



CITY OF BINGEN NEWSLETTER – NOVEMBER 2010

Proposed 2011 Budget

The City will hold a final public hearing December 7 at 7:00 p.m. on the city's proposed budget for 2011.

The proposed budget for 2011 was created under the direction and guidance of the Mayor, Clerk Treasurer and the Budget Committee. Budget Committee members are Laura Mann and Guillermo Fisch.

The budget includes a 1% increase in property taxes. The city adopted an ordinance in 2009 that provides for an automatic 5% increase in water and sewer rates. The proposed 2011 budget includes a 5% increase in water and sewer rates.

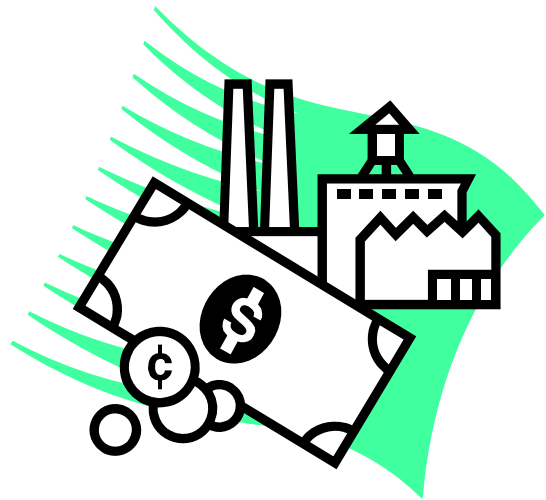
The 2011 budget includes a reduction in administrative staff. Administrative staff, which is funded out of the Current Expense Fund, will work 30 hours per week in 2011. The city council feels this step is necessary as expenditures in the Current Expense Fund increase but revenues remain the same or in some cases have decreased.

Even with the reduction in administrative staff hours, the Current Expense Fund is balanced using \$43,088 in cash reserves. The city council feels it is important to maintain the volunteer fire department and the city park. We will continue to seek funding in 2011 to address the deficits in the Current Expense Fund.

The city completed a new basketball court and phase 1 of the skatepark in 2010. We will continue to seek funding for phase 2 of the skatepark anticipating construction in 2011 or 2012. In the past the city has providing funding for the pool to the City of White Salmon that allowed Bingen residents to use the pool. For 2011, the city will purchase "pool bucks" from the City of White Salmon and provide them to Bingen residents on a first come, first serve basis so they may have free entrance to the White Salmon Pool. The amount budgeted is less than what was provided in 2010 but will provide a direct benefit to Bingen residents.

The city has begun setting aside capital improvement funds for future water and sewer improvements. It is important to build capital improvement funds so that the city does not have to borrow all the funds required to complete necessary improvements over the next 5 to 10 years.

The city has been and will need to continue to be proactive through its planning process in addressing the city's current and long-range needs while still maintaining fiscal responsibility.



Utility Rates

The proposed budget for 2011 includes revenue from utility rates. In 2009, the city adopted ordinances that provide for a 5% increase in water and sewer rates. The proposed rates are shown below along with historical rate information.

This is the first year since 2008 the city has increased sewer rates. In 2010, a new water rate structure was implemented using a base rate and charging for all water that is used.

Utility rates pay for the operation and maintenance of the city's water and sewer system including the wastewater treatment plant. The rates also pay for debt payments and future capital improvements.

Monthly Base Sewer Rates

Type of User	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	2011 Proposed	% Change
Residential	\$34.00	\$36.00	\$38.00	\$38.00	\$38.00	\$40.00	5%
Commercial	\$34.00	\$36.00	\$38.00	\$38.00	\$38.00	\$40.00	5%
Light Industrial/Agricultural	\$34.00	\$36.00	\$38.00	\$38.00	\$38.00	\$40.00	5%
Heavy Industrial	\$34.00	\$36.00	\$38.00	\$38.00	\$38.00	\$40.00	5%

Overage charges for increase to \$15.00 per ½ ERU. Residential customers are not charged overage charges for sewer.

Water Rates

Type of Account	2010 Rate	Proposed 2011 Rates
Residential (Single-Family) Base Rate	22.25	23.36
Usage (0-10,000 gallons) per thousand	1.25	1.31
Usage (10,001 – 20,000 gallons) per thousand	2.10	2.21
Usage (>20,000 gallons) per thousand	3.15	3.31
Base Rates for Commercial, Light Industrial, Industrial, Multi-Family		
3/4 inch meter	34.00	35.70
1 inch meter	54.00	56.70
1-1/2 inch meter	108.00	113.40
2 inch meter	162.00	170.10
3 inch meter	335.00	351.75
4 inch meter	469.00	492.45
6 inch meter	704.00	739.20
Usage per 1,000 gallons	1.90	2.00

A residential household that uses 6,000 gallons of water would have paid a total of \$67.75 in 2010 for water and sewer and will pay \$71.22 in 2011.

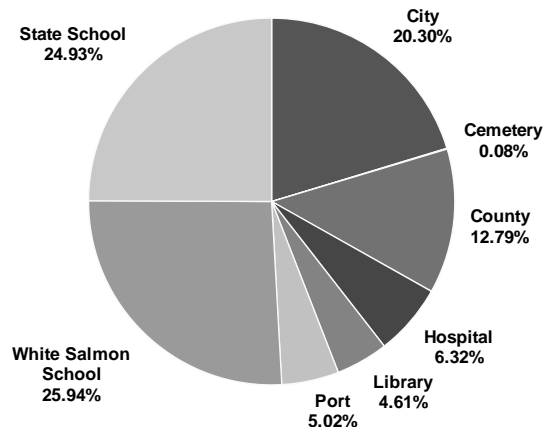
The city’s water usage rates are structured for conservation. We encourage water conservation in the summer months by asking customers to water early in the morning and in the evening. In addition, it is important to check for leaks in your water system such as running toilets or leaking irrigation. Preparing your water pipes for winter can help avoid costly damages associated with water pipes that freeze.

Property Tax Levy

The City is legally allowed to increase the total property tax levy the city receives by 1%. The property tax levy for 2010 was \$183,485. An increase of 1% means the city would receive \$185,320 in property taxes for 2011 – an increase of \$1,835.

The adjacent chart shows how property taxes for Bingen residents are allocated. Property taxes on a property valued at \$100,000 in 2010 would have been \$824.18. Bingen would have received \$167.32 of the total taxes.

Bingen Property Taxes



General (Current Expense) Fund

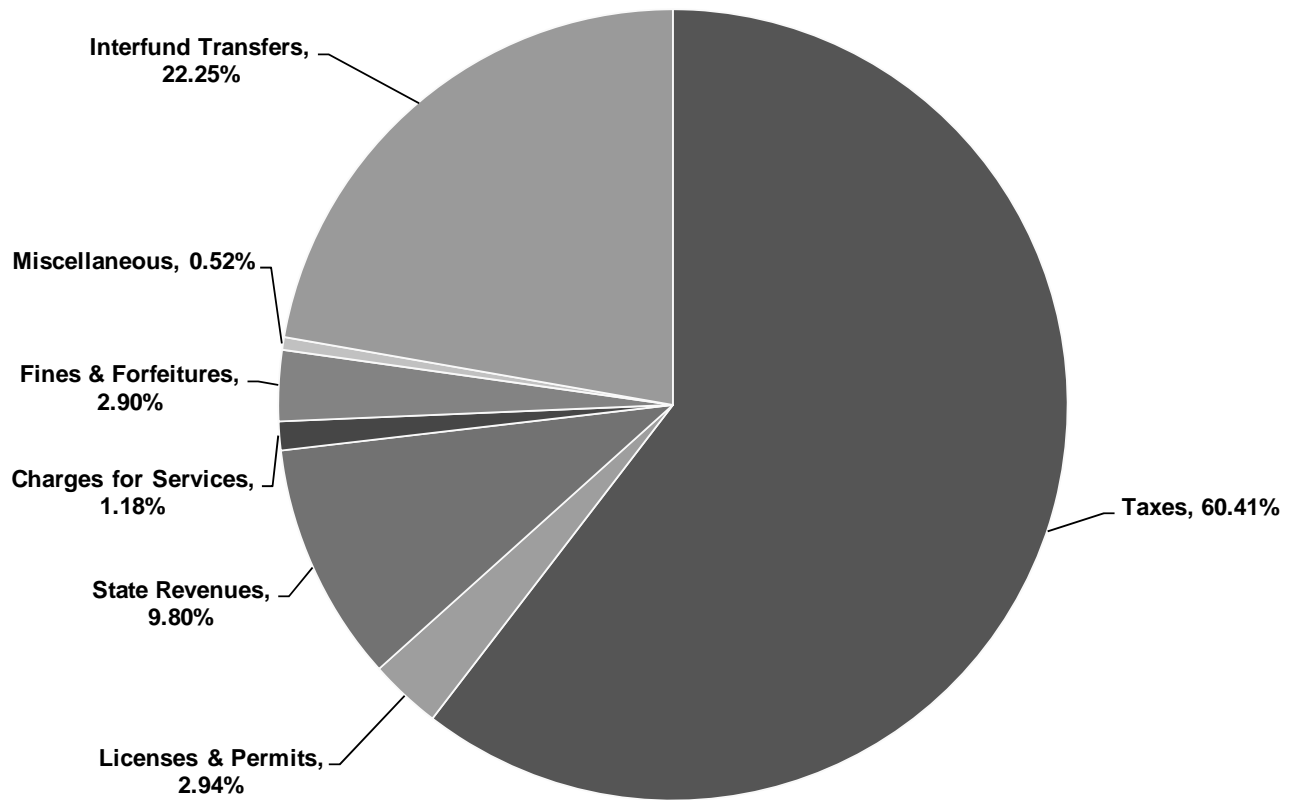
The city's general (current expense) fund is the fund that pays for costs associated with legislative (city council and mayor), fire and police services, animal control, parks, planning, building services and financial services.

The majority of the funding for the current expense comes from taxes which includes property taxes, sales taxes and utility taxes. The city splits the property taxes it receives between the current expense fund and the street fund. Utility taxes are

paid on telephone, cable, electric and natural gas. At the present time the city does not tax its own utilities. However, the city may consider this funding option in the future.

In order to reduce costs in the current expense fund, the city will be reducing administrative staff hours from 40 hours per week to 30 hours per week in 2011. The city is also using cash reserves to balance the 2011 current expense budget.

Current Expense Revenue



Upcoming Public Hearing

2011 Draft Budget

The City will hold a final public hearing on the proposed 2011 budget at its *December 7th* city council meeting scheduled at *7:00 p.m.* at Bingen City Hall.

Copies of the budget are available from city hall or on line at <http://www.bingenwashington.org> or by calling 509-493-2122.

Public comment will be taken at the hearing. Written comment can also be submitted to City Hall by 5:00 p.m. on December 7th.

Bingen Council Members and Staff

Betty J. Barnes, Mayor
Sandi Dickey, Council Member
Laura Mann, Council Member
Guillermo Fisch, Council Member
Catherine Kiewit, Council Member
Clinton Bryan, Council Member

Jan Brending, City Administrator
Dena Riggleman, Deputy Clerk
David Spratt, Public Works Superintendent
Jay Hicks, Public Works Maintenance
Tom Hons, Treatment Plant Manager
James Buckland, Treatment Plant Operator

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