



**Fiscal Year 2015-16**

**City Manager's Budget Message**

Mayor Kent Studebaker  
Members of the Lake Oswego City Council

Mayor Studebaker and Members of the City Council:

The adopted budget carries out the City Council's goals and policy direction in a number of ways:

- Continued emphasis on maintaining our infrastructure. This includes completion of a major upgrade to our water system, increasing the amount of general revenues that are devoted to street maintenance, and major upgrades to our operation center and police facilities without increasing tax rates.
- Final design and the beginning of construction of improvements to Boones Ferry Road in Lake Grove.
- Continued appropriations of \$250,000 per year to our Habitat Enhancement Program as a key element of the reform of the city's "sensitive lands" regulations.

Once again, the operating budget is a "hold the line" budget. General revenues allocated to the major operating departments were limited to 3.5% for 2015-16 and 3% for 2016-17. This frees up ongoing general revenues (e.g., property tax, franchise fees, state-shared revenue) that enables general fund support of the street fund to increase to \$2 million from \$1.5 million in the current fiscal year. Total staffing levels again see a modest reduction. Further funds will be freed up with the sale of the West End Building. The budget sets aside funds for interim space for our recreation programs and staff as we explore options for a more permanent home for these services.

I asked staff to prepare budgets for the next two fiscal years. This gives us a better picture of the long-term consequences of the decisions we make today. The extra effort will have been worth it if the Council is able to make FY 2016-17 appropriations with only fine-tuning adjustments a year from now. Another innovation has been the creation of a financial "dashboard" that gives operating managers a better tool to monitor their budget performance, and better information for the City Council and public.

I thank the City Council and Budget Committee for providing helpful policy direction in building this balanced budget, and all the staff members who have guided the process and fleshed out the details.

Sincerely,

A handwritten signature in blue ink that reads "Scott Lazenby". The signature is written in a cursive, flowing style.

Scott Lazenby, City Manager