

CONCLUSION

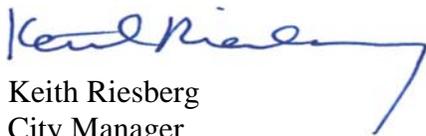
In summary, the FY2018 Budget maintains funding for all City services, begins to allocate new funding for critical capital needs, and provides for a 2.4 percent salary increase for all employee groups. The last five years have been some of the most fiscally challenging the City has experienced. As revenues improve in future years, additional projects and priorities can be built back into the five-year plan.

As reflected in the transfers from the General Fund in the future years, the City's financial situation is improving. The passage of a General Obligation Bond question in 2016 provided a critical source of revenue to improve roads in our community. Continuing a conservative bonding cycle should be considered in the City's short- and long-range planning as a mechanism for financing needed roadway improvements. As such, and based on recent discussions with the Governing Body, staff will prepare a \$10 million General Obligation Bond question for March 2018 ballot placement that would be dedicated for roads. If approved by voters, this amount would leave the existing property tax mill rate unchanged.

Although the FY2018 budget continues making incremental progress in addressing the City's needs, the current revenues are not keeping pace with the capital needs of our vehicles and apparatus across all departments – particularly our public safety departments. Because of this and in conjunction with Governing Body input, staff is developing a \$4 million General Obligation Bond question for inclusion on the March 2018 ballot. If approved, it is estimated that the property taxes for a \$100,000 home would be increase by \$25 and funding for critical first responder vehicles, equipment and facility improvements would be realized.

I will continue to work with the Governing Body over the coming years to allocate City resources efficiently and strategically to provide the best level of services to our citizens possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Keith Riesberg", with a long horizontal stroke extending to the right.

Keith Riesberg
City Manager