



**CITY OF BINGEN
MEMORANDUM**

TO: Mayor Brian Prigel and City Council Members
FROM: Jan Brending, City Administrator
DATE: October 3, 2008
SUBJECT: Proposed Amendments to 2008 Budget

Enclosed are two documents: the budget amendment ordinance and the 2008 proposed budget changes in a summary format. The budget committee has reviewed the proposed budget amendments and recommends approval.

REVENUES

Current Expense

The majority of the decrease in revenue is in "investment interest." The city was allocating all of the interest earned on its cash account into the current expense fund. This is technically allowed by state law. However, the auditor's office has expressed concern about allocating all interest earned on a cash account to just the current expense fund when the cash account is made of monies from a variety of funds including the city's revenue generating funds water and sewer. I am now allocating the interest earned each month across all of the funds based on the cash balance of each fund. So while the investment interest is decreased in the current expense fund it is increased in the majority of the other funds.

Another large decrease in estimated revenue is related to the PUD taxes. We experienced a warmer than normal winter (January through March) and therefore PUD revenues were down and our taxes are down.

Water

I have reduced the anticipated revenues in the water fund. We have encouraged conservation of water this summer due to White Salmon's water situation and this is showing in our water revenues.

Dallesport Treatment Plant and Dallesport Billing Trust Fund

I have reduced the revenues in both of these funds to match actual as we have now closed these funds out and all remaining monies have been remitted to Klickitat County.

I am closely watching the sales tax revenue and am currently anticipating a slight increase over what is currently budgeted which will be reflected in the next budget amendment.

EXPENDITURES

The amendments to expenditures include increases and decreases to match anticipated expenditures and those items approved by the city council.

Current Expense

The majority of the decrease in expenditures is taken in a decrease in the ending cash balance and housing of prisoners.

Community Development

As we increase our expenditures in this fund we are reducing the ending cash balance.

Street Construction

The change orders for Maple Street have not been added through this budget amendment. They will be added in with the next amendment.

Water

The majority of reduction in expenditures is taken in ending cash balance.

Dallesport Treatment Plant and Dallesport Billing Trust Fund

Expenditures have been adjusted to match actual as these funds are now closed out.