS Mapping - Planned for 2018 but not completed until 2019	\$9,400	001 – General Fund
Snow Removal and Patching	\$10,000	102 – Street Fund
Street Truck – Part of presented replacement plan	\$18,500	102 – Street Funds
Snow Plow and Sander	\$12,200	102 – Street Fund
Bennett Avenue Project – Cash flow and Match	\$100,000	104 – Street Reserve 308 – Bennett Avenue Project
Parks Truck – Part of presented replacement plan	\$20,000	108 – General Fund Vehicle Reserve
Police Activity/Call Monitors – Planned for 2018 but not completed until 2019	\$5000	149 Public Safety Sales Tax
Utility Crossing Project – Create Funds and establish budget	\$200,000	461 & 462 Utility Crossing Highway Project Funds

#4: General Fund Projects

Item	Cost	Status
CSO Equipment	\$35,000	Purchased Truck in March; evaluating other equipment needs.
Parks Truck	\$20,000	In Progress
Pool Deck Improvements	\$66,300	Planned to begin in April.
Parks Signs	\$17,500	In Progress

To date, the General Fund has collected about 21% of its budgeted revenue for the year. Additionally, the fund has spent about 18% of its expenses for the year.

#3: Street Fund Projects

Item	Cost	Status
Yakima Avenue Reclamation	\$120,000	Late Summer
Bennett Avenue Project	\$750,000	Late Summer
Spokane Avenue Sidewalks	\$22,500	In Progress
Street Truck	\$17,500	In Progress

To date, the Street Fund has collected about 14% of its budgeted revenue for the year. Additionally, the fund has spent about 13% of its expenses for the year.

#2: Water Fund Projects

Item	Cost	Status
Meter Reading Software	\$10,000	In Progress
Chlorine Analyzer	\$120,000	In Progress
Filter Meters	\$40,000	In Progress

To date, the Water Fund has collected about 33% of its budgeted revenue for the year. Additionally, the fund has spent about 16% of its expenses for the year. Though these percentages seem low, it is important to remember that revenues are higher in the later part of year due to increased harvest processing by industries.

#1: Sewer Fund Projects

To date, the Sewer Fund has collected about 33% of its budgeted revenue for the year. Additionally, the fund has spent about 12% of its expenses for the year. Just like the Water Fund, the revenue in this fund will increase as harvest season begins.

Is that it? No way! The budget is a very complicated and ever-changing machine. If there is something you would like the Finance Department to particularly highlight we would be happy to do it. This report is only meant to provide the headlines. Thanks for reading!