

2009 Budget Message
from
Mayor Paul Dennis
to
Council and Citizens

The 2009 budget for the City of Camas retains an adequate, steady level of service to the citizens of the community. This is a substantial achievement in a tough time of economic uncertainty. This is a “rainy day budget”. It includes no new initiatives. Staffing and projects are modestly curtailed. Important activities and maintenance are deferred. The budget does provide a steady, adequate service level. With non-general fund money, the budget does provide for important investments in the community’s future. It is a responsible plan, which will help the City weather a difficult year. The circumstances will call for continued attention to the budget remaining nimble and flexible with the ability to adjust to conditions, combined with steady focus on City “big-picture” objectives. This will be required as we navigate the uncharted tides of 2009. The proposed budget meets several goals. Those goals include:

- 1) Provide an adequate, steady, balanced level of service and programs.
- 2) Utilize existing revenue streams to fund city services and programs.
- 3) Preserve a substantial level of General Fund reserves, consistent with adopted financial policies.
- 4) Invest in City’s future, consistent with adopted plans.

In the proposed budget, an austere approach to funding ongoing expenses is taken. Staffing levels and vacancies continue to be reviewed for long-term need. Staffing levels are modestly reduced; and this is mainly done through attrition, reorganization and consolidation of duties. The proposed budget includes carefully analyzed staffing to adequately meet the needs of the community. A variety of capital projects are favorably financed, including the Wastewater Treatment Plant, Phase II project, and the purchase of a new fire engine. Also, the major street program—the arterial/collector street rehabilitation effort is funded with REET proceeds. One of the many regrettable deletions in the budget is the street overlay/maintenance program. After several years of “catch-up” work, this valuable program has been deleted for 2009 to help balance the budget.

The budget is constructed within a framework that balances internal needs with community expectations and economic conditions. The local context is one characterized by a generally weakened economy. Development activity abated in 2008 from the boom levels of prior years. We estimate that building and development activities and revenues will continue at about 2008 levels, which are sharply down from previous levels. Some activity is anticipated, and a major specific example is the Fisher Investment in West Camas. This should bring building and new well-paid jobs to Camas. The property tax base is estimated to grow by about \$50 million in 2009; again this is less than in prior years. Real estate excise tax revenues have declined from peak 2006 levels. Revenue estimates have taken these forecasted economic conditions into account. Still, they are professional estimates, based on the best information available through the composition of the budget. The City will continue to take actions to encourage and allow industrial, mixed use and residential development. Adoption of the 2004 Comprehensive Plan Update and the fall 2007 expansion of the Camas Urban Growth Boundary were both important milestones for the City’s development and future. The 2008 annexations of the Bybee curves area and upwards of 1,100 acres north of Lacamas Lake are other actions which were taken to strengthen Camas’ long term economic vitality. The budget was constructed with these varied current conditions and trends in mind.

Related to a generally weakened economy and a continuing second element of the budget, staffing levels are expected to decline in 2009. The levels should be austere, yet adequate. The staffing ratios are reduced to levels experienced in a prior economic downturn. The City's three "recession budgets" (2002, 2003, & 2004) were *very austere*, especially in staffing. As an example, *staffing authorization levels were initially at the same levels in 2005 as they were in the 2002 adopted budget (164 FTE-full time equivalents)*. This occurred while the City's population increased from 13,540 to 15,460 (a 14.2% population growth). The FTE per thousand population ratio fell from 12.2 to 10.5. In 2005, conditions allowed for some mid-year additions to staff, 2006 allowed further restoration, and the 2007 budget provided for restrained staffing increases to meet the City's business and service delivery needs. The overall staffing ratio proposed in the 2009 budget is an austere, adequate 10.5 per 1,000 population. This is a decline from the 11.31 ratio of employees per 1,000 population in 2007. With a reduction of 6 FTE through unfilled vacancies and retirements the 2009 staffing levels leave the City below its historic staffing ratio, and below the average of the comparable cities. As the Level of Service (LOS) study forecasted, there is some "pent-up demand" for city services (i.e. staffing) as the population continues to grow in the face of constrained revenues. This trend is especially marked in the functions supported by the General Fund. This "pent-up demand" will be intensified by the necessary 2009 restraints.

A third part of the context is continued city emphasis on efficiencies, partnerships, and strong financial policies. The baseline for the 2009 budget builds from established council policies in 2002, such as the City's adopted financial policies. Realistic projected revenues and lower than average commitment level of reserves sustain the proposed budget.

According to the latest estimates from our finance director, the City should enter 2009 with approximately \$3.4 million in General Fund reserves, an estimated \$630,330 less than at the start of 2008. This level of reserves is greater than what was available during the 2002-2004 recession budgets and it meets the goals in the adopted financial policies, and provides assurance the service levels can be met in this budget. The proposed budget foresees a General Fund spending reduction of \$836,733 or 5.1% below 2008 authorization levels. This is before adjustment for non-recurring grant events. After such adjustment for non-recurring events, the reduction is approximately \$846,696 or about 5.2%.

The budget includes salary and benefit costs for all proposed employees, consistent with the current signed labor agreements. The City and the Camas Police Officers Association have a signed 2009 agreement. Discussions with all other bargaining units are underway, but have not yet concluded. Thus, any salary adjustments which are bargained and agreed will supplement this budget. Significant benefit increases in the areas of pension and medical insurance are mandated by statute, or contract. These major costs are included in the 2009 budget. As an example of this type of "uncontrollable cost" the employer contribution rate for the state's PERS II retirement system (the most common for Camas' employees) has risen from 3.69% in 2006, to 6.13% in 2007, and to 8.33% effective July 1, 2008. These rates are set by state legislation, and are for all employers in the PERS II system. In those ways, they represent costs which are not in the City's direct "control", and *these are significant costs*. Similar increases have been mandated in the other major retirement system which affects the City—the Law Enforcement Officers and Firefighters (LEOFF) plan. For now, the pension cost increases appear to have "peaked" with minor rate reductions programmed to begin effective July 1, 2009. Overall, personnel costs are the bulk of the General Fund's costs. Salaries and fringe benefits for the entire General Fund constitute fully 69% of the expenditures. In the Fire and Police Departments, the trend is especially striking. In the Fire department, personnel costs are 90% of the budget. In the Police Department, personnel costs constitute 88% of the budget.

Scheduled elements of the Capital Facilities Plan (CFP) are in the budget. As mentioned earlier, a significant, regretted, deletion this year of the roadway preservation program. However, we are able to continue in 2009 a \$300,000 Street Rehabilitation project, funded with capital designated REET revenues. Steady, year after year funding of street preservation and rehabilitation pays long term dividends. Overall, the proposed budget is designed to adequately meet the service needs of a growing community, **and** make major capital investments. This can be seen as a form of balancing current and future needs. The capital and facility needs are necessarily under funded in 2009 to meet current needs. For a year, this can be seen as a practical adjustment. If these needs are under funded for several years, it would represent a future liability—a postponed obligation. As has occurred in the past, the city will continue to ensure the current economic times do not have a lasting long term affect on the community.

This budget package has been constructed to meet the voter approved property tax levy cap of Referendum 47 and state law. This index, in accordance with Referendum 47, limits property tax increases for cities over ten thousand in population to the implicit price deflator (IPD); the IPD refers to the United States Department of Commerce, Bureau of Economic Analysis' estimate of the average price increases related to personal consumption expenditures. A one percent property tax increase is fully allowed under state statute. The City has used this available authority in past budgets, and the 2009 proposed budget also projects using the allowed one percent increase. This one percent increase for the Camas City General Fund amounts to roughly **\$94,000** in 2009. Largely as a result of tax limitation legislation, the City's tax rate fell for three years. From the statutory limit of \$3.60 per \$1,000 of assessed valuation (AV) imposed until 2005, the rate has fallen markedly. The rate for 2006 was \$3.36 per \$1,000 AV and it was \$3.05 for 2007. The rate for 2008 taxes was \$2.91 per \$1,000 AV. The estimated rate for 2009 is increased, reflecting a virtually unprecedented event—the decline in the assessed value of existing property. The preliminary estimate City of Camas rate for 2009, as estimated by our Finance Director, is \$3.19. The actual number will be computed after the county provides the final AV figures for the tax year.

The overall decline in rate since 2005 was predicted by the consultants Paul Lewis and Tracey Dunlap in the LOS analysis. Neither the sharp fall of the rate in the first three years, nor the AV based increase in the most recent year was predicted. The four year decline in rates is a full 41 cents per thousand, or approximately a **11% rate decrease**. For comparison, forty-one cents of taxation decline is greater than the total rate for the Port of Camas-Washougal.

We currently estimate that \$152,518 in General Fund reserves will be used to balance the 2009 General Fund. The City's Finance Director is currently projecting the General Fund will end 2008 with \$3.4 million of reserves or \$630,330 less than 2007. The total reserve amount is reassuring. However, the trend line is unsettling. After six years of General Fund reserve growth, the past two years have both been marked by significant reductions in reserves. This is largely due to the decrease of planning and development activities. The trend line should be monitored closely again during the coming year. **Expenditure and revenues will be closely monitored, with a recommended mid-year Council special budget review for the summer of 2009.**

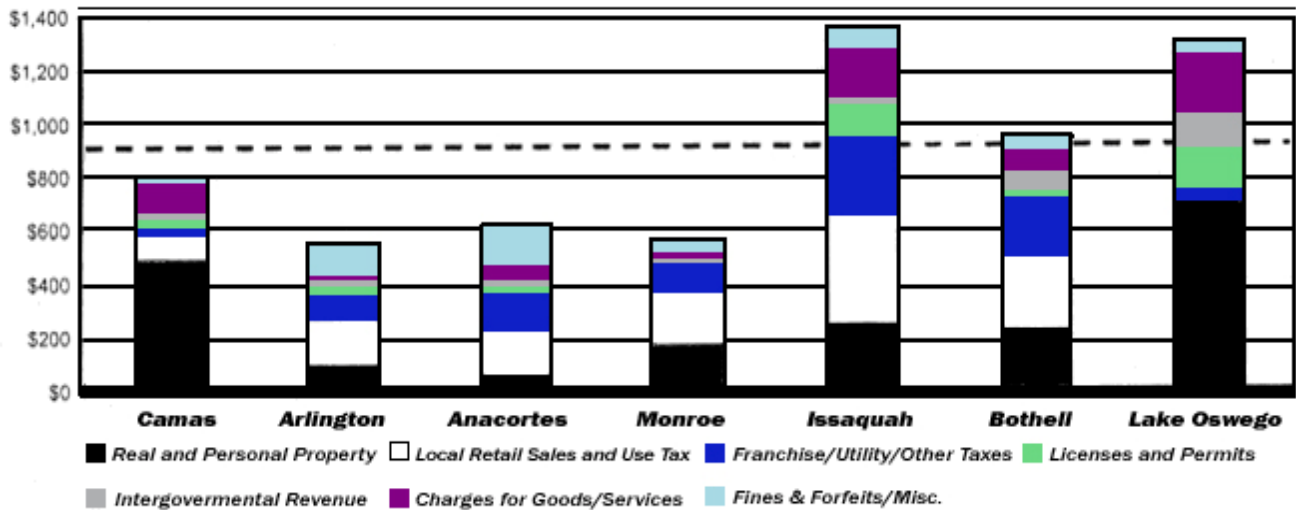
In 2005, the City engaged the firm FCS Group for a professional review of the levels of service, and the City's long term financial and strategic approach. This work was completed in the winter of 2005-06 and fully reported to the Council and community. The study had great depth and analytical rigor. The LOS study, data, and conclusions, including survey data from our citizens, have helped "inform" and drive subsequent budget proposals, including this one.

Here are summary observations from the LOS Study:

- “There is a high level of satisfaction with the City’s Services”. (p. 3, Executive Summary)
- Regarding Revenues: “Overall, Camas falls slightly below the average (of comparator Cities).” p. 5
- Regarding Expenditures: “Camas falls at the average of the (comparator Cities) group in expenditures per capita” p. 6
- Regarding staffing levels (FTE): “Camas falls below the average for the (comparator Cities) group.” (p. 6). Note: with the 2008 and 2009 reductions in staff and the continued population growth, it is very likely that Camas’ position among the comparator Cities remains “below the average”.

One of the conclusions of the LOS study shows a long-term, limited structural imbalance in the City’s finances. The imbalance was estimated in the range of two or three percent, over the long term. The LOS study pointed to Camas’ over-reliance on the property tax, and suggested strategic diversification of the tax base. Modest diversification is occurring. Over the past two years, we have been “solving” the structural imbalance with a combination of pressure on the expenditure side, and use of reserves. We have not significantly broadened or diversified the tax base. The structural imbalance has grown and is now likely in the five percent range. A variety of policy choices can influence this long term structural difference, and the diversification of the tax base. The following chart with dated 2005 data, from the LOS study (p.5), shows Camas versus Comparator Cities General Fund Revenues and illustrates Camas’ reliance on property tax revenues:

General Fund Revenues Per Capita



In June of 2008, Money Magazine recognized Camas as one of the Top 100 “Best Places to Live”. This is a shared accomplishment for the entire community. Our commitment to excellence in creating a special place has been recognized by others as well. As an example, in the fall of 2008, the Camas Public Library was rated “number one” in the State of Washington. Quite an achievement. When one reviews Camas’ benchmarks in the Money Magazine in ratings versus the other 99 places, it is very apparent why Camas is such a wonderful place. For example, Camas’ air quality index is 98.5% versus an average of 77% for the other 100 best places; personal and property crimes are also nearly non-existent as compared to the group’s overall average. Furthermore, Camas property taxpayers appear to retain significant value for the services they receive, as the average property tax per household in Camas is \$1,000 less than the average for the other Top 100 “Best Places to Live”.

DIVERSIFICATION OF REVENUES

Three events may broaden the sales tax portion of the City's General Fund picture. These bear careful monitoring and analysis. The trends are complex and intertwined. Sales tax is a potentially less stable part of Camas' revenue mix, and therefore this element takes special attention.

--**Sales Tax Rate:** Due to a virtually unique series of circumstances, in 2007, the sales tax rate in Camas was increased, and the City's percentage was increased from the 0.8%, which had been in place since 1988, to the current one percent. This became effective July 1, 2007. The effects of this change are not clear. 2008 Sales Tax revenues are meeting our budget projections, and the rate change is evidently part of the reason. This matter bears monitoring and analysis. It may well make a contribution to diversifying Camas' General Fund revenues.

--**"Streamlined Sales Tax":** The 2006 Legislature passed the Streamlined Sales Tax legislation (SST), and it took effect as of July 1, 2008. The change effects how sales tax revenues are distributed, and anticipates that certain remote ("internet") purchases will also produce sales tax revenues. The legislation is complex, and provides assurances that cities sales tax revenues will not be harmed. The State Department of Revenue (DOR) provided in early 2007 a series of estimates of the effects of implementation of SST. Such estimates indicate modest increases for Camas (in the range of two percent); however, the dated estimates should be regarded with great caution. At the time of this writing, the results of only one month of SST are available. Thus no trend is available. The actual results should be watched carefully. The SST implementation may result in some marginal diversification of Camas' tax base.

--**New Commercial Development:** The local economy shows several signs of an expanding business base. A major example is provided by the Fisher Investments Development. This project brings major building of office spaces and addition of literally hundreds of well-paid jobs to our local economy. The specific development agreement with Fisher Investments has been approved by the City and Fisher has submitted site plans which are presently being processed. Construction of this major project in 2009 will have various positive effects on our local economy, and on the city's long term revenues. Again, this is a major development, and the City will need to deliver on needed infrastructure to serve the West-side as part of our agreements with Fisher Investments.

In overall terms, the LOS study provided discussion of local choices to diversify the City's tax base for the long run. We expect a lively and complex discussion of the policy choices as we face the challenges and opportunities which lie ahead in the next decade. Since the City has high service levels, quality expectations and ambitious goals, the discussion will likely revolve around how to support those levels, expectations and goals. It is of special note that the extensive LOS survey showed that over 80% of our citizens noted service levels in all departments have either maintained or improved since they have lived in Camas. The survey revealed a very positive citizen view of city services. The September, 2006 EMS levy result provided additional evidence. The people spoke on a critical question. The voters provided a 62% yes vote on the increased EMS levy. The vote was an important citizen measure of satisfaction *and willingness to pay for a vital local service*. The overall discussion of ways to resolve the "structural imbalance" with Lewis and Dunlap identified so clearly will need to wait for another budget cycle. This 2009 "rainy day" budget does not address the structural questions. For this difficult "rainy" year, austere General Fund expenditures, acceptance of some risks, and modest further consumption of reserves make the budget balance and work.

Capital Projects. Capital investments provide rays of sunshine in a “rainy day budget”. The capital projects are funded with NON-GENERAL FUND sources—largely from grants, favored loans, and utilities. The capital investments of the 2009 budget are derived from the current Capital Facilities Plan, and related plans such as the Water and Sewer Plans. It is noteworthy that many of the 2009 capital projects are wastewater and water projects. Important acquisitions such as major open space purchases in the Lacamas Lake area are funded with grant monies. Two grants from the State of Washington, Recreation and Conservation Office (RCO) totaling \$1.5 million for openspace/park acquisition are recognized in the 2009 budget. Also, a \$10 million loan from the Public Works Trust Fund (PWTF) for the Wastewater Treatment Plant Phase II project is also reflected in the budget. This loan has a twenty year term, and a one-half of one percent interest rate. These examples illustrate the favorable fundings of major capital projects. These capital investments help the City to take positive steps toward major long term goals, as we weather the 2009 uncertainties and “rains”.

Water system capital investments total more than \$1.9 million; sewer projects more than \$12.5 million. The 2009 budget includes approximately \$459,000 for a fire engine and \$250,000 for renovation and code related work on the Station 41 facility (fire station at the municipal center).

A key to the continuing Capital Program is success in mobilizing non-general Fund resources, including REET revenues, impact fees, utility resources, grants and favored loans.

Below is a listing of the top 10 capital project authorizations included in the 2009 budget:

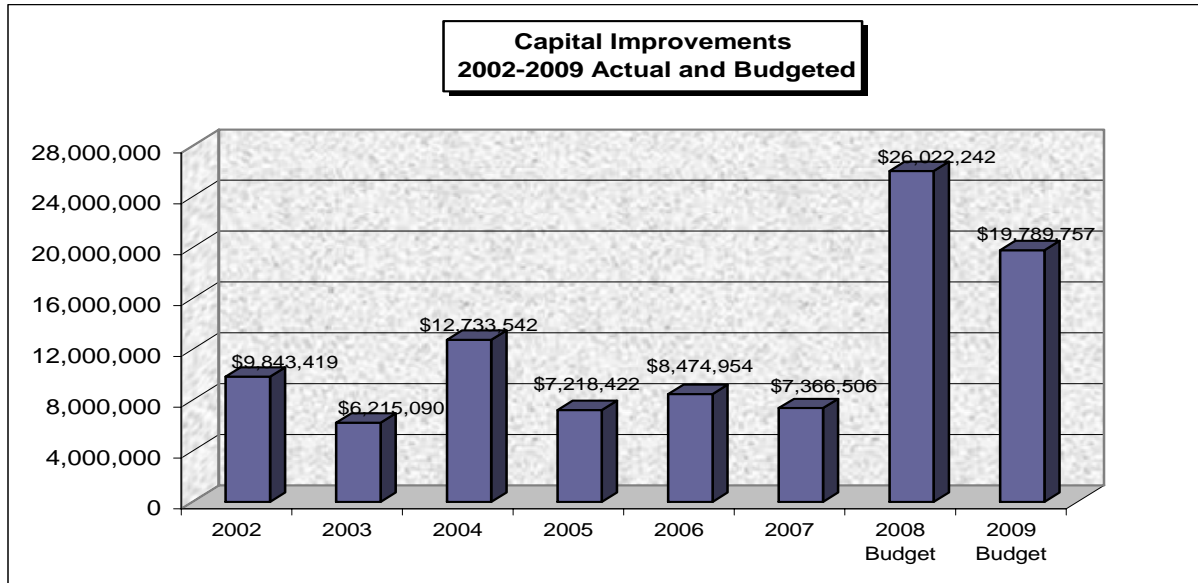
2009 Top Ten Capital Projects

Wastewater treatment plant improvements	\$11,629,554
Fallen Leaf open space acquisition	2,250,000
Anderson well, pump, treatment, building	1,000,000
Open space acquisition	840,000
NW 38 th Avenue water main	750,000
NW 38 th Avenue sewer main	750,000
Fire Engine	458,840
Arterial Rehab	300,000
Station 41 Remodel	250,000
Sewer pump station upgrades	200,000
Water main replacements	200,000

As a budgeting practice, generally, items dependent on grant funding for which the grants are not yet assured are excluded from the budget. As grant or other outside funding becomes secured, and/or necessary agreements with cooperating agencies are prepared, project budget appropriations will come forward. As the future of such grant-funded projects becomes clearer, the matters will return to Council for further review and action.

CAPITAL INVESTMENT

The following chart depicts historic levels of capital investment.



Almost \$20 million in capital investments are reflected in the 2009 budget. This represents a strong and important level of capital investment in community infrastructure. Construction of these future facilities will be quite visible.

Here are some summary departmental highlights of the 2009 budget:

Emergency Medical Services/Fire Dept:

For the EMS service, 2008 has been a tumultuous year, and the “dust has not settled” yet.

One of the most important decisions of August 2008 was the choice by the voters of the East County Fire and Rescue District to approve a six year EMS levy. In August, the levy passed with a 65% margin, astounding considering the current economic times. This provides very important stability for the system and security and quality service for the residents of the ECFR area. A 2006 levy passed in Camas with a 62 % “supermajority”, and a parallel measure passed in Washougal.

In an August 2008 major surprise, the City of Washougal gave notice of its withdrawal from the interlocal EMS service agreement. According to Washougal’s letter, the joint service is to terminate in February, 2009. This was obviously a major event. The consequences and potential “unintended effects” are of concern to a wide variety of participants including city officials, county officials, the County Medical Director, the EMS Administrative Board, the EMS and Trauma Council, and citizens who for almost three decades have received fine quality paramedic and ambulance services through the cooperative agreement and system. With encouragement from a variety of participants and observers, the Cities of Camas and Washougal are currently in talks on this subject. One can hope that the talks will result in a renewal of the interagency cooperation. To date, the Washougal termination letter is the official action. Therefore, based on the current facts and official actions, the EMS budget is constructed based on participation by the City of Camas and ECFR only. The proposed EMS budget does not assume continuing participation by Washougal. If an agreement with Washougal is reached, a supplemental budget to reflect that participation and any ensuing obligations will be necessary.

The proposed budget includes the staffing, equipment, and support to operate the EMS service in Camas and the East County Fire and Rescue District. As is documented over the last 30 years, Camas will continue to provide quality service for the citizens of the jurisdictions which have chosen to participate.

As a transparent financing note, EMS funding will continue the Administrative Cost charge by the City to the EMS fund. These charges account for the wide variety of on-going administrative services provided by other city departments to the EMS function. Examples of the services include: accounting, auditing, legal, personnel and labor relations. The charge for 2009 is budgeted at \$106,784. A third annual repayment of previously deferred administrative costs is also programmed in the 2009 budget. The repayment cycle is extended by one year in the proposed budget, and the 2009 amount of repayment of deferred administrative costs is thus reduced to \$36,518.

Looking to the long-term, the City and ECFR are currently and cooperatively analyzing and discussing the creation of a “Fire Authority” as allowed by recent state legislation. The financial analysis of this model has the able assistance of Mr. Paul Lewis. The talks to date are cooperative and productive. This model will have further serious analysis, discussion and examination in 2009. The fire authority model appears to have major positive elements, and points to the power of partnerships.

Parks Open Space and Recreation:

The year 2009 should be an important year for parks. Funded from non-General Fund sources, major park and open space acquisitions are included in the 2009 budget. The Recreation and Conservation Office (RCO) approval of \$1.5 million in grant funding for Camas Park/Openspace acquisitions is a highlight. The budget reflects includes these funds and authorizes purchases. The Washougal River Utility and Trail Bridge was constructed in 2008. Next year will see further permitting work for the full trail project along the Washougal River, including the important pedestrian crossing. Again, this project benefits from major RCO grant funding.

The Community/Recreation Center project is a major partnership and a continuing question calling for resolution. Hopefully, in 2009, conclusions will be reached, with the support of the partners and the community. The long sought Community/Recreation Center has been studied and discussed. Private and public funding ideas have been floated. Work will continue on this initiative.

Other Highlights:

Austerity measures: To balance the 2009 budget, a long series of austerity measures, curtailments and cuts were implemented. There was great reliance on the departments and department directors in the internal prioritization of expenditures which are included in the budget. There are many, many examples of the reductions and deferrals which were made to balance the budget. The reductions were primarily in the general fund, and related street and cemetery funds. At the October 6th review of the preliminary budget, an initial list from the departments of items which they would propose for restoration was distributed. That list could be useful if—with new actual data in 2009—we find that the revenues will allow some “restorations”. The full list is not reiterated here. A few highlights of the projects and deferrals are recapped in this list, to illustrate the reductions:

Police:	Staffing restoration is first priority, if revenues allow.
Fire:	Restoration of the wellness support, training and “small tools”
Library:	Restore deleted staff positions
Parks & Rec:	Fund “hometown holidays” event; restore reduced pool hours, increase trail maintenance.
Public Works:	Restore the deferred street preservation (slurry/chip seal) program—and development of a Cemetery master plan
IT:	Server replacements
Human Resources:	Training

Community
 Development: Training
 Finance: Return reduced staffing hours
 Admin: Return reduced staffing hours

OVERVIEW OF THE PROPOSED 2009 GENERAL FUND BUDGET

Recommended appropriation for the General Fund in 2009 is approximately \$15.6 million. This represents an \$836,733 decrease from the 2008 amended General Fund budget or a decrease of 5.1%.

<i>General Fund</i>			
	ADOPTED 2008	PROPOSED 2009	INCREASE (DECREASE)
Operating Programs	\$16,063,069	\$15,248,236	\$ (814,833)
Capital	\$ 424,500	\$ 402,600	\$ (21,900)
Total	\$16,487,569	\$15,650,836	\$ (836,733)

OVERVIEW OF THE 2009 PROPOSED BUDGET FOR ALL FUNDS

The proposed 2009 budget for all funds is \$54 million; \$6.2 million lower than budgeted for 2008. The “all funds” appropriations are reflective of capital project appropriations, **including water/sewer capital projects** (estimated at \$15.2 million), as well as the utility functions (i.e. refuse collection, water, sewer, etc.) and general fund.

CITY WORK FORCE:

Twenty-nine and two-tenths percent (29.2%) of the entire “all funds” 2009 budget is allocated to personnel salaries and benefits. City employment in 2008 was 184.52 FTE, and is estimated to fall to 178.51 in 2009. As previously noted, there are a series of staff reductions, which touch almost all city functions. The exception is the water/sewer utility, which has some planned increase, related mainly to the wastewater treatment plant and WWTP project. Police Officer and Paramedic/Firefighter hires are programmed for late in 2009. There are reductions in seasonal and part-time staffing. Approximately \$46,490 is allocated for uniform and clothing allowances. The budget, as prepared, reflects the known costs of personnel under existing collective bargaining agreements.

Staffing flexibility: The following position classifications represent a series of experience and skill levels that include entry level, journey level and advanced journey level.

- Administrative Support Specialist I and II
- Building Inspector I and II
- Engineer I, II and III
- Financial Assistant I and II
- Planner I, II and III
- Maintenance Worker I and II
- Utility Maintenance Worker I and II

Department Directors budget for the position in which the current assigned employee is classified, and budget for scheduled advancement to the next level, as known. If an employee leaves one of these series of positions, replacement hiring could be at another level within the series. Some unscheduled

advancement or digression not specifically budgeted, but within authorized funding levels, may be authorized with the approval of the City Administrator and Mayor.

Training: Training is important, and is very significantly reduced in this budget for the sake of balancing a “rainy-day” plan. This deletion is regrettable and necessary. It is not prudent to under invest in training for a long time. Such course would lower efficiency, detract from our ability to attract large outside funds and investments, adversely effect our levels of innovation, and potentially harm our competitiveness for quality staff.

Retirements and Recruitments: Although no senior staff have declared retirement plans for 2009, these possibilities exist. This is especially true for long term staff who are fully vested in Washington Public Retirement programs. In the absence of declared retirement plans, no budget provisions are made for such retirements, related costs such as sick leave cash-outs, and or related recruitment(s). The HR budget includes NO funding for assisted recruitments. We are in the midst of contract talks with the city’s bargaining units, and there is NO provision in the 2009 budget for consultant labor negotiation assistance. Normal levels of other personnel activities (recruitments, transfers, summer hires, etc) are foreseen and budgeted.

SUPPLIES, SERVICES AND CHARGES:

Fifteen and nine-tenths percent (15.9%) of the “all funds” 2009 budget is related to supplies, services, and charges. Detailed information on the categories listed below can be found in the body of the budget document:

<i>Professional Services</i>	\$1,310,470
<i>Intergovernmental Services</i>	\$1,139,593*
<i>Public Utilities</i>	\$1,505,019**
<i>Supplies (includes chemicals)</i>	\$1,324,948
<i>Vehicle Maintenance/Fuel</i>	\$ 411,400
<i>Repairs and Maintenance</i>	\$ 928,360
<i>Insurance</i>	\$ 411,633
<i>Small Tools</i>	\$ 751,200

* - Includes jail, corrections, and court expenses.

** - Includes solid waste tipping fees.

DEBT OBLIGATIONS:

Seven and eight-tenths percent (7.8%) of the “all funds” budget goes toward debt repayment for the current year. General obligation debt repayment totals \$1,608,033 for 2009 and revenue obligation debt for 2009 totals \$2,216,984.

SUMMARY:

These are anxious and uncertain times. Citizens, businesses, organizations, and cities are experiencing virtually unprecedented uncertainties. These are difficult times, hard on everyone. Like other cities, Camas—faces uncertainties and unpredictable events. Economic events, housing trends, potential changes in leadership at higher levels of government, state legislation, and indeed world events can affect our city and its budget. This year had surprises, such as the local effects of the housing downturn, the passage of an EMS levy in the partner East County Fire and Rescue District and the Washougal letter withdrawing from the EMS partnership. Next year will surely bring

new challenges. In the face of all this, the City of Camas has many advantages and assets. We have clear direction. Camas is a prosperous community, with talented citizens. The City has a top quality team of elected officials and staff. We demonstrate teamwork. We adapt to changing conditions, while remaining focused on our goals of a quality community with a thriving, diverse economy, and outstanding city services. With good reason, the national publication Money Magazine selected Camas as one of the nation's 100 "best places to live". With continuing teamwork and community support, the City of Camas will preserve through a "rainy day" budget year. The budget has reductions, curtailments and adjustments which fit the times. We will continue to monitor events, and make necessary further adjustments as 2009 unfolds. Major capital investments will be made for our bright common future. The range of municipal services will be efficiently provided with competency and courtesy. The message: "the way to get through tough times is....together" will play out over the course of the year. With positive focus on our exceptional environment, good infrastructure, and quality public services and supportive community, Camas will continue to flourish.

Sincerely,

Paul Dennis
Mayor