

**TOWN OF CATHLAMET
RESOLUTION NO. 463-25**

A RESOLUTION OF THE TOWN OF CATHLAMET PROVIDING FOR THE SUBMISSION OF A PROPOSITION TO THE QUALIFYING VOTERS OF THE TOWN AT THE NOVEMBER 2025 GENERAL ELECTION FOR THEIR RATIFICATION OR REJECTION, PROVIDING FOR AUTHORITY TO LEVY AN INCREASE IN THE REGULAR PROPERTY TAX LEVY

WHEREAS, Town of Cathlamet is authorized to levy a regular property tax not to exceed \$3.375 per \$1,000 of assessed value on the property within the Town; and

WHEREAS, the Town of Cathlamet is projecting a budget crisis due to a combination of the following factors: (1) reductions in annual operating revenue due to the sale of a cell tower lease, termination of a local gambling tax retailer, a lower number of buildable lots available for development and permitting, and termination of certain service fees; (2) further revenues losses resulting from utility consolidation impacts, including reduced utility tax collections and investment interest; (3) stagnant or declining revenues with historically low property tax levies that have not kept pace with increasing costs; (4) an untaxed fire department relying solely on the use of General Fund revenues to support all operations, (5) significant increases to inflation leading to increased costs across the board for wages, healthcare, liability insurance, supplies, and other services; (6) capital expenses related to infrastructure and equipment needs and improvements; and (7) increased annual operating costs resulting from utility consolidation for allowable overhead expenses such as IT services, audits, software subscriptions, and administrative support.

WHEREAS, the Cathlamet Town Council responded by taking action to reduce expenses and explore alternative revenues sources to assist in an effort to balance the budget, including:

- Reductions to various software subscriptions and contracted services;
- Reductions to workforce levels and employee health benefits;
- Reductions to operating expenses across all departments;
- Stated intent to reduce or renegotiate any contracts coming up for renewal;
- Commitment to pursuing further operational cost reductions;
- Ongoing efforts to identify and develop alternative sources of revenue; and
- A planned review of real property assets for potential sale, lease, or alternative revenue-generating uses.

WHEREAS, these sweeping measures have significantly reduced Town services, strained internal systems, and left some essential programs underfunded and understaffed; and

WHEREAS, the financial shortfall for 2025 will exceed \$332,000 and the five-year financial forecast shows that despite budget reductions, Current Expense Fund expenses will continue to exceed revenues by over \$350,000 per year, completely exhausting the Town's cash reserves by mid-year 2028, leaving the Town's Elected Officials unable to provide our citizens with fundamental support and services required by law; and

WHEREAS, all Washington State cities and towns are required to provide similar essential services. Town of Cathlamet currently has a property tax rate of \$0.91417 per \$1,000 of assessed value which is one of the lowest rates in Washington State; and

WHEREAS, the Cathlamet Town Council finds that it is necessary to protect the financial viability of the Town Current Expense Fund by allowing the electors to approve or reject a proposition under RCW 84.55.050(2) to authorize the Cathlamet Town Council to levy the Town's regular property tax in an amount that exceeds the limit factor that would otherwise be prescribed by RCW 84.55.010; and

WHEREAS, RCW 84.55.050(2) authorizes the Town to place a proposition before the voters to approve annual increases in regular property tax levies for multiple consecutive years (up to six consecutive years) during which period each year's authorized maximum legal levy shall be used as the base upon which an increased levy limit for the succeeding year is computed, so long as the ballot proposition states the dollar rate proposed for the first year of the consecutive years along with the limit factor or the specified index (such as the consumer price index) to be used for determining a limit factor in each of the subsequent consecutive years; and

WHEREAS, the property tax rate is computed based upon the overall total assessed value of property in the Town on January 1. The County Assessor estimates that the total assessed value of property within the Town of Cathlamet for January 1, 2026 will be approximately \$100,000,000.

WHEREAS, the proceeds of the increase in the regular property tax on real property that would be authorized by the ballot proposition requested below will provide funding for retaining public safety and other essential services provided by the Town to its citizens; and

WHEREAS, the proposal set out in this resolution requires approval by a simple majority of the voters in Town of Cathlamet;

NOW, THEREFORE, BE IT RESOLVED by the Cathlamet Town Council, pursuant to RCW 84.55.050 and RCW 29A.04.321, as follows:

Section 1. The best interests of the citizens of Town of Cathlamet require the submission to the qualified voters of the Town a proposition to levy regular property taxes above the limitations established in RCW 84.55.010 for approval or rejection at the general election to be held November 4, 2025. The proposition shall be to increase the Town's regular property tax levy by \$1.08583 per \$1,000 of assessed valuation for collection in 2025, for a total rate not to exceed \$2.00 per \$1,000 of assessed valuation.

Section 2. The proposition would authorize the Town to levy the regular property tax at a rate of \$2.00 per \$1,000 of assessed valuation on property in the Town for collection in the year 2026. Therefore, the proposed increase will generate approximately \$108,583 additional revenue for 2026. The proposition also would approve the use of the dollar amount of the 2026 levy for computing the maximum levy that may be imposed in years after 2026. Revenues from the property tax increases that would be authorized by the ballot proposition shall be used for the purposes of retaining essential services, and, secondarily, begin replenishing the Town's contingency cash reserves.

Section 3. The proposition to be submitted to the electorate of Town of Cathlamet shall read substantially as follows:

Proposition No. 1

INCREASE OF PROPERTY TAX LEVY FOR RETENTION OF BASIC PUBLIC SAFETY AND OTHER ESSENTIAL SERVICES

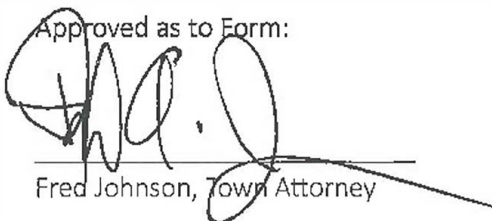
The Cathlamet Town Council adopted Resolution 463-25 concerning voter approval of its regular property tax levy. To retain basic public safety and other essential services, this proposition would (1) increase the regular property tax levy above the limit factor, to a rate of \$2.00 per \$1,000 assessed value for collection in 2026; and to (2) authorize the use of the 2026 levy amount as the base for computing levies in succeeding years; all as set forth in Resolution 463-25.

TOWN OF CATHLAMET:



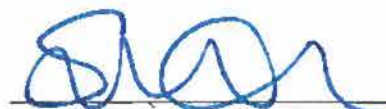
David Olson, Mayor

Approved as to Form:



Fred Johnson, Town Attorney

ATTEST:



Sarah Clark, Clerk-Treasurer