City of Sequim
2020 Budget

Transfers and Interfund Charges

City of Sequim
Budget Overview

Transfers between Funds

Key Goals

- Provide a funding source for one-time expenses, capital projects, debt payments, operations, etc. within restrictions and regulatory requirements
- Transfers "in"' and "out" are balanced, and appropriately authorized
- Acceptable audit documentation

Transfers are moneys taken out of one fund and deposited into another to provide funding for a specific 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 In Identifies the Receiving Fund and the Revenue Use		
DESCRIPTION	**Amount**	**Transfer Description**
101 Street Operations	690,000	From General Fund and TBD for operations
107 Stormwater Operations	160,000	From Water and Sewer for operations
111 Street Restricted	2,379,500	From Water and Sewer for utility-related road repairs, and General Fund, Street Project Funds, the TBD and REET for projects
117 Stormwater Restricted	47,000	From Water and Sewer Restricted for projects
121 Police Asset Seizure	20,000	From Police Expendable Trust for equipment
140 Parks Restricted	128,000	From General Fund for Parks planning and projects and REET for future projects
160 Arts & Culture	34,000	From General Fund for funding of Arts Program
164 Equipment Reserve	458,600	From General Fund, Street, Water, and Sewer Operations for equipment
206 Debt Service Fund	695,000	From General Fund, REET and Police Restricted (Public Safety Tax) for Debt Service
306 Capital Facilities Fund	1,076,000	From Police Restricted, Street, Water, Sewer and REET for projects
411 Water Restricted	689,500	From Water Operations and Water Restricted for projects and debt
422 Sewer Restricted	758,305	From Sewer Operations and Sewer Restricted for projects and debt
500 Unemployment Reserve	65,000	From General Fund, Street, Water and Sewer Operations for potential unemployment claims
Total Transfers In	**7,200,905**	

Transfer Out Identifies the Fund Incurring the Expense		
DESCRIPTION	**Amount**	**Transfer Description**
001 General Fund	1,451,600	To Street Operations, LTGO Debt Service, Streets and Parks for projects, Equipment and Unemployment Reserves, and Arts Program
101 Street Operations	139,000	To Capital Facilities for Shop Upgrades, Equipment and Unemployment Reserves
111 Street Restricted	1,650,000	To Street Operations and Streets Restricted for projects
120 Police Restricted	375,000	To LTGO Debt Service for Debt Service
150 Real Estate Excise Tax	839,500	To Parks, Streets and Capital Facilities for projects, and to Debt Service
401 Water Operations	657,800	To Water Restricted for Debt and Projects, to Stormwater for Operations, and to Unemployment Reserve
402 Sewer Operations	830,505	To Sewer Restricted for Debt and Projects, to Stormwater for Operations, and to Unemployment Reserve
411 Water Restricted	627,000	To Streets for Utility-related road repairs, to Stormwater Projects, to Capital Facilities for Shop Upgrades, to other Water Restricted for projects and debt
422 Sewer Restricted	610,500	To Streets for Utility-related road repairs, to Stormwater Projects, to Capital Facilities for Shop Upgrades and to other Sewer Restricted for projects and debt
621 Police Expendable Trust	20,000	To Police Asset Seizure for equipment
Total Transfers Out	**7,200,905**	

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 following central service departments provide support service to other operating units (funds and departments).

- City Council (allocations not allowed on Federal Programs)
- City Administration (City Manager, City Clerk, City Attorney, and Communications)
- Administrative Services (Finance, Human Resources, Information Technology and Non-Departmental)
- Public Works Administration (Engineering/GIS, PW Admin, Administrative 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.

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

2020 Budget Summary

- The allocation model reflects increased distributions of the Central Services. The anticipated revenue and expenses reflect a continued focus on City Capital projects, as evidenced by the continuing change in the engineering project staff as well as receipt of State and Federal grants. 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 $245k.

	Streets		Storm Water		Parks	Capital	Water		Sewer		Totals
	Ops	R	Ops	R	R	Facilities	Ops	R	Ops	R	
REVENUE											
General Fund	-	-	-	-		-	-	-	-	-	3,400,000
Total Revenue	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**3,400,000**
EXPENSES											
Streets	233,952	907,569	-	-		-	-	-	-	-	1,141,521
Storm Water	-	-	43,813	68,224		-	-	-	-	-	112,037
Parks					71,436						71,436
Capital Facilities	-	-	-	-		134,522	-	-	-	-	134,522
Water	-	-	-	-		-	488,886	177,366			666,252
Sewer	-	-	-	-		-	-	-	1,272,453	339,364	1,611,817
Total Expenses	**233,952**	**907,569**	**43,813**	**68,224**	**71,436**	**134,522**	**488,886**	**177,366**	**1,272,453**	**339,364**	**3,737,585**