

# CITY OF BINGEN



## 2018 PROPOSED BUDGET AS OF 10/03/2017

## **Mayor's Message for the 2018 Budget**

**To: Citizens of Bingen and Bingen City Council Members**

**From: Mayor Betty J. Barnes**

The budget for 2018 was created under the direction and guidance of the Mayor, City Administrator – Jan Brending, and the Budget Committee. Budget committee members are Catherine Kiewit and Isolde Schroder.

The budget includes a 1% increase in property taxes and a 10% increase in water rates. Sewer rates will not see an increase in 2018.

The city employees 7 individuals which equates to 6.35 FTE (full-time equivalent) – one employee works 24 hours per week and another employee works 30 hours per week. City Hall remains closed on Mondays. Office hours are Tuesday through Friday, 8 a.m. to 5 p.m.

The City of Bingen contracts with several governmental entities to provide services to its residents. In 2016, Bingen signed a new law enforcement agreement with the City of White Salmon that covers 2017-2018. Building official services are provided through a contract with Skamania County.

The City has an interlocal agreement for the purchase of water from the City of White Salmon. This interlocal agreement along with the acquisition of a non-additive water right allows Bingen to buy more water from White Salmon. The purchase of water from the City of White Salmon is more cost effective than attempting to develop an additional well to supplement the city's own water system. We feel that the use of White Salmon water has helped alleviate some of the problems associated with hydrogen sulfide in the water. In late 2017, the City will apply for a federal construction loan for improvements to the city's water system including replacing an old reservoir and replacing the SCADA (telemetry system).

The City will be considering public works projects in 2018 that may include stormwater improvements, traffic calming improvements, improvements to the wastewater treatment plant and park improvements.

The City continues to provide free punch cards and swim lessons at the White Salmon Pool. In 2017, the city provided 18 swim lessons and 62 punch cards to residents of Bingen. The budget contains funds to continue this service in 2018.

The residents and businesses in Bingen can look back over the past years and see many successes: new city/fire hall, downtown revitalization, playground equipment, new basketball court, skatepark, sidewalks on Humboldt Street, etc. We look forward to continuing these types of successes in the years to come. Success takes hard work from residents, business owners and the city's employees. I want to thank everyone for this hard work and their commitment to the City of Bingen.

**General Fund, Street and Community Development Funds**

**Revenue Sources – General Fund**

**Property Taxes**

Property taxes are collected based on 100 percent of assessed valuation as determined by the Klickitat County Assessor’s Office.

The Klickitat County Assessor provides assessed valuations to the County Treasurer who uses them for the basis of the property tax computation.

Assessed Valuation		Rate per 1000	Property Tax
2012	\$94,073,843	\$2.0101	\$189,099
2013	\$92,093,586	\$2.0809	\$191,638
2014	\$90,411,022	\$2.1643	\$195,677
2015	\$93,539,175	\$2.1222	\$198,504
2016	\$104,247,450	\$1.9240	\$200,569
2017	\$102,056,145	\$2.0049	\$204,609

Currently, the maximum increase in annual property tax levies is limited to 1% or Implicit Price Deflator (whichever is less). Annexations and new construction are then added.

The limit on increases to property taxes does not affect property values and has no impact on the annual valuation of property that is done by the County Assessor. The state statute does not cap the value of your property nor does it cap individual property tax bills. Special levies are not affected by the limit such as the School District’s maintenance and operation bonds.

The total taxes shown on an individual property tax bill do not come to the City of Bingen. Taxes are assessed by a variety of districts, the school, the county and the state as shown in the following table.

**Levy Rates (per \$1,000 assessed valuation)**

	2014	2015	2016	2017
<b>City</b>	\$2.1643	\$2.1222	\$1.9240	\$2.0049
<b>County</b>	\$1.2411	\$1.2462	\$1.2502	\$1.2829
<b>Cemetery</b>	\$0.0089	\$0.0084	\$0.0082	\$0.0082
<b>Hospital</b>	\$0.3564	\$0.3456	\$0.3410	\$0.3427
<b>EMS</b>	\$0.3000	\$0.3000	\$0.3000	\$0.3000
<b>Library</b>	\$0.5000	\$0.4690	\$0.4480	\$0.4172
<b>Port</b>	\$0.1817	\$0.1765	\$0.1745	\$0.1751
<b>State</b>	\$2.2226	\$2.2663	\$2.1165	\$2.0009
<b>School</b>	\$2.8542	\$2.9029	\$2.8509	\$2.7598
<b>Total</b>	\$9.8292	\$9.8371	\$9.4133	\$9.2917

State statutes do not allow a city to levy more than \$3.10 per \$1,000 of assessed valuation without voter approval.

A public hearing is required each year which focuses on the overall need for the property tax to pay for services and on the amount of the proposed increase for the upcoming year. The City of Bingen will hold a hearing on November 7 to consider a 1% increase in its property tax levy. The estimated total increase is \$2,046.

The City has historically split the property taxes between General Fund and the Street Fund.

**Property Taxes Collected**

Year	% Split Current	Property Taxes	% Split Street	Property Taxes
2012	45%	\$85,095	55%	\$104,004
2013	45%	\$86,237	55%	\$105,401
2014	45%	\$88,068	55%	\$107,638
2015	45%	\$96,588	55%	\$118,052
2016	55%	\$110,060	45%	\$90,049

The City proposes to split property taxes 55% to General Fund and 45% to Street for 2018.

### **Retail Sales and Use Tax**

Retail sales and use tax consists of two portions. First, a local tax of one-half of one percent less fifteen percent paid to the county, and second, is an “optional” one-half of one percent that includes the fifteen percent county share. The sales tax was adopted in 1935 as an integral part of the Washington State Revenue Act. The additional “optional” one-half of one percent sales tax was authorized by the State Legislature in 1982.

The City of Bingen authorized the second “optional” one-half of one percent sales tax to become effective January 1, 2006. The 2016 budget provides for placing all of the optional tax in the General Fund.

Klickitat County has not authorized the “optional” sales tax so the City will receive the full amount of the one-half of one percent until such time the County implements the additional sales tax.

Effective January 1, 2006 the sales tax rate in Bingen is 7.5%. Of this amount the state receives 6.5% while the city receives 1% less the county’s share.

<b>Sales Tax Received by Bingen</b>	
2012	\$205,105
2013	\$225,997
2014	\$226,606
2015	\$250,818
2016	\$241,749

Sales tax fluctuations can be attributed to construction (new and improvements) projects or the opening or closing of retail businesses. In addition, effective July 1, 2007 sales tax has become destination based which means that sales tax is determined on the location to where goods are delivered. This has resulted in a slight increase in sales tax to Bingen.

### **Business and Occupation (B&O) Tax**

State law enables cities to levy a business and occupation tax up to 0.2% on business activity. The City of Bingen does not levy the business and occupation tax.

The B&O tax is not popular with the business community as a whole in the state, as it makes no provision for profitability of the business. In addition, state law directs that the tax not be passed on directly to consumers. The tax is imposed in only 43 of the 281 cities in the state.

### **Utility Taxes**

Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of a city. The rate of 6% is set by City Ordinance.

The city charges utility business and occupation taxes (6%) for four categories: gas, television, telephone and electric. Utility taxes can also be charged on water, sewer and garbage services. In 2012, the city began charging utility taxes on water, sewer and garbage services. The tax on water is 6%, sewer 10%, and garbage 6%. Water and sewer customers do not see an increase in their billing. Customers of Allied Waste or Columbia River Disposal will see a “city tax” of 6% added to their billing.

The utility tax on electrical services will be split between the current expense fund and the street fund with 79% of the revenue going to General Fund and 21% going to the Street Fund.

The remaining utility taxes go to the General Fund.

**State Shared Revenues**

State shared revenues are made up of gasoline taxes and liquor receipts (profits and excise taxes). These taxes are collected by the State of Washington and shared with local governments based on populations.

*PUD Privilege Tax*

State distribution of excise taxes collected from public utility districts which operate facilities for generating, distributing or selling electrical energy. The distribution to local governments is based on gross-revenues from sales within each county and the locations of generating facilities.

*Gas Taxes*

Cities receive gas taxes from the state. Cities with a population of under 15,000 are allowed to deposit the gas tax into the street fund and to spend the monies for any street purposes.

*Liquor Receipts – Profits and Taxes*

In the past, state law provided that a share of the state-collected profits and taxes be returned to cities and towns to help defray the costs of policing liquor establishments. With the privatization of liquor sales, cities will receive only a small amount of taxes on liquor sales.

Profits consists of the difference between revenue from state liquor stores, taxes on wine and beer, license fees, permit fees, penalties and forfeitures and board expenditures. Except for monies from administrative fees and those attributable to Class H licenses, the profits are divided among the state, counties and cities and towns.

*Criminal Justice Revenues*

Previously, funds for criminal justice were distributed to cities through a grant program managed by the Department of Community Trade, and Economic Development (CTED). These funds are now being distributed directly to cities based on a per capita amount.

<b>Per Capita Amounts of State Shared Revenues</b>							
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Gas Tax	\$20.38	\$20.25	\$20.63	\$20.78	\$20.98	\$20.66	\$20.49
Gas Tax ESSB 5987	\$0.00	\$0.00	\$0.00	\$0.30	\$0.60	\$0.92	\$1.23
Multi-modal Distribution	\$0.00	\$0.00	\$0.00	\$0.00	\$1.03	\$1.05	\$1.41
Profits of Liquor Board	\$6.93	\$9.96	\$8.89	\$8.57	\$8.47	\$8.35	\$8.29
Liquor Tax	\$4.86	\$3.68	\$0.66	\$2.72	\$4.57	\$4.85	\$4.92
Marijuana Distribution	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.18	\$0.35
Criminal Justice	\$0.25	\$0.25	\$0.26	\$0.28	\$0.30	\$0.31	\$0.31
Criminal Justice – former CTED Grant Programs	\$0.83	\$0.85	\$0.89	\$0.95	\$1.02	\$1.04	\$1.06
<b>Total</b>	<b>\$33.25</b>	<b>\$34.99</b>	<b>\$31.33</b>	<b>\$33.60</b>	<b>\$36.97</b>	<b>\$37.36</b>	<b>\$38.06</b>

## **Licenses and Permits**

### *Business Licenses*

The city uses a revenue-generating business license system as provided for in the City's ordinances. Businesses are assessed an annual business license fee of \$40.00.

### *Gambling Taxes*

The City's ordinances do not currently allow for the assessment of a gambling tax as provided for in Washington state statutes. The ordinance as it exists today should be modified to comply with state statutes or rescinded.

### *Building Permits*

The City charges for building permits according to the schedule adopted in the Building Code.

### *Dog Licenses*

The City requires that all dogs within the city be licensed. The fee for dog licenses beginning are as follows: \$10.00 for animals that are spayed or neutered and \$25.00 for animals that are not spayed or neutered.

## **Charges for Services**

Revenue in this category is derived from "charges for a variety of services". These fees should be set by City ordinance/resolution and/or state law.

Below is the information about what the city has historically charged for a variety of services.

### *Warrant Costs*

These fees are set by the court and/or state and include charges for warrant preparation and deferred prosecution program fees.

### *Copies*

Requests for miscellaneous copies are not charged. Usually an individual only wants a copy of one page of an ordinance, etc.

### *Sale of Junk*

This is where revenue from the sale of surplus, etc. is usually recorded.

### *Planning/Development Fees*

The city adopted a fee schedule by resolution which allows the city to charge fees for: short plats, subdivisions, boundary line adjustments, variance requests, zone amendments, sign permits, etc.

### *Sign Applications*

The City adopted a fee schedule by resolution which allows the city to charge a fee for sign applications.

<b>Charges for Services</b>	
Petition to Annex	\$250.00
Appeal	\$50.00
Comprehensive Plan Amendment	\$250.00
Subdivision	\$250.00
Rezone Application	\$250.00
Boundary Line Adjustment	\$100.00
Short Plat	\$100.00
Conditional Use Permit	\$100.00
SEPA Checklist Review	\$50.00
Variance Request	\$150.00
Aggregate Use Permit	\$100.00
Sign Permit	\$25.00
Sewer Exceptions Process	\$100.00

## **Fines and Forfeitures**

Fines, forfeitures and penalties that are assessed are subject to a 60% surcharge. The City's share is 68% of the total fine and surcharge with the remaining 32% remitted to the state. 1.75% of the local portion is remitted to the county for crime victim and witness programs.

State law sets the amounts for fines, forfeitures and penalties. Some revenue comes from convicted defendants repaying certain costs including witness fees, court interpreter costs, public defenders cost, deferred prosecution costs, etc.

### **Miscellaneous Revenue**

The main portion of miscellaneous revenue comes from investment interest and sales interest. The amount will vary depending on the dollars invested and sold.

### **Interfund Transfers**

The operating funds (general fund, street, water, sewer and treatment plant) pay for

administrative expenses that are incurred in the current expense budget. These administrative expenses include financial and administration (clerk's office – including the deputy clerk). The costs of these expenses are prorated among the five departments based on those departments' expenditures.

### **2018 Proposed Revenue – General Fund**

<b>Type of Revenue</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Budget 2017</b>	<b>Proposed Budget 2018</b>
Taxes	\$519,090.18	\$523,838.88	\$552,710.42	\$555,568.03	\$550,930.00	\$514,803.00
Licenses & Permits	\$26,852.37	\$24,143.49	\$17,623.24	\$23,536.17	\$32,995.00	\$30,410.00
Intergovernmental Revenue	\$37,237.75	\$55,520.28	\$69,031.49	\$66,424.03	\$51,960.00	\$52,048.00
Charges for Services	\$2,489.71	\$2,010.23	\$4,071.22	\$2,589.11	\$3,955.00	\$3,059.00
Fines & Forfeitures	\$15,402.57	\$14,297.62	\$16,277.36	\$9,127.79	\$14,961.00	\$12,240.00
Miscellaneous	\$2,703.56	\$1,563.38	\$3,095.02	\$6,933.08	\$23,612.00	\$9,458.00
Transfers	\$137,138.93	\$154,242.22	\$173,311.91	\$89,495.01	\$154,130.00	\$145,229.00
<b>Total</b>	<b>\$740,915.07</b>	<b>\$755,616.10</b>	<b>\$836,120.66</b>	<b>\$753,673.22</b>	<b>\$832,543.00</b>	<b>\$767,247.00</b>
Beginning Cash	\$211,541.86	\$298,350.06	\$309,783.81	\$500,659.84	\$591,006.00	\$501,982.00
<b>Total Revenue</b>	<b>\$952,456.93</b>	<b>\$1,073,966.16</b>	<b>\$1,145,904.47</b>	<b>\$1,254,333.06</b>	<b>\$1,423,549.00</b>	<b>\$1,269,229.00</b>

## **Expenditures – General Fund**

The General Fund provides funding for several departments including finance, fire, police, and parks.

### *Legislative*

The legislative department provides funding for the city council members and the mayor.

Currently each city council member is paid \$60 per month for their service and the mayor is paid \$300 per month. The council is considering an increase to the amount council members are paid. In addition, election costs are allocated to the legislative department.

### *Judicial*

The judicial department covers the costs of using Klickitat County West District Court for the city's municipal court services. These costs include a portion of the West District Court judge's salary, court interpreters and court-appointed attorneys.

### *Financial and Administrative*

The financial and administrative department covers the costs of the city clerk's office. Salaries and benefits for a full-time city administrator and a ¾-time deputy clerk/utility billing clerk are covered in this department. The city administrator provides financial services for the city, records the minutes of city council meetings, and records the ordinances for the city. The deputy clerk/utility billing clerk assists the city administrator with financial services including accounts payable and utility billing for the water and sewer departments.

A major expense in the financial and administrative department is the cost for state auditing services. The city is normally audited on a biennial basis (auditing two years worth of financial statements at a time). If the city has expended more than \$500,000 in a year then it is required to have a single-year federal audit. In addition to financial audits, the state Auditor's Office also completes accountability audits. The city has moved to a 3-year audit cycle. The city was audited in 2015 for the years 2012-2014

and received a clean audit. The next audit will be performed in 2018.

The clerk/treasurer's office is responsible for public notices which are published in The Enterprise and posted at the Bingen Post Office and at Bingen City Hall. In addition, the clerk/treasurer's office maintains the city's web page which provides city minutes, city council meeting agendas and public notices. The city has continued to update the city's web page and is working towards placing the city's municipal code on line.

### *Facilities*

The facilities department includes costs to operate the city hall/fire hall building. The major expenditure under facilities is the city's insurance costs for protection of city facilities and risk and liability. A portion of these costs are reimbursed to the current expense fund from the street, water, sewer and treatment plant funds based on operating and maintenance expenditures.

### *Legal Services*

The city retains an attorney to provide civil and criminal attorney services. Chris Lanz acts as the city's prosecutor in all criminal matters and advises the city council on civil matters including entering into contracts and agreements, adoption of ordinances, personnel issues, etc.

### *Law Enforcement*

The City of Bingen entered into a contract with the City of White Salmon in 2000 for police services. At that time a new department was created – the Bingen-White Salmon Police Department. The police officers are employees of the City of White Salmon. The two cities have a 2-year contract that ends December 31, 2018.

### *Fire Control*

The City of Bingen maintains a volunteer fire department with Carl Spratt serving as Fire Chief. Two assistant fire chiefs were appointed



in 2013 – Ryan Kreps, Operations and Clinton Bryan, Administration. The city currently has 21 volunteer firefighters.

The city continues to address the need for necessary equipment and training to improve the quality and standards of the volunteer fire department. To achieve these goals funding is needed for the purchase of fire equipment.

#### *Housing of Prisoners*

The City of Bingen contracts with Skamania County for the housing of prisoners that are arrested in Bingen by the Bingen-White Salmon Police Department.

#### *Building Services*

In late 2013, the City of Bingen began contracting with the City of Stevenson for its building official services. The city began contracting with Skamania County for building official services in 2016. Costs for providing building official services are partially covered by the fees charged for building permits, mechanical permits and plumbing permits.

#### *Animal Control*

The City of Bingen hired a part-time Animal Control Officer (full-time position that also does Public Works maintenance) in 2016. The city also established a impound facility for holding dogs on a temporary basis. All dogs residing within the city limits of Bingen require a dog license. Dog licenses are available at city hall.

#### *Parks*

The City of Bingen maintains one park – Daubenspeck Park. Daubenspeck Park currently contains a playground, basketball court, a skatepark, public restrooms, and bandstand.

Phase 2 of the skatepark was completed in 2014. A new drinking fountain and signage was installed in 2015. The donor signage for skatepark donors was added to the park signage in 2016

In 2017, the City of Bingen provided pool punch cards and swim lessons to its citizens on a first come, first serve basis for free admission to the White Salmon pool. The City plans to continue a similar service in 2018.

#### *Youth Center*

The City of Bingen contracts with Washington Gorge Action Programs for services provided by the Youth Center. The Youth Center provides periodic cleanup services in Bingen including picking up garbage at Daubenspeck Park and within Dry Creek. For these services, the City provides the Youth Center \$4,000.

#### *State Fees*

Fines and forfeitures paid to West District Court related to Bingen cases are paid to the City of Bingen. A portion of these fees are then remitted to the State of Washington and to Klickitat County (crime victims' fees). Also included in state fees, is a fee paid for each building permit of \$4.50. These fees are passed through the city to the state.

#### *Capital Transfers*

Capital transfers are made from the current expense fund to a capital improvement fund such as building construction, equipment reserve, etc. The amounts and number of transfers differ each year based on city council decisions.

### 2018 Proposed Expenditures – General Fund

Type of Expenditures	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Proposed Budget 2018
Legislative	\$9,302.60	\$10,379.00	\$9,004.90	\$9,741.38	\$11,454.00	\$13,340.00
Judicial	\$20,270.31	\$23,085.21	\$25,507.69	\$21,797.68	\$24,861.00	\$20,361.00
Financial and Administrative	\$151,422.53	\$165,156.28	\$154,438.17	\$142,015.25	\$156,007.00	\$187,741.00
Central Services	\$90,896.67	\$122,309.90	\$101,136.41	\$22,196.58	\$90,206.00	\$103,386.00
Legal Services	22,608.38	\$13,373.20	\$13,666.50	\$14,764.00	\$20,000.00	\$20,000.00
Law Enforcement	\$191,321.09	\$198,566.70	\$189,337.97	\$272,700.00	\$310,000.00	\$322,400.00
Fire Control	\$22,508.34	\$25,137.38	\$36,120.20	\$43,680.09	\$45,310.00	\$60,860.00
Housing of Prisoners	\$8,290.39	\$22,486.23	\$8,394.41	\$8,318.00	\$10,000.00	\$8,300.00
Building Services	\$10,582.19	\$14,500.78	\$9,146.72	\$7,237.36	\$11,776.00	\$8,765.00
Animal Control	\$15,052.43	\$15,062.70	\$15,007.99	\$5,033.32	\$27,146.00	\$21,181.00
Emergency Services	\$420.85	\$420.85	\$420.85	\$420.85	\$421.00	\$421.00
Youth Center	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00
Community Services	\$300.00	\$1,300.00	\$375.00	\$1,800.00	\$300.00	\$300.00
Planning & Community Dev.	\$349.00	\$51,565.26	\$23,549.75	\$11,291.53	\$1,949.00	\$700.00
Parks	\$40,103.83	\$48,909.57	\$53,265.87	\$90,069.47	\$84,482.00	\$84,408.00
Capital Expenditures	\$0.00	\$1,433.55	\$2,872.20	\$9,261.87	\$36,179.00	\$2,873.00
Non-Expenditures*	\$-727.74	\$727.74	\$0.00	\$0.00	\$0.00	\$0.00
Transfers	\$68,406.00	\$46,768.00	\$0.00	\$0.00	\$87,476.00	\$0.00
<b>Total</b>	<b>\$654,106.87</b>	<b>\$764,182.35</b>	<b>\$645,244.63</b>	<b>\$663,327.38</b>	<b>\$921,567.00</b>	<b>\$859,036.00</b>
Ending Cash	\$298,350.06	\$309,783.81	\$500,659.84	\$591,005.68	\$501,982.00	\$410,193.00
<b>Total Budget</b>	<b>\$952,456.93</b>	<b>\$1,073,966.16</b>	<b>\$1,145,904.47</b>	<b>\$1,254,333.06</b>	<b>\$1,423,549.00</b>	<b>\$1,269,229.00</b>

\*Employee Deduction Clearing Account

**Street Fund**

Revenue sources for the street fund are identified in the narrative in previous pages and shown in the following table.

Maintenance of the city’s streets is provided under the street fund and includes street lighting, striping for crosswalks and parking spaces, street signage, minor maintenance for

potholes, etc. A portion of the salary’s of three public works employees are funded through the street fund.

Major construction of new streets or sidewalks and improvements of existing streets or sidewalks are covered under the “Street Construction and Maintenance Fund.

**2018 Proposed Revenue – Street Fund**

Type of Revenue	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Proposed Budget 2018
Taxes	\$122,399.97	\$138,899.23	\$146,188.05	\$122,809.11	\$122,460.00	\$175,161.00
Intergovernmental Revenue	\$15,403.34	\$14,954.95	\$15,382.56	\$16,618.89	\$16,766.00	\$17,002.00
Miscellaneous	\$2.51	\$247.67	\$21.11	\$86.07	\$345.00	\$408.00
Transfers	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
<b>Total</b>	<b>\$140,805.82</b>	<b>\$157,101.85</b>	<b>\$164,591.72</b>	<b>\$142,514.07</b>	<b>\$142,571.00</b>	<b>\$195,571.00</b>
Beginning Cash	\$47,961.65	\$45,078.28	\$68,840.78	\$108,156.95	\$109,232.00	\$78,707.00
<b>Total Revenue</b>	<b>\$188,767.47</b>	<b>\$202,180.13</b>	<b>\$233,432.50</b>	<b>\$250,671.02</b>	<b>\$251,803.00</b>	<b>\$274,278.00</b>

**2018 Proposed Expenditures – Street Fund**

Type of Expenditures	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Proposed Budget 2018
Personnel	\$58,138.06	\$62,253.44	\$69,940.58	\$62,399.95	\$87,344.00	\$117,772.00
Supplies	\$7,737.76	\$12,326.59	\$4,147.83	\$14,570.49	\$10,600.00	\$13,500.00
Services & Charges	\$36,968.94	\$28,470.07	\$29,363.32	\$37,542.50	\$35,326.00	\$34,887.00
Maintenance & Improvements	\$12,854.39	\$1,921.51	\$2,842.26	\$9,284.08	\$3,586.00	\$3,801.00
Operating Transfers	\$27,990.04	\$28,367.74	\$18,981.56	\$17,642.76	\$36,240.00	\$37,473.00
<b>Total</b>	<b>\$143,689.19</b>	<b>\$133,339.35</b>	<b>\$125,275.55</b>	<b>\$141,439.78</b>	<b>\$173,096.00</b>	<b>\$207,433.00</b>
Ending Cash	\$45,078.28	\$68,840.78	\$108,156.95	\$109,231.24	\$78,707.00	\$66,845.00
<b>Total Budget</b>	<b>\$188,767.47</b>	<b>\$202,180.13</b>	<b>\$233,432.50</b>	<b>\$250,671.02</b>	<b>\$251,803.00</b>	<b>\$274,278.00</b>

**Public Works –Water Fund**

**Water Rates and Charges**

The City of Bingen changed the rate structure for water in 2010. The new structure includes a base fee that is billed whether water is used or not and whether the water is on or not. Water is then be billed at a price per 1,000 gallons. The following table shows previous rates and the rates under the new rate structure.

The City charges a connection fee for new hookups to the City’s water system. Connection fees are based on meter size to be installed. A ¾” meter connection fee is \$750.00. There is no increase in connection fees planned.

**Expenditures**

The city’s water system involves two reservoirs, four wells and associated water lines that deliver to residences and businesses located within the city limits. In addition, the city provides water

to the Port of Klickitat. The city purchases water from White Salmon to supplement the city’s supply during the summer months and to supply water to those residences that are connected directly to the White Salmon supply line. A portion of the salary and benefits for three full-time public works employees is paid for out of the water fund.

Bingen was able to obtain a non-additive water right and sign a new interlocal agreement with City of White Salmon for the purchase of water. This allows Bingen to purchase more water and should help alleviate the hydrogen sulfide issue.

The city is working to make improvements to the water system as identified in the Water System Plan. In 2015, two water lines were replaced. In 2017, the Underwood Fruit vault and meters was replaced. The city is applying for a federal loan to replace a 65+ year old reservoir.

**Monthly Base Water Rates**

Type of User	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Proposed 2018
Residential (Single-Family) Base Rate	\$25.76	\$27.05	\$28.40	\$29.82	\$32.80	\$36.08
Usage (0-10,000 gallons) per thousand gallons	\$1.45	\$1.52	\$1.60	\$1.68	\$1.85	\$2.04
Usage (10,001-20,000 gallons) per thousand gallons	\$2.44	\$2.56	\$2.69	\$2.82	\$3.10	\$3.41
Usage (>20,000 gallons) per thousand gallons	\$3.65	\$3.83	\$4.02	\$4.22	\$4.64	\$5.10
Base Rates for Commercial, Light Industrial, Industrial, Multi-Family						
¾ inch meter	\$39.36	\$41.33	\$43.39	\$45.56	\$50.12	\$55.13
1 inch meter	\$62.52	\$65.65	\$68.93	\$72.38	\$79.62	\$87.58
1-1/2 inch meter	\$125.02	\$131.27	\$137.83	\$144.72	\$159.19	\$175.11
2 inch meter	\$187.54	\$196.92	\$206.76	\$217.10	\$238.81	\$262.69
3 inch meter	\$387.81	\$407.20	\$427.56	\$448.94	\$493.83	\$543.21
4 inch meter	\$542.92	\$570.07	\$598.57	\$628.50	\$691.35	\$760.49
6 inch meter	\$814.97	\$855.72	\$898.50	\$943.43	\$1,037.77	\$1,141.55
Usage per 1,000 gallons	\$2.21	\$2.32	\$2.44	\$2.56	\$2.82	\$3.10

**2018 Proposed Revenue – Water Fund**

<b>Type of Revenue</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Budget 2017</b>	<b>Proposed Budget 2018</b>
Charges for Services	\$365,219.87	\$335,290.43	\$325,866.60	\$330,774.22	\$362,154.00	\$396,433.00
Miscellaneous	\$2,711.88	\$209.31	\$175.90	\$92.63	\$358.00	\$408.00
<b>Total</b>	<b>\$367,931.75</b>	<b>\$335,499.74</b>	<b>\$326,042.50</b>	<b>\$330,866.85</b>	<b>\$362,512.00</b>	<b>\$396,841.00</b>
Beginning Cash	\$171,673.98	\$221,042.17	\$188,003.23	\$133,363.67	\$159,361.00	\$122,800.00
<b>Total Revenue</b>	<b>\$539,605.73</b>	<b>\$556,541.91</b>	<b>\$514,045.73</b>	<b>\$464,230.52</b>	<b>\$521,873.00</b>	<b>\$519,641.00</b>

**2018 Proposed Expenditures – Water Fund**

<b>Type of Expenditures</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Budget 2017</b>	<b>Proposed Budget 2018</b>
Personnel	\$49,248.29	\$41,399.02	\$35,877.02	\$45,869.15	\$59,962.00	\$45,313.00
Supplies & Equipment	\$85,570.97	\$112,051.34	\$101,459.52	\$96,136.11	\$98,502.00	\$98,502.00
Services & Charges	\$47,831.04	\$44,510.93	\$49,488.55	\$37,468.81	\$43,298.00	\$40,076.00
Maintenance	\$2,784.76	\$2,717.97	\$3,533.28	\$19,974.78	\$5,300.00	\$5,515.00
Debt Payments	\$9,161.12	\$33,598.00	\$0.00	\$32,426.00	\$30,392.00	\$30,136.00
Utility Taxes	\$20,871.52	\$19,691.88	\$19,172.53	\$19,381.14	\$21,291.00	\$23,416.00
Operating Transfers	\$51,909.86	\$61,553.54	\$110,934.16	\$36,722.29	\$79,293.00	\$48,923.00
Capital Program Transfers	\$51,186.00	\$53,016.00	\$60,217.00	\$16,892.00	\$61,035.00	\$95,143.00
<b>Total</b>	<b>\$318,563.56</b>	<b>\$368,538.68</b>	<b>\$380,682.06</b>	<b>\$304,870.28</b>	<b>\$399,073.00</b>	<b>\$387,024.00</b>
Ending Cash	\$221,042.17	\$188,003.23	\$133,363.67	\$159,360.24	\$122,800.00	\$132,617.00
<b>Total Budget</b>	<b>\$539,605.73</b>	<b>\$556,541.91</b>	<b>\$514,045.73</b>	<b>\$464,230.52</b>	<b>\$521,873.00</b>	<b>\$519,641.00</b>

**Public Works – Sewer Fund**

**Sewer Rates and Charges**

The City of Bingen charges a monthly rate based on “Equivalent Residential Unit” (ERU) which equals 8,500 gallons. Residential customers are charged one ERU per month and are not charged overage for sewer

Non-residential customers are currently charged \$18.00 per ½ ERU after the 1<sup>st</sup> ERU. The sewer overage rate will not increase in 2018.

A surcharge of 25% on the in-city rate is assessed to those users located in unincorporated areas of Klickitat County.

The City also charges a connection fee for new hookups to the City’s water system. Connection fees are based on meter size to be installed. A ¾” meter connection fee is \$2,000.00. There is no increase in connection fees planned.

The main portion of miscellaneous revenue comes from investment interest and sales interest. The amount will vary depending on the dollars invested and sold.

Sewer rates will not increase in 2018.

**Expenditures**

The city’s sewer funds cover expenditures for maintaining the collection system for wastewater. The collection system transfers wastewater (sewer) from residences and businesses to the wastewater treatment plant.

Part of the salaries and benefits for three full-time public works employees is paid out of the sewer fund. The public works department assists in making new connections to the collection system in addition to repairing existing lines.

Part of the city’s collection system is aging and will need to be replaced in the future. Funding for capital improvements is set aside in the Sewer Construction and Maintenance Fund and the Water and Sewer Equipment Funds.

The city also transfers a portion of every sewer payment made to the Bingen Treatment Plant Fund. Both Bingen and White Salmon pay an equal amount per ERU into the Treatment Plant Fund. The proposed amount per ERU for 2018 is \$14.25.

The City of Bingen and the City of White Salmon completed the joint wastewater facility plan in 2016. The city intends to submit a loan application in 2018 to complete a number of projects identified in the wastewater facility plan.

**Monthly Base Sewer Rates**

Type of User	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Proposed 2017	Proposed 2018
Residential	\$44.00	\$44.00	\$46.00	\$46.00	\$46.00	\$46.00
Commercial	\$44.00	\$44.00	\$46.00	\$46.00	\$46.00	\$46.00
Light Industrial/Agricultural	\$44.00	\$44.00	\$46.00	\$46.00	\$46.00	\$46.00
Heavy Industrial	\$44.00	\$44.00	\$46.00	\$46.00	\$46.00	\$46.00

**2018 Proposed Revenue – Sewer Fund**

<b>Type of Revenue</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Budget 2017</b>	<b>Proposed Budget 2018</b>
Charges for Services	\$269,070.02	\$255,153.27	\$264,115.61	\$266,989.05	\$265,466.00	\$265,456.00
Miscellaneous	\$1,084.82	\$1,142.95	\$1,155.82	\$1,152.04	\$1,247.00	\$1,174.00
<b>Total</b>	<b>\$270,154.84</b>	<b>\$256,296.22</b>	<b>\$265,271.43</b>	<b>\$268,141.09</b>	<b>\$266,713.00</b>	<b>\$266,630.00</b>
Beginning Cash	\$187,678.28	\$208,797.59	\$197,472.67	\$196,418.63	\$205,286.00	\$206,907.00
<b>Total Revenue</b>	<b>\$457,833.12</b>	<b>\$465,093.81</b>	<b>\$462,744.10</b>	<b>\$464,559.72</b>	<b>\$471,999.00</b>	<b>\$473,537.00</b>

**2018 Proposed Expenditures – Sewer Fund**

<b>Type of Expenditures</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Budget 2017</b>	<b>Proposed Budget 2018</b>
Personnel	\$8,913.51	\$13,173.78	\$10,935.12	\$8,009.80	\$11,675.00	\$5,964.00
Supplies & Equipment	\$3,927.51	\$5,612.76	\$5,305.82	\$8,280.74	\$4,300.00	\$4,300.00
Services & Charges	\$8,871.74	\$7,638.20	\$7,692.20	\$7,743.52	\$8,306.00	\$8,634.00
Maintenance & Improvements	\$2,521.60	\$2,349.78	\$3,060.57	\$2,800.06	\$2,337.00	\$2,215.00
Utility Taxes	\$25,307.02	\$25,465.34	\$26,411.57	\$26,598.90	\$26,447.00	\$26,546.00
Debt Payments	\$17,850.00	\$21,975.00	\$20,775.00	\$0.00	\$0.00	\$0.00
Operating Transfers	\$119,443.15	\$100,835.28	\$91,252.19	\$89,055.36	\$93,631.00	\$96,324.00
Capital Program Transfers	\$62,201.00	\$90,571.00	\$100,893.00	\$116,786.00	\$118,396.00	\$0.00
<b>Total</b>	<b>\$249,035.53</b>	<b>\$267,621.14</b>	<b>\$266,325.47</b>	<b>\$259,274.38</b>	<b>\$265,092.00</b>	<b>\$143,983.00</b>
Ending Cash	\$208,797.59	\$197,472.67	\$196,418.63	\$205,285.34	\$206,907.00	\$329,554.00
<b>Total Budget</b>	<b>\$457,833.12</b>	<b>\$465,093.81</b>	<b>\$462,744.10</b>	<b>\$464,559.72</b>	<b>\$471,999.00</b>	<b>\$473,537.00</b>

**Public Works - Bingen Wastewater Treatment Plant**

Bingen and White Salmon pay an equal amount into the Bingen Treatment Plant revenue fund. The current rate per ERU (Equivalent Residential Unit) is \$14.00. The proposed rate for 2018 is proposed to be \$14.25. These monies are not additional funds paid by sewer customers but are allocated to this fund from the amount paid monthly.

**Expenditures**

The city employees a full-time plant operator and a part-time plant manager to maintain and operate the Bingen Wastewater Treatment Plant.

The City of Bingen and the City of White Salmon completed the joint wastewater facility plan in 2016. The city intends to submit a loan application in 2018 to complete a number of projects identified in the plan.

**2018 Proposed Revenue – Bingen Wastewater Treatment Plant Fund**

Type of Revenue	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Proposed Budget 2018
Charges for Services	\$401,356.75	\$305,999.33	\$296,644.82	\$341,165.18	\$331,728.00	\$333,066.00
Miscellaneous	\$372.73	\$404.15	\$655.46	\$590.88	\$1,440.00	\$1,354.00
Total	\$401,729.48	\$306,403.48	\$297,300.28	\$341,756.06	\$333,168.00	\$334,420.00
Beginning Cash	\$159,978.92	\$201,288.51	\$186,432.98	\$224,654.72	\$275,075.00	\$287,703.00
Total Revenue	\$561,708.40	\$507,691.99	\$483,733.26	\$566,410.78	\$608,243.00	\$622,123.00

**2018 Proposed Expenditures – Bingen Wastewater Treatment Plant Fund**

Type of Expenditures	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Proposed Budget 2018
Personnel	\$120,159.83	\$125,587.41	\$125,956.58	\$130,565.34	\$141,377.00	\$148,412.00
Supplies & Equipment	\$17,364.73	\$21,128.49	\$27,059.78	\$23,298.51	\$24,600.00	\$24,100.00
Services & Charges	\$55,755.83	\$41,835.54	\$41,624.64	\$45,820.34	\$52,037.00	\$47,239.00
Maintenance	\$2,047.70	\$2,143.85	\$4,145.54	13,977.73	\$12,108.00	\$8,500.00
Debt Payments	\$107,142.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Expenditures	\$0.00	\$0.00	\$0.00	\$6,955.51	\$0.00	\$0.00
Operating Transfers	\$47,253.94	\$51,663.05	\$35,496.00	\$30,625.88	\$31,294.00	\$50,325.00
Capital Program Transfers	\$10,695.00	\$73,095.00	\$24,796.00	\$40,093.00	\$59,124.00	\$0.00
Total	\$360,419.89	\$321,259.01	\$259,078.54	\$291,336.31	\$320,540.00	\$278,576.00
Ending Cash	\$201,288.51	\$186,432.98	\$224,654.72	\$275,074.47	\$287,703.00	\$343,547.00
Total Budget	\$561,708.40	\$507,691.99	\$483,733.26	\$566,410.78	\$608,243.00	\$622,123.00



**Other Funds**

The City of Bingen maintains capital reserve funds and funds related to the city’s long-term debt. Revenue for these funds comes from the Current Expense, Water, Sewer, and Bingen Wastewater Treatment Plant Funds. In addition, any grants the city receives for construction projects or the purchase of equipment are placed in the appropriate capital reserve fund.

**Capital Reserve Funds**

Capital reserve funds are used for construction and purchases of equipment. The funding for water and wastewater planning in addition to the replacement of the two water lines comes from these funds.

**2018 Proposed Budget – Capital Reserve Funds**

<b>Capital Reserve Fund</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Budget 2017</b>	<b>Proposed Budget 2018</b>
Community Development	\$8,141.00	\$8,284.28	\$8,184.30	\$6,036.87	\$1,894.00	\$1,894.00
Police Car Reserve	\$9,585.34	\$19,906.04	\$19,907.02	\$0.00	\$0.00	\$0.00
Fire Equipment Reserve	\$50,992.57	\$51,030.21	\$51,741.22	\$54,413.95	\$34,161.00	\$34,372.00
Street Equipment Reserve	\$34,494.55	\$34,532.98	\$34,579.22	\$34,661.81	\$43,502.00	\$4,914.00
Fire Reserve	\$500.66	\$500.95	\$501.20	\$501.45	\$502.00	\$0.00
Street Construction & Maintenance	\$41,560.17	\$46,734.64	\$51,846.39	\$53,906.49	\$111,661.00	\$7,480.00
Excise Tax	\$16,946.84	\$24,072.97	\$32,820.51	\$41,681.74	\$56,440.00	\$61,699.00
Building Construction	\$9,186.72	\$15,945.77	\$25,976.03	\$26,096.88	\$26,320.00	\$6,970.00
Park Construction & Maintenance	\$180,902.93	\$42,849.36	\$8,739.69	\$5,085.73	\$61,837.00	\$61,838.00
Water Capital Reserve	\$90,628.62	\$158,342.64	\$695,905.59	\$122,462.98	\$377,103.00	\$103,806.00
Sewer Capital Reserve	\$459,713.24	\$535,843.22	\$772,267.09	\$754,742.21	\$876,621.00	\$714,283.00
Treatment Plant Improvement	\$140,700.76	\$205,622.34	\$167,347.31	\$191,029.52	\$218,443.00	\$207,501.00
Water Equipment	\$586.94	\$586.94	\$586.94	\$586.94	\$587.00	\$0.00
Sewer Equipment	\$223.90	\$223.90	\$223.90	\$223.90	\$224.00	\$0.00
Treatment Plant Capital Expans.	\$191,148.60	\$192,873.05	\$193,149.99	\$196,844.26	\$200,536.00	\$201,743.00
General Equipment	\$15,476.00	\$22,226.85	\$7,728.92	\$7,764.88	\$7,801.00	\$7,864.00
<b>Total</b>	<b>\$1,250,788.84</b>	<b>\$1,359,576.14</b>	<b>\$2,071,505.32</b>	<b>\$1,496,039.61</b>	<b>\$2,017,632.00</b>	<b>\$1,414,364.00</b>

### **Long-Term Debt**

Two basic types of municipal debt are short-term and long-term debt. Short-term debt is generally used by municipalities to even out cash flows. The City of Bingen has no current short-term debt. Two basic forms of long-term debt are general obligation and revenue bonds. The basic difference between these two types of bonds is that general obligation issues are backed by the full faith and credit, i.e., taxes, of a municipality, and for revenue bonds, the income of a specific utility or activity that is pledged for repayment.

In 2013-2014, the city began work on the construction design, engineering and permitting for the construction of two replacement water lines. The project was constructed in 2015. The city obtained a Drinking Water State Revolving Fund loan in the amount of \$559,944 (including loan fee) to fund this project. The city made the first payment on the loan in 2016.

The loan with US Bank Equipment is for the city hall office copier.

### **Interfund Loans**

The city council authorized two interfund loans in 2017 to pay for capital improvements to the city's water system: replacement of the Underwood Fruit vault and meters and replacement of the SCADA (telemetry) system. The funds are loaned from the Sewer Capital Reserve Fund to the Water Capital Reserve Fund.

### **Drinking Water State Revolving Fund Loan**

Year	Principal	Interest	Debt Service
2017	\$25,538.65	\$4,852.36	\$30,391.01
2018	\$25,538.65	\$4,596.96	\$30,135.61
2019-2039	\$434,157.16	\$39,074.19	\$473,231.35
Total	\$485,234.46	\$48,523.51	\$533,757.97

### **US Bank Equipment**

Year	Principal	Interest	Debt Service
2017	\$2,560.90	\$311.30	\$2,872.20
2018	\$2,687.73	\$184.47	\$2,872.20
2019	\$2,341.21	\$52.29	\$2,393.50
Total	\$7,589.84	\$548.06	\$8,137.90

### **Combined Debt Service Schedule**

Year	Principal	Interest	Debt Service
2017	\$28,099.55	\$5,163.66	\$33,263.21
2018	\$28,226.38	\$4,781.43	\$33,007.81
2019-2039	\$436,498.37	\$39,126.48	\$475,624.85
Total	\$492,824.30	\$49,071.57	\$541,895.87

### **Interfund Loan Underwood Fruit**

Year	Principal	Interest	Debt Service
2018	\$35,500.00	\$700.27	\$36,200.27
2019	\$35,500.00	\$350.14	\$35,850.14
Total	\$71,000.00	\$1,050.41	\$72,050.41

### **Interfund Loan SCADA**

Year	Principal	Interest	Debt Service
2018	\$57,028.66	\$1,913.08	\$58,941.74
2019	\$57,028.67	\$1,275.39	\$58,304.06
2020	\$57,028.67	\$637.69	\$57,666.36
Total	\$171,086.00	\$3,826.16	\$174,912.16

### **Total Interfund Loans**

Year	Principal	Interest	Debt Service
2018	\$92,528.66	\$2,613.35	\$95,142.01
2019	\$92,528.67	\$1,625.53	\$94,154.20
2020	\$57,028.67	\$637.69	\$57,666.36
Total	\$242,086.00	\$4,876.57	\$246,962.57