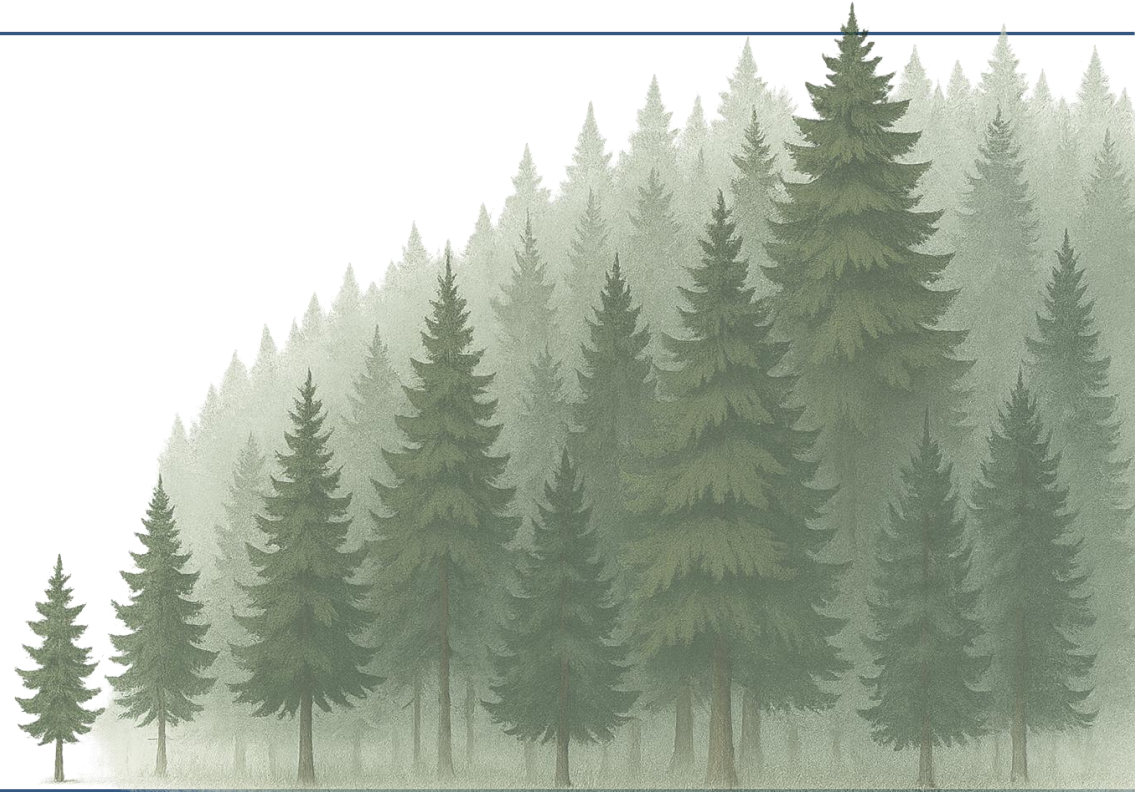


# General Fund Budget Outlook

City Council Workshop – July 6th, 2026

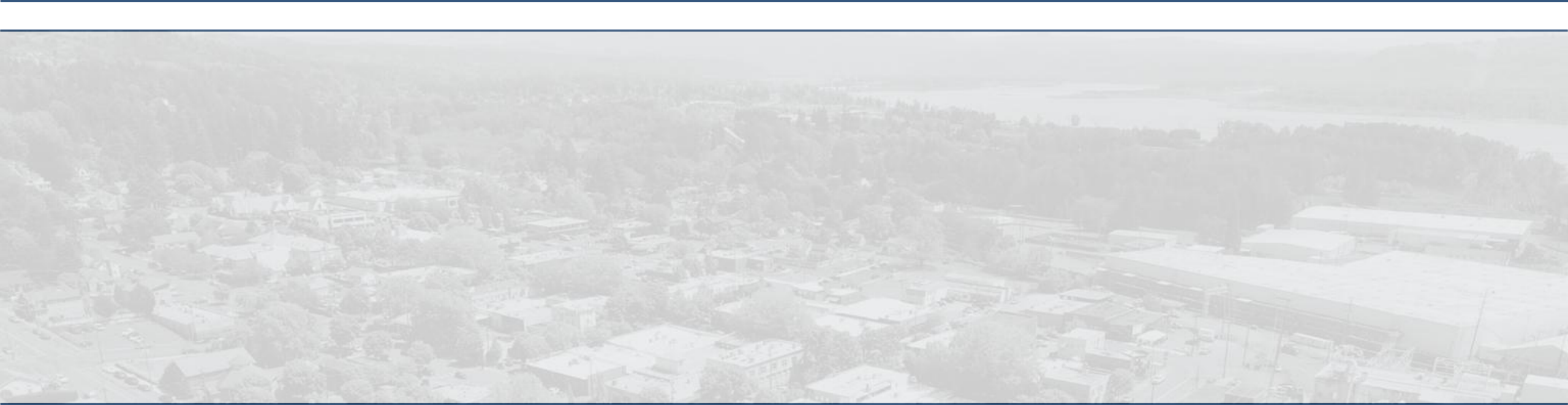


**City of Camas**  
**2027-2028 Biennial Budget**



# Overview

- Economic Landscape
- Revenue Outlook
- Operating Budget Baseline
- Structural Deficit
- Strategies
- Budget Calendar



# Economic Landscape

*Information based on Moody's Analytics and  
the Washington State Economic and Revenue Forecast Council*



# Balancing Uncertainties

- On-going global conflicts impacting energy prices  
If a resolution to the conflict in Iran is reached and oil prices continue to rebound, the recovery will take time to work through the supply chains.
- Economic conditions continue to defy traditional predictors, but signs of a recession remain prevalent  
The wealth effect from the spending of the top 20% of earners compensating for the increasingly weakened position of the remaining 80% has created a one-way dependency that risks a fast and disproportionate impact should they pull back spending, yet this wealth effect continues to hold off a recession.
- Increasingly weakening job market, especially at the local level  
While the labor market made small gains in the first quarter nationally, the same trends did not carry down to the local area, and the early gains for the year have already cooled.
- Consumer spending remains steady... for now  
Spending has slowed but not stopped. Consumers are increasingly focused on household necessities, with personal savings and any short-term benefits from tax legislation eroded by rising energy costs. As inflation begins to tick higher, this may finally turn a corner.
- New construction is slowing and both mortgage rates and home buying are becoming stagnant  
Mortgage rates have remained unchanged since the Federal Reserve raised interest rates several years ago, while home sales are beginning to decline along with prices in the local market.

# Revenue Outlook





# Revenue Assumptions

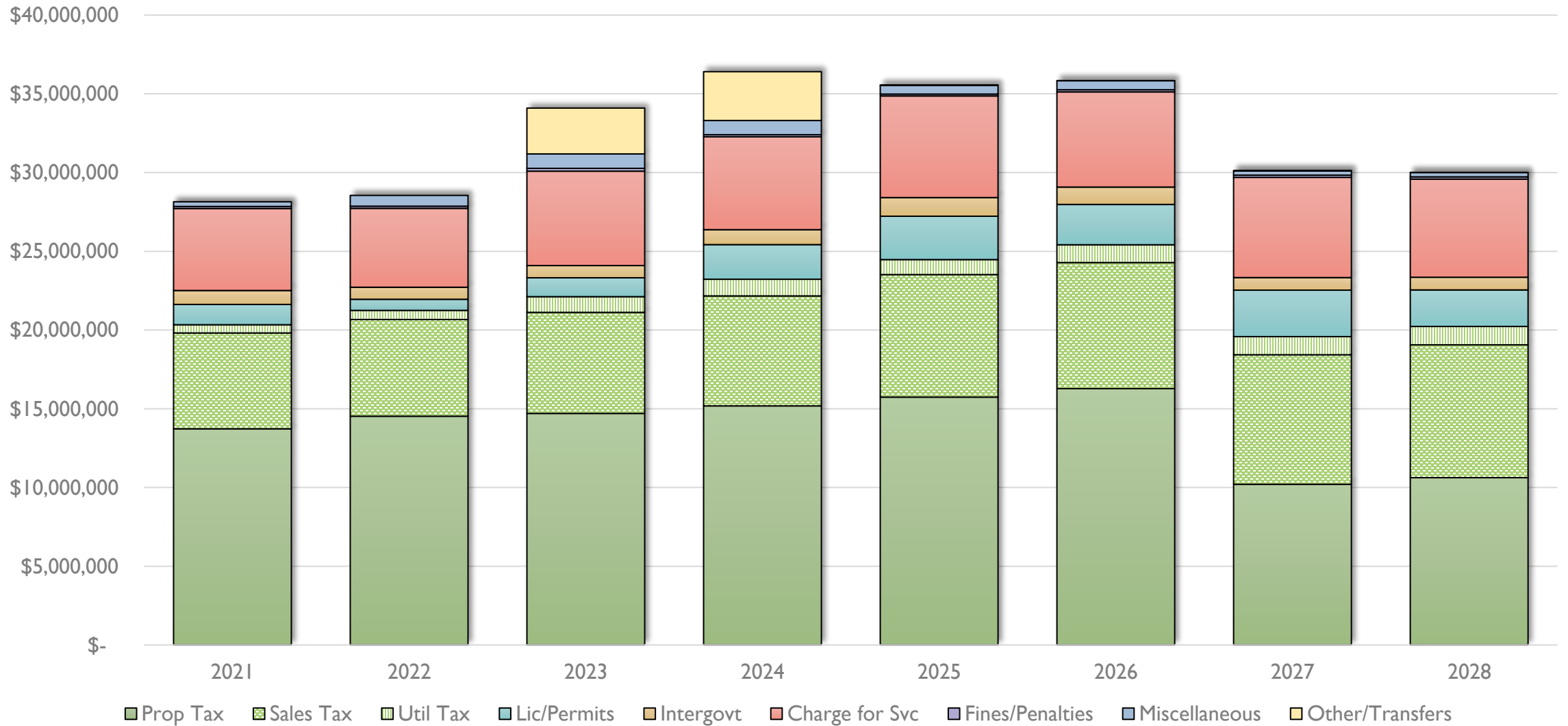
- Population growth slows to 1% each year
- Construction assumed at 16% in 2027 decreases significantly in 2028 to -23%
- Assumes City takes the maximum 1% property tax levy
- Assumes City will uphold pledge to release \$0.71 of the property tax levy to the Camas-Washougal Regional Fire Authority

# Revenues

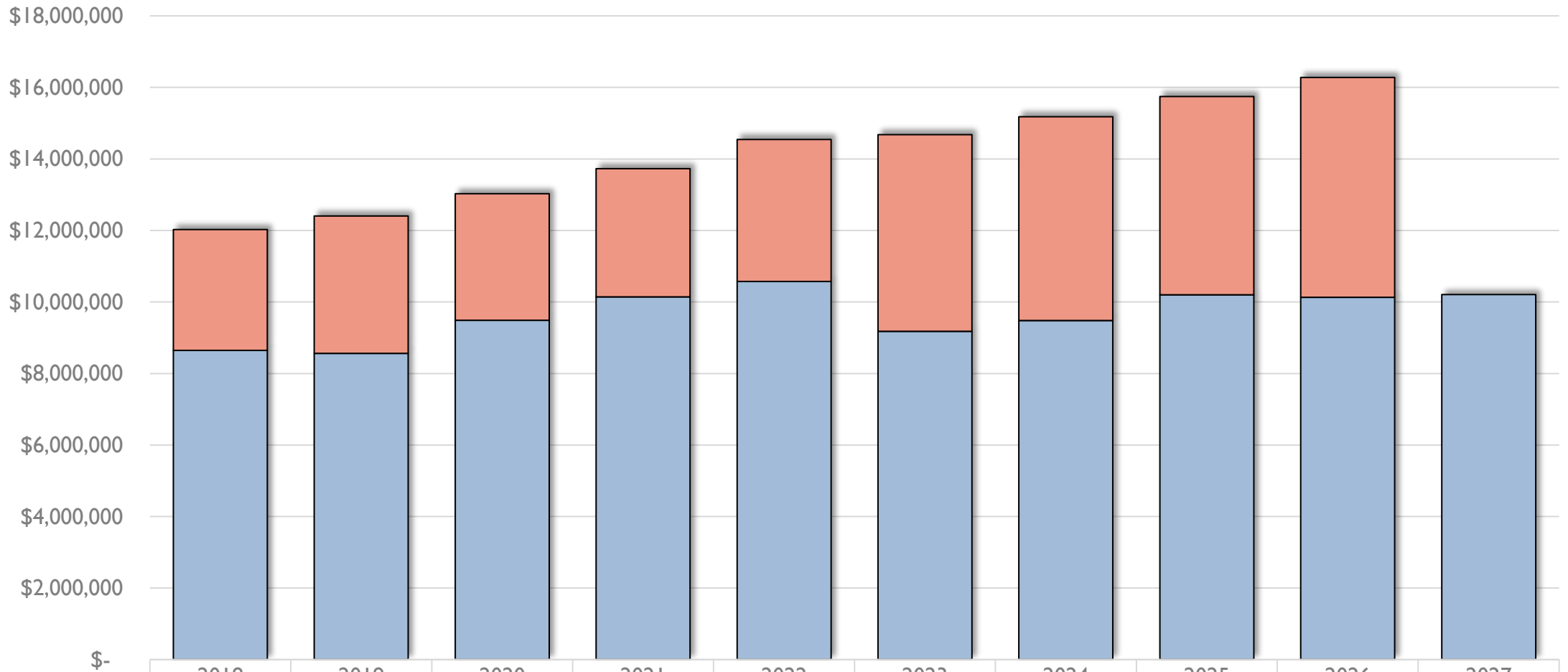
Source	2025 Actual	2026 Estimated	2027 Projection	2028 Projection
Taxes	24,472,903	25,414,362	19,581,341	20,227,940
Licenses/Permits	2,754,408	2,562,345	2,951,185	2,318,001
Intergovernmental	1,185,245	1,102,389	797,809	805,737
Charges for Service	6,453,762	6,044,959	6,366,451	6,232,757
Fines/Penalties	119,617	135,738	139,546	142,851
Miscellaneous	542,670	568,677	412,944	432,075
Other/Transfers	36,575	12,095	10,000	10,000
<b>Total Revenue</b>	<b>\$ 35,565,180</b>	<b>\$ 35,840,565</b>	<b>\$ 30,259,276</b>	<b>\$ 30,169,362</b>
Pct Yr/Yr	-2.3%	0.8%	-15.6%	-0.3%

\*based on May 31st, 2026 actual collected

## Revenue Trends



## Property Taxes



GF Tax to CWFD	\$3,377,089	\$3,840,156	\$3,536,686	\$3,582,758	\$3,966,062	\$5,500,000	\$5,700,000	\$5,538,598	\$6,149,035	
GF Prop Tax	\$8,645,775	\$8,560,832	\$9,489,072	\$10,144,684	\$10,574,974	\$9,177,892	\$9,482,046	\$10,203,250	\$10,128,743	\$10,203,810



# Operating Budget Baseline

# Expense Assumptions

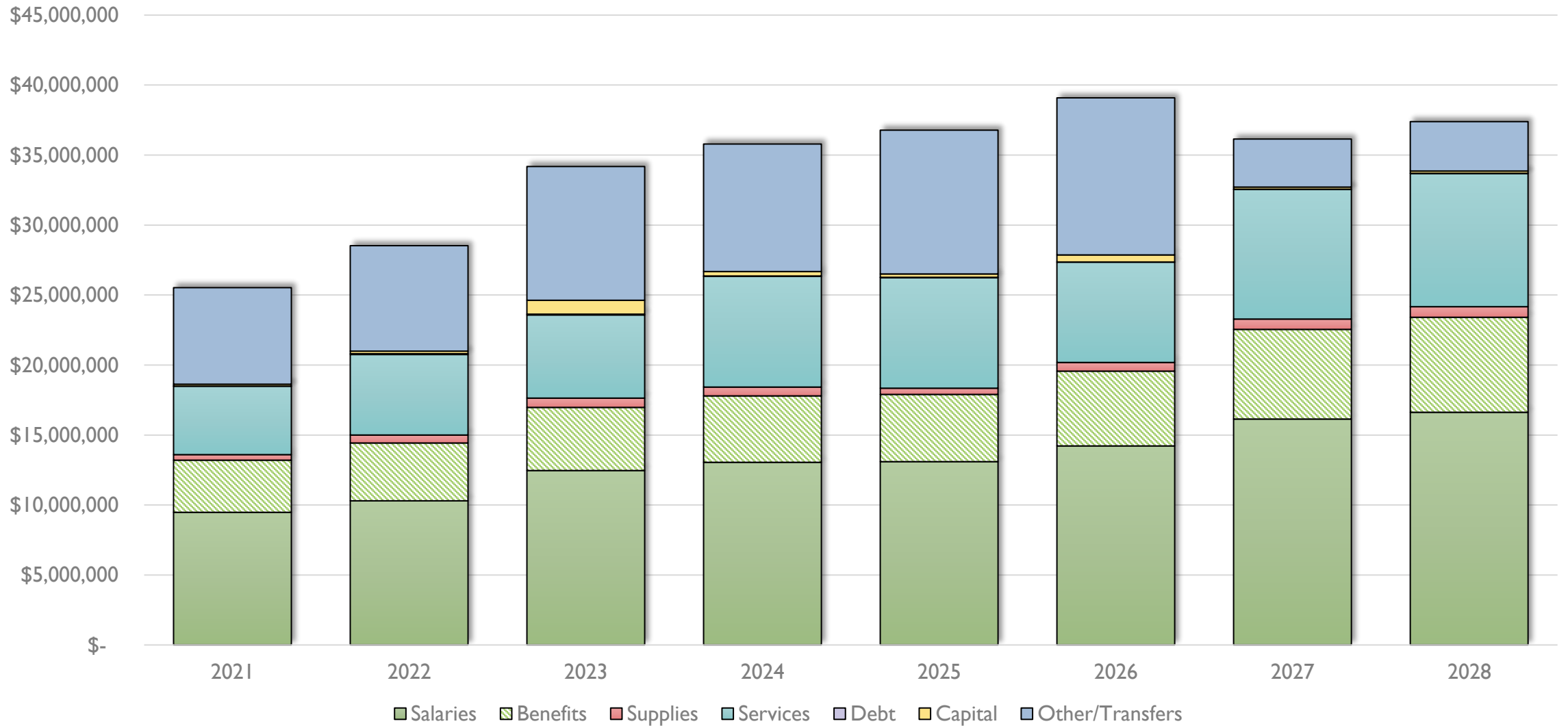
- CPI assumed at 4% for 2027, 3% for 2028
- Assumes employee benefits at 12% in 2027, 6% in 2028
- Population growth slows to 1% each year



# Expense by Department

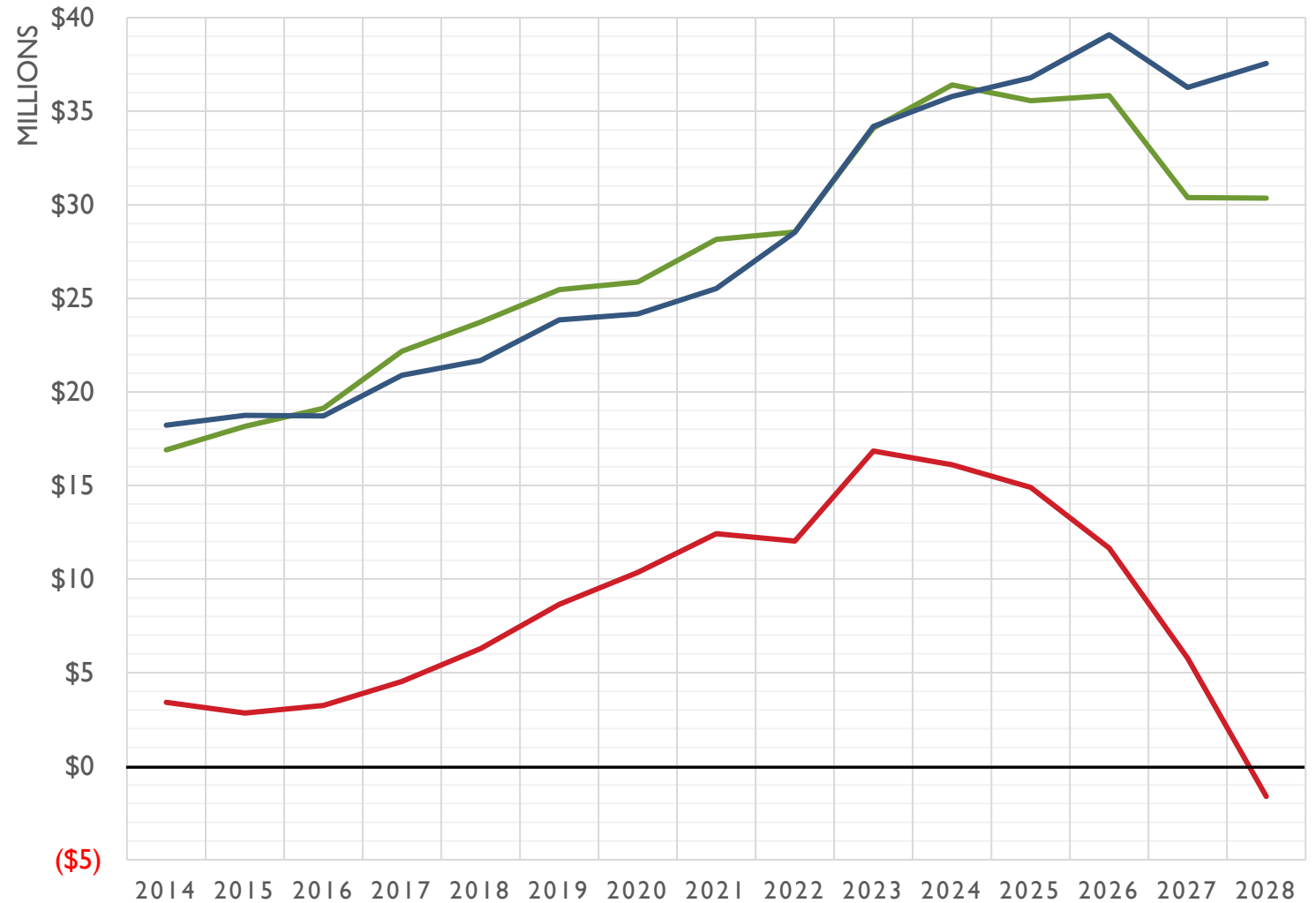
Area	2023 Actual	2024 Actual	2025 Actual	2026 Budget	2026 Estimate	2027 Projected	2028 Projected
Legislative	251,748	270,689	303,671	387,772	333,245	443,828	459,379
Judicial	528,508	555,494	639,847	676,112	663,818	725,906	749,337
Executive	773,362	1,108,153	1,116,591	1,179,939	1,052,679	1,194,803	1,236,712
Finance	2,280,336	2,309,776	2,386,475	2,697,192	2,531,391	2,990,197	3,093,641
Legal Services	274,877	236,967	225,514	343,021	212,554	356,279	366,255
HR	431,383	466,124	461,242	657,602	476,246	842,789	875,307
Admin Services	450,466	463,325	562,917	549,369	407,358	596,218	616,207
Information Tech	1,836,314	2,098,313	1,776,520	2,129,483	1,994,986	2,357,345	2,437,554
Law Enforcement	6,926,692	7,490,618	8,238,307	9,191,273	9,209,244	9,681,140	10,031,978
Work Crew	353,467	395,600	165,601	261,724	190,076	241,327	249,067
Animal Control	118,894	64,977	192,005	188,645	188,645	194,304	199,745
Engineering	1,996,802	2,120,240	2,246,442	2,598,416	2,492,274	2,882,918	2,988,135
Community Dev	591,406	494,803	490,152	752,148	506,517	798,200	824,341
Planning	987,155	1,484,266	1,356,306	1,725,023	1,129,009	1,479,941	1,530,572
Building	967,868	1,015,045	1,223,373	1,335,544	1,171,045	1,461,464	1,514,191
Parks and Rec	3,147,659	3,268,783	2,716,997	3,252,682	2,923,185	3,480,069	3,599,613
Library	2,144,969	2,256,699	2,323,865	2,811,605	2,376,439	2,886,407	2,987,008
Facilities	558,848	569,832	-	-	-	-	-
Transfers	9,562,351	9,119,247	10,353,194	11,247,133	11,230,223	3,531,894	3,630,787
<b>Total Expenses</b>	<b>\$ 34,183,105</b>	<b>\$ 35,788,953</b>	<b>\$ 36,779,018</b>	<b>\$ 41,984,683</b>	<b>\$ 39,088,934</b>	<b>\$ 36,145,030</b>	<b>\$ 37,389,830</b>
Pct Yr/Yr	19.82%	4.70%	2.77%		6.28%	-7.53%	3.44%

## Expenditure Trends



# Structural Deficit

Revenues Expenditures Fund Bal



- Spending began outpacing revenues in 2022
- ARPA Funds received in 2023-2024
- Fund balance drops below statutory requirements in 2027
- Fund balance is exhausted in 2028

# Strategies for Closing the Gap

## Revenue Options

- Increase utility taxes

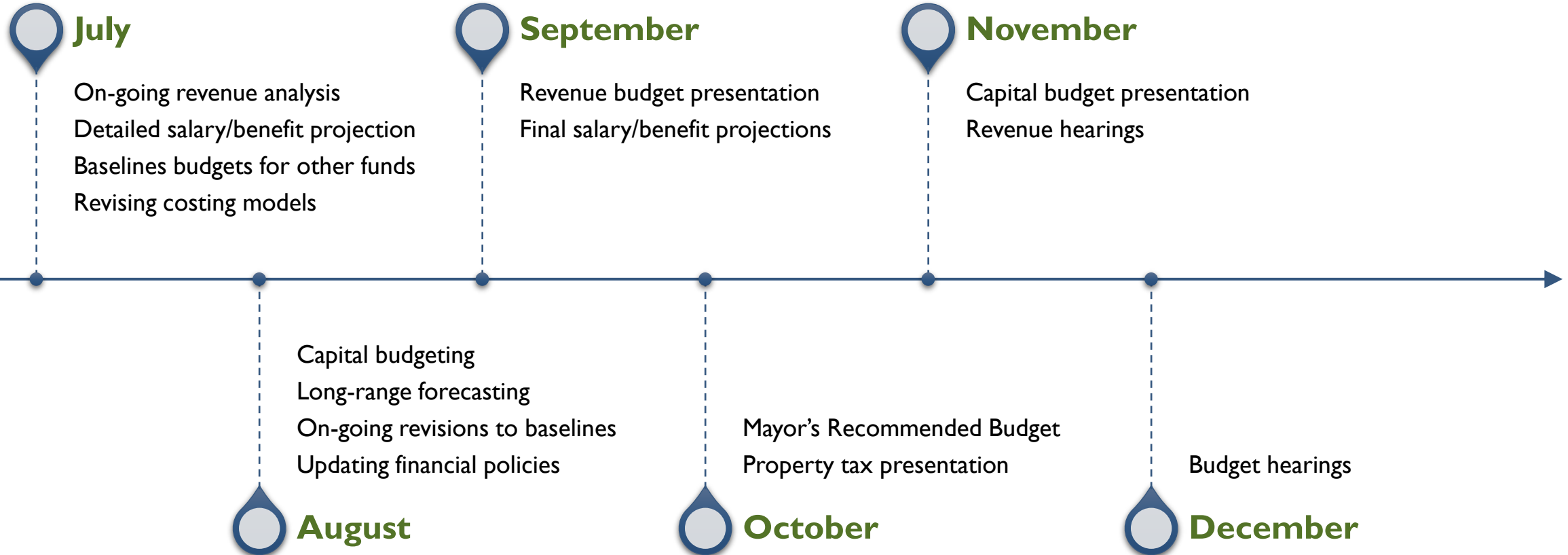
<i>current</i>	2%	\$ 460,456
	3%	\$ 690,684
	4%	\$ 920,912
	5%	\$ 1,151,140
	6%	\$ 1,381,368

- Increase TBD from \$10 to \$20 to further reduce the funding transfer from General Fund – **approximately \$400,000**

## Expenditure Options

- Hiring freeze and reductions through attrition
- Percentage cuts across all departments (percentage to be determined)
- Evaluate programming to put on hold
- Consider reducing service hours
- Prioritize a tech R&R model to alleviate pressure on the General Fund and ensure it's not subsidizing other funds

# Budget Calendar



# Questions

