

City of Bingen Agenda Memo

Date: November 15, 2021
Subject: 2022 Proposed Budget

Attached are the budget documents for the 2022 proposed budget. This budget has been reviewed by the Mayor and the Budget Committee. The budget documents include the following:

- 5-Year Budget Comparison (Line Item Detail)
- Budget Summary with History
- Ordinance 2021-09-720, Adopting the 2022 Budget

A budget hearing is scheduled for Tuesday, November 16 regarding revenues and property taxes. A final budget hearing on the 2022 proposed budget will be held on Tuesday, December 7 anticipating the city council will adopt the budget at that council meeting.

The budget includes a 1% increase over the maximum lawful levy plus additional taxes resulting from new construction and improvements to property. The city council packet includes the resolution and ordinance for adopting the property taxes. A public hearing (in conjunction with the budget hearing) is scheduled for Tuesday, November 16. The ordinance and resolution must be adopted and sent to Klickitat County no later than November 30, 2021.

The budget was prepared during an audit for 2018 through 2020. The city has had several ongoing large projects (Humboldt Street Construction, Humboldt Street Water Construction, Reservoir Replacement Design, Railroad Crossing Project, and Wastewater/Treatment Plant Improvement Project) whereby expenditures were being made without making the request for reimbursement from grants and/or loans within the same time period the expenditures were made. This resulted in several years with overspending occurring because revenues for the expenditures were not requested until the following year(s).

Beginning cash balances are estimated using known expenditure and revenue sources and the city's current 2021 balance.

When a new City Administrator/Clerk Treasurer are hired, it will be critical that they review the budget – particularly once the audit is completed. This will ensure that an appropriate 2022 budget is adopted (amended in 2022).

The budget provides for a 5% increase in water and sewer rates per the 2020 ordinances. The Budget Committee and staff are not proposed a change from that ordinance.

The budget also provides for a 5.5% cost of living increase. It should be noted the city is currently in negotiations with the union and a draft agreement is expected to come to the city council in December.