



## Fiscal Year 2018-19 City Manager's Budget Message

Mayor Studebaker, Chair Havens, Members of the Budget Committee, and Citizens of Lake Oswego:

A year ago, we presented a budget that included projections for both 2017-18 and 2018-19 fiscal years. Those projections are holding up, and on the operating budget side, I propose no significant changes. The 2018-19 estimates reflect a hold-the-line budget, with no increases in service levels or in overall staffing.

The two-year look at the budget allowed the Budget Committee to recommend funds for capital projects that span both years; an example is installation of artificial turf at Waluga Park. This budget incorporates those recommendations and Council decisions.

We have updated the six-year Capital Improvement Plan, particularly as it affects the 2018-19 fiscal year, and the budget includes fine-tuning of the estimates for major projects that are underway or that will begin in the coming year. These include the D Avenue storm water/street/ pathway project, reconstruction of Jefferson Parkway, and the LORA-funded civic center project.

Due mostly to stronger than expected new development, we estimated that the general fund will end the current fiscal year with some \$1.5 million more than was estimated a year ago. This has been set aside in the Capital Reserve Fund, earmarked for improvements to the golf course and possible construction of a recreation center. A decision as to whether or how to proceed with these improvements is still subject to a good deal of City Council discussion and public input, and in any case, construction would not begin until the 2019-20 fiscal year at the earliest.

Careful fiscal stewardship by the City Council and the resourcefulness of our operating managers has enabled Lake Oswego to maintain key city services even in the face of PERS increases, and at the same time, complete an impressive list of upgrades and improvements to our infrastructure. The next few years will see completion of the Boones Ferry Road project, a city hall and police station with an "essential services" seismic rating, possibly a new recreation center with event/meeting space, a significantly upgraded golf course, and a sharp increase in the pace of street improvements and pavement preservation. With the exception of the \$5 million Boones Ferry bond measure approved by voters in 2012, all of this is being done within existing resources.

Sincerely,

A handwritten signature in blue ink that reads "Scott Lazenby".

Scott Lazenby, City Manager