

2016 BUDGET MESSAGE

BIRTHPLACE OF THE OIL INDUSTRY



PROPOSED BUDGET HIGHLIGHTS

We are pleased to provide you with a *recommended* and *balanced* 2016 Annual Operating Budget and Capital Plan that reflect city administration's continuing commitment to provide essential services to residents while preserving our City's long-term financial viability.



steady, we can keep this method in the future. If the market takes a turn, we can regroup and reevaluate our choice at that time.

As a result of the City working with the fire and police pension actuary to reduce the City's Minimum Municipal Obligation (MMO) the 2016 budget will be balanced and funded without the need for a tax increase. By changing the actuarial values of assets assumption from smoothing to use of the market value of assets and making the assumption change effective 1/1/2015, decreased the unfunded actuarial accrued liability by \$425,000 across both plans, which in turn, caused the annual cost of each plan to decrease for at least the next two years.

This change does not affect the plans' benefits, but rather how pension costs are spread out over time.



As long as the market remains

Balanced financials aside, each year, there continues to be a *common* misunderstanding among property tax payers that property tax pays for *all* city services. It is important to note that the *current year* property tax *does not come close to financing* our City's basic public safety (Police & Fire) services and this rings true with the proposed 2016 budget as well.

In 2012, the City's new administration began allocating more funds to maintain our deteriorating parks. Starting January 1, 2016, the City will take over complete management of our Parks and Recreation. This step *will allow the City to collect revenue* from rentals and put that money right back in to maintenance of our property as opposed to an outside organization *keeping* these funds. We look forward to this new challenge with a confidence that *we will partner and grow* even stronger relationships with community driven organizations in the City to give our

residents parks and recreation they can take full advantage of.

In accordance with Third Class City Code, Optional Charter Law, the proposed budget for all funds showing the *estimated* receipts and expenditures of every kind, and all other information of value as a basis for fixing the levy and tax rate for the next fiscal year is presented.

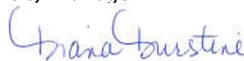


In conclusion, we would like to *thank department heads and City staff* for their commitment and *dedication* to the City as well as to the 2016

budget. *We appreciate the efforts* of all City employees and what they do on a daily basis to help make this community great. We look forward to discussion on the enclosed *recommended* budget for the upcoming year.

Respectfully submitted,


Larry Manross
City Manager


Diana Durstine
Finance Director

Mission Statement

"To deliver the highest level of service to residents efficiently, effectively, and as professionally as possible while maintaining affordability."