

MAYOR'S 2027-2028 RECOMMENDED BUDGET



Operating Expense Budget, October 5, 2026



KEY BUDGET POINTS

Budget shortfall Solutions

Baselines reviewed by all Department Heads

No decision packages unless covered with a dedicated revenue source

No new FTE's included

CITY OF CAMAS OPERATING FUNDS

GENERAL FUND

Fund used for
any general
government
activity

SPECIAL REVENUE FUNDS

Funds with
special
revenues that
restrict
spending to
specific
purposes

DEBT SERVICE FUNDS

Funds used for
the tracking
and repayment
of debt
principal and
interest

UTILITY FUNDS

Self-
supporting
business funds
used for the
operations of
the City's
utilities

INTERNAL SERVICE FUNDS

Funds used to
ensure cost
recovery for
services
provided to
internal City
users (depts)

PENSION FUNDS

Funds used for
the tracking
and expenses
of obligations
for post-
employment
benefits

BUDGET POLICY

City adopts and maintains a balanced budget and an integrated capital budget by end of each biennium.

Expenditures shall not exceed revenues plus available unrestricted fund balances.

Any budgeted use of fund balance resources should not cause the City to drop below reserve fund balance policy.

It shall be the goal of the City to achieve a long-term structurally balanced budget, where ongoing expenditures are supported by ongoing revenues.

GENERAL FUND OVERVIEW

Description	2025 Actual	2026 Projected	2027 Proposed	2028 Proposed	Change Over Time	Notable Factors over and above CPI
Legislative	\$ 303,671	\$ 333,708	\$ 338,577	\$ 351,719		Insurance Costs
Judicial	\$ 639,847	\$ 669,052	\$ 757,009	\$ 782,488		Market Wage Adjustments Facility Lease Costs
Executive	\$ 1,116,591	\$ 1,061,972	\$ 1,056,354	\$ 1,096,582		Professional Services ↓ 2027
Finance	\$ 2,386,475	\$ 2,538,397	\$ 2,696,016	\$ 2,805,313		Professional Services
Legal Services	\$ 225,514	\$ 242,525	\$ 248,589	\$ 254,555		
HR, Admin & Work Crew	\$ 1,189,761	\$ 1,175,268	\$ 1,644,477	\$ 1,696,896		Retirement Liability Planning
Information Technology	\$ 1,776,520	\$ 2,130,837	\$ 2,249,574	\$ 2,326,545		SaaS & Technology Costs ↑ Market Wage Adjustments
Law Enforcement & Animal Control	\$ 8,430,312	\$ 9,103,558	\$ 9,801,827	\$ 10,225,768		Staffing Expenses Peripheral Staffing Expenses
Engineering	\$ 2,246,442	\$ 2,366,690	\$ 2,961,424	\$ 2,757,583		ADA Compliance (One Time Cost)
Community Development, Planning & Building	\$ 3,069,831	\$ 2,847,284	\$ 3,168,160	\$ 3,195,294		Comprehensive Plan (Comp Plan) Market Wage Adjustments
Parks and Recreation	\$ 2,716,997	\$ 3,026,370	\$ 4,178,894	\$ 4,256,091		Parks, Recreation & Open Space (PROS) Plan Emerald Ash Borer, Noxious Weeds, Pests
Library	\$ 2,323,865	\$ 2,432,991	\$ 2,617,981	\$ 2,718,522		Software Subscriptions
General Activity (Transfers)	\$ 10,353,194	\$ 11,253,601	\$ 5,199,696	\$ 5,175,071		↑ Street Fund Operating Support ↓ Elimination of Fire Funding
TOTAL	\$ 36,779,018	\$ 39,182,253	\$ 36,918,579	\$ 37,642,426		

SCENARIOS



Revenue Only Solution: No expense cuts. Budget is balanced by retaining all RFA related property tax offset. No increase to utility tax and no adoption of criminal justice sales tax.



Expense Only Solution: No revenue enhancements, no new taxes. Budget is balanced exclusively through cuts of **17.5%** across the general fund & freezing vacant positions.



Balanced Approach 1: Expense led rebalancing primarily through operational efficiencies supplemented by modest baseline revenue gains.
Includes revenue increases and expense reductions.



Balanced Approach 2: Growth-weighted rebalancing with stronger performance to protect operational capacity.
Includes revenue increases and expense reductions.

REVENUE ONLY OPTION

Highlights

- No expense cuts.
- Retains all RFA related property tax offset
- No increase to utility tax
- No adoption of criminal sales tax

	Lever Description	Key Points & Effects	Revenue Generated
Rev	Utility Tax	No increase to Utility Tax, keeps the systemic issue of the vacant "third leg of the stool"	
Rev	Property Tax Levy Offset	Release Property Tax Levy consistent with the \$.71/\$1,000 in Resolution 25-012. The budget is balanced for 2027 and 2028. Property Tax impacts will be greater than anticipated on property owners.	\$6,733,924
Rev	Sales Tax Criminal Justice	No addition of the .1% Criminal Justice Sales Tax increase results in a strain of general fund resources and does not allow for any expansion to courts services.	
Exp	General Fund Reductions	No reductions to general fund expenses will be required for 2027-2028.	
Exp	General Fund Position Freeze	Positions currently vacant are able to be filled, fully supporting City operations.	
Note	Fund Balance Impact	Fund balance is not necessary to support 2027-2028 operating expenses.	
Note	FT Equivalent Impact	The FTE Equivalent of the revenue is 52 FTE.	

RESOLUTION 25-012

...the Council intends to reduce the City of Camas's property tax levy by an amount equal to the \$5,500,000 estimated expense reduction should the RFA be approved by voters, with a currently estimated rate reduction of \$0.71 per \$1,000 assessed valuation...

...with the exact rate known in the fourth quarter of 2026 when assessed valuation information for 2027 is received from the County Assessor's office...

EXPENSE ONLY OPTION

Highlights

- No revenue enhancements
- No new taxes
- General Fund cut 17.5%
- freeze vacant positions

	Lever Description	Key Points	Expense Reduction
Rev	Utility Tax	No increase to Utility Tax, keeps the systemic issue of the vacant "third leg of the stool"	
Rev	Property Tax Levy Offset	Release Property Tax Levy consistent with the \$5,500,000 in Resolution 25-012. Property Tax impacts will be as expected to property owners.	
Rev	Sales Tax Criminal Justice	No addition of the .1% Criminal Justice Sales Tax increase results in a strain of general fund resources and does not allow for any expansion to courts services.	
Exp	General Fund Reductions	General Fund Reduction Directive Total of 17.5% total. This will result in loss of services, loss of FTE, or some combination of both.	\$5,245,621
Exp	General Fund Position Freeze	Positions currently vacant or known to become vacant in 2027 are frozen, reducing the impact of General Fund reductions to filled positions and/or services.	\$872,690
Note	Fund Balance Impact	Fund balance is not necessary to support 2027 operating expenses but will be needed for 2028.	
Note	FT Equivalent Impact	The FTE equivalent of the 17.5% GF expense reduction is 40.5 Full Time Equivalent (FTE), shown as an example of quantifying the GF disparity.	

BALANCED APPROACH 1

Highlights

- Expenditure-weighted balance
- Increase Utility Tax
- Reduce RFA Levy Release
- New Sales Tax .1%
- General Fund cut 9%
- Freeze vacant positions

	Lever Description	Key Points	Balanced Approach 1
Rev	Utility Tax	Utility Tax increased to 4% total, starts addressing the "third leg of the stool"	\$500,000
Rev	Property Tax Levy Offset	Release Property Tax Levy consistent with the \$5.5M in Resolution 25-012, but at current calculations is \$.58/\$1,000 and not \$.71/\$1,000. The budget is balanced for 2027 and 2028. Property Tax impacts will be more than anticipated on property owners; ~ \$98 more for a median priced home.	\$1,232,972
Rev	Sales Tax Criminal Justice	.1% Criminal Justice Sales Tax increase (Police Department and Court Services) will allow for expanded support of courts and help sustain police department ongoing.	\$618,750
Exp	General Fund Reductions	General Fund Reduction Directive Total of 9% total. This will result in loss of services, loss of FTE, or some combination of both.	\$2,697,748
Exp	General Fund Position Freeze	Positions currently vacant or known to become vacant in 2027 are frozen, reducing the impact of General Fund reductions to filled positions and/or services.	\$872,690
Note	Fund Balance Impact	Fund balance is not necessary to support 2027-2028 operating expenses.	
Note	FT Equivalent Impact	The FTE equivalent of the 9% GF expense reduction is 21 Full Time Equivalent (FTE), shown as an example of quantifying the GF disparity.	

BALANCED APPROACH 2

Highlights

- Fairly equal revenue and expense adjustments
- Increase Utility Tax
- Reduce RFA Levy Release
- New Sales Tax .1%
- General Fund cut 7%
- Freeze vacant positions

	Lever Description	Key Points	Balanced Approach 2
Rev	Utility Tax	Utility Tax increased to 6% total, starts addressing the "third leg of the stool"	\$1,000,000
Rev	Property Tax Levy Offset	Release Property Tax Levy consistent with the \$5.5M in Resolution 25-012, but at current calculations is \$.58/\$1,000 and not \$.71/\$1,000. The budget is balanced for 2027, but will have a gap in 2028. Property Tax impacts will be more than anticipated on property owners; ~ \$98 more for a median priced home.	\$1,232,972
Rev	Sales Tax Criminal Justice	1/10th of 1% Criminal Justice Sales Tax increase (Police Department and Court Services) will allow for expanded support of courts and help sustain police department ongoing.	\$618,750
Exp	General Fund Reductions	General Fund Reduction Directive Total of 7% total. This will result in loss of services, loss of FTE, or some combination of both.	\$2,098,249
Exp	General Fund Position Freeze	Positions currently vacant or known to become vacant in 2027 are frozen, reducing the impact of General Fund reductions to filled positions and/or services.	\$872,690
Note	Fund Balance Impact	Fund balance is not necessary to support 2027 operating expenses but will be needed for 2028.	
Note	FT Equivalent Impact	The FTE equivalent of the 7% GF expense reduction is 16 Full Time Equivalent (FTE), shown as an example of quantifying the GF disparity.	

2027 SCENARIO COMPARISON

Lever Description	Key Points	Revenue Solution		Expense Solution		Balanced Approach 1		Balanced Approach 2	
Utility Tax	Utility Tax increase					4.00%	500,000	6.00%	1,000,000
Property Tax Levy Offset	Release Property Tax Levy Resolution 25-012 *	\$0.71	6,733,924			\$0.58	1,232,972	\$0.58	1,232,972
Sales Tax Criminal Justice	1/10th of 1% Criminal Justice Sales Tax increase (Police Department and Court Services)					0.10%	618,750	0.10%	618,750
General Fund Reductions	General Fund Reduction Directive Total			17.50%	5,245,621	9.00%	2,697,748	7.00%	2,098,249
General Fund Position Freeze					872,690		872,690		872,690
Fund Balance Impact	Replenished (+) or Further Reduced (-)		1,358,821		20,393		547,057		447,558
FT Equivalent Impact	Saved (+) or Reduced (-)		52.00		-40.50		-21.00		-16.00

*\$0.71 retains rate capacity (\$6.73M); \$0.58 reflects the \$5.5M RFA expenditure reduction target in Resolution 25-012, retaining \$1.23M

NEXT STEPS

Revenues

- Operating Revenues
- Property Tax Levy
- Fee Schedule Presentation

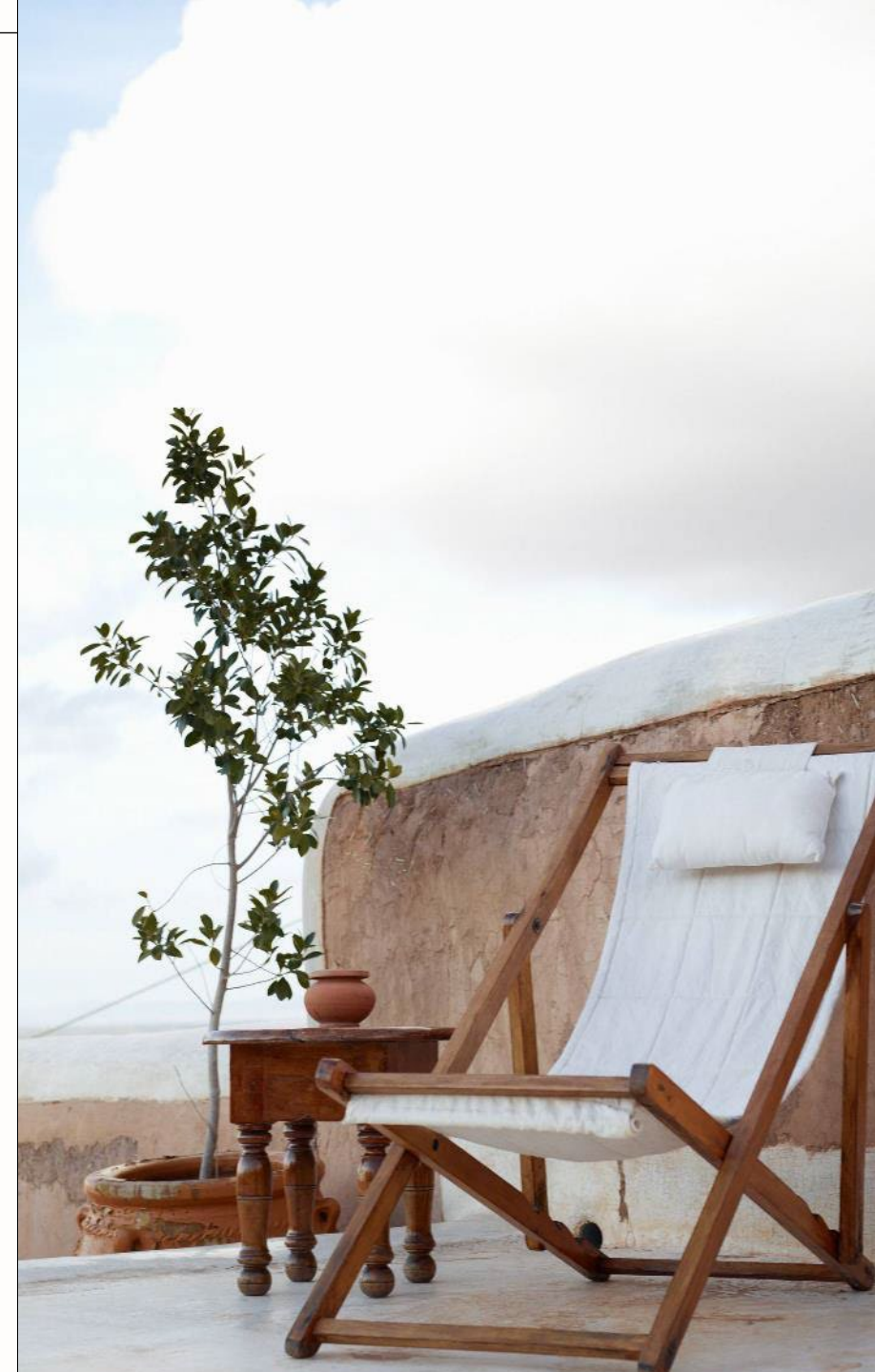
Expenses

- Operating Expenses
- Cut Packages (as applicable)

Capital Budget Presentation

2026 Q3 Presentation

Property Tax Adoption



THANK YOU

