

## CITY BUDGET APPROVED – BELTS TIGHTENED!

As financial markets collapsed in September of 2008, Roseburg, like many cities throughout the United States, has been impacted by rising unemployment and a national, state and local economy in recession. Our situation is much more acute as the Douglas County unemployment rate approaches 20%. We have also seen a significant decline in new building and land development and anticipate that this trend will continue for some time. From a budgetary perspective, our response has and will continue to be to evaluate the need to replace employees that leave through attrition and attempt to maintain the level of services we currently offer. If this negative trend continues, we will most likely need to seriously consider reductions in services and additional measures to reduce our costs.

On a more positive note, the slow down in development has provided us an opportunity to consider the expansion of our Urban Growth Boundary. This expansion will provide the needed land ( $\pm$ 1200 acres) for development of residential housing for the next twenty years. The rebound from our current economic situation will provide the demand for this land in the future. The work to expand the Urban Growth Boundary will position the City well for this future growth. The City Council will also be considering the annexation of property to the north. The strategy has the potential of increasing our population by an estimated 825 residents and expanding the City limits by 157 acres.

The Budget Committee approved and the City Council adopted a total budget of \$51,444,293 compared to \$63,443,896 for the 2008-2009 budget year. It is important to note, however, that the Budget Committee had considerable discussion regarding the Six Year General Fund Financial Forecast which foresees a continuation of General Fund expenses exceeding revenues. A commitment was made during the budget hearing process to address those concerns. Therefore, during the month of May, the Management Team worked to adjust the 2009-10 General Fund budget by approximately \$1 million, with minimal impact on current service and personnel levels. Those adjustments range from deferral of major equipment purchases, reductions in a variety of material purchases and professional services, curtailment in filling vacant positions and changes in wages and insurance benefits for non-union personnel. Throughout the course of the fiscal year, we will continue to evaluate these and further adjustments.

I wish to extend my deep appreciation to the City Staff who began their work on the budget in January and to the Budget Committee volunteers who stayed late into the night (three nights running!) to review that work. Everyone clearly demonstrated their commitment to providing the best services possible to our community in the most efficient and cost effective manner.

Respectfully

A handwritten signature in black ink that reads "Eric Swanson". The signature is written in a cursive, flowing style.

P. Eric Swanson  
City Manager