

City of White Salmon, Washington

2026 PRELIMINARY BUDGET HEARING

Grounded in Responsibility, Growing with Purpose



Presented by:

Jennifer Neil, Director of Finance & Operations



EXECUTIVE SUMMARY

Tonight's preliminary budget presentation provides an overview of the City's financial outlook for 2026, focusing first on the services the City is legally required to provide, followed by essential operational services and the optional, policy-driven programs that reflect community priorities. The budget incorporates significant cost pressures in mandated areas, including increases to employee benefits, interlocal agreements, insurance, and state-required compliance activities.

The presentation also highlights how, over the past several years, the City has aligned spending with Council's stated priorities—housing and planning, emergency and wildfire preparedness, youth programs and recreation, and critical infrastructure. From 2019 through 2025, these investments demonstrate a clear pattern of long-term commitment to safety, resilience, affordability, and community livability.

This hearing is an opportunity for Council and the public to review the preliminary budget, understand the drivers behind rising costs, assess how resources are being allocated, and provide feedback as we move toward final budget adoption in December.



COUNCIL PRIORITIES



Housing

White Salmon, a non-GMA city, continues to face increasing planning and housing needs. At the same time, meaningful housing growth is only possible when the underlying infrastructure (water, wastewater, and streets) is modernized and expanded. Our recent infrastructure investments reflect this direct connection between system capacity and future housing opportunities.



Wildlife Preparedness

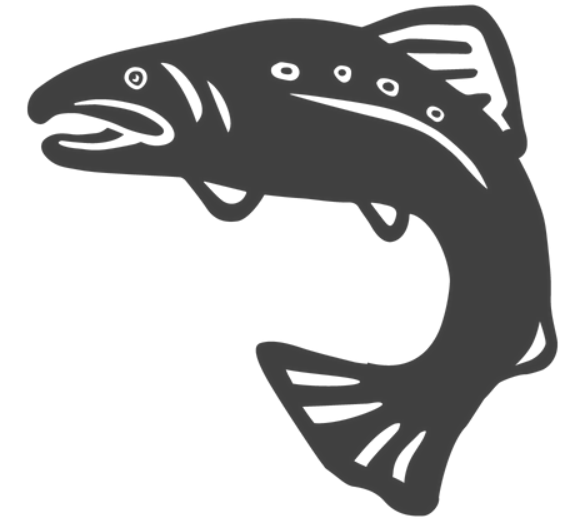
Emergency readiness and wildfire mitigation needs have increased, driven mostly by code compliance workload, outreach, and abatement in 2025.



Youth Programs

Significant increases in youth recreation, including the pool, playground, and splash pad planning. The 2026 budget includes a proposal to kick off a Youth Internship Program as the contributions to the pool end in 2026.

STRUCTURE



1

Mandatory Service

State and federally required; non-discretionary.

2

Essential Service

Necessary for operations, compliance, and current city code. Council has flexibility but could require code changes.

3

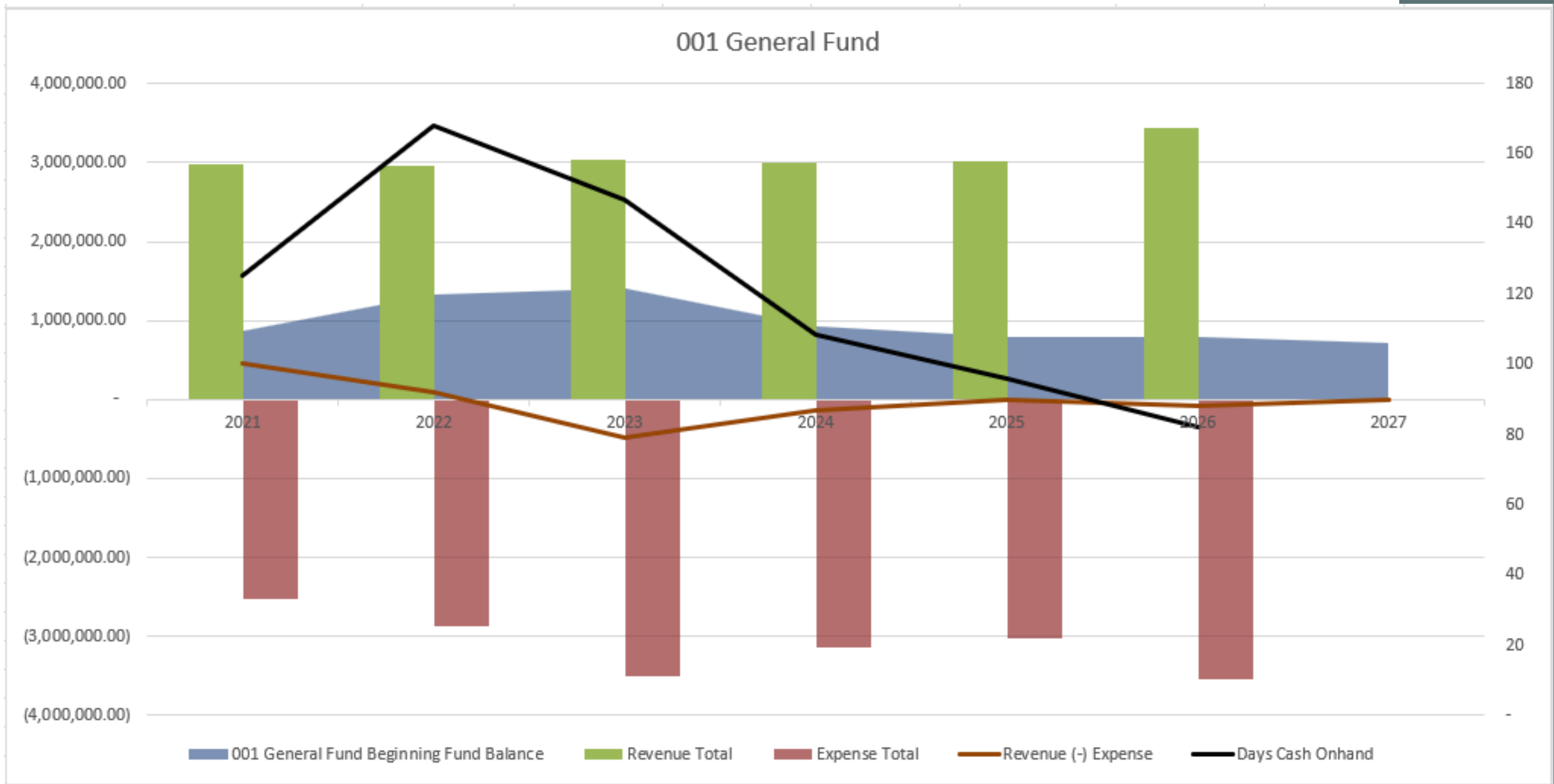
Optional Service

Policy level services where Council has flexibility.



FUND BALANCE

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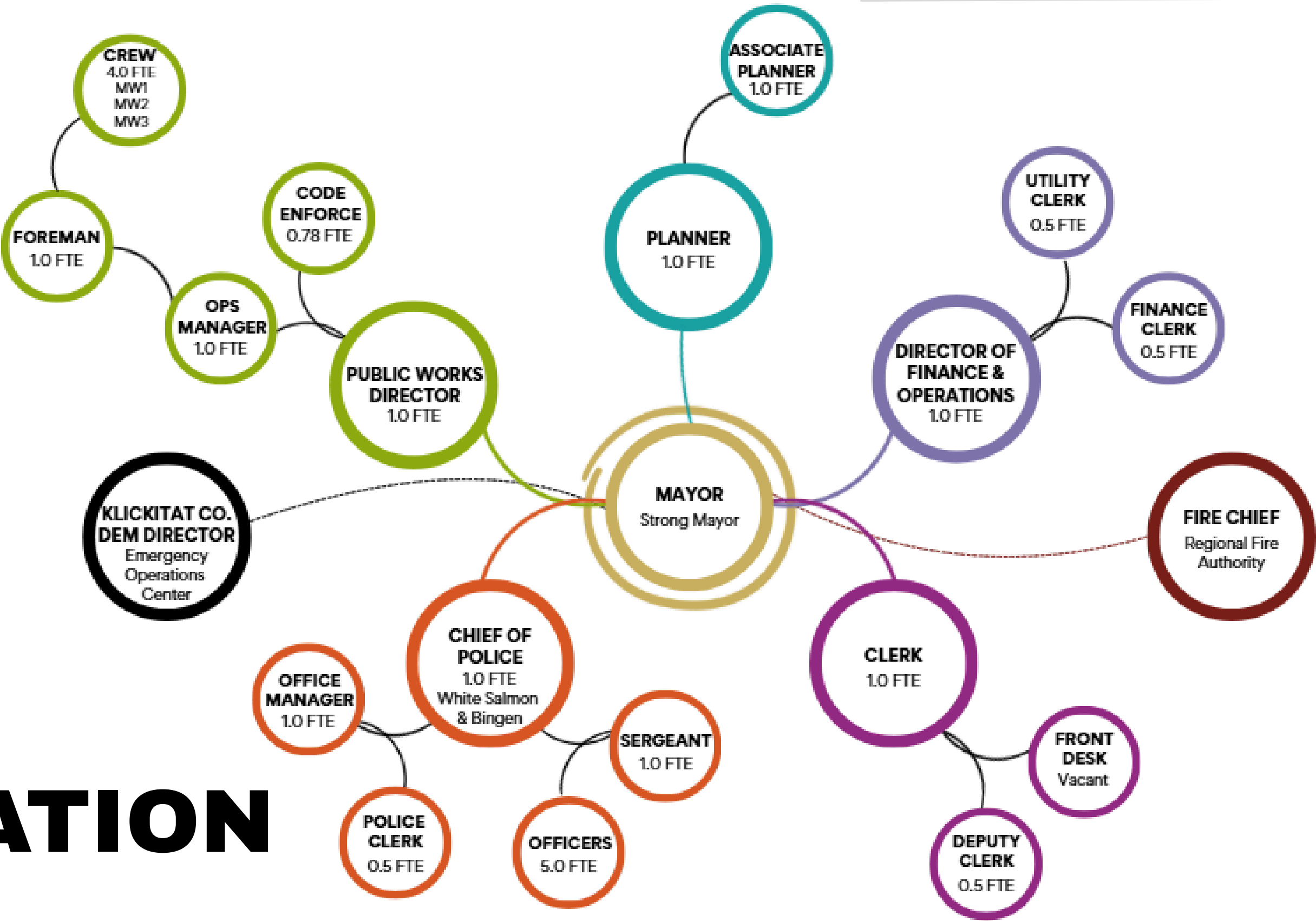


After full reconciliation, the general fund ended 2024 stronger than projected, beginning 2025 with \$792k rather than the estimated \$438k. We anticipate entering 2026 with 75 - 80 days cash on hand, within best-practice range of 60 - 120 days. However, recent trends show we have been drawing on fund balance, highlighting the importance of stability and long-term structural balance.

This chart reflects our current 2025 operating structure, with 21 full-time and 1 part-time position spread across core departments. Staffing remains lean, with key functions - especially finance and public works - covered by limited personnel and shared responsibilities. This provides a baseline for understanding the additional capacity proposed in 2026.

Personnel Cost by Department	
Clerk	\$113,739
Elected Officials	\$48,578
Finance	\$314,651
Planning	\$197,699
Police	\$1,235,486
Public Works	\$923,911

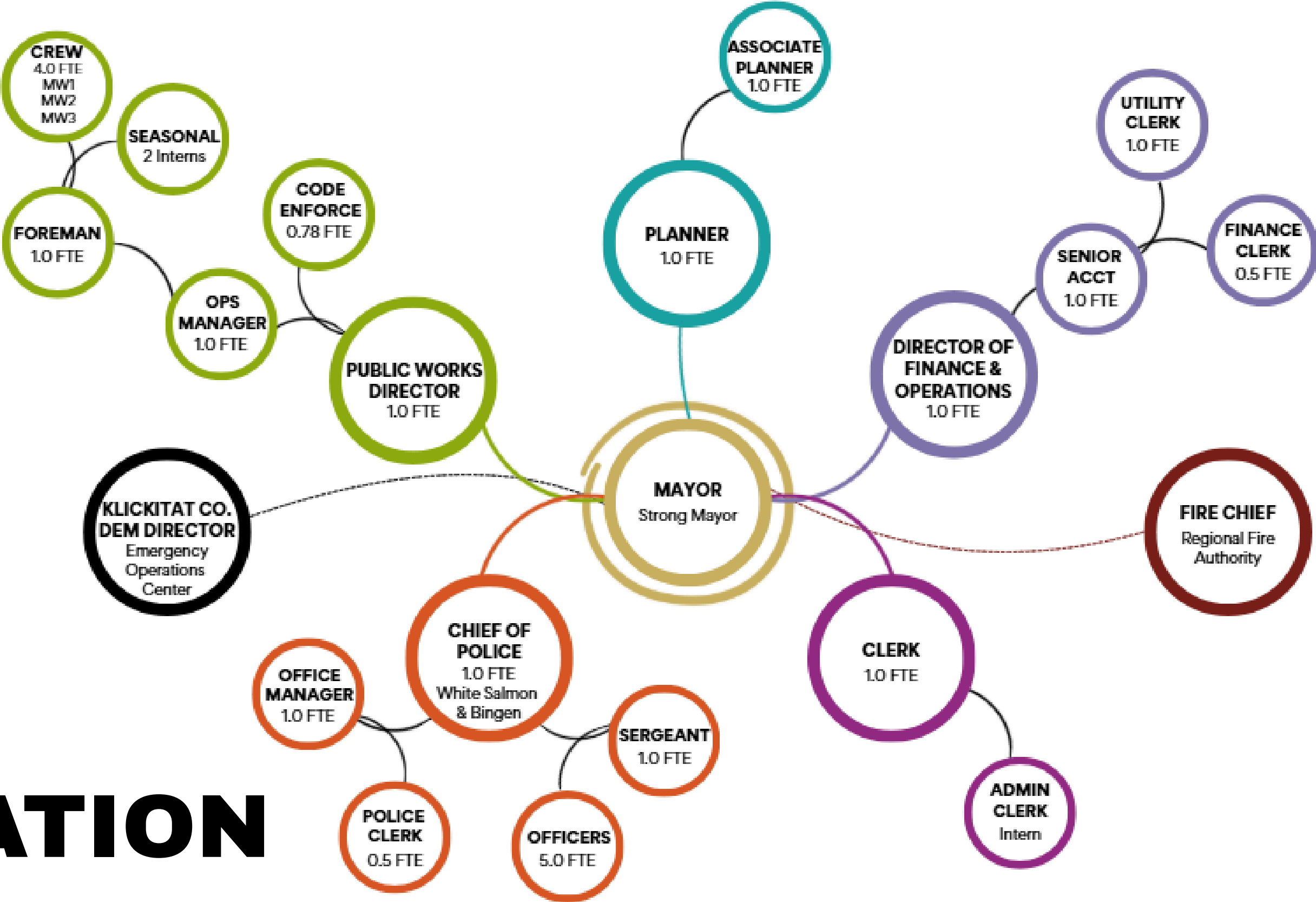
2025 ORGANIZATION CHART



The 2026 organization increases capacity and stability by expanding to 22 full-time, 1 part-time, and 3 seasonal/casual intern positions. This includes adding a Senior Accountant to strengthen the Finance Department, ensure continuity, and establish a clear succession plan for financial management. The new Youth Internship Program, with interns in Administration and Public Works, provides flexible support for daily operations and projects while advancing Council’s priority to youth.

Personnel Cost by Department	\$2,964,055
Clerk	\$113,739
Elected Officials	\$48,578
Finance	\$413,245
Planning	\$197,699
Police	\$1,235,486
Public Works	\$923,911
Youth Internship Program	\$31,397

2026 ORGANIZATION CHART





City of White Salmon

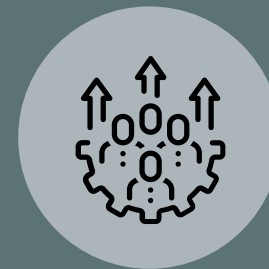
YOUTH INTERNSHIP PROGRAM

The City would like to launch a new Youth Internship Program in 2026 that supports Council priorities, helps meet staffing needs, and builds a partnership with Columbia High School's Work Site Learning Program. The City would host three interns during the school year at no cost, with one intern supporting Administration and two placed in Public Works to learn hands-on municipal trades. In the summer, the City would offer competitive paid internships for high school and college students interested in careers in public administration, utilities, public works, and local government.



Address Council Priority for Youth Engagement

Creates meaningful pathways for local students to participate in government and explore public service careers.



Builds Workforce Capacity at Minimal Cost

School-year interns cost the City \$0, earning high school credit while supporting customer service, administrative work, and public works operations. The summer program estimated to cost \$31k.



Creates a Pipeline for Future Talent

A summer paid internship program attracts college and high school students, helping the City develop long-term staffing solutions in hard-to-fill municipal roles.

TOTAL BUDGET

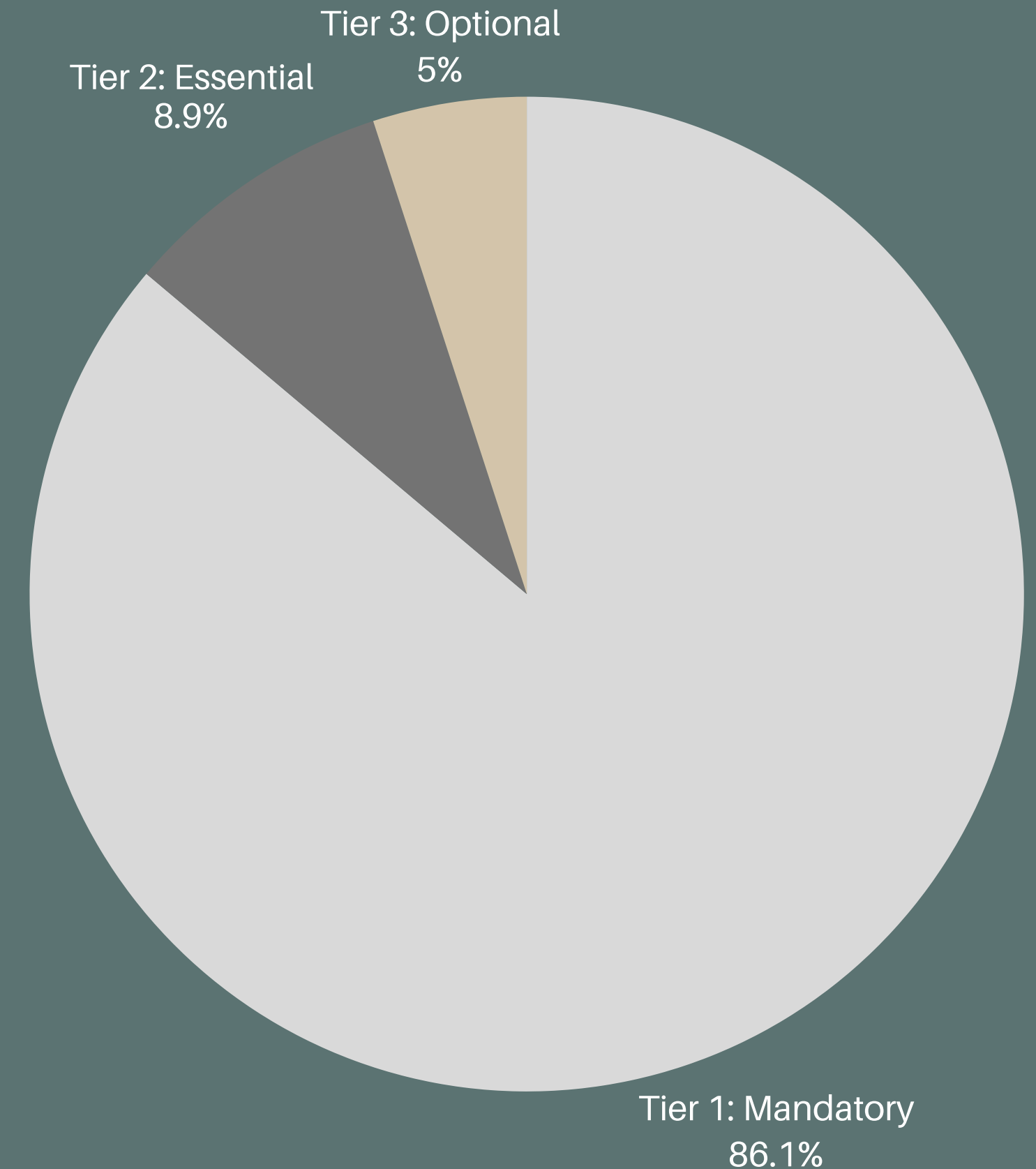
Total Preliminary Budget: \$ 9,806,665

The City's 2026 Preliminary Budget totals \$9.8 million and reflects the reality that most of our resources are already committed to services that are required by state law. Tier 1 Mandatory Services—including law enforcement, utilities, emergency management, finance, public records, and other statutory obligations—represent 86% of all planned spending. This means the vast majority of the budget is dedicated to meeting essential regulatory, safety, and operational requirements.

Tier 2 Essential Services, which support core city operations such as planning, permitting, building inspections, IT, facilities, and administrative support, account for another 8.9% of spending. These services, while not mandated by statute, are necessary to safely and effectively run the City.

The remaining 5% of the budget funds Tier 3 Optional Services—the programs and initiatives that reflect local priorities, such as parks, recreation, youth programming, beautification, community engagement, and tourism.

This breakdown illustrates how little discretionary flexibility the City has within the overall budget, and underscores the importance of strategic decision-making within the small portion of funding that is not tied to legal or operational requirements.



ALL FUNDS

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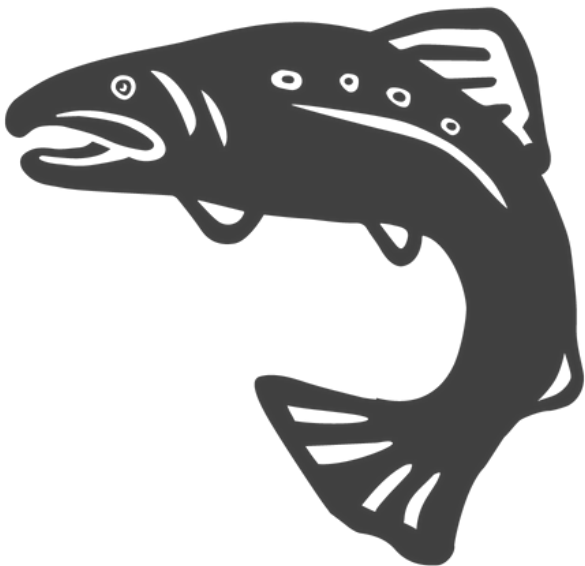
This is a snapshot of where the budget is today, once fund balances are incorporated the bottomline budget will increase - this is only to account for the anticipated ending fund balance.

Revenue Highlights

- Total Projectected revenue are approximately \$11.3m
- The largest revenue source is charges for goods and services - primarily water and wastewater utility revenues
- Taxes account for roughly \$2.5m, which reflects property tax, sales tax, and the new criminal justice tax
- Intergovernmental revenues include grants and shared state revenues

Expense Highlights

- Total projected expenditures across all funds currently total approximately \$9.8m
- Utilities and Public Safety are among the largest expenditure categories
- Debt service, reserves, and interfund transfers reflect required obligations

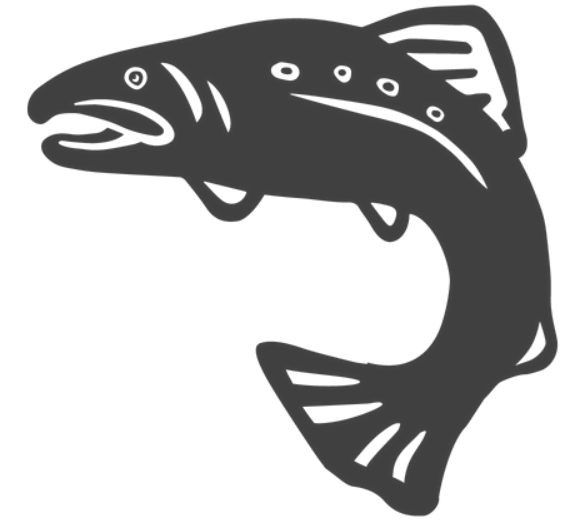


Revenue		
310	Taxes	2,521,606
320	Licenses & Permits	119,600
330	Intergovernmental	406,775
340	Charges for Goods & Services	5,016,171
350	Fines & Penalties	14,850
360	Miscellaneous	502,500
380	Non-Revenue	0
390	Other Financing Sources	2,325,792
397	Interfund Transfers	394,404
		11,301,698

Expense		
511	Legislative	235,485
513	Executive	7,000
514	Finance	627,527
518	Central Services	68,891
519	General Government	124,800
521	Police	1,647,122
522	Fire	10,100
524	Building & Code	167,368
534	Water Utilities	1,805,769
535	Wastewater Utilities	411,127
542	Streets Maintenance	391,190
557	Community Services	35,500
558	Planning & Community Development	313,035
576	Parks	416,047
580	Non Expenditures	143,000
591	Debt Services	758,000
594	Capital Expenditure	2,295,900
597	Interfund Transfers	348,804
		9,806,665

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EXECUTIVE & LEGISLATIVE



\$ 242,485

What's Required

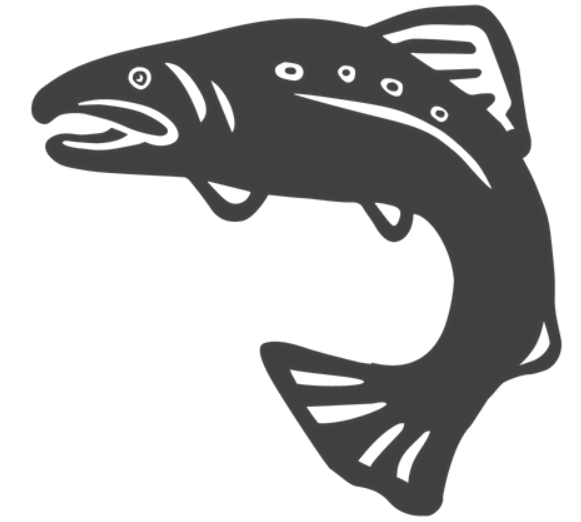
- Mayor, the Chief Executive
- Council as the legislative authority
- Budget adoption, ordinances, official actions
- Open Public Meetings Act
- Public Records and transparency requirements

What's New

- Clerk and all clerk functions are now budgeted in the Legislative budget as per the BARS manual
- Quarterly Council Gatherings
- Committee Activation funds
- Community Coffee

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FINANCE & HR



\$ 696,418

What's Required

- Balanced annual budget
- Annual financial reporting (ACFR)
- State Auditor (SAO) audit
- Payroll, Accounts Payable, Accounts Receivable, internal controls
- Property tax levy certification

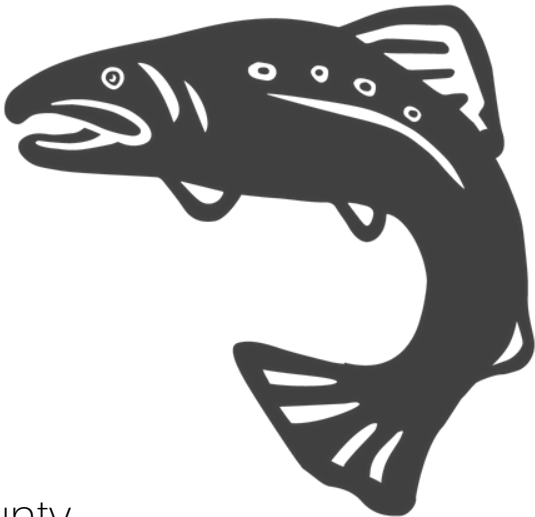
What's New

- Senior Accountant I
- SAO Audit and CPA services are budgeted rather than prior year of waiting for a budget amendment
- Robust HR outside service
- Staff Retreat

Budget Pressures

- Information Technology services for the entire city are in the Finance budget
- Liability insurance increase

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PUBLIC SAFETY

\$ 1,713,922

What's Required

- Police
- Court services through District Court - Interlocal Agreement with Klickitat County West District Court
- Jail housing services - Interlocal Agreement with Klickitat County Department of Corrections
- Emergency Management

What's New

- Vehicle purchase
- Criminal Justice Sales Tax - \$30,000 of projected revenue
- Active Threat/Force-on-Force training equipment
- Small Unmanned Aircraft Systems (sUAS) Program

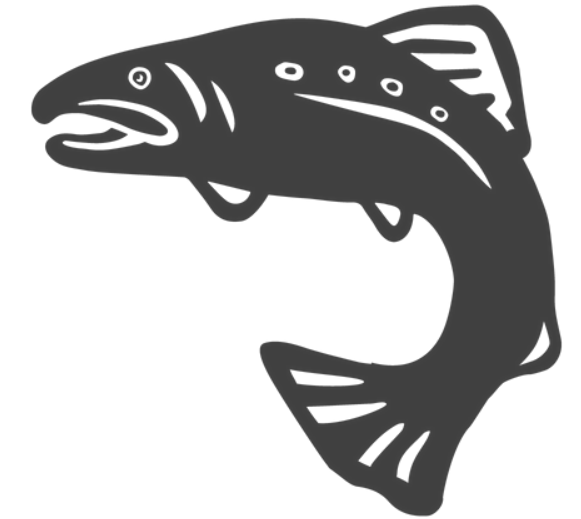
Budget Pressures

- Jail interlocal agreement has increased approximately \$30k
- Klickitat County Department of Emergency Management interlocal agreement is anticipated to increase as federal funding will likely be pulled from the program - anticipated increase of \$15k

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STREETS

\$ 523,590



What's Required

- Maintain streets in safe, drivable condition
- Traffic control and signage
- Snow/ice response
- City owned right of way maintenance

What's New

- Church Street reconstruction
- New staff requiring additional training
- Working in coordination with Klickitat County Public Works in regard to road/street projects to capitalize on last minute availability of federal funding
- Youth Internship Program in coordination with Columbia High School

Budget Pressures

- Aging equipment
- Aging infrastructure
- Lack of dedicated funding

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UTILITIES

\$ 3,128,200

What's Required

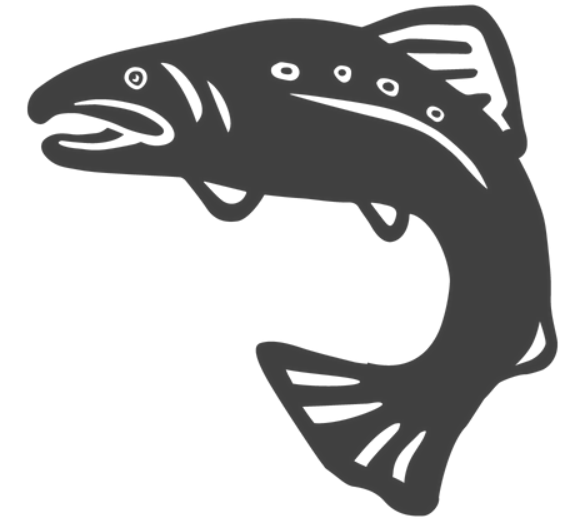
- Safe drinking water
- Wastewater collection & treatment
- State certified operators
- Testing and reporting

What's New

- North Main Spring Street Construction
- Debt Service payments for some prior projects are not yet finalized and will likely need adjusted during a budget amendment
- New staff requiring training
- Youth Internship Program in coordination with Columbia High School
- Vehicle purchase

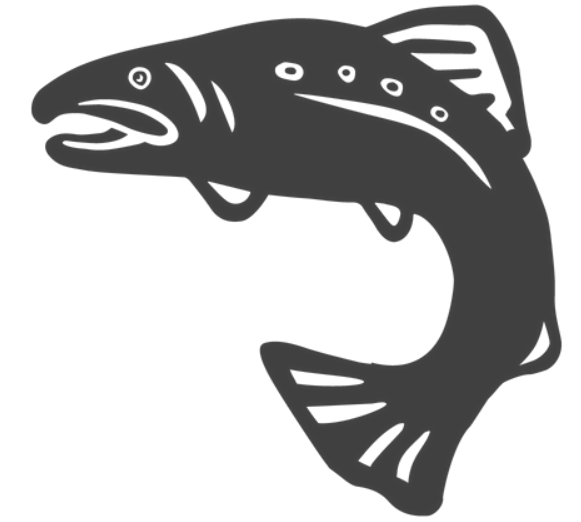
Budget Pressures

- Aging infrastructure
- Aging equipment



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PLANNING & BUILDING



\$ 497,496

What's Essential

- Planning as a **non-GMA** city
- Zoning
- Permitting
- Building Inspections

What's New

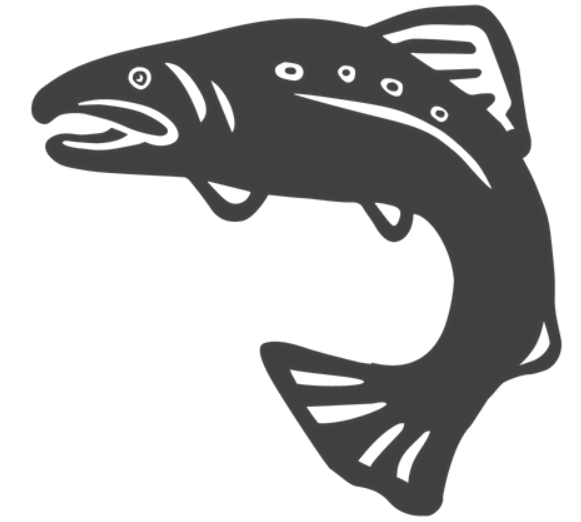
- Periodic Update Grant - \$10k
- Comprehensive Plan update
- Critical Areas Ordinance update

Budget Pressures

- Modernization efforts
- Outside contractual services

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CODE COMPLIANCE



\$ 128,574

What's Essential

- Hazard abatement
- Wildfire mitigation activities
- Code enforcement
- Public outreach

What's New

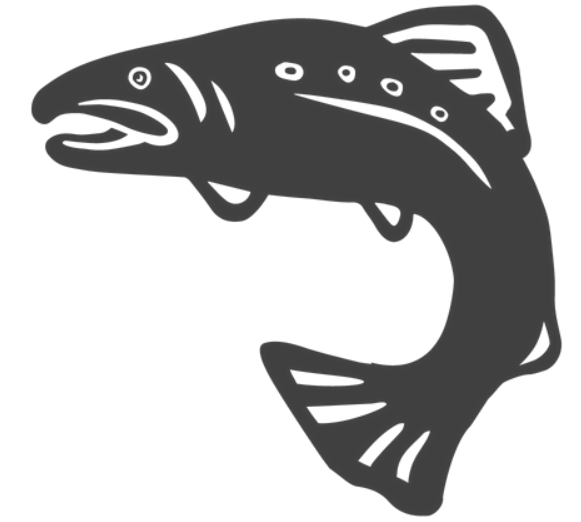
- Large scale abatement action
- Vehicle passed down from Police

Budget Pressures

- Abatement process and efforts

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PARKS & FACILITIES



\$ 459,047

What's Priority

- Safe and functional park spaces for our youth
- Playground and equipment maintenance
- Grounds maintenance and landscaping

What's New

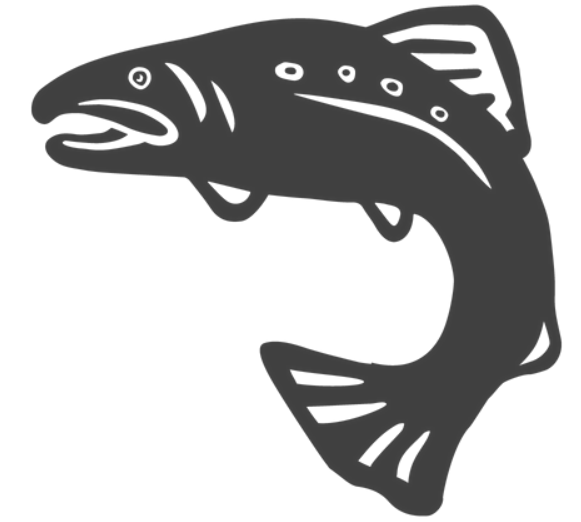
- Bluff Connector Trail - \$800k appropriation, not all is in this current budget
- New Staff requiring training
- New mower purchase
- Old Youth Center demolition
- Sidewalk repair from the Sweet Gum tree
- Removal of park reservation program

Budget Pressures

- Aging equipment

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COMMUNITY SERVICE



\$ 35,500

What's Priority

- Community beautification
- Community events
- Youth Center support

What's New

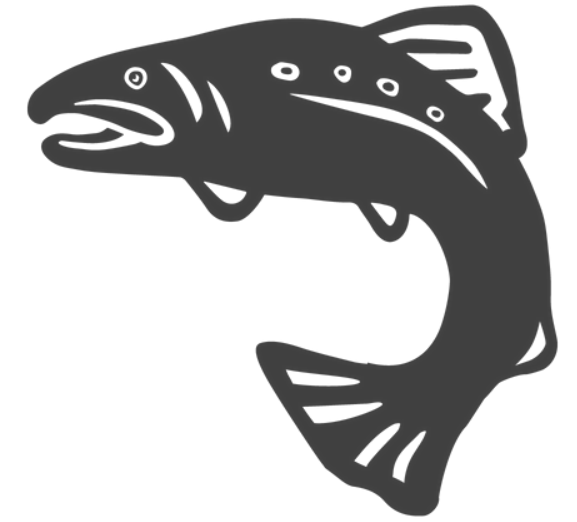
- Remaining and close out of the Housing Rehabilitation grant program

Budget Pressures

- Inflation

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CLOSING SUMMARY



Key Takeaways

- Mandatory services drive the base cost of operations
- Interlocal and insurance increases outpace revenue growth
- Infrastructure funding is the largest factor in 2026
- Council Priority investments show clear alignment with community needs
- Optional service levels remain Council's most flexible decision point



Next Steps

- Continue this public hearing till December 3rd
- Adoption of the 2026 Property Tax Levy
- Final budget modifications and true-ups
- Public Hearing #2 - December 3, 2026
- 2026 Budget Adoption - December 3, 2026

Tonight's hearing is about maintaining what we've built and planning thoughtfully for what comes next.