



OFFICE OF THE MAYOR

July 1, 2008

Dear Citizens of Lynchburg,

City Council adopted the *FY 2009 Operating Budget, FY 2009 Capital Budget* and the *FY 2009-2013 Capital Improvement Program* on May 27, 2008. This action followed several months of deliberation and review of the proposed budget and Capital Improvement Program (CIP). City Council held seven work sessions and a public hearing on the proposed budget and CIP. A copy of the FY 2009 Budget Ordinance outlining the appropriations to various City funds is attached.

Adjustments to the *FY 2009 Proposed Operating Budget* are as follows:

## General Fund

<u>Revenues and Use of Fund Balance</u>	<u>Proposed Operating Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Revenues	\$154,706,519	\$18,000	\$154,724,519
Use of Fund Balance	9,545,496	0	\$9,545,496
<b>Total Revenues and Use of Fund Balance</b>	<b>\$164,252,015</b>	<b>\$18,000</b>	<b>\$164,270,015</b>
 <u>Expenditures</u>			
Operations	\$104,937,063	\$553,617	\$105,490,680
Debt Service	13,852,939	(431,381)	\$13,421,558
Schools-Operations	32,442,103	0	\$32,442,103
Greater Lynchburg Transit Company	1,128,884	0	\$1,128,884
Transfers to Other Funds	2,655,253	(428,461)	\$2,226,792
Reserves	5,825,535	(2,375,775)	\$3,449,760
Capital Improvements	3,410,238	2,700,000	\$6,110,238
<b>Total Expenditures, Reserves, and Transfers</b>	<b>\$164,252,015</b>	<b>\$18,000</b>	<b>\$164,270,015</b>

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

## Regional Airport Fund

The Regional Airport Fund has been amended by \$10,461 to reflect a reduction in transfers from the General Fund due to reductions in debt service related to debt refunding.

## Regional Juvenile Detention Fund

The Regional Juvenile Detention Fund has been amended by \$41,983 to reflect a reduction in debt services related to debt refunding.

## Water Operating Fund

The Water Operating Fund has been amended by \$113,059 to reflect a reduction in debt services related to debt refunding.

Sewer Operating Fund

The Sewer Operating Fund has been amended by \$197,183 to reflect a reduction in debt services related to debt refunding.

City Capital Projects Fund

The City Capital Projects Fund has been amended by \$2,700,000 reflecting the addition of projects to replace D Street Bridge and perform preliminary engineering studies for future projects.

Fund Balance

With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2009 is projected to be \$14,160,819, or 9.2% of revenues. Council's target for undesignated fund balance is 10.0% of revenues. Due to using FY 2008 additional revenues from third quarter adjustments for capital projects, the 10% target was not met. The fund balance will be restored at the end of FY 2008 when excess appropriations close into fund balance.

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 rather challenging budget process. I am proud that Council has worked together to adopt a budget that will serve us well during this fiscal year.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Joan F. Foster".

Joan F. Foster  
Mayor

Attachment: City Council Report: Adoption and Appropriation of the FY 2009 Operating and Capital Budgets and Adoption of the FY 2009-2013 Capital Improvement Program.