



2027 **PROPOSED BUDGET**

Over the past two budget cycles, the City took many cost-saving steps to maintain stable finances. We were able to create balanced budgets in 2025 and 2026 through reducing services and cutting staff.

Despite those cuts, our long-term financial outlook remains unbalanced. That's because we face a fundamental imbalance between the cost of doing business and our existing revenue sources. To correct that problem, we must make a more substantial, structural change.

We believe the most long-lasting and sustainable solution is to form a Regional Fire Authority, or RFA: a separate public agency accountable to voters with a dedicated funding source to deliver the high-quality fire and emergency medical services Bellingham deserves, even as community needs grow.

At the same time, forming an RFA would put millions of dollars back into restoring, maintaining, and improving all the other City services our community depends on us to provide.

The 2027 proposed budget maintains services by drawing from our financial reserves while we seek approval of an RFA as our long-term budget fix.

Key points about the 2027 budget

PRESERVES CURRENT LEVELS OF SERVICE

This is largely a status quo budget. It seeks to maintain the same services, programs, and level of capital improvements as 2026. We aren't further cutting services and are only adding to the budget to make mandatory increases to staffing costs or mission-critical improvements.

PLANS FOR LONG-TERM STABILITY

A Regional Fire Authority puts Bellingham on solid ground to fund EMS and fire services by raising dedicated revenue to support our growing public safety needs. It also frees up more of the City's general fund to restore services we've had to cut, tackle long-deferred maintenance, and, ultimately, to maintain and expand to meet the community's growing needs.

BRIDGES THE GAP WITH RESERVES

We are recommending a deficit budget that taps into our financial reserves so that we can keep operating as we are now, avoiding further cuts while we seek voter approval for a permanent and stable financial solution, a Regional Fire Authority.

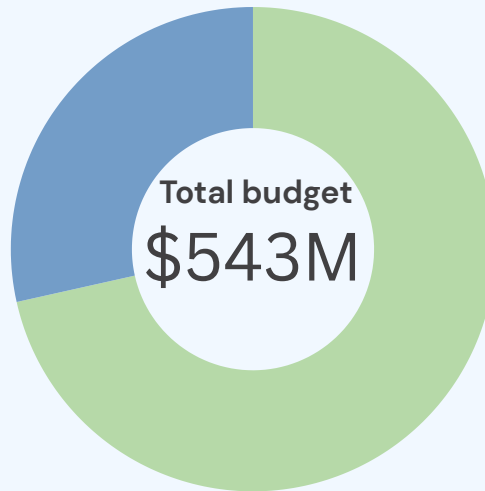
Visit [**cob.org/budget**](https://cob.org/budget) to learn more.

2027 BUDGET OVERVIEW

Capital budget \$115.7M

Budget highlights

- Salish Landing Park and waterfront environmental clean up
- Post Point upgrades and other utility infrastructure improvements
- The next phase of the Central Library renovation



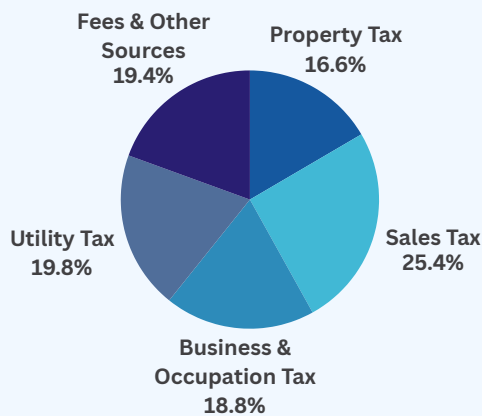
Operating budget \$427.1M

General Fund: \$130.2M

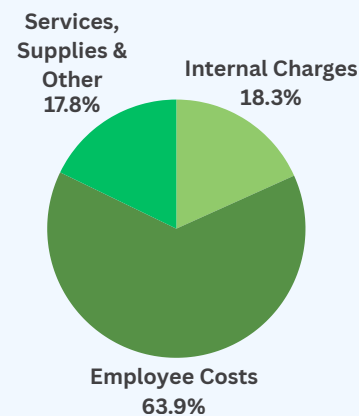
Budget highlights

- Maintaining essential City services
- Continue to use dedicated resources to support social services, affordable housing, and parks and recreation priorities

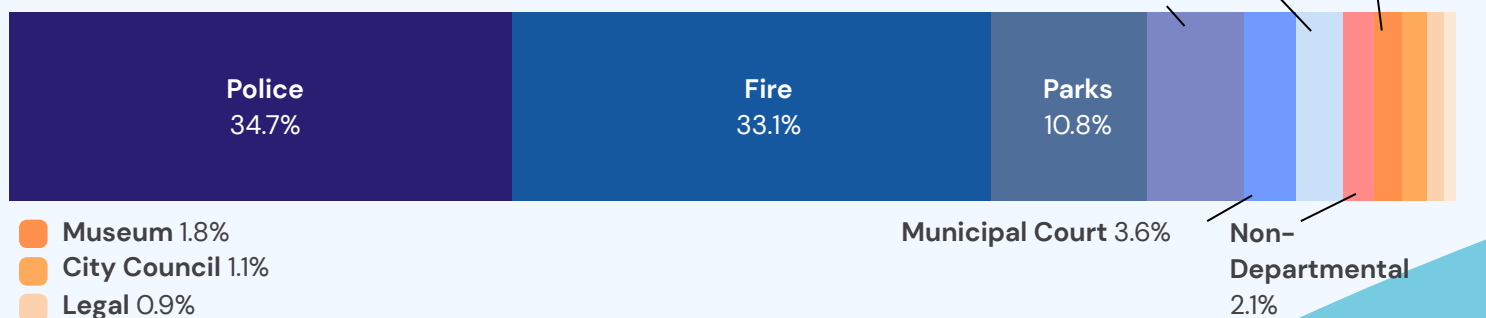
General Fund Revenue \$130.2M



General Fund Expenditures \$138.2M



General Fund Expenditures by Department



Public Works and IT are not directly funded through the General Fund. Beginning in 2026, Finance, HR, and a portion of Legal also moved out of the General Fund to an Internal Services Fund.