



# CITY OF NEWPORT NEWS

## ADOPTED OPERATING BUDGET

### FISCAL YEAR 2005

(July 1, 2004 to June 30, 2005)

*Adopted May 25, 2004*

JOE S. FRANK  
*MAYOR*

CHARLES C. ALLEN  
*VICE MAYOR*

HERBERT H. BATEMAN, JR.  
*COUNCILMAN*

WILLIAM F. HASKINS, JR.  
*COUNCILMAN*

A. MADELINE McMILLAN  
*COUNCILWOMAN*

SHARON P. SCOTT  
*COUNCILWOMAN*

JOSEPH C. WHITAKER  
*COUNCILMAN*

EDGAR E. MARONEY  
*CITY MANAGER*

JOHN D. HARTMAN, CGFM  
*Director of Budget and Evaluation*

#### Budget and Evaluation Staff

##### Operating Budget

Lisa J. Cipriano, CGFM  
*Senior Budget Analyst*

Robyn D. Rose  
*Budget Analyst II*

Deborah Y. Ossa  
*Budget Analyst I*

##### Capital Improvements Budget

William S. Keeler, CGFM  
*Senior Budget Analyst*

Kim L. Alto  
*Senior Budget Analyst*

Jessica M. Canty, *Staff Assistant*

## City of Newport News

May 19, 2004

**TO:** The Honorable City Council

**FROM:** City Manager

**SUBJECT:** FY-2005 Annual Operating Budget

The resolution of the State budget impasse now puts us in a position where we can finally act on both the City's Operating Budget and the School Budget. Over the last few days, the City and School staffs have been working diligently to gain a complete understanding of the revenue that the General Assembly's final budget provides. At this point, I believe that we have a sufficient understanding for me to make my final recommendations to City Council.

Certainly, compared to where the Commonwealth of Virginia was only a few short weeks ago, the State Budget picture has improved substantially, as it relates to local government and school funding in particular. Although I know that City Council shares my concern that the state still has not addressed important issues that impact localities, such as transportation, I certainly want to acknowledge the great efforts of our General Assembly Delegation and the Governor for their leadership in resolving the budget impasse in a generally favorable way.

With the final approval of the Commonwealth's Fiscal Year 2005-2006 biennial budget, the question before us, of course, is how to equitably allocate the significant, but not unlimited, additional revenues that have become available between the City and the School

Board portions of the Operating Budget. In recent years, I am very proud of our efforts to work with the School System in an extremely fiscally constrained environment that has challenged both the School System and the City organization. The truth is that both the School System and the City have pent-up, unmet operational needs, that cannot be completely satisfied by the increases recently made available.

While you have been made aware of the School System's expectations and desires for using the newly available funds, it is my obligation as City Manager to make sure that the City Council and the citizens of Newport News understand the fiscal challenges that have been and continue to challenge the City's operating budget. For the past several years, I have been recommending extremely austere Operating Budgets that have not included many legitimate and pressing expenditures which this City must, in the long-term, deal with.

In enacting Section 58.1-638.1 (Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established), the Legislature said that "All amounts credited to the Fund shall be paid to localities in accordance with the general appropriation act to meet the Commonwealth's responsibility for the Standards of Quality prescribed pursuant to Article VIII, Section 2 of the Constitution of Virginia. Any amount paid to a county, city, or town from the Fund shall be taken into account by the governing body of the county, city, or town in setting real estate tax rates." Within the context of the General Assembly's intent to provide some relief to local governments, the entire City budget should be taken into account.

One of the major reasons I have been forced to recommend such constrained budgets over the past several years, is because of this City's proper commitment to funding the schools at the highest possible level, within our fiscal ability. Additionally, as City Council is aware, I have been forced to recommend and use budgeting techniques such as operating and hiring freezes, equipment replacement deferrals and the use of fund balance as a revenue source, to balance the budget at a bare-bones level. These deferrals and budgeting

techniques should not continue over the long run.

In the context of the above discussion, it is important to understand the difference in the revenue now available compared with what was assumed by the City and the School System prior to final General Assembly approval. The clear thrust of the General Assembly budget was to provide additional funding for public education and relief for local governments. The most significant revenue change from what had been assumed to what was actually approved was a net increase of direct funding to schools of approximately \$13.1 million. Therefore, the total amount of increased funding from the State to the School Division next year is \$23 million. While some portion of those funds may be constrained or required to be used in a categorical manner, a major portion of this sum is left to the discretion of the School System. For example, nearly \$3.6 million of the additional State revenue is earmarked for the at-risk four-year old program. This, in effect, frees up that amount from the Title I Federal funds that are included in the School budget for other purposes.

Recall that in my earlier budget recommendation I had called for a net increase of City funding to the Schools of \$2.5 million and, in addition, had recommended that the Schools be permitted to retain the approximately \$1 million savings from the current fiscal year budget. At this time it is my recommendation that the sum of \$3.5 million that I had originally recommended from the above sources to augment the School Budget be retained by the City. The proposed FY-2005 budget that I originally submitted to you on April 6<sup>th</sup> included a recommendation to use \$3.5 million of fund balance reserves as a revenue source. This was so that the City could provide additional funding for the Schools and for other services without proposing a tax rate increase. However, as I mentioned above, the City has been using fund balance as a budget-balancing source in each of the past four years. It is not in the City's nor the School's best interest to continue this practice.

There are many unmet funding needs of the City that are not included in next year's budget, and some items that are included which will have a financial impact in the following year. A few examples are:

- adding five E-911 dispatchers and three Park Rangers as recommended by an independent review
- modernizing computer equipment and software
- replacing fire apparatus
- staff training and development programs
- proper staffing levels in some areas
- fully funding the retirement fund as proposed by the Actuary
- increasing mandated obligations in the Comprehensive Services Act (\$750,000 in the current year)
- providing funding in the budget each year for vehicle replacements instead of relying on year-end savings
- deferring the majority of City employee's pay raises until December.

The General Assembly revised the State's tax and revenue structure, which will provide more money to several deserving programs – primarily, public education and mental health. Also, local governments will be permitted to increase the State recordation tax in September of this year up to a maximum of 8.3 cents per \$100. Our rate is currently 5 cents, and provides \$820,000 in revenue to the City annually. Increasing the rate would generate approximately \$540,000. I will review the merits of adjusting the rate, and will bring you a recommendation at a later date.

For years, all local governments throughout Virginia have been shouldering more than their fair share of the cost of public education. This meant one of two things – either local property tax rates were increased to cover the cost of the growth in education costs, or funding for other local government services were shortchanged. Now that the State has

begun the process of increasing funding to the public schools, it is proper to consider the impact of the additional funding on the City as a whole. This is an opportunity to make funding more equitable for all services without shortchanging public education.

By making the adjustment to School funding that I have proposed, it would allow us to balance our budget without further reduction in our Fund Balance, while still providing the School System with a substantial net revenue gain from what had been anticipated only one month ago. It will not, however, provide the City with additional funding needed to address some of the unfunded items listed above. I believe, however, that this recommendation will position both the City and the School System in a more healthy budget posture next year, allow the Schools to address some of their pressing needs using the \$23 million in additional State funding, and be consistent with the spirit of the budget adopted by the General Assembly.

In conclusion, I applaud our General Assembly representatives for their efforts to begin the process of a more equitable funding arrangement between local governments and the State. The unprecedented \$23 million increase in funding for public education will go a long way toward accomplishing the goals of the School Board and City Council for our City schools. I am recommending that not one dollar of the State funding be reduced or supplanted, and propose that funding to the School Board be at the FY-2004 level of \$97,502,709, which exceeds the Required Local Effort by over 150%. The \$3.5 million adjustment will enable us to put our combined financial houses in order.

I have incorporated this recommendation in an amended City budget which is attached. I am hopeful that these adjustments meet with your approval, and recommend adoption of the budget as amended.

---

Ed Maroney

**CITY OF NEWPORT NEWS**  
**Components of the Adopted Total Financial Plan**  
**Fiscal Year 2005**

**TOTAL BUDGET**  
**OPERATING and Capital**  
**\$667,239,987**

This chart represents the local funding available for FY 2005 that has been Adopted for the Operating Budgets and Recommended for the Capital Funds. All funds are shown in their entirety. This was done to eliminate any duplicate counting of funds.

**OPERATING BUDGET**  
**All Funds\***  
**\$621,640,487**

**CAPITAL IMPROVEMENTS PLAN\***  
**All Funding Sources**  
**\$45,599,500**

**GENERAL  
OPERATING  
FUND**  
**\$338,518,000**

**SEPARATE  
OPERATING  
FUNDS**  
**\$344,463,340**

**SPECIAL REVENUE  
AND  
TRUST FUNDS**  
**\$164,716,333**

**GENERAL FUND  
SUPPORTED  
CAPITAL PROJECTS**  
**\$23,245,000**

**SELF-SUPPORTING  
FUNDS  
CAPITAL PROJECTS**  
**\$22,354,500**

**Legislative**  
City Council - \$314,032  
City Clerk - \$322,241

**General Administration**  
City Manager - \$1,083,434  
Personnel - \$1,097,250  
City Attorney - \$1,297,579  
Management Services - \$715,828

**Financial**  
Internal Auditor - \$439,836  
Comm of Revenue - \$2,270,666  
Real Estate Assessor - \$1,665,589  
City Treasurer - \$1,801,815  
Finance - \$1,109,682  
Budget & Evaluation - \$491,821  
Purchasing - \$1,013,436

**Information Technology**  
Information Technology - \$7,014,419

**Board of Elections**  
Voter Registrar - \$361,746

**Judicial Administration**  
Judiciary - \$2,806,638  
Commonwealth's Attorney - \$2,493,113

**Public Safety**  
Police - \$34,868,055  
Emergency Management - \$311,594  
Fire - \$25,280,767

**Corrections and Detention**  
Sheriff - \$9,779,134  
Adult Corrections - \$4,511,538  
Juvenile Services - \$8,875,706

**Inspections**  
Codes Compliance - \$2,652,732

**Engineering**  
Engineering - \$6,468,920

**Public Works**  
Public Works - \$18,220,630

**Health and Welfare**  
Health Department - \$1,986,457  
Human Services - \$33,248,959  
Office on Youth Dev - \$629,359

**Parks, Recreation, Culture**  
Parks & Recreation - \$10,762,482  
Libraries & Information Services - \$3,813,073

**Community Development**  
Development - \$1,217,258  
Planning - \$945,017

**Nondepartmental**  
Appointed Boards - \$118,241  
Nondepartmental - \$10,572,237  
Community Support - \$6,353,594  
Payments to Other Funds - \$131,602,866

**Public Education Fund**  
\$264,381,254

**Public Utilities Fund**  
\$69,900,000

**Vehicle & Equipment Services Fund**  
\$7,416,000

**Parking Authority Fund**  
\$252,000

**Community Development Block Grant**  
\$2,514,086

**Auto-Self Insurance Fund**  
\$1,003,800

**General Liability Insurance Fund**  
\$1,081,700

**Worker's Compensation Fund**  
\$2,344,500

**Recreation Revolving Fund**  
\$3,280,000

**Historical Services Fund**  
\$1,172,500

**Golf Course Revolving Fund**  
\$2,028,100

**Leeward Marina Revolving Fund**  
\$239,700

**Tourism, Promotions, and Development Fund**  
\$1,547,000

**School's Worker Compensation Fund**  
\$1,045,168

**School's Textbook Fund**  
\$1,985,944

**Stormwater Management Fund**  
\$6,379,000

**Solid Waste Revolving Fund**  
\$10,379,300

**Wastewater Fund**  
\$8,679,100

**Law Library Fund**  
\$101,000

**Street/Highway Maintenance Fund**  
\$11,287,868

**Debt Service Fund**  
\$58,617,753

**Economic Development Fund**  
\$90,000

**Economic/Industrial Development Fund**  
\$14,623,900

**Industrial Development Authority Fund**  
\$1,800,000

**Applied Research Center Fund**  
\$1,830,000

**Pension Trust Fund**  
\$27,712,000

**City Retirement Post Retirement Fund**  
\$7,488,000

**Schools Category Projects**  
\$7,305,000

**Development Category Projects**  
\$3,050,000

**Parks and Recreation Category Projects**  
\$1,940,000

**Sanitary Sewers Extension Category Projects**  
\$600,000

**Streets and Bridges Category Projects**  
\$6,965,000

**Public Buildings Category Projects**  
\$2,485,000

**Capitol Equipment Category Projects**  
\$900,000

**Sanitary Sewer Rehabilitation Projects**  
\$3,260,000

**Stormwater Drainage Projects**  
\$3,900,000

**Public Utilities Projects**  
\$15,119,500

**Golf Course Projects**  
\$75,000

\*Capital Improvement Plan amounts represent PROPOSED Plan of November 2003.

\* Adjusted Amount - reflects total amount less inter- and intra-fund transfers of \$226,046,086.

**TOTAL CITY OPERATING BUDGET**  
**Summary of General, School, Utilities, Parking Authority,**  
**and Vehicle and Equipment Service Funds**  
**REVENUES AND EXPENDITURES**  
**FISCAL YEAR 2004 - 2005**

<u>REVENUES</u>	<u>Adopted Budget FY 2005</u>	<u>EXPENDITURES</u>	<u>Adopted Budget FY 2005</u>
<b>MAJOR FUNDS</b>		<b>MAJOR FUNDS</b>	
General Fund*		General Fund*	
General Revenues	\$325,687,918	City Operations	\$215,720,076
Payment from Public Utilities Fund	11,936,453	Debt Service	25,295,215
Payment from School Operating Fund	877,667	School Operating Fund Expenditures	96,902,709
Payment from Vehicle & Equipment Services Fund	15,962	Other General Fund Support to Schools	600,000
Total General Fund Revenues	\$338,518,000	Total General Fund Expenditures	\$338,518,000
<b>Public Utilities Fund</b>		<b>Public Utilities Fund</b>	
Use of Money and Property	\$ 2,530,188	Public Utilities Operations and Debt Service	\$54,741,031
Charges for Services	66,060,812	Capital Projects and Equipment	3,222,516
Administrative Charges	275,000	Payment to General Fund	11,936,453
Recovered Costs	1,034,000	Total Public Utilities Fund Expenditures	\$69,900,000
Total Public Utilities Fund Revenues	\$69,900,000		
<b>School Operating Fund</b>		<b>School Operating Fund</b>	
Federal Revenue and Other Appropriations	\$ 4,861,874	School Operations	\$250,338,221
Revenue from the Commonwealth	161,226,242	School Debt Service	13,165,366
City Support from the General Fund	97,502,709	Payment to General Fund	877,667
Other Local Revenue	790,429	Total School Fund Expenditures	\$264,381,254
Total School Fund Revenues	\$264,381,254		

\*Detailed in Table Two, *General Fund Summary*.



**TOTAL CITY OPERATING BUDGET**  
**Summary of General, School, Utilities, Parking Authority,**  
**and Vehicle and Equipment Service Funds**  
**REVENUES AND EXPENDITURES**  
**FISCAL YEAR 2004 - 2005, Continued**

<u>REVENUES</u>	<u>Adopted Budget FY 2005</u>	<u>EXPENDITURES</u>	<u>Adopted Budget FY 2005</u>
<b>Vehicle and Equipment Service Fund</b>		<b>Vehicle and Equipment Service Fund</b>	
Charges for Services and Fuel	\$5,948,990	Vehicle and Equipment Services Operations	\$5,937,348
Charges for Leases	661,010	Equipment Replacement	1,462,690
Retained Earnings	<u>806,000</u>		
Total Vehicle and Equipment Fund Revenues	\$7,416,000	Payment to the General Fund	<u>15,962</u>
		Total Vehicle and Equipment Fund Expenditures	\$7,416,000
<b>Parking Authority Fund</b>		<b>Parking Authority Fund</b>	
Parking Leases	\$243,690	Administration	\$252,000
Return on Investment	<u>8,310</u>	Total Parking Authority Fund Expenditures	\$252,000
Total Parking Authority Fund Revenues	\$252,000		
<b>LESS - Payments from Other Funds</b>	(\$117,419,431)	<b>LESS - Payments to Other Funds</b>	(\$117,419,431)
<b>SUBTOTAL - Major Funds Revenue</b>	<b><u>\$563,047,823</u></b>	<b>SUBTOTAL - Major Funds Expenditures</b>	<b><u>\$563,047,823</u></b>
<b>SPECIAL REVENUE AND TRUST FUNDS**</b>		<b>SPECIAL REVENUE AND TRUST FUNDS**</b>	
<b>LESS - Payments from Other Funds</b>	\$164,705,233 (\$108,626,655)	<b>LESS - Payments to Other Funds</b>	\$164,705,233 (\$108,626,655)
<b>SUBTOTAL - Special Funds Revenue</b>	<b><u>\$56,078,578</u></b>	<b>SUBTOTAL - Special Funds Expenditures</b>	<b><u>\$56,078,578</u></b>
Community Development Block Grant	<u>\$2,514,086</u>	Community Development Block Grant	<u>\$2,514,086</u>
<b>TOTAL CITY REVENUES</b>	<b><u>\$621,640,487</u></b>	<b>TOTAL CITY EXPENDITURES</b>	<b><u>\$621,640,487</u></b>

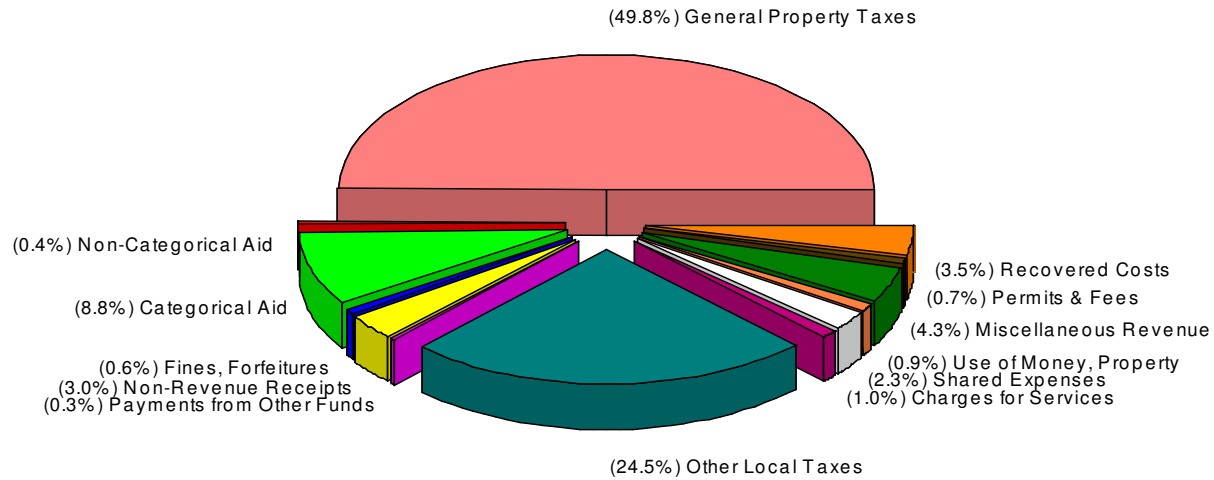
\*\*Detailed in Table Three, *Special Revenue and Trust Funds*

## FY 2005 ADOPTED GENERAL FUND BUDGET Revenue Sources

General Property Taxes	\$168,664,451
Non-Categorical Aid	\$1,397,131
Categorical Aid	\$29,933,525
Fines, Forfeitures	\$2,098,705
Non-Revenue Receipts	\$10,134,000
Payments from Other Funds	\$917,306
Other Local Taxes	\$83,026,831
Charges for Services	\$3,290,791
Shared Expenses	\$7,789,902
Use of Money, Property	\$2,894,033
Miscellaneous Revenue	\$14,407,676
Permits & Fees	\$2,208,637
Recovered Costs	\$11,755,012

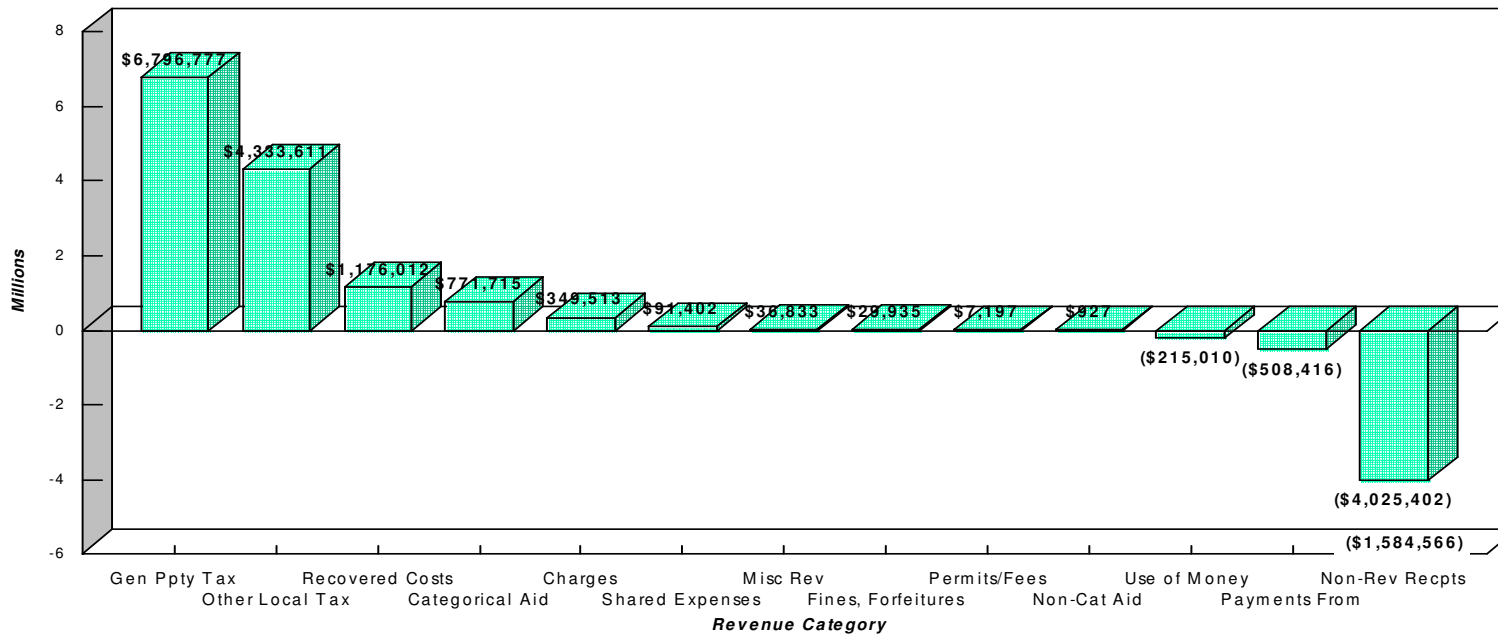
**Total: \$338,518,000**

Over 74% of General Fund revenues come from taxes - 50% from property taxes and 24% from Other Local Taxes such as sales, meals, cable television and utility taxes. The next largest revenue source is Categorical Aid (state revenue for human services programs). A complete analysis of all revenue sources is included under the General Fund Revenue tab in the budget document.



## FY 2005 ADOPTED GENERAL FUND BUDGET CHANGES IN REVENUE SOURCES

	<i>Revised FY 2004</i>	<i>Adopted FY 2005</i>	<i>Amount Change</i>	<i>Percent Change</i>
General Property Taxes	\$161,867,674	\$168,664,451	\$6,796,777	4.2%
Other Local Taxes	78,693,220	83,026,831	\$4,333,611	5.5%
Recovered Costs	10,579,000	11,755,012	\$1,176,012	11.1%
Categorical Aid	29,161,810	29,933,525	\$771,715	2.6%
Shared Expenses	7,440,389	7,789,902	\$349,513	4.7%
Charges for Services	3,199,389	3,290,791	\$91,402	2.9%
Miscellaneous Revenue	14,370,843	14,407,676	\$36,833	0.3%
Non-Categorical Aid	1,367,196	1,397,131	\$29,935	2.2%
Fines, Forfeitures	2,091,508	2,098,705	\$7,197	0.3%
Permits & Fees	2,207,710	2,208,637	\$927	0.0%
Use of Money, Property	3,109,043	2,894,033	(\$215,010)	-6.9%
Payments from Other Funds	1,425,722	917,306	(\$508,416)	-35.7%
Non-Revenue Receipts	14,159,402	10,134,000	(\$4,025,402)	-28.4%
	<b><u>\$329,672,906</u></b>	<b><u>\$338,518,000</u></b>	<b><u>\$8,845,094</u></b>	<b><u>2.7%</u></b>

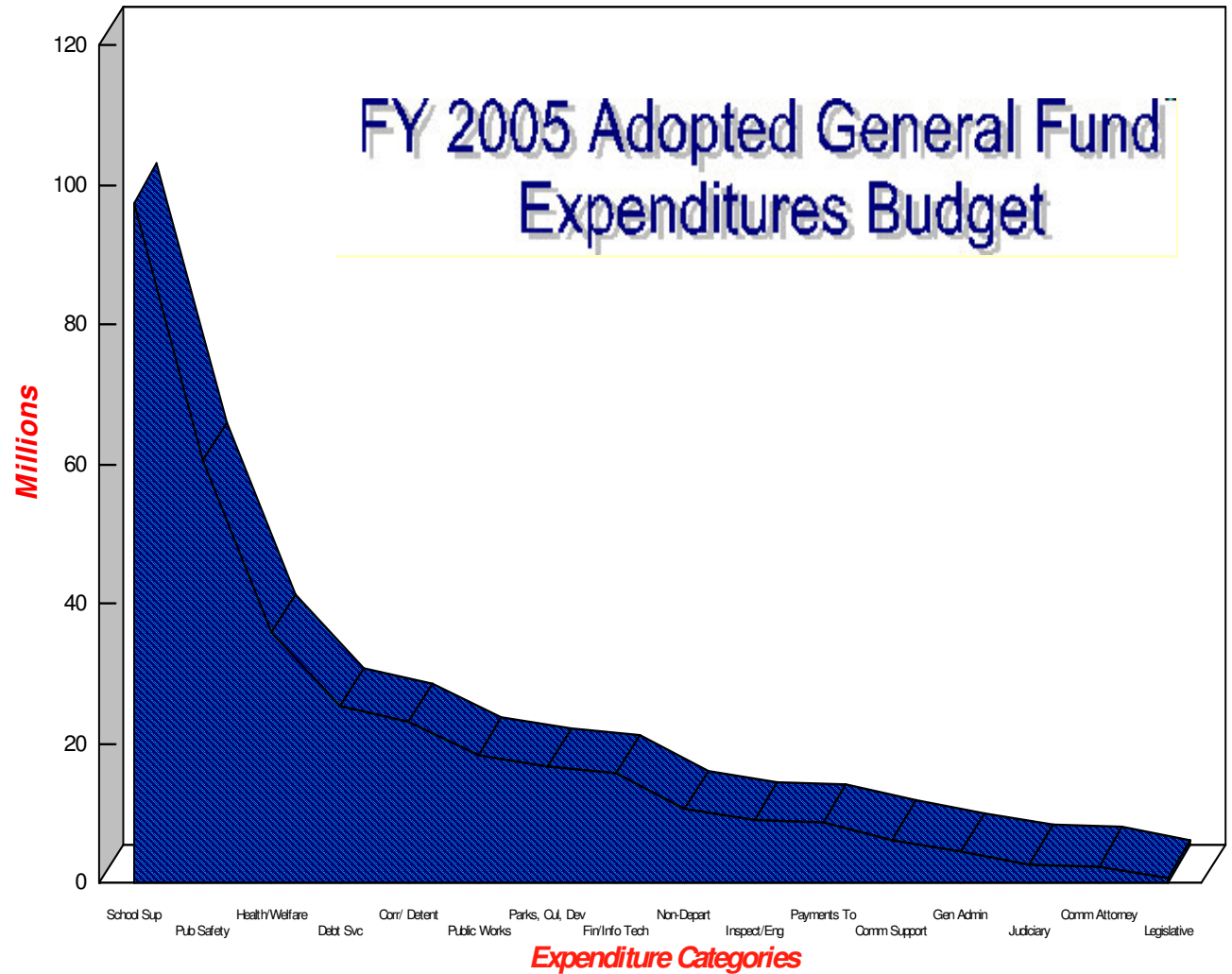


**GENERAL FUND SUMMARY**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2004 - 2005**

<u>REVENUES</u>	<u>Revised Budget FY 2004</u>	<u>Adopted Budget FY 2005</u>	<u>Percent Change</u>	<u>EXPENDITURES</u>	<u>Revised Budget FY 2004</u>	<u>Adopted Budget FY 2005</u>	<u>Percent Change</u>
General Property Taxes	\$161,867,674	\$168,664,451	4.2%	Legislative	\$ 621,121	\$ 636,273	2.4%
Other Local Taxes	78,693,220	83,026,831	5.5%	General Administration	4,134,843	4,194,091	1.4%
Permits, Fees and Regulatory				Financial	8,481,802	8,792,845	3.7%
Licenses	2,207,710	2,208,637	0.0%	Information Technology	6,689,811	7,014,419	4.9%
Fines and Forfeitures	2,091,508	2,098,705	0.3%	Board of Elections	344,018	361,746	5.2%
Revenue from Use of Money				Judicial Administration	2,799,471	2,806,638	0.3%
and Property	3,109,043	2,894,033	(6.9%)	Commonwealth Attorney	2,483,976	2,493,113	0.4%
Charges for Services	3,199,389	3,290,791	2.9%	Public Safety	58,578,424	60,460,416	3.2%
Miscellaneous Revenue	14,370,843	14,407,676	0.3%	Corrections and Detention	20,970,662	23,166,378	10.5%
Recovered Costs	10,579,000	11,755,012	11.1%	Inspections	2,069,950	2,652,732	28.2%
Non-Categorical Aid	1,367,196	1,397,131	2.2%	Engineering	5,606,619	6,468,920	15.4%
Shared Expenses	7,440,389	7,789,902	4.7%	Public Works	17,548,539	18,220,630	3.8%
Categorical Aid	29,161,810	29,933,525	2.6%	Health and Welfare	35,082,108	35,864,775	2.2%
Non-Revenue Receipts	14,159,402	10,134,000	(28.4%)	Parks, Recreation			
Payments From Other Funds	1,425,722	917,306	(35.7%)	and Cultural	13,758,149	14,575,555	5.9%
<b>TOTAL</b>	<b><u>\$329,672,906</u></b>	<b><u>\$338,518,000</u></b>	<b><u>2.7%</u></b>	Community Development	2,120,321	2,162,275	2.0%
				Nondepartmental	17,503,463	19,495,676	11.4%
				Community Support	6,847,130	6,353,594	(7.2%)
				Local Support to Schools	97,502,709	97,502,709	0.0%
				Debt Service	25,412,248	24,181,203	(4.8%)
				Airport Debt Service	1,117,542	1,114,012	(0.3%)
				<b>TOTAL</b>	<b><u>\$329,672,906</u></b>	<b><u>\$338,518,000</u></b>	<b><u>2.7%</u></b>

# FY 2005 ADOPTED GENERAL FUND EXPENDITURES BUDGET

<u>Category</u>	<u>Amount</u>	<u>% of Budget</u>
School Support	\$97,502,709	28.8%
Public Safety	\$60,460,416	17.9%
Health & Welfare	\$35,864,775	10.6%
Debt Service	\$25,295,215	7.5%
Corrections & Detention	\$23,166,378	6.8%
Public Works	\$18,220,630	5.4%
Parks, Cultural, Development	\$16,737,830	4.9%
Financial/Information Technology	\$15,807,264	4.7%
Non-Departmental	\$10,690,734	3.2%
Inspections/Engineering	\$9,121,652	2.7%
Payments to Other Funds	\$8,804,942	2.6%
Community Support	\$6,353,594	1.9%
General Administration	\$4,555,837	1.3%
Judiciary	\$2,806,638	0.8%
Commonwealth's Attorney	\$2,493,113	0.7%
Legislative	\$636,273	0.2%
<b>General Fund Total:</b>	<b><u>\$338,518,000</u></b>	<b><u>100%</u></b>



Components of the Adopted FY 2005 General Fund Budget are as follows: 28.8% of funding is for School Operations and School Debt Service (\$97,502,709), and 17.9% is for Public Safety (Police, Fire, Emergency Management - \$60,460,416). The next largest share is for Health and Welfare programs, at 10.6% (\$35,864,775). City Debt Service accounts for 7.5% (which includes General Obligation Bonds and Airport - \$25,295,215). The amount of 6.8% of the budget is dedicated to Corrections and Detention (Sheriff, City Farm, and Juvenile Services - \$23,166,378), with 5.4% for Public Works activities (\$18,220,630). These six programs comprise nearly 77% (or \$260,510,123) of the total Adopted General Fund Budget for FY 2005.

**SUMMARY of SPECIAL REVENUE AND TRUST FUNDS  
FISCAL YEAR 2004 - 2005**

	<b>Revised Budget FY 2004</b>	<b>Adopted Budget FY 2005</b>	<b>Percent Change</b>
Auto Self Insurance Fund .....	\$ 959,900	\$ 1,003,800	4.6%
General Liability Insurance Fund .....	1,182,300	1,081,700	(8.5%)
Worker's Compensation Fund .....	2,224,900	2,344,500	5.4%
Recreation Revolving Fund .....	3,120,780	3,280,000	5.1%
Historical Services Fund .....	1,122,300	1,172,500	4.5%
Golf Course Revolving Fund .....	2,033,600	2,028,100	(0.3%)
Leeward Marina Revolving Fund .....	243,700	239,700	(1.6%)
Tourism, Promotion and Development Fund .....	1,409,400	1,547,000	9.8%
School Worker's Compensation Fund .....	920,690	1,045,168	13.5%
School Textbook Fund .....	2,368,442	1,985,944	(16.1%)
Stormwater Management Fund .....	6,038,900	6,367,900	5.4%
Solid Waste Revolving Fund .....	9,936,900	10,379,300	4.5%
Wastewater Fund .....	8,432,600	8,679,100	2.9%
Law Library Fund .....	102,800	101,000	(1.8%)
Street/Highway Maintenance Fund .....	11,287,868	11,287,868	0.0%
Debt Service Fund .....	47,852,780	58,617,753	22.5%
Economic Development Fund .....	120,000	90,000	(25.0%)
Economic/Industrial Development Fund .....	15,744,500	14,623,900	(7.1%)
Industrial Development Authority .....	1,750,000	1,800,000	2.9%
Applied Research Center Fund .....	1,785,300	1,830,000	2.5%
Pension Trust Fund .....	26,584,400	27,712,000	4.2%
City Retirement-Post Retirement Fund .....	<u>9,088,200</u>	<u>7,488,000</u>	<u>(17.6%)</u>
<b>Subtotal</b>	<b>\$154,310,260</b>	<b>\$164,705,233</b>	<b>6.7%</b>
<b>LESS: Interfund Payments .....</b>	<b>(\$109,004,053)</b>	<b>(\$108,626,655)</b>	
<b>Total-Special Revenue and Trust Funds .....</b>	<b><u>\$45,306,207</u></b>	<b><u>\$56,078,578</u></b>	<b>23.8%</b>

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2004 - 2005**

**REVENUES**

**Auto Self Insurance Fund**

Premiums Paid	\$937,807	
Return on Investments	20,993	
Subrogation	<u>45,000</u>	\$1,003,800

**General Liability Insurance Fund**

Premiums Paid	\$1,066,629	
Return on Investment	5,100	
Subrogation	<u>9,971</u>	\$1,081,700

**Worker's Compensation Fund**

General Fund Premium	\$1,758,063	
Utilities Fund Premium	237,448	
Other Funds Premiums	340,860	
Return on Investment	<u>8,129</u>	\$2,344,500

**Recreation Revolving Fund**

User Fees	\$3,253,368	
Retained Earnings	<u>26,632</u>	\$3,280,000

**Historical Services Fund**

Programs and Admissions	\$262,837	
Margin on Sales	31,600	
General Fund Payment	<u>878,063</u>	\$1,172,500

**EXPENDITURES**

**Auto Self Insurance Fund**

Payment to General Liability Fund	\$215,500	
Reserve for Claims	<u>788,300</u>	\$1,003,800

**General Liability Insurance Fund**

Administration	\$829,200	
Reserve for Claims	<u>252,500</u>	\$1,081,700

**Worker's Compensation Fund**

Administration	\$ 161,438	
Worker's Compensation	<u>2,183,062</u>	\$2,344,500

**Recreation Revolving Fund**

Recreation Programs	\$3,184,657	
Payment to the General Fund	<u>95,343</u>	\$3,280,000

**Historical Services Fund**

Historical Programs	<u>\$1,172,500</u>	\$1,172,500
---------------------	--------------------	-------------

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2004 - 2005, Continued**

**REVENUES**

<b>Golf Course Revolving Fund</b>		
User Fees	\$1,904,274	
Margin on Sales	87,826	
Concession Sales	<u>36,000</u>	\$2,028,100
<b>Leeward Marina Revolving Fund</b>		
Slip Rentals	\$210,000	
Margin on Fuel Sales	27,950	
Margin on Sales	<u>1,750</u>	\$239,700
<b>Tourism, Promotion, and Development Fund</b>		
Lodging Tax Share	\$1,234,685	
General Fund Payment	310,233	
Margin on Sales	<u>2,082</u>	\$1,547,000
<b>School Worker's Compensation Fund</b>		
	<u>\$1,045,168</u>	\$1,045,168
<b>School Textbook Fund</b>		
	<u>\$1,985,944</u>	\$1,985,944
<b>Stormwater Management Fund</b>		
Stormwater Management Fee	\$5,285,314	
Other Revenue Sources	40,004	
Retained Earnings	<u>1,042,582</u>	\$6,367,900

**EXPENDITURES**

<b>Golf Course Revolving Fund</b>		
Administration	\$1,602,882	
To Debt Service	353,452	
To General Fund	<u>71,766</u>	\$2,028,100
<b>Leeward Marina Revolving Fund</b>		
Administration	\$185,929	
To Debt Service	31,023	
To General Fund	<u>22,748</u>	\$239,700
<b>Tourism, Promotion, and Development Fund</b>		
Administration	\$1,494,105	
To General Fund	<u>52,895</u>	\$1,547,000
<b>School Worker's Compensation Fund</b>		
	<u>\$1,045,168</u>	\$1,045,168
<b>School Textbook Fund</b>		
	<u>\$1,985,944</u>	\$1,985,944
<b>Stormwater Management Fund</b>		
Administration	\$5,198,410	
To Debt Service	1,030,550	
To General Fund	<u>138,940</u>	\$6,367,900



**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2004 - 2005, Continued**

**REVENUES**

**EXPENDITURES**

**Solid Waste Revolving Fund**

Solid Waste User Fee	\$9,230,014	
Other Solid Waste Service Fees	216,000	
Revenue from Other Sources	211,500	
General Fund Support	63,319	
Retained Earnings	<u>658,467</u>	\$10,379,300

**Solid Waste Revolving Fund**

Administration	\$9,624,291	
To Debt Service	705,009	
To the General Fund	<u>50,000</u>	
		\$10,379,300

**Wastewater Fund**

Sewer User Charges	\$8,260,002	
Retained Earnings	284,244	
Debt Service Reserve	122,854	
Lateral Installation Fees	<u>12,000</u>	\$8,679,100

**Wastewater Fund**

Administration	\$5,670,756	
To Debt Service	2,858,344	
To General Fund	<u>150,000</u>	
		\$8,679,100

**Law Library Fund**

Court Fees	\$100,000	
Copier Fees	<u>1,000</u>	\$101,000

**Law Library Fund**

	<u>\$101,000</u>	
		\$101,000

**Street Maintenance Fund**      \$11,287,868      \$11,287,868

**Street Maintenance Fund**      \$11,287,868      \$11,287,868

**Debt Service Fund**

General Fund Support	\$24,181,203	
Airport Improvement Debt	1,114,012	
Other Funds Support	4,978,378	
School Fund Support	16,494,160	
Outside Agencies Debt	10,250,000	
Retained Earnings	<u>1,600,000</u>	\$58,617,753

**Debt Service Fund**

General Fund Debt	\$38,508,607	
School Fund Debt	16,494,160	
Other Debt	2,316,056	
Airport Improvement Debt	1,114,012	
Bank and Fiscal Charges	<u>184,918</u>	
		\$58,617,753

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2004 - 2005, Continued**

**REVENUES**

**EXPENDITURES**

<b>Economic Development Fund</b>	<u>\$90,000</u>	
		\$90,000
<b>Economic/Industrial Development Fund</b>	<u>\$14,623,900</u>	\$14,623,900
<b>Industrial Development Authority Fund</b>	<u>\$1,800,000</u>	\$1,800,000
<b>Applied Research Center Fund</b>		
Revenue from Leases	\$1,795,000	
Other Revenue Sources	<u>35,000</u>	
		\$1,830,000
<b>Pension Trust Fund</b>	<u>\$27,712,000</u>	
		\$27,712,000

<b>Economic Development Fund</b>		
Administration	\$80,000	
Property Appraisals	<u>10,000</u>	\$90,000
<b>Economic/Industrial Development Fund</b>	<u>\$14,623,900</u>	\$14,623,900
<b>Industrial Development Authority Fund</b>	<u>\$1,800,000</u>	\$1,800,000
<b>Applied Research Center Fund</b>		
Administration	\$ 861,643	
To the General Fund	957,942	
To the Economic/Industrial Fund	<u>10,415</u>	\$1,830,000
<b>Pension Trust Fund</b>		
Administration	\$ 376,726	
Payment to Retirees and Beneficiaries	24,720,167	
To Fiduciaries	<u>2,615,107</u>	\$27,712,000

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2004 - 2005, Continued**

**REVENUES**

City Retirement-Post Retire Fund \$7,488,000    \$7,488,000

**SUBTOTAL - SPECIAL FUNDS**                    **\$164,705,233**

**LESS**

Payments from Other Funds    (\$101,882,728)

Payments to Other Funds            (\$6,743,927)

**Subtotal - Less Payments**            **(\$108,626,655)**

**TOTAL REVENUES -**  
**Special Revenue and Trust Funds**            **\$56,078,578**

**EXPENDITURES**

City Retirement-Post Retire Fund \$7,488,000    \$7,488,000

**SUBTOTAL - SPECIAL FUNDS**                    **\$164,705,233**

**LESS**

Payments from Other Funds    (\$101,882,728)

Payments to Other Funds            (\$6,743,927)

**Subtotal - Less Payments**            **(\$108,626,655)**

**TOTAL EXPENDITURES -**  
**Special Revenue and Trust Funds**            **\$56,078,578**

**TAX RATES and FEE SCHEDULES**

*Recommended increases in Taxes, Rates, or Fees are shown in **BOLD** in the FY 2005 column. Unless otherwise noted, rates are effective July 1, 2004.*

***The following rates and fees are generated as revenue for the General Fund.***

	<u>FY 2004</u>	<u>FY 2005</u>
<b>REAL ESTATE</b> (Per \$100 of assessed value)		
General	\$1.27	\$1.27
Public Service Corporations	\$1.27	\$1.27
<b>PERSONAL PROPERTY</b> (Per \$100 of assessed value)		
General	\$4.15	\$4.15
Machinery and Tools	\$3.50	\$3.50
Mobile Homes	\$1.27	\$1.27
Public Service Corporations (Personal Property)	\$4.15	\$4.15
Public Service Corporations (Machinery and Tools)	\$1.27	\$1.27
Boats	\$1.00	\$1.00
Trawlers	\$0.90	\$0.90
<b>MOTOR VEHICLE LICENSE TAX</b>		
Gross weight of 4,000 pounds or under	\$26.00	\$26.00
Gross weight over 4,000 pounds	\$31.00	\$31.00
<b>ENHANCED E-911 RATE</b>	\$2.39/month/line	\$2.39/month/line
<b>RIGHT-OF-WAY-USE FEE</b>	\$0.60/month/line	\$0.60/month/line
<b>CELLULAR PHONE TAX</b>	10% of the first \$30.00 of the total bill	10% of the first \$30.00 of the total bill
<b>MEAL TAX</b>	6.5%	6.5%
<b>AMUSEMENT TAX</b>	7.5%	7.5%

**TAX RATES and FEE SCHEDULES, Continued**

	<u>FY 2004</u>	<u>FY 2005</u>
<b>PUBLIC UTILITY TAXES</b>		
<i>Residential - Electric (per meter/per month)</i>		
Base Rate	\$1.54	\$1.54
Rate on each Kilowatt-Hour (kWh)	\$0.016398/kWh	\$0.016398/kWh
Total Monthly Tax NOT to Exceed	\$3.08	\$3.08
<i>Commercial - Electric (per meter/per month)</i>		
Base Rate	\$2.29	\$2.29
Plus Rate on first 2,721 Kilowatt-Hours	\$0.013859/kWh	\$0.013859/kWh
Plus Rate on all remaining Kilowatt-Hours	\$0.003265/kWh	\$0.003265/kWh
Total Monthly Tax NOT to Exceed	\$80.00	\$80.00
<i>Industrial - Electric (per meter/per month) <b>and</b></i>		
<i>All Other Non-Residential - Electric (per meter/per month)</i>		
Base Rate	\$2.29	\$2.29
Plus Rate on first 2,440 Kilowatt-Hours	\$0.015455/kWh	\$0.015455/kWh
Plus Rate on all remaining Kilowatt-Hours	\$0.003482/kWh	\$0.003482/kWh
Total Monthly Tax NOT to Exceed	\$80.00	\$80.00
 <i>Residential - Gas (per meter/per month)</i>		
Base Rate	\$1.51	\$1.51
<i>Commercial - Gas (per meter/per month)</i>		
Base Rate	\$1.29	\$1.29
Plus Rate on first 128.91Hundred Cubic Feet (CCF)	\$0.067602/CCF	\$0.067602/CCF
Plus Rate on all remaining Hundred Cubic Feet	\$0.032576/CCF	\$0.032576/CCF
Total Monthly Tax NOT to Exceed	\$55.00	\$55.00
<i>Industrial - Gas (per meter/per month) <b>and</b></i>		
<i>All Other Non-Residential - Gas (per meter/per month)</i>		
Base Rate	\$1.29	\$1.29
Plus Rate on first 128.91CCF	\$0.067602/CCF	\$0.067602/CCF
Plus Rate on all remaining Hundred Cubic Feet	\$0.032576/CCF	\$0.032576/CCF
Total Monthly Tax NOT to Exceed	\$55.00	\$55.00

**TAX RATES and FEE SCHEDULES, Continued**

	<u><b>FY 2004</b></u>	<u><b>FY 2005</b></u>
<b>LODGING TAX</b>	7.5%	7.5%
<b>TOBACCO TAX</b>	\$0.0325 per cigarette (\$0.65 per 20/pack)	\$0.0325 per cigarette (\$0.65 per 20/pack)
<b>CABLE TAX</b>	7% of total monthly bill	7% of total monthly bill
<b>TELEPHONE UTILITY TAX</b>		
Residential	22% of first \$13.20	22% of first \$13.20
Commercial	20% of first \$300.00	20% of first \$300.00

**The following rates and fees are generated as revenue for self-support funds.**

<b>SOLID WASTE USER FEE</b>	<u>Container Size</u>	<u>Per Week</u>	<u>Container Size</u>	<u>Per Week</u>
	Medium	\$3.62	Medium	\$3.62
	Standard	\$4.53	Standard	\$4.53
	Medium & Standard	\$8.15	Medium & Standard	\$8.15
	Two Standards	\$9.06	Two Standard	\$9.06
 <b>STORMWATER MANAGEMENT FEE</b>		 \$3.10/ERU		 \$3.10/ERU
 <b>SEWER USER FEE</b>				
Rate/100 cubic feet		\$1.14		<b>\$1.18</b>

**TAX RATES and FEE SCHEDULES, Continued**

	<u><b>FY 2004</b></u>	<u><b>FY 2005</b></u>
<b>WATER RATES</b>		
Per 100 cubic feet (HCF) consumed	\$2.54	<b>\$2.62</b>
Summer Conservation Rate (per HCF)	\$0.50	<b>\$0.52</b>
 <b>WATER SYSTEM DEVELOPMENT CHARGE (SDC)</b>		
Meter Size (Inches)	<u><b>Charge</b></u>	<u><b>Charge</b></u>
	\$933	<b>\$1,033</b>
¾	\$1,401	<b>\$1,551</b>
1	\$2,334	<b>\$2,584</b>
1½	\$4,667	<b>\$5,167</b>
2	\$7,470	<b>\$8,270</b>
3	\$15,123	<b>\$16,744</b>
4	\$25,674	<b>\$28,425</b>
6	\$52,558	<b>\$58,192</b>
8	\$79,350	<b>\$87,855</b>
10	\$121,358	<b>\$134,366</b>

**SUMMARY of TOTAL CITY POSITIONS  
GENERAL FUND and ALL OPERATING FUNDS  
Fiscal Years 2003 to 2005**

	<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>	
	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Adopted Budget</u>	<u>Net Change from FY 2004 Revised Budget</u>
<b>GENERAL FUND</b>						
City Council	7	7	7	7	7	0
City Clerk	5	5	5	5	5	0
City Manager*	13	13	12	12	12	0
Personnel	16	16	16	17	17	0
City Attorney	15	15	17	17	18	+1
Management Services	10	10	10	10	10	0
Internal Audit	7	7	7	7	7	0
Commissioner of the Revenue	40	40	40	40	40	0
Real Estate Assessor	23	23	23	23	23	0
City Treasurer	34	34	34	34	34	0
Finance*	19	19	19	19	19	0
Budget & Evaluation	7	7	7	7	7	0
Purchasing	21	25	24	24	24	0
Information Technology	65	65	65	65	65	0
Registrar	5	5	5	5	5	0
Judiciary	45	42	42	42	42	0
Commonwealth Attorney	41	41	41	41	41	0
Police	531	531	531	532	535	+3
Emergency Management	4	4	4	4	4	0
Fire	373	374	374	374	374	0
Sheriff	181	181	181	181	187	+6
Adult Corrections	71	71	69	69	69	0



**SUMMARY of TOTAL CITY POSITIONS  
GENERAL FUND and ALL OPERATING FUNDS  
Fiscal Years 2003 to 2005, Continued**

	<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>	
	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Adopted Budget</u>	<u>Net Change from FY 2004 Revised Budget</u>
<b>GENERAL FUND, CONTINUED</b>						
Juvenile Services	177	177	177	178	178	0
Codes Compliance	37	37	37	37	42	+5
Engineering	84	84	84	84	94	+10
Public Works	145	146	148	148	151	+3
Human Services	392	392	388	390	390	0
Office on Youth Development	9	9	9	9	9	0
Parks and Recreation	98	98	101	103	103	0
Public Libraries	58	58	59	59	60	+1
Development	32	16	17	17	17	0
Planning	0	14	14	14	14	0
Animal Control	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>+8</u>
<b>Subtotal - GENERAL FUND</b>	<b><u>2,565</u></b>	<b><u>2,566</u></b>	<b><u>2,567</u></b>	<b><u>2,574</u></b>	<b><u>2,611</u></b>	<b><u>+37</u></b>
<b>OTHER OPERATING FUNDS</b>						
PARKS AND RECREATION REVOLVING FUNDS	74	74	74	75	75	0
STORMWATER MANAGEMENT FUND	57	57	57	59	60	+1
SOLID WASTE REVOLVING FUND	62	64	65	65	65	0
WASTEWATER FUND	80	80	80	80	77	-3
PUBLIC UTILITIES FUND*	374	374	374	374	374	0
PARKING AUTHORITY FUND	1	1	1	1	1	0
VEHICLE & EQUIPMENT SERVICES FUND	45	45	45	45	45	0
SCHOOLS OPERATING FUND	4,257	4,259	4,285	4,280	4,330	+50
ALL OTHER FUNDS*	<u>27</u>	<u>27</u>	<u>30</u>	<u>30</u>	<u>24</u>	<u>-6</u>
<b>Subtotal - OTHER FUNDS</b>	<b><u>4,977</u></b>	<b><u>4,981</u></b>	<b><u>5,011</u></b>	<b><u>5,009</u></b>	<b><u>5,054</u></b>	<b><u>+42</u></b>
<b>TOTAL CITY POSITIONS</b>	<b><u>7,542</u></b>	<b><u>7,547</u></b>	<b><u>7,578</u></b>	<b><u>7,583</u></b>	<b><u>7,662</u></b>	<b><u>+79</u></b>

\*Includes partial funding and allotments for two positions each in both departments and Funds.