



2026-1

# **BUDGET AMENDMENT**

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# EXECUTIVE SUMMARY

This report provides a comprehensive overview of the City of White Salmon's 2026 Budget Amendment No. 1, presented for public hearing and Council consideration.

The amendment reflects updates necessary to align the adopted budget with:

- Finalized 2025 ending fund balances
- Restricted revenue allocations to eligible uses
- Operational and capital adjustments identified in the first quarter of the fiscal year

In total, the amendment includes approximately:

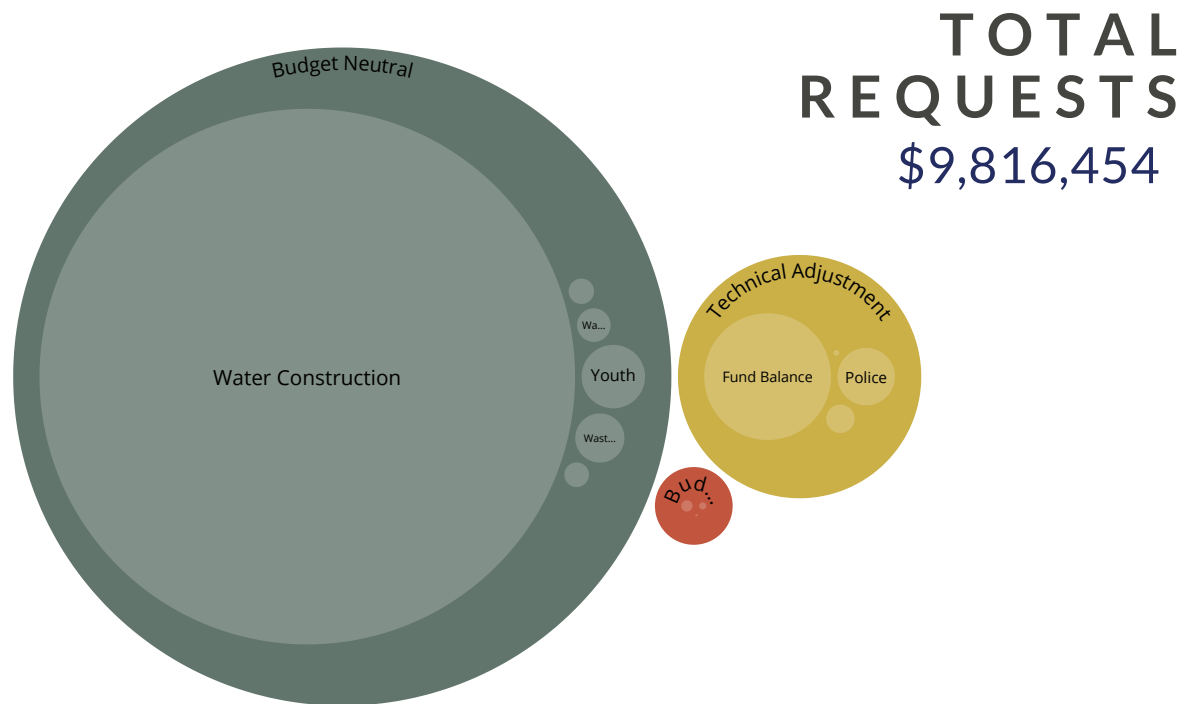
- \$259,000 in expenditure adjustments
- \$128,500 in interfund transfers
- \$8,910,000 in capital projects

Of the total expenditure changes, all but **\$5,750** are supported by restricted or designated funding sources, resulting in minimal impact to general-purpose resources.

The proposed amendment was introduced to City Council on April 1, 2026, in advance of the public hearing, in accordance with statutory requirements.

This amendment is primarily technical and corrective in nature and does not introduce significant new ongoing costs. The City remains in compliance with its financial policies, including maintaining minimum fund balance thresholds for operating funds.

# BUDGET IMPACT



This section categorizes each amendment based on its impact to the City’s overall budget. The purpose is to clearly distinguish between technical adjustments and policy-level financial changes.

Amendments are grouped into the following categories:

**Budget Neutral \$9,183,813**

Adjustments supported by new or existing restricted revenues, with no net impact to fund balance.

**Technical Adjustments \$626,891**

Reallocations within departments or funds to align budgeted amounts with actual operational needs.

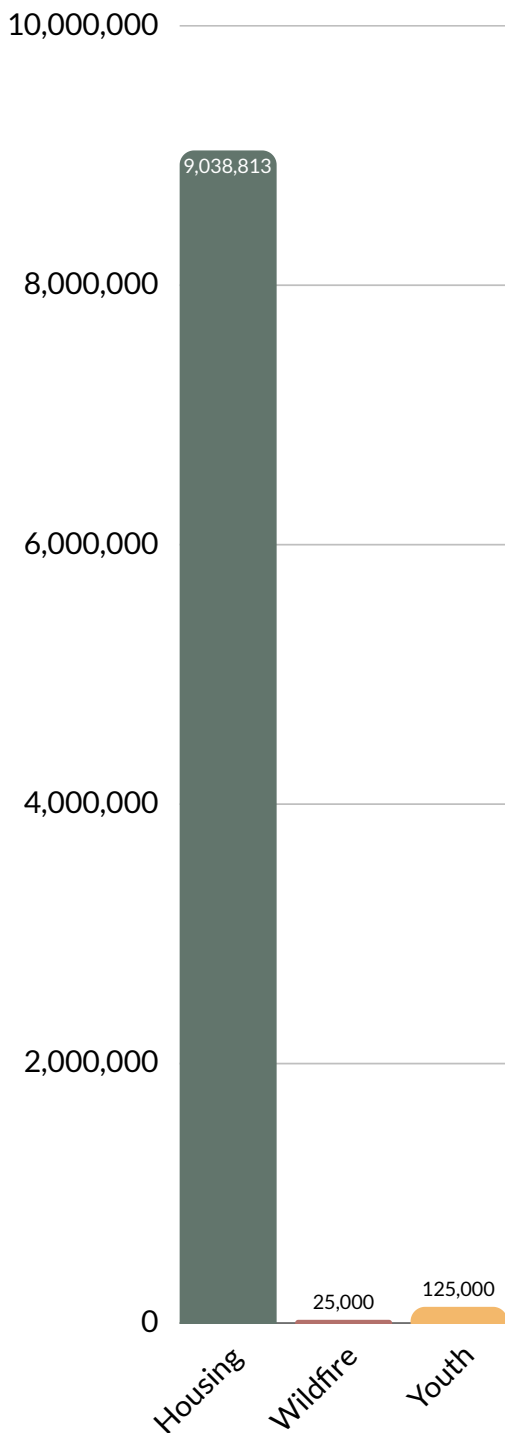
**Budget Intervention \$5,750**

Items that require the use of unrestricted fund balance or represent new financial commitments.

The majority of amendments included in this cycle are budget neutral or technical in nature, with limited reliance on unrestricted resources.

# COUNCIL PRIORITIES

## INVESTMENT IN COUNCIL PRIORITIES \$9,188,813



A portion of the 2026 Budget Amendment No. 1 directly supports City Council’s identified priorities of Housing, Wildfire Preparedness, and Youth Services.

These targeted investments demonstrate the City’s continued commitment to aligning financial decisions with strategic goals while leveraging available funding sources.

### Housing \$9,038,813

Investment in housing-related initiatives, including capital and infrastructure efforts that support housing availability and long-term community development.

### Youth \$25,000

Support for youth-focused programs and services that enhance community well-being and provide opportunities for younger residents.

### Wildfire \$25,000

Funding to support wildfire mitigation, preparedness, and resilience efforts in alignment with regional and state priorities.

# FISCAL IMPACT

This section summarizes the financial position of the City’s operating funds following the proposed budget amendments, with a focus on fund balance sustainability and compliance with City policy.

Key considerations include:

- Updated beginning and ending fund balances
- Use of restricted vs. unrestricted funding resources
- Impacts to operating and capital funds

FUND	ENDING FUND BALANCE	POLICY MINIMUM	STATUS
001 General	451,155	383,416	✓ Above Policy
401 Water	2,290,999	256,653	✓ Above Policy
402 Wastewater	587,977	94,915	✓ Above Policy

The proposed amendments maintain the City’s financial integrity by:

- Limiting the use of unrestricted fund balance to \$5,750
- Ensuring that restricted revenues are used in compliance with statutory requirements
- Maintaining minimum fund balance levels in accordance with City policy, including the target of at least 10% of annual operating expenditures

Overall, the City’s funds remain stable, and no structural financial concerns are identified as a result of this amendment.