

**BUDGET MESSAGE
FISCAL YEAR
2010**

As we enter into a new budget year, we do that with anticipation of what the new year will bring. The City of Richmond continues to see a growth in retail development in spite of the current national economic conditions. This retail development brings much-needed jobs to our city and in turn helps the city to grow its revenue to accomplish the much-needed tasks of the city. With the employment of an economic development director for the city, the city will continue to recruit retail development. The city is always aggressively trying to recruit new industries to the city and to retain the outstanding industries that are already in Richmond.

Any talk of the budget must be tempered with the realities of the current national and state economic conditions. There are many challenges that all governments will face in the coming months to deal with the current economic conditions. It is important to watch expenditures, but we must always remember our mission to provide the highest level of service to the citizens of Richmond. Richmond is a great city with great people. The city has so much to offer to everyone. The city government will continue to do the things that make Richmond such a wonderful place. The cost of doing business continues to increase for the city as we continue to provide the

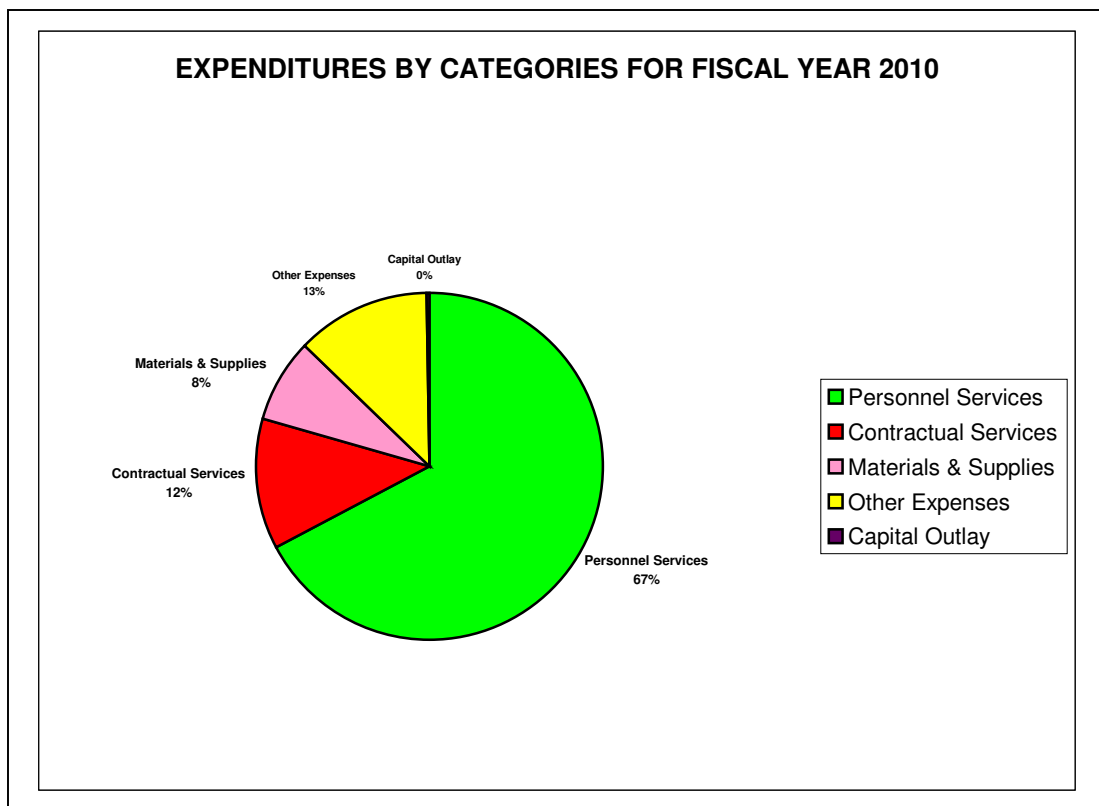
services that the citizens of Richmond have come to expect from their city government.

The past year has been a year full of challenges that have tested the city and its provision of services. The Winter Ice Storm caused wide spread damage and disruption. The spring tornado also brought damage to the city. It hit home as we lost Fire Station 5 in the storm. But for every challenge presented to the city, the city stood up and met the challenges head on. This is the physical and mental toughness that is a characteristic of the city employees. They work hard each and every day to make Richmond a better place for the citizens and provide the services that make Richmond Great.

There have been many accomplishments during the past fiscal year for which the Board of Commissioners and the Citizens of Richmond can be justly proud. The construction of a New Fire Station 2 to replace the outdated station, the opening of Fire Station 5 on Duncannon to service that area of the city, the improvement in the vehicles in all departments, especially the police and fire, ever improving festivals and activities for people of all ages, the opening of the Aquatic Center, the expansion and improvement of the dog park, increased manpower and many other activities provided for in the budget.

For the new Fiscal Year, the revenue of the city is not expected to grow as much as in the past due to the economy. But while revenue will not grow as much, the expenses continue their upward climb. We must do the best we can with what we have to work with. The challenges will always be there, but we will rise to meet those challenges. The City of Richmond has the lowest budget of all second-class cities. This is a fact that we must always remember as we provide the services. We do more with less than any other city that is known. This is a fact that bears remembering.

Once again the largest portion of the budget will be personnel costs. The following chart shows the expenditures as a portion of the whole.



The upcoming Fiscal year is a year to maintain the services that the city currently has in place. There are not any major planned capital projects for the fiscal year. It will be a year to see where we are and how we need to proceed into the future.

Now, more than ever, is a time for hope. The world is desperately looking for hope for the future. The City of Richmond will continue to rise up to meet the challenges and move Richmond into the future with hope for a bright tomorrow.

Respectfully,

David Evans
City Manager