



December 23, 2008

Honorable Mayor Anagnostou, city council members, and citizens of Longview:

This message transmits the City's adopted 2009-2010 budget which is balanced in all funds and totals \$212,702,600.

On December 11 the council enacted not only the budget ordinance itself, but also passed resolutions setting rates for the water, sewer, storm water, and solid waste/recycling user fees necessary to support those utility portions of the budget. At the same time, the council suspended collection of the City's residential rental property license fee for the first six months of 2009, including a proposed increase in the rate for it.

Last month the council set the property tax levy for 2009, and approved increases in various development-related fees, an increase in the business license fee, and a temporary (for 2009 and 2010 only) increase in the tax on City utility services.

While the council is scheduled to revisit the issue of the rental property license fee within the next six months, the adopted budget doesn't rely on any revenue from that source. Lacking a corresponding reduction in expenditures, the loss of revenue has been made up by a reduction in the general fund ending fund balance, lowering the projected amount for it to slightly less than 10% by the end of 2010.

By now many may be tired of hearing references to a frustrating, difficult, and painful budget, but that's the situation we're forced to confront and work through for the foreseeable future. In reality, the current poor economy could extend beyond the next biennium, and it may very well get even worse during that period. Be assured that staff will be closely monitoring our fiscal position throughout the coming two years, and will provide information and recommendations to the council regularly and as necessary.

In closing, we reiterate the preliminary budget transmittal message regarding "excelling in times of fiscal distress." We remain committed to that approach.

Sincerely,

A handwritten signature in black ink that reads "Bob Gregory". The signature is written in a cursive style with a large, stylized "B" and "G".

Robert Gregory
City Manager

