



2023-2024 REVENUE BUDGET AND 10-YEAR FORECAST

City of Camas

Revenue Forecast
Baseline Budgets
Decision Packages – both Capital and Operating
June and July

Public Engagement
Council Engagement
August

10-Year Forecast
Revenue Budget
September

- Property Taxes
- Fee Schedule
- Equipment Rental & Replacement
- Utility Taxes and Transportation Benefit District

Recommended Budget
October

Public Input
Nov

- Public Hearings

Budget
Approval Dec

- Property Tax Resolutions
- Fee Schedule

BUDGET PROCESS

- 10 Year Forecast and Scenarios
 - Forecast assumptions
 - High level look at revenues and expenditure trends
- 2023-2024 Preliminary Revenue Budget
- 2023 Property Tax Presentation
- 2023 Fee Schedule Presentation
- Transportation Benefit District Options Presentation
- Utility Tax Presentation
- 2023-2032 Forecast Options Discussion

2023-2024 REVENUE BUDGET PRESENTATIONS

PURPOSE OF 10- YEAR FORECAST

- Provides insights into current trends into the future
- Allows for what-if scenarios for policy development
- Checks to see if decisions are financially sustainable.
- Highlights potential structural deficits
- Determines potential burn rate of fund balance

2023-2032 FORECAST ASSUMPTIONS

Growth in housing will continue but at a slower steady pace

- Lots available
- Development activity
- Local Economy post pandemic

Three multi-family projects and two assisted living projects

Four Commercial Sites

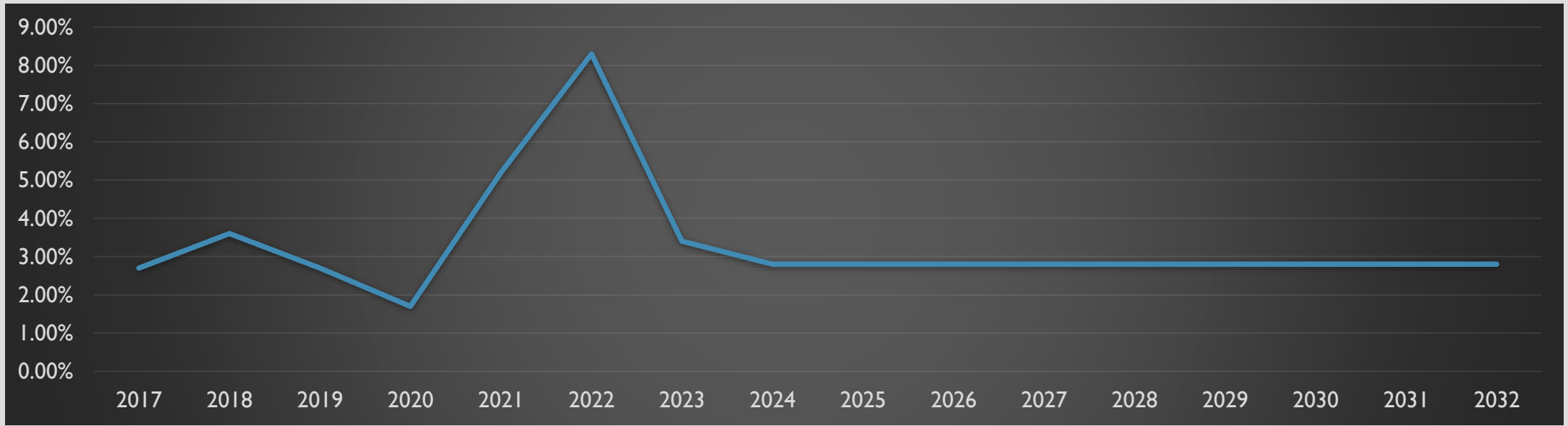
Labor contracts to be negotiated near term

Benefits at 6% annually
(updating with revised numbers)

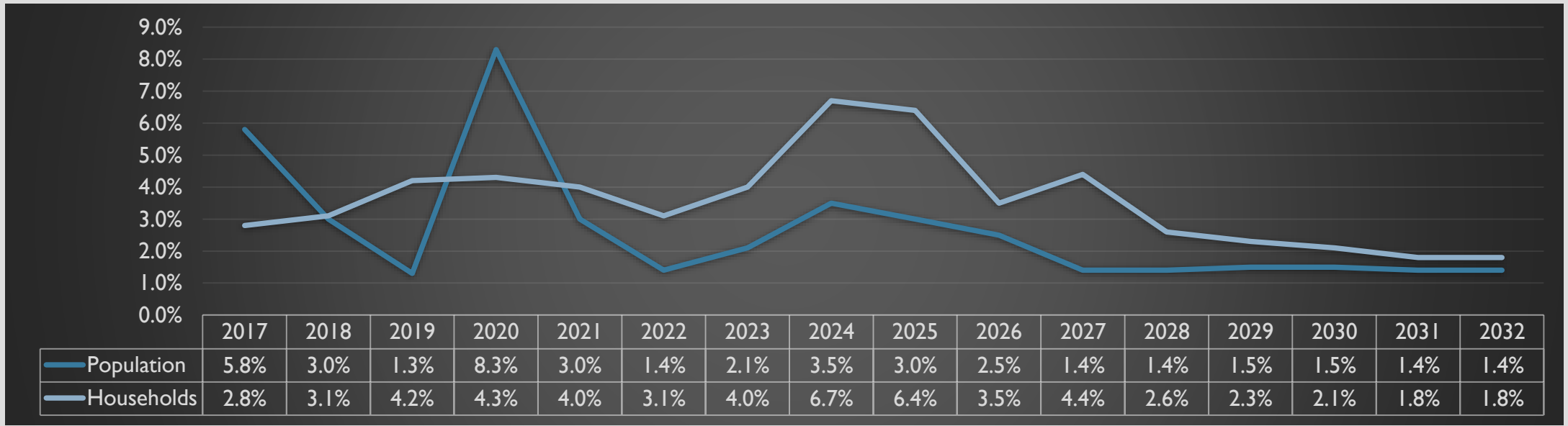
Retirements and Staffing considerations

ERP Implementation to began in 2022 and continue for three years

Priority 1 and 2 Decision Packages Included

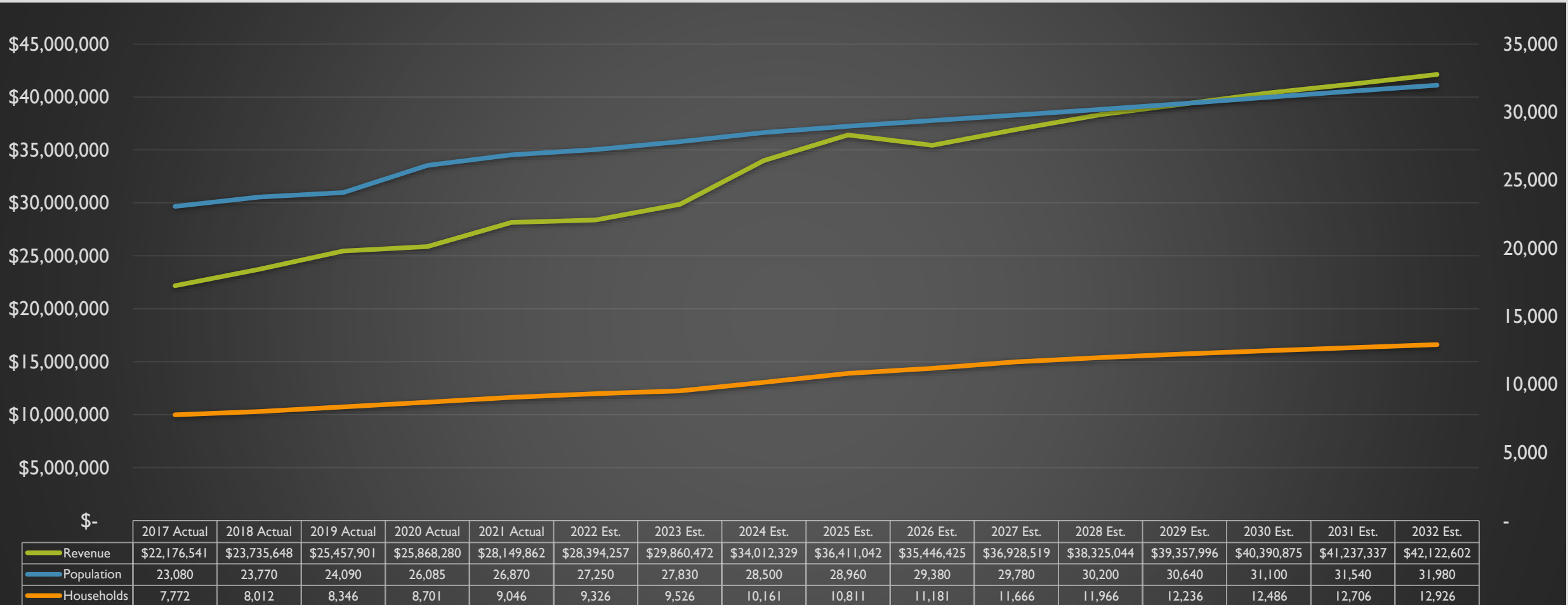


INFLATION



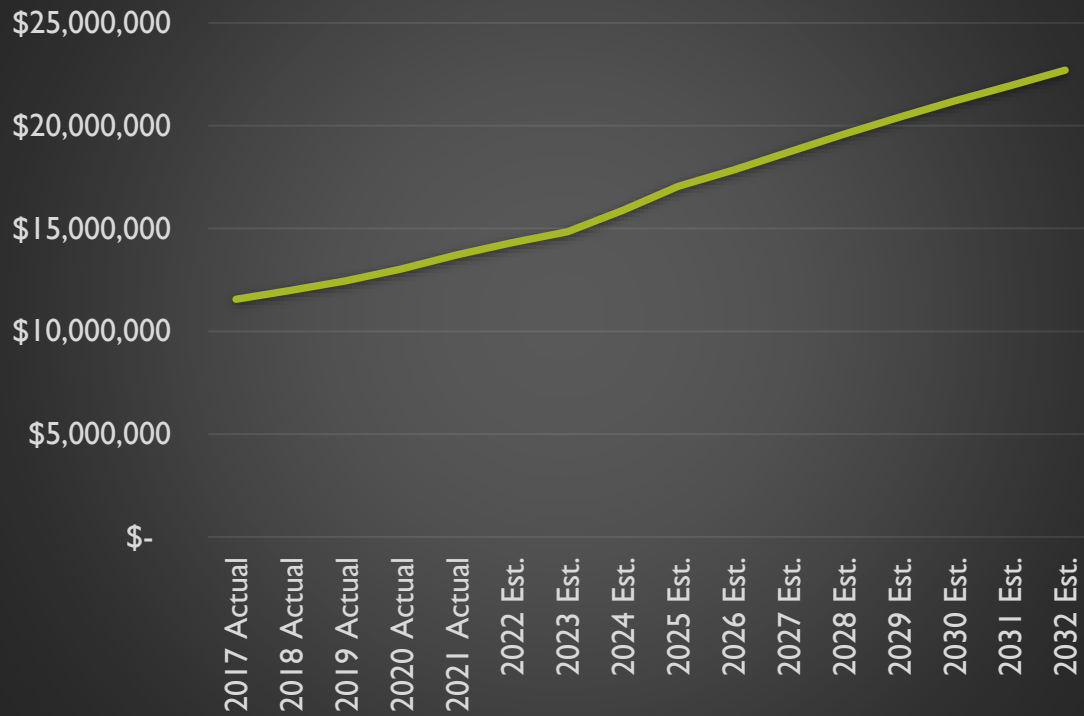
POPULATION GROWTH

GENERAL FUND REVENUE FORECAST

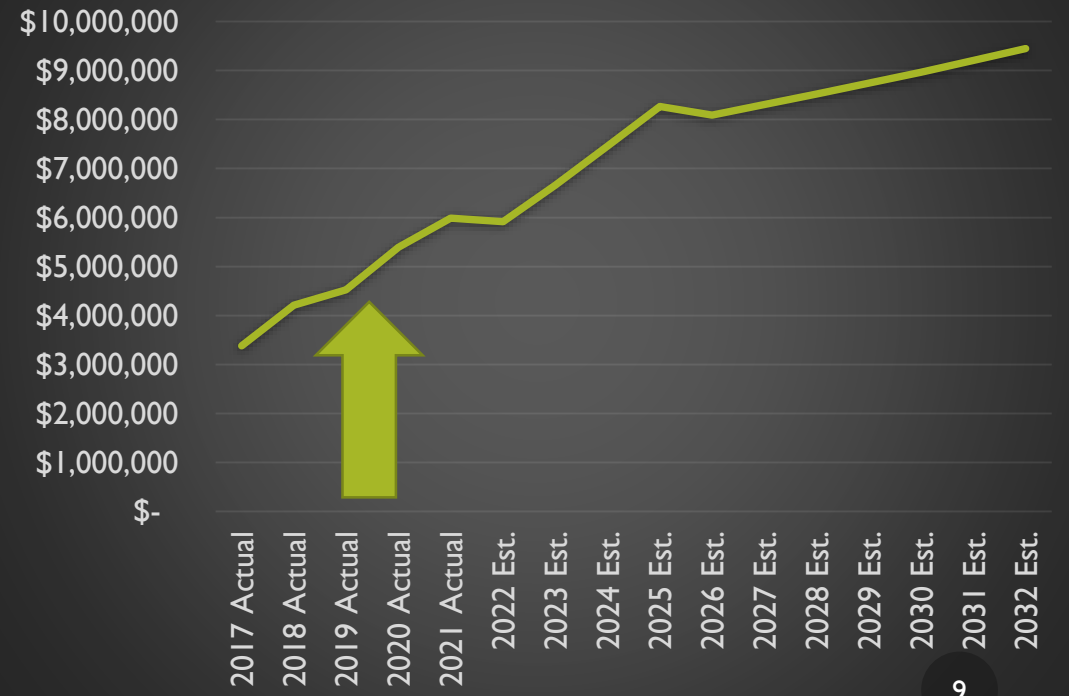


PROPERTY TAXES AND SALES TAX

Property Taxes

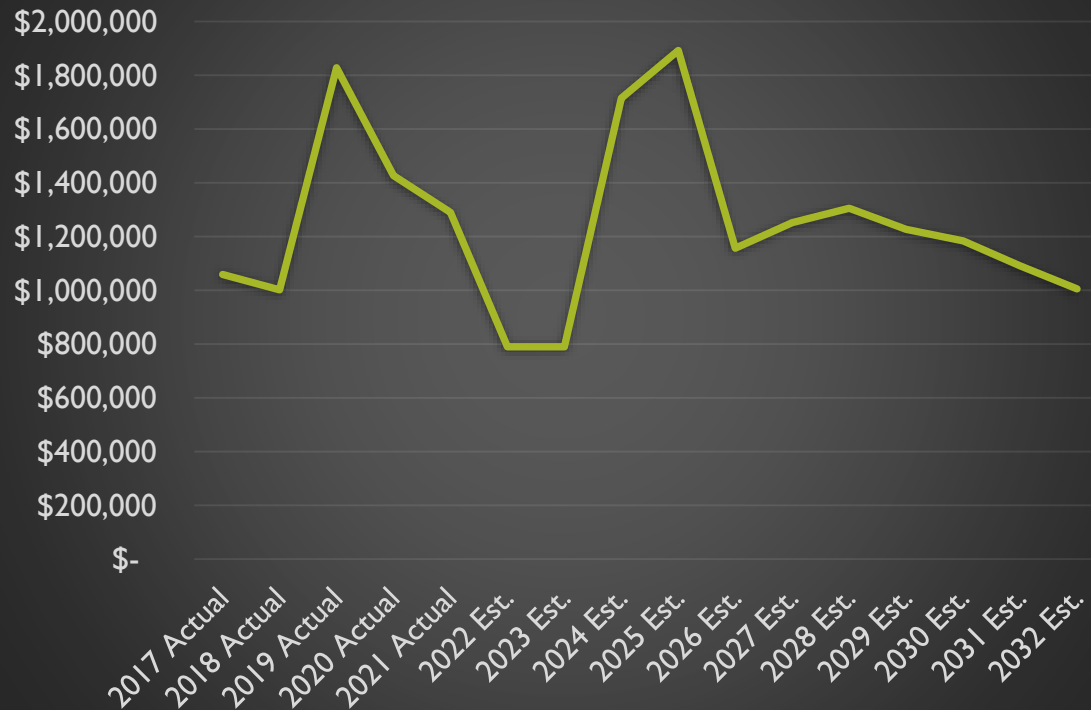


Sales and Use Taxes

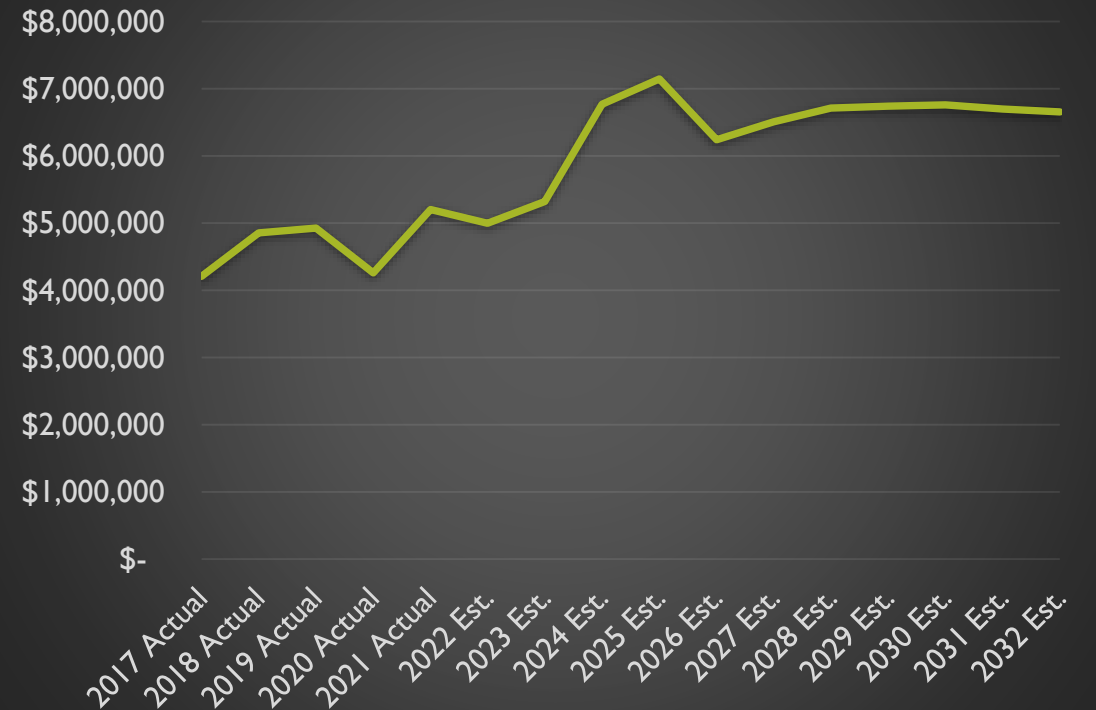


LARGEST GROWTH REVENUES

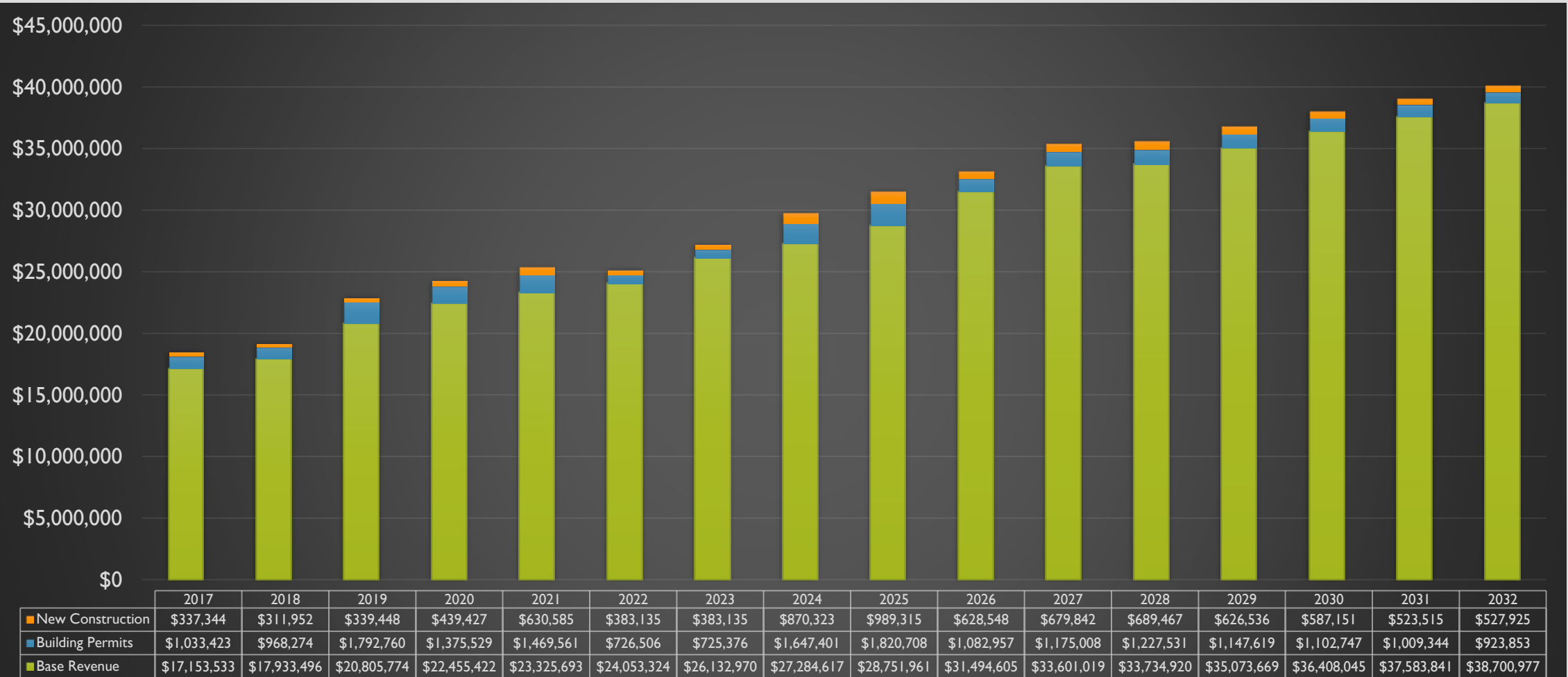
Licenses and Permits



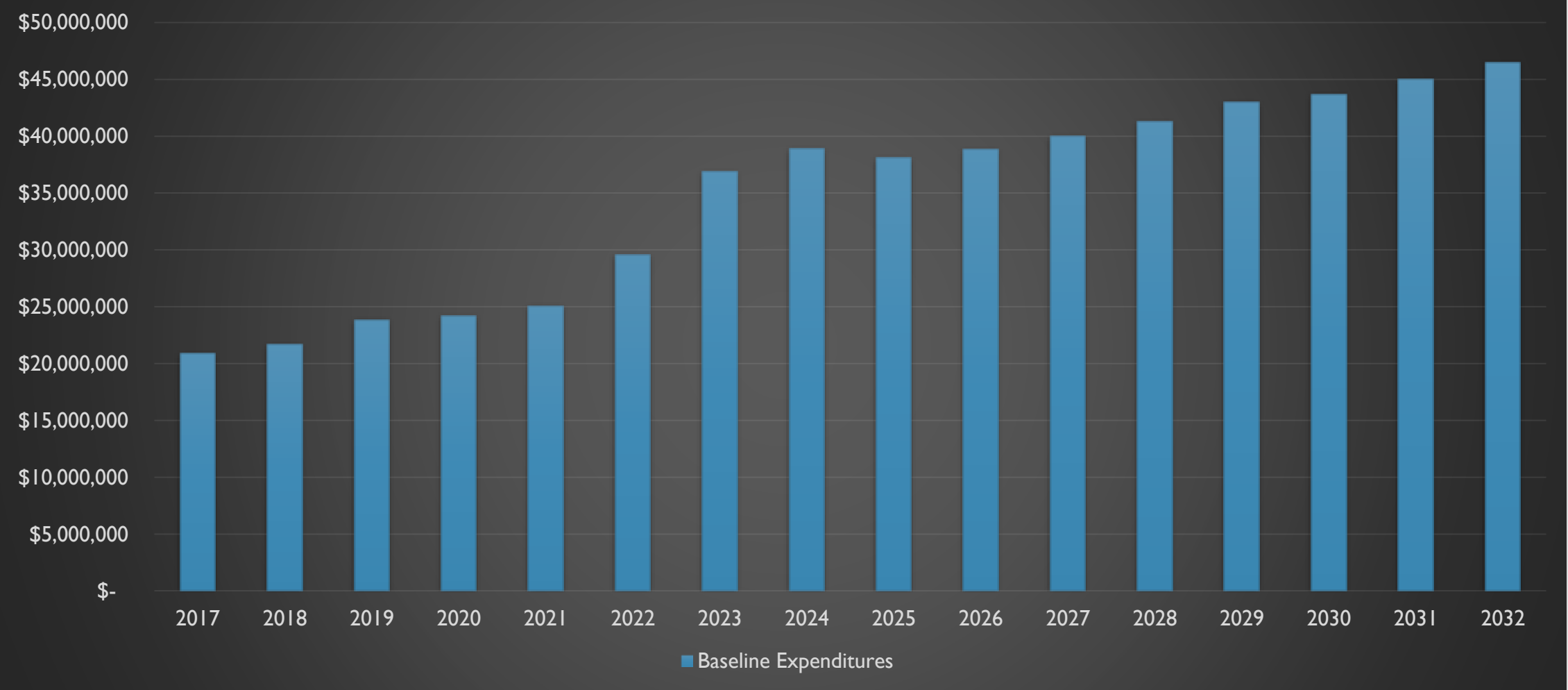
Charges for Services



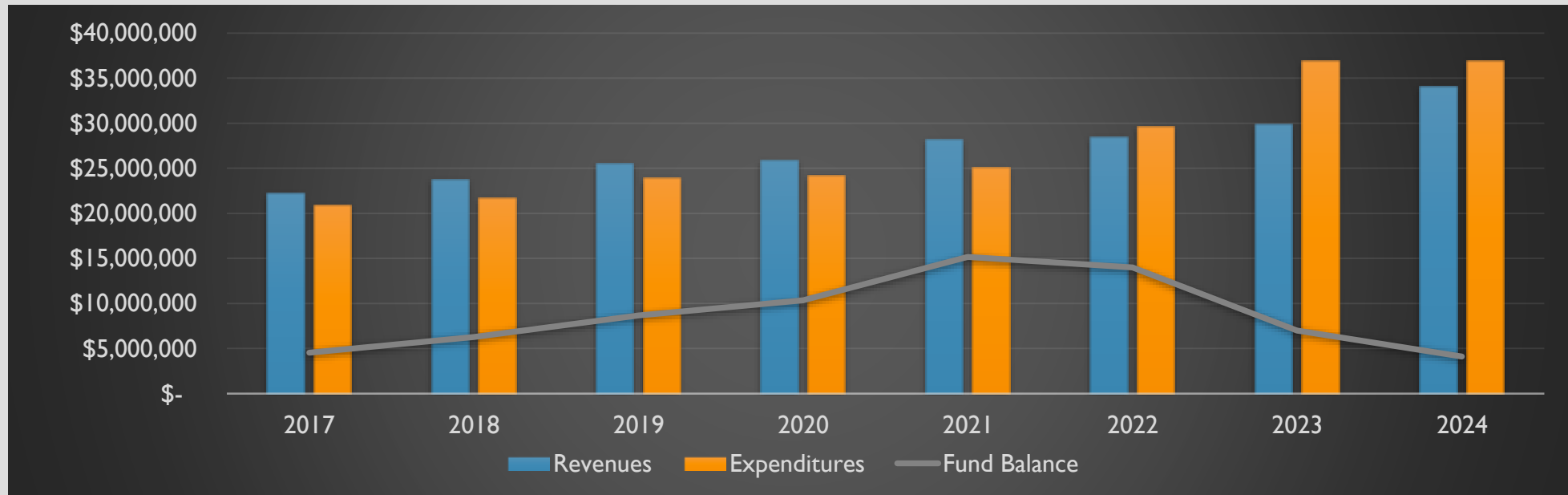
REVENUE MIX (ONGOING VS ONE-TIME)



FORECAST BASELINE EXPENDITURES

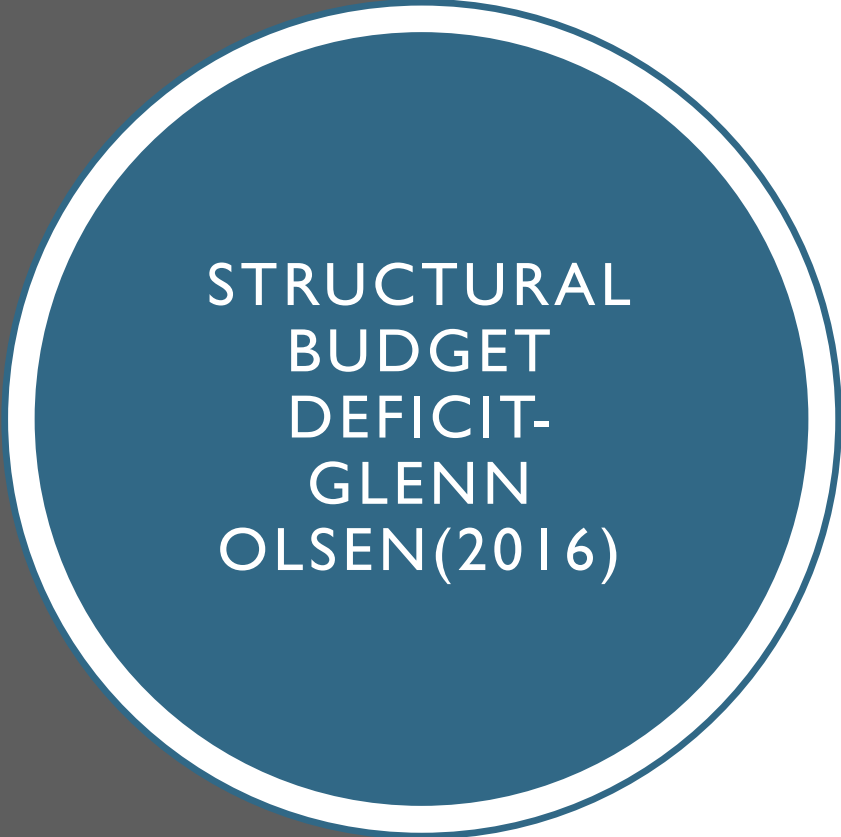


PROJECTED REVENUES AND EXPENDITURES



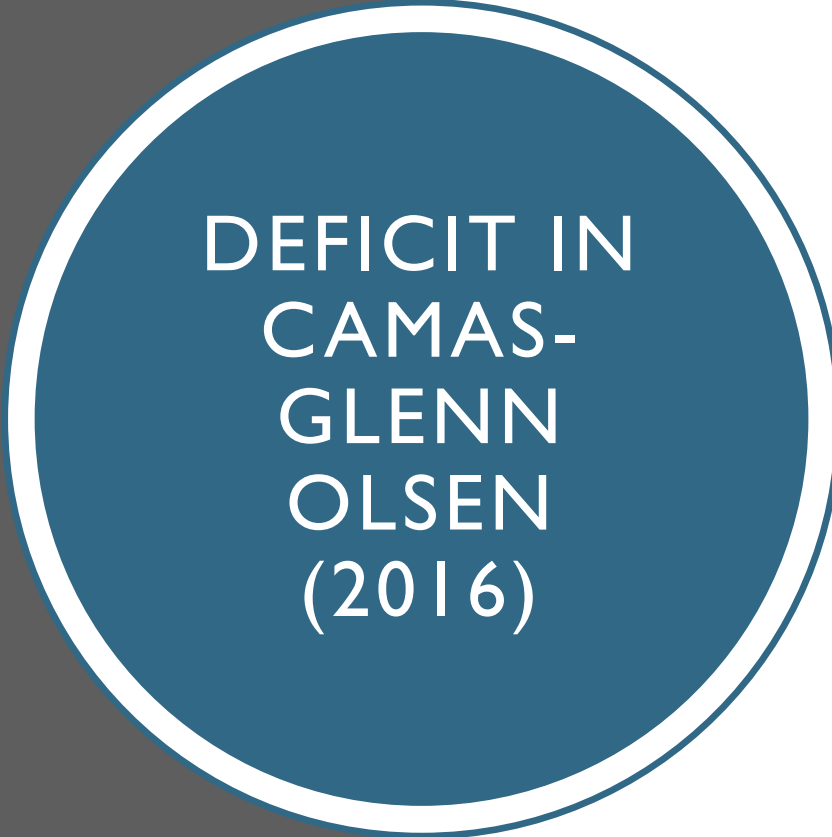
STRUCTURAL DEFICIT

- **Structural Deficit.** A budget deficit that results from a fundamental imbalance in government receipts and expenditures, as opposed to one based on one-off or short-term factors. [Source: Financial Times]



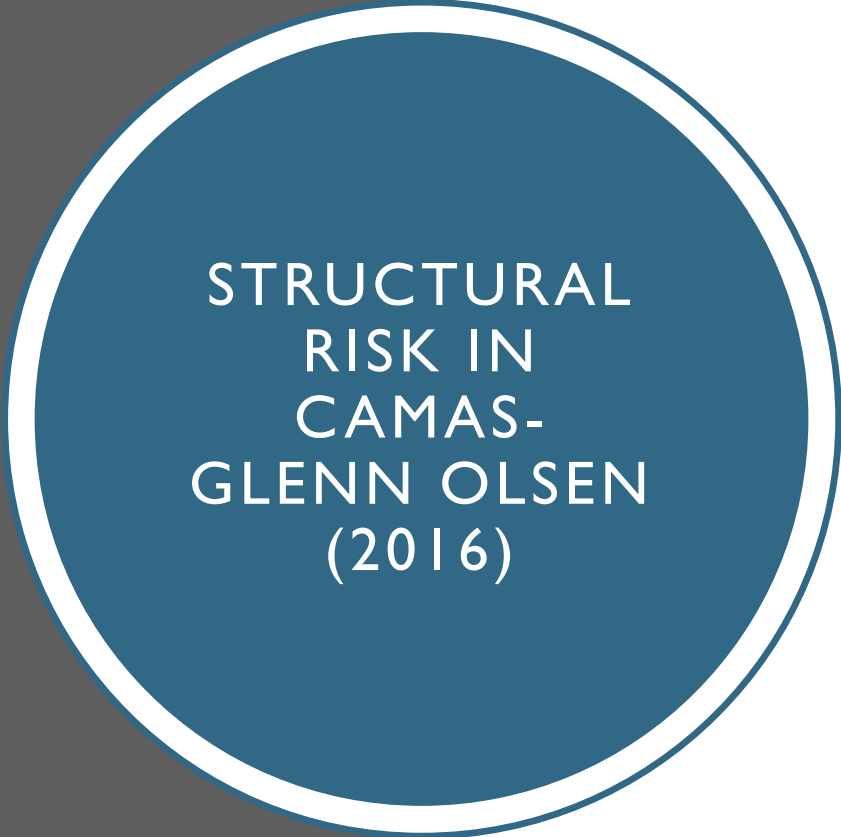
STRUCTURAL
BUDGET
DEFICIT-
GLENN
OLSEN(2016)

- Baseline inflation often is to blame for structural deficits:
 - When inflation accelerates spending while revenue growth remains the same.
 - *This would be a typical budget deficit.*



DEFICIT IN
CAMAS-
GLENN
OLSEN
(2016)

- Camas is *not* facing a typical budget deficit.
- If the perfect storm is a recipe for disaster, then maybe the *perfect monsoon* would be a recipe for plenty, which is little like what Camas had:
 - Camas got lucky with property taxes.
 - The forecasted deficit makes better sense in the context of Camas past property tax growth.

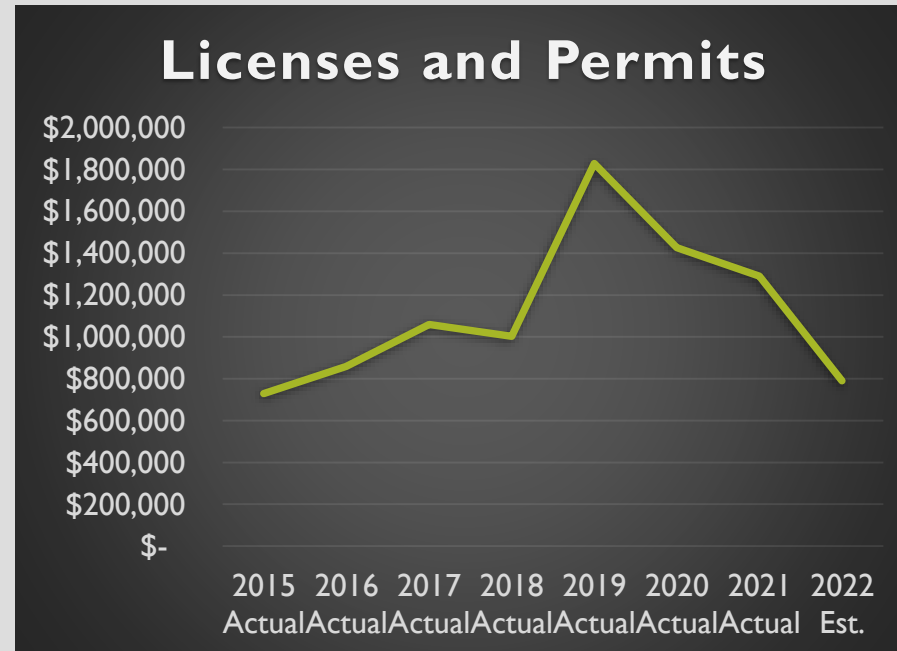


STRUCTURAL
RISK IN
CAMAS-
GLENN OLSEN
(2016)

- The forecasts above assume predictable demographic and economic changes, not an alternate “perfect storm.”
- There is a lot of *structural risk* associated with property tax revenue, so it will not take a perfect storm to punch a hole in the City’s budget.
- Routine political or economic trends are highly likely to drive cost overruns or revenue shortfalls in the City’s future.
- This is a textbook example of structural risk in a municipal corporation.

WHAT WAS HAPPENING IN 2016-2022?

- Housing growth
- Holland Project
- Fisher Towers
- COVID
- Accelerated growth in housing – working at home
- E-Commerce – working at home
- Supply Chain Issues
- CPI Increases
- Federal Reserve Decisions



WHAT DID THE CITY DO IN 2016-2022?

Stated hiring

New administrations

Paused hirings

Spending freeze

Started hiring

New staff with new programming

CPIs and union negotiations

Salaries

Housing slowed



REVENUE FOR 2023-2024

Revenue	2023	2024
Taxes	\$22,149,351	\$24,027,939
Licenses and Permits	\$790,290	\$1,715,859
Intergovernmental	\$734,828	\$759,753
Charges for Services	\$5,324,070	\$6,770,183
Fines and Forfeitures	\$122,489	\$129,182
Miscellaneous	\$381,865	\$391,407
Transfer from ARPA	\$357,578	\$218,006
Total	\$29,860,471	\$34,012,329
Growth Rate	5.2%	13.9%



QUESTIONS