

2025-2026

CITY OF WASHOUGAL ADOPTED BIENNIAL BUDGET



1701 C Street

Washougal, Washington 98671

(360) 835-8501

<http://cityofwashougal.us>

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CITY OF WASHOUGAL

Dear Mayor and Councilmembers,

I am pleased to present the City of Washougal's 2025-2026 biennial budget, a significant step as we transition to a biennial format after many years of annual budgets. This budget reflects our continued commitment to sound financial management, maintaining high-quality services, and ensuring alignment with the goals outlined in the City's Strategic Plan. Our Plan's Strategic Priorities of "Economic Development," "Financial Health and Core Services," "Vibrant Town Center," "Smart Growth," and "Redefined Community Identity" are the driving factors informing our priorities and budget.

The budget continues our conservative approach, prioritizing the responsible use of resources while ensuring we continue to meet the needs of our growing community. All current service levels are maintained, ensuring that essential services remain robust and responsive. While modest, the budget provides for the addition of one new wastewater utility position to support the expanded facilities in our wastewater systems, consistent with the City's long-term utility funding plans and industry standards. This targeted staffing adjustment helps ensure we are prepared for future operational demands.

To ensure that we can maintain our current service levels, the 2025-2026 general fund operating budget assumes that the Council will adopt a 1% increase in our EMS and overall property tax levies each year.

A key highlight of this budget is our continued progress on significant capital projects, which support the City's infrastructure and growth needs in support of the Strategic Priorities in our Strategic Plan.

Notably, we will construct the Towncenter Revitalization Project, which will breathe new life into our downtown area, enhancing its vibrancy and appeal. We are also moving forward with the design and construction of our new Fire Station, a major investment in public safety. Another critical project is the completion of the mandated Wastewater Treatment Plant upgrades, which will ensure compliance with environmental standards and enhance service capacity. The design phase of the 32nd Street Rail Crossing Elimination Project will continue, positioning us for future construction of this transformational project. The design phase for the planned Kerr Park trail and habitat enhancements project, led by our partners with the Lower Columbia Estuary Partnership, will be completed. Construction will commence as additional funding is finalized. Additionally, the design of the 27th Street Shared Use Path project and 32nd Street corridor improvements is included, with construction following if additional funding is secured.

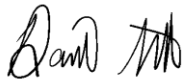
In support of our "Smart Growth" Strategic Priority and in compliance with Growth Management Act mandates, the budget includes a modest one-time use of general fund reserves combined with significant grant awards to complete the mandated update to our Comprehensive Plan. Our "Washougal Onward Comprehensive Plan Update" will guide our growth and development through 2045.

The 2025-2026 budget also features the creation of a new Community Services and Strategy Department. By bringing together programs currently housed in three separate departments, this

reorganization enhances our focus on community engagement and aesthetics, and parks and recreation planning and programming. This new department is cost-neutral, with no additional full-time equivalent positions, allowing us to improve service delivery without increasing the overall budget.

In keeping with our long-established fiscal prudence, this budget continues to balance our needs and ambitions with a commitment to responsible financial stewardship. It enables us to pursue the priorities of the City Council and community, ensuring that Washougal remains a safe, vibrant, and thriving place to live and work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Scott", with a stylized flourish at the end.

David Scott
City Manager
10/28/2024

City of Washougal

2025-2026 Adopted Biennial Budget

Mission Statement

Our mission is to provide fiscally responsible services that promote our vision of a safe and beautiful community that can be enjoyed for generations to come.

Vision Statement

Washougal will be a safe, vibrant, and friendly community that successfully balances growth and expanding economic opportunity while preserving the community's natural beauty and the unique amenities of small-town living.

Guiding Principles

People-focused and Responsive

We are highly responsive, serving the community with respect and kindness.

Bold and Practical

We are innovative and creative, utilizing pragmatic ideas to proactively address issues and solve challenges.

Trustworthy and Accessible

Our door is open, and we provide clear and concise communication, serving with the highest ethical standards and professionalism.

Accountable and Fiscally Responsible

We are responsible for our actions and decisions, carefully managing the city's resources.

Engaged and Collaborative

We listen to and work with our community to achieve shared goals.

Adopted by the Elected Officials of
The City of Washougal
Via the 2023-2028 Strategic Plan on
May 8, 2023

City of Washougal
1701 S Street
Washougal, WA 98671
(360) 835-8501

Directory of Officials

ELECTED OFFICIALS



David Stuebe, Mayor
Position #1
Term 2023-2025

COUNCIL MEMBERS



Tia Robertson
Position #2
Term 2024-2027



David Fritz
Position #3
Term 2023-2025



Michelle Wagner
Position #4
Term 2024-2027



Molly Coston
Position #5
Term 2024-2027



Julie Russell
Position #6
Term 2022-2025



Ernie Suggs
Position #7
Term 2024-2027

APPOINTED OFFICIALS

Position	Name
City Manager	David Scott
Public Works Director	Trevor Evers
Finance Director/City Clerk	Daniel Layer, CPA
Chief of Police	Zane Freschette
Community Development Director	Mitch Kneipp
Human Resources & Risk Director	Teresa Stedman
Community Services & Strategy Director	Joe Walsh
City Attorney	Robert Zeinemann, Esq. Kenyon Disend, PLLC



Distinguished Budget Presentation Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Washougal, Washington for its annual budget for the fiscal year beginning January 1, 2024. In order to receive this award, a governmental entity must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Washougal
Washington**

For the Fiscal Year Beginning

January 01, 2024

Christopher P. Morill

Executive Director

City Organizational Chart



Washougal Government: Mayor, Council, Boards, Community and Council Committees

The City of Washougal is a full-service city operating as a Non-Charter Code City, under the council-manager form of government. The City Manager is appointed by the full council and serves as the City's Chief Executive, assisted by six department directors. The Council is comprised of the Mayor and six members elected at-large on a non-partisan basis for four-year overlapping terms and serves as the City's legislative body. One member of the Council is elected by the Council to serve as Mayor Pro Tem. The Council has the authority to formulate and adopt city policies and the Manager is responsible for carrying them out. The Mayor attends and presides over Council meetings, but also is entitled to vote on the issues. The City Council holds two regular meetings and workshops every month. A Council workshop precedes the regular meetings, which occur at 7:00 pm on the second and fourth Monday of each month. All Council meetings are open to the public and held at City Hall, 1701 C Street.

The City of Washougal has several Boards, Commissions, and Committees. Some of the Boards, Commissions and Committees are required by state law, others were created by the Council to serve as advisory bodies to the Mayor, City Administration, and the Council. The following is a listing of the various Boards, Committees and Commissions:

Standing Committees of the Council:

The City of Washougal has five standing council committees each consisting of three members of the council pursuant to WMC 2.04.050 and Council rules. The standing committees of the Council are as follows:

Administrative Committee

Provides guidance and recommendations to the City Manager on policies and procedures throughout the City.

Finance Committee

This committee reviews the documentation supporting any claims to be paid and approves all payments of such claims, thus implementing an effective internal control over the issuance of any vendor payments.

Public Safety Committee

Provides recommendations and guidance to the City Police Department and reviews the system of reimbursement for reserve police for services referred to in WMC 2.66.030.

Public Works Committee

Provides recommendations and guidance to the Public Works Department regarding the City's infrastructure projects.

Community Development Committee

Makes recommendations to the City Council as to best methods of conservation utilization, planning, and development.

Commissions and Committees required by state law:**Planning Commission**

The Planning Commission makes recommendations to the City Council on rezone applications and legislative items such as vision statements, comprehensive plan amendments, and code amendments. The Planning Commission consists of nine members; eight members are appointed by the Mayor and confirmed by the City Council; with the Mayor serving as an ex officio member. Members are residents of the City of Washougal; two of the positions may be within the Urban Growth Boundary and serve for six-year terms. Additional information can be found at WMC 2.12.

Salary Commission

The Salary Commission reviews the salaries paid by the city to the City's elected officials. The five commission members are residents and registered voters of the City and are appointed by the Mayor with approval of the City Council. Members serve for four-year terms. Additional information can be found at WMC 2.118.

Civil Service Commission

The Civil Service Commission makes general rules and regulations implementing the WMC and state laws. The commission is comprised of three appointees designated by the mayor for six-year terms. At the time of appointment not more than two commissioners shall be adherents of the same political party. Additional information can be found at WMC 2.16.

Lodging Tax Advisory Committee

This Committee's purpose is to review and recommend local tourism activity applications to be submitted to the City Council for approval. These activities utilize the Hotel/Motel tax received by the city from our two local hotels as well as from short-term home "bed & breakfast" stays. The Committee is represented by one member from each local hotel, a person from a tourism business, a member from the general public, and one City Council appointed official.

Boards and Committees created by Council:**Board of Park and Cemetery Commissioners**

The Board of Park and Cemetery Commissioners is comprised of seven members appointed by the Mayor, approved by the City Council. Six members shall be residents of the City and one may be a nonresident within the Urban Growth Boundary. The term of office is three years. This volunteer board makes recommendations to the City Council. Additional information can be found at WMC 2.20.

Shoreline Review Committee

The Shoreline Management Review Committee consists of the Community Development Director, Community Development Committee member, and a member of the Planning Commission. The committee determines if a shoreline substantial development permit application is significant or non-significant and hence the application process. Additional information can be found at WMC 16.16.30.

Arts Commission

The Arts Commission consists of no fewer than five but no more than nine members, who shall be appointed by the Mayor, with approval of the Council. The commission's primary duty is to identify and actively encourage the development and sustainability of the arts in the city by serving as the City's primary resource in matters of public art and culture. Additional information can be found at WMC 2.120.

About the City of Washougal

The City of Washougal, known as the "Gateway to the Gorge," is located 15 minutes west of Portland International Airport, which serves major airlines for domestic and international travel. Washougal is located on the banks of the Columbia River and borders the Gorge National Scenic Area to the east and is a popular tourist and adventure sports area. The Washougal River, which joins the Columbia River here, is noted for its excellent fishing, as is the Columbia. The city has a population of approximately 18,150.

HISTORICAL POPULATION

<u>Year</u>	<u>City of Washougal</u>	<u>Clark County</u>
2024	18,150	536,300
2023	17,490	527,400
2022	17,390	520,900
2021	17,200	513,100
2020	17,039	503,311
2019	16,500	488,500
2018	16,020	479,500
2017	15,760	471,000
2016	15,560	461,010
2015	15,170	451,820
2014	14,910	442,800
2013	14,580	435,500
2012	14,340	431,250

Of the 2024 population –

- Largest racial/ethnic groups are White (84.87%) followed by Asian (1.96%).
- Average household income of Washougal residents is \$128,094; however, 12.65% of Washougal residents live in poverty.
- The median age for Washougal residents is 38.7 years.

In 1880, the town of Washougal was platted out by two steamship captains. These captains also built a new dock which had year-round deep water since the landing could not be reached by steamships during low water. A store and post office were also built in 1880. A hotel and bar were added shortly thereafter. By the end of 1881, Washougal was the main settlement in the area, with two stores, a hotel, bar, butcher shop, two blacksmiths, a wharf, and several homes.

In 1897, a flouring mill was built along the Washougal River at River Road. In August of 1898, a bridge replaced the ferry that crossed there. In March of 1899, a Portland industrialist built a creamery. Washougal incorporated in 1908, and currently operates under the Council-Manager form of government.

The town had telephone service and in 1909 a railroad was built through town. Several Washougal businessmen sold stock to bring a woolen mill to town in 1910. By 1912, the mill was failing, and the owners of the successful Pendleton Woolen Mill company bought the failing mill. By 1915, they were making quality products and became profitable. The Washougal Woolen Mill merged with Pendleton Woolen Mill in 1953. The mill is still in operation manufacturing many top products.

Highway 14 to the east was completed in 1927 across the Cape Horn bluffs, opening land to the north and east of Washougal.

Washougal was the home of some of the earliest American settlers and pioneers in the Washington Territory. Washougal is beautifully bordered by the Columbia and Washougal Rivers. The Washougal area is filled with many family-friendly parks, hiking trails, businesses, and neighborhoods.

Visitors can go from downtown Washougal to the Columbia River for fishing at Steamboat Landing or walks down the levee trail to Captain William Clark Park. Steigerwald Lake National Wildlife Refuge features 1,049 acres of former Columbia River floodplain with more than 200 species of birds having been recorded. The Washougal River provides year-round recreation including kayaking, fishing, and swimming. Also, just north of city limits is the Washougal Motocross Park which hosts several large events known nationally and internationally.

In addition to the services listed on the City's organizational chart, located on page three of this document, the City also contracts with the City of Camas for fire protection and emergency medical services. The Cities combined services in May of 2014.

The following are the City of Washougal's major employers and the number of employees:

Employer	Number of Employees
Washougal School District	380
Pendleton Woolen Mills	190
Safeway	110
Exterior Wood	100

City of Washougal Economics

Though largely a residential community, the City of Washougal is home to approximately 279 businesses. These include Pendleton Woolen Mills, Fitesa, Kemira, Westlie Ford Dealership, and Exterior Wood to name a few. The city has two hotels; Best Western and the Rama Inn, from which the city collects hotel/motel tax revenue.

The City continues to budget for Economic Development and will use the appropriated funds to pursue funding opportunities for capital projects to enhance economic development.

Budget Philosophy and Financial Policies

The city has a conservative budget approach of maintaining the same level of service for all departments by increasing budgets slightly to account for inflation. Enhancements to services are introduced only when supported by revenues. When infrastructure projects are needed, the City tries to receive alternative funding, such as grants, to fund the capital projects, to reduce pressure on taxes and rates.

The City has several financial policies for the administration of each of the City's major funds. Current financial policies established by City Council include the following:

General Fund – The City maintains a General Fund Operating Reserve to provide for adequate cash flow, budget contingencies, and insurance reserves. The cash flow reserve within the General Fund is an amount equal to 16% of budgeted expenditures. For 2025, the reserves are estimated to be at 16.5% of total expenditures including use of reserves and one-time capital expenditures.

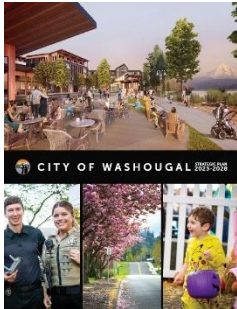
Water/Sewer and Stormwater Funds –The operating reserve is designed to provide a liquidity cushion to provide for financial viability of the utilities despite short-term variability in revenues and expenses, primarily caused by seasonal fluctuations in billings and receipts, unanticipated cash operating expenses, or lower than expected revenue collections. The Water/Sewer and Stormwater Funds shall maintain the following operating reserves; water, 60-90 days of operating and maintenance (O&M) expenses; sewer, 45-60 days of O&M; and storm, 30-45 days of O&M. For further discussion, please see the utility financial policy section.

In addition to the operating reserve, the city has a capital contingency. This is an amount of cash set aside in case of an emergency, should a major piece of equipment or a portion of the utility's infrastructure fail unexpectedly. Additionally, the reserve could be used for other unanticipated capital needs or capital cost overruns. The capital account holds debt proceeds, system development charge revenues, system reinvestment funding from rates and any transfers of cash reserves from the operating account. The city will hold a contingency of 1% to 2% of utility fixed assets.

State law requires the city budget to be balanced. Reserves can be used to achieve a balanced budget; however, the city has a more restrictive practice. The City Council seeks to only approve a budget that is operationally balanced. This means operating expenditures may not exceed operating revenues. Fund balances may be approved by City Council to fund one-time capital projects. These are discussed and approved during the budget process. Due to the length of time it takes to plan and execute a capital project, the City has several capital projects which are using fund balances in 2025 and 2026.

With the increased population growth, state mandates, and increased costs of doing business, it has been a challenge to keep expenditure growth within the limits of revenue growth, due in part to statutory limits on property tax revenues. The city has been aggressive in finding alternative funding methods and keeping costs low. There has also been cost of service studies conducted to ensure we are charging appropriate rates for our utilities, based on customer classes (i.e. residential or commercial). In 2024, the City Council adopted new rates for utilities based on these studies to fund the operations, maintenance and infrastructure projects deemed necessary based on the City's operating permits with the state. This included a \$30 million wastewater treatment plant expansion to accommodate the increased population.

City Priorities and Strategic Plan



Starting in 2022, the city began the initiative to update its Strategic Plan, with the goal of developing a roadmap for the future of the community. The city's new 5-year Strategic Plan was built through the extensive involvement of our residents, business leaders, and community groups. The plan strives to ensure that Washougal is moving forward and is constantly improving the city for the betterment of all who call it home. It sets forth the City's priorities, goals, and objectives, and provides a framework for the decisions we make as a city government.

Mission Statement

Our mission is to provide fiscally responsible services that promote our vision of a safe and beautiful community that can be enjoyed for generations to come.

Vision Statement

Washougal will be a safe, vibrant, and friendly community that successfully balances growth and expanding economic opportunity while preserving the community's natural beauty and the unique amenities of small-town living.

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Trustworthy and Accessible – Our door is open, and we provide clear and concise communication, serving with the highest ethical standards and professionalism.

Accountable and Fiscally Responsible – We are responsible for our actions and decisions, carefully managing the city's resources.

Engaged and Collaborative – We listen to and work with our community to achieve shared goals.

Strategic Priorities

The Strategic Plan includes five key strategic priorities: Economic Development and Community Prosperity, Financial Health and Core Services, Vibrant Town Center, "Smart Growth", Redefined Community Identity.



Economic Development and Community Prosperity: Foster and promote a resilient economy that encourages growth to attract and retain a diversity of businesses and talent, creating opportunities for prosperity and enhanced quality of life in Washougal.

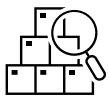
Strategic Goals

- Establish an economic development manager position to champion and coordinate economic strategic objectives and carry out the tasks associated with the Plan
- Update and streamline permit processing to attract and retain diverse businesses and talent

- Collaborate with the Washougal Business Association to create a welcome program that informs businesses of the assistance available to help them succeed
- Develop a “doing business in Washougal” guide packet to help launch businesses
- Expand recreation-tourism and eco-tourism to increase the number of visitors and provide additional amenities to community members

Performance Measures

- 2% increase in median income annually year over year
- Review Community Development procedures to streamline permit review timelines by July 2024
- Complete and implement Community Development procedures to streamline permit review timelines by July 2025
- 95% of land use applications and building permits processed in target timelines
- Develop a “doing business in Washougal” guide packet by July 2025
- 8% increase in number of businesses and business licenses over the life of the Plan, through December 2028
- 8% increase in living wage jobs (paying over 200% of the federal poverty level) over the life of the plan, through December 2028
- Increase in tax revenues:
 - 8% growth for new construction property taxes (excluding single family residences) over the life of the plan, through December 2028
 - 8% growth for sales tax over the life of the plan, through December 2028
 - 8% growth for lodging tax over the life of the plan, through December 2028



Financial Health and Core Services: Increase the City’s financial strength to provide a stable foundation that adapts to changes and challenges, providing resources necessary to sustain and expand services in support of the community’s needs.

Strategic Goals

- Identify optimum staffing levels for police and implement Phase 2 of the Police Department strategic plan to reduce crime and keep Washougal safe
- Optimize outside funding (grants, federal and state money) and low-interest financing to fund new and updated infrastructure
- Provide funding for enhanced grant writing support
- Create or update Standard Operating Procedures (SOPs) to prepare for staff succession and improve quality and efficiency of services
- Develop a stable model and funding for core services to provide long-term funding and structure to maintain and expand the city’s services and programming:
 - Explore the creation of a Metropolitan Parks District (MPD)
 - Explore the creation of a Regional Fire Authority (RFA)

Performance Measures

- Identify and explore at least two grants, appropriations, or preferred financing options in each of our programs or infrastructure categories by December 2028
- Complete “Community Funding Options Plan” by March 2024
- Identify preferred option for fire and EMS by December 2024
- Identify preferred option for enhanced parks and recreation services by December 2025
- Complete and implement Phase 2 of the Police Department strategic plan by December 2024
- Maintain police response time of less than five minutes for Priority 1 and 2 calls for service
- Exceed national average for community satisfaction of “Safety in the City” in Community Surveys over the life of the plan, through December 2028
- 8% growth for sales tax over the life of the plan, through December 2028
- 8% growth for lodging tax over the life of the plan, through December 2028



Vibrant Town Center: Elevate the quality of life in Washougal through a vibrant downtown that is attractive for people to live, work, learn, gather and play.

Strategic Goals

- Develop a parking management plan to articulate and achieve a ten-year vision for adequate parking downtown
- Update the City’s codes to enhance the sense of place within downtown
- Establish agreements with significant town center property owners to allow for redevelopment that will result in a vibrant downtown core.
- Improve streetscapes, lighting, business facades and underground facilities to beautify downtown
 - Collaborate with WACA and the Art Commission to establish a program to beautify vacant buildings by December 2023
- Collaborate with town center stakeholders to enhance community events and gatherings

Performance Measures

- Develop a parking management plan by December 2024
- Finalize an agreement with one of the City’s town center property owners by March 2024
- Update banners with new pole arms and hanging baskets by June 2023
- 50% of vacant storefronts are beautified by December 2025



“Smart Growth”: Develop and grow in a sustainable manner while providing a broad array of amenities, job opportunities, housing and transportation options to meet the diverse needs of the community.

Strategic Goals

- Update the City’s Comprehensive Plan and development code, incorporating “Smart Growth” objectives as defined by “Smart Growth” America
- Establish an urban forestry ordinance to maintain and improve the City’s tree canopy
- Obtain funding (grants, federal and state money) to invest in planning and enhancements in infrastructure

Performance Measures

- Newly adopted Comprehensive Plan by June 2025
- New ordinance for urban forestry completed by December 2025
- 5% increase in blocks of sidewalk infilled (of the total number of blocks requiring it) year-over-year
- Complete “Community Funding Options Plan” by March 2024
- 10% increase in retail establishments by December 2028
- Implementing the Housing for All Planning Tool from the new comprehensive plan
- Two new bike/pedestrian projects completed by December 2028



Redefined Community Identity: Establish a distinct and recognizable identity for Washougal that fosters community pride and increases commercial marketability.

Strategic Goals

- Develop a new brand identity for Washougal that creates a unique sense of place and generates new interest in and attraction to the City
- Implement a Citizen’s Academy to help students, residents, and business owners learn how their city government functions and what they can do to help improve it
 - Increase neighborhood involvement so that residents are more engaged in keeping their community safe and secure
- Develop and implement a Community Aesthetics Improvement Program to revitalize and enhance the physical appearance of the city
- Coordinate engagement of the city’s boards and commissions and community-based organizations to increase community events and activities
- Establish a formal volunteer program so residents can give back to the community, volunteering to improve the lives of their neighbors and public spaces and support community growth
- Establish funding for new program coordinator position

Performance Measures

- Complete a new brand identity for Washougal by December 2026
- 2% Increase of volunteer services hours with Washougal city government annually year-over-year
- Hold a Citizen's Academy each year starting January 2025
- Adopt Community Aesthetics program code changes by September 2023
- Exceed national average for community perception of "appearance of property" in community surveys

Each of these areas is critical to the future success of the city. A copy of the city's 2023-2028 Strategic Plan can be found at <https://cityofwashougal.us/155/1685/Strategic-Planning>.

Performance Measurement

The City of Washougal has embraced performance measurement across all departments. Performance measurement provides the city with direct feedback about how each department is doing. The data can be used to determine if a particular program is meeting its goal and whether it is improving or declining from the previous year.

Performance measures are collected and presented by department heads at City Council workshops on an annual reporting nature. Each department reports their own performance information, while City Management collects and reports data on the community as a whole. Here are the links to each department's most recent reports:

Police

<https://www.cityofwashougal.us/708/Documents-Reports-Presentations>

Public Works

<https://www.cityofwashougal.us/710/Documents-Reports-Presentations>

Community Development

<https://www.cityofwashougal.us/384/Documents-Reports-Presentations>

Finance and Information Technology

<https://www.cityofwashougal.us/195/Documents-Reports-Presentations>

Budget Process

Pursuant to RCW 35A.34, any city in Washington State may begin budgeting on a biennial (two-year) basis if desired. The biennial fiscal period must start on January 1 of an odd-numbered year and end on December 31 of the following even-numbered year. To adopt a biennial budget process, the City must pass an ordinance no later than June 30th of the preceding even-numbered year. The Washougal City Council discussed moving from budgeting on an annual fiscal period to a biennial fiscal period at its annual planning session in early June 2024. On June 24, 2024, the Council passed an ordinance that adopted a biennial budget process.

The budget is a guide for City departments and programs. It maps out the City's plans for the 2 years, including level of service, programs, and projects. The City Manager works with Department Heads to arrive at a proposed biennial budget to present to City Council for public hearings and adoption by Ordinance, in accordance with state law.

As part of the biennial budget planning process, the Council meets in a retreat setting to identify goals and priorities. The Administration then develops department budgets to meet these goals and priorities, presenting preliminary information in a series of council work sessions. In 2014, the City Council formed an Ad Hoc Budget Committee, consisting of all seven members of the Council. The committee was formed to discuss budget issues as a supplement to the regular council work sessions. The committee doesn't meet any more, the full council discussed the budget at various workshop meetings throughout the year. The city posts notices of when the budget meetings are to encourage participation by the citizens of Washougal.

Per Washington State Law, RCW 43.09, the City reports financial activity using the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual prescribed by the Washington State Auditor's Office. This basis of accounting and reporting is other comprehensive basis of accounting (OCBOA). City Council adopts the budget at the fund level by ordinance to set appropriations for the year.

The City Council receives quarterly financial updates from the city's Finance Director. These reports review budget to actual by each fund for revenues and expenditures, as well as comparing current levels to prior year amounts at same time of year. This information assures the governing body is updated regarding budget performance. Any fluctuations in the budget appropriations to actual expenditures are explained by the Finance Director. Department directors work with the City Manager and Finance Director for any detail line-item budget changes within each fund. In addition, Department Directors are responsible for ensuring their expenditures do not exceed the appropriated budget amounts.

If changes are necessary to the adopted biennial budget, a budget amendment is prepared, and an ordinance is drafted. The drafted ordinance is presented to the City Council at a regular meeting for discussion, citizen input and approval. Furthermore, pursuant to RCW 35A.34, by adopting a biennial budget process, the City must review and modify the budget at least once sometime between September 1st and December 31st, 2025.

Prior to the budgeting process described above, the Finance Department projects revenues for the following 2 years to identify what funds are potentially available for expenditures within those years. This is accomplished by reviewing prior year revenues against inflation factors (provided by consumer

price index), expected grant revenues, any approved rate increases, and other revenue trends. Once these projections are completed, they are added to each fund and department's detailed revenue and expenditure information, which is provided to Department directors for their review. In addition to the projected revenues, the Directors receive the prior year actual expenditures, current year to date revenues, and an expected budget for each line item based on the current year's budgeted amount. The expectation is that service levels will be maintained at current levels. Scheduled increases in salaries and benefit costs are accommodated. Programmed capital projects and other expected large purchases are also included.

Salaries and benefits increase each year according to one of the three employee groups' contract/policy, which are approved by City Council. The City has three groups of employees: non-represented employees (directors, mid-managers, and a confidential employee), Police Officers, and remaining staff (public works maintenance workers and administrative staff). Medical expenses increase depending upon the providers and their costs. The city is notified at the end of the year what this increase will be. The city participates in a Well-City program through the City's primary medical provider, the Association of Washington Cities, which provides a 2% discount on some medical premiums.

The capital projects for the city are included in one of the City's Capital Facility Plans. The city has four plans, including: Parks, Transportation, Water and Sewer. These plans are approved by the City Council and are applicable for a six-year period. These are a long-term planning tool for future growth and the sustainability and improvement of current services.

Any projected large purchases are determined by each program manager and approved by the department's Director to go forward in the proposed budget. Examples of large purchases are equipment, vehicles, painting of water towers, and tree removal.

For the 2025-2026 biennial budget, there were two (2) changes between the proposed budget and adopted budget, which are as follows:

- A reclassification of appropriations in the 2025 Fire Department & Emergency Medical Services (EMS) budget of \$910,000 from Intergovernmental Services to Capital Outlays. This represents the acquisition of a fire engine to be paid directly by the City rather than through the Interlocal Agreement (ILA) with the City of Camas
- The addition of Fund 216 – Fire Station Bond and associated 2025 and 2026 budgets to account for the collection of property taxes and payment of debt service related to the Unlimited Tax General Obligation (UTGO) Bonds, 2025

The following is a budget calendar of the process the city undergoes to get to an approved budget:

Calendar for 2025-2026 Budget Development

Date	
June 1, 2024	Washougal City Council Annual Planning Session
June 24, 2024	Adoption of Ordinance #1981 adopting a biennial budget process
August 1, 2024	Request to department directors for estimated revenue and expenditures
August 26, 2024	2025-2026 budget strategy discussion*
September 9, 2024	Department budget presentations*
September 20, 2024	Estimates filed with City Clerk
September 23, 2024	2025-2026 overall revenue and expenditure estimates and department budget presentations*
October 14, 2024	Department budget presentations*
October 28, 2024	Proposed budget available to the public*
October 31, 2024	1 st published notice of public hearing for proposed budget
November 7, 2024	2 nd published notice of public hearing for proposed budget
November 12, 2024	Public hearing on 2025-2026 proposed biennial budget *
November 12, 2024	Adoption of 2025 Ad Valorem Property Tax Levy*
November 12, 2024	Adoption of 2025 Emergency Medical Services (EMS) Levy*
November 12, 2024	Adoption of 2025-2026 biennial budget*

*Presentations were given at either 5:00pm Council Workshops or 7:00pm Council Meetings with at least one opportunity for public comment.

Long-Term Financial Planning

The city utilizes a rolling five-year projection horizon to ensure it has adequate resources looking into the future. The city utilizes inflation, weighted averages, and trend analysis to determine the high-level percentage increases for both revenues and expenditures for the five-year outlook. The Finance Director works closely with the City Manager throughout both the year and budget preparation period to determine if goals are being met and whether there is capacity to add to projects that have been put on hold for lack of resources. The city has been experiencing growth and has recently been able to plan for a few additional staff members to ensure customer services levels are being maintained but not at a rate that will put the city in the red in the future. For the general and street funds long term projections, the City considers a slight deficit in future years “manageable” due to the structural deficit issue where the City is limited on increased revenues and therefore can’t match the increase in expenditures.

	2021 Year End	2022 Year End	2023 Year End*	2024 Est	2025 Est	2026 Est	2027 Est	2028 Est	2029 Est
Revenue	\$ 18,883,056	\$ 20,141,346	\$ 19,332,523	\$ 20,815,914	\$ 22,051,533	\$ 20,629,087	\$ 21,247,960	\$ 21,885,398	\$ 22,541,960
Expenditure	\$ 15,159,106	\$ 17,797,400	\$ 22,957,198	\$ 21,601,783	\$ 24,072,523	\$ 20,629,087	\$ 21,268,589	\$ 21,927,915	\$ 22,607,680
Surplus/(Deficit)	\$ 3,723,950	\$ 2,343,946	\$ (3,624,675)	\$ (785,869)	\$ (2,020,990)	\$ -	\$ (20,629)	\$ (42,517)	\$ (65,720)
Ending Cash Reserve	\$ 8,066,808	\$ 10,410,754	\$ 6,786,079	\$ 6,000,210	\$ 3,979,220	\$ 3,979,220	\$ 3,958,591	\$ 3,916,074	\$ 3,850,354
Reserves as % Expense	53.2%	58.5%	29.6%	27.8%	16.5%	19.3%	18.6%	17.9%	17.0%
Reserves as % Revenue	42.7%	51.7%	35.1%	28.8%	18.0%	19.3%	18.6%	17.9%	17.1%
Net Revenue as % Expense	24.6%	13.2%	-15.8%	-3.6%	-8.4%	0.0%	-0.1%	-0.2%	-0.3%
Minimum Reserve at 16%	\$ 1,835,349	\$ 1,898,296	\$ 2,133,879	\$ 2,469,612	\$ 2,659,632	\$ 2,465,618	\$ 2,542,052	\$ 2,620,856	\$ 2,702,103
Additional Reserves	\$ 6,231,459	\$ 8,512,458	\$ 4,652,200	\$ 3,530,598	\$ 1,319,588	\$ 1,513,602	\$ 1,416,539	\$ 1,295,218	\$ 1,148,252

The forecast above uses a revenue index of 3% and an expenditure index of 3.1%. The general and street funds have 3 major revenue sources: property taxes, retail sales and use taxes, and utility taxes. In Washington State, the City Council may only increase the property tax levy 1% from the previous year. However, statute permits new construction assessed value (AV) to be calculated as a separate line item and added to the total levy amount. Based on this calculation, the city's property taxes have been growing at an average of 3% per year (1% approved by Council and 2% from new construction). Retail sales and use tax has been averaging 3%-4% increases per year. Utility taxes have been averaging 4%-5% growth. All other revenues are either flat or have small increases close to 1% year over year.

On the expenditure side, the driving force is salaries and benefits. Cost of living adjustments have been ranging from 2%-4.5% on a sliding scale based on the Consumer Price Index, as defined in the collective bargaining agreements. Benefits have been increasing 2%-10% year over year. The city has tried to hold the line on all other expenditures permitting some inflationary adjustments. This gave us an average increase of 3.1% per year excluding any one-time expenditures for capital projects.

During the budget planning process, the Finance Director and City Manager go through requests from each department to determine if the request is a one-time expense or an ongoing expense. All ongoing expenses are highly scrutinized to ensure the cost is covered not only in the first year, but ongoing years as well. Requests are also reviewed to ensure the Council's strategic plan goals are being met.

Governmental Cash Basis Accounting

The City of Washougal follows Washington State Law, RCW 43.09.200, using the accounting and reporting guidelines for local governments prescribed by the Washington State Auditor's Office. The Auditor's Office publishes the Budgetary, Accounting, and Reporting System (BARS) manual and financial reporting package for cash basis cities, like Washougal. This is a departure from traditional reporting, GAAP (Generally Accepted Accounting Practices), which is used for full accrual accounting. The basis of budgeting is the same as the basis of accounting for the city. The city uses single-entry accounting cash basis budgeting and reporting procedures which do not conform to GAAP. This departure from GAAP accounting is an approved method of accounting. The difference between full accrual and cash basis is how revenues and expenditures are recognized. In cash basis reporting, expenditures and revenues are recognized as the cash is expended and received. In full accrual, expenditures and revenues are recognized as they are incurred and earned. Purchases of fixed assets are expensed during the year acquired rather than being capitalized and depreciated over future periods.

Government accounting systems are organized on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Each fund is treated as a separate unit. Each fund must meet criteria defined by State Laws as well as by the Auditor's Office. These rules dictate where the revenue comes from and what the revenue may be used for. The types and purposes of each of the City's funds are as follows:

General Fund-This fund is used to account for all financial resources except those required to be accounted for in another fund. The City identifies the General Fund as 001. The majority of this fund's revenue is made up of general property, sales, and utility taxes. These revenues are used to support several key services for the City such as: City Administration, City Council and Mayor, General Legal Services, Financial Services, City Building Maintenance, Parks, Engineering, Police Services, Court

Services, Fire and Emergency Medical Services, Code Enforcement, Building, Inspection and Planning Services.

The City also has a Strategic Plan Implementation Fund 002 and an Abatement Fund 003, which are classified as general funds. The Strategic Plan Implementation Fund was created and funded by the City Council as a placeholder for the successful implementation of the Plan. The Abatement Fund is used when the City has nuisance properties to handle. Expenditures from this fund support nuisance abatement and associated legal and court costs, which can be added as a lien against the abated properties.

Special Revenue Funds-These funds are used to account for proceeds of externally restricted revenues which are only to be used for specific purposes.

General Capital Project Funds-These funds are supported by the general fund and are supplemented by other revenues, such as grants and impact fees. They are used to account for capital projects the city undergoes in these service areas.

Debt Service Funds-These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Permanent Funds-These funds are used to account for and report resources which are restricted to only earnings to be used for the City's program.

Enterprise Funds-These funds are used to account for proprietary type activities for which the City charges a fee to operate the service.

Enterprise Capital Project Funds-These funds are supported by the enterprise operation funds and are supplemented by other revenues, such as grants, revenue bonds and impact fees. They are used to account for capital projects the city undergoes in the enterprise areas.

Enterprise Debt Service Funds-These funds are used to account for the accumulation of resources for, and the payment of, enterprise long-term debt principal and interest.

Internal Service Funds-These funds account for activities which provides goods or services to other funds, departments, or agencies of the government, or to other governments, on a cost-reimbursement basis.

Below is a chart showing the City's Funds by type and which departments are within each fund.

All Funds								
Governmental Funds					Proprietary Funds			
General Funds	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Enterprise Funds	Enterprise Capital Project Funds	Enterprise Debt Service Funds	Internal Service Funds
General Fund 001 (Departments: Council, Administration, Finance, Human Resources, Community Development, Legal, Police, Fire, Animal Control, Engineering, Parks, Facilities, Economic Development)	Street Fund 101 (Department: Streets)	Woodburn/JKL Lid Fund 211	First Quarter Percent REET Fund 104	Perpetual Care Fund 604	Water/Sewer Fund 401 (Departments: Water, Sewer)	Water/Sewer Capital Fund 406	Water/Sewer Bond Fund 408	Employment Security Fund 510
Strategic Plan Implementation Fund 002	Cemetery Fund 103 (Department: Cemetery)	UTGO Debt Fund 212	Park Development Fund 105		Stormwater Utility Fund 403 (Departments: Stormwater)	Water/Sewer/Stormwater Revenue Bond Fund 413	PW Trust Fund Loan Redemption Fund 410	Equipment Rental and Revolving Vehicles Fund 520
Abatement Fund 003	Hotel/Motel Fund 108	Downtown Revitalization Bond Fund 215	Second Quarter Percent REET Fund 106		Low Income Assistance Fund 631		Water/Sewer Long Term Loan Fund 412	Equipment Rental and Revolving Computer Fund 521
	PEG Fee Fund 118	Fire Station Bond Fund 216	Transportation Development Fund 110				Water/Sewer/Stormwater Revenue Bond Reserve Fund 414	
	National Opioid Settlements 120	Woodburn/JKL Lid Guarantee Fund 608	Fire Impact Fees Fund 126					
	EMS Restricted Revenue Fund 125	Downtown Bond Guarantee Fund 610	Park Capital Projects Fund 350					
	Affordable Housing Sales Tax Credit Fund 127		Building Contingency Fund 351					
	Drug Seizure Fund 141		Capital Projects Transportation Fund 353					
			Art Project Fund 355					

The following shows the City's major and non-major fund based on the Governmental Accounting Standards Board. If revenues or expenses are ten percent of the total Fund category and if revenues or expenses are five percent of all funds in total, then the fund is major. The City budgets for all funds it reports on its Financial Statements.

Fund	Appropriated	Major Fund	Non-Major Fund
Governmental Funds			
General Funds			
General Fund	X	X	
Strategic Plan Implementation Fund	X		X
Abatement Fund	X		X
Special Revenue Funds			
Street Fund	X		X
Cemetery Fund	X		X
Hotel/Motel Fund	X		X
PEG Fee Fund	X		X
National Opioid Settlements	X		X
EMS Restricted Revenue Fund	X		X
Drug Seizure Fund	X		X
Affordable Housing Sales Tax Credit	X		X
Debt Service Funds			
Woodburn/JKL Lid Fund	X		X
UTGO Debt Fund	X		X
Downtown Revitalization Bond Fund	X		X
Fire Station Bond Fund	X		X
Woodburn/JKL Lid Guarantee Fund	X		X
Downtown Guarantee Fund	X		X
Capital Project Funds			
First Quarter Percent REET Fund	X		X
Park Development Fund	X		X
Second Quarter Percent REET Fund	X		X
Transportation Development Fund	X		X
Fire Impact Fees Fund	X		X
Park Capital Projects Fund	X		X
Building Continngency Fund	X		X
Capital Projects Transportation Fund	X		X
Art Project Fund	X		X
Permanent Funds			
Perpetual Care	X		X
Proprietary Funds			
Enterprise Funds			
Water/Sewer Fund	X	X	
Stormwater Utiltiy Fund	X		X
Low Income Assistance Fund	X		X
Enterprise Capital Project Funds			
Water/Sewer Capital Fund	X		X
Water/Sewer/Stormwater Revenue Bond Fund	X		X
Enterprise Debt Service Funds			
Water/Sewer Bond Fund	X		X
PW Trust Fund Loan Redemption Fund	X		X
Water/Sewer Long Term Loan Fund	X		X
Water/Sewer/Stormwater Revenue Bond Reserve Fund	X		X
Internal Service Funds			
Employment Security Fund	X		X
Equipment Rental and Revolving Vehicles Fund	X		X
Equipment Rental and Revolvoing Computer Fund	X		X

Labor Relations

The city has budgeted for 89 full-time employees and 7 members of Council in 2025 and 2026. There are two represented bargaining units within the city: Local 307-W of the Washington State Council of County and City Employees (WSCCCE) and the American Federation of State, County, and Municipal Employees (AFSCME), AFL-CIO and the Washougal Police Officers Association (WPOA). The Local 307-W represents all City staff who are not police officers, managers, confidential employees, or department directors. There will be 50 positions in Washougal represented by this group. The WPOA represents the City's Police Officers of which there will be 19 covered positions.

The city bargains with each group separately. The WPOA collective bargain agreement was recently approved for a term of 4 years ending in 2028. The Local 307-W collective bargain agreement was approved for a term of 2 years running the term of this biennial budget. Bargaining items include salaries, vacation, sick leave, medical and dental benefits, grievance procedures, and working conditions. The City endeavors to be fair to employees and consistent with applicable federal and state laws. This is to ensure equity and to promote labor policies beneficial to both employees and management.

Employees of governments in Washington State are provided pensions through the Washington State Department of Retirement Systems. The City's employees who are not law enforcement officers are given the choice between two pensions, PERS II and PERS III. Law enforcement officers are part of the LEOFF II pension. All pensions are cost sharing, multiple-employer public employee retirement systems. The following are the 2023 rates of contribution for the city and employee:

Retirement Plan	City Contribution	Employee Contribution
LEOFF II	5.32%	8.53%
PERS II	9.11%	6.36%
PERS III	9.11%	5.00-15.00%

WSCCCE/Council 2 - Local 307-W	Washougal Police Officers Association
PO Box 750	1320 A Street
Everett, WA 98206	Washougal, WA 98671
50 Members	19 Members

The following is a list of regular full-time equivalent (FTE) employees by Department for which the city has budgeted salaries and benefits. It is worth noting that in 2023, the city added a Building Inspector position to the Community Development Department budget and 2 FTE positions to the Police Department. The 2 police positions, both fully funded by the additional sales tax approved in 2023, were not filled and carried forward into the 2024 budget. In the 2024 budget, a Strategic Initiatives Manager position and a Community Engagement Program Coordinator position, as identified in the city's 5-year Strategic Plan, were added to the City Manager's Office budget bringing the FTE count to 92. During fiscal year 2024, a limited-term Maintenance Worker 1 position was added to the Parks Department. The term of this position ends December 31, 2026, unless additional funding becomes available. Finally, a part-time Assistant City Clerk position was converted to full-time in the Finance Dept.

As part of the 2025-2026 budget planning process, a new department was established called Community Services & Strategy. To head this department, the previously mentioned Strategic Initiatives Manager was promoted to Community Services & Strategy Director and moved from the City Manager's Office along with the Community Engagement Manager and Community Engagement Program Coordinator positions. In addition, the Community Aesthetics Program Coordinator was promoted to a Community Aesthetics Manager and moved from Community Development to this new department along with the Code Enforcement Officer position. The Community Services & Strategy Department is rounded out with a new Parks & Cemetery Program Manager position bringing the total FTE count for this department to six (6). Lastly, the 2025-2026 biennial budget includes the addition of one (1) Utility Maintenance Worker FTE in the Sewer Department as identified in the 2024-2028 Utility Rate Plan.

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Council	7.00	7.00	7.00	7.00
City Manager's Office	3.00	5.00	2.00	2.00
Human Resources	1.00	1.00	1.00	1.00
Finance/Information Technology	8.00	8.00	9.00	9.00
Community Services & Strategy	0.00	0.00	6.00	6.00
Community Development	10.00	10.00	8.00	8.00
Animal Control	2.00	2.00	2.00	2.00
Police/Public Safety	25.00	25.00	25.00	25.00
Parks	3.47	3.77	4.82	4.82
Engineering	0.85	0.90	0.90	0.90
Facilities	2.01	2.26	2.31	2.31
Street	4.25	4.77	4.67	4.67
Cemetery	1.02	1.17	1.22	1.22
Water	8.49	7.96	7.93	7.93
Sewer	7.41	6.92	7.90	7.90
Stormwater	6.50	6.25	6.25	6.25
Total	90.00	92.00	96.00	96.00

City of Washougal



Budget in Brief

Budget Overview

The City of Washougal strives to maintain service levels while keeping costs low and anticipate future growth and the needs of the city. Current economic trends and indicators are allowing the city to make some targeted service enhancements. In the past few years, the city has taken an aggressive approach in getting a number of capital assets up to compliance with best practices in the industry. This has had a significant impact on utility rates, as the City had to increase rates to cover bond payments for bonds issued to complete \$36 million worth of capital projects within the Water, Sewer, and Stormwater utilities. There are several large facility, transportation and sewer utility projects included in the 2025-2026 budget, for which the city is anticipating being partially offset by grant funding. Below is the 2025 budget, including estimated beginning and ending fund balances:

Fund	Fund Title	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	General	\$ 5,494,710	\$ 21,323,533	\$ 23,344,523	\$ 3,473,720
002	Strategic Plan Implementation Fund	895,650	27,000	329,138	593,512
003	Abatement	69,000	2,500	15,000	56,500
101	Street	505,500	1,167,787	1,167,787	505,500
103	Cemetery	47,000	226,940	221,940	52,000
104	REET 1st Qtr %	1,647,000	554,800	1,856,800	345,000
105	Park Impact Fees	1,965,000	425,000	1,830,000	560,000
106	REET 2nd Qtr %	1,328,000	982,000	1,390,700	919,300
108	Hotel/Motel Tax	276,600	104,000	146,998	233,602
110	Transportation Development	4,004,000	820,000	692,000	4,132,000
120	National Opioid Settlements	200,000	55,000	-	255,000
125	EMS Restricted Revenue	68,200	1,500	69,700	-
126	Fire Impact Fees	820,000	90,000	910,000	-
127	Affordable Housing Sales Tax Credit	42,700	15,250	30,000	27,950
141	Drug Seizure Fund	20,000	2,750	2,750	20,000
211	Woodburn/JKL Lid Fund	356,000	6,000	300,000	62,000
215	Downtown Revitalization Bond	-	356,800	356,800	-
216	Fire Station Bond	-	647,982	647,982	-
350	Parks Capital Projects	336,000	30,000	251,000	115,000
351	Building Contingency	2,398,542	15,839,911	11,238,453	7,000,000
353	Transportation Capital	100,000	7,836,678	7,865,328	71,350
355	Art Project Fund	12,000	10,000	22,000	-
401	Water/Sewer	2,700,000	11,932,000	11,660,973	2,971,027
403	Stormwater	3,300,000	3,117,515	3,643,553	2,773,962
406	Water/Sewer Capital	16,200,000	8,510,537	20,463,645	4,246,892
410	PW Trust Fund Loan	-	534,154	534,154	-
413	Water/Sewer/Storm Bond	992,300	3,379,671	2,408,469	1,963,502
414	Water/Sewer/Storm Bond Reserve	1,608,400	5,000	-	1,613,400
510	Employment Security	130,300	3,000	30,802	102,498
520	ER&R Vehicles	49,200	104,900	130,000	24,100
521	ER&R IT	83,750	90,000	99,000	74,750
604	Perpetual Care	402,250	10,000	-	412,250
608	Woodburn/JKL Lid Guarantee	209,000	3,000	200,000	12,000
610	Downtown Bond Guarantee	1,134,000	6,000	-	1,140,000
631	Low Income Assistance	7,000	8,100	8,000	7,100
Grand Total		\$ 47,402,102	\$ 78,229,308	\$ 91,867,495	\$ 33,763,915

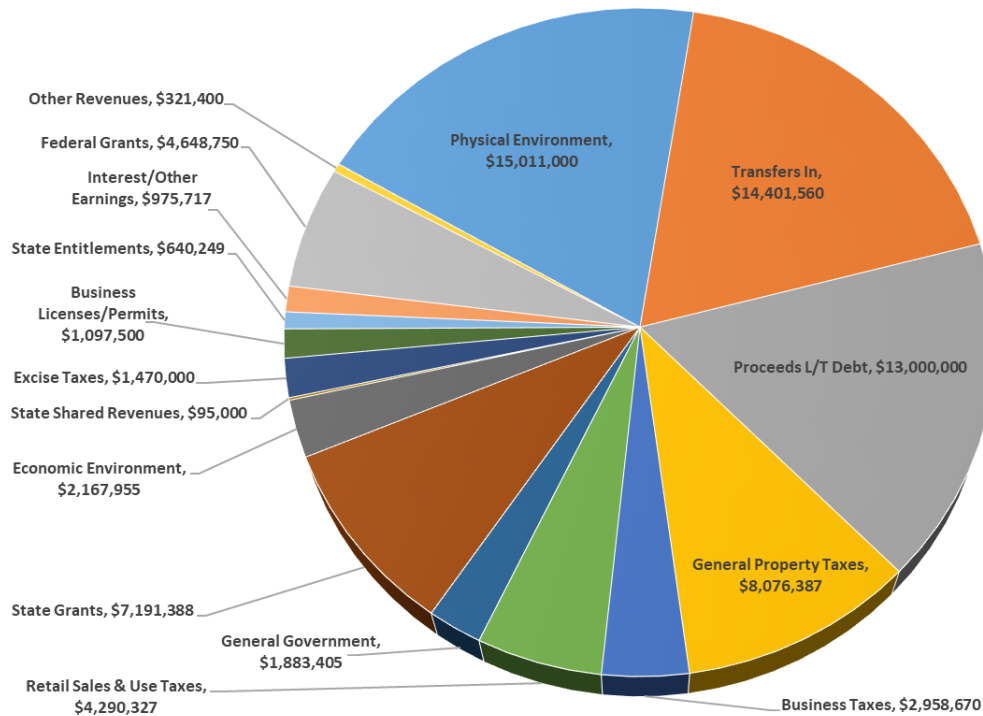
Below is the 2026 budget, including estimated beginning and ending fund balances:

Fund	Fund Title	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	General	\$ 3,473,720	\$ 19,897,887	\$ 19,897,887	\$ 3,473,720
002	Strategic Plan Implementation Fund	593,512	18,000	348,346	263,166
003	Abatement	56,500	2,500	15,000	44,000
101	Street	505,500	1,200,823	1,200,823	505,500
103	Cemetery	52,000	230,448	272,448	10,000
104	REET 1st Qtr %	345,000	510,000	353,600	501,400
105	Park Impact Fees	560,000	410,000	-	970,000
106	REET 2nd Qtr %	919,300	970,000	1,100,000	789,300
108	Hotel/Motel Tax	233,602	103,500	147,163	189,939
110	Transportation Development	4,132,000	570,000	-	4,702,000
120	National Opioid Settlements	255,000	52,500	-	307,500
125	EMS Restricted Revenue	-	-	-	-
126	Fire Impact Fees	-	76,000	-	76,000
127	Affordable Housing Sales Tax Credit	27,950	15,000	30,000	12,950
141	Drug Seizure Fund	20,000	2,750	2,750	20,000
211	Woodburn/JKL Lid Fund	62,000	1,000	-	63,000
215	Downtown Revitalization Bond	-	353,600	353,600	-
216	Fire Station Bond	-	685,814	685,814	-
350	Parks Capital Projects	115,000	42,000	92,000	65,000
351	Building Contingency	7,000,000	8,000,000	15,000,000	-
353	Transportation Capital	71,350	19,400,000	19,400,000	71,350
355	Art Project Fund	-	10,000	10,000	-
401	Water/Sewer	2,971,027	12,309,700	11,978,326	3,302,401
403	Stormwater	2,773,962	2,256,500	2,573,507	2,456,955
406	Water/Sewer Capital	4,246,892	19,692,490	19,594,448	4,344,934
410	PW Trust Fund Loan	-	487,580	487,580	-
413	Water/Sewer/Storm Bond	1,963,502	3,382,734	2,411,591	2,934,645
414	Water/Sewer/Storm Bond Reserve	1,613,400	5,000	-	1,618,400
510	Employment Security	102,498	3,000	30,705	74,793
520	ER&R Vehicles	24,100	28,900	53,000	-
521	ER&R IT	74,750	90,000	99,000	65,750
604	Perpetual Care	412,250	10,000	-	422,250
608	Woodburn/JKL Lid Guarantee	12,000	500	-	12,500
610	Downtown Bond Guarantee	1,140,000	6,000	-	1,146,000
631	Low Income Assistance	7,100	8,100	8,000	7,200
Grand Total		\$ 33,763,915	\$ 90,832,326	\$ 96,145,588	\$ 28,450,653

Citywide Revenues

This section summarizes City operating revenues from 2020 through forecasted amounts which support the 2025-2026 budget. Below is a table of the budgeted projected revenues by type for 2025:

Total Revenues \$78,229,308

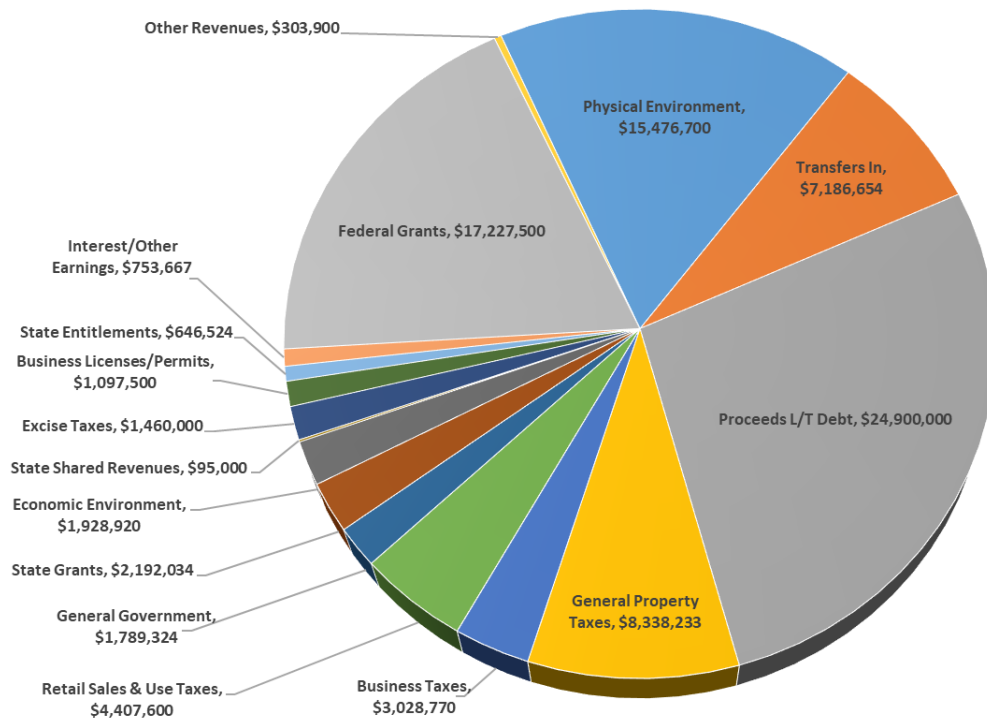


The following table further details our largest external revenue sources from the above graph by revenue source. The transfer revenues are revenues from one City fund to another fund which are not external revenue sources providing additional resources to the City, they are already revenues the City has collected.

Physical Environment		
Revenue Source	Budget	Percentage
Sewer Sales	\$ 6,810,000	45.37%
Water Sales	\$ 4,907,000	32.69%
Stormwater Sales	\$ 1,939,000	12.92%
Sewer Development Charges	\$ 700,000	4.66%
Water Development Charges	\$ 500,000	3.33%
Cemetery Services	\$ 55,000	0.37%
Stormwater Connection Fees	\$ 50,000	0.33%
Water Meter Sets	\$ 30,000	0.20%
Water/Sewer Taxes on Connection	\$ 20,000	0.13%
Total Physical Environment	\$ 15,011,000	100.00%

Below is the table of budgeted projected revenues by type for 2026:

2026 Total Revenues \$90,832,326



Similar to the previous page, the following table further details one of our largest external revenue sources from the above graph by revenue source.

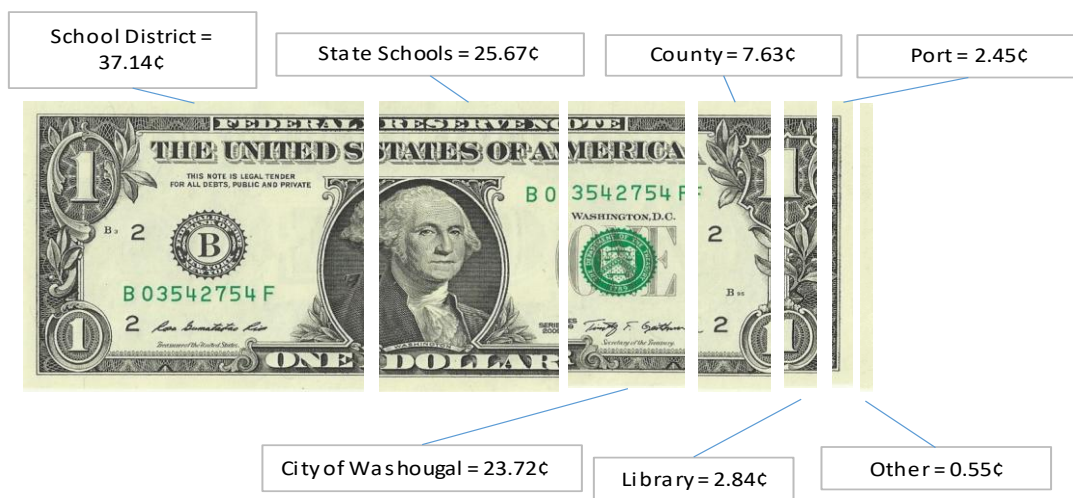
Physical Environment		
Revenue Source	Budget	Percentage
Sewer Sales	\$ 6,982,900	45.12%
Water Sales	\$ 5,111,800	33.03%
Stormwater Sales	\$ 2,027,000	13.10%
Sewer Development Charges	\$ 700,000	4.52%
Water Development Charges	\$ 500,000	3.23%
Cemetery Services	\$ 55,000	0.36%
Stormwater Connection Fees	\$ 50,000	0.32%
Water Meter Sets	\$ 30,000	0.19%
Water/Sewer Taxes on Connection	\$ 20,000	0.13%
Total Physical Environment	\$ 15,476,700	100.00%

The city has had significant water and sewer infrastructure additions and improvements in the last decade which have had a direct effect on utility rates. The city utilizes an external consulting firm to analyze rates approximately every five years. In addition, the City has implemented a system reinvestment policy, which sets aside utility rate revenue to save for future capital needs to assist in preventing dramatic future rate increases.

General Property Taxes

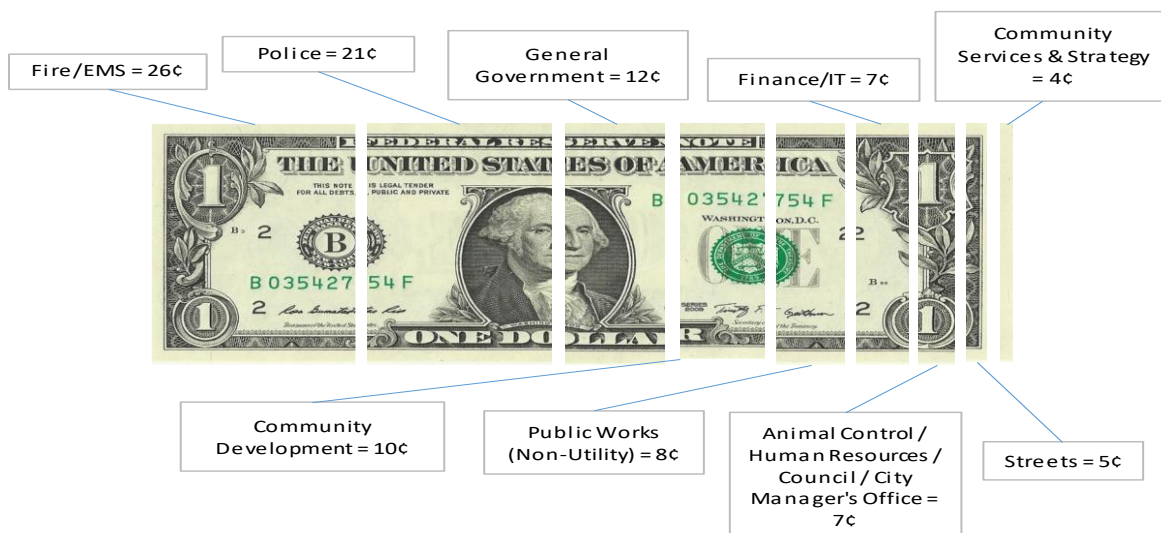
The City collects property taxes from residents residing in the City of Washougal. Of the amount residents pay in property taxes, only a portion of the revenue goes to the City. Below is a graph illustrating the breakdown of 1 dollar collected tax:

2025 Levy Rates for Washougal Residents



For each dollar the City receives in property taxes, it is further divided as follows to pay for City operations based on the 2025 adopted budget.

How every \$1 paid in CITY PROPERTY TAXES is spent:



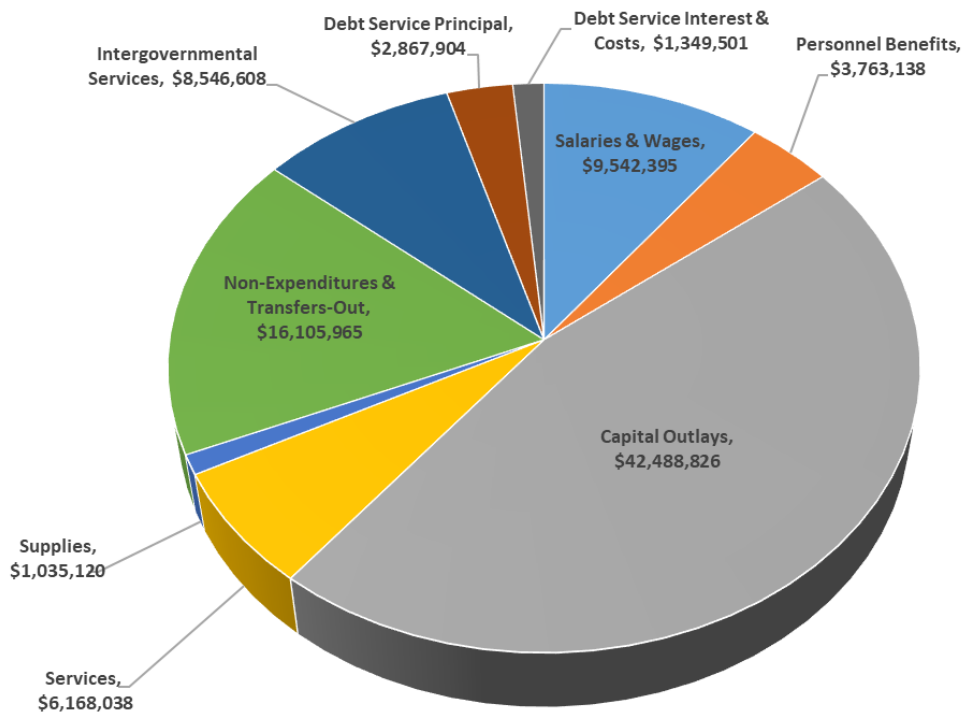
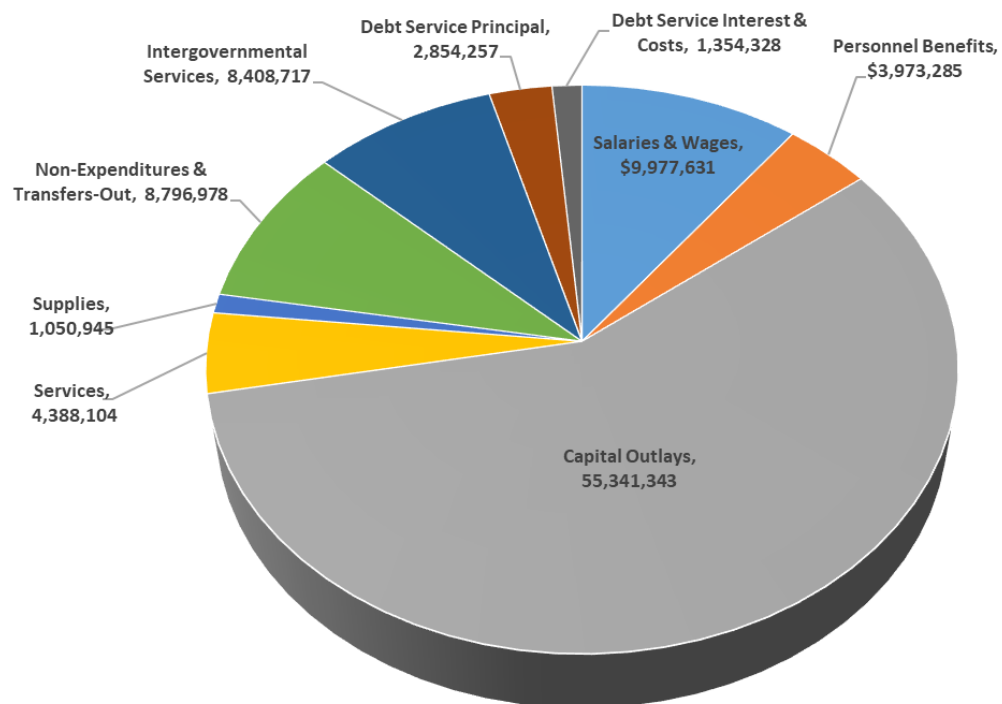
Historical Citywide Revenues

Revenue Type	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Physical Environment	\$ 11,157,174	\$ 12,723,741	\$ 13,217,326	\$ 16,942,777	\$ 14,603,704	\$ 15,011,000	\$ 15,476,700
Transfers In	9,452,469	10,300,894	8,129,308	11,703,080	15,124,641	14,401,560	7,186,654
General Property Taxes	5,802,888	5,956,252	6,166,622	6,234,544	7,152,169	8,076,387	8,338,233
Proceeds L/T Debt	7,785	-	-	950,000	-	13,000,000	24,900,000
Business Taxes	2,572,520	2,553,429	2,746,559	3,160,186	2,887,325	2,958,670	3,028,770
Retail Sales & Use Taxes	2,504,847	3,111,226	3,809,820	4,066,591	4,322,500	4,290,327	4,407,600
General Government	1,103,561	1,114,066	1,382,968	1,201,763	1,579,540	1,883,405	1,789,324
State Grants	369,613	2,112,311	101,340	932,699	3,912,234	7,191,388	2,192,034
Economic Environment	784,284	2,391,205	2,977,556	4,873,896	2,547,184	2,167,955	1,928,920
Indirect Federal Grants	1,080,545	-	138,289	231,036	179,000	-	-
Excise Taxes	1,308,348	1,766,108	1,742,029	1,500,949	1,404,000	1,470,000	1,460,000
Business Licenses/Permits	738,613	844,045	888,150	1,065,769	1,105,328	1,097,500	1,097,500
State Entitlements	695,652	756,861	717,669	629,421	656,543	640,249	646,524
Interest/Other Earnings	203,113	153,948	281,128	1,052,653	850,517	975,717	753,667
Agency Type Deposits	100	-	-	-	-	-	-
Water Rights	26,449	-	-	-	-	-	-
Special Assessments	3,320	32,239	12,683	3,846	6,000	6,000	6,000
Other Misc Revenues	695,264	67,563	96,221	30,987	58,000	11,500	11,500
State Shared Revenues	86,396	156,193	90,288	95,787	100,000	95,000	95,000
Public Safety	49,010	71,967	122,585	155,374	100,660	105,400	105,400
Disposition of Cap Assets	9,596	17,765	73,060	211,192	67,000	44,000	43,000
Rents/Lease/Concession	50,987	106,180	100,445	98,985	100,900	81,500	65,000
Interfund Loan Receipts	1,823	3,707	-	-	-	-	-
Private Contributions/Donations	19,919	28,528	45,964	43,761	2,250	7,250	7,250
Other Non Revenues	-	157,196	174,171	-	-	-	-
Superior Ct Flny/Mis Pnlt	2,460	576	3,501	200	4,000	1,500	1,500
Other Incr - Net Cash/Inv	-	-	-	-	-	-	-
Non-Business Lic/Permits	3,774	4,196	4,375	5,968	5,000	5,000	5,000
Judgments/Settlements	-	-	-	30,999	10,000	50,000	50,000
Culture & Recreation	521	8,092	11,581	3,570	9,000	9,250	9,250
Non-Court Fines/Penalties	-	-	-	-	-	-	-
Direct Federal Grants	659,898	2,279,024	2,271,627	41,579	8,250,500	4,648,750	17,227,500
Total	\$ 39,390,930	\$ 46,717,312	\$ 45,305,263	\$ 55,267,612	\$ 65,037,995	\$ 78,229,308	\$ 90,832,326

Further information on revenues by fund and department is included as part of this budget document.

Citywide Expenditures

This section is a summary of citywide expenditures from 2020 through the 2025-2026 budget. Below is a table of expenditures by type for the 2025-2026 budget:

2025 Total Expenditures \$91,867,495**2026 Total Expenditures \$96,145,588**

The City's three major expenditures are Capital Outlays, Services and Employee Salaries. The transfer expenditures are from one City fund to another fund which are not expenditures to external sources. These are the other side to the transfers in the revenue section.

Capital Outlays

To finance Capital Projects, the city applies for grants to receive funding for the project as a whole or in part. If the City does not receive the funding, then the city typically does not go forward with the project. As the grant award process takes time, the budget includes quite a few projects dependent upon grant funding. In other cases, such as Park Impact Fees and Transportation Impact Fees, funds can only be utilized if the project is included in the capital facility plan. These plans are updated every six years. Thereby, fund balances accumulate until projects are approved to be on the plan. The 2025-2026 biennial budget continues to include utility tax revenue that will be used to support capital outlays and includes on call contractor agreements for general construction, concrete work, plumbing, electrical work, and vehicle maintenance.

For the water, sewer, and stormwater utilities, the City issued revenue bonds to cover the cost of those projects. The debt service payments are included in the City's utility rate analysis. The following is an overview of the most significant capital projects for 2025 for the building, park, transportation, and utility capital funds:

Art Capital Projects Fund	Budget
Other Opportunities	\$ 10,000
Total Art Capital	\$ 10,000

Building Capital Projects Fund	Budget
Social Services Building Project	\$ 70,456
PW Operations Center Bldg. Maint. & Repair	1,252,321
Washougal Fire Station Construction	1,000,000
ADA Transition Plan	97,240
Facilities Major Maintenance	69,819
Downtown Revitalization (Civic Campus)	8,748,617
Total Facilities Capital	\$ 11,238,453

Parks Capital Fund	Budget
Hamlik Park Basketball Court	\$ 30,000
Hathaway Park Security Lighting Upgrades	70,000
Hartwood Barn Repairs	51,000
Schmid Park Conceptual Design	100,000
Total Parks Capital	\$ 251,000

Transportation Capital Fund	Budget
32nd Street Widening Design	\$ 1,300,000
32nd Street Underpass Design & Planning	5,100,000
27th Street Shared Use Path Design Phase	417,343
32nd Street Safety Improvements	861,790
Railroad Crossing Improvements	157,545
Advanced Traffic Systems (ATMs)	10,000
Traffic Calming	18,650
Total Transportation Capital	\$ 7,865,328

Real Estate Excise Tax 2nd Qtr % Capital Fund	Budget
Pavement Management Program	\$ 1,300,700
Total Parks Capital	\$ 1,300,700

Water Capital	Budget
Automatic Meter Reading (AMI)	\$ 14,000
Fleet & Equipment Replacement	53,000
Reservoir 7 Siting Study & Property Purchase	39,800
New Service Line 32nd Street - "G" - "K" Street	1,033,200
System Looping 4th Street - Shepherd Road	872,500
Major Repairs/Pipe Improvements	66,300
PW Operations Center Bldg. Maint. & Repair	37,000
P10 "I" Street - 32nd St to 34th St	481,200
P62 1st Street	156,500
Northside Water Improvements	200,000
Total Water Capital	\$ 2,953,500

Sewer Capital	Budget
Fleet & Equipment Replacement	\$ 60,500
Lift Station #1 Relocation (Sewer)	200,000
PW Operations Center Bldg. Maint. & Repair	36,000
Biosolids & Anoxic Selector Management	16,415,670
Lift Station #4, #13, #14 Upgrades	70,600
Total Sewer Capital	\$ 16,782,770

Stormwater Capital & Maintenance	Budget
Stormwater Capacity Upgrades	\$ 23,805
Campen Creek Stormwater Improvements (LCE)	279,354
Kerr Park Stormwater Improvements (LCEP)	498,445
Fleet & Equipment Replacement	121,700
Annual Catch Basins & Drainage Improvements	259,410
PW Operations Center Bldg. Maint. & Repair	59,000
Q Street Infiltration Pool	178,153
Jemtegaard Trail Drainage Repairs	287,432
Downtown Revitalization (Civic Campus)	200,000
Total Stormwater	\$ 1,907,299

The following is an overview of the most significant capital projects for 2026 for the building, park, transportation, and utility capital funds:

Art Capital Projects Fund	Budget
Other Opportunities	\$ 10,000
Total Art Capital	\$ 10,000

Building Capital Projects Fund	Budget
Washougal Fire Station Construction	\$ 14,900,000
Facilities Major Maintenance	100,000
Total Facilities Capital	\$ 15,000,000

Parks Capital Fund	Budget
Steamboat Landing Conceptual Design	\$ 50,000
Cemetery Veterans' Memorial	42,000
Total Parks Capital	\$ 92,000

Transportation Capital Fund	Budget
32nd Street Underpass Design/Construction	19,400,000
Total Transportation Capital	\$ 19,400,000

Real Estate Excise Tax 2nd Qtr % Capital Fund	Budget
Pavement Management Program	\$ 1,100,000
Total Parks Capital	\$ 1,100,000

Water Capital	Budget
Fleet & Equipment Replacement	\$ 114,000
"G" Street - 32nd Street to 34th Street	753,000
South "A" Street - 8th Street to 12th Street	1,359,500
Major Repairs/Pipe Improvements	69,000
Northside Water Improvements	200,000
Total Water Capital	\$ 2,495,500

Sewer Capital	Budget
Fleet & Equipment Replacement	\$ 38,000
Biosolids & Anoxic Selector Management	16,415,670
Total Sewer Capital	\$ 16,453,670

Stormwater Capital & Maintenance	Budget
Street Sweeper Replacement	\$ 307,000
Annual Catch Basins & Drainage Improvements	458,598
Fleet & Equipment Replacement	54,000
Total Stormwater	\$ 819,598

Services

Services are broken down into two categories: operations & maintenance (O&M) and intergovernmental. For 2025, O&M services total \$6,168,038 and intergovernmental services total \$9,456,608. For 2026, O&M services total \$4,388,104 and intergovernmental services total \$8,408,717.

The City contracts fire and emergency medical services (EMS) with the City of Camas. The City collects the property taxes related to fire services and then uses those revenues to pay for fire services. The total budget for 2025 and 2026 is \$5,428,834 and \$5,218,973, respectively. The remaining services are for repairs and maintenance, utility services, software maintenance agreements, court services, and consulting fees.

Salaries and Wages

In 2025, the city approved a 4.00% cost of living adjustment (COLA) for police union members, local 307-W union members and non-represented employees. In 2026, the city approved a 3.00% COLA for police union members and a 2.00% COLA for local 307-W union members and non-represented employees.

Historical Citywide Expenditures

Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 6,454,757	\$ 6,860,572	\$ 7,271,340	\$ 7,872,160	\$ 8,886,603	\$ 9,542,395	\$ 9,977,631
Personnel Benefits	2,657,671	2,740,361	2,825,335	\$ 2,990,378	\$ 3,506,775	\$ 3,763,138	\$ 3,973,285
Capital Outlays	3,449,823	4,120,470	7,444,927	\$ 6,280,594	\$ 21,307,570	\$ 42,488,826	55,341,343
Services	8,171,966	7,271,032	3,936,606	\$ 3,350,490	\$ 17,041,201	\$ 6,168,038	4,388,104
Supplies	3,002,850	4,777,628	720,314	\$ 776,019	\$ 1,000,231	\$ 1,035,120	1,050,945
Non-Expenditures & Transfers-Out	7,320,951	8,213,979	9,481,836	\$ 12,745,351	\$ 16,010,778	\$ 16,105,965	8,796,978
Intergovernmental Services	2,211,974	1,756,320	7,834,007	\$ 8,725,290	\$ 8,663,159	\$ 8,546,608	8,408,717
Debt Service Principal	2,251,400	2,304,882	2,681,076	\$ 3,780,611	\$ 2,539,904	\$ 2,867,904	2,854,257
Debt Service Interest & Costs	211,359	215,485	971,846	\$ 943,146	\$ 839,471	\$ 1,349,501	1,354,328
Total	\$ 35,732,751	\$ 38,260,729	\$ 43,167,287	\$ 47,464,039	\$ 79,795,692	\$ 91,867,495	\$ 96,145,588

Further information on expenditures by fund and department is included as part of this budget document.

Changes in Fund Balances

The following were the approved changes to Fund balances for 2025:

Fund	Fund Title	Beginning Fund Balance	Ending Fund Balance	Dollar Change to Fund Balance	Percent Change to Fund Balance	Reason for Change to Fund Balance (changes greater than 10%)
001	General	\$ 5,494,710	\$ 3,473,720	\$ (2,020,990)	-37%	Use of fund balance for 2025 Comprehensive Plan Update & capital projects
002	Strategic Plan Implementation Fund	895,650	593,512	(302,138)	-34%	Use of fund balance for implementation of strategic plan
003	Abatement	69,000	56,500	(12,500)	-18%	Use of fund balance for abatement activities
101	Street	505,500	505,500	-	0%	
103	Cemetery	47,000	52,000	5,000	11%	Reserving donations & capital revenue for Veterans' Memorial
104	REET 1st Qtr %	1,647,000	345,000	(1,302,000)	-79%	Use of fund balance for capital projects
105	Park Impact Fee	1,965,000	560,000	(1,405,000)	-72%	Use of fund balance for capital projects
106	REET 2nd Qtr %	1,328,000	919,300	(408,700)	-31%	Use of fund balance for pavement management program
108	Hotel/Motel Tax	276,600	233,602	(42,998)	-16%	Use of fund balance for tourism projects
110	Transportation Development	4,004,000	4,132,000	128,000	3%	
120	National Opioid Settlements	200,000	255,000	55,000	28%	Fund balance budgeted for opioid treatment contracts
125	EMS Restricted Revenue	68,200	-	(68,200)	-100%	Use of fund balance for EMS expenditures
126	Fire Impact Fees	820,000	-	(820,000)	-100%	Use of fund balance for Fire capital expenditures
127	Affordable Housing Sales Tax Credit	42,700	27,950	(14,750)	-35%	Fund balance budgeted for affordable housing contracts
141	Drug Seizure Fund	20,000	20,000	-	0%	
211	Woodburn/JKL Lid Fund	356,000	62,000	(294,000)	-83%	Use of unrestricted fund balance for capital projects
215	Downtown Revitalization Bond	-	-	-	0%	
216	Fire Station Bond	-	-	-	0%	
350	Parks Capital Projects	336,000	115,000	(221,000)	-66%	Use of fund balance for capital projects
351	Building Contingency	2,398,542	7,000,000	4,601,458	192%	Reserve of debt proceeds
353	Transportation Capital	100,000	71,350	(28,650)	-29%	Use of fund balance for capital projects
355	Art Project Fund	12,000	-	(12,000)	-100%	Fund balance budgeted to fund art projects
401	Water/Sewer	2,700,000	2,971,027	271,027	10%	
403	Stormwater	3,300,000	2,773,962	(526,038)	-16%	Use of fund balance for utility capital projects
406	Water/Sewer Capital	16,200,000	4,246,892	(11,953,108)	-74%	Use of fund balance for utility capital projects
410	PW Trust Fund Loan	-	-	-	0%	
413	Water/Sewer/Storm Bond	992,300	1,963,502	971,202	98%	Funding for debt service payments
414	Water/Sewer/Storm Bond Reserve	1,608,400	1,613,400	5,000	0%	
510	Employment Security	130,300	102,498	(27,802)	-21%	Use of fund balance for unemployment costs
520	ER&R vehicle	49,200	24,100	(25,100)	-51%	Use of fund balance for fleet replacement
521	ER&R IT	83,750	74,750	(9,000)	-11%	Use of fund balance for city's IT replacement program
604	Perpetual Care	402,250	412,250	10,000	2%	
608	Woodburn/JKL Lid Guarantee	209,000	12,000	(197,000)	-94%	Use of unrestricted fund balance for capital projects
610	Downtown Bond Guarantee	1,134,000	1,140,000	6,000	1%	
631	Low Income Assistance	7,000	7,100	100	1%	
Grand Total		\$47,402,102	\$33,763,915	\$ (13,638,187)	-29%	

The following were the approved changes to Fund balances for 2026:

Fund	Fund Title	Beginning Fund Balance	Ending Fund Balance	Dollar Change to Fund Balance	Percent Change to Fund Balance	Reason for Change to Fund Balance (changes greater than 10%)
001	General	\$ 3,473,720	\$ 3,473,720	\$ (0)	0%	
002	Strategic Plan Implementation Fund	593,512	263,166	(330,346)	-56%	Use of fund balance for implementation of strategic plan
003	Abatement	56,500	44,000	(12,500)	-22%	Use of fund balance for abatement activities
101	Street	505,500	505,500	-	0%	
103	Cemetery	52,000	10,000	(42,000)	-81%	Use of fund balance for Veterans' Memorial
104	REET 1st Qtr %	345,000	501,400	156,400	45%	Reserving funds for future capital projects
105	Park Impact Fee	560,000	970,000	410,000	73%	Reserving funds for future capital projects
106	REET 2nd Qtr %	919,300	789,300	(130,000)	-14%	Use of fund balance for pavement management program
108	Hotel/Motel Tax	233,602	189,939	(43,663)	-19%	Use of fund balance for tourism projects
110	Transportation Development	4,132,000	4,702,000	570,000	14%	Reserving funds for future capital projects
120	National Opioid Settlements	255,000	307,500	52,500	21%	Fund balance budgeted for opioid treatment contracts
125	EMS Restricted Revenue	-	-	-	0%	
126	Fire Impact Fees	-	76,000	76,000	0%	
127	Affordable Housing Sales Tax Credit	27,950	12,950	(15,000)	-54%	Fund balance budgeted for affordable housing contracts
141	Drug Seizure Fund	20,000	20,000	-	0%	
211	Woodburn/JKL Lid Fund	62,000	63,000	1,000	2%	
215	Downtown Revitalization Bond	-	-	-	0%	
216	Fire Station Bond	-	-	-	0%	
350	Parks Capital Projects	115,000	65,000	(50,000)	-43%	Use of fund balance for capital projects
351	Building Contingency	7,000,000	-	(7,000,000)	-100%	Use of fund balance for capital projects
353	Transportation Capital	71,350	71,350	-	0%	
355	Art Project Fund	-	-	-	0%	
401	Water/Sewer	2,971,027	3,302,401	331,374	11%	Reserving funds for future utility capital projects
403	Stormwater	2,773,962	2,456,955	(317,007)	-11%	Use of fund balance for utility capital projects
406	Water/Sewer Capital	4,246,892	4,344,934	98,042	2%	
410	PW Trust Fund Loan	-	-	-	0%	
413	Water/Sewer/Storm Bond	1,963,502	2,934,645	971,143	49%	Funding for debt service payments
414	Water/Sewer/Storm Bond Reserve	1,613,400	1,618,400	5,000	0%	
510	Employment Security	102,498	74,793	(27,705)	-27%	Use of fund balance for unemployment costs
520	ER&R vehicle	24,100	-	(24,100)	-100%	Use of fund balance for fleet replacement
521	ER&R IT	74,750	65,750	(9,000)	-12%	Use of fund balance for city's IT replacement program
604	Perpetual Care	412,250	422,250	10,000	2%	
608	Woodburn/JKL Lid Guarantee	12,000	12,500	500	4%	
610	Downtown Bond Guarantee	1,140,000	1,146,000	6,000	1%	
631	Low Income Assistance	7,100	7,200	100	1%	
Grand Total		\$33,763,915	\$28,450,653	\$ (5,313,262)	-16%	

As part of the budget process, the city reviews current capital needs and then determines if related capital projects will be a good use of excess reserve fund balances. The city also relies on the Capital Improvement Plans to dictate what projects should move forward each year. For 2025 & 2026, the budget includes multiple projects using fund balances. Funds in these fund balances were intended for use for capital projects and thereby do not influence the regular operations of City programs. The capital projects will enhance programs and eliminate some repairs and maintenance expenses in future years.

The City's Special Revenue, Debt Service, and Internal Service funds also have some changes to fund balances which do not detract from City programs, but instead enhance them. The City has approved the use of Hotel/Motel Lodging Tax fund balance for funding local tourism events. These events should then increase the revenues coming into the fund. The ER&R funds will be purchasing vehicles, IT software, and equipment for the general fund programs. The Employment Security Reserve Fund is not currently being added to, so the expenses are a direct expense of fund balance. The UTGO Bond Redemption Fund is strictly a debt service reserve, which is a principal payment in addition to the annual interest payment.

Budgetary Trends

Since 2011, the City has seen an increase of property tax, sales tax, and development related revenue within the City. This is a product of an improving economy. However, things have also been costing the city more. In 2025 & 2026, the city is being conservative and was able to provide targeted increases to budgets to account for the increases each department is experiencing due to inflation. Other service enhancements are programmed in the seasonal line items to enhance maintenance citywide, communications, and the pavement management program.

The following section, Departmental Budgets, details all the City's programs and appropriations. Program descriptions, performance measures, major revenue sources, operations and maintenance expenditures, debt payments, and capital projects are detailed in each department overview. The final two sections of the budget go over the City's long-term liabilities and future capital projects, which have an impact on long-term planning for future needs.

City of Washougal



Departmental Budgets

General Fund Revenue Types

Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
General Property Taxes	\$ 5,697,415	\$ 5,855,578	\$ 6,027,231	\$ 6,234,544	\$ 7,152,169	\$ 7,428,405	\$ 7,652,419
Business Taxes	2,572,520	2,553,429	2,746,559	3,160,186	2,887,325	2,958,670	3,028,770
Retail Sales & Use Taxes	2,435,747	2,984,958	3,659,195	3,915,254	4,208,000	4,175,827	4,293,100
General Government	1,103,561	1,114,066	1,382,968	1,201,763	1,579,540	1,883,405	1,789,324
Business Licenses/Permits	591,126	706,732	722,176	916,009	732,200	737,500	737,500
Economic Environment	405,494	1,727,732	1,656,459	1,342,666	1,315,934	936,455	947,420
State Entitlements	369,220	415,708	372,094	284,725	290,792	288,499	289,074
Agency Type Deposits	-	-	-	-	-	-	-
Transfers In	-	-	-	9,318	270,400	1,308,838	348,346
Excise Taxes	388,112	396,613	400,372	424,397	404,000	450,000	460,000
State Shared Revenues	86,396	156,193	90,288	95,787	100,000	95,000	95,000
Public Safety	49,010	71,967	122,585	155,374	100,660	105,400	105,400
Interest/Other Earnings	22,367	11,853	56,573	227,498	132,500	132,500	105,000
Rents/Lease/Concession	30,657	19,629	33,513	34,009	33,500	16,500	-
State Grants	17,429	39,096	9,746	58,491	16,134	769,534	9,534
Other Misc Revenues	73,083	26,736	42,583	22,438	7,000	7,000	7,000
Disposition of Cap Assets	-	-	-	-	-	-	-
Non-Business Lic/Permits	3,774	4,196	4,375	5,968	5,000	5,000	5,000
Contributions/Donations	10,465	8,046	11,015	5,361	1,500	6,500	6,500
Other Non-Revenues	-	-	-	-	-	-	-
Culture & Recreation	358	8,092	10,311	3,122	8,500	8,500	8,500
Other Revenue	-	-	-	-	-	-	-
Federal Grants	659,898	2,279,024	2,271,627	41,579	150,500	10,000	10,000
Civil Parking Penalties	-	-	-	-	-	-	-
Criminal Costs	-	-	-	-	-	-	-
Total	\$ 14,516,633	\$ 18,379,648	\$ 19,619,669	\$ 18,138,489	\$ 19,395,654	\$ 21,323,533	\$ 19,897,887

Major General Fund Revenue Descriptions

General Property Taxes: Property taxes are levied on 100% of assessed valuation as determined by the Clark County's Assessor's Office. The EMS Levy was approved by the voters in 2023 for collection in 2024 through 2029. The bond levy was discontinued after 2022 when the debt service was paid off. However, a new bond levy will begin in 2025 for the fire station bond. The following tables present the city's regular, EMS and bond ad valorem tax levy rates, with associated amounts for tax collection years 2020 through 2025:

Tax Collection Year	Levy Rates (Dollars Per 1,000 of Assessed Value)			
	Regular	EMS	Bond	Total
2025	\$1.56	\$0.50	\$0.18	\$2.24
2024	\$1.53	\$0.50	\$0.00	\$2.03
2023	\$1.60	\$0.34	\$0.00	\$1.94
2022	\$1.83	\$0.39	\$0.05	\$2.27
2021	\$2.01	\$0.43	\$0.04	\$2.48
2020	\$2.05	\$0.44	\$0.05	\$2.54

Tax Collection Year	Levy Amounts in Dollars			
	Regular	EMS	Bond	Total
2025	\$ 5,601,826	\$ 1,797,273	\$ 638,000	\$ 8,037,099
2024	5,388,721	1,758,554	-	7,147,275
2023	5,154,484	1,106,748	-	6,261,232
2022	4,971,846	1,067,078	138,000	6,176,924
2021	4,847,836	1,035,953	100,000	5,983,789
2020	4,704,708	1,015,169	105,000	5,824,877

The city's 2026 regular, EMS and bond ad valorem tax levy rates will be set no later than November 30, 2025.

Sales Tax: For 2025, the retail sales tax rate for the City of Washougal is 8.5%. The State of Washington receives 6.5% of collected taxes. The remaining 2.0% is split between Clark County and the City. Of the County portion, a percentage of no more than 0.10% is sent to the city for criminal justice purposes.

Business and Occupation Tax: These taxes are charged on utilities provided within City limits, such as telephone, electric, garbage, water, and sewer. The tax is charged to the company operating the utility against gross sales of the utility. The tax rate is set by City ordinance. A portion of the utility taxes will be used for capital purposes in 2025 & 2026.

Licenses and Permits: Licenses and permits consist of building permits, business licenses, franchise permits, animal licenses, and miscellaneous permits. These fees are set by City ordinance.

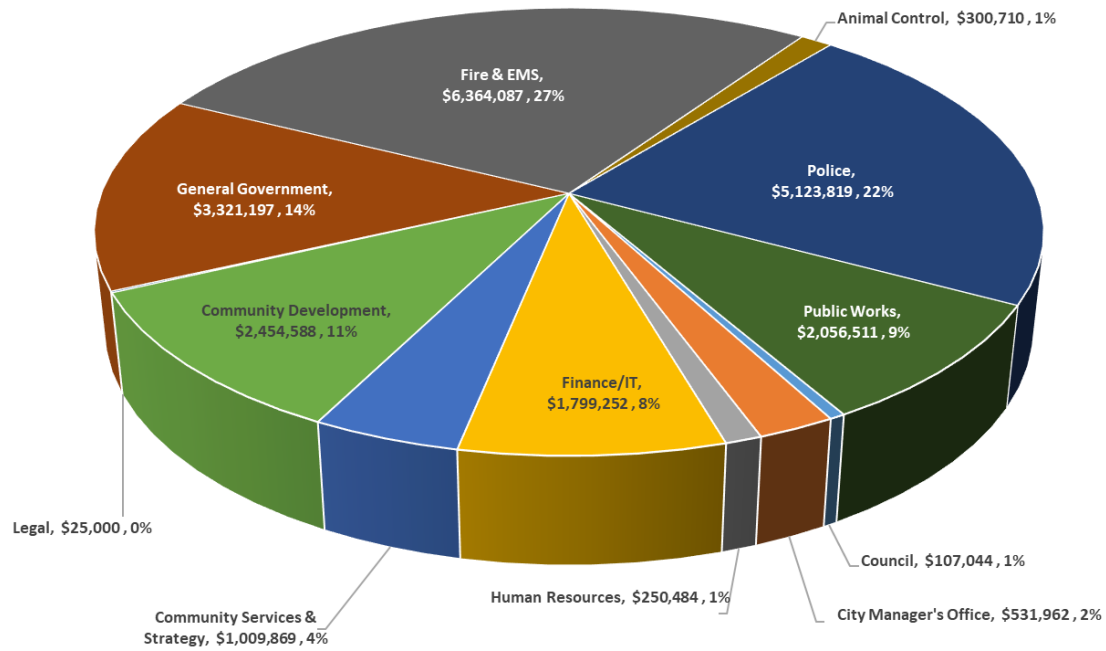
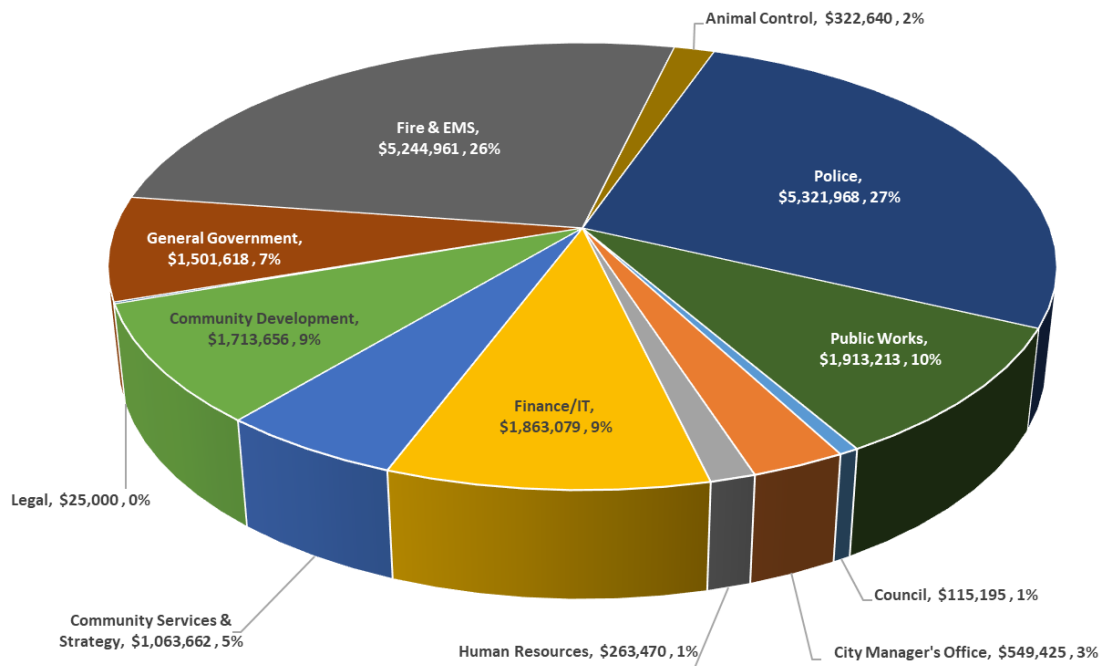
Intergovernmental Revenues: These revenues are those received from the State or County which are not grant funds. These revenues include Liquor Excise Tax and Liquor Board Profits, motor vehicle fuel tax, and City Assistance funds.

Charges for Services: The City recoups costs associated with services such as finger printing, plan reviews, and photocopies.

Interfund Transfers: Since each fund is a unit, when one fund transfers revenues to another fund, it is shown as an interfund transfer. There are strict guidelines for allowable transfers to be in compliance with any restrictions on the funds.

General Fund Department Expenditures

There are 12 departments within the General Fund to which expenditures are allocated. These Departments are as follows and discussed in detail on the following pages:

2025 Total Expenditures \$23,344,523**2026 Total Expenditures \$19,897,887**

Council

Description:

The City Council is responsible for approving City Policies, the Budget, Capital Facility Plans, and providing oversight to City operations as the Legislative Body of the City. They are a seven-member elected council based on a non-partisan basis for four-year overlapping terms. The Mayor is elected as Council Position #1 and one member of the Council serves as Mayor Pro Tem, as appointed by vote of the Council. The next election will be held in November 2025 for 3 of the 7 members of Council.

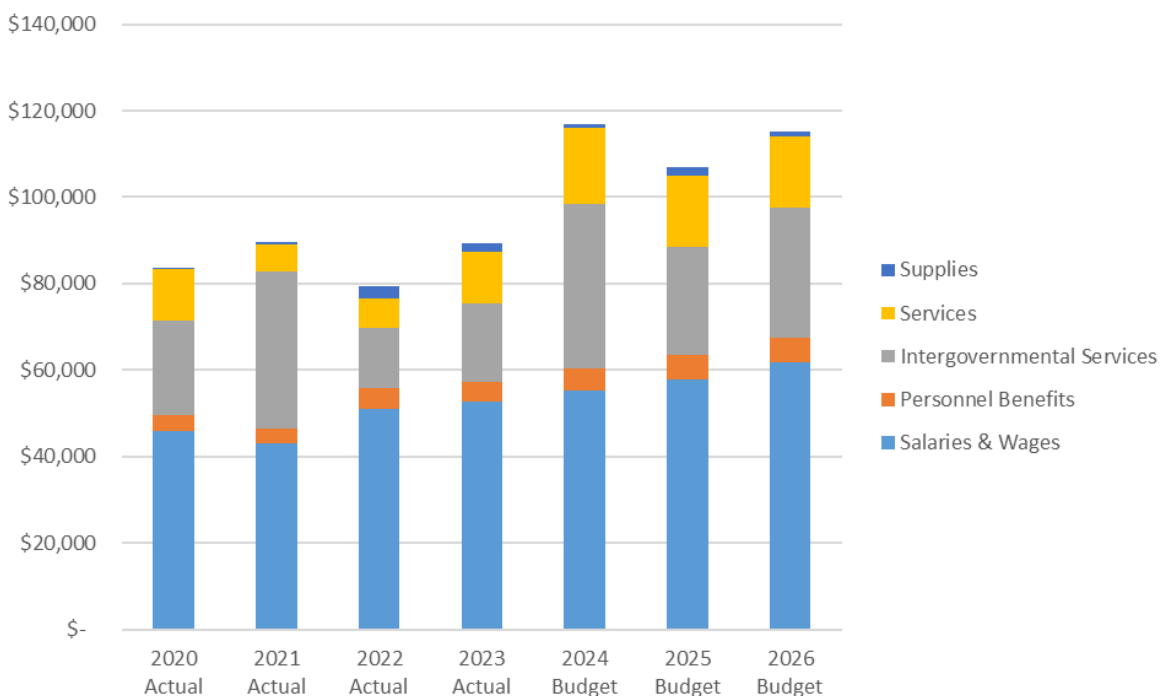
Primary Expenditures:

Nearly half of this department's expenditures are attributed to salaries and wages. A Salary Commission comprised of citizens is responsible for setting the monthly stipends of the elected officials. For 2025 & 2026, the Mayor and Councilmembers will receive the following monthly stipends:

Date Range	Mayor	Councilmembers
Jan 1 - Jun 30, 2025	\$ 874.00	\$ 646.00
Jul 1 - Dec 31, 2025	\$ 905.00	\$ 667.00
Jan 1 - Jun 30, 2026	\$ 933.00	\$ 687.00
Jul 1 - Dec 31, 2026	\$ 966.00	\$ 711.00

In addition to the monthly stipends, Councilmembers attend conferences and training, representing the city at the events. This department also budgets for voter registration costs to the Clark County Auditor, as well as publishing public meeting notices.

Council Expense



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 46,000	\$ 42,976	\$ 50,857	\$ 52,626	\$ 55,115	\$ 57,945	\$ 61,725
Personnel Benefits	3,645	3,348	4,823	4,477	5,275	5,500	5,850
Intergovernmental Services	21,911	36,339	13,943	18,279	38,000	25,000	30,000
Services	11,726	6,350	7,059	12,038	17,700	16,559	16,580
Supplies	52	512	2,640	1,986	820	2,040	1,040
Total	\$ 83,334	\$ 89,525	\$ 79,322	\$ 89,406	\$ 116,910	\$ 107,044	\$ 115,195

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Number of Meetings	24 - One workshop and one regular meeting per month as per statute	48	48	47	47	48	50	50
Agenda Bills (Items)	N/A	59	67	81	52	61	60	60

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Council	7.00	7.00	7.00	7.00

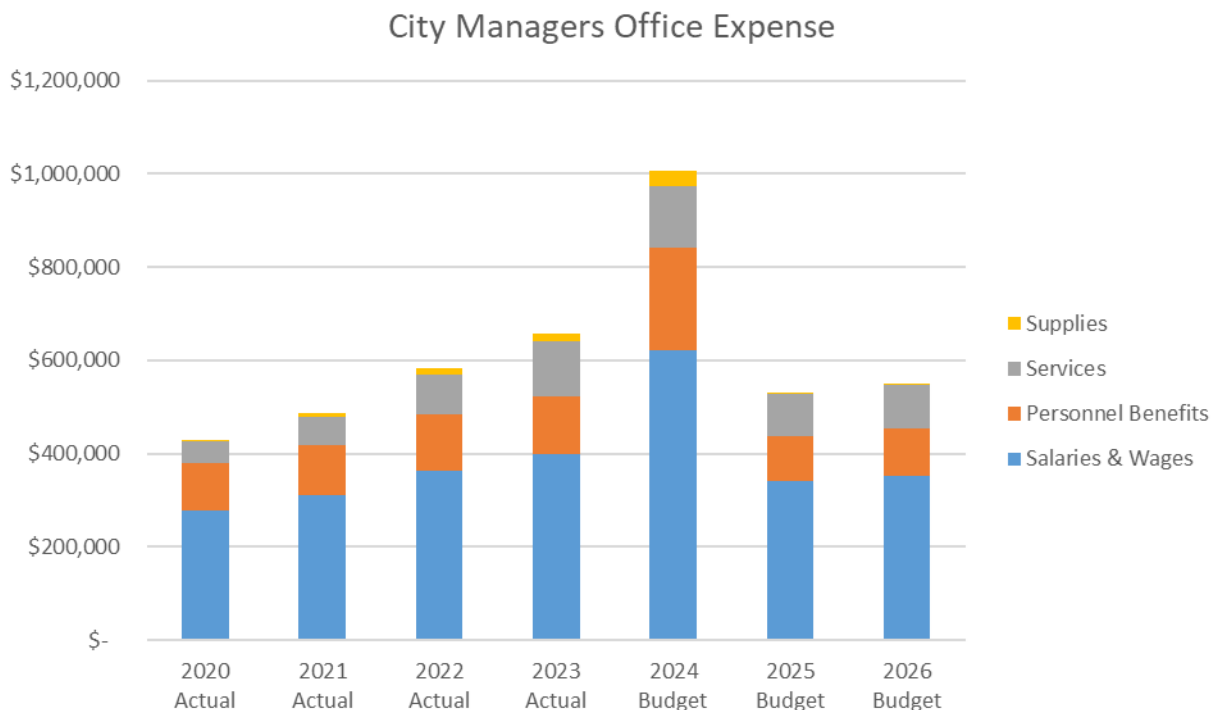
City Manager's Office

The City Manager's Office includes the City Manager and a Communications Manager. The City Manager serves as the City's Chief Executive Officer. The city is organized into six operating departments, including: Police, Public Works, Community Development, Finance, Community Services & Strategy, and Human Resources. Fire and Emergency Medical Services (EMS) are provided by the Camas-Washougal Fire Department, administrated by the City of Camas. The Manager appoints directors to each of these departments.

Under the direction of the Manager, the administrative team carries out policies established by the City Council, provides leadership to all City departments, assesses community needs and develops strategies, leads interdepartmental planning efforts, and works collaboratively with regional partners and state government.

Primary Expenditures:

Up until 2023, this department was staffed by three full-time employees. In 2024, two additional full-time positions were established in response to the City's newly adopted 5-year strategic plan. The cost of the new positions, a Strategic Initiatives Manager, and a Community Engagement Program Coordinator, were partially offset with a transfer from the Strategic Plan Implementation Fund (SPIF). For 2025, these two positions were moved to the newly formed Community Services & Strategy Department (formally Economic Development) along with the Community Engagement Manager. In addition to salaries and benefits for these employees, this department also has several professional service agreements that further the City's strategic plan, legal services, legislative/infrastructure advocacy, and downtown promotion.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 279,005	\$ 310,436	\$ 362,541	\$ 397,704	\$ 621,795	\$ 339,900	\$ 352,900
Personnel Benefits	100,511	106,288	120,247	124,752	220,930	96,860	101,750
Services	47,226	62,280	85,147	118,664	131,207	91,952	91,525
Supplies	568	7,343	16,350	15,371	33,300	3,250	3,250
Total	\$ 427,310	\$ 486,348	\$ 584,284	\$ 656,491	\$ 1,007,232	\$ 531,962	\$ 549,425

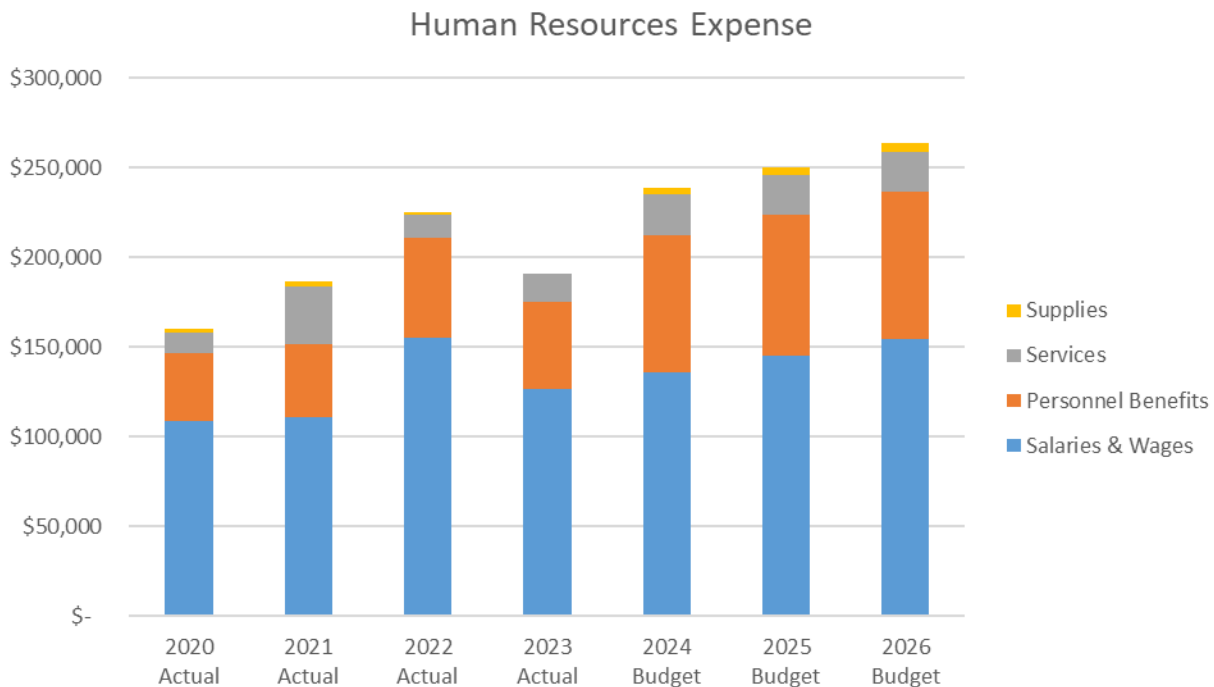
Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
City Manager's Office	3.00	5.00	2.00	2.00

Human Resources

The Human Resources department provides full-service human resources to the City's workforce, including, labor relations, recruitment and selection, training and development, compensation and classification, safety, employee benefits and retirement, workers compensation and risk management. The primary goal of this department is to attract and retain a highly talented and qualified City workforce which reflects the high standards of the community we serve.

Primary Expenditures:

This department consists of one full-time Director, which is most of this department's expenses. This department also funds our City's Wellness program, which is a program designed to not only receive a health insurance discount but also promote wellness throughout the City. This budget also includes funding for the tuition reimbursement program.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 108,660	\$ 111,004	\$ 154,949	\$ 126,817	\$ 135,980	\$ 145,000	\$ 154,550
Personnel Benefits	37,733	40,844	56,293	48,601	76,417	79,020	82,420
Services	11,541	31,645	12,465	15,394	22,647	22,054	22,090
Supplies	2,026	2,921	1,838	-	3,910	4,410	4,410
Total	\$ 159,961	\$ 186,413	\$ 225,545	\$ 190,812	\$ 238,954	\$ 250,484	\$ 263,470

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Number of Employees at Year-End	95% of budgeted positions filled	83	80	85	84	95	92	92
New Hires (Full-time & part-time)	N/A	9	19	23	14	24	15	15

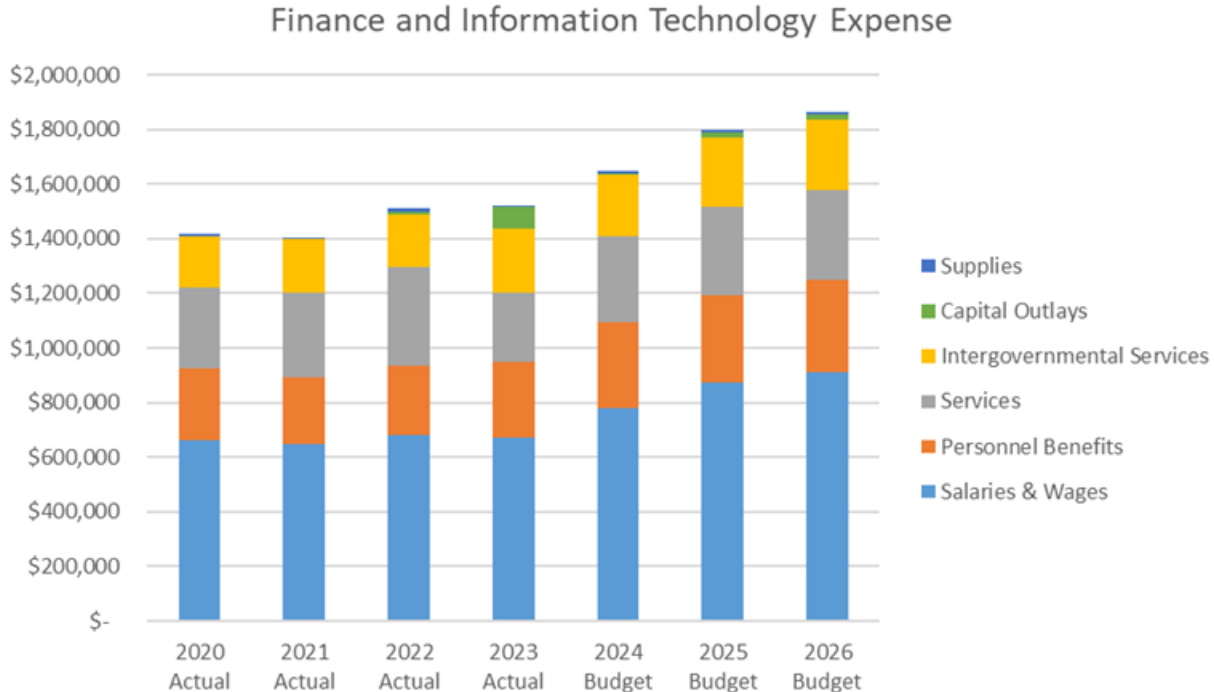
Finance/Information Technology

The Finance Department directs all finance functions for the city. This includes annual budgeting, financial reporting, investment activities, debt management, general accounting, purchasing, payroll, accounts receivable, grant management, utility billing, information technology, dog licensing and customer service. This department is also responsible for management of the City's official records, municipal code, public information disclosure and contract management.

This department is led by the City Finance Director and two mid managers, the Information Technology Manager, and the Assistant Finance Director. The Information Technology Manager supervises one staff member, and the Assistant Finance Director supervises four staff members. In the 2024 adopted budget, a part-time Assistant City Clerk position was included for this department. After an internal review, it was determined that a full-time Assistant City Clerk & Accounting Specialist better met the needs of the department. This position was filled in August 2024 and currently reports directly to the Finance Director.

Primary Expenditures:

With nine full-time employees, the majority of this department's expenses are salaries and benefits. The City's annual maintenance contract payments for the financial operating system, along with City wide internet and phone expenditures are charged to this department. In addition, \$160,000 for the City's municipal court and \$56,000 for indigent defense services are budgeted in this department.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 660,168	\$ 647,734	\$ 679,607	\$ 672,316	\$ 779,950	\$ 871,900	\$ 911,900
Personnel Benefits	264,062	242,723	256,193	277,240	314,525	320,530	339,030
Services	297,981	309,718	362,086	253,424	315,639	326,272	325,979
Intergovernmental Services	184,917	196,897	188,663	235,969	225,000	252,750	258,370
Capital Outlays	-	-	9,277	76,548	4,000	19,500	19,500
Supplies	9,954	6,305	13,876	3,787	9,400	8,300	8,300
Total	\$ 1,417,082	\$ 1,403,376	\$ 1,509,702	\$ 1,519,284	\$ 1,648,514	\$ 1,799,252	\$ 1,863,079

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Active Utility Accounts	N/A	5,735	5,839	5,922	6,089	6,270	6,400	6,525
Total Utility Bills Printed	N/A	-	-	38,050	39,208	40,385	42,000	42,840
Total Utility Billing Transactions Processed	N/A	34,563	34,926	37,784	37,834	37,980	38,500	39,000
Percent of Payments Made Outside Office	Increase number of payments made outside office 5%	38.10%	45.80%	51.30%	56.80%	57.50%	58.00%	60.00%
Water Meter Re-Reads	N/A	1,140	1,156	1,142	1,285	1,325	1,350	1,400
Emergency Assistance Applications Processed	Expand program to those in need	6	14	18	20	25	35	40
IT Helpdesk Requests	Reduce number of helpdesk requests with training	483	438	628	528	495	475	450
Requests Resolved within 9 business hours	Increase percentage of helpdesk requests resolved within 9 business hours	86%	88%	82%	91%	91%	92%	93%
Emails Received	N/A	-	516,748	373,056	405,024	450,500	475,000	500,000

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Finance/IT	8.00	8.00	9.00	9.00

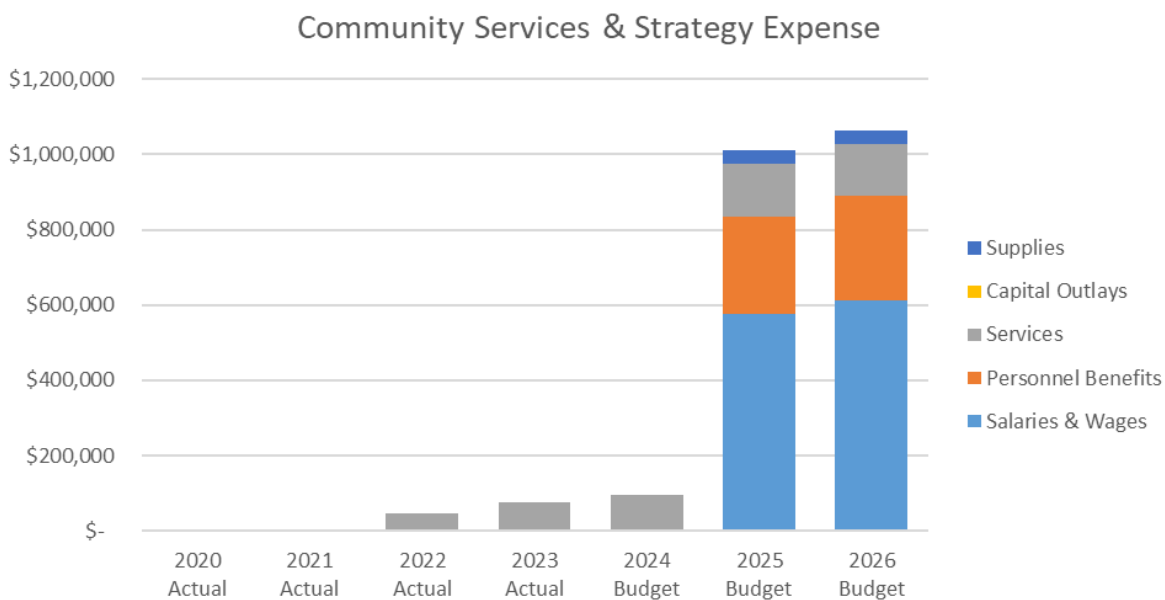
Community Services & Strategy

This new department, approved in 2024, combined three existing allied “community service” programs (Community Aesthetics, Community Engagement and Parks/Recreation/Cemetery). These programs were in three separate departments but shared similar missions regarding engaging, connecting and serving our community. By bringing these programs together we are seeking to promote enhanced integration between the programs, as we continue to enhance services and pursue the Council’s goals in these areas as articulated in our 2023-2028 Strategic Plan. In regard to strategy, this department focuses on economic development, strategic planning and performance management, and project and program funding strategy.

The annual payment to CREDC is paid by this department. CREDC is a private-public partnership of over 130 investors and strategic partners working together to advance the economic vitality of Clark County through business relocation, growth, and innovation. It serves as the formal Economic Development Organization (EDO) for all of Clark County.

Primary Expenditures:

With six employees, this department’s primary expenditure is salary and benefits. Services are comprised of the annual contributions to CREDC and the federal and state advocacy professional services agreement totaling \$75,000.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ -	\$ -	\$ -	\$ -		\$ 577,600	\$ 613,500
Personnel Benefits	\$ -	\$ -	\$ -	\$ -		\$ 258,100	\$ 275,150
Services	\$ 5,000	\$ 5,000	\$ 46,711	\$ 76,999	\$ 95,000	\$ 137,869	\$ 138,712
Capital Outlays	\$ -	\$ -	\$ -	\$ -		\$ 600	\$ 600
Supplies	\$ -	\$ -	\$ -	\$ -		\$ 35,700	\$ 35,700
Total	\$ 5,000	\$ 5,000	\$ 46,711	\$ 76,999	\$ 95,000	\$ 1,009,869	\$ 1,063,662

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Code Compliance - Calls for Questions	N/A	103	104	112	125	130	135	140
Code Compliance - Calls for Complaints	N/A	410	568	642	435	500	513	525
Population	N/A	17,039	17,200	17,390	17,490	18,150	18,604	19,069

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Community Svcs & Strat	0.00	0.00	6.00	6.00

Community Development

This Department has two divisions, Building and Planning. The Department is led by the Community Development Director. The Building Division team is responsible for receiving building permit applications, assuring contractors are properly licensed, reviewing plans for compliance with the Washington State Building Code, routing applications to other departments for review, issuing permits, performing inspections, and maintaining construction records. This team consists of the Building Official (manager), Building Inspectors, Permit Technician and an Administrative Assistant.

The Planning Division represents the public interest by promoting systematic deliberation regarding the development of Washougal. This is achieved by: encouraging economic development; designating appropriate land uses within the urban area; implementing design standards for Washougal's physical development and conforming to Washington State's Growth Management Act and the City's Comprehensive Plan. This division offers assistance with zoning, platting, environmental, land use and site plan review. The Division provides both current and long-range planning services to the general public. This work is primarily completed by the City Planner who works under the direction of the Community Development Director.

Primary Expenditures:

With eight full-time employees, one of this department's primary expenditures is salaries and wages. Since 2021, the department has grown from 8 full-time employees with the addition of a Community Aesthetics Program Coordinator in 2022 and a Building Inspector in 2023. However, in 2025, the Community Aesthetics and Code Compliance Division, along with its 2 FTEs, moved to the Community Services & Strategy Department. The City also has contracts with an engineering firm for private land use development review. In addition, the budget also includes the following professional services agreements for 2025 totaling \$875,000:

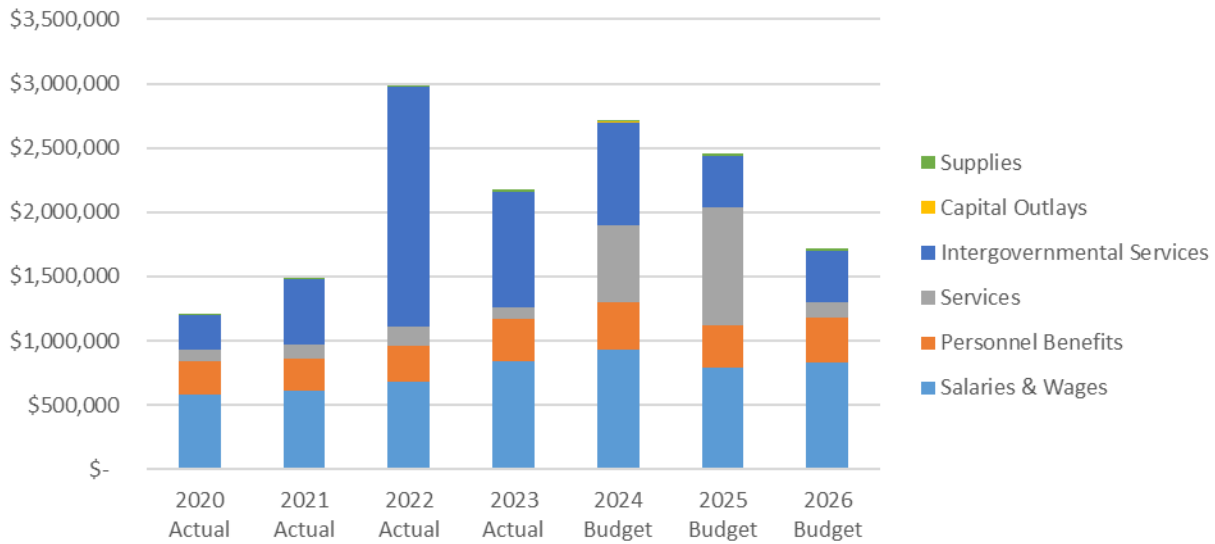
2025 Comprehensive Plan Update	\$625,000
Shoreline Master Plan	\$175,000
Development Engineering Services	\$50,000
City Attorney Services	\$25,000

The following professional services agreements are included in 2026 totaling \$75,000:

Development Engineering Services	\$50,000
City Attorney Services	\$25,000

Lastly, the passthrough \$400,000 expenditure for School Impact Fees is appropriated in this department's budget.

Community Development Expense



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 585,954	\$ 610,679	\$ 683,150	\$ 839,630	\$ 932,175	\$ 790,200	\$ 828,800
Personnel Benefits	251,248	249,433	274,983	333,581	370,860	330,630	350,750
Services	96,363	105,139	149,452	84,541	598,271	917,258	117,606
Intergovernmental Services	263,533	518,335	1,863,936	899,241	800,000	400,000	400,000
Capital Outlays	-	-	-	4,085	2,650	3,550	3,550
Supplies	11,774	3,831	6,857	20,048	10,450	12,950	12,950
Total	\$ 1,208,872	\$ 1,487,418	\$ 2,978,378	\$ 2,181,126	\$ 2,714,406	\$ 2,454,588	\$ 1,713,656

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Land Use Applications	N/A	92	128	116	76	80	82	85
Avg. Review Time- Type I Land Use Application	Less than 28 days	19	25	29	24	25	25	25
Avg. Review Time- Type II Land Use Application	Less than 120 days	27	39	60	93	85	85	85
Building Permits	N/A	591	824	892	1,158	1,000	1,050	1,100
Inspections	N/A	2,629	4,487	5,219	5,923	6,000	6,000	6,000

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Community Development	10.00	10.00	8.00	8.00

Legal

The City contracts for all legal services. This department tracks the general legal expenses for the City. Items which are specific to various departments are charged to each department's professional service line item.

Primary Expenditures:

The City has contracted with Kenyon Disend, PLLC to serve as the City Attorney. Charges specific to individual departments are expensed out of that department's professional services line item. Expenses in this fund are for the benefit of the City as a whole.



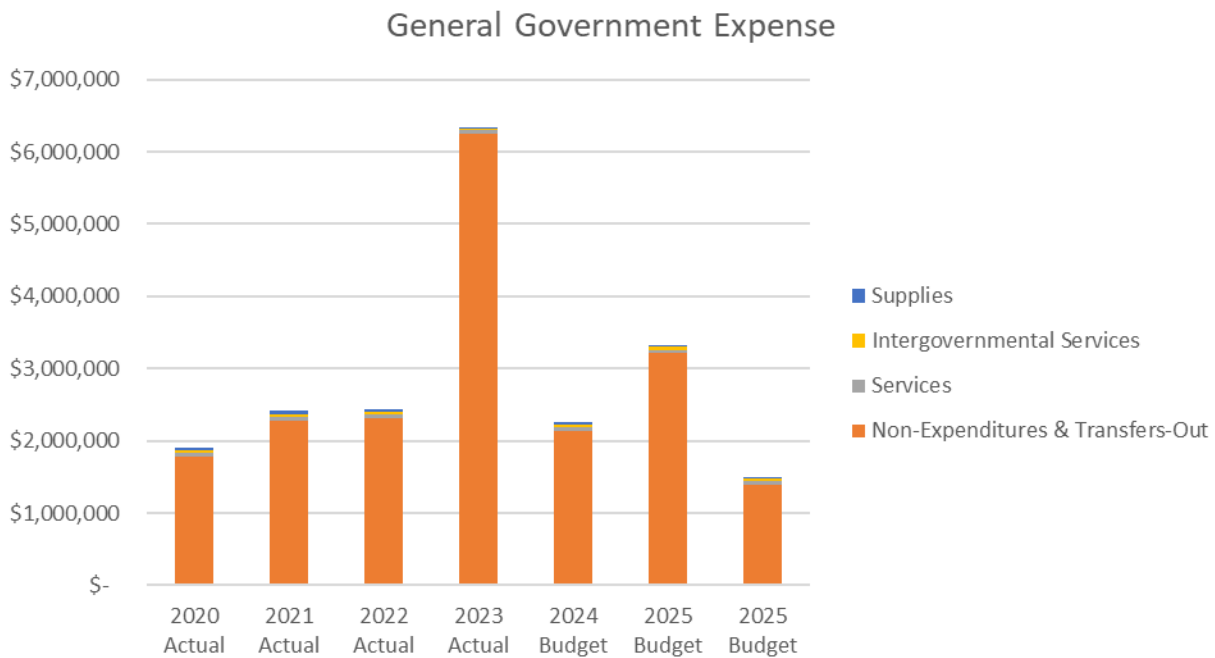
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Services	\$ 9,654	\$ 14,090	\$ 14,033	\$ 16,281	\$ 20,000	\$ 25,000	\$ 25,000
Total	\$ 9,654	\$ 14,090	\$ 14,033	\$ 16,281	\$ 20,000	\$ 25,000	\$ 25,000

Central Services / General Government

This department includes costs not directly associated with another department.

Primary Expenditures:

Intergovernmental costs, which include City wide supply purchases, costs for the annual state audit, program support for East County Social Services, Clark County Alcoholism Program, and Refuel Washougal. All transfers from the General fund to other funds come from this department, such as: Equipment Replacement, Cemetery, Street, Transportation Capital, Facilities Capital, Parks Capital, and Real Estate Excise Tax (REET).



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ 1,776,092	\$ 2,280,065	\$ 2,320,533	\$ 6,241,803	\$ 2,134,082	\$ 3,211,560	\$ 1,391,904
Services	65,363	49,614	53,047	55,710	50,157	44,137	44,214
Intergovernmental Services	31,258	40,202	28,536	23,640	41,500	45,500	45,500
Supplies	36,354	40,445	29,201	15,829	27,000	20,000	20,000
Total	\$ 1,909,067	\$ 2,410,326	\$ 2,431,317	\$ 6,336,982	\$ 2,252,739	\$ 3,321,197	\$ 1,501,618

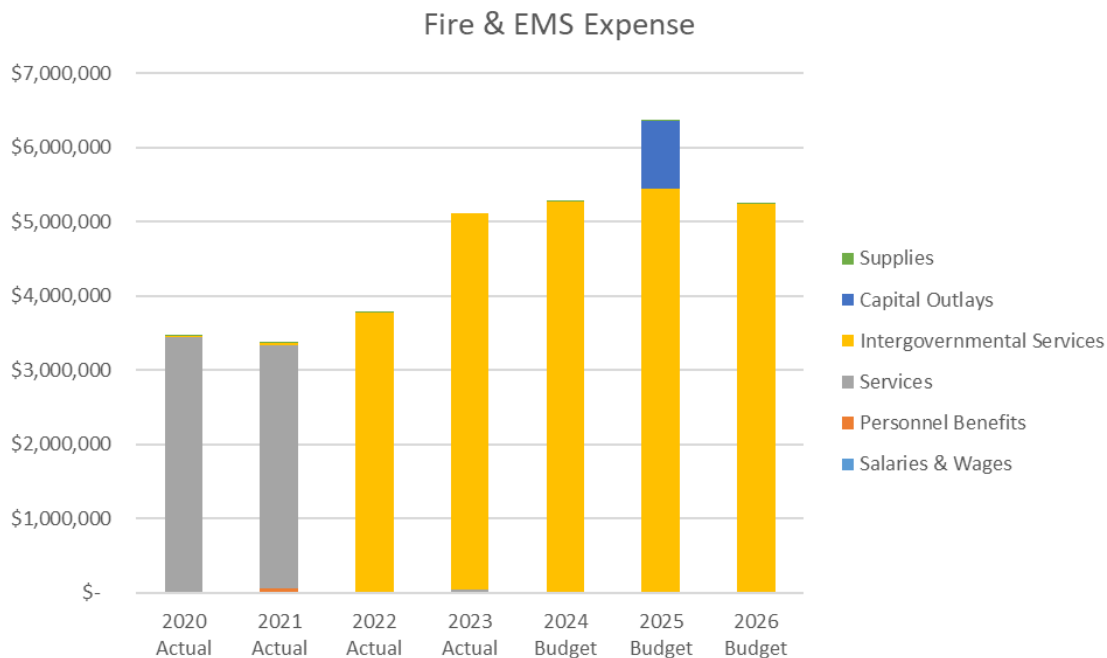
Fire & Emergency Medical Services

The Camas-Washougal Fire Department (CWFD) provides both fire and emergency medical services to citizens. CWFD personnel also provide emergency medical services to citizens outside the Camas and Washougal City limits, along with mutual aid fire protection to neighboring departments.

In May of 2014, the City of Washougal and the City of Camas combined their services for better coverage across the area. The City of Camas manages the fire services with the City of Washougal paying a monthly fee for fire services to the City of Camas. The fee changes annually based on a combination of structural assessed valuation, calls for service and population. An extension to the agreement has recently been reached.

Primary Expenditures:

The primary expenditures for this department are payments to the City of Camas for the City of Washougal's share of the fire service costs. The LEOFF 1 charges have decreased, and per capita emergency management fee has increased, which are both included in this department. Budget year 2025 also includes an expenditure of \$910,000 for the acquisition of a fire engine that is funded through Fire Impact fees.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Benefits	8,134	67,477	-	-	-	-	-
Services	3,447,168	3,275,032	-	39,343	-	-	-
Intergovernmental Services	13,736	22,173	3,773,380	5,071,820	5,270,819	5,453,337	5,244,211
Capital Outlays	-	-	-	-	-	910,000	-
Supplies	1,224	1,312	1,232	-	750	750	750
Total	\$ 3,470,263	\$ 3,365,994	\$ 3,774,612	\$ 5,111,163	\$ 5,271,569	\$ 6,364,087	\$ 5,244,961

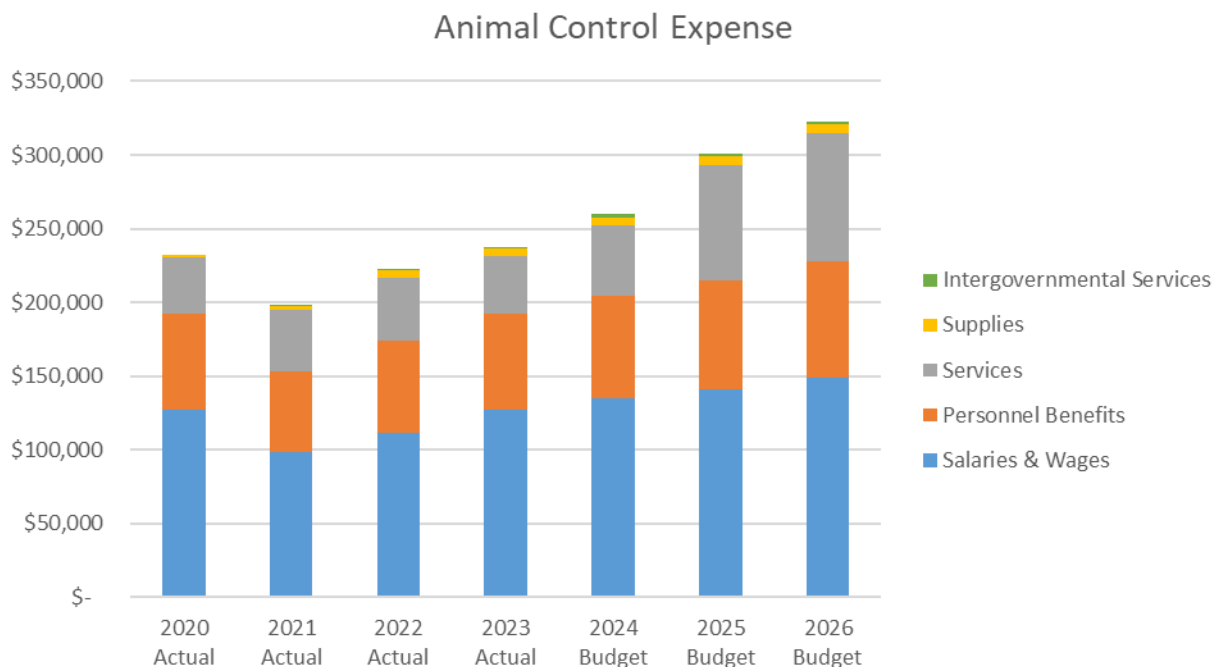
Animal Control

Animal Control serves both the City of Washougal and the City of Camas. The City of Washougal manages this service. The Animal Control Division works within the community to address neglected, abused, loose and vicious dogs; barking dog complaints; dog bites and lost and found dogs. The City of Camas reimburses the City of Washougal for 50% of the costs of this program. The city changed to a flat fee for service with the Humane Society versus a per dog charge, which accounts for the increase in services.

Primary Expenditures:

This department has two full-time Animal Control Officers, of which the salaries and benefits make up the primary expense for this department. The City also contracts animal sheltering services as follows:

Animal Sheltering Contract	2025 Budget	2026 Budget
Humane Society of Southwest Washington	\$39,893	\$45,360
West Columbia Gorge Humane Society	\$26,129	\$29,680
TOTAL	\$66,022	\$75,040



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 127,148	\$ 98,437	\$ 111,796	\$ 127,353	\$ 134,900	\$ 141,150	\$ 149,200
Personnel Benefits	65,415	54,629	62,519	65,227	69,250	73,485	78,300
Services	37,517	41,812	42,165	38,797	47,643	78,200	87,265
Supplies	1,882	2,722	5,138	4,810	5,875	5,875	5,875
Intergovernmental Services	-	888	960	1,601	2,000	2,000	2,000
Total	\$ 231,962	\$ 198,488	\$ 222,578	\$ 237,788	\$ 259,668	\$ 300,710	\$ 322,640

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Calls for Service-Camas	N/A	599	313	333	262	300	300	300
Calls for Service-Washougal	N/A	1,023	495	673	497	500	500	500
Impounds-Camas	N/A	23	29	16	69	69	69	69
Impounds-Washougal	N/A	57	55	62	65	65	65	65

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Animal Control	2.00	2.00	2.00	2.00

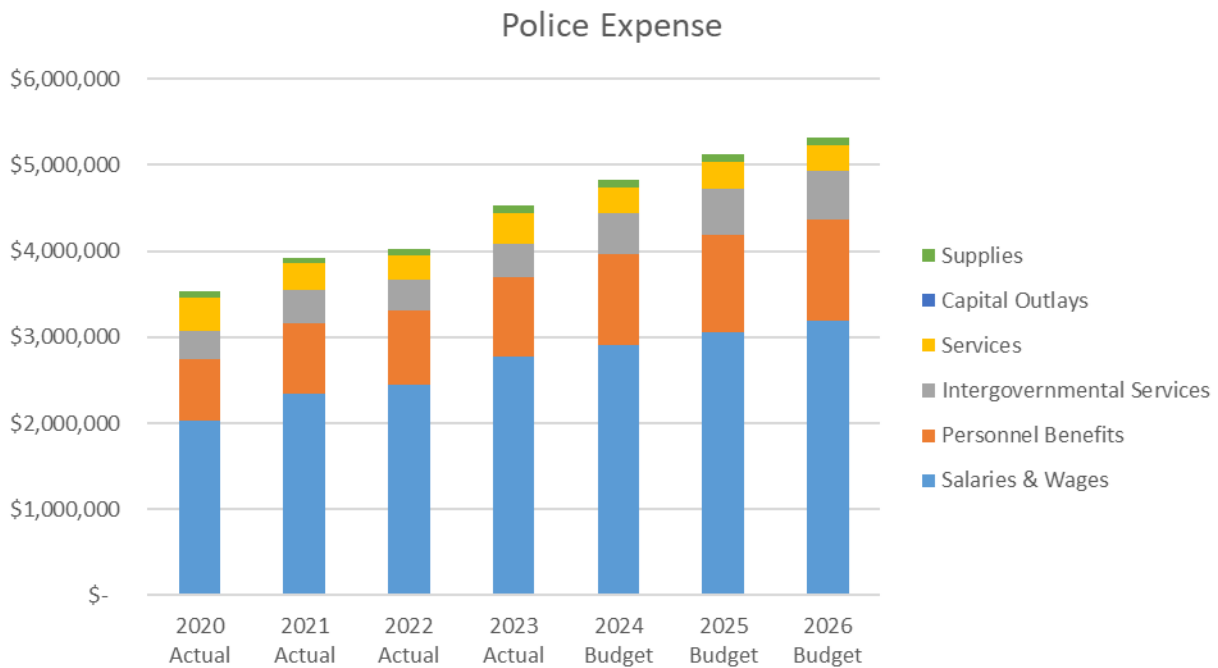
Police/Public Safety

The Police Department enforces the law, protects property, and limits civil disorder. This Department also provides concealed pistol licensing and finger printing.

The Police Chief is the head of the Department, with the assistance of two captains. The Department has three sergeants, one administrative sergeant, one detective, and fourteen patrol officers. The Department is also supported by three Administrative Assistants.

Primary Expenditures:

With 25 full-time employees, the primary expense for the police department is employee salaries and benefits. The department also pays for the prosecuting attorney and incarceration costs.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 2,033,265	\$ 2,338,351	\$ 2,447,949	\$ 2,775,272	\$ 2,904,075	\$ 3,054,050	\$ 3,185,400
Personnel Benefits	716,578	821,243	854,707	918,801	1,057,545	1,129,010	1,187,255
Intergovernmental Services	315,794	380,616	362,367	393,350	476,275	545,004	554,229
Services	389,361	317,096	289,097	346,907	300,227	302,830	302,159
Capital Outlays	-	-	761	3,393	3,425	3,425	3,425
Supplies	78,186	65,694	69,577	91,998	90,000	89,500	89,500
Total	\$ 3,533,184	\$ 3,923,000	\$ 4,024,458	\$ 4,529,721	\$ 4,831,547	\$ 5,123,819	\$ 5,321,968

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Calls for Service	N/A	11,106	10,056	10,574	10,873	11,000	11,050	11,100
Calls per Patrol Officer	N/A	1,084	1,006	1,000	906	910	912	915
Incidents - Crimes Against Person	Reduce crime	257	238	274	267	250	245	240
Incidents - Crimes Against Property	Reduce crime	513	482	559	430	400	395	390
Incidents - Crimes Against Society	Reduce crime	95	28	7	24	20	18	15
Response Time - Priority 1 (e.g. Assault with weapons)	3 minutes or less	2:29	3:06	3:00	2:59	2:58	2:55	2:55
Response Time - Priority 2 (e.g. Physical Disturbance)	5 minutes or less	4:36	5:17	5:55	5:36	5:20	5:00	5:00
Response Time - Priority 3 (e.g. Audible Alarm)	4 minutes or less	3:58	4:27	4:23	3:16	3:15	3:00	3:00
Response Time - Priority 4 (e.g. Suspicious Vehicle)	5 minutes or less	14:54	11:57	12:43	12:35	10:00	9:00	8:00
Response Time - Priority 5 (e.g. Deliver a message)	5 minutes or less	6:45	10:02	9:38	5:45	5:00	5:00	5:00

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Police/Public Safety	25.00	25.00	25.00	25.00

Public Works Non-Utilities (Parks, Engineering, Facilities)

This Department accounts for non-capital public works services which are not revenue based (utilities). There are three divisions within this department: Parks, Engineering, and Facilities. The cost of Public Works Administration, such as the Director, Deputy Director, Senior Analyst are allocated across all Public Works divisions, including non-utilities and utilities, on a percentage basis and are included in the salary and benefit line items of those departments.

The Parks Division maintains 21 parks and several acres of undeveloped open space. Washougal strives to augment recreationally deficient parkland and acquire ideal properties for future needs, while maintaining a high level of service for the public.

The Engineering Division manages the design and oversees construction of capital projects, as well as quality control to ensure each project meets or exceeds city specifications. Engineering also works closely with the Planning Department on private development projects to ensure these projects meet City standards. Engineering also oversees applications for grants and loans for helping to fund infrastructure projects.

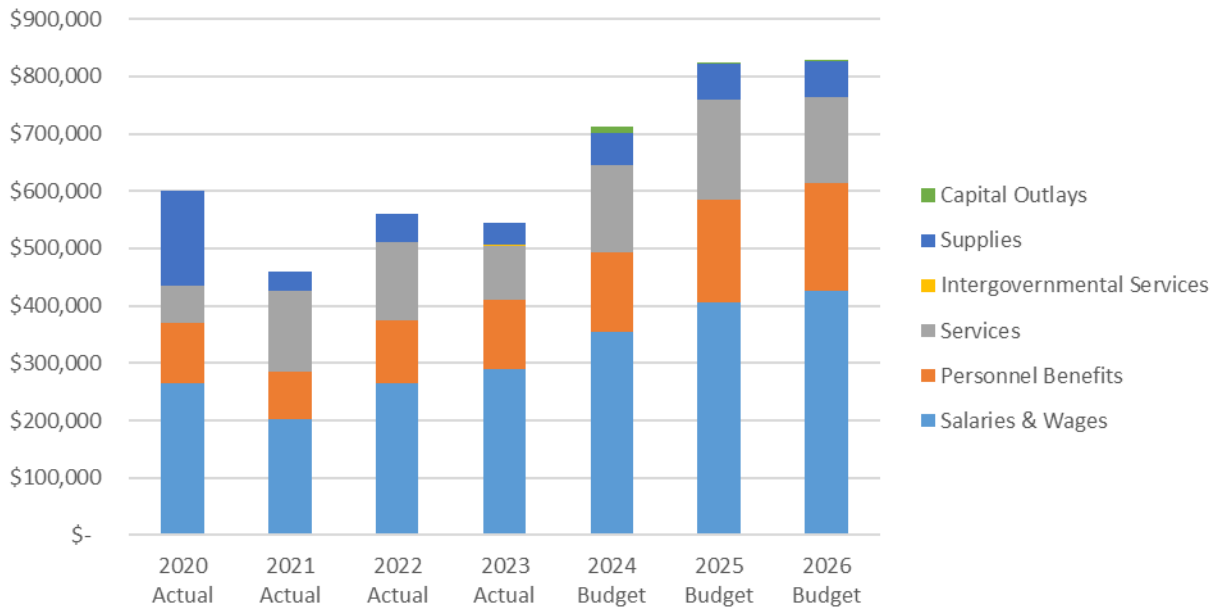
The Facilities Division maintains City offices, maintenance buildings, and parks buildings throughout the city. This includes custodial, landscape, structural, mechanical, cosmetic, accessibility, and repair projects for all general fund operated buildings.

Primary Expenditures:

Parks

The Parks Division has a manager who oversees the planning aspects of the Parks, as well as oversees the Cemetery operations, under the guidance of the Public Works Director. There is an Administrative Assistant who also supports this Division. The total FTE for this Division will be 4.82 in 2025-2026. In the spring, seasonal maintenance workers are hired for six months to assist with the maintenance of the parks. Salaries and benefits are the primary expense for this Division.

Parks Expense

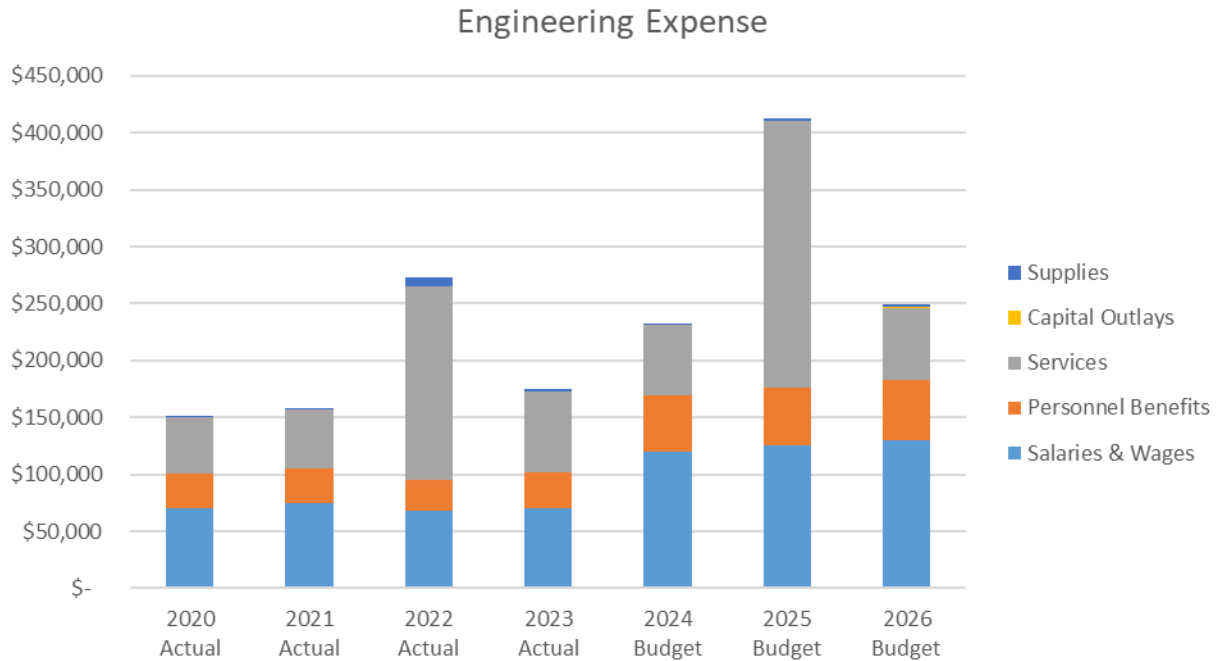


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 264,761	\$ 201,181	\$ 263,849	\$ 288,587	\$ 354,125	\$ 405,350	\$ 425,725
Personnel Benefits	105,886	84,635	111,455	122,009	139,140	180,025	187,800
Services	64,159	139,630	136,295	94,785	152,524	174,917	149,458
Intergovernmental Services	-	-	-	1,480	-	-	-
Supplies	166,257	33,102	49,147	37,320	55,500	62,500	62,500
Capital Outlays	-	-	-	-	11,500	2,200	2,200
Total	\$ 601,063	\$ 458,548	\$ 560,747	\$ 544,181	\$ 712,789	\$ 824,992	\$ 827,683

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Parks	3.47	3.77	4.82	4.82

Engineering

The Engineering Division has one City Engineer and an Engineering Technician. Both employees have their time allocated to other divisions as well as the General Fund. The total FTE for engineering services is 0.90 for these two staff members. The city uses an on-call engineering firm that is partially budgeted in this department.



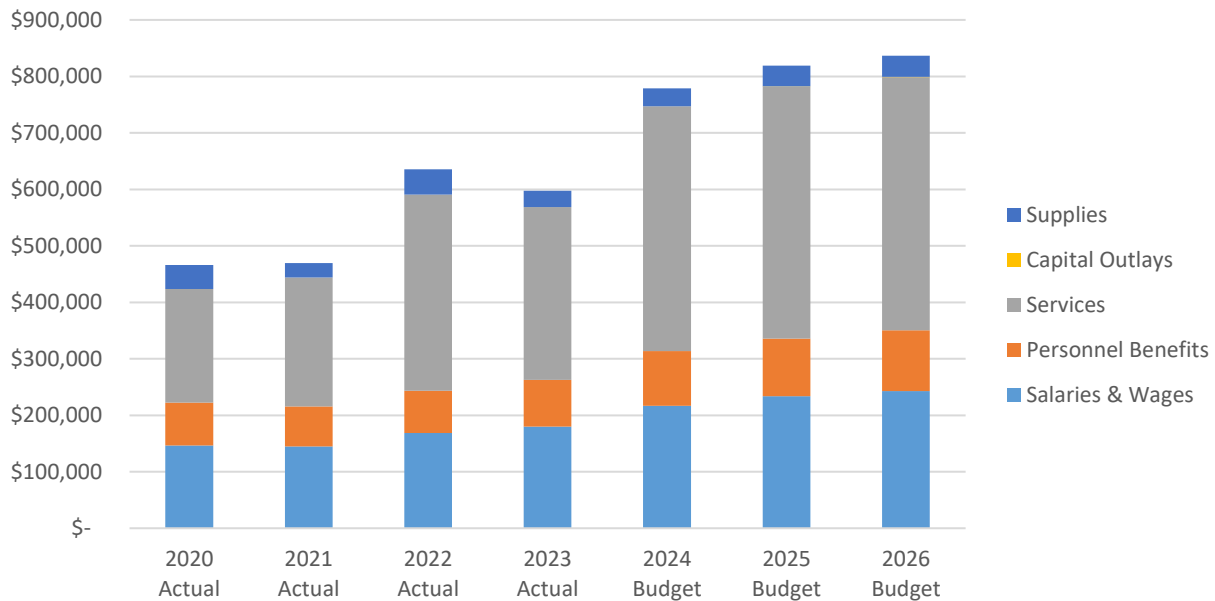
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 70,686	\$ 74,502	\$ 67,899	\$ 69,929	\$ 119,330	\$ 125,350	\$ 129,820
Personnel Benefits	30,427	30,998	26,973	32,242	50,158	50,380	53,030
Services	49,624	51,332	170,494	70,438	61,831	234,082	63,515
Capital Outlays	-	-	-	-	-	900	900
Supplies	680	1,627	7,158	2,865	1,150	1,600	1,600
Total	\$ 151,417	\$ 158,458	\$ 272,524	\$ 175,474	\$ 232,469	\$ 412,312	\$ 248,865

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Engineering	0.85	0.90	0.90	0.90

Facilities

The Facilities Division has a manager who also oversees parks operations and the Stormwater Division, under the guidance of the Public Works Director. There are also support staff who perform the maintenance work of the facilities; however, they split their time with other departments. The total FTE for this department is 2.31 in 2025-2026. This department also pays for the City's security system and contracted custodial service.

Facilities Expense



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 146,291	\$ 144,668	\$ 168,643	\$ 180,210	\$ 217,000	\$ 233,800	\$ 242,800
Personnel Benefits	76,423	70,743	74,550	82,730	96,525	102,235	107,435
Services	200,691	228,698	347,603	305,913	433,532	445,772	448,280
Capital Outlays	-	-	-	-	-	600	600
Supplies	42,904	25,192	44,421	28,918	31,800	36,800	37,550
Total	\$ 466,309	\$ 469,301	\$ 635,218	\$ 597,771	\$ 778,857	\$ 819,207	\$ 836,665

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Facilities	2.01	2.26	2.31	2.31

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Engineering - Capital Projects Managed	Maintain level of capital project management	-	19	25	18	34	36	36
Engineering - Right of Way Permits Processed	N/A	-	-	-	78	80	80	80
Parks - Hours of Park Maintenance Completed	N/A	-	-	6,270	6,167	6,200	6,200	6,200
Facilities - Hours of Maintenance Completed	N/A	-	-	2,234	2,688	2,700	2,700	2,700

Street Fund

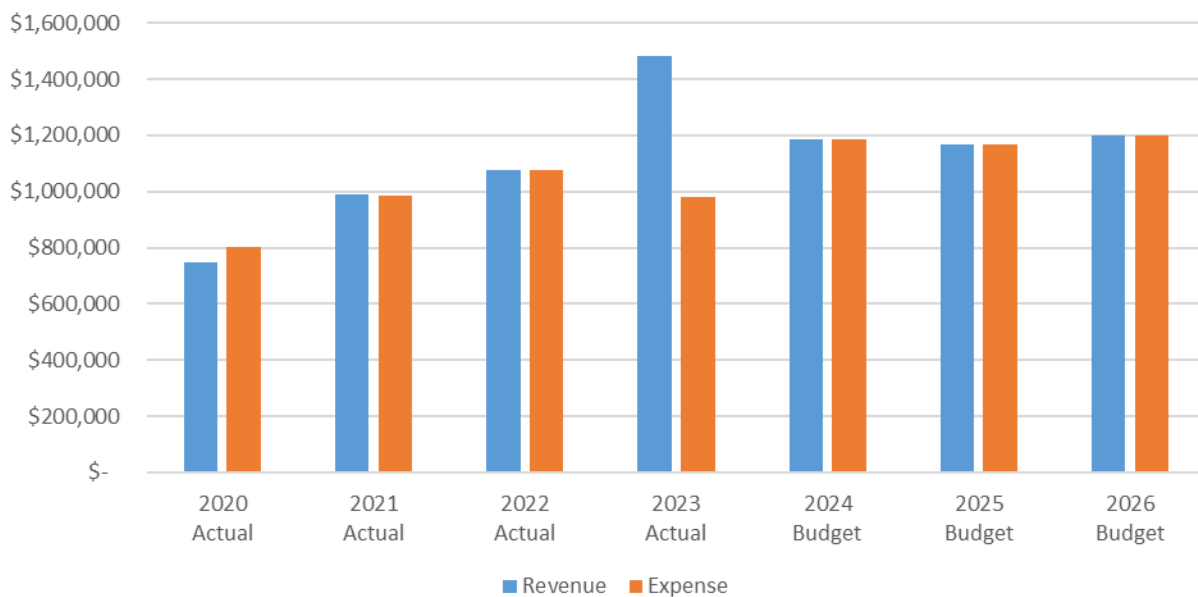
The City's Street Fund preserves and maintains the community's investment in over 134 lane miles of roads, sidewalks, bridges, signs, vegetation, and rights-of-way. Comprised of 4.67 FTEs, this division utilizes seasonal employees to augment its full-time employees, who respond to various emergency situations, including: winter storms, flooding, vehicular accidents, and spills.

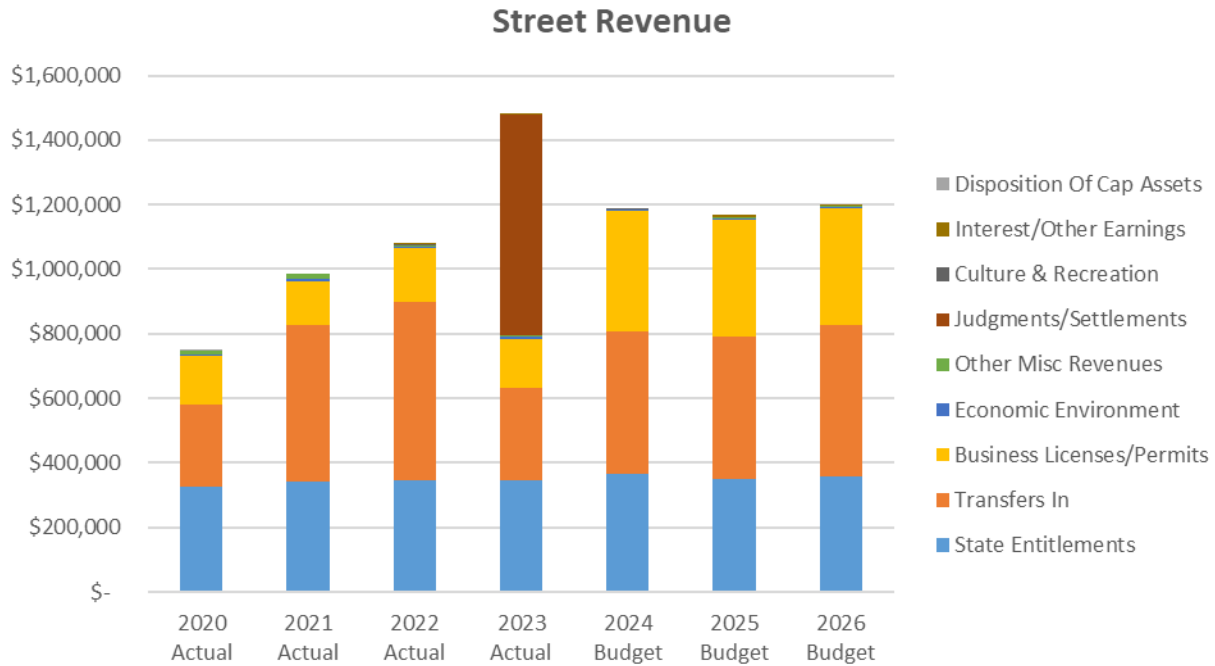
Our Street Division schedules and performs maintenance of streets and street signs. The street crew responds to calls regarding hazardous conditions, damaged or missing street signs, and roadside vegetation.

The Street Division works in conjunction with emergency response agencies during inclement weather to remove snow, ice, and storm debris from the roadways. Snowplow, sanding, and de-icing routes have been pre-planned to facilitate a quick response when necessary.

The pavement management program is separate from this operations and maintenance fund and is operated out of the REET Fund 106.

Street Fund Revenue/Expense History





Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
State Entitlements	\$ 326,432	\$ 341,154	\$ 345,575	\$ 344,696	\$ 365,751	\$ 351,750	\$ 357,450
Transfers In	256,000	484,173	554,000	289,328	440,992	439,787	469,623
Business Licenses/Permits	147,488	137,312	165,974	149,760	373,128	360,000	360,000
Economic Environment	3,950	5,900	5,350	8,750	6,250	6,500	6,500
Other Misc Revenues	12,311	19,042	2,010	1,164	500	1,500	1,500
Judgments/Settlements	-	-	1,497	684,724	-	-	-
Culture & Recreation	163	-	1,270	448	500	750	750
Interest/Other Earnings	1	-	1	4,493	-	7,500	5,000
Disposition Of Cap Assets	2,115	-	-	-	-	-	-
Total	\$ 748,459	\$ 987,582	\$ 1,075,677	\$ 1,483,363	\$ 1,187,121	\$ 1,167,787	\$ 1,200,823

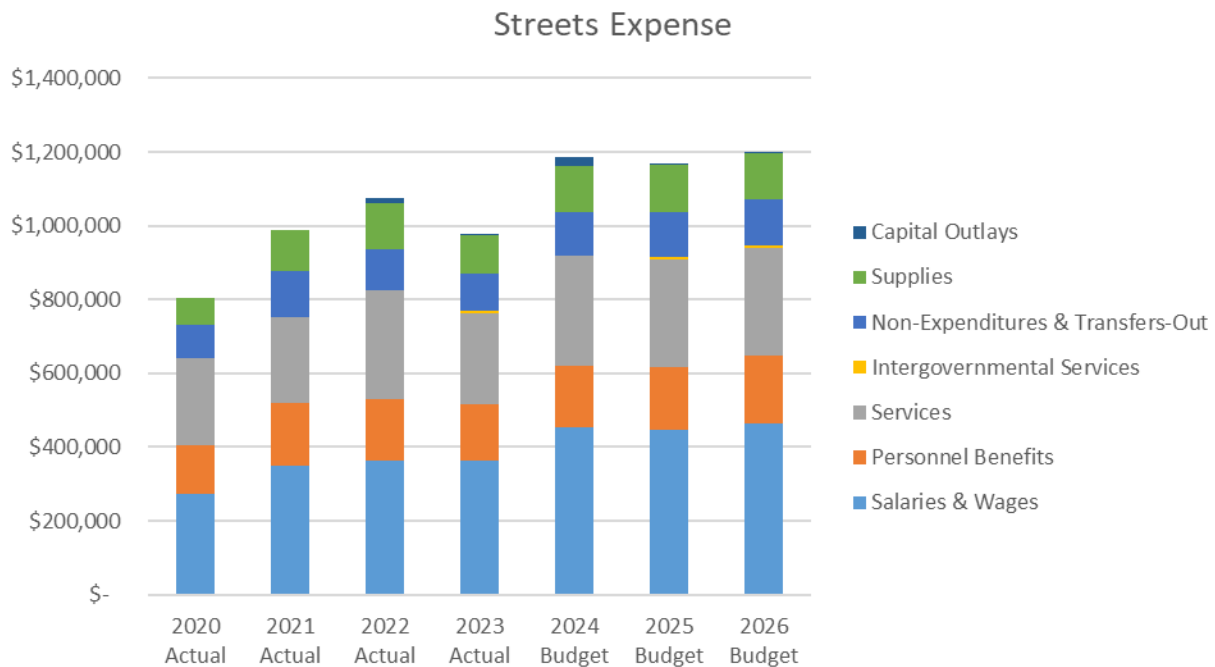
State Entitlements: This is the motor vehicle fuel tax received by the city from the State to be used for city roads.

Business & Occupation Taxes: The fees charged against electric utilities are dedicated to the Street Fund, per the City Code. The tax rate is set by City ordinance to the company operating the utility.

Transfers In: The General Fund subsidizes the operations of the Street Division as other revenues are not sufficient to pay for the operation of this division.

Street Fund Expenditures

The Street Division is managed by the Street Manager who also manages the Storm, Facilities, and Fleet Divisions, under the guidance of the Public Works Director. There are three full-time maintenance employees in this department. In addition, there are other support staff. In the spring, the city hires seasonal workers to help maintain the roadways. Salaries and benefits are the primary expense for this fund. Another primary expense is repairs to the roadways. The city also pays the Clark County Public Utility District for street light repairs. This fund is just the operations and maintenance fund. For 2024, \$25,750 has been budgeted for the acquisition of a chipper. This cost will be shared with the park's operations & maintenance (O&M) department in the general fund and the stormwater fund.



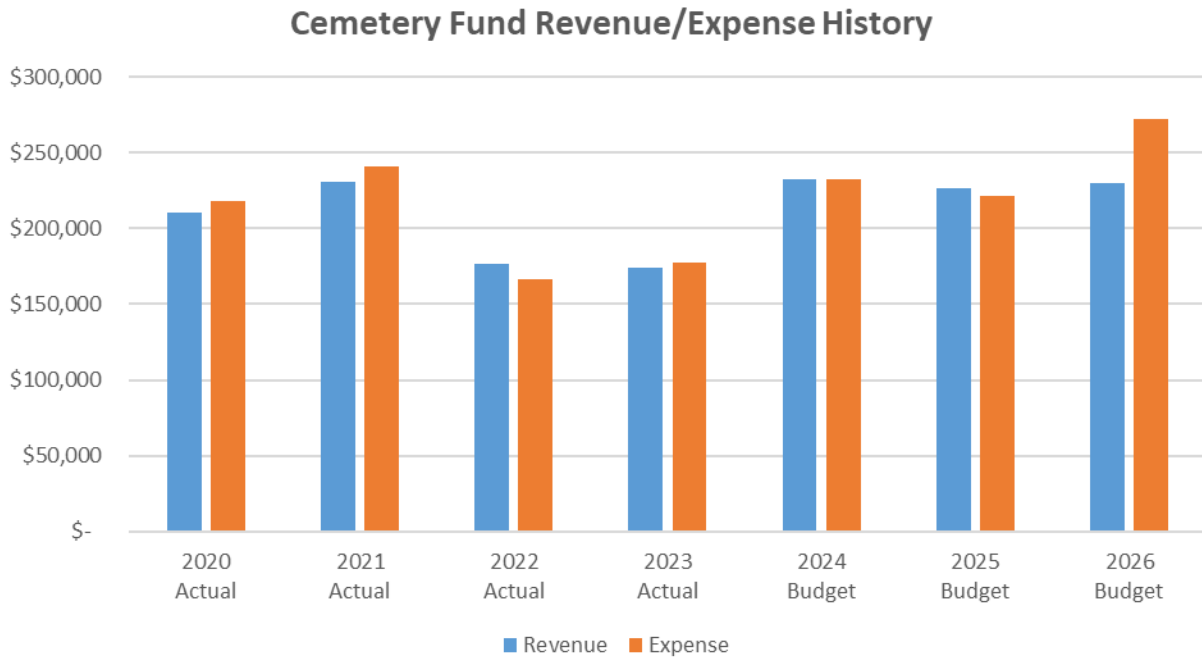
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 272,729	\$ 349,327	\$ 362,882	\$ 364,569	\$ 453,625	\$ 445,425	\$ 465,311
Personnel Benefits	133,609	171,290	165,679	150,643	168,400	171,800	183,200
Services	234,905	231,168	296,311	246,242	298,523	290,182	291,215
Intergovernmental Services	-	-	-	7,360	-	7,500	7,500
Non-Expenditures & Transfers-Out	91,488	125,949	110,372	99,987	114,823	123,380	124,097
Supplies	69,918	109,450	127,063	107,147	126,000	126,000	126,000
Capital Outlays	-	-	13,429	3,478	25,750	3,500	3,500
Total	\$ 802,649	\$ 987,183	\$ 1,075,736	\$ 979,426	\$ 1,187,121	\$ 1,167,787	\$ 1,200,823

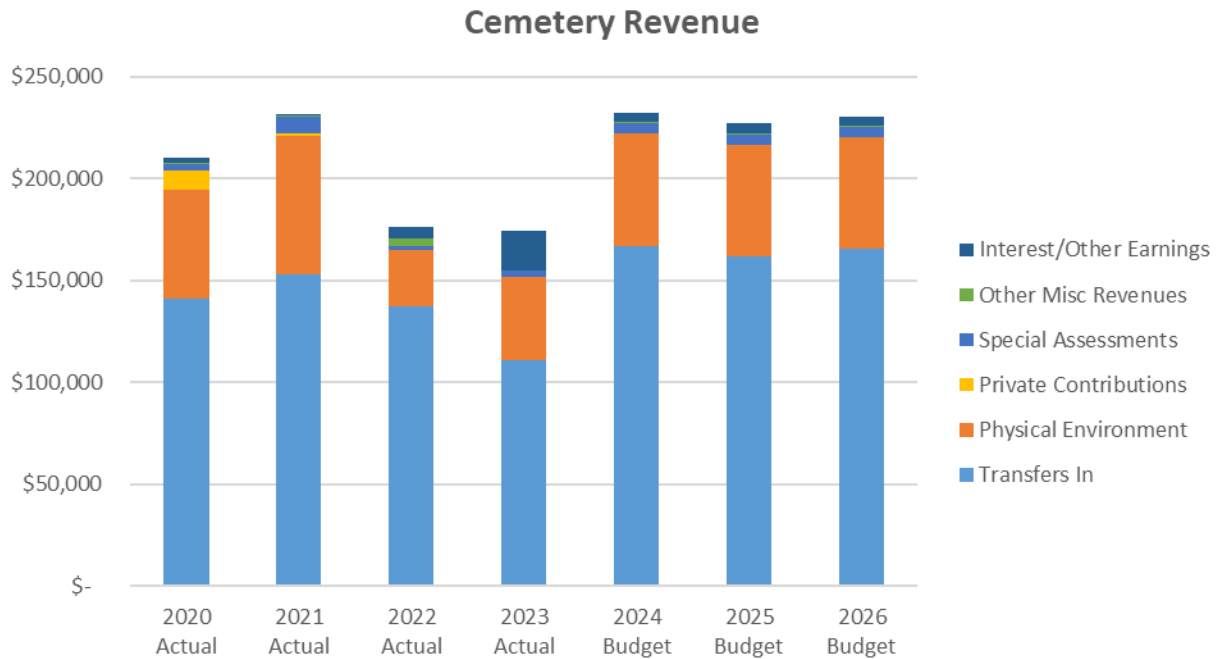
Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Crack Seal (lineal feet)	130,000 lineal feet	-	100,540	153,190	129,633	130,000	130,000	130,000
Chip Seal (square yards)	25,000 square yards	45,168	45,168	67,890	36,777	25,000	25,000	25,000
Grind/Inley (square yards)	11,000 square yards	2,514	3,006	1,726	21,236	11,000	11,000	11,000
Dig-Outs (square yards)	5,000 square yards	-	-	-	433	5,000	5,000	5,000
Slurry Seal (square yards)	15,000 square yards	-	-	54,130	-	16,000	8,000	8,000
Pavement Condition Index (PCI)	Maintain PCI Level	79	79	82	81	81	81	81

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Street	4.25	4.77	4.67	4.67

Cemetery Fund

The City of Washougal operates the Washougal Memorial Cemetery, providing the only public burial ground in Washougal, Washington. The city sells cemetery lots, niche wall spots, cemetery services, markers, and other services for burials. In addition, the city maintains the grounds of the Cemetery.





Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 141,000	\$ 153,000	\$ 137,000	\$ 111,075	\$ 167,000	\$ 161,773	\$ 165,281
Physical Environment	53,540	67,740	28,093	40,826	55,000	55,000	55,000
Private Contributions	9,204	1,681	-	150	-	-	-
Special Assessments	3,320	8,008	1,925	2,565	5,000	5,000	5,000
Other Misc Revenues	368	275	3,590	47	500	500	500
Interest/Other Earnings	2,908	360	5,658	19,795	4,667	4,667	4,667
Total	\$ 210,339	\$ 231,064	\$ 176,266	\$ 174,458	\$ 232,167	\$ 226,940	\$ 230,448

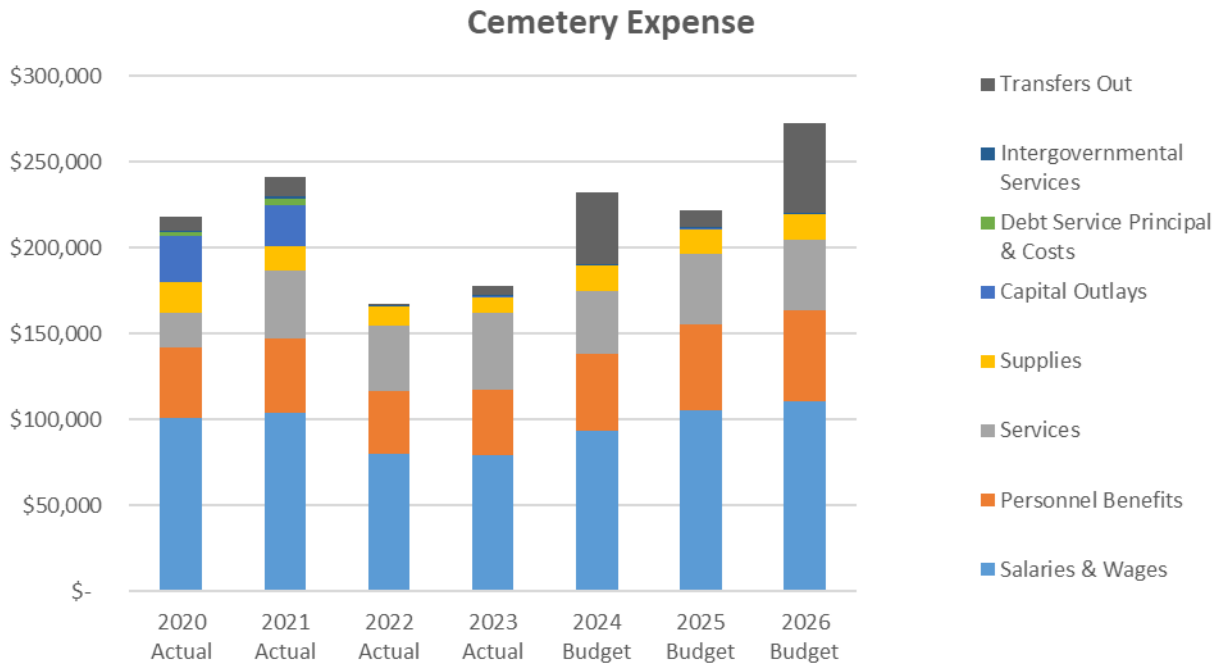
Transfers In: The cemetery fund is supported by the General Fund because Cemetery revenues do not cover all expenses. This is received via this revenue source.

Physical Environment: The Cemetery collects fees for cemetery services including plot sales (65% of the proceeds go to operation of this fund), burials, and niche wall placement.

Special Assessments: The Cemetery sells plots to citizens and a portion of these sales goes towards capital needs of the cemetery at a rate of 10% of the plot sale.

Cemetery Expenditures

In addition to being overseen by the Public Works Director, the Cemetery Fund is managed by the Parks Planning Manager. In 2020, the State Auditor's Office informed the City that the perpetual care funds must be receipted into this fund and then transferred to the Perpetual Care fund. At that time, a line was established to record this transfer. The Cemetery is refining how it operates between staffing and contracting out burials. Staffing levels have increased from 0.82 in 2022 to 1.22 FTE in 2025-2026, resulting in salaries and benefits being the largest expense to this fund.



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 100,527	\$ 103,702	\$ 79,784	\$ 79,128	\$ 93,700	\$ 105,525	\$ 110,900
Personnel Benefits	41,521	43,408	36,514	37,882	44,735	49,550	52,550
Services	19,934	39,362	38,332	44,989	36,482	41,315	41,448
Supplies	17,790	14,292	11,043	9,290	14,500	14,500	14,500
Capital Outlays	27,492	24,435	-	290	-	300	300
Debt Service Principal & Costs	1,823	3,707	-	-	-	-	-
Intergovernmental Services	911	1,258	613	890	750	750	750
Transfers Out	8,453	10,850	450	5,250	42,000	10,000	52,000
Total	\$ 218,451	\$ 241,014	\$ 166,737	\$ 177,719	\$ 232,167	\$ 221,940	\$ 272,448

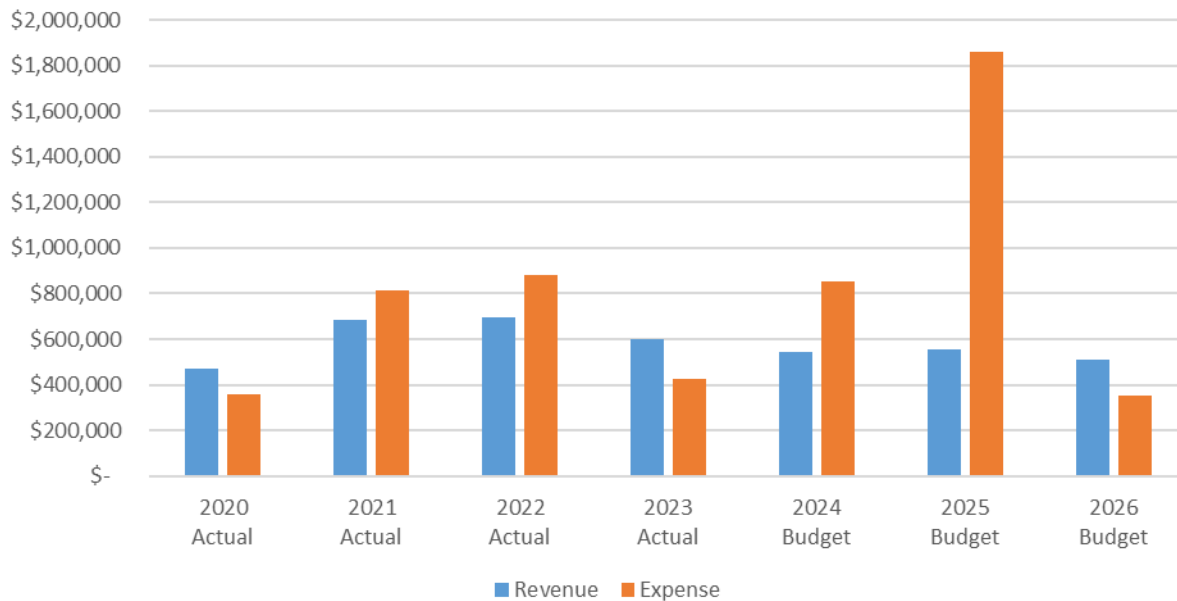
Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Hours of Maintenance Completed	Maintain level of service	-	-	1,197	1,153	1,150	1,150	1,150

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Cemetery	1.02	1.17	1.22	1.22

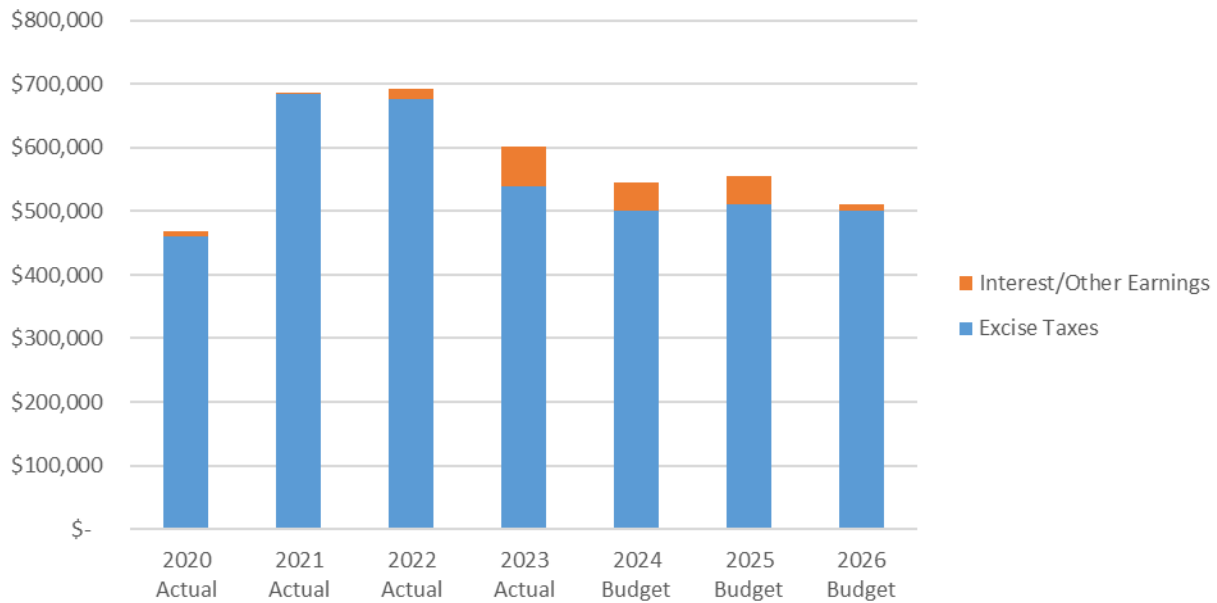
First Quarter Percent REET Fund

The Real Estate Excise Tax (REET) is levied on all sales of real estate. The revenue received is limited by state statute to expenditures for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, sidewalks, parks, trails, and bridges, as specified in a capital facilities plan. These funds are earmarked for future debt payment for the downtown bonds. The first .25 percent of the tax is tracked in this fund as it has different requirements than the second .25 percent, which is tracked in Fund 106.

REET 1 Revenue/Expense History



REET 1 Revenue

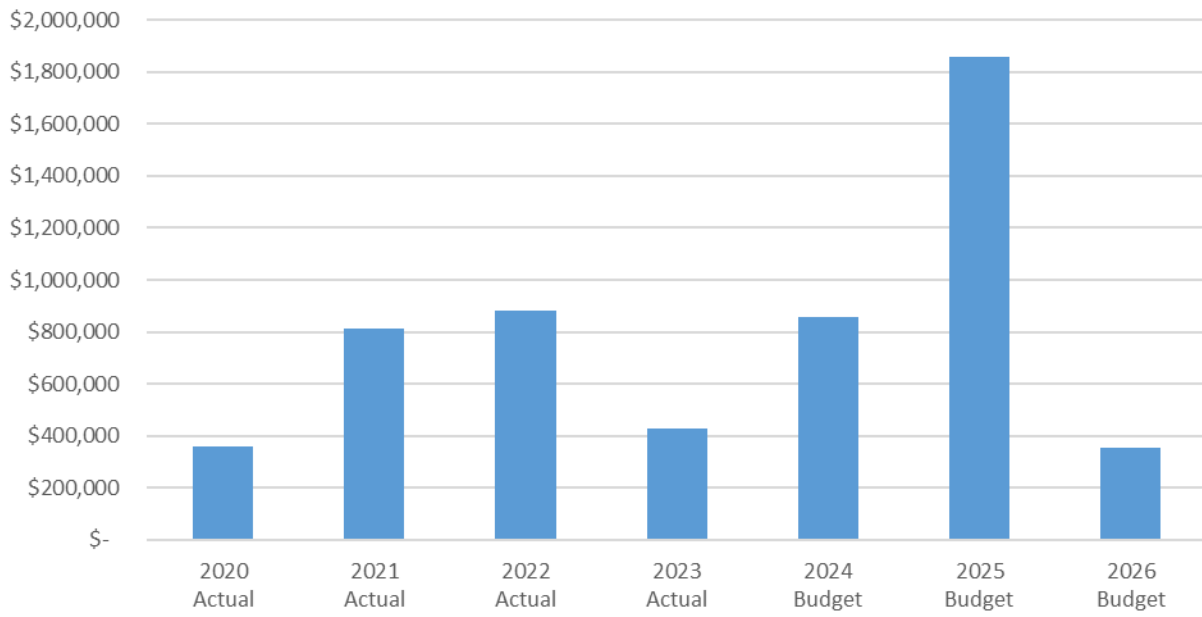


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Excise Taxes	\$ 460,118	\$ 685,247	\$ 676,066	\$ 538,276	\$ 500,000	\$ 510,000	\$ 500,000
Interest/Other Earnings	9,164	1,514	17,540	63,221	44,400	44,800	10,000
Total	\$ 469,282	\$ 686,761	\$ 693,605	\$ 601,497	\$ 544,400	\$ 554,800	\$ 510,000

Excise Taxes: These are the first .25% Real Estate Excise Tax which is an excise tax on sale of real property. Proceeds are to be used solely for financing capital projects specified in a capital facilities plan.

First Quarter Percent REET Fund Expenditures

The proceeds of this fund are used for the payment of the Downtown Improvement Bonds, General Obligation Debt, and capital projects.

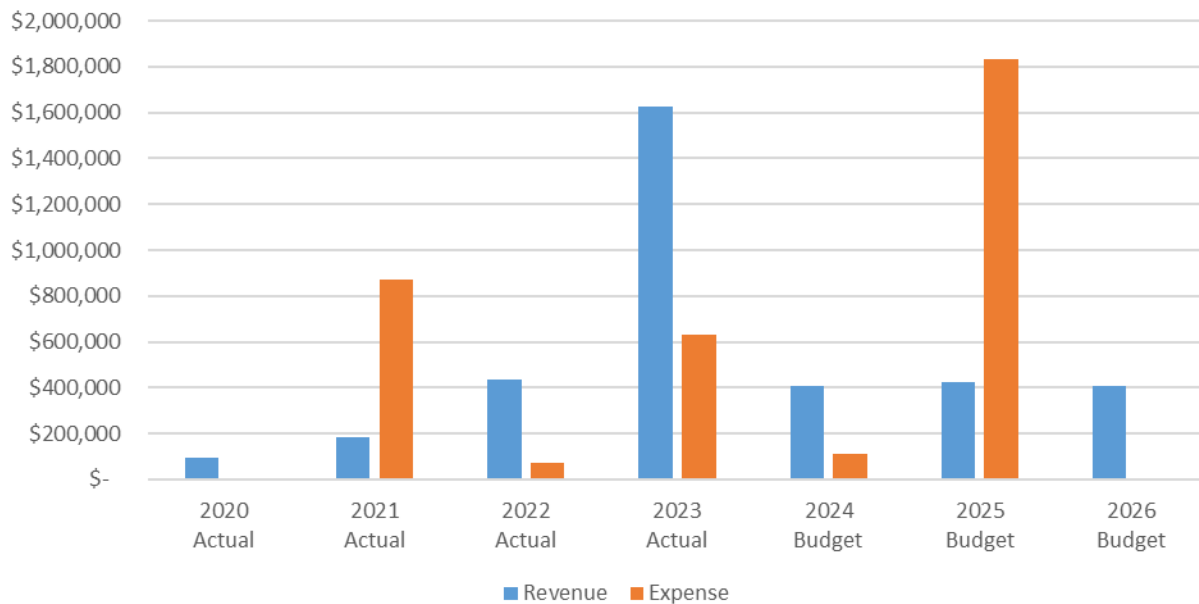
REET 1 Expense

Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ 357,850	\$ 812,932	\$ 882,818	\$ 425,672	\$ 854,400	\$ 1,856,800	\$ 353,600
Total	\$ 357,850	\$ 812,932	\$ 882,818	\$ 425,672	\$ 854,400	\$ 1,856,800	\$ 353,600

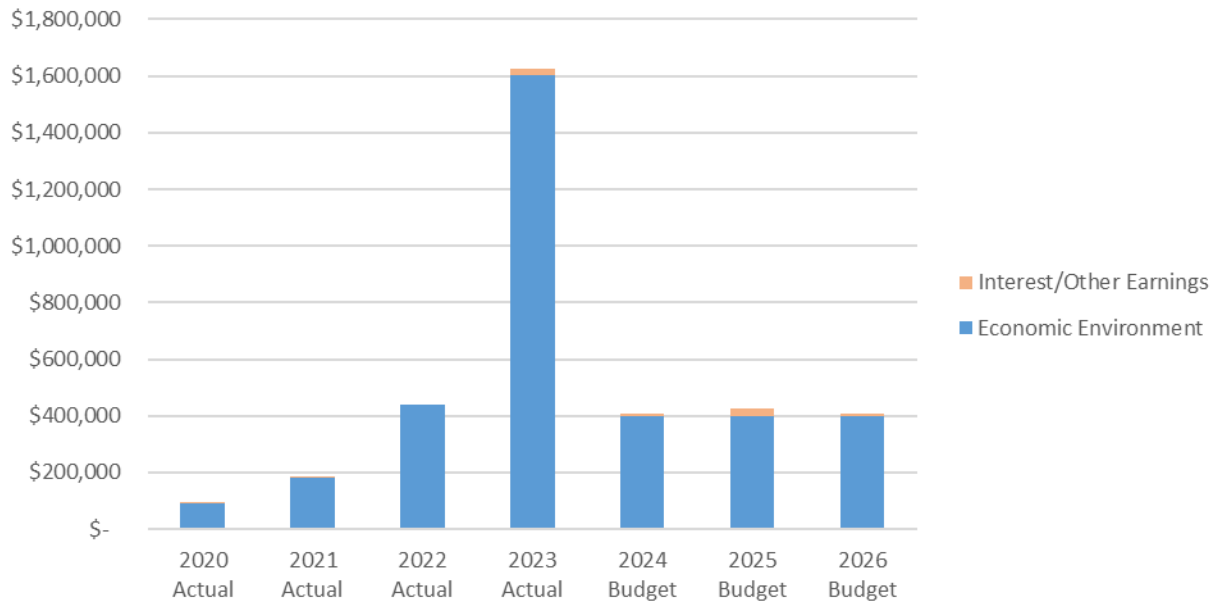
Park Development Fund

Park Impact Fees are collected at the time of building permit issuance and can be used for the acquisition and development of parks, open space, and recreation facilities. This fund tracks those revenues. Operations and maintenance expenses are not allowed. Park Impact Fee revenue also must be spent within a ten-year time from the date they are received. Funds are appropriated for the projects contained in the Parks Capital Facility Plan. All acquisitions require Council approval.

Park Development Fund Revenue/Expense History



Park Development Revenue



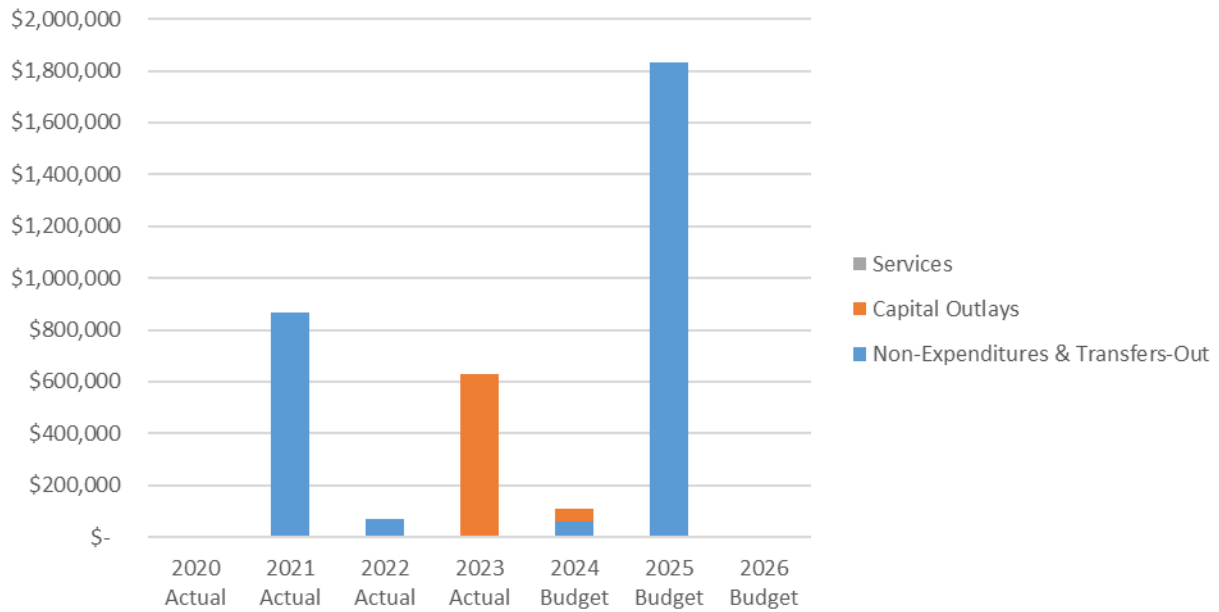
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Economic Environment	\$ 90,240	\$ 183,453	\$ 438,269	\$ 1,601,106	\$ 400,000	\$ 400,000	\$ 400,000
Interest/Other Earnings	3,114	487	-	24,763	10,000	25,000	10,000
Total	\$ 93,354	\$ 183,940	\$ 438,269	\$ 1,625,869	\$ 410,000	\$ 425,000	\$ 410,000

Economic Environment: These are the Park Impact Fees collected on development activity to be used as a part of financing for public parks.

Park Development Expenditures

All expenditures out of this fund are for projects contained in the Parks Capital Facility Plan. In 2016, the City created a Park's Capital Fund, in which all park capital improvement projects are tracked. The Park Impact Fee (PIF) revenue will be transferred into the Park Capital Fund 350 to support PIF eligible projects. The projects for 2025-2026 are discussed in the Parks Capital Fund. This began in 2018, which was a change from previous years where all PIF projects were tracked in this fund.

Park Development Expense

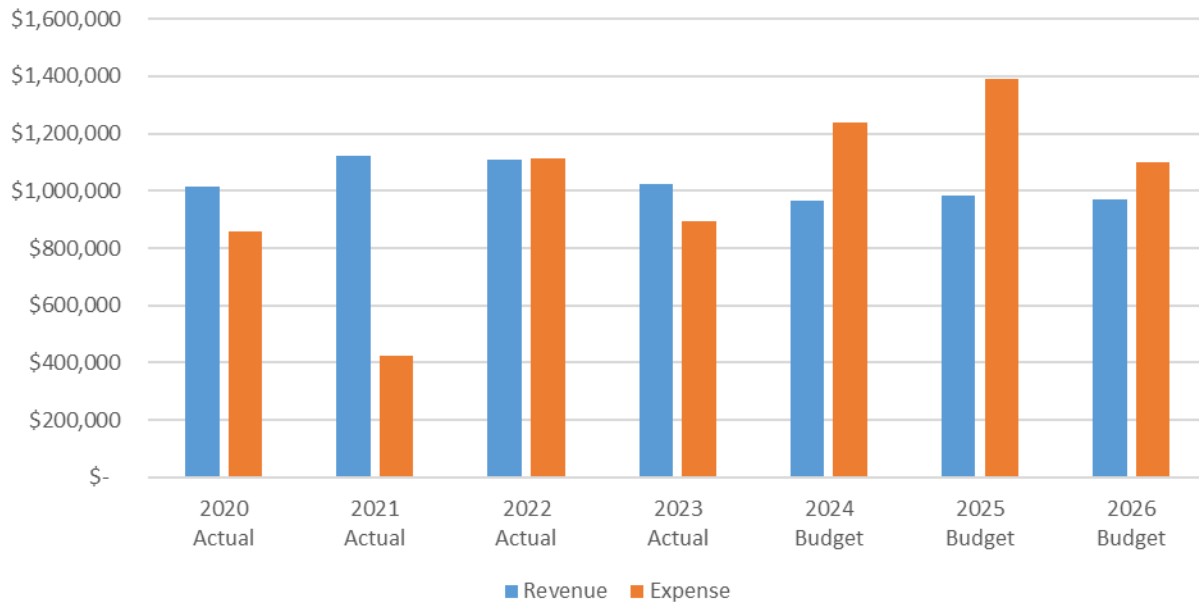


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ -	\$ 869,000	\$ 70,557	\$ 7,000	\$ 60,000	\$ 1,830,000	\$ -
Capital Outlays	-	-	-	622,343	50,000	-	-
Services	3,100	-	-	-	-	-	-
Total	\$ 3,100	\$ 869,000	\$ 70,557	\$ 629,343	\$ 110,000	\$ 1,830,000	\$ -

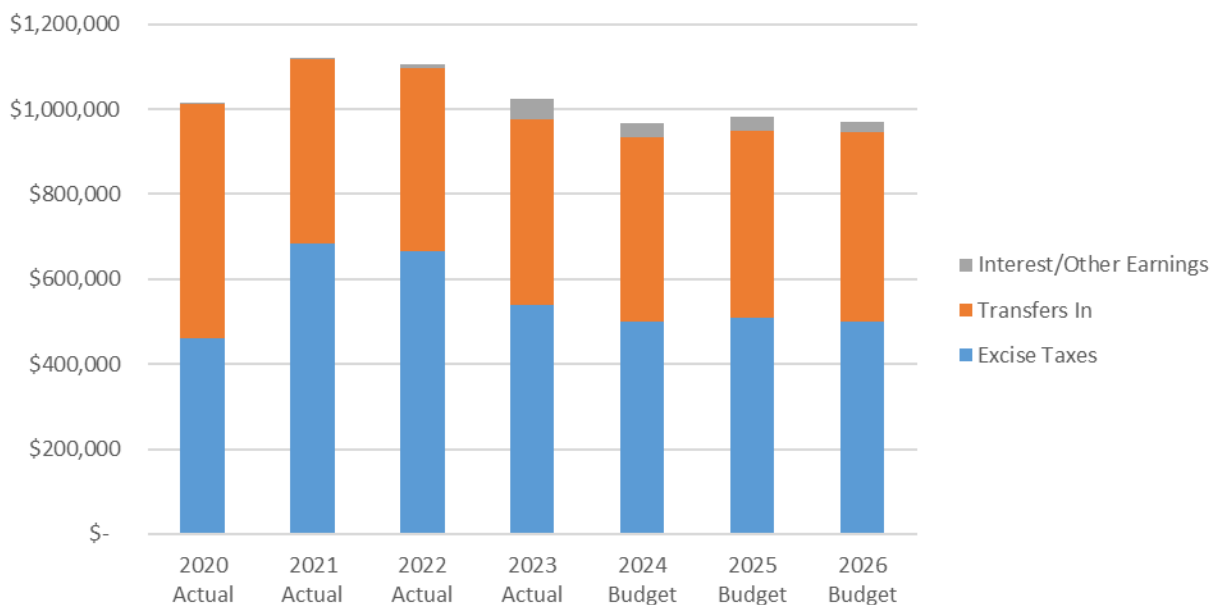
Second Quarter Percent REET Fund

The second quarter percent of Real Estate Excise Tax (REET) may be spent similarly to the first quarter percent of REET, except the planning and acquisition costs are not allowed. The City has historically used this revenue to fund pavement management expenses, which will continue in 2024. In addition, this fund pays debt payments for the downtown bond.

REET 2 Revenue/Expense History



REET 2 Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Excise Taxes	\$ 460,118	\$ 684,247	\$ 665,591	\$ 538,276	\$ 500,000	\$ 510,000	\$ 500,000
Transfers In	552,896	433,394	431,195	438,222	434,000	440,000	445,000
Interest/Other Earnings	1,789	2,317	10,215	48,195	32,000	32,000	25,000
Total	\$ 1,014,803	\$ 1,119,959	\$ 1,107,001	\$ 1,024,693	\$ 966,000	\$ 982,000	\$ 970,000

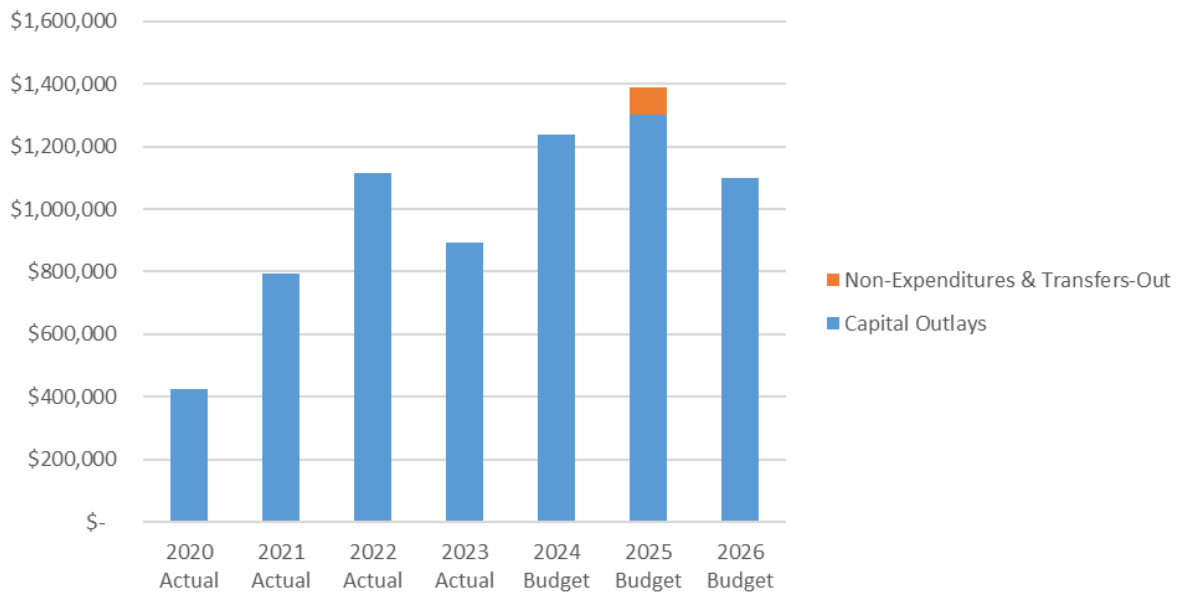
Excise Taxes: These are the second .25% Real Estate Excise Tax which is an excise tax on sale of real property. Proceeds are to be used solely for financing capital projects specified in a capital facilities plan.

Transfers In: Transportation Benefit District (TBD) fees of \$264,000 are receipted in the General Fund and then transferred to this fund. The General Fund also appropriates an additional \$170,000 from non-TBD funds in support of the Pavement Management Program.

Second Quarter Percent REET Fund Expenditures

The primary expenditure for this fund is the Pavement Management Program (PMP). The city increased this line item from \$500,000 in 2016 to \$750,000 in 2017, to \$863,000 in 2019 and \$907,000 starting in 2020, as this is the Council's number one priority. The line item was increased again in 2023 to \$1,000,000, then another \$100,000 in 2024, for a total of \$1,100,000. The 2025 budget also includes a carryover of \$120,000 from the 2023 PMP & 2024 PMP. The PMP includes an array of road treatments, including chip, micro, and slurry seals, as well as grind inlay projects to extend the life of city streets.

Reet 2 Expense



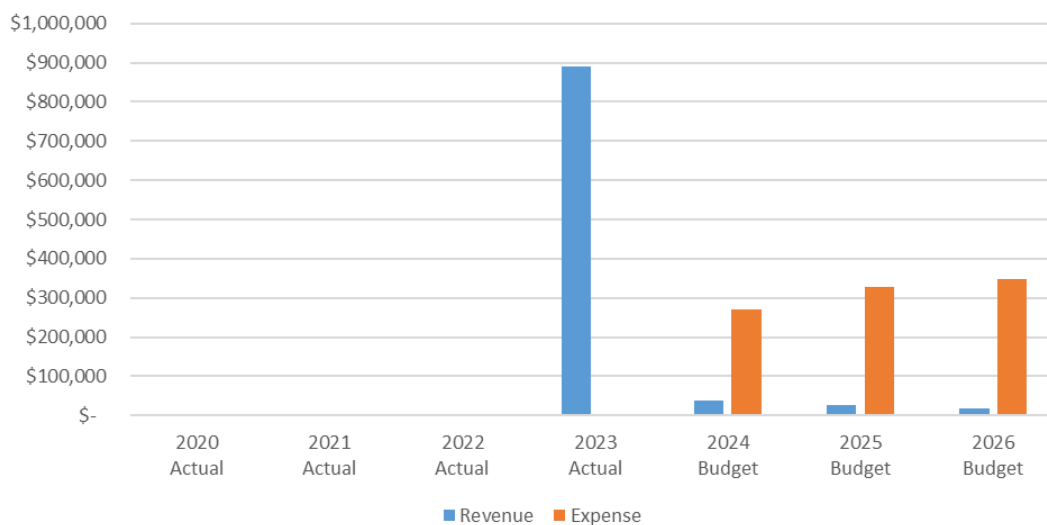
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Capital Outlays	\$ 426,260	\$ 794,141	\$ 1,114,071	\$ 895,104	\$ 1,240,000	\$ 1,300,700	\$ 1,100,000
Non-Expenditures & Transfers-Out	-	-	-	-	-	90,000.00	-
Total	\$ 856,830	\$ 426,260	\$ 1,114,071	\$ 895,104	\$ 1,240,000	\$ 1,390,700	\$ 1,100,000

Strategic Plan Implementation Fund (SPIF)

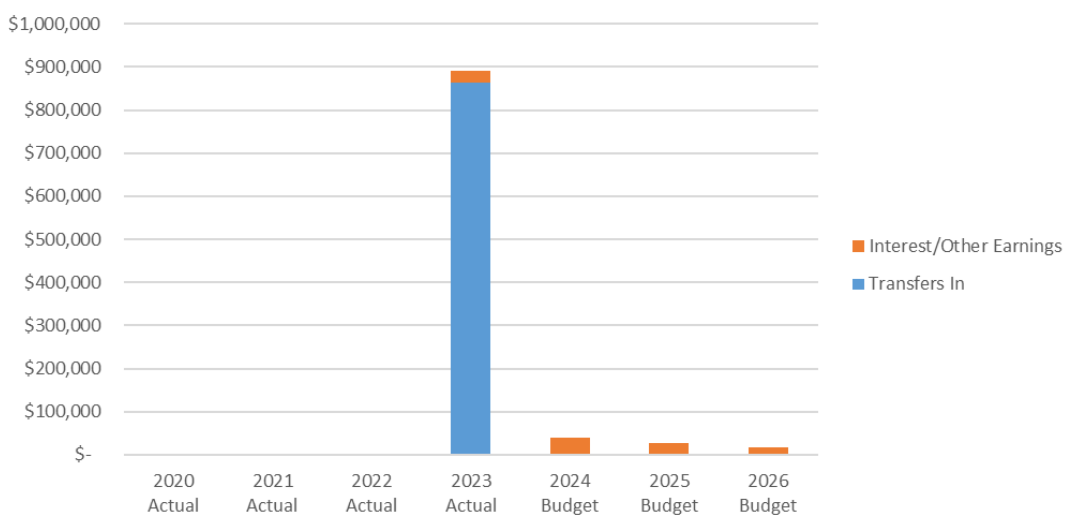
Established in 2023, this fund was set up as a placeholder for investments to facilitate the plan's success. The 2023-2028 City of Washougal Strategic Plan has 5 key strategic priorities: Economic Development and Community Prosperity, Financial Health and Core Services, Vibrant Town Center, "Smart Growth", Redefined Community Identity.

The SPIF's 2025 budget focuses on a number of these priorities by providing the funding mechanism needed for several full-time positions within the organization: a Community Services & Strategy Director, a Community Engagement Program Coordinator, and a limited-term Park Maintenance Worker I. These positions are budgeted within the Community Services & Strategy Department as well as the Parks Department.

Strategic Plan Implementation Fund Revenue/Expense History



Strategic Plan Implementation Fund Revenue

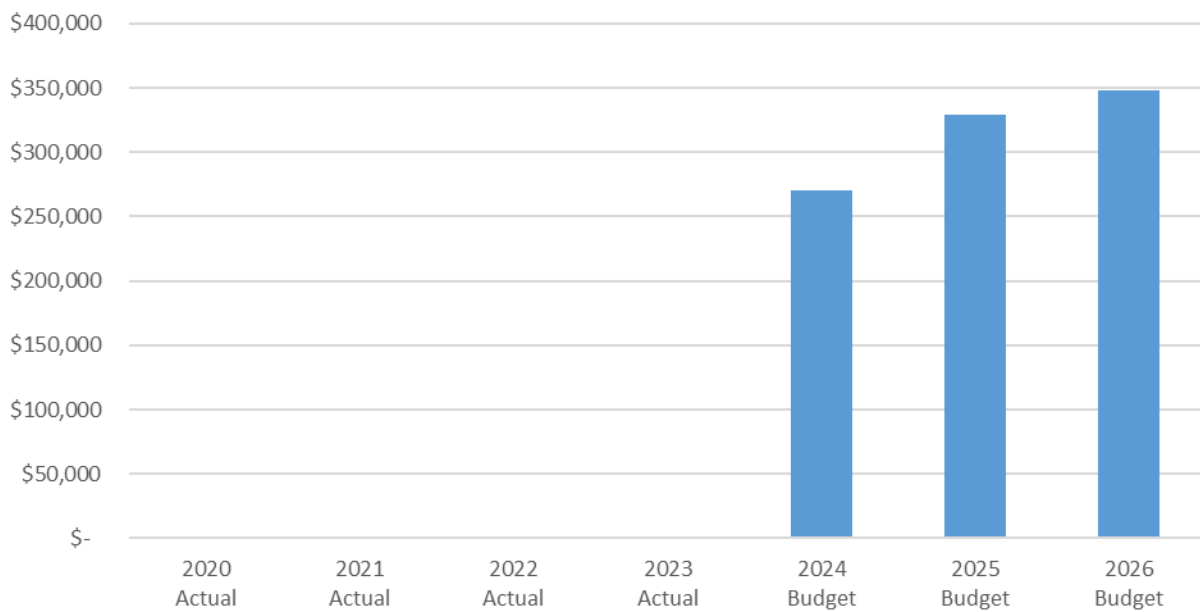


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ -	\$ -	\$ -	\$ 863,500	\$ -	\$ -	\$ -
Interest/Other Earnings	-	-	-	27,334	38,850	27,000	18,000
Total	\$ -	\$ -	\$ -	\$ 890,834	\$ 38,850	\$ 27,000	\$ 18,000

Strategic Plan Implementation Fund Expenditures

The expenditures of this fund are comprised of transfers to other funds to partially offset the costs of implementing the 2023-2028 Strategic Plan.

Strategic Plan Implementation Fund Expense

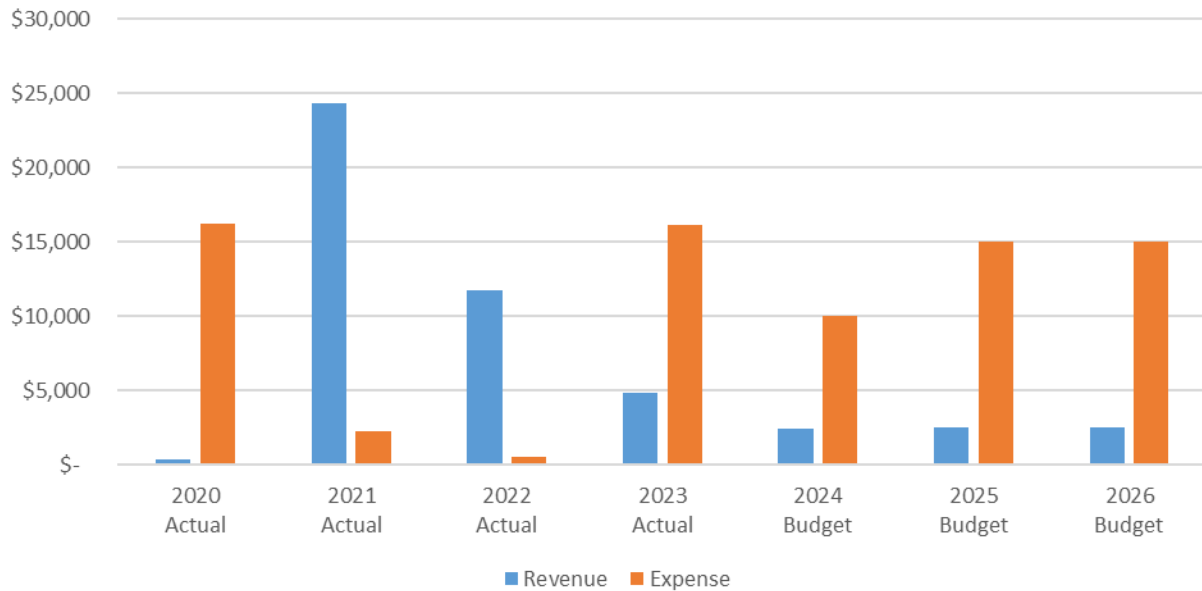


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ -	\$ -	\$ -	\$ -	\$ 270,400	\$ 329,138	\$ 348,346
Total	\$ -	\$ -	\$ -	\$ -	\$ 270,400	\$ 329,138	\$ 348,346

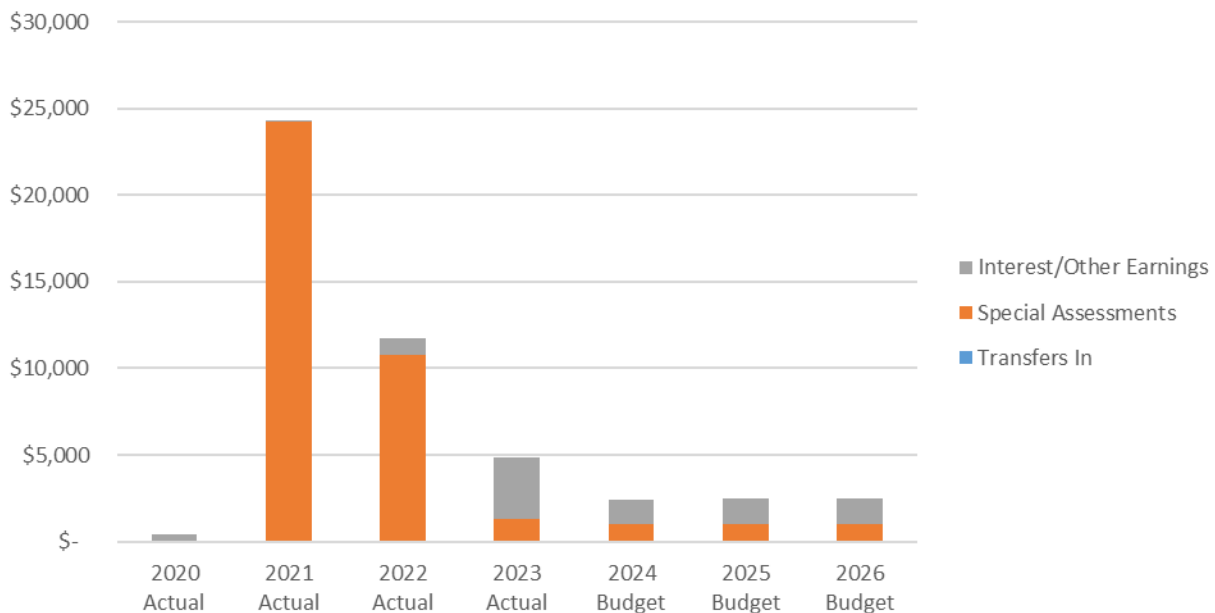
Abatement Fund

Established in 2015, this fund provides for any nuisance property abatements that may be necessary for the City to undertake. Expenditures are proposed in the event abatements are necessary. Costs can be liened against abated properties, generating unknown revenues in the future.

Abatement Fund Revenue/Expense History



Abatement Revenue

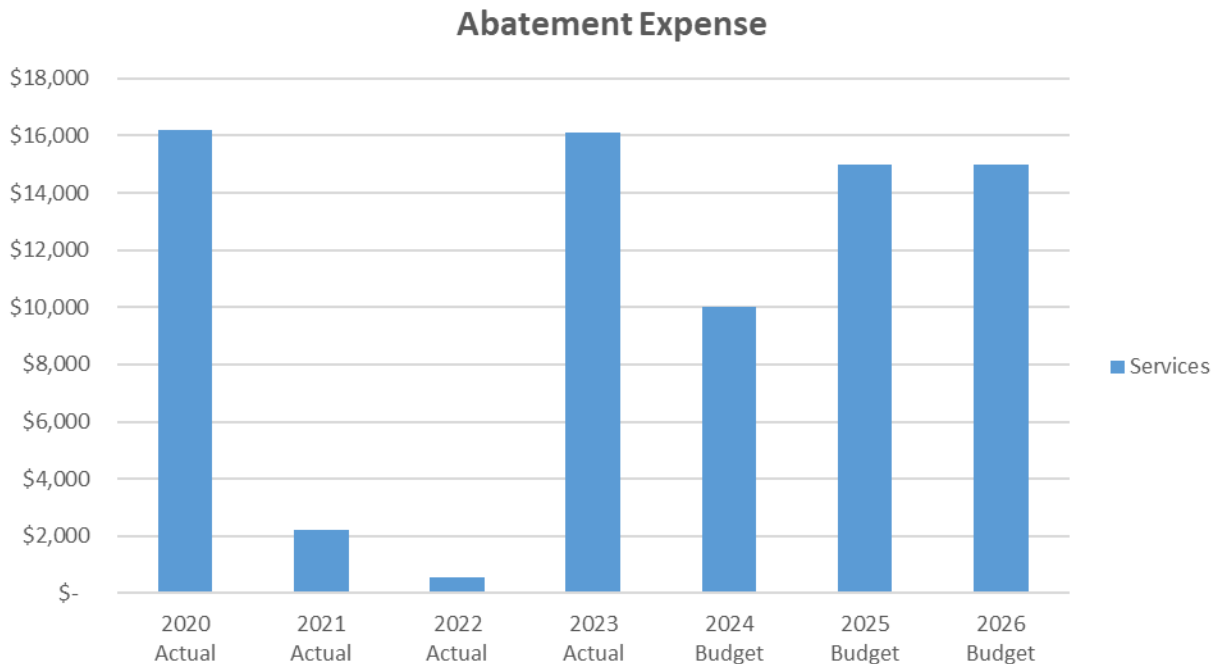


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	24,231	10,758	1,281	1,000	1,000	1,000
Interest/Other Earnings	401	61	964	3,577	1,400	1,500	1,500
Total	\$ 401	\$ 24,293	\$ 11,722	\$ 4,858	\$ 2,400	\$ 2,500	\$ 2,500

Transfers In: Council set this fund up for future abatement issues which may arise. The original set up money came from the General Fund.

Abatement Fund Expenditures

Based on a prior experience with abatement of a property, the City has budgeted for the potential costs of abatement services. Salaries and benefits will only be charged if there is an abatement issue.

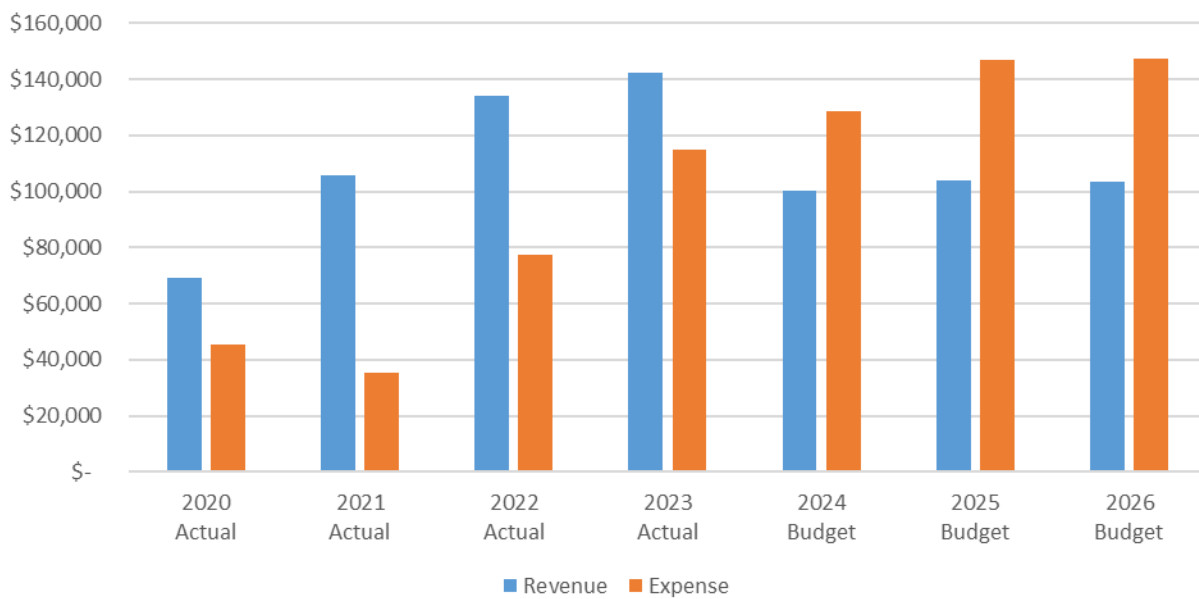


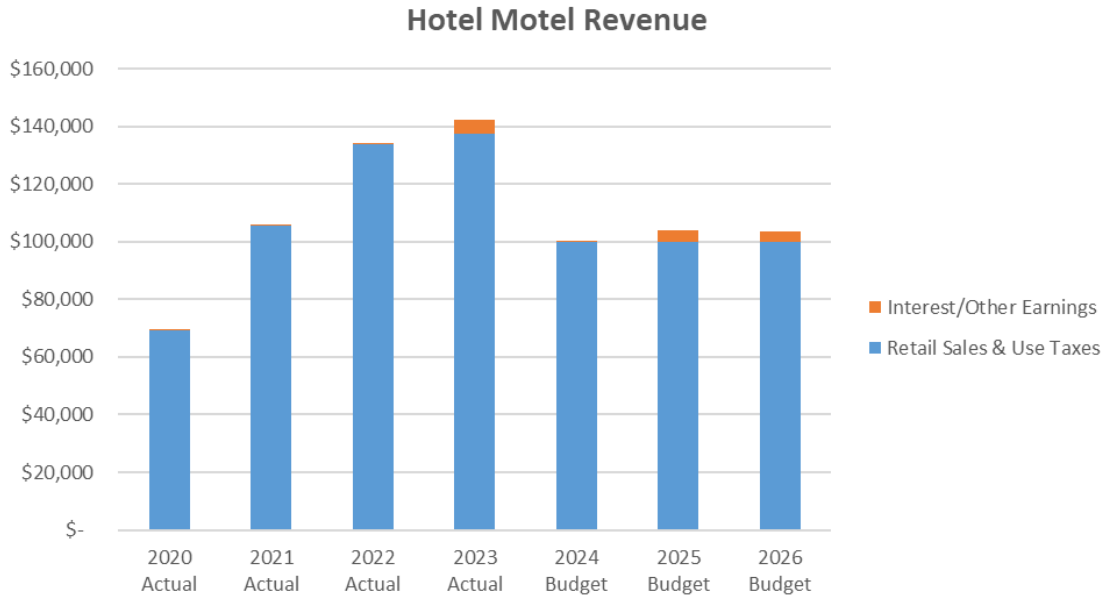
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Services	\$ 16,206	\$ 2,228	\$ 570	\$ 16,130	\$ 10,000	\$ 15,000	\$ 15,000
Total	\$ 16,206	\$ 2,228	\$ 570	\$ 16,130	\$ 10,000	\$ 15,000	\$ 15,000

Hotel Motel Tax Fund

The city receives Hotel/Motel taxes from room stays at local hotels. These funds are restricted by statute to the promotion and operation of tourism, increasing visitors and overnight stays in the City. The city has a Lodging Tax Advisory Committee (LTAC) who approves local applications for event funding, including those of the city. Once the LTAC approves the application, it is then approved through the budget process by the City Council. The council also sets an amount for events that come up throughout the year, which are still subject to review and approval by the LTAC.

Hotel Motel Fund Revenue/Expense History





Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Retail Sales & Use Taxes	\$ 69,099	\$ 105,603	\$ 133,700	\$ 137,435	\$ 100,000	\$ 100,000	\$ 100,000
Interest/Other Earnings	75	13	215	5,018	500	4,000	3,500
Total	\$ 69,174	\$ 105,615	\$ 133,915	\$ 142,453	\$ 100,500	\$ 104,000	\$ 103,500

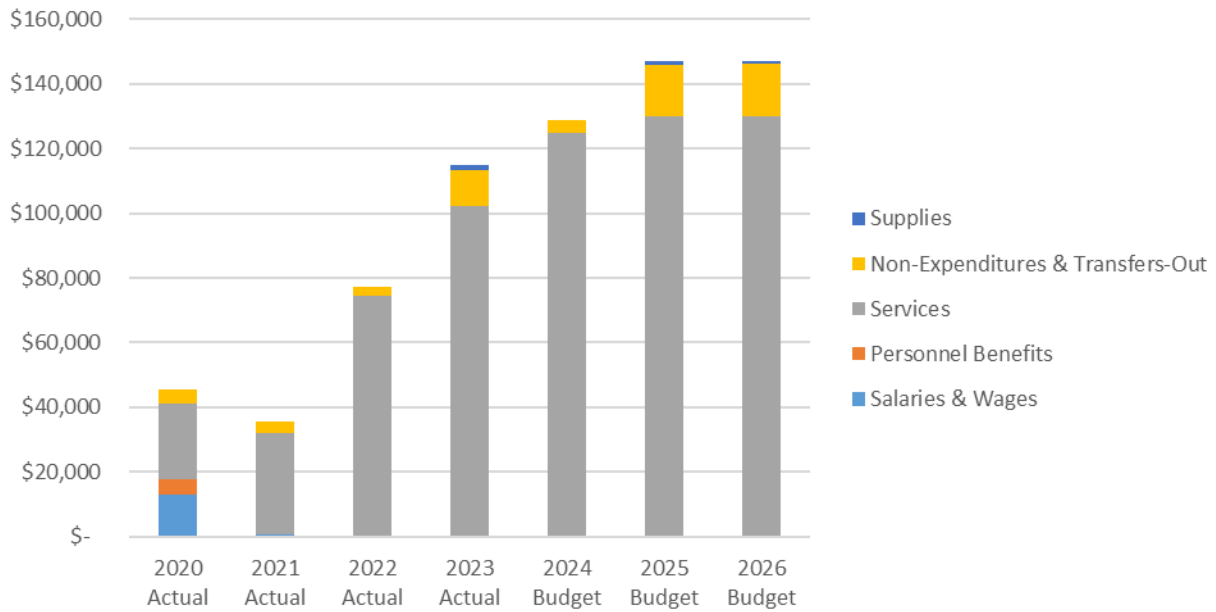
Retail Sales & Use Taxes: These are the Hotel Motel taxes received by the city from local hotels generated based on a tax on room stays. The city has two hotels and several AirBnB's from which they receive this tax.

Hotel Motel Tax Fund Expenditures

Expenditures for this fund are for a tourism consultant (\$18,000) as well as tourism events and promotion of the City. The following events/promotions were approved during the 2025 budget process to promote overnight stays in the city during fiscal year:

Requestor	Event / Promotion	Amount
Washougal Arts and Culture Alliance (WACA)	Art Festival & Music Fair	\$4,500
WACA	Art Map Update	\$2,600
Washougal Studio Artist	Washougal Mother's Day Tour	\$1,200
Reed Creative	Ad Line Up	\$12,231
Reed Creative	Event Calendar Rack Cards	\$2,286
Columbia Gorge Tourism Alliance	Annual Membership	\$2,000
Why Racing Events	Reflection Run	\$13,000
Why Racing Events	Scary Run	\$13,000
Camas-Washougal Historical Society	CW Heritage Museum Advertising and Promotion	\$1,480
Camas-Washougal Historical Society	CW Heritage Museum Walking Map Revision	\$2,400
Other event support as recommended by the LTAC		\$47,303

Hotel Motel Expense

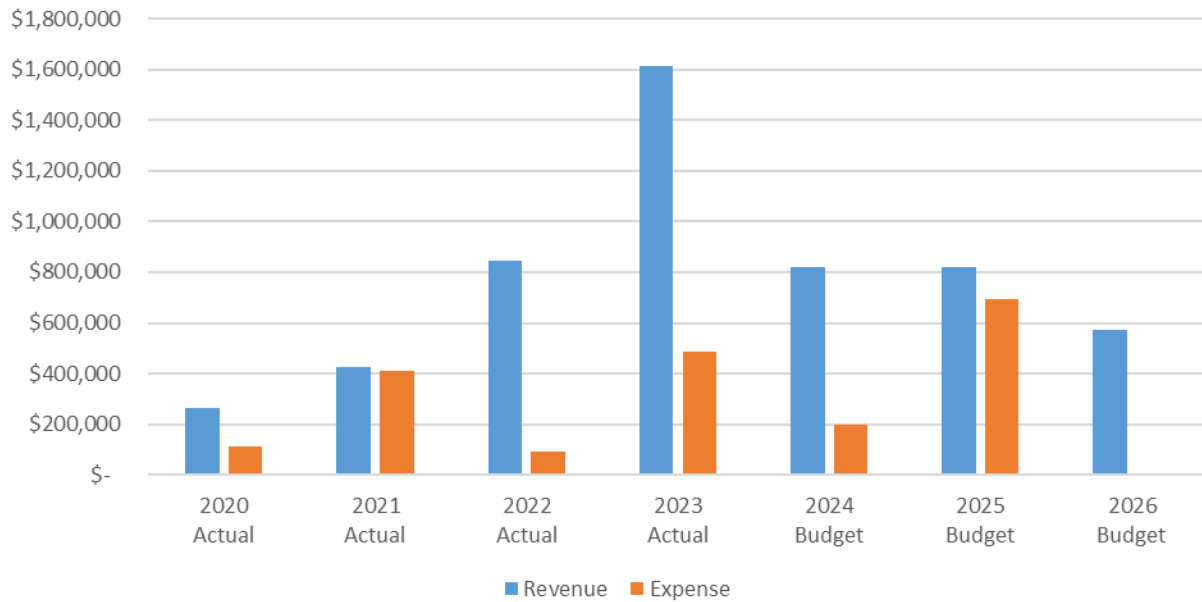


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 13,024	\$ 474	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Benefits	4,646	156	-	-	-	-	-
Services	23,454	31,256	74,477	102,163	125,000	130,000	130,000
Non-Expenditures & Transfers-Out	4,345	3,644	2,881	11,053	3,684	15,998	16,163
Supplies	-	-	-	1,500	-	1,000	1,000
Total	\$ 45,469	\$ 35,530	\$ 77,358	\$ 114,716	\$ 128,684	\$ 146,998	\$ 147,163

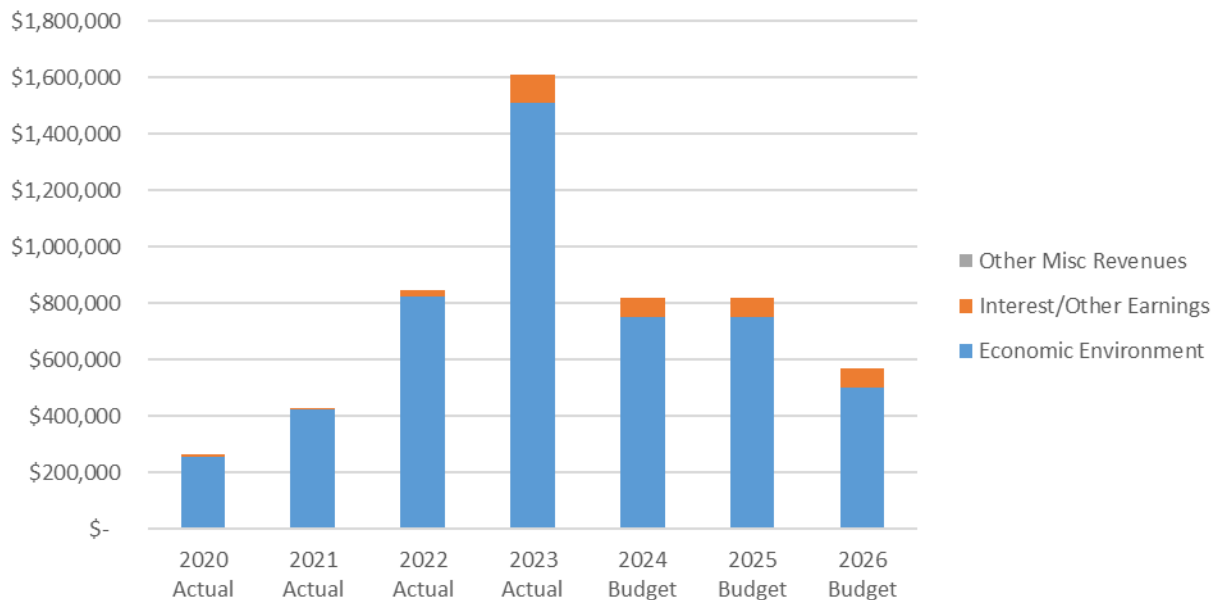
Transportation Development Fund

Traffic Impact Fees (TIF) are collected at the time of building permit issuance and can be used for transportation projects identified in the City's Transportation Capital Facility Plan. Impact fees must be spent within 10 years of their collection. This fund tracks those revenues.

Transportation Development Fund Revenue/Expense History



Transportation Development Fund Revenue



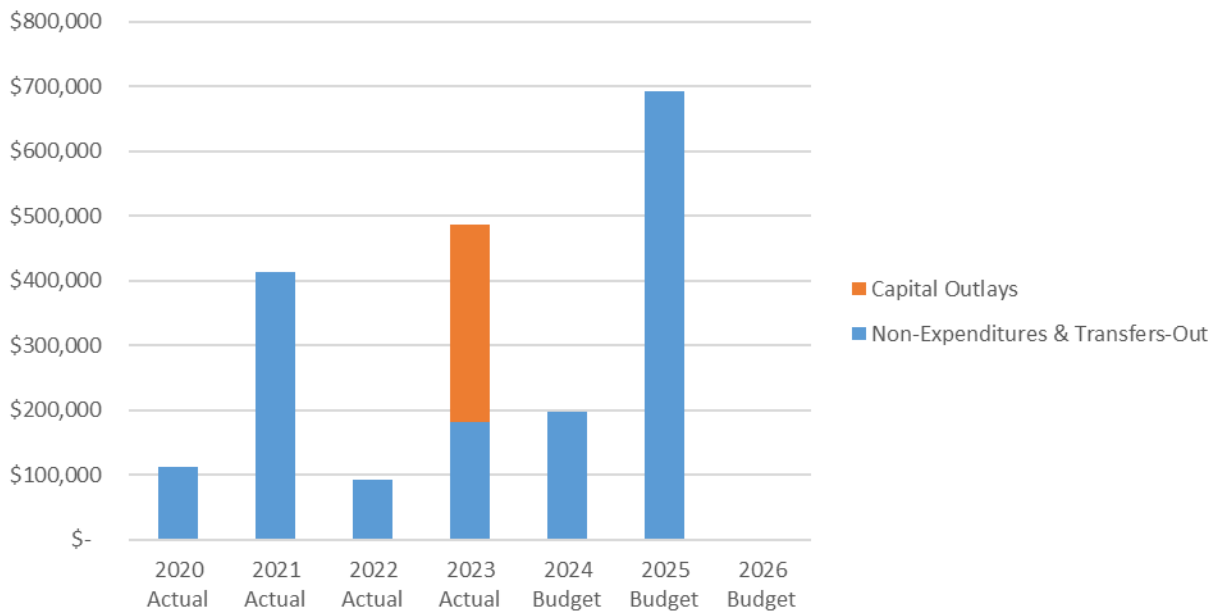
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Economic Environment	\$ 257,272	\$ 424,828	\$ 825,399	\$ 1,509,707	\$ 750,000	\$ 750,000	\$ 500,000
Interest/Other Earnings	\$ 6,668	\$ 1,858	\$ 19,663	\$ 101,028	\$ 70,000	\$ 70,000	\$ 70,000
Other Misc Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 263,940	\$ 426,686	\$ 845,062	\$ 1,610,735	\$ 820,000	\$ 820,000	\$ 570,000

Economic Environment: These are the Transportation Impact Fees collected on development activity to be used as a part of financing for public roads.

Transportation Development Fund Expenditures

The revenues from this fund are used to pay for Capital Transportation Projects which are tracked out of the Transportation Capital Fund 353. The funds are transferred from this fund as a city match to grant proceeds received during the year to improve roadways, sidewalks, and transportation in the City.

Transportation Development Fund Expense

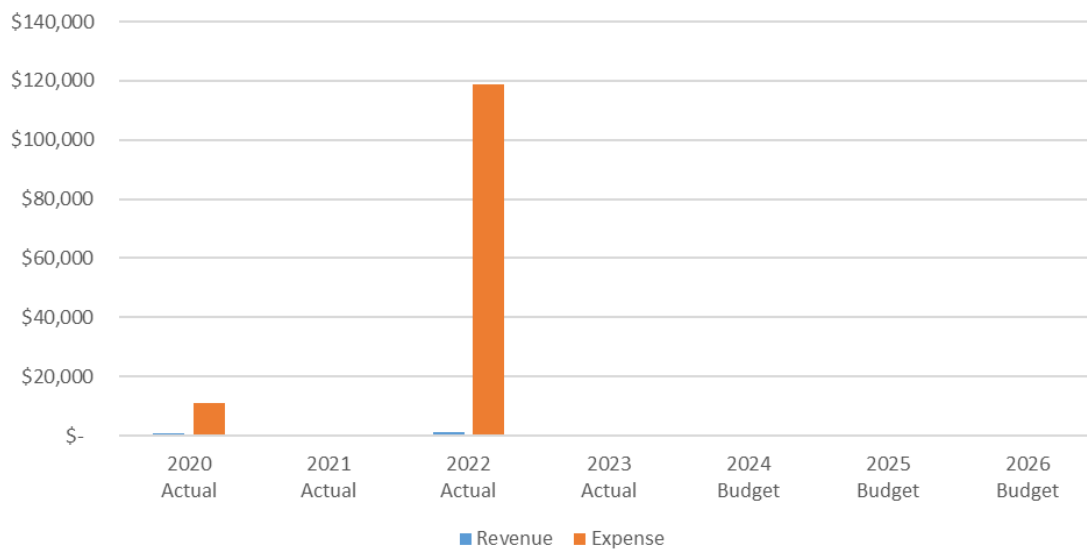


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ 112,759	\$ 413,218	\$ 91,932	\$ 180,616	\$ 197,150	\$ 692,000	\$ -
Capital Outlays	-	-	-	306,457	-	-	-
Total	\$ 112,759	\$ 413,218	\$ 91,932	\$ 487,073	\$ 197,150	\$ 692,000	\$ -

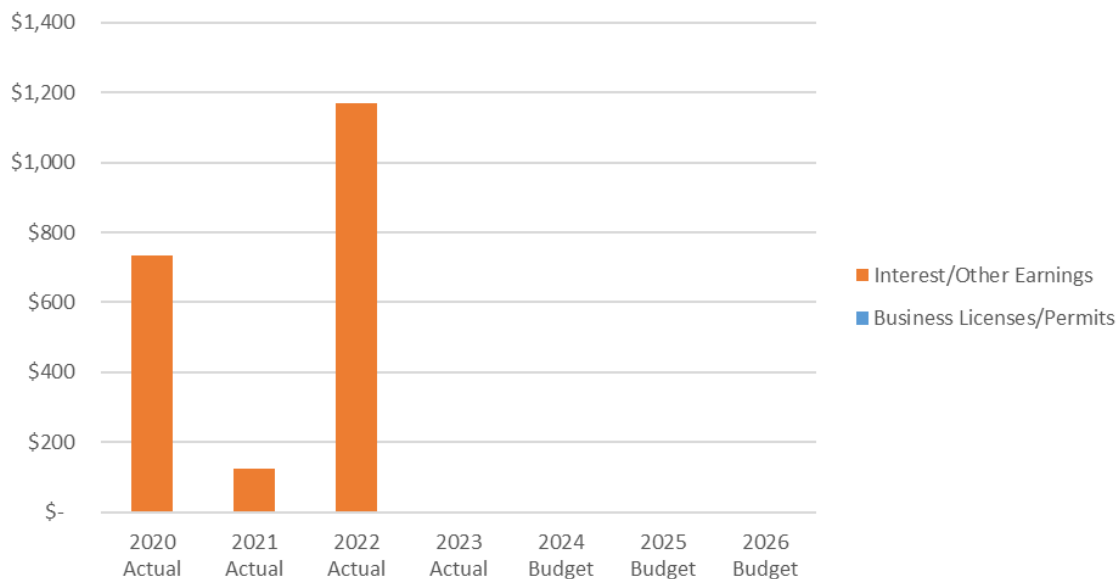
PEG Fee Fund

Public, Educational, and Governmental Access Channels fees are collected from cable subscribers by the cable company and can be used for informational and educational purposes on government and public access channels. Due to the limits on what the funds can be spent for, we are no longer collecting the fee and the fund balance was used to replace capital equipment when it depreciated. The city will reinstate the fee when necessary to ensure recording equipment can be replaced in the future when necessary. The City is not expecting any activity in this fund for 2025-2026.

PEG Fee Fund Revenue/Expense History



PEG Fee Revenue

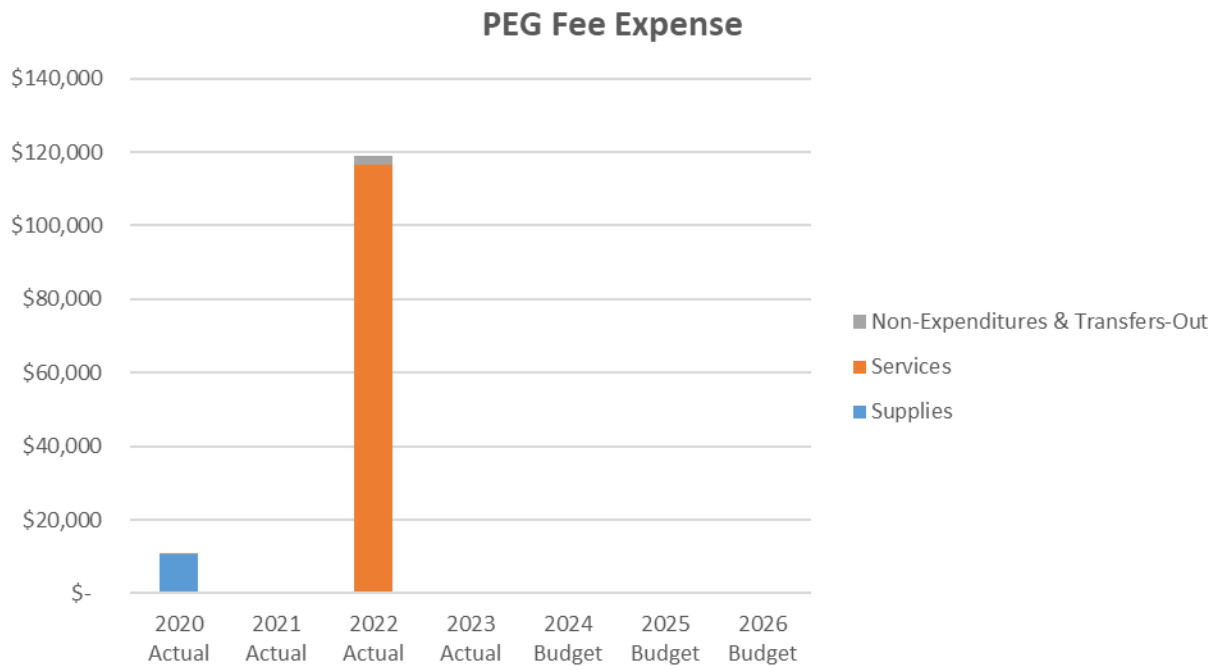


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Business Licenses/Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Other Earnings	733	124	1,170	-	-	-	-
Total	\$ 733	\$ 124	\$ 1,170	\$ -	\$ -	\$ -	\$ -

PEG Fee: Fees collected from cable subscribers for use in broadcasting government on local access channels.

PEG Fee Fund Expenditures

The primary expenditure for this fund is video server maintenance. In 2022, the city upgraded all the production equipment in the Council Chambers. No expenses are expected for 2025-2026.

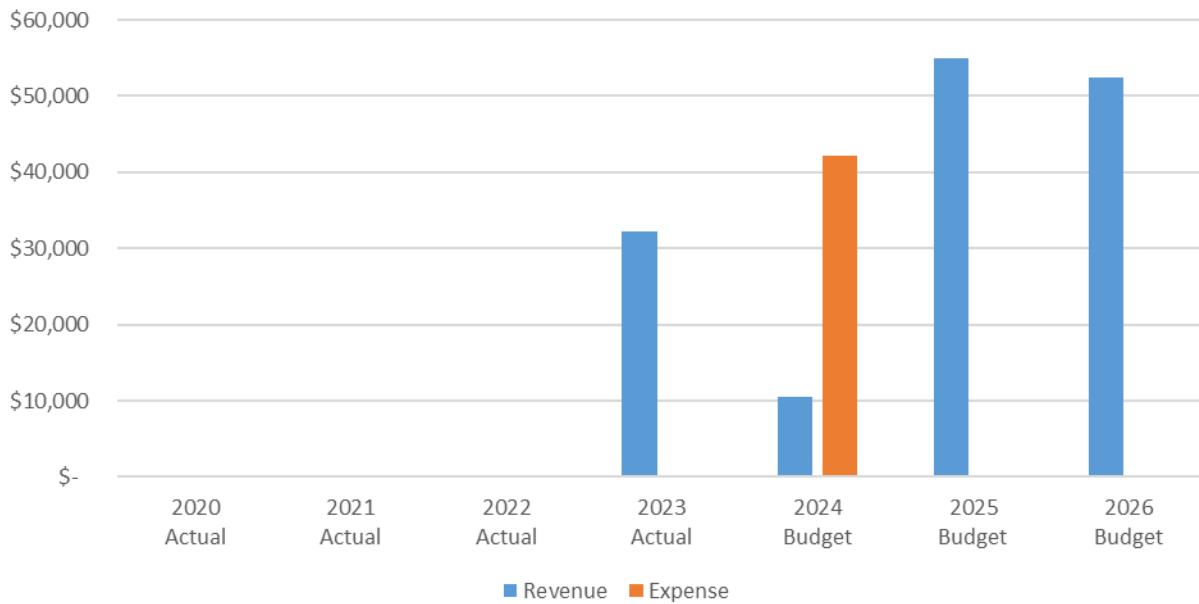


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Supplies	\$ 10,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services	-	-	116,533	-	-	-	-
Non-Expenditures & Transfers-Out	463	-	2,365	-	-	-	-
Total	\$ 10,967	\$ -	\$ 118,897	\$ -	\$ -	\$ -	\$ -

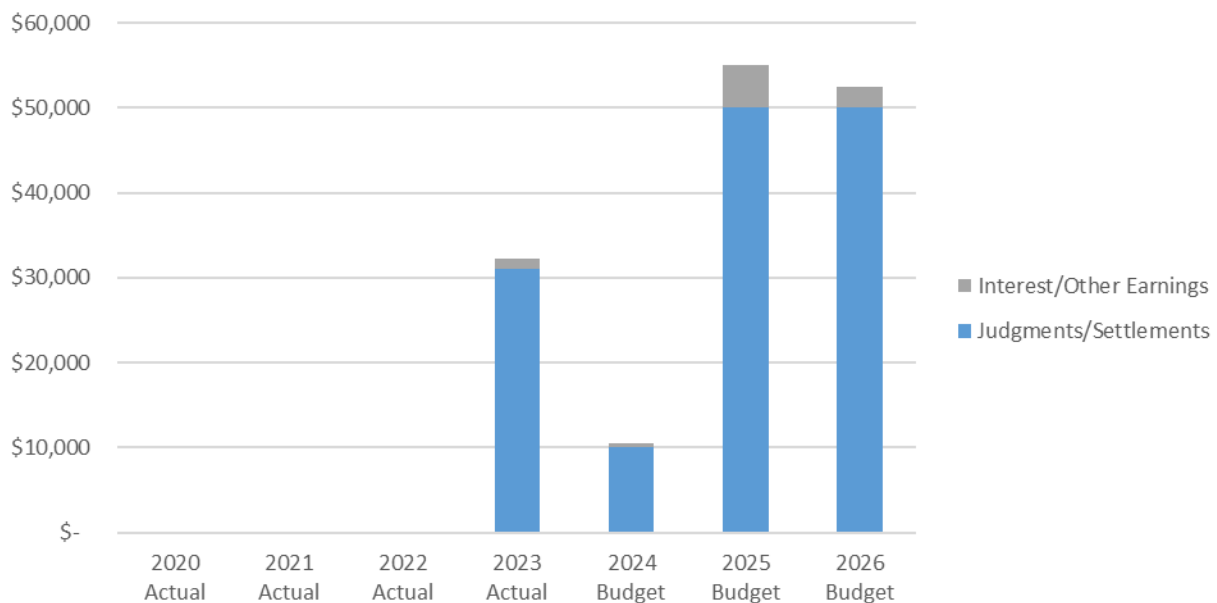
National Opioid Settlements Fund

This fund was established in 2023 to track restricted revenues received under a resolution with three opioid manufacturing companies found responsible for fueling the opioid epidemic.

National Opioid Settlements Fund Revenue/Expense History



National Opioid Settlements Fund Revenue

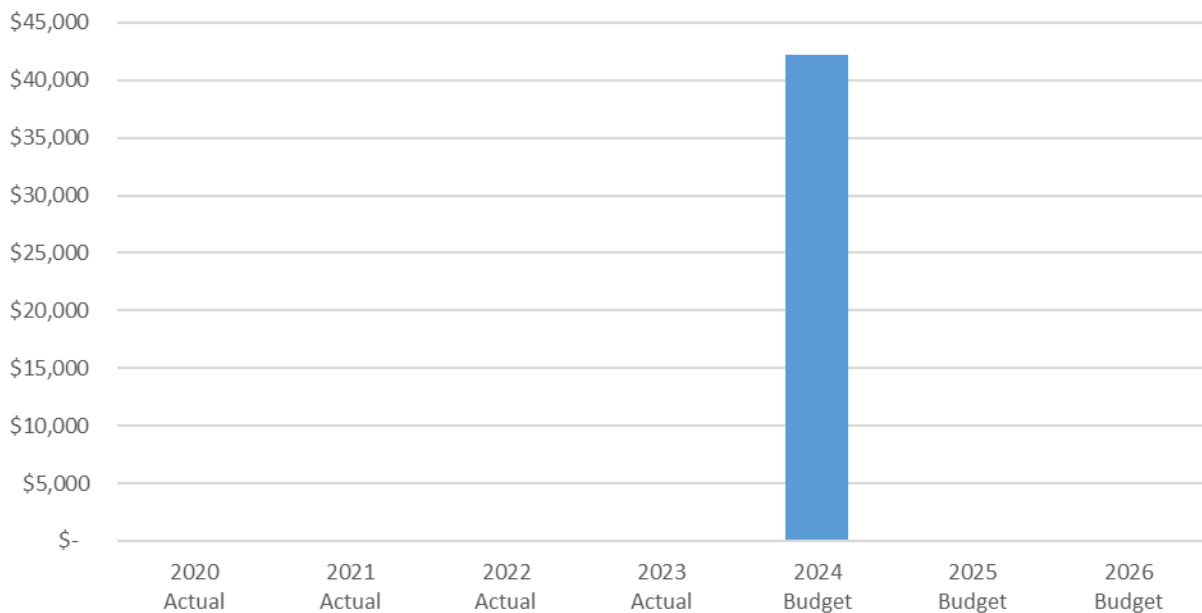


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Judgments/Settlements	\$ -	\$ -	\$ -	\$ 30,999	\$ 10,000	\$ 50,000	\$ 50,000
Interest/Other Earnings	-	-	-	1,306	500	5,000	2,500
Total	\$ -	\$ -	\$ -	\$ 32,305	\$ 10,500	\$ 55,000	\$ 52,500

National Opioid Settlements Fund Expenditures

The fund balance and any revenue received throughout the budget year will be expended in line with the Washington Opioid and Overdose Response Plan. Such expenditures include, but are not limited to, improving, and expanding treatment for opioid use disorder, supporting individuals in treatment and recovery, addressing the needs of pregnant women and their families, education, and training to prevent opioid misuse, overprescribing and overdoses, and supporting first responders.

National Opioid Settlements Fund Expense

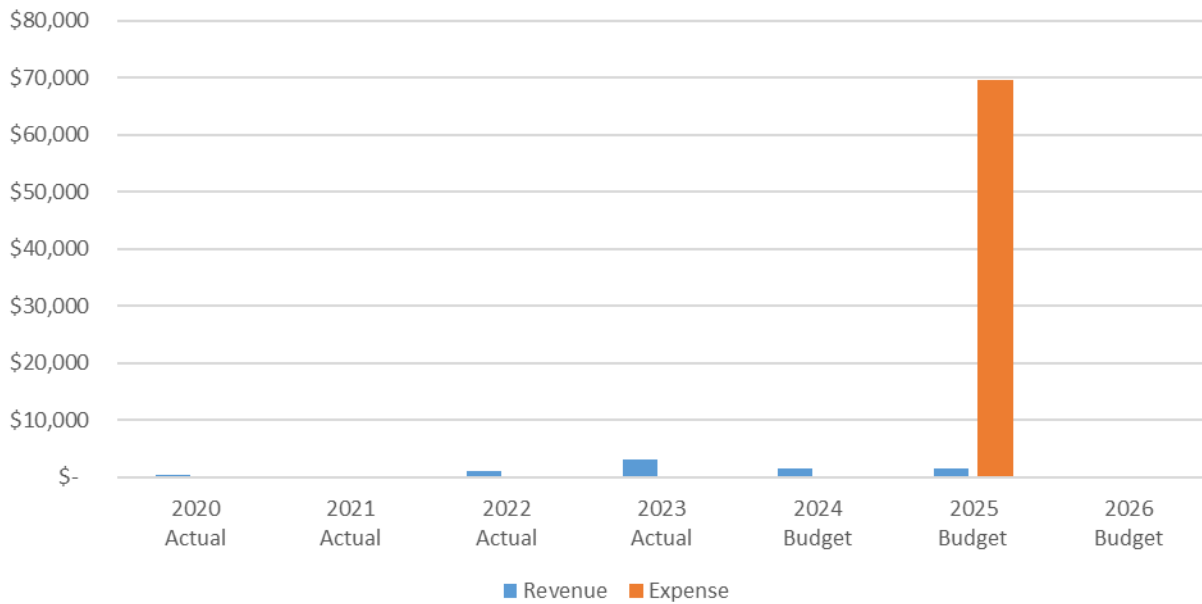


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Intergovernmental Services	\$ -	\$ -	\$ -	\$ -	\$ 42,200	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ 42,200	\$ -	\$ -

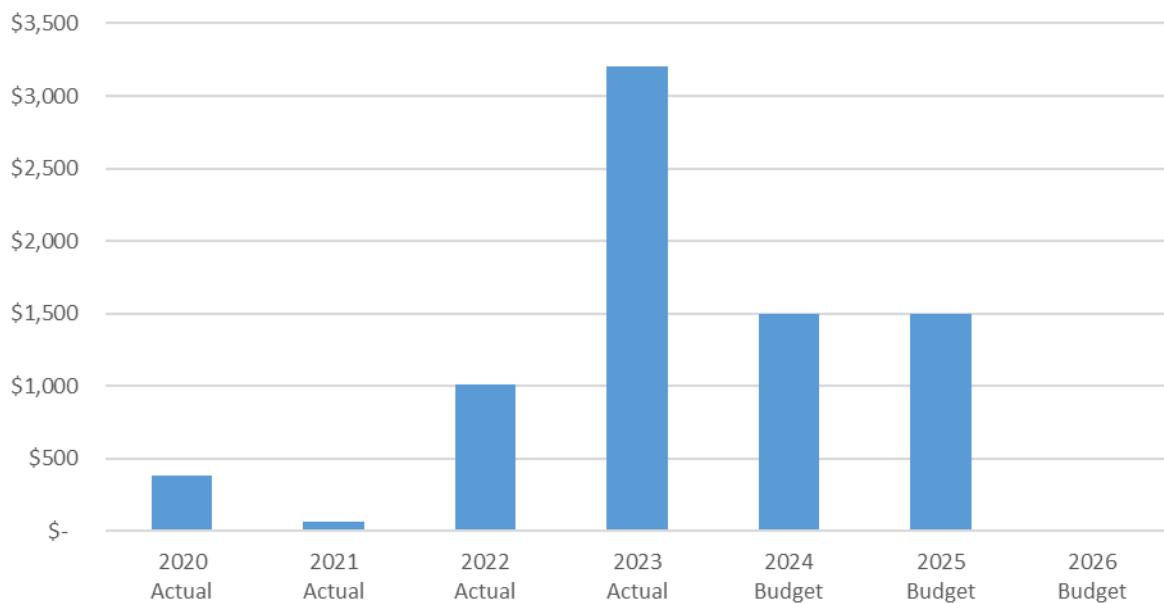
EMS Restricted Revenue Fund

This fund was established to track restricted Emergency Service revenues from a levy lid lift approved by voters in 2006, which expired at the end of 2012.

EMS Fund Revenue/Expense History



EMS Revenue

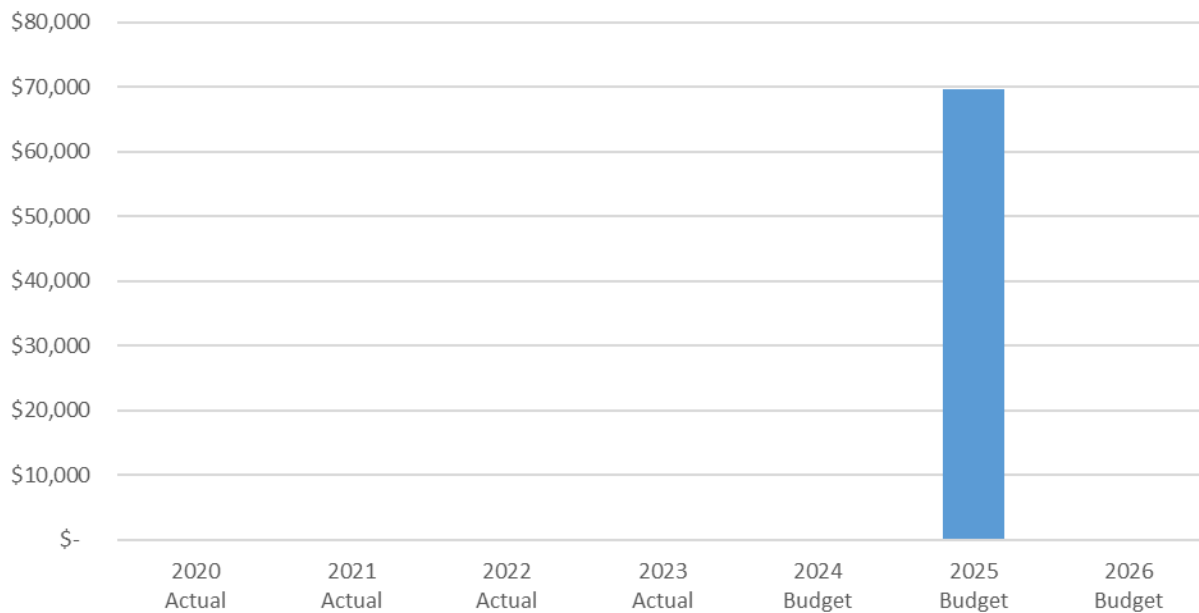


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Interest/Other Earnings	\$ 381	\$ 64	\$ 1,009	\$ 3,200	\$ 1,500	\$ 1,500	\$ -
Total	\$ 381	\$ 64	\$ 1,009	\$ 3,200	\$ 1,500	\$ 1,500	\$ -

EMS Restricted Revenue Fund Expenditures

The fund balance is available to be transferred to the General Fund in 2025 in support of the EMS payment to the City of Camas.

EMS Expense

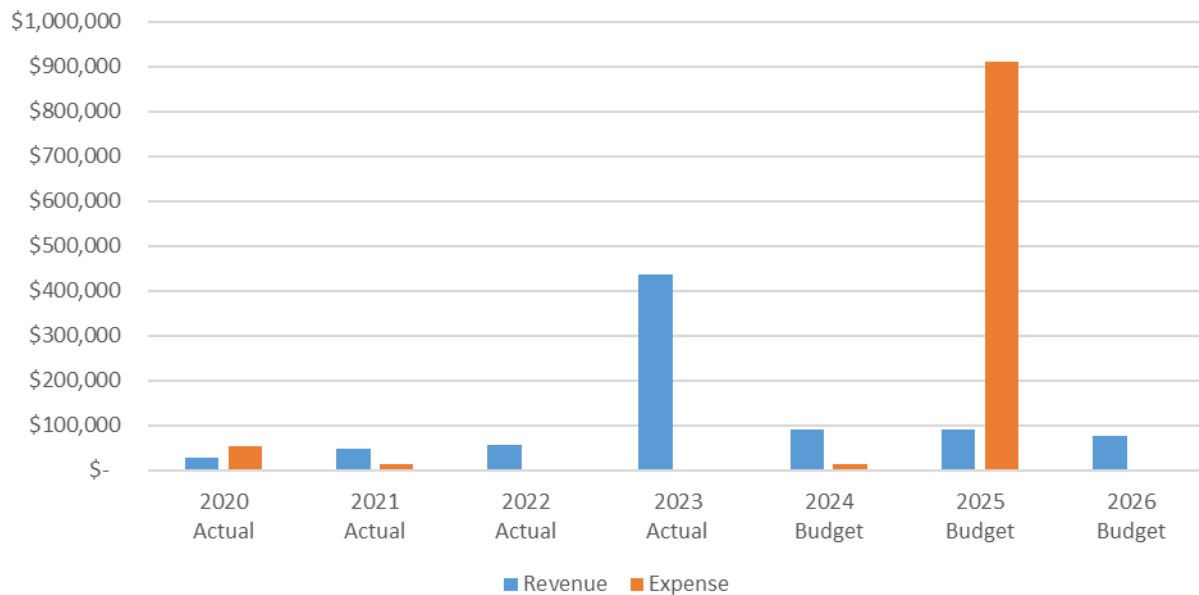


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,700	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,700	\$ -

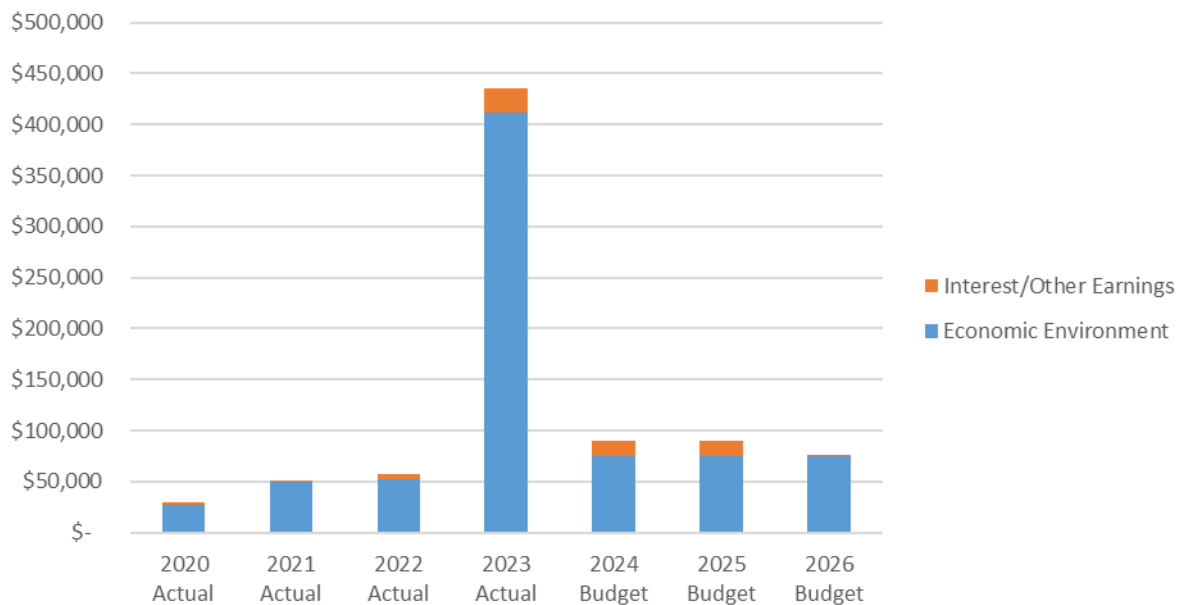
Fire Impact Fees Fund

Fire Impact Fees are collected at the time of building permit issuance and can be used for fire projects identified in the City's Capital Facility Plan. Impact fees must be spent within 10 years of collection. This fund tracks the revenues and expenditures for this restricted revenue source.

Fire Impact Fees Fund Revenue/Expense History



Fire Impact Fee Revenue



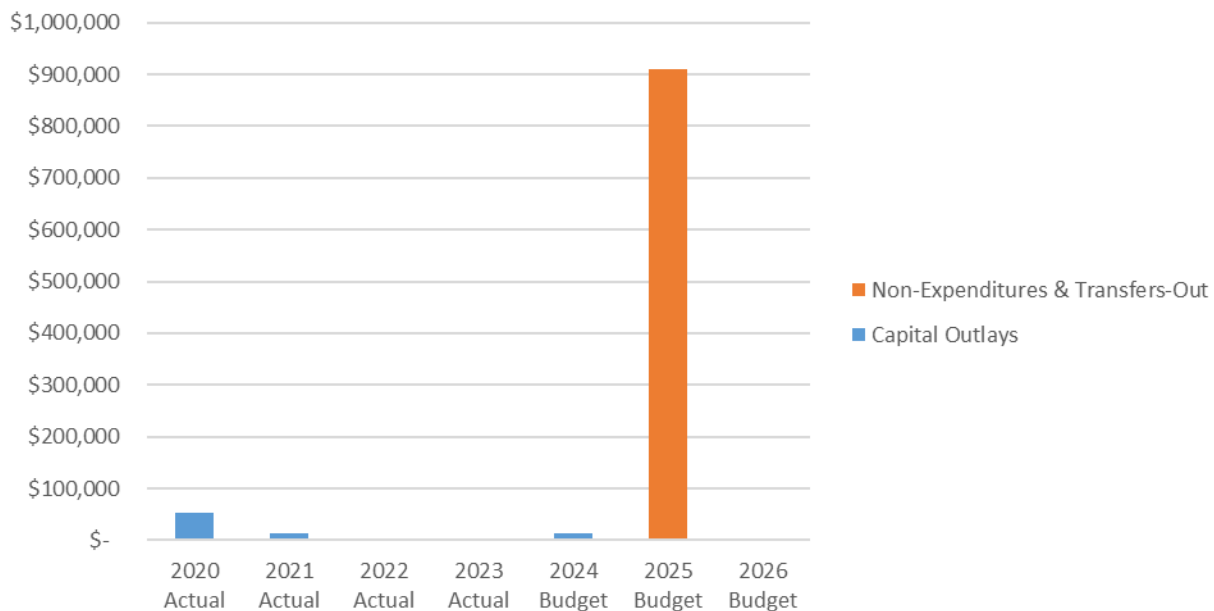
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Economic Environment	\$ 27,328	\$ 49,293	\$ 52,079	\$ 411,667	\$ 75,000	\$ 75,000	\$ 75,000
Interest/Other Earnings	1,920	324	5,086	24,292	15,000	15,000	1,000
Total	\$ 29,248	\$ 49,616	\$ 57,166	\$ 435,959	\$ 90,000	\$ 90,000	\$ 76,000

Economic Environment: These are the Fire Impact Fees collected on development activity to be used as part of financing for fire capital.

Fire Impact Fees Fund Expenditures

In the past, Fire Impact Fees were utilized to make debt payments to the City of Camas for fire apparatus. At this time, \$910,000 is budgeted for the acquisition of a fire engine and the remainder of the funds are being accumulated for future Fire Department capital facility needs.

Fire Impact Fees Expense

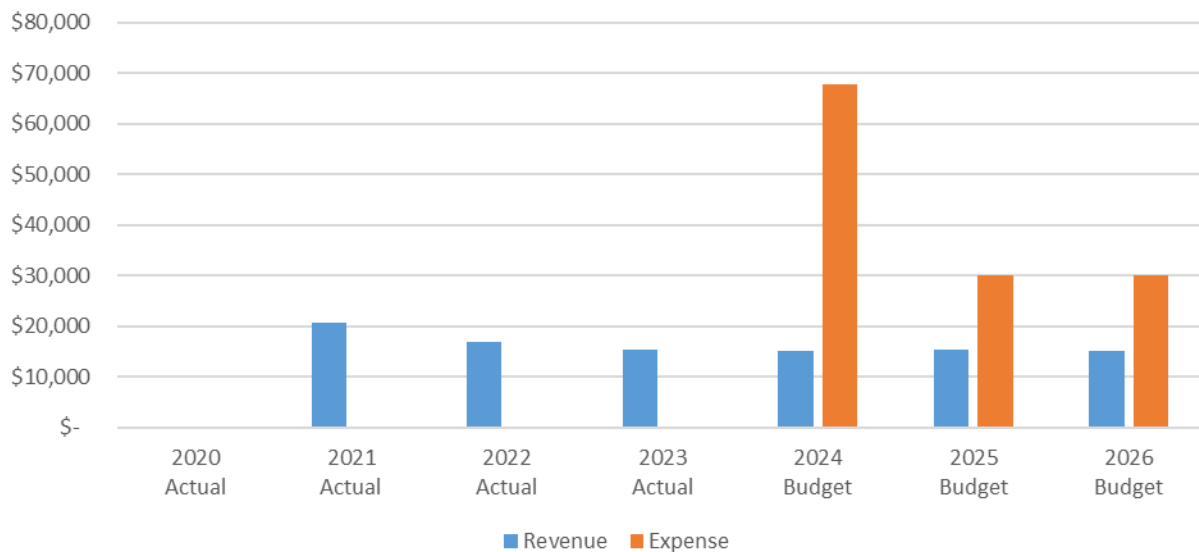


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Capital Outlays	\$ 53,300	\$ 14,000	\$ -	\$ -	\$ 14,000	\$ -	\$ -
Non-Expenditures & Transfers-Out	-	-	-	-	-	910,000	-
Total	\$ 53,300	\$ 14,000	\$ -	\$ -	\$ 14,000	\$ 910,000	\$ -

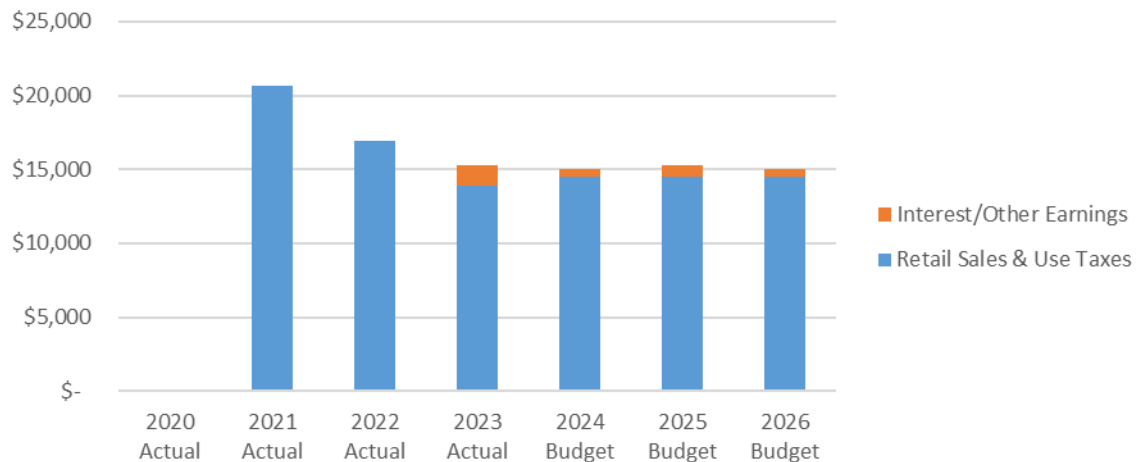
Affordable Housing Sales Tax Credit Fund

This was a new fund in 2021 as the Washington State Legislature approved Substitute House Bill 1406. This authorized the City Council to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing. This fund tracks the revenues and expenditures for this restricted revenue source.

Affordable Housing Sales Tax Credit Fund Revenue/Expense History



Affordable Housing Sales Tax Credit Revenue



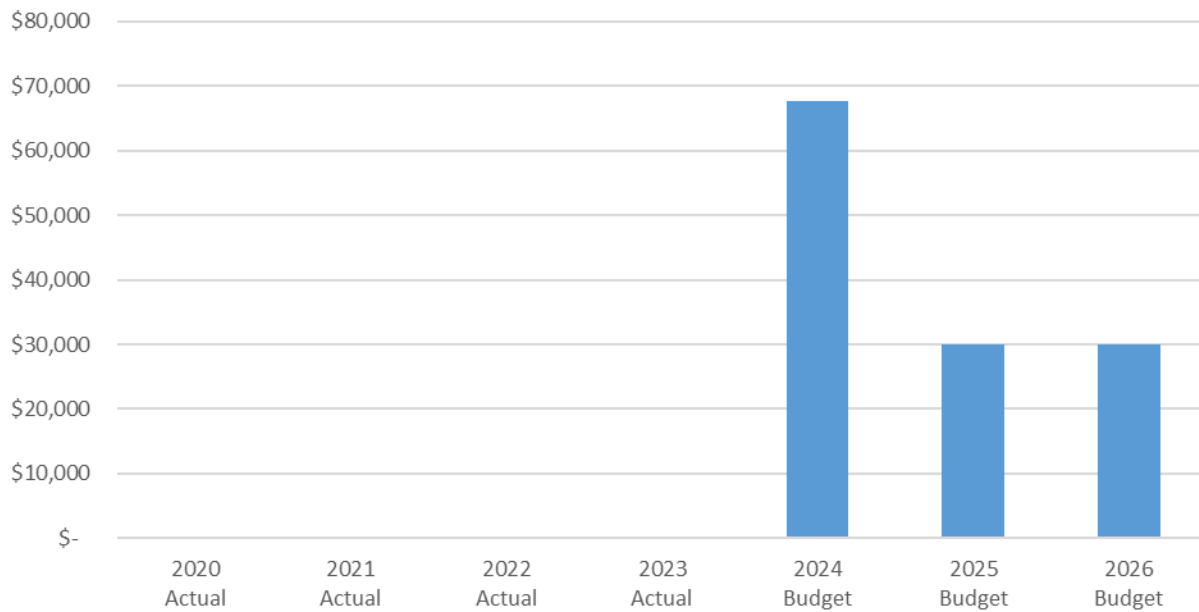
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Retail Sales & Use Taxes	\$ 0	\$ 20,665	\$ 16,925	\$ 13,902	\$ 14,500	\$ 14,500	\$ 14,500
Interest/Other Earnings	-	-	-	1,380	500	750	500
Total	\$ 0	\$ 20,665	\$ 16,925	\$ 15,282	\$ 15,000	\$ 15,250	\$ 15,000

Sales and Use Tax: This is the City's portion of tax that is collected by the state.

Affordable Housing Sales Tax Credit Fund Expenditures

The City is still determining what the best use of these funds would be for the community. It is anticipated that the City will hire a consultant to utilize these funds, therefore the expenses are all listed as services.

Affordable Housing Sales Tax Credit Expense

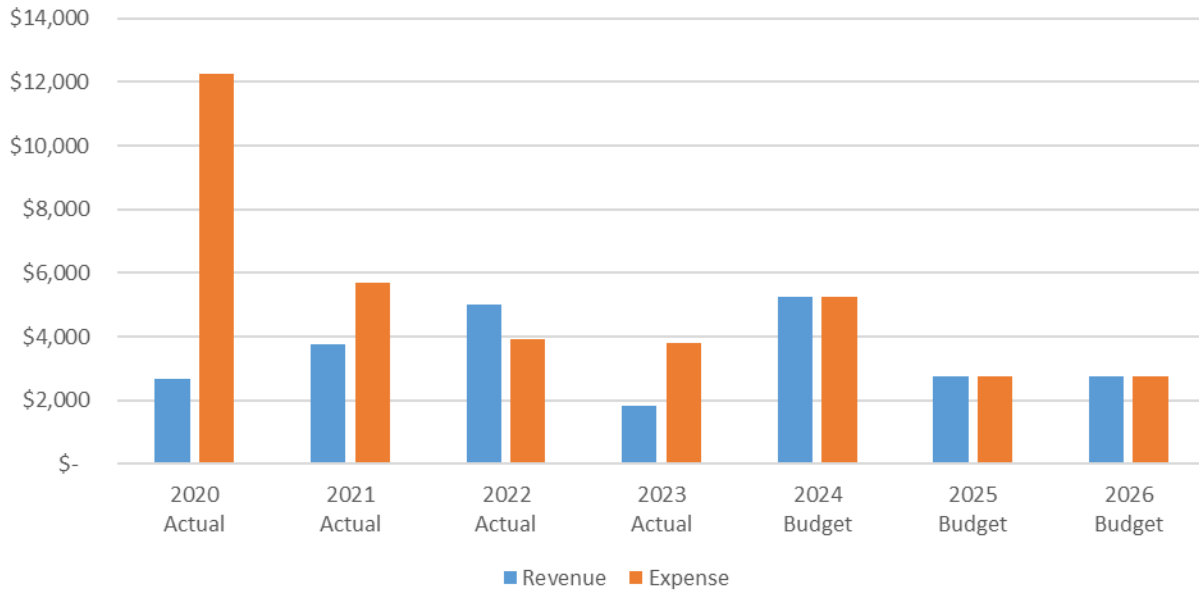


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Services	\$ -	\$ -	\$ -	\$ -	\$ 67,600	\$ 30,000	\$ 30,000
Total	\$ -	\$ -	\$ -	\$ -	\$ 67,600	\$ 30,000	\$ 30,000

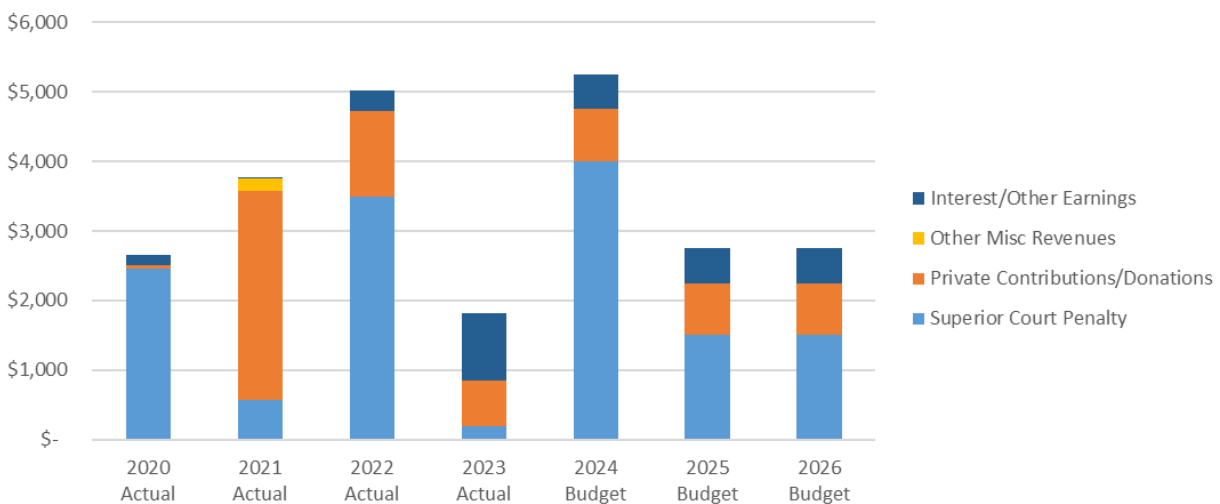
Drug Seizure Fund

Money retained through drug seizures, which is not required to be submitted to the State, can only be used for the expansion or improvement of controlled substance related law enforcement activity, and cannot supplant pre-existing funding sources. Typically, these funds are used to provide training and other purchases to enhance the City's K-9 program.

Drug Seizure Fund Revenue/Expense History



Drug Seizure Fund Revenue



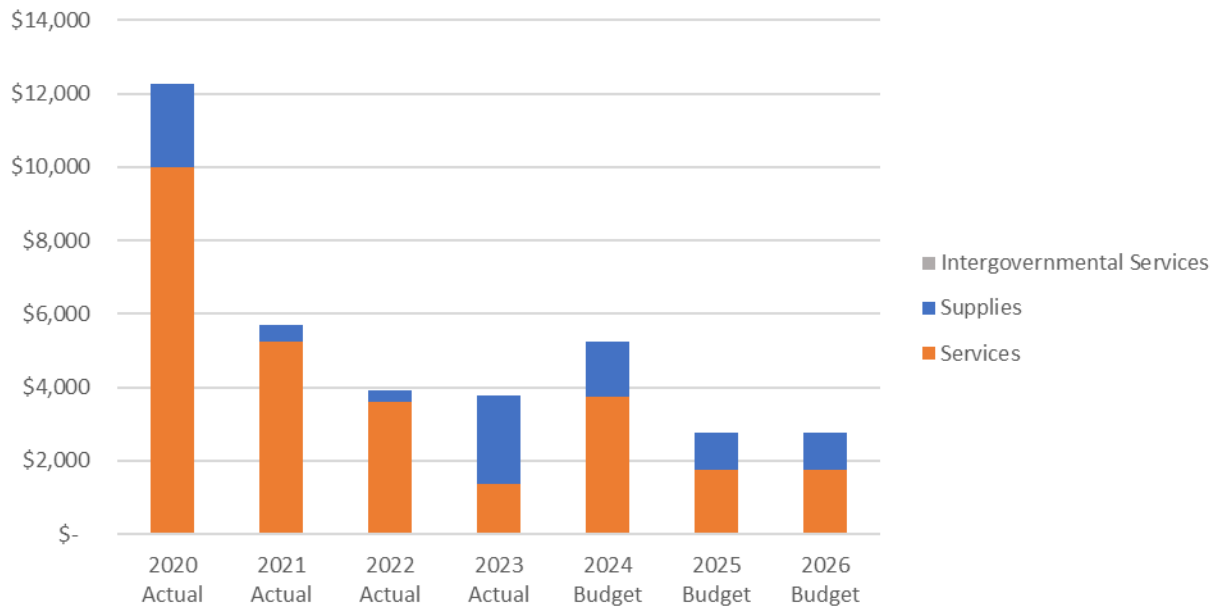
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Superior Court Penalty	\$ 2,460	\$ 576	\$ 3,501	\$ 200	\$ 4,000	\$ 1,500	\$ 1,500
Private Contributions/Donations	50	3,000	1,225	650	750	750	750
Other Misc Revenues	-	173	-	-	-	-	-
Interest/Other Earnings	145	19	301	963	500	500	500
Total	\$ 2,655	\$ 3,768	\$ 5,026	\$ 1,813	\$ 5,250	\$ 2,750	\$ 2,750

Superior Court Felony: These are the investigative funds a court orders a defendant to contribute to a local fund for investigations.

Drug Seizure Fund Expenditures

The city has one K-9 officer. While the overtime associated with drug investigations is charged to the Police operating budget, this fund supports the K-9 program.

Drug Seizure Fund Expense

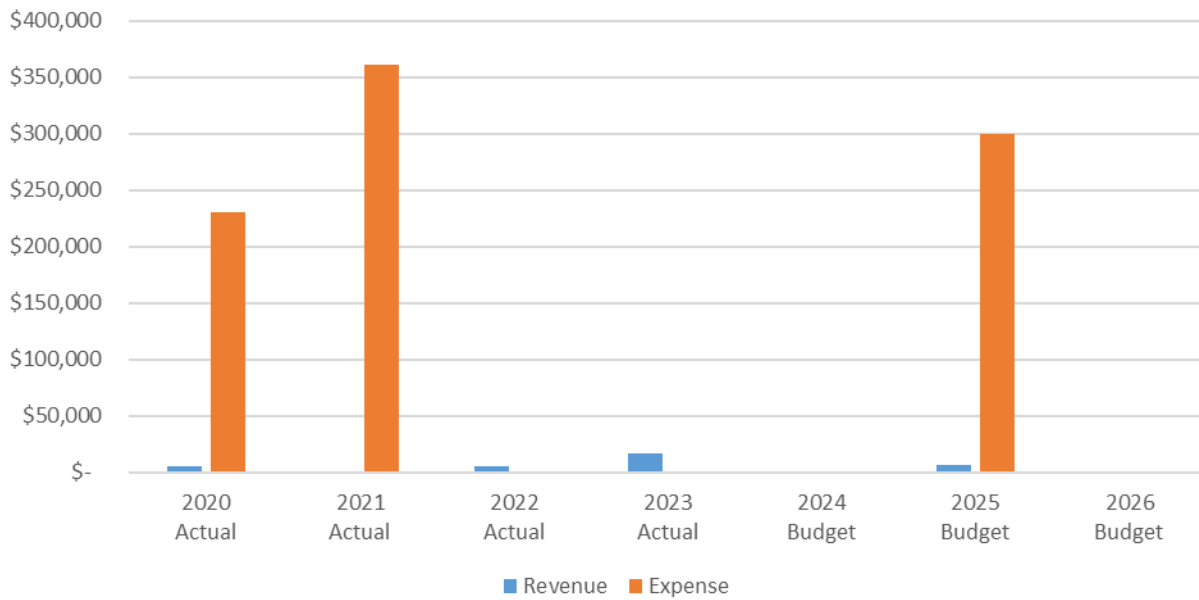


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Services	\$ 9,990	\$ 5,241	\$ 3,603	\$ 1,375	\$ 3,750	\$ 1,750	\$ 1,750
Supplies	2,282	465	318	2,413	1,500	1,000	1,000
Intergovernmental Services	-	-	-	-	-	-	-
Total	\$ 12,272	\$ 5,706	\$ 3,921	\$ 3,788	\$ 5,250	\$ 2,750	\$ 2,750

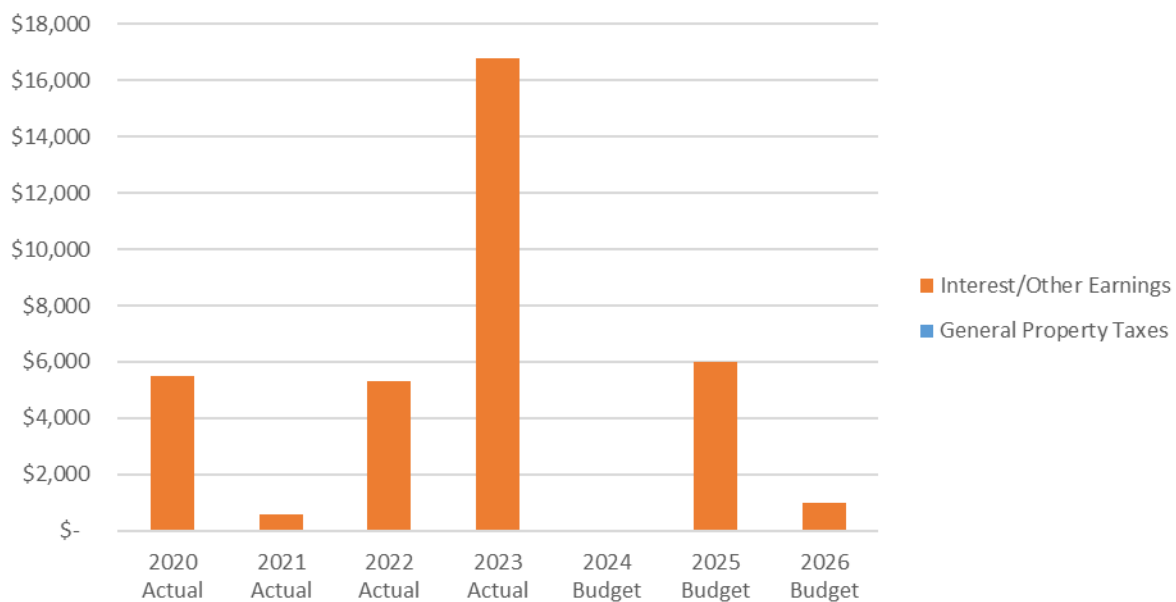
Woodburn/JKL Lid Fund

This fund is no longer needed and can be closed out. The funds are unrestricted and can be transferred to another fund within the city.

Woodburn/JKL Lid Fund Revenue/Expense History



Woodburn/JKL Lid Revenue

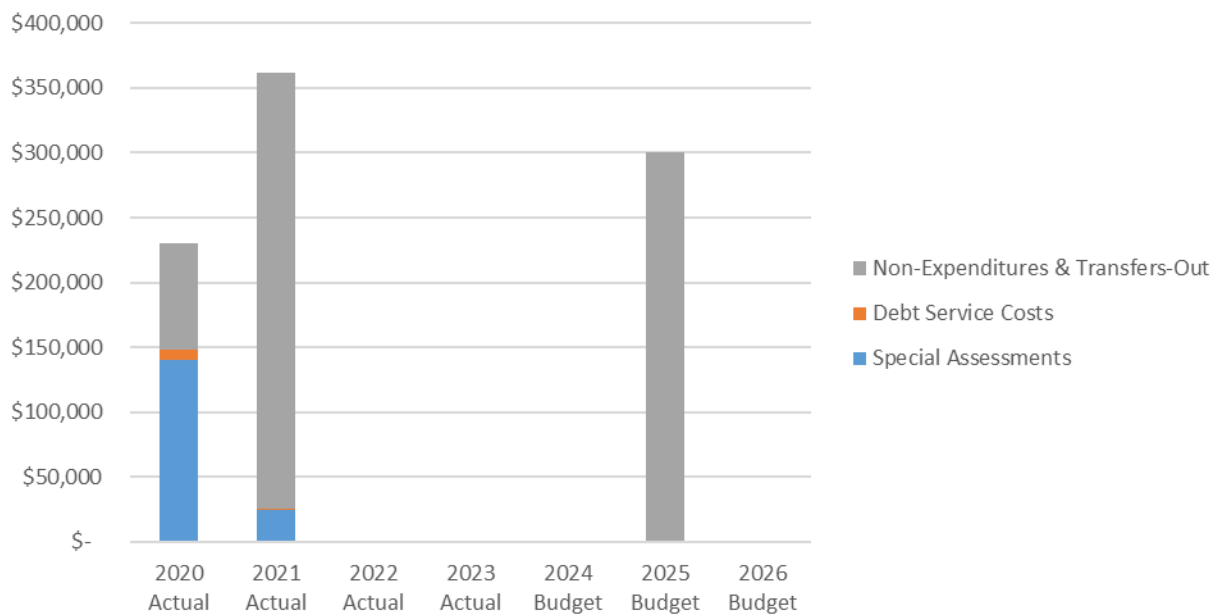


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Other Earnings	5,516	595	5,310	16,772	-	6,000	1,000
Total	\$ 5,516	\$ 595	\$ 5,310	\$ 16,772	\$ -	\$ 6,000	\$ 1,000

Woodburn/JKL Lid Fund Expenditures

Expenditures from this fund transfers to the Building Contingency Capital Fund (fund 351) to be used for the Public Works Operations Center Repairs Project.

Woodburn/JKL Lid Expense

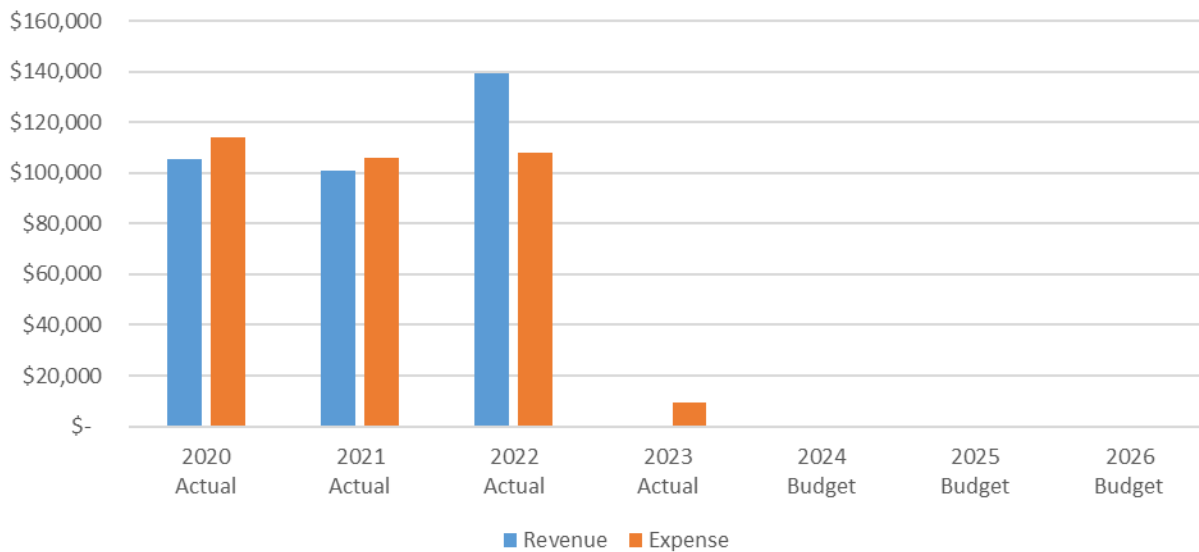


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Special Assessments	\$ 140,000	\$ 25,047	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Costs	8,625	213	-	-	-	-	-
Non-Expenditures & Transfers-Out	81,136	336,195	-	-	-	300,000	-
Total	\$ 229,761	\$ 361,455	\$ -	\$ -	\$ -	\$ 300,000	\$ -

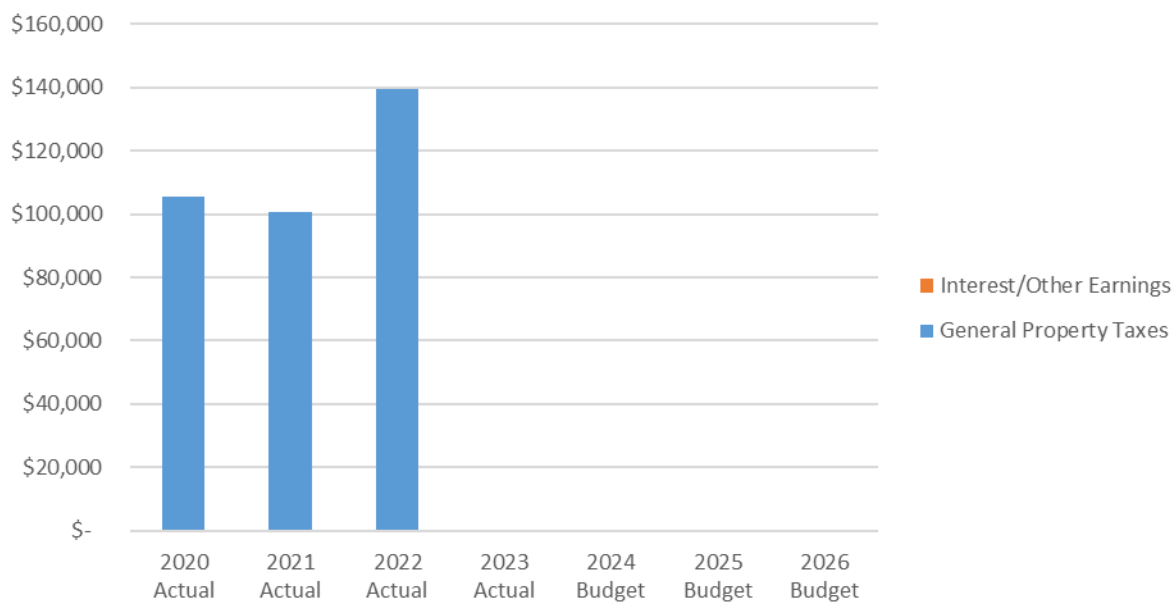
Unlimited General Obligation Debt Fund

This is a debt service fund which pays for the outstanding General Obligation debt which was used for the City's Police Station building. This was a voted general obligation bond which incurred an additional property tax levy which pays the debt service for this debt. The city refinanced the debt for a lower interest rate in 2012. This bond matured and was paid off in 2022. No activity is expected after 2022.

Unlimited General Obligation Debt Fund Revenue/Expense History



Unlimited General Obligation Debt Revenue

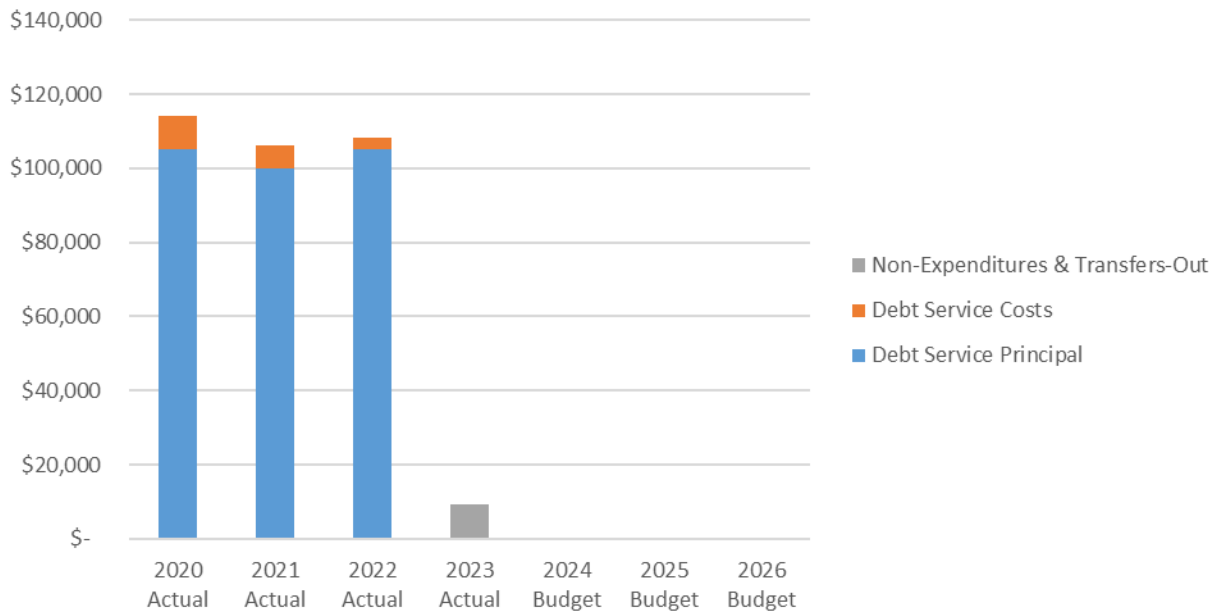


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
General Property Taxes	\$ 105,473	\$ 100,674	\$ 139,391	\$ -	\$ -	\$ -	\$ -
Interest/Other Earnings	-	-	-	150	200	-	-
Total	\$ 105,473	\$ 100,674	\$ 139,391	\$ 150	\$ 200	\$ -	\$ -

Unlimited General Obligation Debt Fund Expenditures

Expenditures from this fund are for the annual principal and interest payments on the outstanding General Obligation bonds. This bond obligation was paid off in 2022 and no expenses are expected thereafter.

Unlimited General Obligation Debt Expense

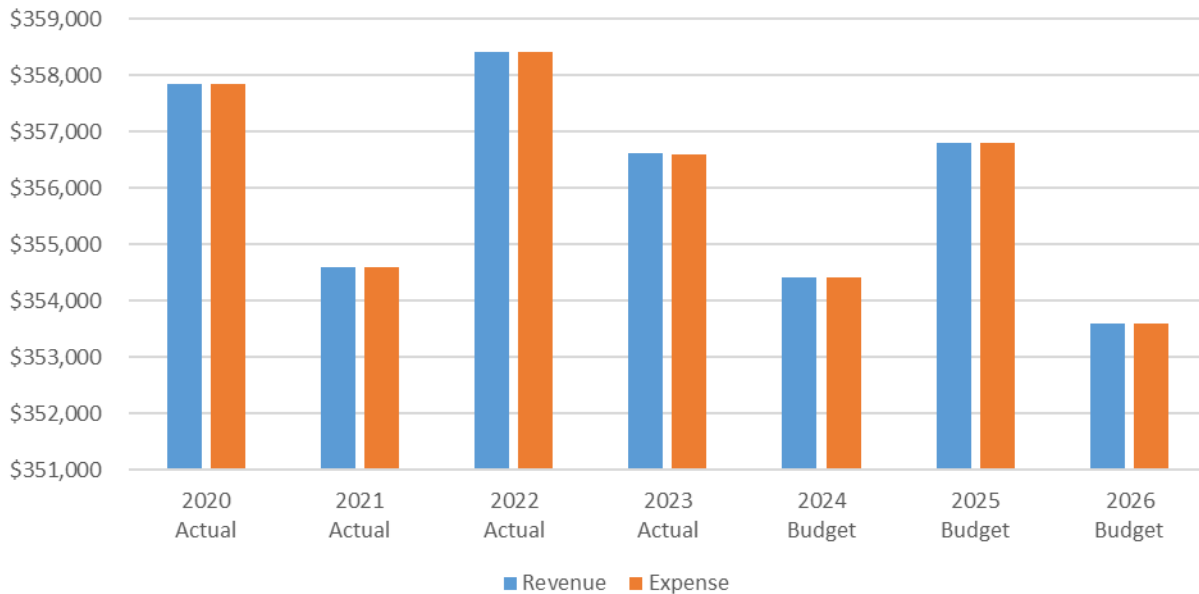


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Debt Service Principal	\$ 105,000	\$ 100,000	\$ 105,000	\$ -	\$ -	\$ -	\$ -
Debt Service Costs	9,300	6,150	3,150	-	-	-	-
Non-Expenditures & Transfers-Out	-	-	-	9,318	-	-	-
Total	\$ 114,300	\$ 106,150	\$ 108,150	\$ 9,318	\$ -	\$ -	\$ -

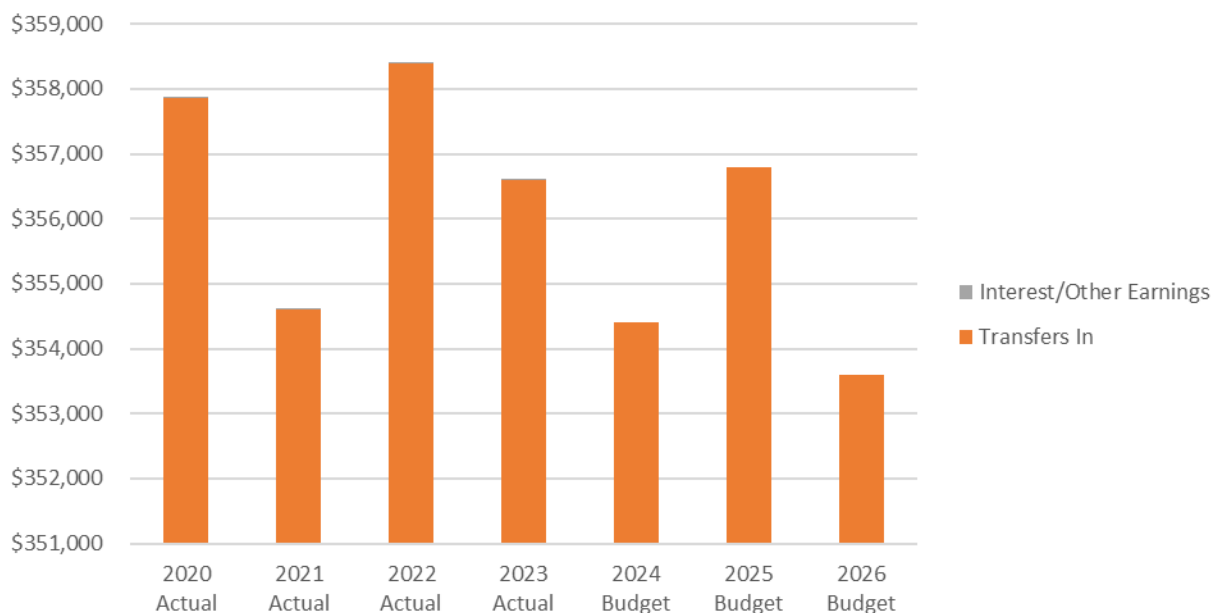
Downtown Revitalization Bond Fund

This is a debt service fund which pays for the outstanding General Obligation debt which was used for the City's Downtown Revitalization. The debt is paid with monies transferred from the REET Funds. The city refinanced the debt for a lower interest rate in 2014, which is shown as revenue and expenditures in the charts below.

Downtown Revitalization Bond Revenue/Expense History



Downtown Bond Revenue

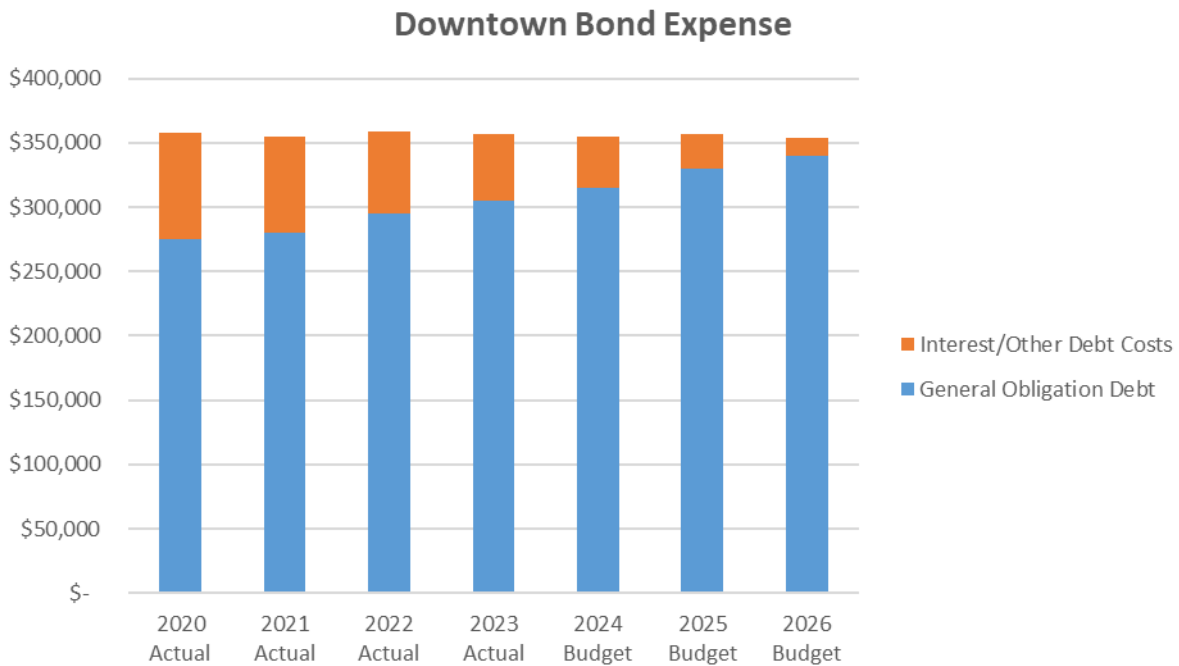


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 357,850	\$ 354,600	\$ 358,400	\$ 356,600	\$ 354,400	\$ 356,800	\$ 353,600
Interest/Other Earnings	2	0	6	18	-	-	-
Total	\$ 357,852	\$ 354,600	\$ 358,406	\$ 356,618	\$ 354,400	\$ 356,800	\$ 353,600

Transfer In: The First Quarter Percent REET fund pays for the principal and interest on these bonds through a transfer.

Downtown Revitalization Bond Fund Expenditures

The expenditures from this fund are principal and interest payments on the General Obligation debt for the downtown revitalization.

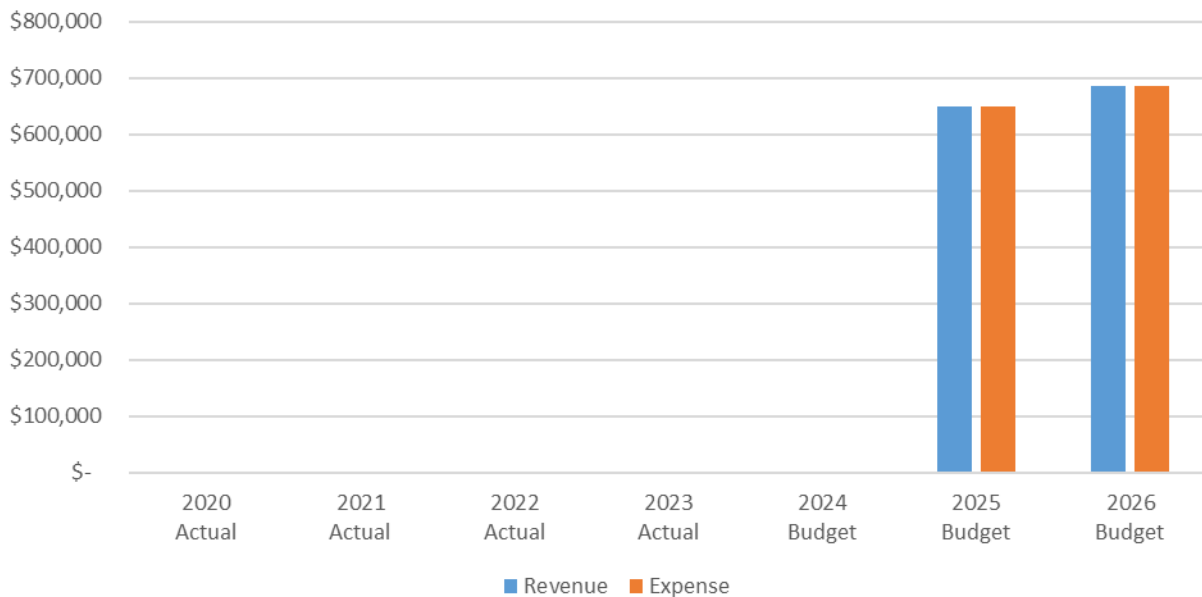


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
General Obligation Debt	\$ 275,000	\$ 280,000	\$ 295,000	\$ 305,000	\$ 315,000	\$ 330,000	\$ 340,000
Interest/Other Debt Costs	82,850	74,600	63,400	51,600	39,400	26,800	13,600
Total	\$ 357,850	\$ 354,600	\$ 358,400	\$ 356,600	\$ 354,400	\$ 356,800	\$ 353,600

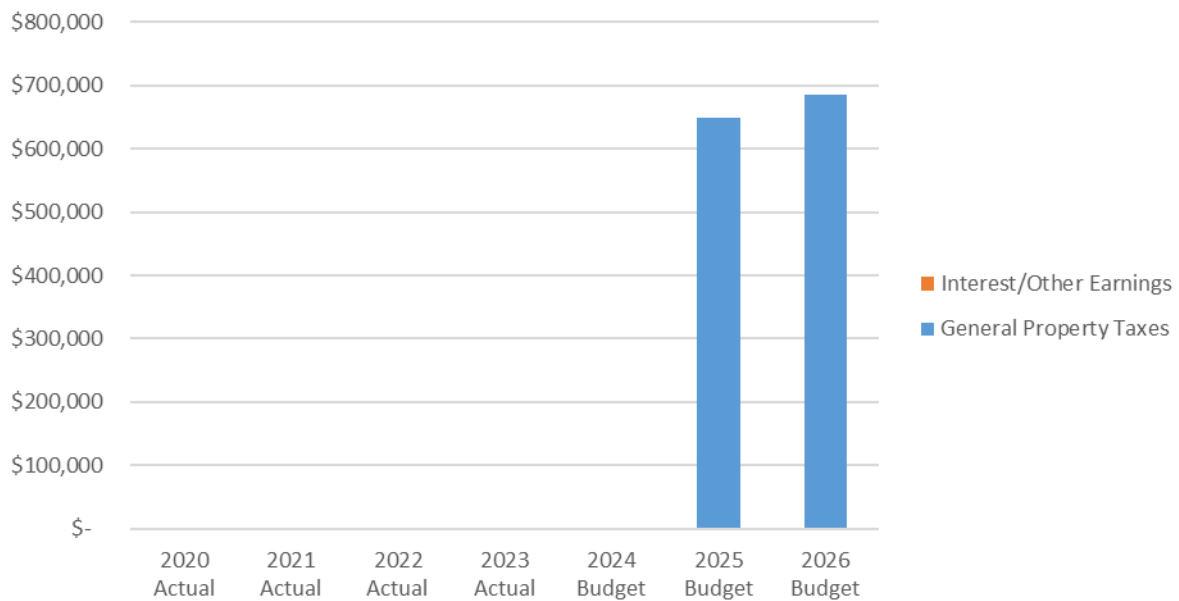
Fire Station Bond Fund

This is a debt service fund which pays for the outstanding General Obligation debt which was used for the Washougal Fire Station 43 Construction. The debt is paid through a property taxes levy that initiated in 2025.

Fire Station Bond Debt Fund Revenue/Expense History



Fire Station Bond Debt Revenue

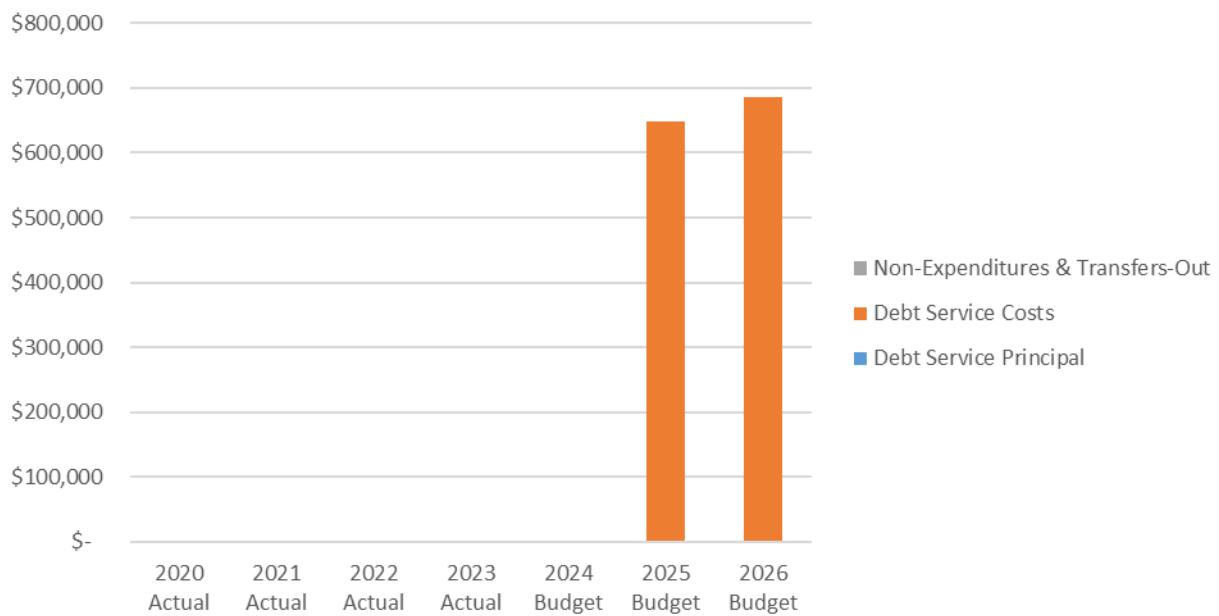


Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,982	\$ 685,814
Interest/Other Earnings	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,982	\$ 685,814

Downtown Revitalization Bond Fund Expenditures

The expenditures from this fund are principal and interest payments on the General Obligation debt for the fire station bond.

Fire Station Bond Debt Expense

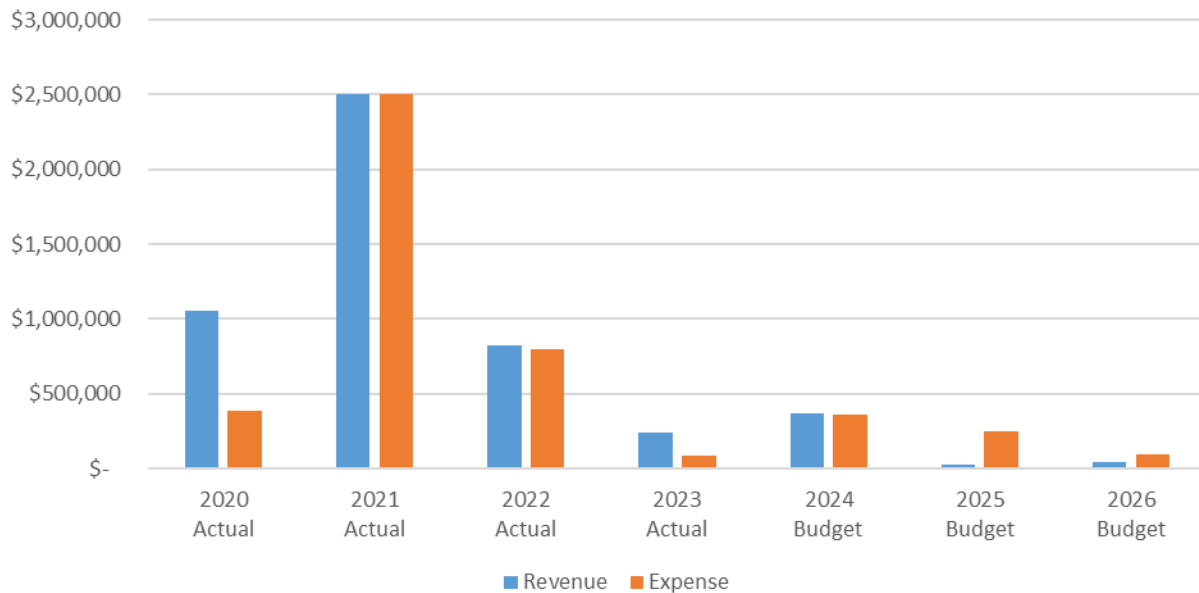


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Debt Service Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Costs	-	-	-	-	-	647,982	685,814
Non-Expenditures & Transfers-Out	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,982	\$ 685,814

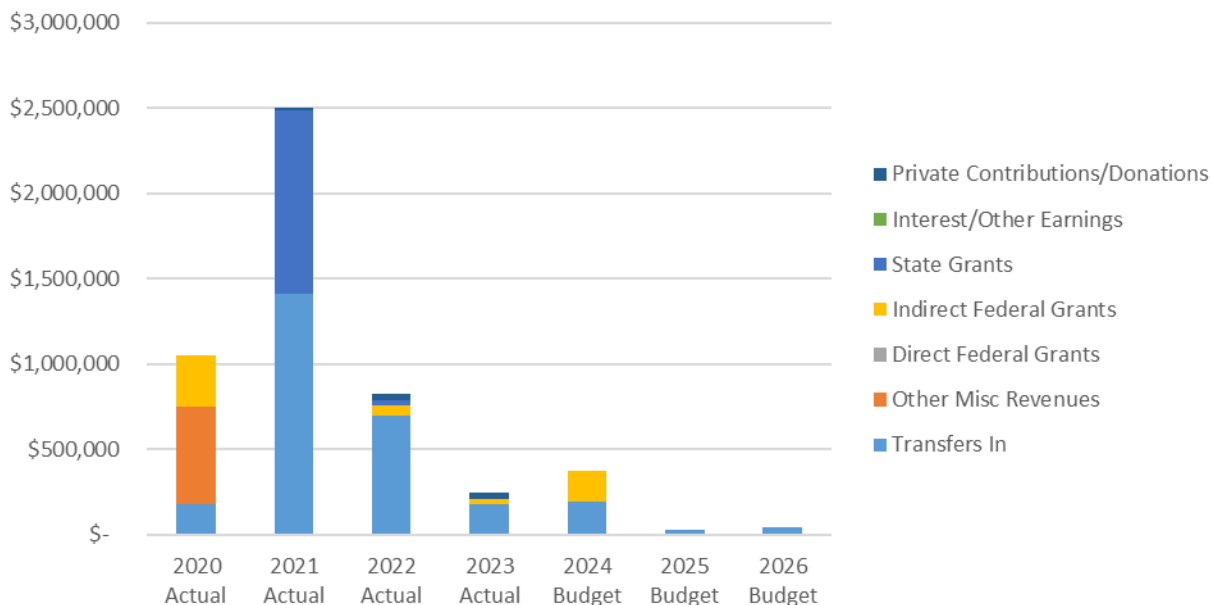
Park Capital Project Fund

This is a Capital Project Fund to track the City's Park Capital Projects. Funds for the projects come from the General Fund, Park Impact Fees, and grants. In 2019, the City increased several utility taxes to increase the funding available for the Park Capital Project Fund. This Fund was created through a budget amendment in 2016. General Fund reserves were used to seed the fund.

Park Capital Improvement Fund Revenue/Expense History



Park Capital Improvement Fund Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 176,007	\$ 1,407,964	\$ 697,028	\$ 179,794	\$ 192,000	\$ 30,000	\$ 42,000
Other Misc Revenues	573,202	-	-	-	-	-	-
Direct Federal Grants	-	-	-	-	-	-	-
Indirect Federal Grants	304,744	-	58,262	26,736	179,000	-	-
State Grants	-	1,081,320	35,000	-	-	-	-
Interest/Other Earnings	-	-	-	-	-	-	-
Private Contributions/Donations	-	15,800	33,724	37,600	-	-	-
Total	\$ 1,053,954	\$ 2,505,084	\$ 824,014	\$ 244,130	\$ 371,000	\$ 30,000	\$ 42,000

Grants: The city was awarded a Community Development Block Grant (CDBG) in anticipation of being awarded several grants during 2024 and will continue to apply as they become available. See the project table below in the expenditure section for more 2025 & 2026 Parks projects.

Transfers In: \$30,000 in 2025 from Park Impact fees and \$42,000 in 2026 from cemetery donations and fees are slated to be transferred into this fund for Parks Capital Projects.

Park Capital Fund Expenditures

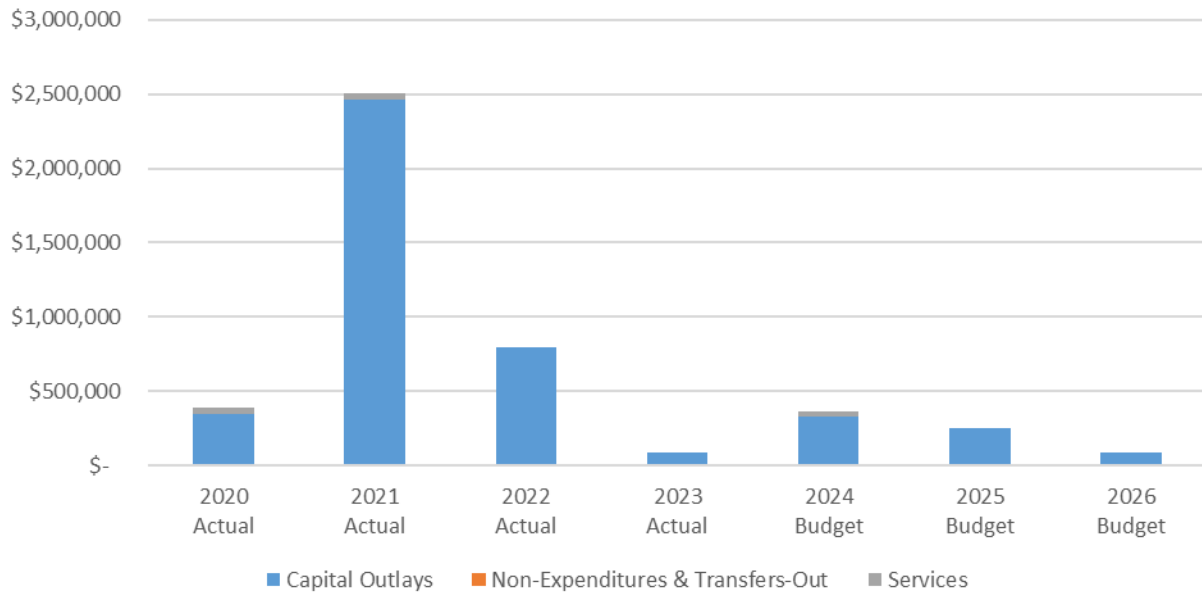
This fund pays for Capital Projects for the City's Parks. For 2025, the following projects are slated to improve and repair City Parks:

Parks Capital Fund	Budget
Hamllik Park Basketball Court	\$ 30,000
Hathaway Park Security Lighting Upgrades	70,000
Hartwood Barn Repairs	51,000
Schmid Park Conceptual Design	100,000
Total Parks Capital	\$ 251,000

For 2026, the following projects are slated to improve and repair City Parks:

Parks Capital Fund	Budget
Steamboat Landing Conceptual Design	\$ 50,000
Cemetery Veterans' Memorial	42,000
Total Parks Capital	\$ 92,000

Park Capital Improvement Fund Expense

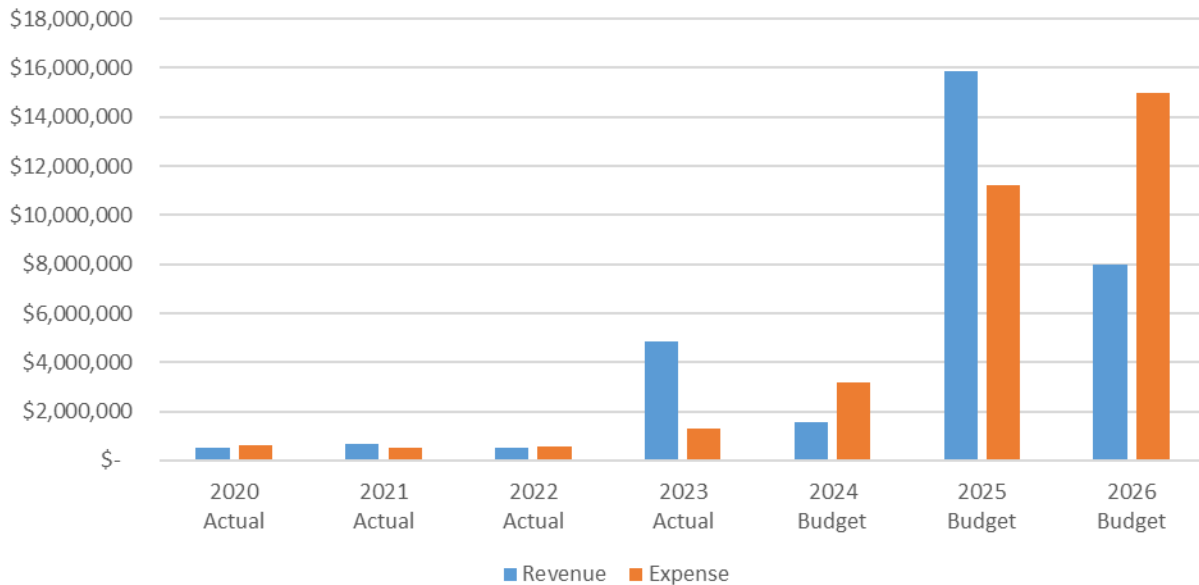


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Capital Outlays	\$ 351,756	\$ 2,460,271	\$ 794,626	\$ 87,083	\$ 329,000	\$ 251,000	\$ 92,000
Non-Expenditures & Transfers-Out	-	-	-	-	-	-	-
Services	36,327	42,658	-	-	32,000	-	-
Total	\$ 388,083	\$ 2,502,929	\$ 794,626	\$ 87,083	\$ 361,000	\$ 251,000	\$ 92,000

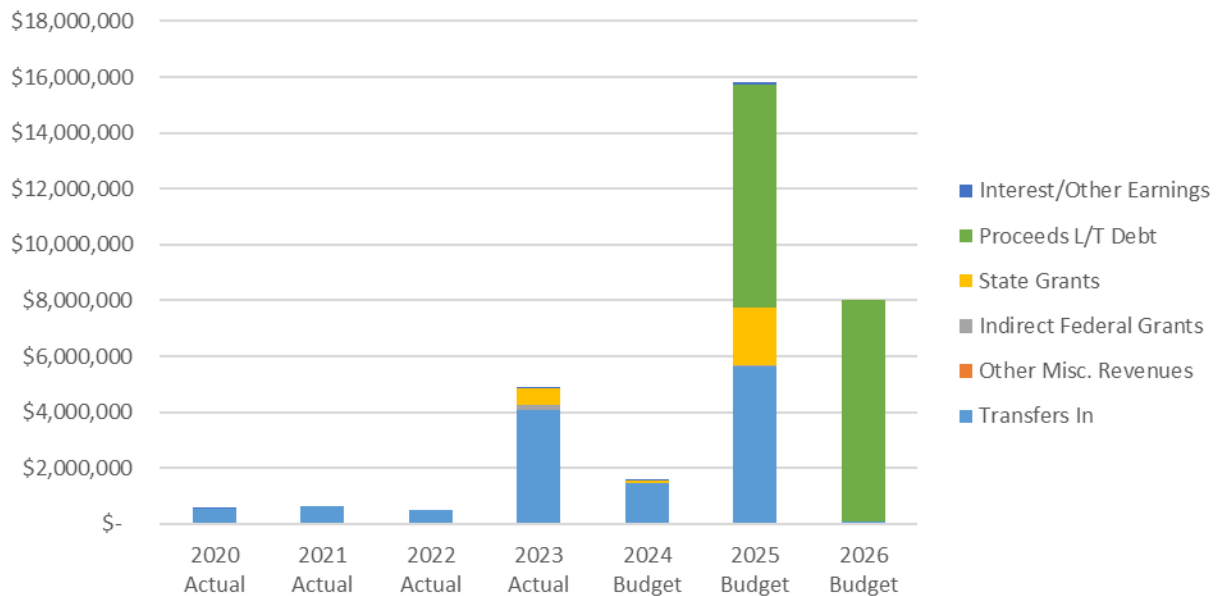
Building Contingency Fund

This is a Capital Project Fund to track the City's Facility Capital Projects. In 2019, the City increased several utility taxes to increase the funding available for the Building Contingency Fund. Funds for the projects come from the general fund and grants.

Building Contingency Fund Revenue/Expense History



Building Contingency Fund Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 525,248	\$ 647,512	\$ 512,785	\$ 4,055,006	\$ 1,485,000	\$ 5,619,455	\$ 100,000
Other Misc. Revenues	-	-	-	1,513	-	-	-
Indirect Federal Grants	-	-	-	204,300	-	70,456	-
State Grants	-	-	-	584,509	50,000	2,050,000	-
Proceeds L/T Debt	-	-	-	-	-	8,000,000	7,900,000
Interest/Other Earnings	83	-	-	6,265	50,000	100,000	-
Total	\$ 525,332	\$ 647,512	\$ 512,785	\$ 4,851,593	\$ 1,585,000	\$ 15,839,911	\$ 8,000,000

State Grants: The city requested state appropriation for the City's Social Service Building project.

Transfers In: The City's General Fund transfers funds for the Capital Projects tracked by this fund.

Building Contingency Fund Expenditures

This fund pays for Capital Projects for the City's Facilities. For 2025, the table below highlights the projects to improve and repair City Facilities:

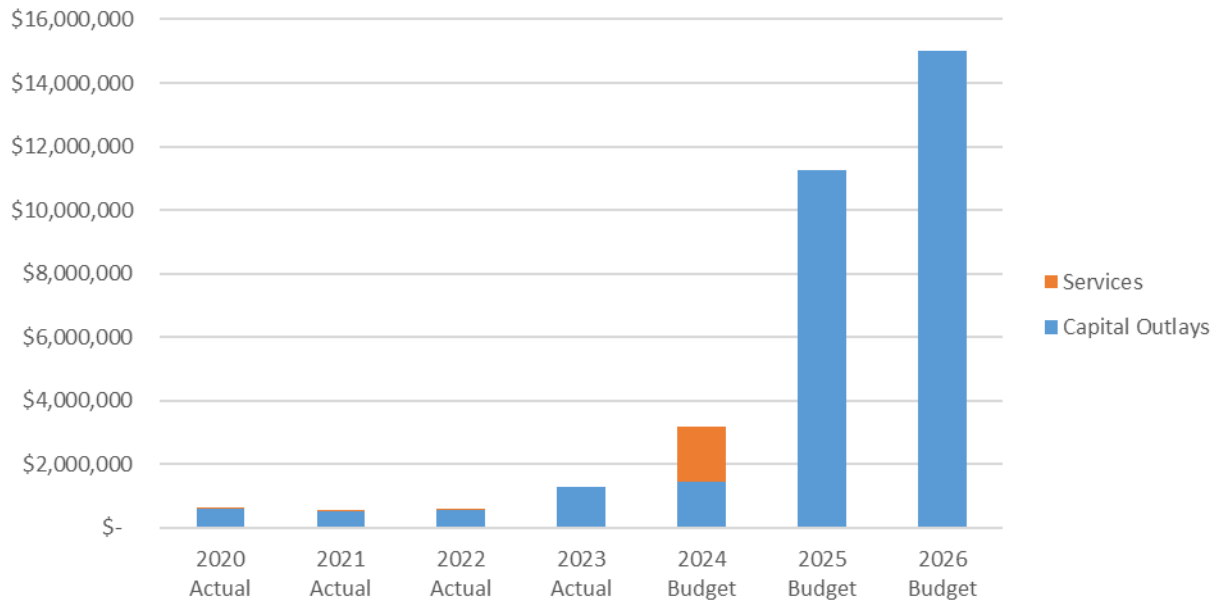
Building Capital Projects Fund	Budget
Social Services Building Project	\$ 70,456
PW Operations Center Bldg. Maint. & Repair	1,252,321
Washougal Fire Station Construction	1,000,000
ADA Transition Plan	97,240
Facilities Major Maintenance	69,819
Downtown Revitalization (Civic Campus)	8,748,617
Total Facilities Capital	\$ 11,238,453

For 2026, the table below highlights the projects to improve and repair City Facilities:

Building Capital Projects Fund	Budget
Washougal Fire Station Construction	\$ 14,900,000
Facilities Major Maintenance	100,000
Total Facilities Capital	\$ 15,000,000

Additional operating expenses are not expected with these projects and ongoing facility maintenance is already included in the facilities operations budget.

Building Contingency Fund Expense

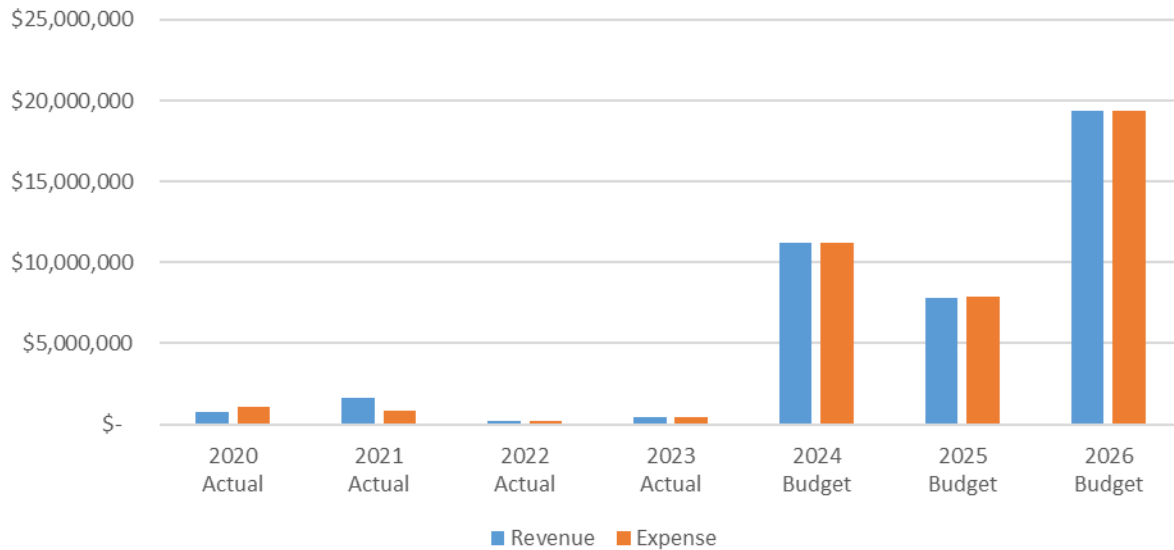


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Capital Outlays	\$ 610,056	\$ 519,649	\$ 565,007	\$ 1,277,279	\$ 1,450,000	\$ 11,238,453	\$ 15,000,000
Services	3,790	14,996	20,261	-	1,725,000	-	-
Total	\$ 613,846	\$ 534,645	\$ 585,268	\$ 1,277,279	\$ 3,175,000	\$ 11,238,453	\$ 15,000,000

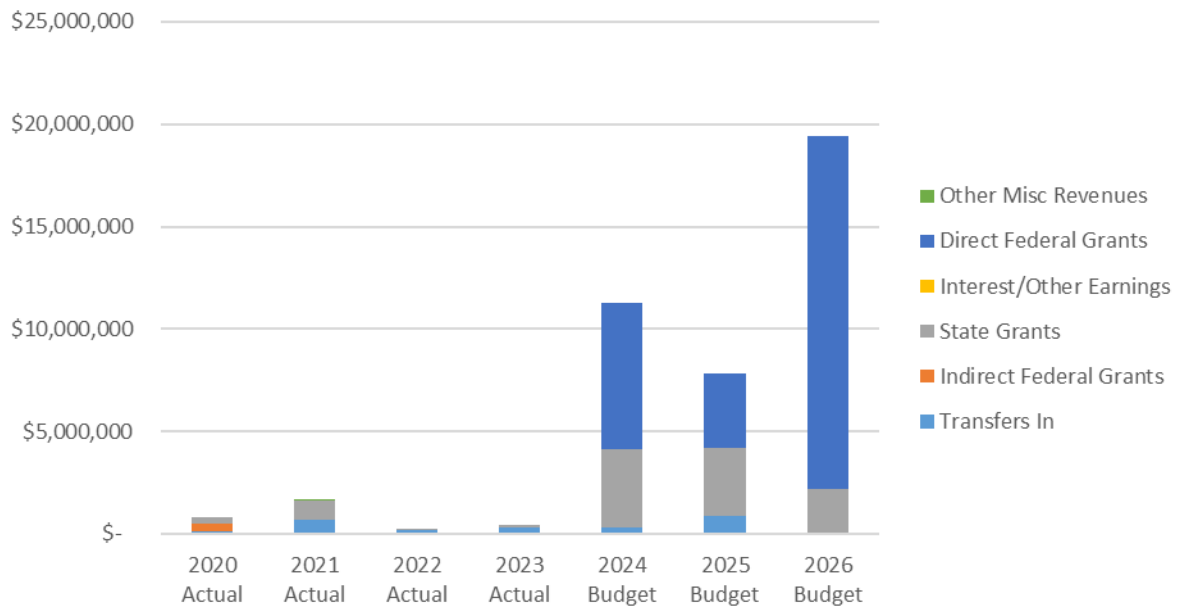
Transportation Capital Projects Fund

This is a Capital Project Fund to track the City's Transportation Capital Projects. Funds for the projects come from the General Fund, Transportation Development Fund, and grants. In 2019, the City increased several utility taxes to increase the funding available for the Transportation Capital Projects Fund.

Transportation Capital Projects Fund Revenue/Expense History



Transportation Capital Projects Fund Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 144,384	\$ 657,220	\$ 193,985	\$ 292,292	\$ 297,150	\$ 849,545	\$ -
Indirect Federal Grants	354,515		-		-	-	-
State Grants	300,496	991,894	9,819	164,454	3,846,100	3,348,383	2,182,500
Interest/Other Earnings	-	-	-		-	-	-
Direct Federal Grants	-	-	-	-	7,100,000	3,638,750	17,217,500
Other Misc Revenues	-	1,764	-	-	-	-	-
Total	\$ 799,395	\$ 1,650,878	\$ 203,804	\$ 456,746	\$ 11,243,250	\$ 7,836,678	\$ 19,400,000

State and Federal Grants: The City applies for state and federal grants to help offset the project costs. Typically, if a grant is not awarded, the project does not occur. The city has been awarded several grants for sidewalks, bike paths, shared use paths and the 32nd Street Underpass project.

Transfers In: The City anticipates transferring Transportation Impact Fees in 2025 from the Transportation Development Fund.

Capital Transportation Projects Fund Expenditures

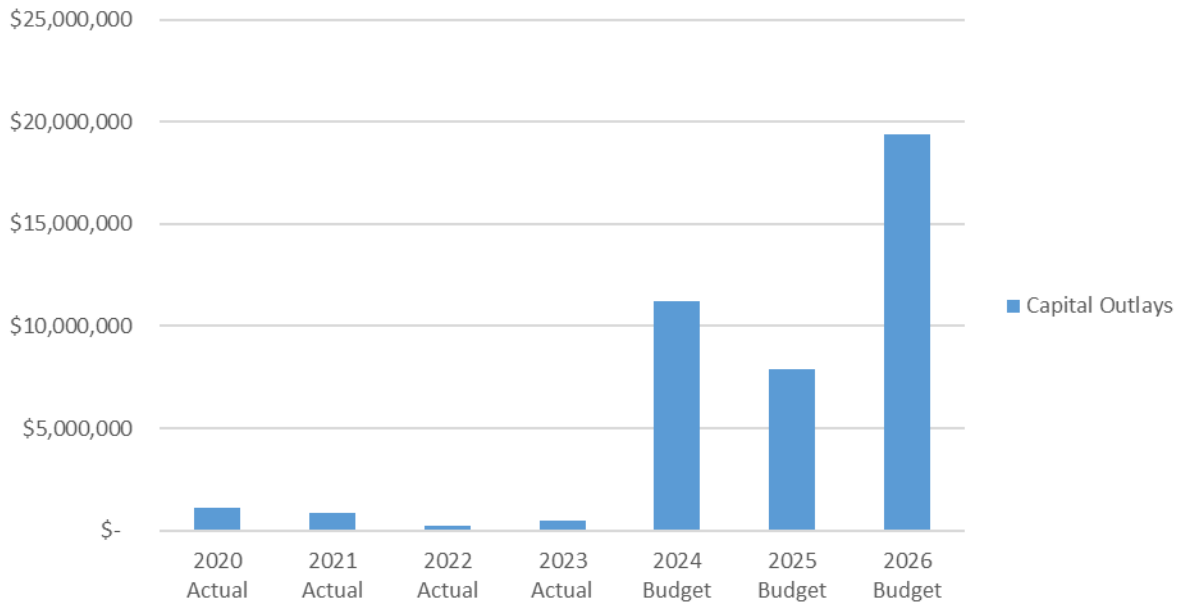
This fund pays for Capital Projects for the City's Transportation Facilities. For 2025, the following are the projects to improve the roadways, sidewalks, paths and transportation in the City:

Transportation Capital Fund	Budget
32nd Street Widening Design	\$ 1,300,000
32nd Street Underpass Design & Planning	5,100,000
27th Street Shared Use Path Design Phase	417,343
32nd Street Safety Improvements	861,790
Railroad Crossing Improvements	157,545
Advanced Traffic Systems (ATMs)	10,000
Traffic Calming	18,650
Total Transportation Capital	\$ 7,865,328

For 2026, the following are the projects to improve the roadways, sidewalks, paths and transportation in the City:

Transportation Capital Fund	Budget
32nd Street Underpass Construction	19,400,000
Total Transportation Capital	\$ 19,400,000

Transportation Capital Projects Fund Expense

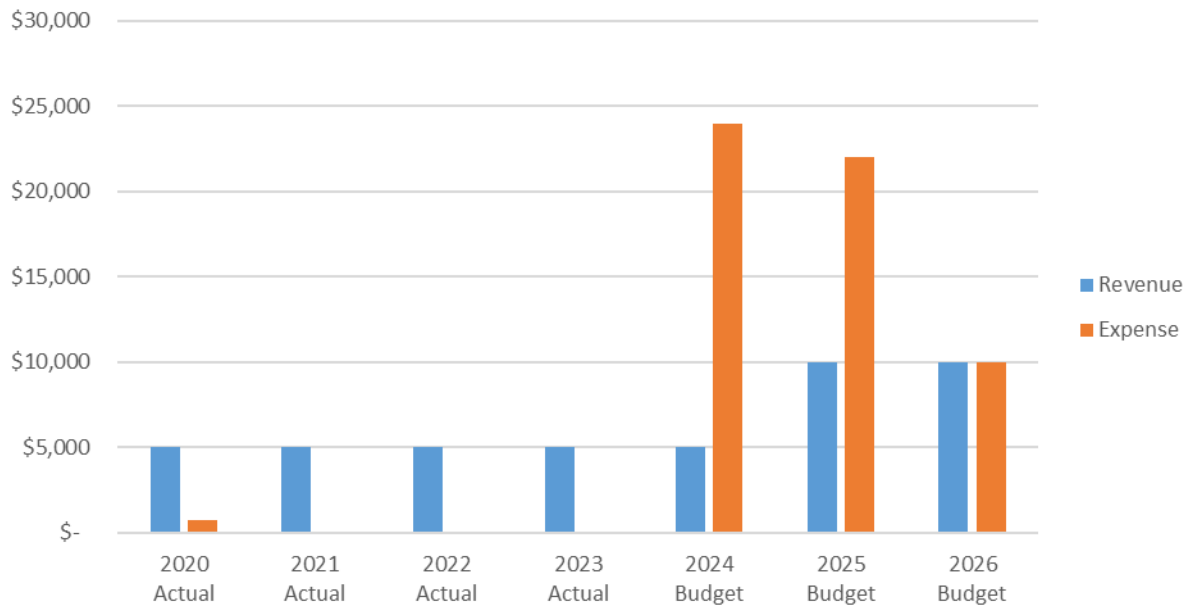


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Capital Outlays	\$ 1,114,500	\$ 833,909	\$ 234,299	\$ 454,937	\$ 11,243,243	\$ 7,865,328	\$ 19,400,000
Total	\$ 1,114,500	\$ 833,909	\$ 234,299	\$ 454,937	\$ 11,243,243	\$ 7,865,328	\$ 19,400,000

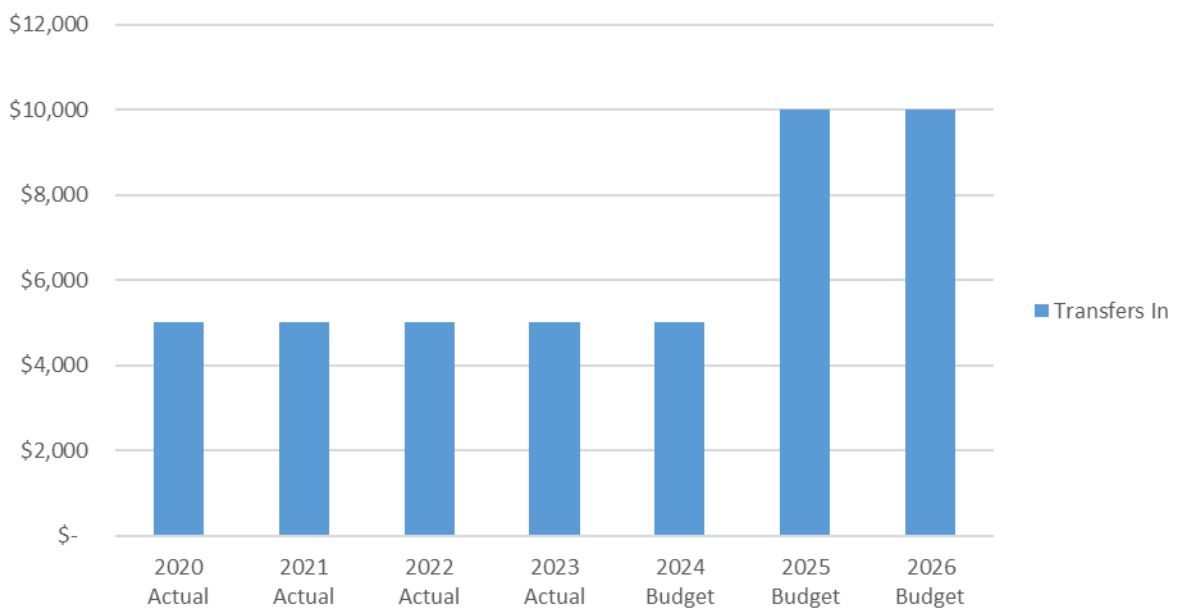
Art Project Capital Fund

This is a Capital Project Fund to track the City's Art Projects. Funds for the projects come from the General Fund, grants, or other funding sources.

Art Project Fund Revenue/Expense History



Art Project Fund Revenue



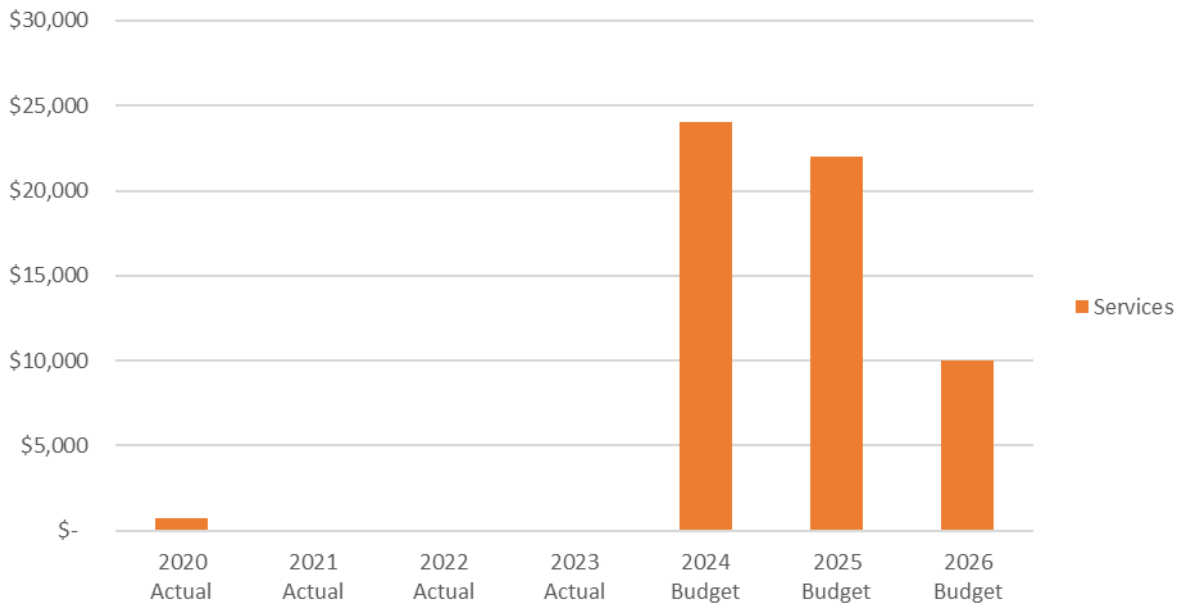
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000
Total	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000

Transfers In: The City transfers funding from the Transportation Development, General, and Park Impact Fee Funds to this fund to assist with local match and project costs.

Art Project Fund Expenditures

The city recognizes that support for artists and arts organizations, development and stewardship of public art, arts education, and cultural development are public necessities and essential for the continuing growth and development of the City's citizens, economy, and quality of life. This fund will track art project expenditures.

Art Project Fund Expense



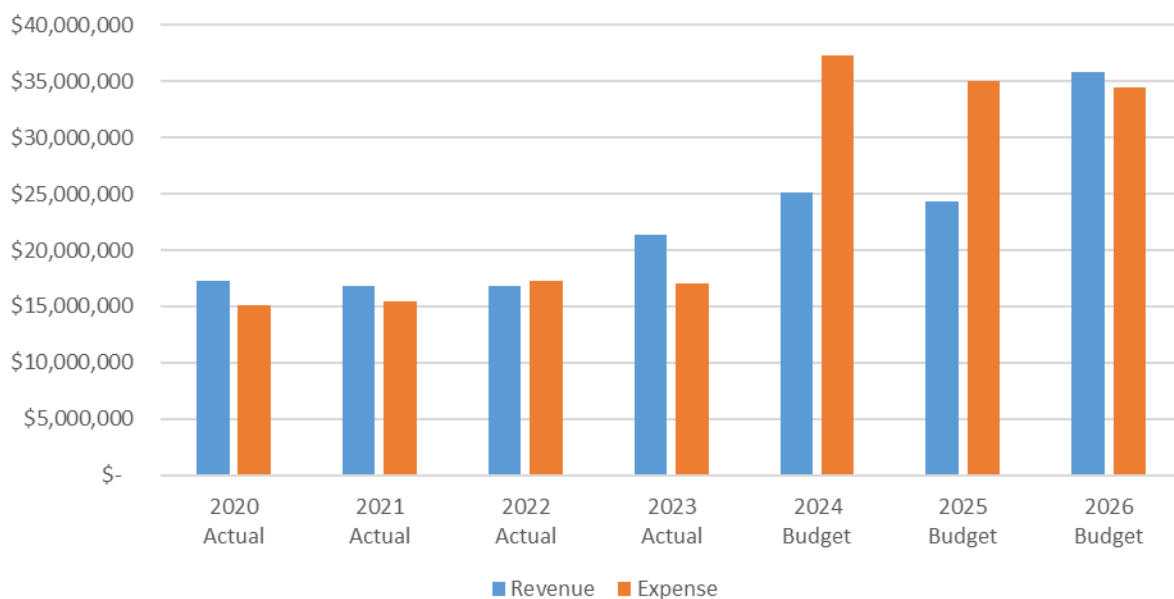
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Services	\$ 718	\$ -	\$ -	\$ -	\$ 24,000	\$ 22,000	\$ 10,000
Total	\$ 718	\$ -	\$ -	\$ -	\$ 24,000	\$ 22,000	\$ 10,000

Water/Sewer Funds

The City utilizes several funds for tracking of the operation, maintenance, debt service, and capital projects of the City's Water and Sewer utilities. While combined in the same funds, water and sewer operations are tracked and treated as their own restricted sources of revenues. Water revenues support water operations, maintenance, debt, and infrastructure improvements. Sewer revenues support sewer operations, maintenance, debt, and infrastructure improvements.

The City contracts with a third-party contractor, procured through a selective open request for proposals, to set the utility rates for each utility separately. Future infrastructure needs, labor costs, debt service payments, operations and maintenance costs, and cost inflation are all taken into account for each utility separately. The City's 2024-2028 rate study process commenced in 2022 and was completed in 2023. The City Council will approve the proposed rates in early 2024 through a City Ordinance, which will then be codified in the Washougal Municipal Code. For more information on rates, please see the City's website.

Water/Sewer Funds Revenue/Expense History



Water Utility

The Water Division of Public Works is responsible for the daily operation and maintenance of water production, storage, and delivery facilities. The city has specific meters that are needed for its system and has utilized the sole source process for purchasing them. Examples of typical duties in the Water Division include well pump checks, reservoir and pump station inspections, leak repairs, customer calls for service, meter reading and a variety of preventative programs. Both the Water and Wastewater Division perform daily tests and take daily samples to help ensure good quality drinking water is delivered to our customers and clean, safe water is discharged to the Columbia River.

Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Physical Environment	\$ 9,537,804	\$ 10,929,549	\$ 11,476,541	\$ 14,905,202	\$ 12,633,884	\$ 12,967,000	\$ 13,344,700
Transfers In	7,096,150	5,563,485	4,763,018	4,829,421	11,052,609	4,894,362	5,032,804
Economic Environment	-	-	-	-	-	-	-
Direct Federal Grants	-	-	-	-	1,000,000	1,000,000	-
Indirect Federal Grants	421,286	-	80,027	-	-	-	-
Water Rights Payments	26,449	-	-	-	-	-	-
Disposition Of Cap Assets	-	-	-	54,917	-	-	-
Interest/Other Earnings	130,684	50,846	234,132	617,864	383,000	435,000	435,000
Rents/Lease/Concession	20,330	86,551	66,932	64,976	67,400	65,000	65,000
Other Misc Revenues	26,198	18,147	32,657	1,114	-	-	-
Other Non Revenues	-	157,196	174,171	-	-	-	-
Proceeds L/T Debt	-	-	-	950,000	-	5,000,000	17,000,000
Total	\$ 17,258,900	\$ 16,805,774	\$ 16,827,479	\$ 21,423,495	\$ 25,136,893	\$ 24,361,362	\$ 35,877,504

Physical Environment: The fees for utility service are the primary source of revenue for these funds. They are the basis for operating the Water/Sewer utilities. For 2025-2026, the City anticipates the following revenue from the Water and Sewer utilities for services:

2025 Water Utility Revenue	\$4,947,000
2025 Sewer Utility Revenue	\$6,820,000

2026 Water Utility Revenue	\$5,151,800
2026 Sewer Utility Revenue	\$6,992,900

Transfers In: As the graph above is for all Water/Sewer Funds, it includes transfers from the operations and maintenance fund to the capital and debt service funds to pay for current and future capital projects, and debt payments.

Grants: For 2024, the City anticipates a \$1,000,000 grant for upgrades at the Wastewater Treatment Plant.

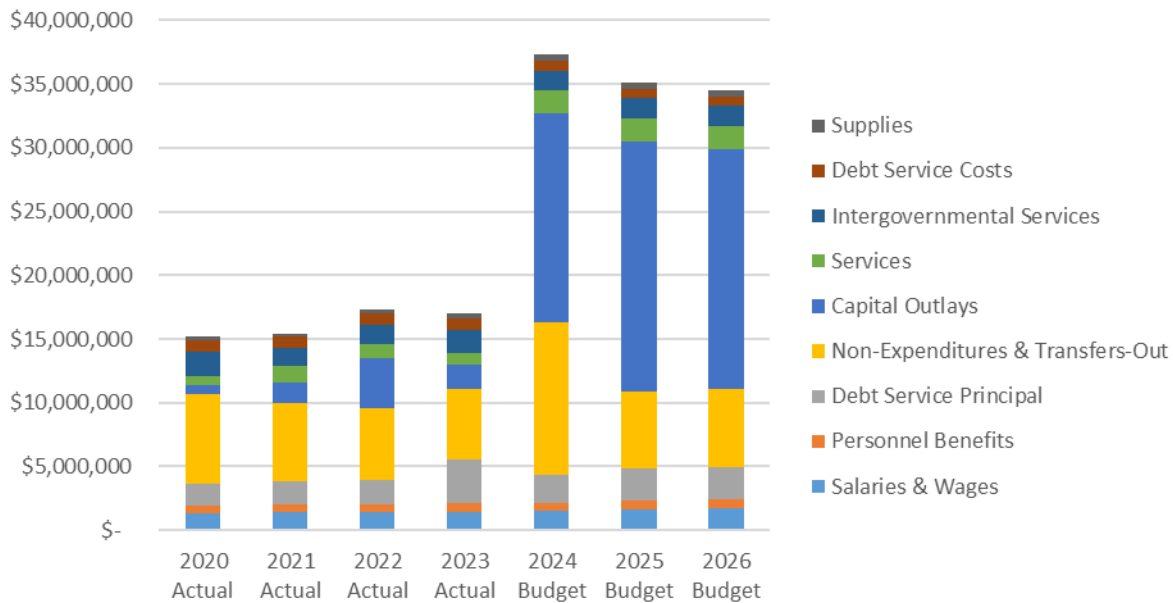
Economic Environment: When developers and residents connect to our Water and Sewer utilities, they pay a system development charge which goes towards the cost of the infrastructure for each utility. This revenue source is dependent on development activity.

2025 & 2026 Water System Development Charges	\$500,000
2025 & 2026 Sewer System Development Charges	\$700,000

Water/Sewer Funds Expenses

The Water and Sewer Utilities have a Utilities Superintendent that oversees operations of both utilities in addition to oversight by the Public Works Director. Like revenues, each utility's expenses are tracked separately for Water and Sewer services. The graph below shows the expenses for all the Water/Sewer Funds rolled up together which includes operations, maintenance, debt service, and capital projects. Also included are the transfers out from the operations and maintenance fund to the capital and debt service funds for capital projects and debt service payments.

Water & Sewer Expense

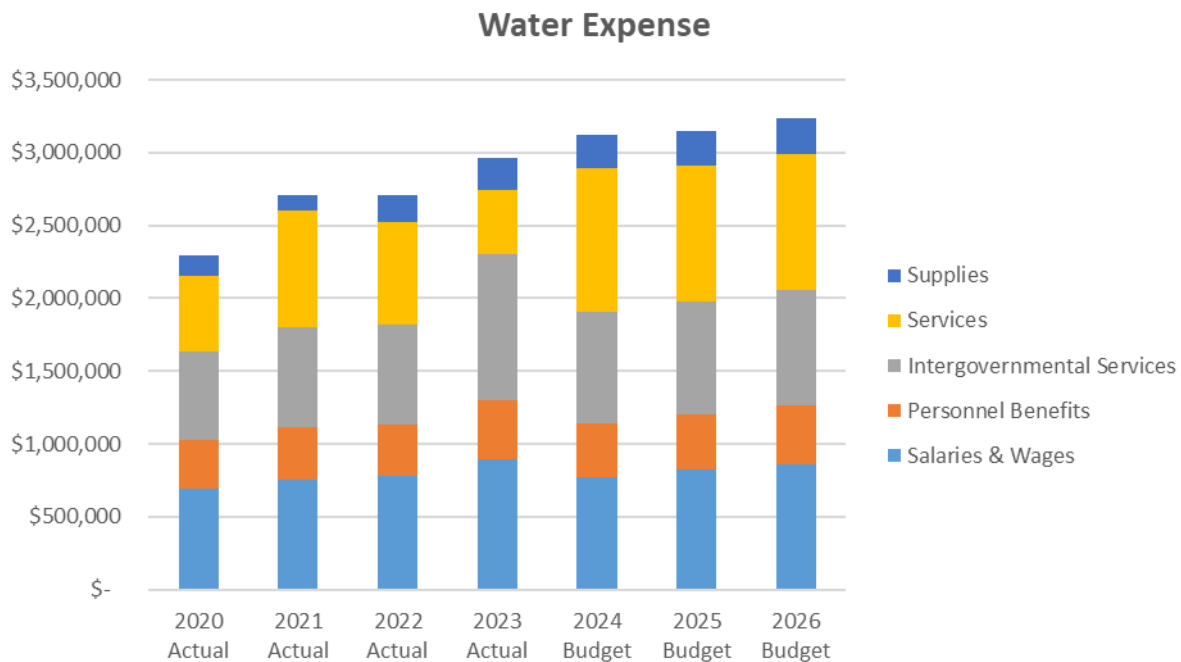


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 1,303,986	\$ 1,376,324	\$ 1,426,582	\$ 1,463,058	\$ 1,482,408	\$ 1,633,000	\$ 1,702,300
Personnel Benefits	625,143	629,679	629,116	618,257	650,765	691,113	731,265
Debt Service Principal	1,742,404	1,809,404	1,857,404	3,475,611	2,224,904	2,492,904	2,514,257
Non-Expenditures & Transfers-Out	7,044,560	6,140,355	5,677,200	5,474,162	11,974,173	6,078,331	6,148,111
Capital Outlays	626,393	1,627,709	3,862,819	1,911,773	16,369,940	19,540,270	18,753,170
Services	787,586	1,272,578	1,175,422	898,723	1,777,892	1,813,237	1,809,269
Intergovernmental Services	1,848,977	1,420,726	1,462,011	1,901,027	1,570,035	1,609,989	1,655,817
Debt Service Costs	962,888	906,148	905,296	891,546	800,071	719,719	654,914
Supplies	211,359	215,485	287,038	372,506	472,568	488,678	502,842
Total	\$ 15,153,296	\$ 15,398,406	\$ 17,282,887	\$ 17,006,662	\$ 37,322,756	\$ 35,067,241	\$ 34,471,945

Water Utility Operation and Maintenance Expenses

The Utilities Superintendent manages six full-time water maintenance workers for the operations of the Utility. In addition, support staff are employed during the spring to assist with water operations, as needed. The total FTEs allocated to this department on a regular basis is 7.93. The support the utility receives from other departments, such as Finance for Utility Billing and Customer Service, are charged through an indirect cost recovery plan. This coupled with transfers-out of the fund is the second largest expense for the Utility. The city assesses a business and occupation tax on all utilities operating in the city, which also includes the City's Water Utility. These funds are paid to the General Fund.

The following are the operations and maintenance expenses for the Water Utility:



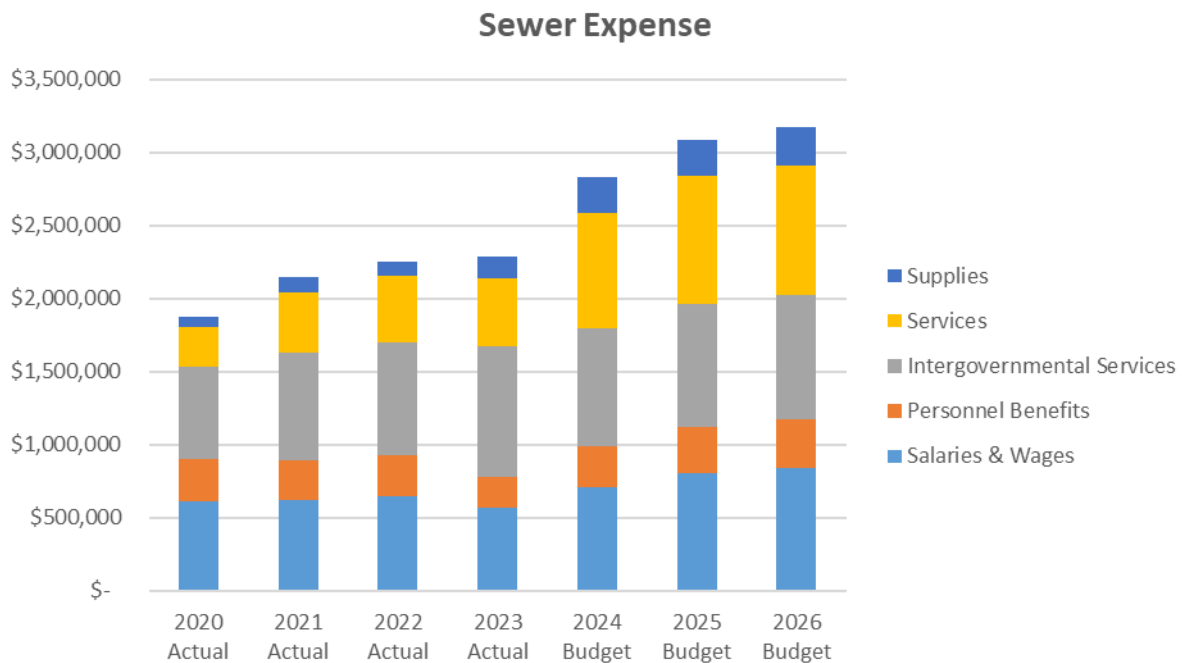
Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 690,729	\$ 758,774	\$ 780,917	\$ 894,699	\$ 771,228	\$ 828,350	\$ 864,400
Personnel Benefits	337,207	354,493	350,733	403,714	374,691	374,006	396,392
Intergovernmental Services	610,227	686,553	689,665	1,008,209	764,229	771,796	799,871
Services	515,605	798,935	702,353	439,947	982,484	935,305	925,525
Supplies	143,937	105,281	188,313	219,976	231,581	240,283	245,711
Total	\$ 2,297,705	\$ 2,704,036	\$ 2,711,980	\$ 2,966,546	\$ 3,124,213	\$ 3,149,740	\$ 3,231,899

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Water	8.49	7.96	7.93	7.93

Sewer Utility Operation and Maintenance Expenses

The Utilities Superintendent manages five full-time maintenance workers for the operations of the Utility. Total FTE allocated to this department on a regular basis is 7.90, thereby making salaries and benefits the largest operations and maintenance expense for the Utility. The support the Utility receives from other departments, such as Finance for Utility Billing and Customer Service, are charged through an indirect cost recovery plan. The city assesses a business and occupation tax on all utilities operating in the city which also includes the City's Sewer Utility. These funds are paid to the General Fund.

The following are the operations and maintenance expenses for the Sewer Utility:



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 613,258	\$ 617,550	\$ 645,665	\$ 568,359	\$ 711,180	\$ 804,650	\$ 837,900
Personnel Benefits	287,936	275,186	278,383	214,543	276,074	317,107	334,873
Intergovernmental Services	631,327	734,174	772,346	892,818	805,806	838,193	855,946
Services	271,981	414,055	457,917	458,776	795,408	877,932	883,744
Supplies	67,423	110,204	98,725	152,530	240,987	248,395	257,131
Total	\$ 1,871,925	\$ 2,151,168	\$ 2,253,037	\$ 2,287,025	\$ 2,829,455	\$ 3,086,277	\$ 3,169,594

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Sewer	7.41	6.92	7.90	7.90

Water/Sewer Utility Capital Project Expenses

The City has two funds to track Capital Projects for Water/Sewer Utilities. The City has issued \$29,120,000 in Revenue bonds since 2011 to fund infrastructure projects for Water, Sewer, and Storm Utilities, in order to be in compliance with state regulations and maintain the City's operating permit for each utility. The City tracks the bond projects from one fund as they have to be approved per the bond covenants. The other Water/Sewer projects funded by system development charges, grants, and system reinvestment funds are tracked out of a separate fund. See below for the list of 2025 Water and Sewer Capital Projects:

Water Capital Projects:

Water Capital	Budget
Automatic Meter Reading (AMI)	\$ 14,000
Fleet & Equipment Replacement	53,000
Reservoir 7 Siting Study & Property Purchase	39,800
New Service Line 32nd Street - "G" - "K" Street	1,033,200
System Looping 4th Street - Shepherd Road	872,500
Major Repairs/Pipe Improvements	66,300
PW Operations Center Bldg. Maint. & Repair	37,000
P10 "I" Street - 32nd St to 34th St	481,200
P62 1st Street	156,500
Northside Water Improvements	200,000
Total Water Capital	\$ 2,953,500

Sewer Capital Projects:

Sewer Capital	Budget
Fleet & Equipment Replacement	\$ 60,500
Lift Station #1 Relocation (Sewer)	200,000
PW Operations Center Bldg. Maint. & Repair	36,000
Biosolids & Anoxic Selector Management	16,415,670
Lift Station #4, #13, #14 Upgrades	70,600
Total Sewer Capital	\$ 16,782,770

See below for the list of 2026 Water and Sewer Capital Projects:

Water Capital Projects:

Water Capital	Budget
Fleet & Equipment Replacement	\$ 114,000
"G" Street - 32nd Street to 34th Street	753,000
South "A" Street - 8th Street to 12th Street	1,359,500
Major Repairs/Pipe Improvements	69,000
Northside Water Improvements	200,000
Total Water Capital	\$ 2,495,500

Sewer Capital Projects:

Sewer Capital	Budget
Fleet & Equipment Replacement	\$ 38,000
Biosolids & Anoxic Selector Management	16,415,670
Total Sewer Capital	\$ 16,453,670

Water/Sewer Debt Service

Currently, the City has \$21,356,070 in outstanding debt for water and sewer infrastructure. Of this amount, \$1,976,550 is from Public Works Trust Fund Loans and \$19,379,520 is from Revenue Bonds. The City makes annual principal and interest payments for these funds based upon amortization schedules as set during the loan and bond issuance. For 2025 and 2026, the total debt service, comprised of principal and interest, funded by Water/Sewer rate revenues is \$3,212,623 and \$3,169,171, respectively.

Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Water - Gallons Produced	Maintain Service level and meet demand	552,206,000	603,243,000	574,816,000	606,983,000	610,000,000	610,000,000	610,000,000
Backflow Devices Tested	95% Devices tested	1,583	1,353	1,421	1,515	1,500	1,600	1,650
Backflow Devices Tested Compliance	95% Devices tested	90.0%	82.0%	85.0%	83.5%	82.0%	85.0%	90.0%
Water Quality Sampling Tests	Maintain Service level and meet demand	4,907	4,908	4,682	4,689	4,690	4,690	4,690
Service Orders & Utility Locates Completed	Maintain Service level and meet demand	2,921	5,031	4,307	4,336	3,417	3,500	3,500
Water Leaks Repaired	Maintain Service level and meet demand	21	7	12	14	10	10	10
Wastewater - Gallons Treated	Maintain Service level and meet demand	425,086,000	448,825,000	476,943,000	442,147,000	445,000,000	445,000,000	445,000,000
Dry Tons Biosolids Produced	Maintain Service level and meet demand	84	225	407	294	300	300	300
Fat, Oil and Grease (FOG) Inspections	Maintain Service level and meet demand	24	24	24	24	24	24	24
Wastewater Lab Tests	Maintain Service level and meet demand	5,584	5,588	5,577	5,577	5,577	5,577	5,577

Stormwater Fund

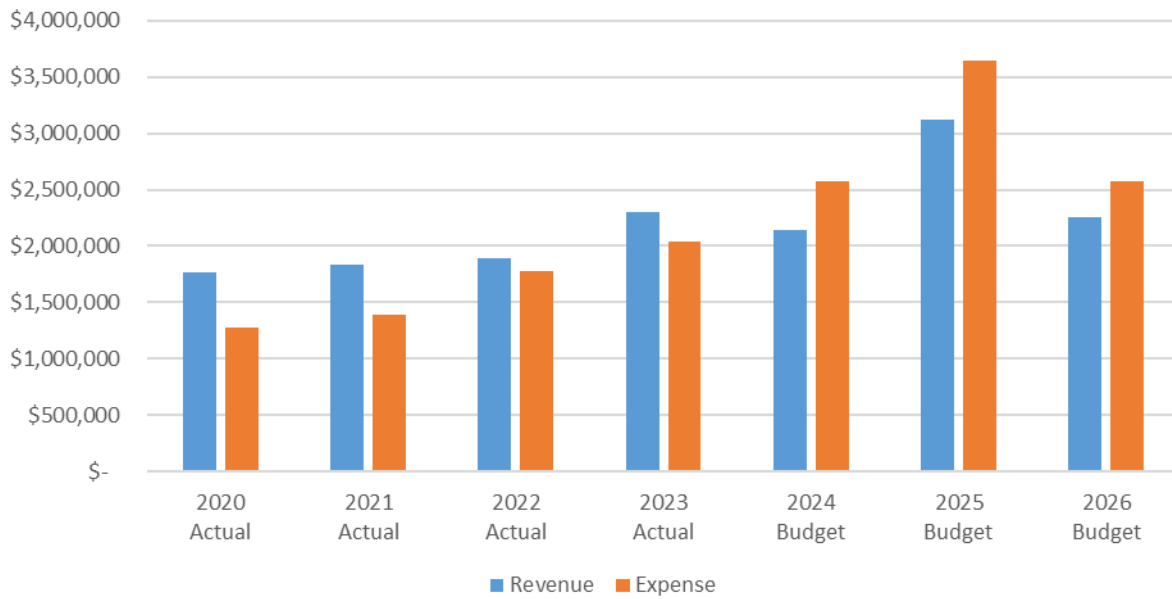
In general terms, Stormwater is rainfall or snowmelt which flows over the ground. Impervious surfaces such as rooftops, driveways, sidewalks, and streets prevent Stormwater runoff from naturally soaking into the ground. Stormwater runoff can pick up pollutants such as fertilizers, pesticides, animal waste, debris, and oil, among other toxins. This untreated runoff flows into storm drains and eventually reaches streams, rivers, lakes, and oceans.

The runoff which enters the Stormwater systems is treated in a Stormwater facility before being released to a local waterway. Stormwater is not piped to the wastewater treatment plant which is why it is important to properly maintain the many independent Stormwater facilities around the city. The city performs this function with its Stormwater Utility.

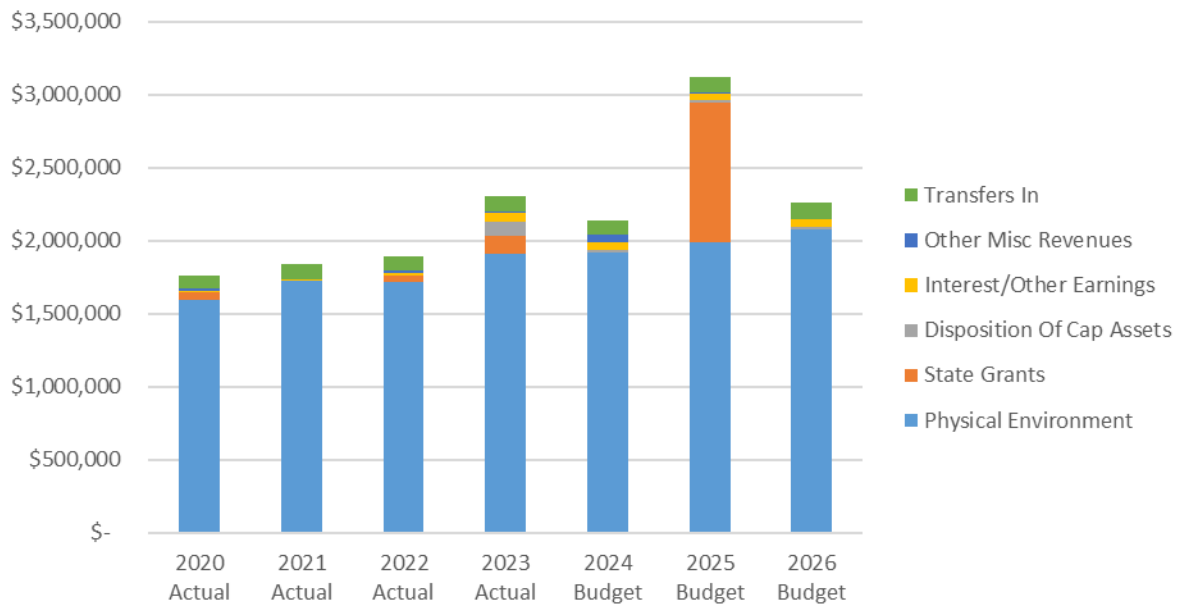
The city has developed a comprehensive Stormwater Management Plan (SWMP), outlining the City's efforts to prevent Stormwater pollution and minimize runoff. Generally, the SWMP has five components: public education, public outreach and involvement, the formation of an illicit dumping elimination program, modified regulations for new development and redevelopment and construction, as well as a pollution prevention program, to be implemented within City operations. Currently, the city is responsible for the maintenance of 1500 catch basins and 25 detention ponds. Washougal's unique location on the banks of the Columbia River makes it extremely important that stormwater runoff be adequately treated and discharged in the cleanest form possible. The Columbia is not only comprised of the water that runs between its banks, but also of all the water that enters from the communities that line its shores. Working together, the City of Washougal and its community can improve the quality of our valuable water resources, ensuring availability to future generations.

The City contracts with a third-party contractor, procured through a selective open request for proposals, to set the utility rates for each utility separately. Future infrastructure needs, labor costs, debt service payments, operations and maintenance costs, and cost inflation are all considered for each utility separately. The City's 2024-2028 rate study process commenced in 2022 and was completed in 2023. The City Council will approve the proposed rates in early 2024 through a City Ordinance, which will then be codified in the Washougal Municipal Code. For more information on rates, please see the City's website.

Stormwater Fund Revenue/Expense History



Stormwater Fund Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Physical Environment	\$ 1,593,476	\$ 1,726,452	\$ 1,712,691	\$ 1,905,480	\$ 1,914,820	\$ 1,989,000	\$ 2,077,000
State Grants	51,688		46,775	125,245	-	953,015	-
Disposition Of Cap Assets	-	-	-	95,000	17,000	15,000	15,000
Interest/Other Earnings	13,124	5,243	19,291	66,151	55,000	50,000	50,000
Other Misc Revenues	10,102	1,425	13,882	4,711	50,000	2,500	2,500
Transfers In	94,450	103,695	101,446	109,274	103,800	108,000	112,000
Total	\$ 1,762,840	\$ 1,836,815	\$ 1,894,086	\$ 2,305,861	\$ 2,140,620	\$ 3,117,515	\$ 2,256,500

Physical Environment: The fees for utility service are the primary source of revenue for this fund. They are the basis for operating the Stormwater Utility.

Stormwater Fund Expenses

The City Engineer/Deputy Public Works Director oversees this fund with oversight by the Public Works Director. Prior to 2024, there was 1 full-time supervisor and 3 maintenance workers who maintained this Utility. A fourth full-time maintenance worker was included in the 2023 budget but was not filled until 2024. The total FTEs allocated to this fund in 2024 is 6.25. In the spring, the city hires additional seasonal workers to assist with the maintenance of the system, as needed. This fund also pays a portion of the outstanding Utility Debt. The portion of Revenue bonds outstanding this fund is \$739,560. This fund transfers funds to the water/sewer utility debt fund from which the payments are made. Total principal and interest for 2025 and 2026 is \$96,338.74 and \$96,463.61, respectively.

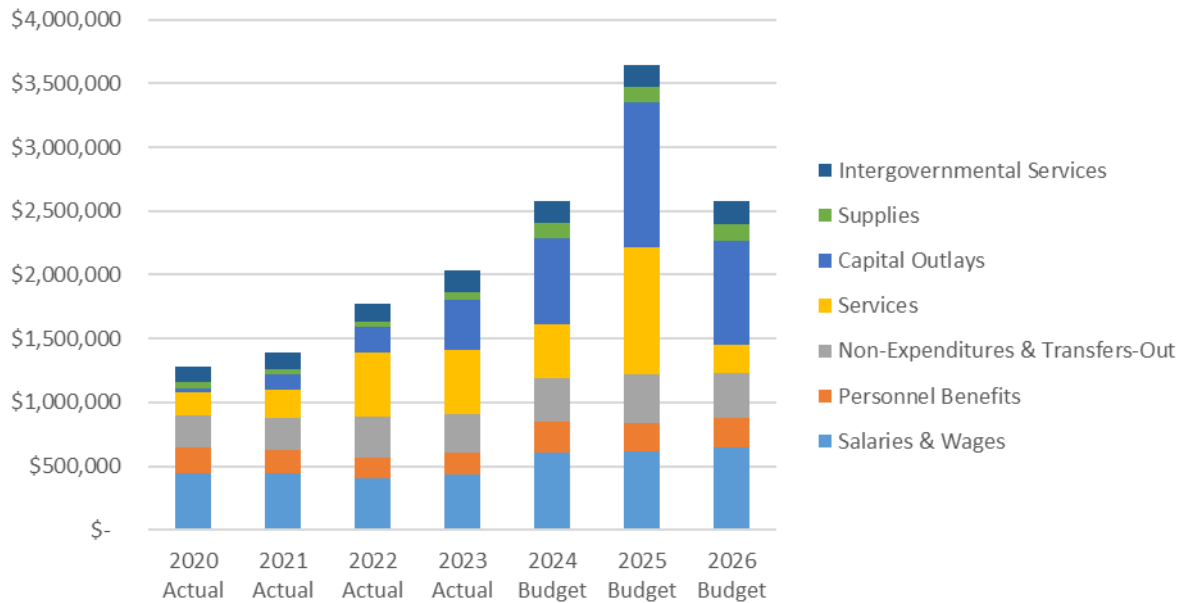
In addition to regular maintenance and operations of the Stormwater fund, the following projects funded by utility revenues, grants, and system development fees are included for 2025:

Stormwater Capital & Maintenance	Budget
Stormwater Capacity Upgrades	\$ 23,805
Campen Creek Stormwater Improvements (LCE)	279,354
Kerr Park Stormwater Improvements (LCEP)	498,445
Fleet & Equipment Replacement	121,700
Annual Catch Basins & Drainage Improvements	259,410
PW Operations Center Bldg. Maint. & Repair	59,000
Q Street Infiltration Pool	178,153
Jemtegaard Trail Drainage Repairs	287,432
Downtown Revitalization (Civic Campus)	200,000
Total Stormwater	\$ 1,907,299

The following funded projects are included for 2026:

Stormwater Capital & Maintenance	Budget
Street Sweeper Replacement	\$ 307,000
Annual Catch Basins & Drainage Improvements	458,598
Fleet & Equipment Replacement	54,000
Total Stormwater	\$ 819,598

Stormwater Expense



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Salaries & Wages	\$ 442,552	\$ 450,777	\$ 410,852	\$ 434,962	\$ 602,425	\$ 616,200	\$ 642,800
Personnel Benefits	202,204	179,204	151,291	173,936	242,250	224,900	237,500
Non-Expenditures & Transfers-Out	253,150	244,280	322,711	296,673	345,344	380,256	354,052
Services	184,558	229,234	505,472	508,279	426,797	997,652	217,039
Capital Outlays	30,980	114,603	198,442	389,477	674,750	1,129,500	819,598
Supplies	48,761	39,644	47,415	60,231	115,708	120,267	122,178
Intergovernmental Services	117,853	130,142	139,146	172,113	166,580	174,778	180,340
Total	\$ 1,280,058	\$ 1,387,884	\$ 1,775,329	\$ 2,035,671	\$ 2,573,854	\$ 3,643,553	\$ 2,573,507

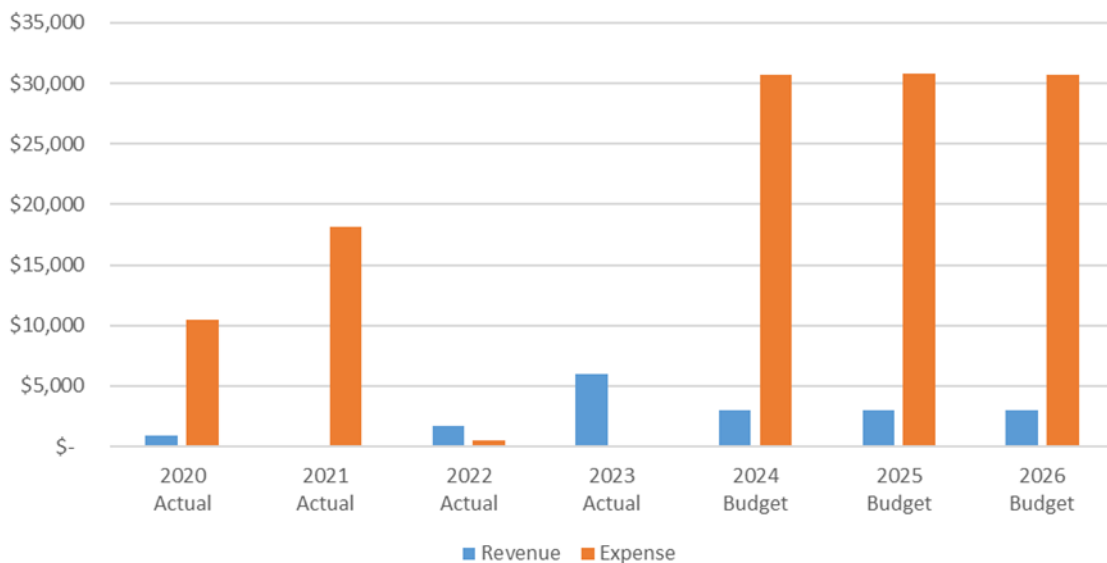
Performance Measure	Criteria / Goal	2020	2021	2022	2023	2024 Estimate	2025 Proposed	2026 Proposed
Catch basins inspected & maintained	Maintain Service level and meet demand	583	927	511	746	800	800	800
Stormwater Facility Maintenance Visits	Maintain Service level and meet demand	230	180	219	294	300	300	300
Stormwater Facility Inspections	Maintain Service level and meet demand	275	178	300	310	300	300	300

Full-Time Employee Equivalent (FTE)				
Department	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Stormwater	6.50	6.25	6.25	6.25

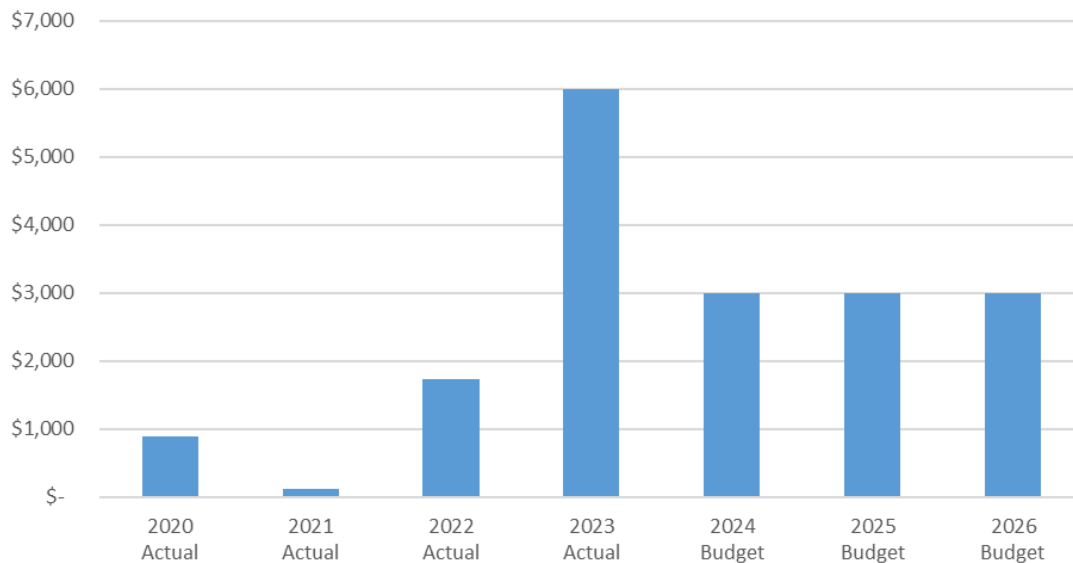
Employment Security Fund

This fund is used to provide unemployment compensation to City employees and from which reimbursements to the Washington State Department of Employment Security shall be made for these claims. This is an established self-insured fund for unemployment claims for which the City Council passed an ordinance establishing the fund and minimum fund balance requirements. There is sufficient balance in this Fund for 2025-2026, which allows the City to forego continued contributions until such a time the City must begin to make contributions to the fund.

Employment Security Fund Revenue/Expense History



Employment Security Fund Revenue



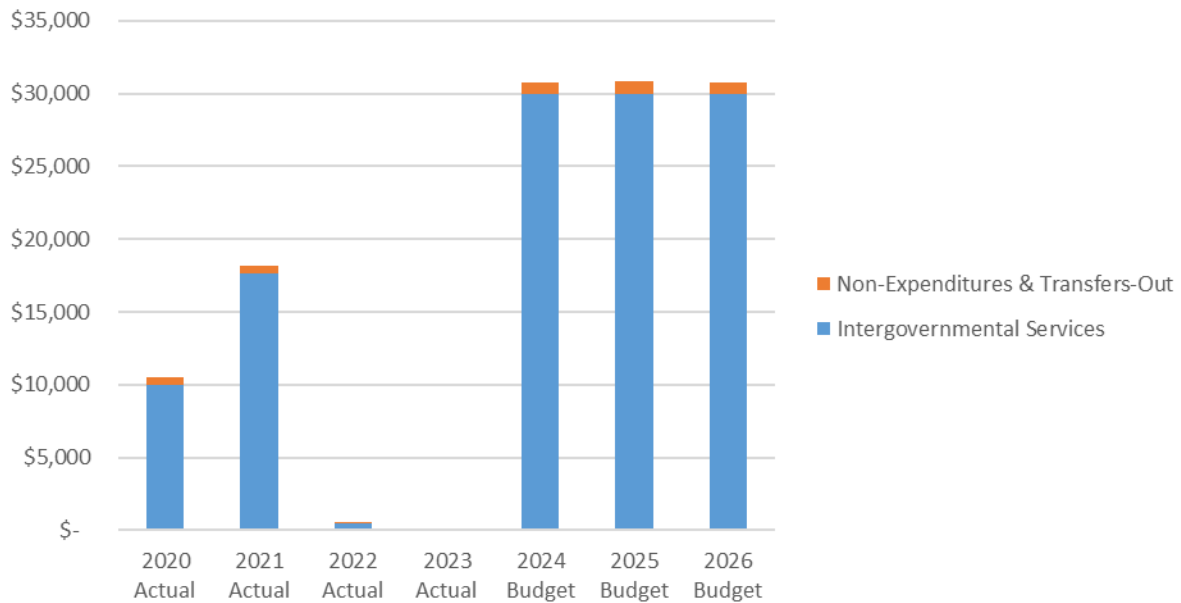
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Interest/Other Earnings	\$ 887	\$ 117	\$ 1,732	\$ 5,986	\$ 3,000	\$ 3,000	\$ 3,000
Total	\$ 887	\$ 117	\$ 1,732	\$ 5,986	\$ 3,000	\$ 3,000	\$ 3,000

Interest Earnings: The fund balance for this fund is earning interest each year.

Employment Security Fund Expenses

When an employee is terminated, they make a claim to the Washington State Employment Security Department (ESD). Once the claim is processed, the ESD sends the city a bill for the unemployment claim.

Employment Security Expense

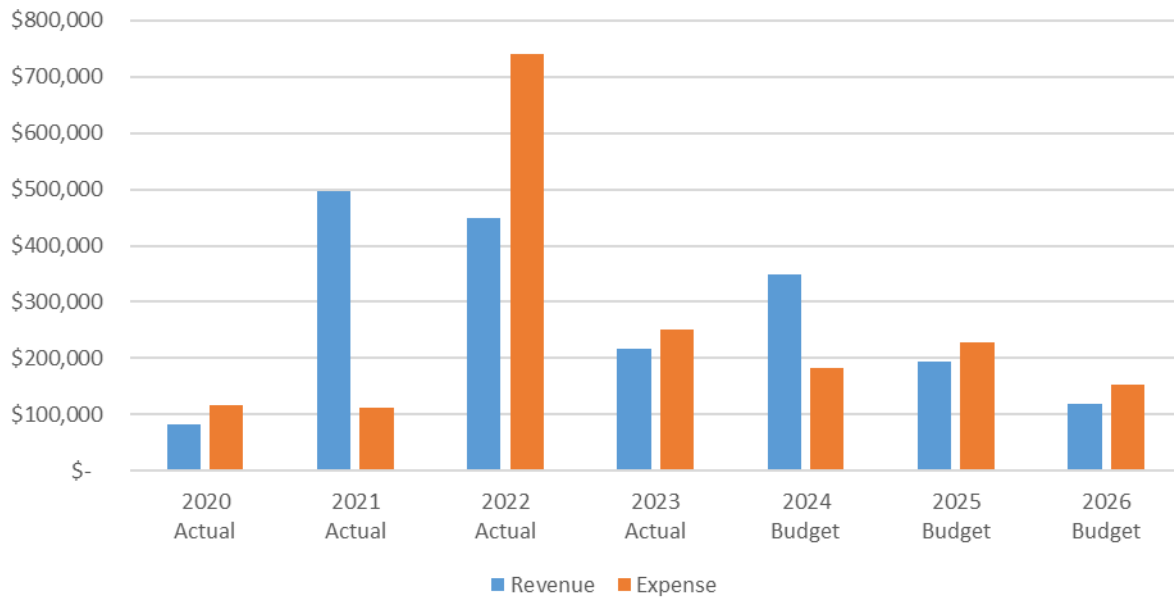


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Intergovernmental Services	\$ 10,020	\$ 17,610	\$ 452	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
Non-Expenditures & Transfers-Out	450	574	18	-	722	802	705
Total	\$ 10,470	\$ 18,184	\$ 470	\$ -	\$ 30,722	\$ 30,802	\$ 30,705

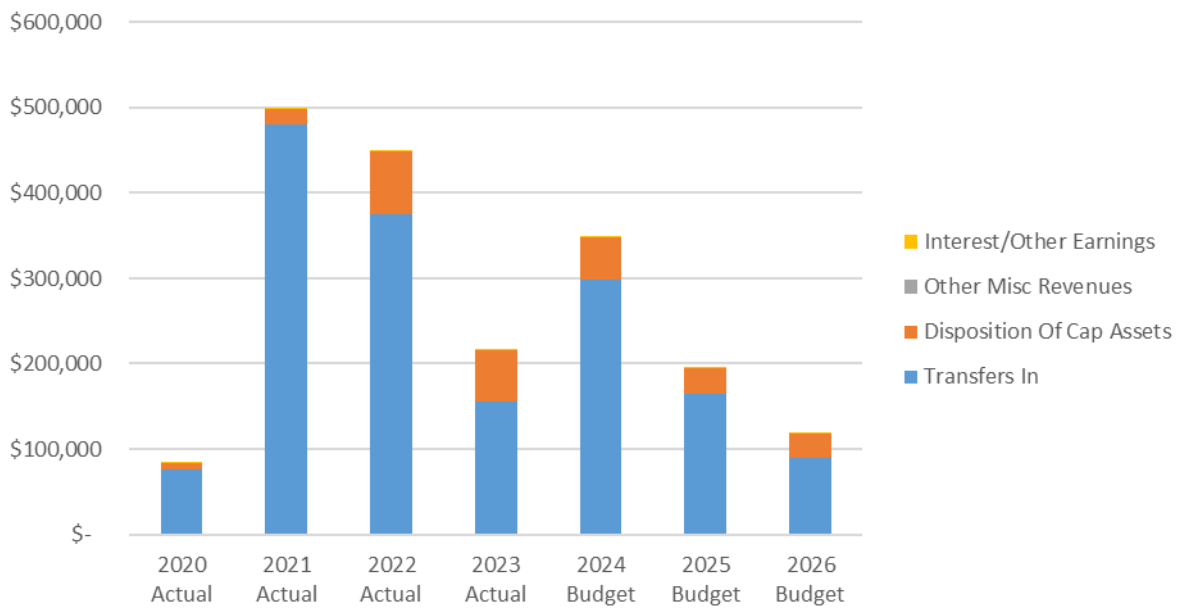
Equipment Rental and Repair Funds

The City has two Internal Service funds for Vehicles and Information Technology (IT) hardware for departments funded by the General Fund. Rolling stock is replaced from here according to a depreciation schedule. IT resources are also replaced from here according to a replacement schedule.

Equipment Rental and Repair Funds Revenue/Expense History



Equipment Rental & Repair Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 75,720	\$ 480,000	\$ 375,000	\$ 155,000	\$ 298,290	\$ 165,000	\$ 90,000
Disposition Of Cap Assets	7,481	17,765	73,060	61,275	50,000	29,000	28,000
Other Misc Revenues	-	-	-	-	-	-	-
Interest/Other Earnings	125	15	238	1,039	1,000	900	900
Total	\$ 83,326	\$ 497,780	\$ 448,298	\$ 217,314	\$ 349,290	\$ 194,900	\$ 118,900

Transfers In: The General Fund pays for all expenditures from this fund. The revenue for the vehicles comes through an interfund transfer.

Equipment Rental and Repair Funds Expenses

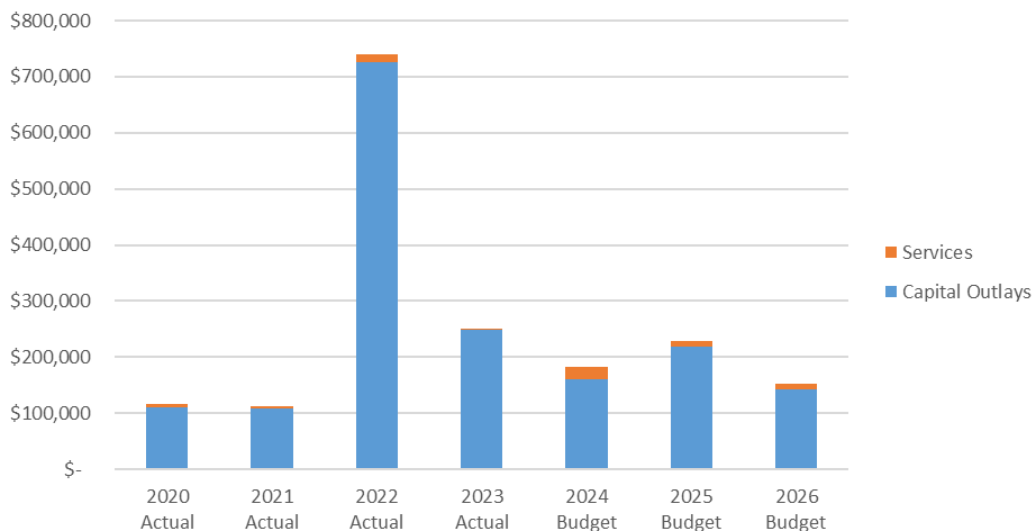
These funds pay for Vehicles and IT resources. For 2025, the following vehicles are scheduled to be replaced:

Department	Vehicle	Amount
Police	Non-Patrol Vehicle	65,000
Parks	Astro Van	32,000
Engineering	Chevy Impala	33,000
Total		\$ 130,000

For 2026, the following vehicle is scheduled to be replaced:

Department	Vehicle	Amount
Parks	Dump Truck	53,000
Total		\$ 53,000

Equipment Rental & Repair Expense

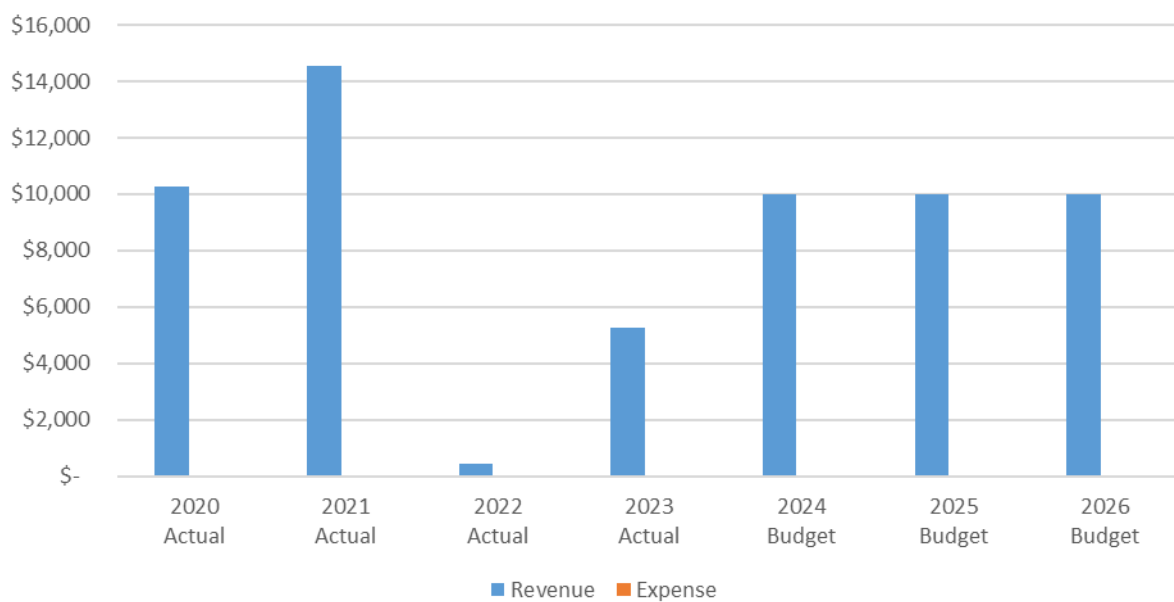


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Capital Outlays	\$ 109,590	\$ 108,831	\$ 725,193	\$ 248,346	\$ 161,380	\$ 219,000	\$ 142,000
Services	6,478	2,617	14,259	3,355	21,461	10,000	10,000
Total	\$ 116,067	\$ 111,448	\$ 739,452	\$ 251,702	\$ 182,841	\$ 229,000	\$ 152,000

Perpetual Care Fund

This fund was established by Ordinance to maintain the Cemetery in the future. A portion of the Cemetery lot sales, 25%, shall be deposited in the Cemetery Perpetual Care Trust Fund, until such time as the fund shall be of a sufficient amount that the revenue received therefrom will provide ample funds for the perpetual care and keep of the Cemetery. The principal of the fund shall be kept intact and not diminished. The interest therefrom shall be used for the expenses of operation and any excess may be used for capital improvements and additions to the Cemetery or if not needed for such purposes shall be added to the principal amount.

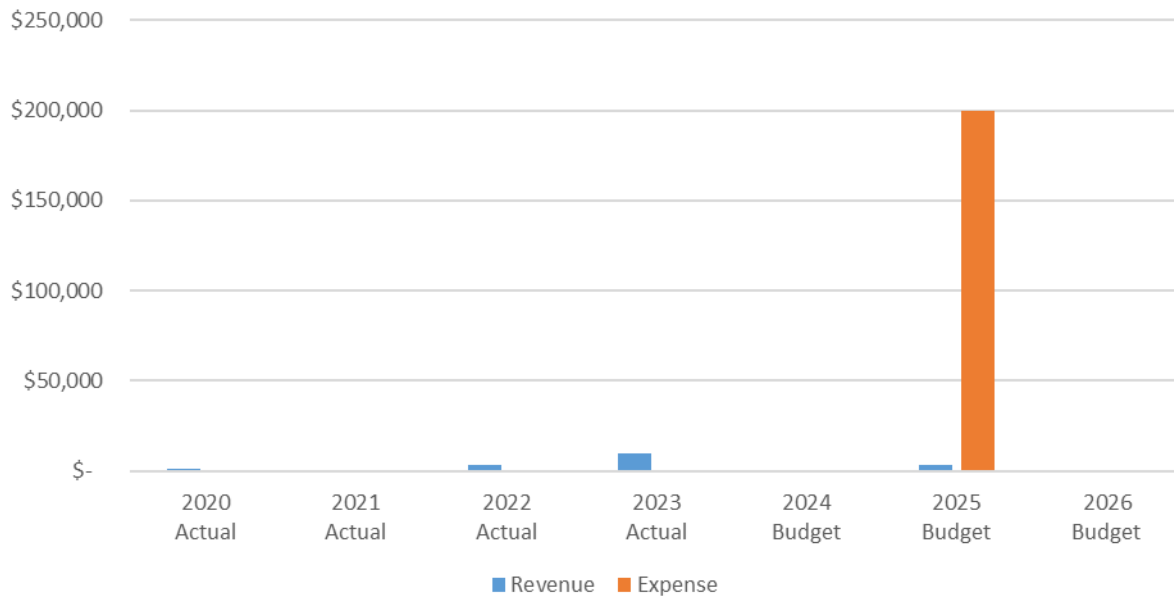
Perpetual Care Fund Revenue/Expense History



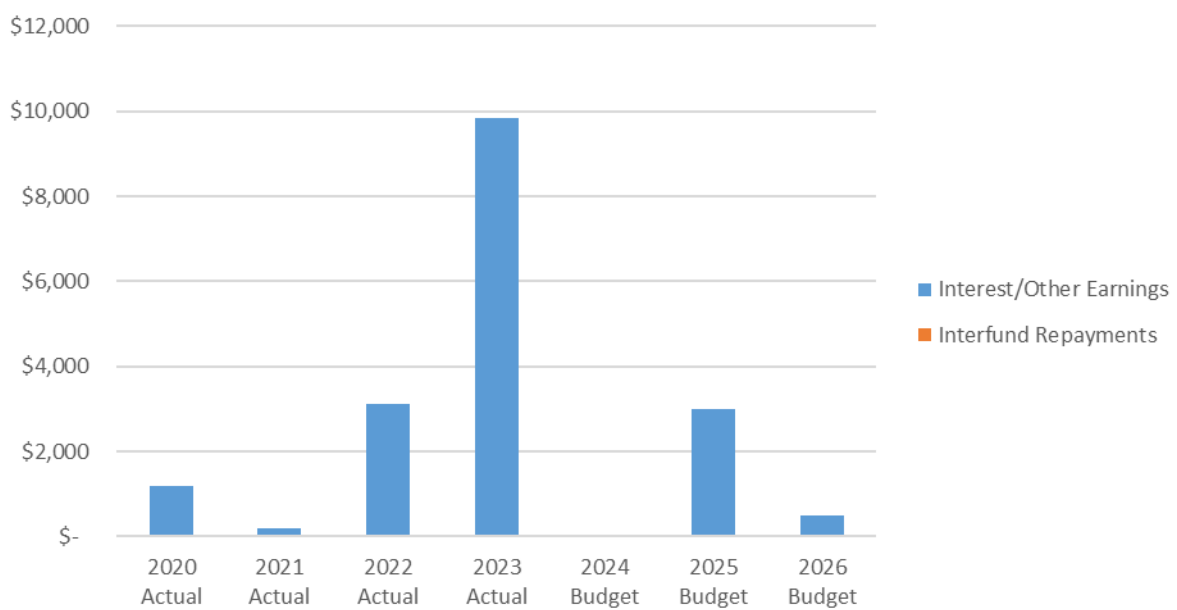
Woodburn/JKL Lid Guarantee Fund

This fund is no longer needed and can be closed out. The funds are unrestricted and can be transferred to another fund within the city.

Woodburn/JKL Lid Guarantee Fund Revenue/Expense History



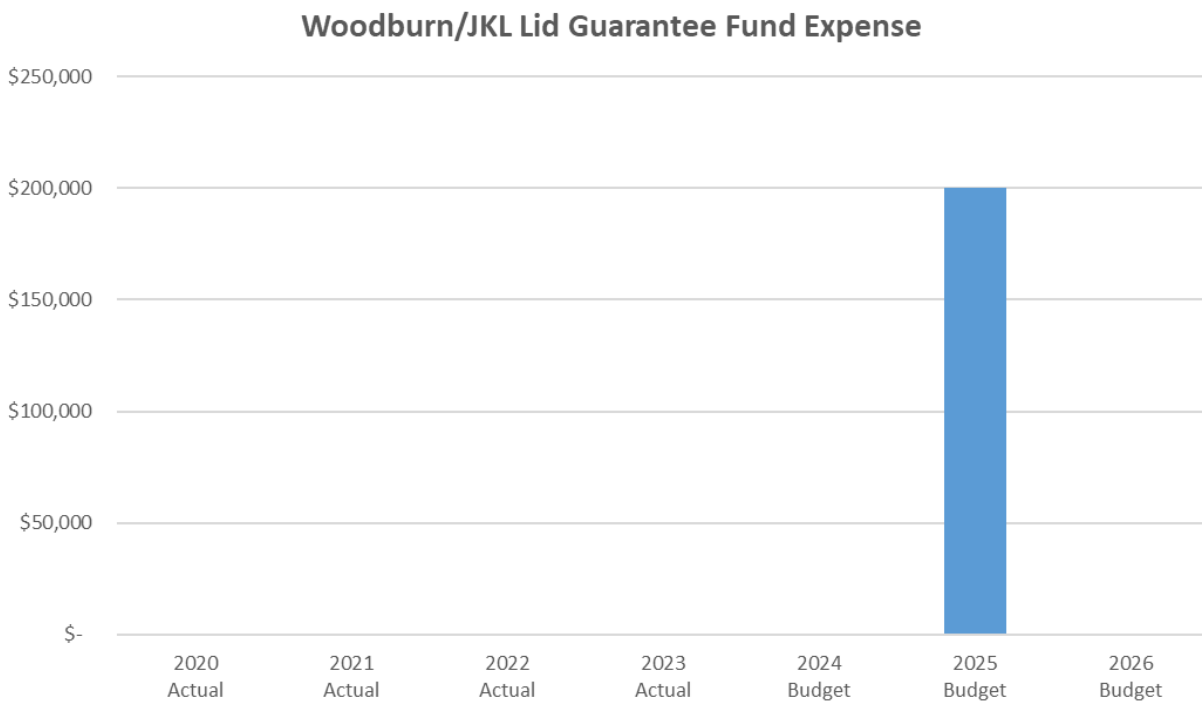
Woodburn/JKL Lid Guarantee Fund Revenue



Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Interfund Repayments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Other Earnings	1,176	198	3,114	9,837	-	3,000	500
Total	\$ 1,176	\$ 198	\$ 3,114	\$ 9,837	\$ -	\$ 3,000	\$ 500

Woodburn/JKL Lid Guarantee Fund Expenses

Expenditures from this fund transfers to the Building Contingency Capital Fund (fund 351) to be used for the Public Works Operations Center Repairs Project.

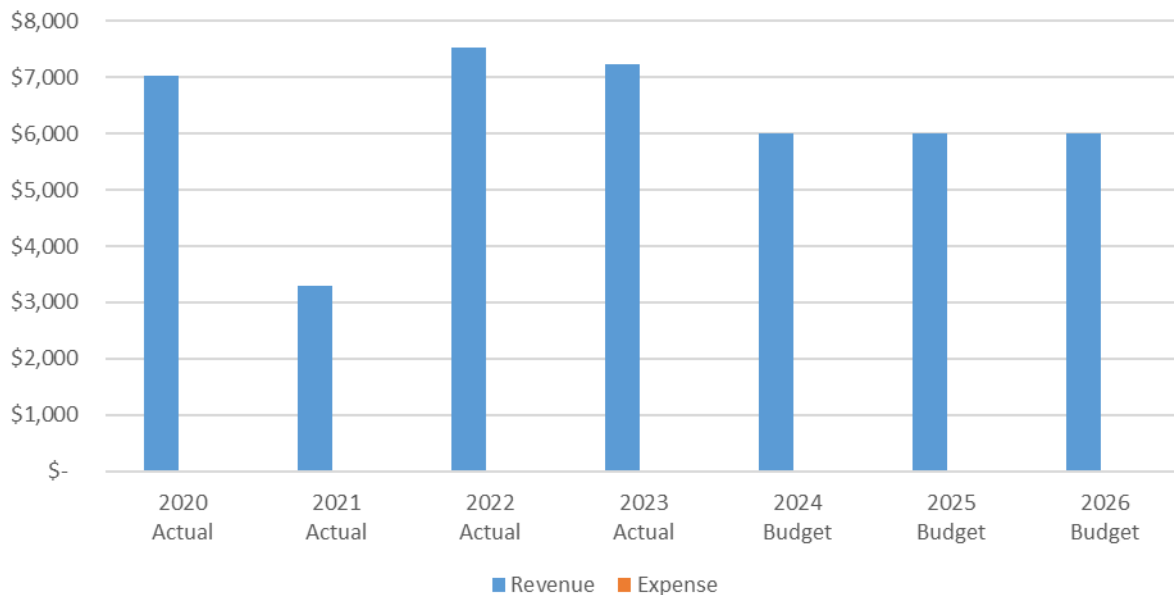


Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -

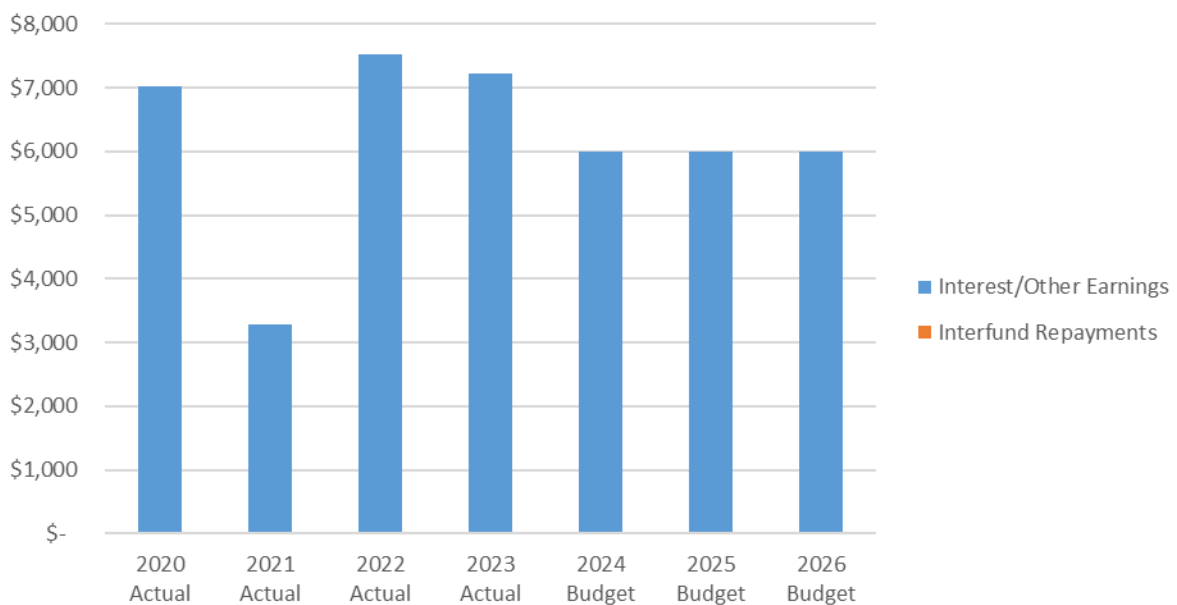
Downtown Bond Guarantee Fund

This is a debt service holding fund for the outstanding General Obligation debt which was used for the City's Downtown Revitalization. The debt is paid with monies transferred from the REET Funds out of the Downtown Revitalization Fund. This fund will be closed when the bonds are paid off in 2026.

Downtown Bond Guarantee Fund Revenue/Expense History



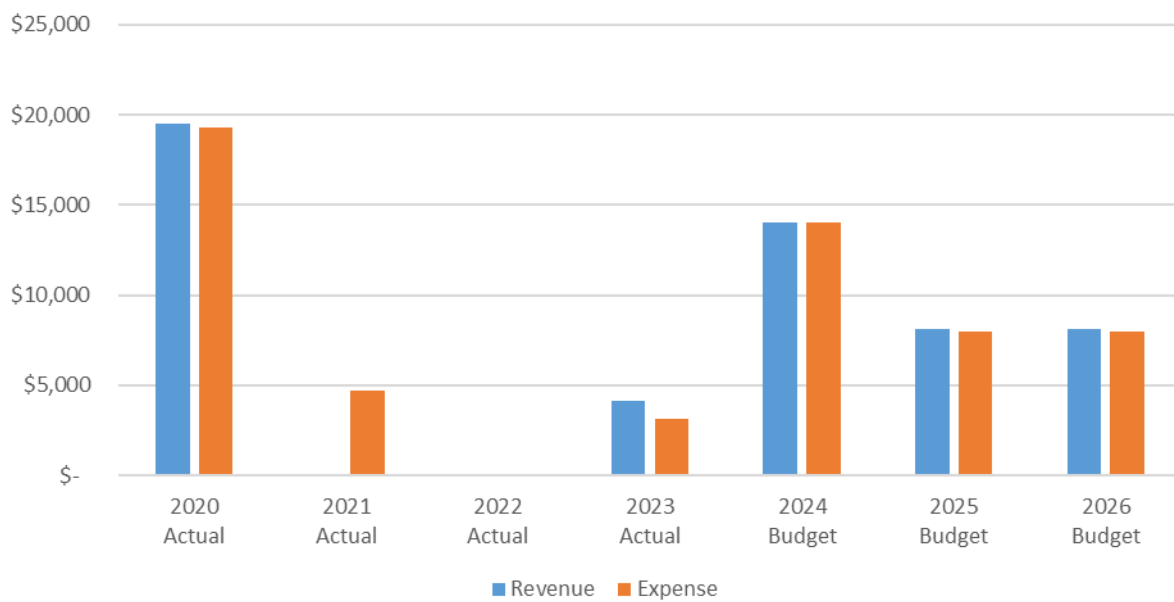
Downtown Bond Guarantee Fund Revenue



Low Income Assistance Fund

This fund was established in 2013 and is used to assist low-income citizens with their utility bills. The initial seeding money came from the utility reserves in the amount of \$95,000, which represents approximately one year of late fee/penalty revenue. The intent is for citizens to donate funds to keep the program operational; however, in 2016, the Council changed the policy to have 5% of the prior year penalties be transferred into the fund annually to keep the program going. The program was changed again in 2024 to allow additional opportunities to apply and 10% penalty revenue is now transferred to support this change.

Low Income Assistance Fund Revenue/Expense History



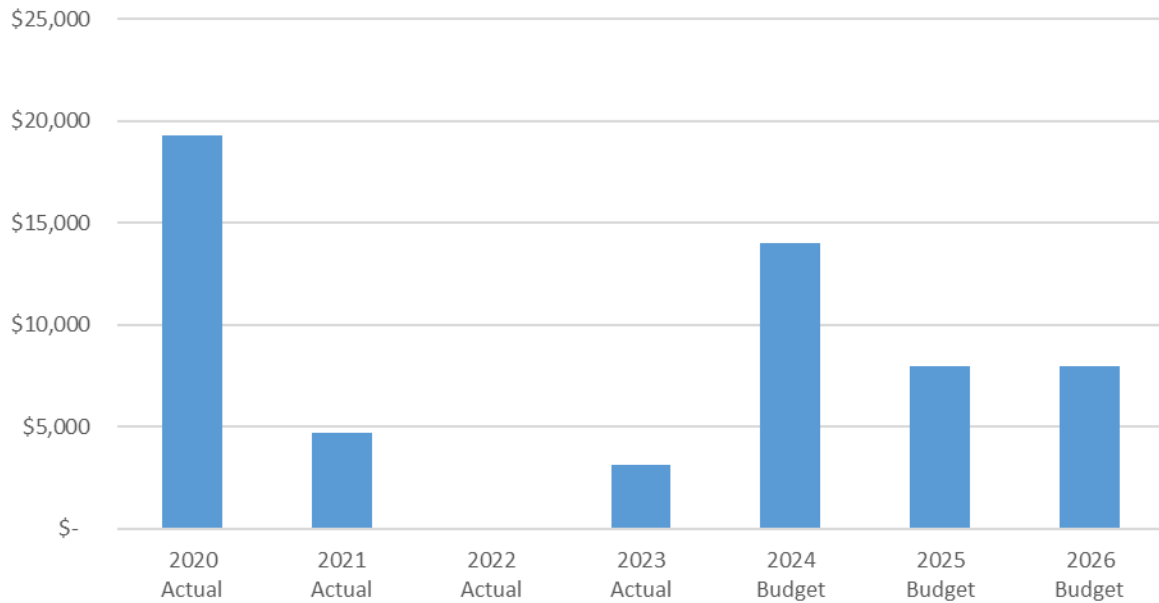
Revenue	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Transfers In	\$ 19,310	\$ -	\$ -	\$ 4,000	\$ 14,000	\$ 8,000	\$ 8,000
Private Contributions/Donations	200	1	-	-	-	-	-
Interest/Other Earnings	9	2	24	137	-	100	100
Total	\$ 19,519	\$ 3	\$ 24	\$ 4,137	\$ 14,000	\$ 8,100	\$ 8,100

Contributions/Private Donations: Citizens make donations to this fund to support low-income customers who cannot afford their utility bill.

Low Income Assistance Fund Expenses

Utility Customers submit an application for assistance. Once reviewed by staff, it goes to the Finance Committee for approval, and City Council then has the final approval on the application. There is a maximum of \$250 per customer available every 6 months. In 2024, the City Council approved an annual transfer of ten percent of actual utility penalty revenues to this program.

Low Income Assistance Fund Expense



Expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Non-Expenditures & Transfers-Out	\$ 19,310	\$ 4,728	\$ -	\$ 3,135	\$ 14,000	\$ 8,000	\$ 8,000
Total	\$ 19,310	\$ 4,728	\$ -	\$ 3,135	\$ 14,000	\$ 8,000	\$ 8,000

City of Washougal



City Long Term Liabilities

Long Term Liabilities

The City has several different types of long-term liabilities which have funded City Capital Projects. In addition to principal payments, the City also pays annual interest payments for each of the outstanding liabilities. The City does not have an official debt policy. The city uses each debt's amortization schedule to budget for the debt service payments. Each liability class is described below.

General Obligation Bonds

General Obligation Bonds are bonds which are backed by the City's tax revenues. If a default occurs, the bond owners have a legal claim on all the general income of the City. Due to the credit backing of these types of bonds, there are restrictions on how much general obligation debt a city can obtain. There are different limits on the debt depending on whether the residents vote to approve the bond or if the City issues the bonds without a vote. When residents approve the issues of General Obligation bonds, an additional levy is set for their property taxes to pay for the bond issuance, including principal and interest. The city currently has an "AA" bond rating. The following is the City's 2024 General Obligation Bonds debt calculation:

CITY OF WASHOUGAL SCHEDULE OF LIMITATION OF INDEBTEDNESS 12/31/2024			
Total Taxable Property Value:			<u>\$ 3,594,546,628</u>
I. General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)			<u>\$ 89,863,666</u>
A. General Purpose Indebtedness <u>Without</u> A Vote (Legal Limit 15%)		\$ 53,918,199	
Indebtedness (Liabilities):			
GO Bonds	\$ 670,000		
Others	\$ -		
Less Assets Available	\$ -		
Indebtedness Incurred - Section A		\$ 670,000	
Indebtedness Margin - General Purpose			<u>\$ 53,248,199</u>
II. Indebtedness for Utility Purposes <u>With</u> 3/5 Vote (Legal Limit 2.5%)		\$ 89,863,666	
Indebtedness (Liabilities):			
GO Bonds	\$ -		
Others	\$ 18,489,000		
Less Assets Available	\$ -		
Indebtedness Incurred - Utility		\$ 18,489,000	
Indebtedness Margin - Utility Purposes			<u>\$ 71,374,666</u>

The city has one non-voted general obligation bond outstanding for the Downtown Revitalization Project. As of December 31, 2024, the following amount is outstanding:

Bond	Outstanding
General Obligation Bond Non-Voted (Downtown Revitalization Project)	\$670,000
Total General Obligation Bonds Outstanding	\$670,000

The Downtown Revitalization Project is funded by the taxes assessed on the sale of real estate in the City of Washougal (Real Estate Excise Tax, REET). For the 2025 Budget, the following are the total principal and interest payments for General Obligation Bonds:

GO Bonds	
Principal	\$ 330,000
Interest	26,800
Total Debt Service GO Bonds	\$ 356,800

For the 2026 Budget, the following are the total principal and interest payments for General Obligation Bonds:

GO Bonds	
Principal	\$ 340,000
Interest	13,600
Total Debt Service GO Bonds	\$ 353,600

Public Works Trust Fund (PWTF) Loans

These are loans through the Washington State Public Works Board. They are low-interest loans for local governments to finance public infrastructure construction and rehabilitation. Eligible projects must improve public health and safety, respond to environmental issues, promote economic development, or upgrade performance. The City has six outstanding Public Works Trust Fund Loans for a total outstanding principal balance of \$1,449,646. These loans are repaid by the Water/Sewer and Stormwater operations fund. The annual debt service payments are integrated into the Utility rates residents pay for services. For the 2025 Budget, the following are the total principal and interest payments for Public Works Trust Fund Loans:

PWTF Loans	
Principal	\$ 526,904
Interest	7,250
Total Debt Service PWTF Loans	\$ 534,154

For the 2026 Budget, the following are the total principal and interest payments for PWTF Loans:

PWTF Loans	
Principal	\$ 483,257
Interest	4,323
Total Debt Service PWTF Loans	\$ 487,580

Revenue Bonds

Revenue Bonds are bonds which are guaranteed by the specific revenues generated by the issuer. The revenue stream must be sufficient to support the debt along with debt reserve requirements. The City has issued several series of Revenue Bonds based on the Water, Sewer, and Stormwater Utility's revenue. The City undergoes regular, every five years, rate studies to ensure our rates are sufficient to support the issued debt.

The Revenue Bonds issued by the City were issued to fund priority infrastructure projects to maintain the City's Utility operating permit with the State Department of Ecology. This included a \$16 million Wastewater Treatment Plant expansion. The City has issued four series of Revenue Bonds. The total principal of revenue bonds outstanding is \$18,489,000 as of December 31, 2024. This debt is repaid by the Water/Sewer and Stormwater operations funds. The annual debt service payments are integrated into the Utility rates residents pay for services. The city has a current "A+" bond rating. For the 2024 Budget the following are the total principal and interest payments for Revenue Bonds:

Revenue Bonds	2025	2026
Principal	\$ 1,766,000	\$ 1,831,000
Interest	642,469	580,591
Total Debt Service Revenue Bonds	\$ 2,408,469	\$ 2,411,591

Future Debt Payments

The City's long-term debt will be fully paid in full in 2040. Here are the future projected payments by year for 2024-2027 and then in five-year increments for the remaining totals:

	Principal	Interest	Total
2025	2,622,904	676,518	3,299,422
2026	2,654,257	598,513	3,252,770
2027	2,043,779	522,649	2,566,428
2028	2,102,779	460,344	2,563,123
2029-2033	7,779,928	1,345,196	9,125,124
2034-2038	2,445,000	463,600	2,908,600
2039-2040	960,000	58,000	1,018,000
Totals	\$ 20,608,646	\$ 4,124,821	\$ 24,733,467

City of Washougal



Capital Plans

Capital Plans

The city has four different Capital Facility Plans for water, sewer, transportation, and parks. Each plan is completed by a third-party contractor procured through a public request for proposals. These Facility Plans consider the current and future needs of the city and systems. These plans are updated every six years. The city has approximately \$1.5 billion in capital assets. As the City is cash basis, assets are expensed when purchased.

Water Capital Facility Plan

The city has six reservoirs which serve five pressure zones, which are further divided into sub-zones by pressure reducing valves. Underlying aquifers are the current source of water supply to the city. Water is extracted from two wellfields – the Westside Wellfield and Hathaway Park Wellfield. This plan conducts an analysis of six years and 20 years for the system to operate at current levels. During this review approximately \$24 million of capital projects were found to be needed for 20-year projections to keep the system at current levels. This plan was updated during 2021.

Sewer Capital Facility Plan

The city operates and maintains approximately 35 miles of sanitary sewer collection lines and mains. The City's current system relies upon an activated sludge treatment plant that discharges to the Columbia River. By state law, sanitary sewer system improvements need to conform to a State-approved General Sewer Plan which is formally adopted by City Council. During this review approximately \$29 million of capital projects were found to be needed for 20-year projects to keep the system at current levels. The six-year projection anticipated \$3 million in projects.

Transportation Capital Facility Plan

Washougal is located along SR-14 in eastern Clark County, Washington. Traffic on SR-14 is forecasted to nearly double during the evening peak traffic hour in the easterly peak direction. The plan lays the groundwork for a street network which adequately provides a safe and efficient movement of people and goods. The plan grades roads and establishes the priorities of transportation projects. Total projects through 2035 are \$214 million.

Parks Capital Facility Plan

The Park and Recreation Plan identifies a vision for Washougal's park system and presents recommendations for achieving that vision. The plan identifies and evaluates existing park and recreation areas; assesses the need for additional park land, open space, and recreation facilities; establishes goals and objectives for the City's leisure services; and offers specific policies and recommendations to achieve these goals and objectives. The total parks and open space project total from this review is \$29 million.

Capital Projects

Fire Station 43 Replacement & Police Station Design/Construction (FA-2025-01)



The city is replacing Washougal Station 43's building. The new building would be built adjacent to the Police Station and house some police staff and functions, such as a shared break room and fitness facility, which would require a remodel of the Police Station.

Budget: \$15,900,000

Funding: Bond Proceeds

Downtown Revitalization Project (FA-2023-05)



The Washougal Towncenter Revitalization Project will take place in the heart of the towncenter and will provide passive and active outdoor recreation opportunities for Washougal residents and visitors. All new recreational assets will be ADA compliant, and features will be designed for individuals of all ages and ability levels.

Budget: \$8,252,628

Funding: American Rescue Plan Act (ARPA) funds, Washington Department of Commerce appropriation, Park impact fees, Real Estate Excise Taxes (REET), local gifts/donations

Hamllik Park Basketball Court (PK-2022-04)



The city applied for a Community Development Block Grant (CDBG) for 2023 funding for additional improvements at Hamllik Park including construction of a full basketball and ramp and path improvements to be in compliance with the American with Disabilities Act (ADA).

Budget: \$259,000

Funding: CDBG funds, Park impact fees

American with Disabilities Act (ADA) Transition Plan (FA-2024-01)

The city will be working on a City-Wide ADA Transition Plan that provides a plan for removal of physical barriers to accessibility in transportation systems and City facilities for people with disabilities. ADA Transition Plans should be updated periodically until the inventory of all accessibility barriers is eliminated.

Budget: \$150,000

Funding: Transfer from General fund

Hathaway Park Security Lighting Upgrades (PK-2024-01)

Hathaway Park has seen an increase in vandalism in parks after hours. Vandalism most often occurs when there is a good chance of not being caught. Less public visibility and poor outdoor lighting make a park an easy target for potential vandalism. The city will be upgrading the security lighting at Hathaway Park to try to deter vandalism.

Budget: \$70,000

Funding: Transfer from General fund

Art Capital Projects (2024-ART FUND)

This fund supports public art projects. Funds for the projects originate from the General Fund, grants or other funding sources. The Arts Commission advises the Council on use of these funds.

Budget: \$22,000

Funding: Transfer from General fund, grants, donations

Facilities Major Maintenance (FA-2025-02)

This project provides repair and maintenance of facilities identified in the Facilities Assessment.

Budget: \$69,900

Funding: Transfer from General fund

Public Works Renovation (FA-2022-03)

This project provides repair and maintenance of the Public Works Operations Center that were identified in the Facilities Assessment report completed for the buildings. This also includes facility security improvements on certain identified buildings at the Public Works Operation Center.

Budget: \$2,331,000

Funding: ARPA funds, general fund transfer

32nd Street Underpass Design and Planning (TP-2023-06)

The city seeks to design and permit 32nd Street Corridor enhancements, including the separation of the dangerous at-grade rail crossing between Main Street/B Street and Evergreen Way. The city has a bold plan to transform this 0.20-mile segment of 32nd Street into a modern, mixed-use roadway with a below-grade rail crossing that will serve the growth needs of the community, reduce congestion hotspots, increase safety, enhance connectivity, and provide

multi-modal improvements and opportunities for economically struggling and minority neighborhoods. In addition to the new railroad bridge and underpass, roadway improvements will include a roundabout at 32nd and Main Street/B Street south of the rail underpass, a roundabout at 32nd Street and Evergreen Way north of the underpass, intersection improvements at F Place, E Street, and A Street, and a sidewalk and multi-use path. The 32nd Street underpass also will provide the opportunity for a third BNSF track – requested by BNSF – which will boost freight and economic opportunity the rail corridor.

Budget: \$50,647,900

Funding: Washington Department of Transportation (WSDOT) appropriation, Federal Railroad Crossing Elimination (RCE) grant, Move Ahead Washington (MAW) Railroad Crossing Program grant, transportation impact fees

Railroad Crossing Improvements (TP-2023-07)

The Railroad Crossing Improvement project will improve signing and striping at five railroad crossings in Washougal.

Budget: \$200,000

Funding: ARPA funds

Veteran Memorial (CM-2023-01)

2024 marks the start of the Washougal Veteran Memorial project for Washougal's Memorial Cemetery. The Washougal Veterans Memorial will be a permanent commemoration to honor local heroes who have served our great country. The memorial project offers an opportunity for appreciative citizens to honor veterans.

Budget: \$42,000

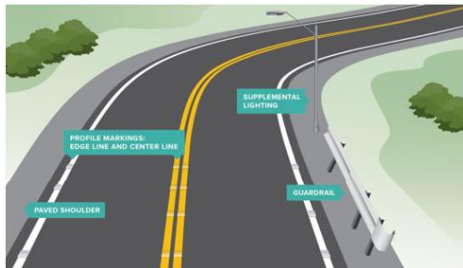
Funding: Cemetery capital fees & donations

Traffic Calming (TP-2024-01)

The city will be looking at traffic calming to support the livability and vitality of residential and commercial areas through improvements in non-motorist safety, mobility, and comfort. These objectives are typically achieved by reducing vehicle speeds or volumes on a single street or a street network. Traffic calming measures consist of horizontal and/or vertical lane narrowing, roadside amenities, and other features that use self-enforcing physical or psycho-perception means to produce desired effects.

Budget: \$60,000

Funding: Transfer from General fund

32nd Street Safety Improvements (TP-2023-01)

32nd Street from Addy Street to Stiles Road Corridor Improvements. Install profiled centerline and edge line pavement markings, widen shoulders, street lighting and guardrails.

Budget: \$896,128

Funding: WSDOT Safety Grant

Evergreen Sidewalk Design - 42nd Street to Schmid Ball Fields (TP-2024-03)

This project will design the sidewalk on the North side of Evergreen Way from 42nd Street to the George Schmid Ball Fields. This will complete sidewalk connectivity on the north side of Evergreen from Evergreen Market Place to Sunset View Road.

Budget: \$616,193

Funding: Transportation impact fees, Transportation Improvement Board (TIB) funds

Pavement Management Program (PM-2025-01)

Pavement management is the process of reconstructing, rehabilitating, and maintaining streets to optimize roadway conditions throughout the City's network, as measured by the Pavement Condition Index (PCI). Proper pavement management allows cities to avoid costly, large-scale replacements in the long run.

Budget: \$1,100,000

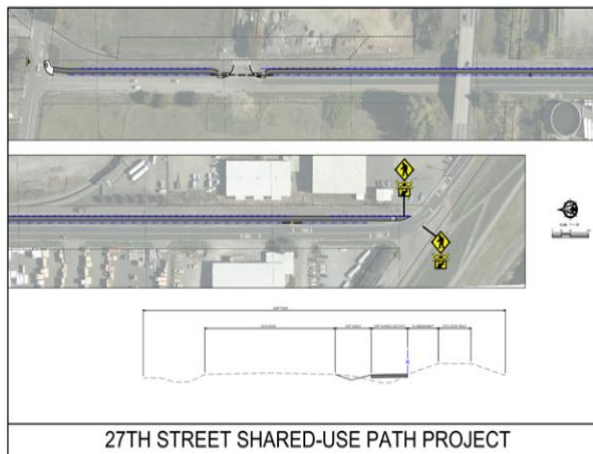
Funding: Transfer from General fund, REET funds

Advanced Traffic System (TP-2019-06)

The Advanced Traffic System will help manage and optimize City traffic by creating a communications link between the City's system and Washington Department of Transportation/Clark County systems.

Budget: \$113,704

Funding: Transfer from General fund

27th Street Shared Use Path (TP-2023-04)

This project will provide a dedicated separated shared use path on South 27th Street and will expand the bicycle and pedestrian facility connectivity within Washougal and further a safe and cohesive active transportation network. Proposed complete street improvements will create a more equitable environment for users of all abilities. Planned improvements consist of a paved multi use path on the east side of the road, storm-water improvements, ADA improvements, and a crosswalk with Rectangular Rapid Flashing Beacon (RRFB) for safe crossing of Index Street.

Budget: \$1,059,938

Funding: Regional Transportation Council (RTC) Transportation Alternatives Program (TAP) Grant, Transportation impact fees

Water Main Replacement and Repairs (WT-2024-01)

This project replaces the existing aging Water Mains and other water infrastructure, as repairs are needed.

Budget: \$60,124

Funding: Capital portion of water utility rates

Water Main in J Street 32nd Street to 34th Street (WT-2024-06)

Replacement of 1,190 feet of 2" water main with new 8" water main for fire flow improvements.

Budget: \$420,865

Funding: Capital portion of water utility rates

New Water Service Lines on 32nd Street - G Street to K Street (WT-2024-02)

Replacement of 20 water service lines currently fed from the 3" water main in 32nd Street to the 14" water main.

Budget: \$416,055

Funding: Capital portion of water utility rates

Water System Looping 4th Street to Shepherd Road (WT-2024-03)

Addition of 1,420 feet of new 12" water main to loop the southwest portion of the water system.

Budget: \$607,248

Funding: Capital portion of water utility rates

Annual Catch Basins & Drainage Improvements (ST-2024-02)

This project replaces the existing aging catch basins & drainage infrastructure at various locations throughout the City.

Budget: \$205,240

Funding: Capital portion of stormwater utility rates

Biosolids Handling Facility Construction/Anoxic Selector/Lagoon Decommissioning (SS-2024-02)

The Biosolids Handling Facility Project will turn solid waste from the wastewater treatment plant into a land-applied, Class B Biosolids (fertilizer). Components of the biosolids handling facility will include an aerobic digester, anoxic selector, rotary drum thickener, and screw press. Also, as part of the project, the existing lagoon cells will be decommissioned. The improvements will also give the City a needed capacity upgrade to handle and future developments to come and provide odor control to the surrounding area.

Budget: \$34,565,000

Funding: Federal Environmental Protection Agency (EPA) grant, capital portion of sewer utility rates

Jemtegaard Trail Repairs (ST-2023-01)

The original Jemtegaard Trail Design during Ordinary High-Water Line is over 20' feet away from trail infrastructure. Since 2020, heavy bedload transport has caused the creek channel to shift further East eroding the bank and compromising trail infrastructure. This project will repair this portion of the trail.

Budget: \$335,000

Funding: Capital portion of stormwater utility rates

Wastewater Lift Station No. 1 (SS-2020-01/WT-2024-04/ST-2024-01)

Lift Station 1 was originally constructed in April of 1966 and was rehabilitated in 2008. Operational and access issues have arisen over the last three years. With significant growth forecasted, long-term capacity of the existing station will not meet peak hour demands. This project updates and relocates Lift Station 1, provides new stormwater improvements in the area, installs new water service laterals on C Street, street improvements, and ADA upgrades.

Budget: \$3,089,983

Funding: Capital portion of water, sewer and stormwater utility rates

Stormwater Master Plan (ST-2022-01)

The City of Washougal's Stormwater Master Plan was last updated in 2010. Since then, the Municipal Stormwater Permit, which is renewed on a five-year cycle, has become increasingly onerous at a programmatic scale each passing year. With a new permit coming out in 2024 and the rate analysis planned for 2024, the city plans to develop a Stormwater Master Plan to help prepare for a ten-year horizon. In coordination with City staff, the Master Plan will aim to provide equipment and staffing recommendations for operating and maintaining the storm

system, contemplate different levels of operations & management service, develop recommendations for coordinating work and asset management with other departments, and identify needed stormwater capital improvement projects.

Budget: \$222,734

Funding: Capital portion of stormwater utility rates

City of Washougal



Utility Financial Policy

Utility Financial Policy

The City of Washougal adopted a Utility Financial Policy on February 22, 2011. The purpose of establishing financial policies for the utility enterprises is to promote the financial integrity and stability of the utilities and to provide for the sustainability of essential utility services. These policies form the foundation of utility management and, with routine application, can act as overarching guidelines for consistent decision making.

Some policies are imposed by outside influence, such as minimum debt service coverage, bond reserves and regulatory compliance, while other policies are specific to the city, such as discretionary reserve levels, reinvestment protocols and use of debt.

These policies will assist the City in achieving financial and rate stability from year-to-year.

A. Fund Accounting

Within each utility, appropriate segregation of monies should be established and maintained to provide adequate controls as to the sources and uses of funds. This will ensure that funds raised through each utility are applied to the appropriate purposes, and that equity attained through rate and charge structure is maintained.

Each utility will operate as a self-supporting enterprise fund. Each utility's rate has been designed to recover the forecasted costs and financial obligations without subsidy from other funds.

1. Operating Reserves

An operating reserve is designed to provide a liquidity cushion to provide for financial viability of the utilities despite short-term variability in revenues and expenses, primarily caused by season fluctuations in billings and receipts, unanticipated cash operating expenses, or lower than expected revenue collections. Target funding levels are generally expressed in number of days' operating and maintenance (O&M) expenses, with the minimum requirement varying with the expected risk of unanticipated needs or revenue volatility. Industry practice ranges from 30 days to 120 days of O&M. The city will maintain the following reserves: water 60-90 days; sewer 45-60 days and storm 30-45 days.

The city will use December 31st of each calendar year as the date to have these reserves on hand, with the balance expected to fluctuate during the year. In any year where operating reserves exceed the maximum target, the City will transfer the excess cash to the capital project fund to pay for capital projects, after considering item 2 below.

2. Capital Contingency Reserves

A capital contingency reserve is an amount of cash set aside in case of an emergency, should a major piece of equipment or a portion of the utility's infrastructure fail unexpectedly. Additionally, the reserve could be used for other unanticipated capital needs or capital cost overruns. The capital account holds debt proceeds, system development charge revenues, system reinvestment funding from rates and any transfers of cash reserves from the operating account.

Industry standard is to maintain a minimum balance in the capital account equal to 1% to 2% of utility fixed assets. The City will establish a target of 1% to 2% of utility fixed assets.

3. Restricted Debt Reserves

Restricted debt reserves are typically required through the term of debt repayment to provide a safeguard for bondholders in the event the utilities have insufficient funds to meet annual debt service. This reserve is generally equal to one year's debt service payment for each bond issue. The reserve account can be used to fund the last year's debt service payment for each issue. As an alternative, insurance bonds are sometimes issued in lieu of establishing a bond reserve account. The City will maintain a restricted debt reserve fund throughout the life of each bond issuance with the required level of reserves.

B. System Reinvestment Funding

Utilities generally require high levels of capital investment in infrastructure. As a provider of municipal utility services, the city has an ongoing duty to provide adequate service to its citizens. Therefore, the city realizes the need to provide for replacement of system facilities, many times concurrently.

System reinvestment funding specifically addresses the concept of funding repair and replacements (R&R) through a regular and predictable rate provision. The city will use the "net debt" funding approach. This approach is depreciation funding net of outstanding debt principal, realizing that the utility improves its financial condition through reducing liabilities, such as debt, and augments this through the incremental difference to full depreciation funding. This method most directly relates to a financial "break-even" in terms of profit or loss, mitigates the rate impacts of replacement funding, and avoids overly burdening existing ratepayers with the payment of debt and funding for future asset replacement at the same time.

Annual funding will be transferred from the operating account to the capital account at year-end. The city started to phase in reinvestment funding for all utilities in 2011, with 100% net debt funding achieved in 2015 for water, 2020 for sewer and 2011 for stormwater.

C. Debt Service Coverage Requirements

When revenue bonds are issued, the City agrees to certain terms and conditions related to the repayment of the bonds. Bond coverage is one of those requirements whereby the city agrees to collect enough in annual system revenues to meet all operating expenses and not only pay debt service but collect an additional multiple of that debt service. Coverage ratios typically range from 1.10 to 1.50. The stated coverage in the bond is a minimum requirement and anything less would be a technical default of the bond covenant. The city will maintain coverage of at least 1.25 times its annual revenue bond debt service.

D. Use of System Development Charges for Debt Service

System development charges (SDC) are charges assessed on new development rather than from the existing customer base. The variability in customer growth from year-to-year makes this an unreliable revenue stream and subject to large fluctuations.

SDC revenue will be deposited in the capital account of each utility and made available for capital purposes only. SDC's can legally be used in two ways – they can be applied to capital project costs directly or they can be applied toward annual debt service payments. The City will use SDC revenue to directly fund capital expenses.

E. Capital Program Funding/Debt Management

A capital-financing plan supports the execution of the utility capital program. The program will incorporate system replacement and rehabilitation, system upgrade and improvement, and system expansion.

1. Capital Funding

Utilities can draw funds for capital projects from a variety of sources such as: grants, developer contributions, system development charges, system reinvestment funding, direct funding from rates, other capital revenues or debt. Grants and developer contributions will be applied to project costs first and the City will evaluate which funding source to use next through use of the debt management policy below.

2. Debt Management

Excessive debt is unfavorable for utilities and can damage the credit rating of the utility, reducing its ability to acquire low-cost debt in the future, while cash “pay-as-you-go” funding might create excessive burdens for existing customers. To find a balance between debt issuance and cash payments, the city will follow the industry practice of maintaining a debt-to-equity ratio of no greater than 50% debt and 50% equity.

Glossary

Account – A record of debit and credit entries to cover transactions involving a particular item or person.

Accrual – A charge for work that has been done, but not yet invoiced, for which provision is made at the end of a financial period.

ADA – The American with Disabilities Act is a law that protects people with disabilities in many areas of public life.

Adopted Budget – Financial program which forms the basis for appropriations, adopted by the governing body.

Allocate – To divide a lump-sum appropriation which is designed for expenditure by specific organization units and/or for specific purposes, activities, or objects.

Amortization – The process of allocating the cost of an intangible asset over a period of time.

Appropriation – An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one-year period.

ARPA – The American Rescue Plan Act of 2021 that was signed into law on March 11, 2021. This Federal act provided an estimated \$1.9 trillion in stimulus to aid in the COVID-19 pandemic.

Assessed Value – the value set on real and personal taxable property as a basis for levying taxes.

Assets – Resources owned or held by the city which monetary value.

Audit – Conducted by the Washington State Auditor's Office, the primary objective of an audit is to determine if the City's financial statement presentation fairly presents the City's financial position.

Balanced Budget – A budget in which planned expenditures do not exceed projected funds available.

BARS – Stands for Budgeting, Accounting and Reporting System and is prescribed by the State Auditor's Office. It is a manual that dictates how the City records its transactions.

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date, together with periodic interest at a specified rate.

BNSF – Burlington Northern Santa Fe Railway is one of North America's leading freight transportation companies, operating a rail network of 32,500 route miles in 28 states and three Canadian provinces.

Budget – Written report showing the City's financial plan for one fiscal year. It includes a balanced statement of actual revenues and expenditures during the last year, and estimated revenues and expenditures during the last year, and estimated revenues and expenditures, as budgeted, for the current and upcoming year.

Capital Outlay/Capital Expenditures – Items which generally have an item cost of \$5,000 or more and a useful life of more than one year, such as machinery, land, furniture, equipment, or buildings.

CDBG – Community Development Block Grant Program are federal funds that support activities to build stronger and more resilient communities.

Comprehensive Plan – The plan, or portions thereof, which has been adopted by the City Council. It is a land use policy statement that guides future growth of the City.

CREDC – Columbia River Economic Development Council, which is a private-public partnership of over 130 investors and strategic partners working together to advance the economic vitality of Clark County through business relocation, growth, and innovation.

CWEDA – The Camas-Washougal Economic Development Association, which was a quasi-municipal entity between the Cities of Camas and Washougal and the Port of Camas-Washougal. The entity's primary mission was to support existing businesses and bring new businesses and jobs to the area. It was disbanded in 2020.

Debt Service Fund – A fund used to account for the monies set aside for the payment of interest principal to holders City debt.

Deficit – In terms of budgeting, when estimated expenditures exceed estimated revenues. In terms of cash basis fund balance, when expenditures exceed assets.

Department – A major organization unit of the city which has been assigned overall management responsibility for an operation or group of related operations within a functional area.

Depreciation – A reduction in the value of an asset over time.

Enterprise Fund – A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services which are entirely or predominately self – supporting by user charges and fees. See Proprietary Fund.

EPA – The United States Environmental Protection Agency whose mission is to protect human health and the environment.

Expenditures – The outflow of funds paid or to be paid for an asset obtained or goods and services obtained.

FTE – Full time equivalent – the combination of one or more employees whose work hours equal that of a full-time position, 40 hours a week, 52 weeks a year.

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of operations. (January 1 through December 31 for the City)

Fixed Assets – Assets of a long-term character which are intended to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment that have a value of \$5,000 or more and that have useful life over a year.

Franchise Fee – A franchise fee is charged for the privilege of using public right-of-way and property within the City for public or private purposes. The city currently assesses franchise fees on cable TV.

Fund – A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund Balance – The excess of a funds' total assets over its total expenditures. A negative fund balance is often referred to as a deficit.

GAAP – Generally Accepted Accounting Principles refer to a common set of accounting principles, standards and procedures issued by the Financial Accounting Standards Board.

General Funds – Financial transactions relating to all governmental activities for which specific types of funds are not required are recorded in a General Fund. This fund is used for all receipts not dedicated for a specific purpose.

GFOA – The Government Finance Officers Association, which represents public finance officials throughout the United States and Canada. Its mission is to advance excellence in public finance.

Governmental Funds – Funds through most governmental functions are financed. The fund types included in this category are general, special revenue, capital projects, debt service and special assessments funds.

Grant – Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose, activity of facility.

Growth Management – State requirements related to development and its impact on public infrastructure **Growth Management** – State requirements related to development and its impact on public infrastructure.

Impact Fee – A fee charged on new development to finance required infrastructure such as roads, parks, schools, and fire facilities.

Infrastructure – The portion of a city's assets located at or below ground level, including the water, sewer, street, and storm systems.

Interfund Transactions – Amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

Investment Revenue – Revenue received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

LEOFF I and II – Law Enforcement Officers retirement system plan.

Major Fund – Major funds are funding whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

MAW – Move Ahead Washington Railroad Crossing Grant Program funding is to match federal funds for projects which eliminate at-grade highway-rail crossings.

Non-Major Fund – Non-major funds are all other funds that do not meet the major fund requirement.

OCBOA – Other Comprehensive Basis of Accounting is a non-GAAP accounting protocol used to generate financial statements.

PCI – Pavement Conditions Index provides a snapshot of the pavement health of a road on a scale from 0 to 100 (where 100 means a newly paved road).

Permanent Fund – A governmental fund that is restricted used to generate and disburse money to those entitled to receive payment. Only the earnings from the resource can be used not the principle.

PERS – Public Employees Retirement System.

Proposed Budget – Financial program prepared by the City’s administration and submitted to the public and Council for review.

Proprietary Fund – A fund that is established to account for business-like activities that have been conducted by the government.

PWTF – The Public Works Trust Fund, which is funded through state budget appropriations and provides a source of affordable infrastructure financing to many local Washington governments.

RCE – Federal Railroad Crossing Elimination Grant Program which provides funding for highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods.

RCW – Revised Code of Washington which contains all laws of a general and permanent nature enacted by the State.

REET – Real Estate Excise Taxes which are levied on all sales of real estate. The revenue received is limited by state statute to expenditures for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, sidewalks, parks, trails, and bridges, as specified in a capital facilities plan.

Reserve – An account used to indicate a portion of fund resources is restricted for a specific purpose or is not available for appropriation and subsequent spending.

Revenues – All amounts of money received by a government from external sources other than expense refunds, capital contributions, and residual equity transfers.

RTC – Southwest Washington Regional Transportation Council which encourages and promotes the development of a balanced, safe, efficient and affordable transportation system to meet the mobility needs of the people and goods and minimize transportation-related air pollution.

Special Revenue Fund – Special revenue funds are established only for special tax levies and other dedicated revenues whenever required by statutes, charter provisions, or the terms under which revenue is dedicated.

System Development Charges (SDC) – A fee charged on new development to finance require water, sewer, and drainage infrastructure.

TAP – Transportation Alternatives Program encompasses smaller-scale transportation projects such as pedestrians and bicycle facilities, historic preservation, and safe routes to school.

Tax Rate – A percentage applied to all taxable property to raise general fund revenues. It is derived by dividing the total tax levy by the taxable net property valuation.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Washington Administrative Code (WAC) – Laws adopted by State agencies to implement State Legislation.

WSDOT – Washington State Department of Transportation that administers the state's multimodal transportation system.