



# The City of Lynchburg, Virginia

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OFFICE OF THE MAYOR

July 1, 2005

Dear Citizens of Lynchburg,

City Council adopted the *FY 2006 Operating Budget*, *FY 2006 Capital Budget* and the *FY 2006-2010 Capital Improvement Program* on May 24, 2005. This action followed several months of deliberation and review of the proposed budget and Capital Improvement Program (CIP). City Council held six work sessions and a public hearing on the proposed budget and CIP. A copy of the FY 2006 Budget Ordinance outlining the appropriations to various City funds is attached.

Adjustments to the *FY 2006 Proposed Operating Budget* are as follows:

## General Fund

	<u>Proposed Operating Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
<b>Revenues and Use of Fund Balance</b>	\$133,466,776		\$137,201,755
Use of Fund Balance	<b>\$3,128,878</b>		
Adjustments to Proposed Budget Projections		606,101	
<b>Total Revenues and Use of Fund Balance</b>	<b>\$136,595,654</b>	<b>\$606,101</b>	<b>\$137,201,755</b>
 <b><u>Expenditures</u></b>			
Operations	\$86,932,625	\$474,552	\$87,367,177
Debt Service	11,582,274	0	11,582,274
Schools-Operations	31,029,814	250,000	31,279,814
Transfers to Other Funds	3,438,963	(170,000)	3,268,963
Reserve for Snow Removal, Streets and Bridges	250,000	0	250,000
Reserve for Contingencies	1,200,000	0	1,200,000
Capital Improvements	2,161,978	0	2,201,978
<b>Total Expenditures</b>	<b>\$136,595,654</b>	<b>\$554,552</b>	<b>\$137,150,206</b>
 <b>Balance</b>		<u>\$51,549</u>	
 <b>Increase in Fund Balance</b>		<u>(51,549)</u>	
 <b>Final Balance</b>		<u><u>\$0</u></u>	

Details of these adjustments can be found in the City Council report that follows this letter.

**Schools Operating Fund**

The Schools Operating Fund has been amended by \$250,000 to reflect additional funding approved by City Council.

**Airport Fund**

The Airport Fund has been amended by \$3,739 to reflect the continuation of the Life Insurance Holiday.

**Fleet Services Fund**

The Fleet Services Fund has been amended by a \$168,641 increase in Revenue and Expenditures to reflect increased fuel costs.

**Water Fund**

The Water Fund has been amended by \$11,475 to reflect increased fuel costs.

**Sewer Fund**

The Sewer Fund has been amended by \$44,394 to reflect a reduction in the transfer to the General Fund. An amendment of \$10,463 has also been made to reflect increased fuel costs.

**Solid Waste Fund**

The Solid Waste Fund has been amended by \$4,703 to reflect increased fuel costs.

**City, Federal, State Aid Fund**

The City, Federal, State Aid Fund has been amended by \$5,828 to reflect the continuation of the Life Insurance holiday.

**Capital Improvement Program**

The FY 2006 Capital Improvement Program is increased by \$237,865 to reflect the use of Highway Maintenance Funding for the Storm Drainage System Repairs/Replacement Project; \$124,000 to reflect City Armory renovations; \$62,702 to reflect additional funding for Street Overlay; and \$1,745,568 to reflect the inclusion of funding from the Virginia Department of Transportation.

I want to thank City Council and staff for their dedication to public service and their willingness to spend countless hours deliberating and making difficult choices during this budget process. While the fiscal constraints of the City are many, I am proud of the collaboration among Council in providing a budget that I am confident will serve us well during this fiscal year.

Thank you.

Sincerely,



Carl B. Hutcherson, Jr.  
Mayor

Attachment: City Council Report: Adoption and Appropriation of the FY 2006 Operating and Capital Budgets and Adoption of the FY 2006-2010 Capital Improvement Program.