



## CITY OF BINGEN NEWSLETTER - NOVEMBER 2004

### City Seeks New Revenue Sources

As the City began preparing its budget for 2005, it became clear that additional revenue sources are needed for the General and Street Funds. These funds provide for the following services:

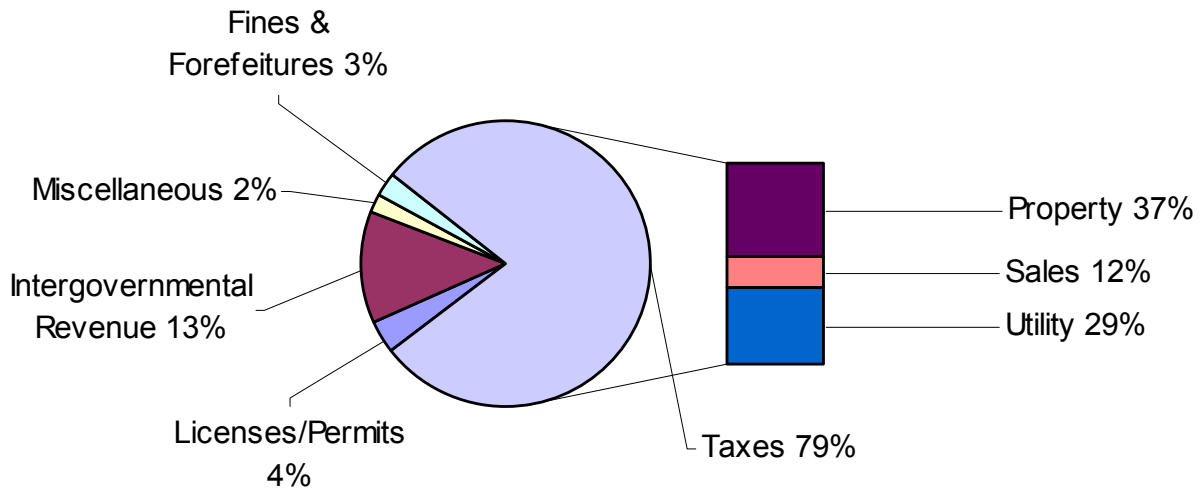
- Law enforcement services
- Fire protection services
- Park operations and maintenance
- City council
- Clerk/Treasurer's office
- Building official services
- Legal services
- Judicial services
- Jail services
- Street lights
- Road maintenance

The chart below shows the sources of revenue for these two funds. Taxes are comprised of property taxes, sales tax (the city receives approximately 1/2%

of the 7% sales tax charged on items purchased or services provide in Bingen) and utility taxes (a 6% surcharge on all electrical, telephone, television cable, and natural gas services purchases in Bingen). Fines and forfeitures are those funds received from West District Court. Intergovernmental revenue are those funds received from the state and other governmental agencies. Licenses and permits include building permits, business licenses, and dog licenses. Miscellaneous funds include investment interest, reimbursements, donations, and other charges for services not include in licenses and permit.

In 1995, the actual revenue received for the general and street funds was \$426,518 while in 2003 it was \$447,929. While there have been some increases in revenue over the past ten years, the increase in revenue has not matched the increases in cost of doing business. If a 5% inflation factor was applied to the \$426,518 in 1995 revenue, today's revenues

### General & Street Fund Revenues



would be at \$661,671. As you can see there is a significant difference. The largest increases have been in the utility taxes charged on electrical services which match the increase in the cost of electricity.

The City's current property tax levy rate is \$3.10 per \$1,000 of assessed value. The levy rate will go down in 2005 due to state law that requires that the total amount of taxes collected by the city cannot increase more than 1% each year (this does not include new construction or improvements). Because the assessed values in Bingen have increased more than 1% the levy rate will decrease. The City Council is not asking for an increase in property taxes.

The City currently receives approximately ½% of the 7% sales tax charged on items sold and services provided in Bingen. Cities in the State of Washington have the option of imposing an additional ½% sales tax. This would make the sales tax in Bingen 7.5%. Bingen is one of only four cities that have not imposed the additional ½% sales tax. White Salmon began taxing at 7.5% in 2003. It is anticipated that in 2005 that the additional sales tax will provide approximately \$35,000 in additional revenue. In 2006, the amount should increase to approximately \$55,000. Implementation of the sales tax would not begin until March 1, 2005 so that the Washington State Department of Revenue can notify businesses of the increase.

Without additional revenue, the City will have to make difficult decisions in where to cut costs. Because the city has a minimum number of employees – a total of 7 employees and a volunteer fire department – it will be necessary to look at cutting costs for equipment, street paving, striping crosswalks and parking spaces, park maintenance. The city used to pave at least two blocks of streets every year. This has not been possible since 2000. The city hopes to move to paving every two years.

The City Council is considering implementing the additional ½% sales tax effective March 1, 2005. A public hearing on this issue will be held on November 16 at 7:00 p.m. in the Meeting Room of the City Hall. Public comment can be given at the hearing or written comment can be submitted to City Hall by 5:00 p.m. on November 16.

## Water and Sewer Rate Increases

In 1999, the city adopted a rate plan for water and sewer utilities that covered 2000 through 2004. At that time, incoming revenues from rates were not enough to support the operation and maintenance of the two departments. The city council chose to keep rate increases at a minimum recognizing the impacts on the residents of Bingen. However, the city also recognized at that time inflation would probably increase at a higher rate and that the water and sewer rates would not provide for enough revenue to be set aside for capital improvements. Some of the upcoming capital improvements the city will be required to make include replacement of a gas chlorination system, rehabilitation of two city wells, rehabilitation of the older reservoir on Bingen hill, and the replacement of several water lines. In addition, the city has an aging sewer system which needs constant work. Several lines need to be replaced to prevent infiltration into the treatment plant.

The city plans to complete a capital improvement/facilities plan for the entire City and all departments. This will outline projects and improvements that need to be made, how much it will cost, funding sources and the priorities. The public will be involved in this planning process. Once the plan has been adopted the City will be able to better determine its needs for water and sewer rates over the next 5 to 6 years.

However, it is necessary to increase the water and sewer rates in 2005. The city council has set forth a proposed rate schedule. The rate schedule is shown on the following page. A public hearing on the proposed rates will be held on November 16 at 7:00 p.m. at the meeting room in City Hall.



## ***Proposed Water and Sewer Rate Increases***

<b>Water</b>	<b>2004 Rate</b>	<b>Proposed 2005 Rate</b>
Residential	\$17.50	\$21.00
Commercial	\$31.00	\$37.00
Light Industrial	\$93.00	\$112.00
Heavy Industrial	\$310.00	\$372.00
<b>Sewer</b>	<b>2004 Rate</b>	<b>Proposed 2005 Rate</b>
All Customers	\$27.00	\$33.00

In addition overage charges will increase for both water and sewer.

### ***Residential***

The base rate for residential customers includes 6,000 gallons of water. Any gallons over 6,000 and less than 100,000 are currently charged \$0.60 per 1,000 gallons (or any portion of). The city proposes to increase the overage charge to \$0.95 per 1,000 gallons. Residential customers do not pay overage charges for sewer.

### ***Commercial/Light Industrial/Heavy Industrial***

The base rate for commercial, light industrial and heavy industrial customers includes 10,000 gallons of water. Any gallons over 10,000 and less than 100,000 are charged \$0.60 per 1,000 gallons (or any portion of). The city proposes to increase the overage charge to \$0.95 per 1,000 gallons. For gallons over 100,000, the current rate is \$0.90 per 1,000 gallons, the city proposes to increase that charge to \$1.45 per 1,000 gallons.

Sewer overage is currently based on gallons of water used. The base fee includes 8,500 gallons which equates to one ERU. Overage is currently charged at \$10.00 per ½ ERU or 4,250 gallons. This rate would increase to \$12.00.

Customers outside the city limits are charged 1.25 times the normal rates for both water and sewer.

The increases in revenue would provide an additional \$44,515 dollars for the water fund and an additional increase of \$33,103 for the sewer fund.

**The City welcomes public comment on both of these important issues. Comment can be made in person during the public hearings scheduled for November 16 at 7:00 p.m. at Bingen City Hall. Written comment can be submitted to City Hall by 5:00 p.m., November 16.**

## Upcoming Public Hearings

- Sales Tax Increase
- Water/Sewer Rate Increase
- 2005 Budget
- Subdivision Ordinance

The City will hold public hearings on all four items at its November 16 city council meeting.

Additional public hearings on the 2005 Budget and Subdivision Ordinance are also scheduled for December 7.

Information on these items or copies of documents can be obtained from city hall or by calling 509-493-2122.

Public comment will be taken at the hearings. Written comment can also be submitted to City Hall.

## Bingen Council Members and Staff

Brian Prigel, Mayor  
Randy Anderson, Council Member  
Laura Mann, Council Member  
Betty Barnes, Council Member  
Terry Trantow, Council Member  
Jeanette Fentie, Council Member

Jan Brending, Clerk Treasurer  
Dena Riggleman, Deputy Clerk  
Brandon Walter, Public Works Superintendent  
Esteban Sanchez, Public Works Maintenance  
Tom Hons, Bingen Treatment Plant Operator  
Mark Scowden, Treatment Plant Operator  
Micheal Robarge, Dallesport Plant Operator

City of Bingen  
P.O. Box 607, 112 N. Ash  
Bingen, Washington 98605  
Telephone: 509-493-2122  
Fax: 509-493-1391  
E-mail: [bingen@gorge.net](mailto:bingen@gorge.net)

City of Bingen  
PO Box 607  
Bingen WA 98605

First Class Mail  
U.S. Postage  
PAID  
Bingen, WA  
Permit No. 100

Boxholder  
Bingen, WA 98605