

Utility Taxes

City of Camas

2025-2026 Budget Presentation

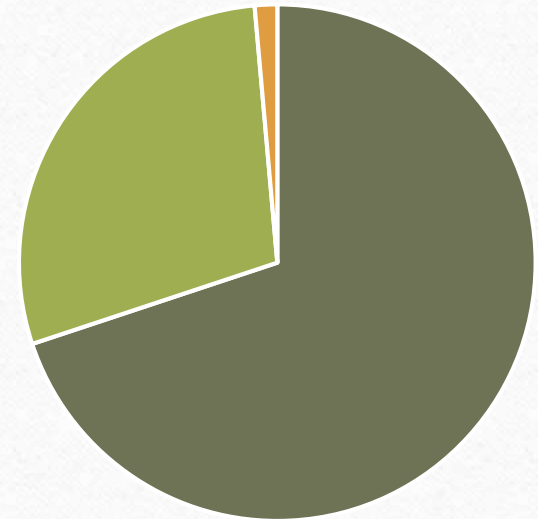
November 4, 2025

Recap of 2025-2026 Budget Reductions in Costs and Increases in Revenue

- Mayor's Recommended Budget includes:
 - Baseline Budget which was reduced by \$2.9 million over the biennium
 - Not included - never filled positions in the 2023-2024 Budget
 - Baseline was increase by CPI but not by population growth
 - Restructure of IT and Facilities funding as an internal service fund
 - Critical Police needs were identified with proposed funding
 - Increase in existing revenues and new revenues recommended to bridge the service level needs of the City.

Three-Legged Stool

- Property Tax \$15,201,824
- Sales Tax \$6,239,048
- Utility Tax \$927,657



What are utility taxes?

Utility taxes are levied on the gross operating revenues earned by private utilities operating within a city and by the city's own utilities.

Utility taxes are levied on the utility NOT the customer. Confusion for the customer is when the utility lists the tax on the customer's bill. The tax must be paid from the utility revenues and not the customer pass through.

RCW 35A.82.020

Current Utility Tax Collections

Utility Tax on

| | |
|---|-----------|
| Natural Gas 3% (residential and commercial) | \$383,750 |
| Stormwater 2% | \$42,963 |
| Solid Waste 2% | \$65,327 |
| Water 2% | \$165,661 |
| Sewer 2% | \$269,956 |
| Total | \$927,657 |

- Tax Rebate

- Customer would apply for the rebate in January-April each year. Requirements would include:
 - 65 years or older or have a disability as defined by RCW
 - Live within City limits
 - Meets income level as defined by HUD and proof with IRS forms or the last two months of bank statements
 - Have copies of full bills

- Tax Exemption

- Customers would apply by instead of a rebate, there would be an exemption for City utilities.

Low Income or Disabled Citizen Options

Ordinance No. 22-024

- Section VI – This ordinance shall sunset and no longer be in force or effect at 11:59 pm on December 31, 2024 or on the effective date of any Regional Fire Authority Agreement executed by the City of Camas whichever shall be earlier
- A new ordinance will be brought to Council as a continuation of the 2% Utility Tax

Police Critical Requirements

- Police Department does not have adequate supervision for patrol operations.
 - Primary hours not covered by supervision are in the middle of the night.
 - In a critical incident, having a supervisor available to direct and coordinate resources is essential.
- The Captain position's span of control and task load is too large.
 - Administrative Lieutenant position would be responsible for supervising Detective Unit, Code Enforcement, Parking Enforcement, School Resource Officer Program and evidence.

Police Critical Requirements

- Police Department is at current authorized staffing and is facing a potential retirement cliff where 45% of sworn officers are eligible to retire within 5 years.
 - On average it takes about a year from date of hire to have an officer working solo and taking calls for service.
 - Plus, the time for recruiting and hiring.

With lack of funding,

- Staff recommends Council consider use of additional utility taxes to be dedicated to uniform services and for 2025 specifically:
 - 2 Police Sergeants
 - 1 Administrative Lieutenant
 - 1 Overhire Police Officer
 - Vehicles
 - Equipment and Uniforms
 - Training

Police Funding

Additional 4% Utility Tax on Water, Sewer,
Solid Waste and Stormwater

Generates approximately
\$1 million annually

Ordinance Consideration for November 18th



4% Utility Tax for voter
consideration February 11, 2025

Next Steps

- Ordinance for Continuation of 2% for ongoing substantial need of the General Fund presented on November 18th.
- Ordinance for placing a ballot measure on February 11th for Critical Police staffing needs funded with 4% utility tax on water, sewer, stormwater and solid waste.