



CITY OF NEWPORT NEWS

ADOPTED OPERATING BUDGET FISCAL YEAR 2006

(July 1, 2005 to June 30, 2006)

Adopted June 28, 2005

JOE S. FRANK
MAYOR

CHARLES C. ALLEN
VICE MAYOR

HERBERT H. BATEMAN, JR.
COUNCILMAN

WILLIAM F. HASKINS, JR.
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COUNCILWOMAN

SHARON P. SCOTT
COUNCILWOMAN

JOSEPH C. WHITAKER
COUNCILMAN

EDGAR E. MARONEY
CITY MANAGER

JOHN D. HARTMAN, CGFM
Director of Budget and Evaluation

CITY OF NEWPORT NEWS

Office of the City Manager

June 14, 2005

TO: The Honorable City Council

FROM: City Manager

SUBJECT: Adoption of the FY 2006 Annual Operating Budget

At your last worksession, I informed you of the projected additional revenue of \$2,685,387 that the City would receive in the upcoming fiscal year as result of the increased real estate levy. At the same time, the consensus of City Council was to develop alternatives to reduce the real estate tax rate and adjust various other taxes to keep the City at a relative revenue neutral position. I therefore proposed lowering the Real Estate Tax Rate by four (4) cents, increasing the Personal Property Tax by ten (10) cents, adjusting both the rate and the level of assessment of the Machinery and Tools Tax, and by eliminating the initial increase in the E-911 Tax by nineteen (19) cents. The combination of these various changes resulted in keeping the expenditures relatively at the same level as I first proposed on April 5, 2005, with the only increases due to mandated changes. It did not provide any additional funding for Schools from my initial support of \$100,586,564.

While you have been made aware of the School System's expectations and desires for additional 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 face the City's operating budget. For the past several years, I have recommended extremely austere Operating Budgets that have not included much to address the legitimate and pressing expenditure needs that this City must, in the long-term, deal with.

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 the absolute minimum level. These deferrals and budgeting techniques should not continue over the long run.

In my earlier budget recommendation I had called for a net increase of City funding to the Schools of \$3 million. City Council expressed a desire to come to some level of funding to provide for, an increase in teacher's salaries for the 2006 fiscal year. City Council came to the preliminary agreement that the City will provide the amount of \$600,000 to Schools, as a **one-time grant funding**. The additional one-time grant money must be matched by the School Board with a sum sufficient to provide, and must be used specifically for, teachers pay raises, increasing the salary adjustment from 4% back to a 5% level, as originally recommended by the School Board. This funding will not become part of the base local support to Schools, and will not be part of any future calculations.

To achieve this one-time School funding, the Real Estate Tax Rate could not be reduced by the full four (4) cents as I suggested. To meet this one-time expense, the Real Estate Property Rate will be **decreased** by three (3) cents from the current rate of \$1.27 to \$1.24. This will result in a loss of revenue of (\$3,009,009). The Personal Property Tax Rate will be **increased** by ten (10) cents from the current rate of \$4.15 to \$4.25. This will result in an increase of revenue of \$929,000. The net revenue change from these two actions is a reduction of (\$323,622). The initial proposal of increasing the E-911 rate by nineteen (19) cents from the current rate of \$2.39 to \$2.58 is revived, for revenue generation of \$197,000.

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

- Modernizing computer equipment and software
- Full funding Fire Department overtime
- Staff training and development programs
- Proper staffing levels in some areas
- Fully funding the retirement fund as proposed by the Actuary
- Providing funding in the budget each year for vehicle replacement

The original General Fund budget I submitted to you on April 5, 2005 was \$360,769,000. In addition to the Schools one-time funding, the reduced Real Estate Tax Rate and increased Personal Property Tax Rate, other changes are included in the final budget amounts. The City will realize a total of \$343,620 more in revenue for three programs: \$198,820 in HB599 funds, \$20,000 in State Compensation Board funds for Deputy Sheriff pay increases to the state level, and \$124,800 for the Human Services Department Child Welfare Program. At the same time, the City will lose (\$113,200) in Health Department rent for the East End Health Facility. Offsetting increases in expenditures are \$50,298 in cost of Deputy Sheriff pay increases to the state level, \$153,477 for the Child Welfare Program, \$8,126 for the Human Services State and Local Hospitalization. I have incorporated the School funding recommendation the amended City budget that is attached. The final proposed FY 2006 General Fund budget is \$361,830,000, for a net change of \$1,061,000. All other operating funds remained at their April 5, 2005

level, for a total FY 2006 Operating Budget of \$644,039,273. I am hopeful that these adjustments meet with your approval, and recommend adoption of the budget as presently proposed.

Ed Maroney

City of Newport News

April 5, 2005

TO: The Honorable City Council

FROM: City Manager

SUBJECT: FY 2005 - 2006 Annual Operating Budget

I am pleased to present you with my recommended FY2005-2006 Annual Operating Budget. The proposed budget for FY2005-2006 reflects the dynamics of balancing service delivery with moderate local revenue increases that are eroded by only minimal increased State funding for mandated programs and services. As a predicate, an understanding of the impact of State funding actions on the City of Newport News is needed so that deliberation of the proposed budget for next year is meaningful.

STATE FUNDING

The City's financial condition has steadily improved over the past several years, and is currently stronger than ever. This is evidenced by financial management ratios and attested to by credit reports from Moody's Investors Service and Standard & Poors. Their independent analysis shows that the City has done a good job of keeping governmental expenditure increases consistent with population growth. However, the underpinnings of the City's financial strength continues to be endangered by continued inaction at the State level in the financial arena. Newport News and other local governments throughout the State over the past three years endured huge funding reductions by the State, including programs that are mandated by the Commonwealth. During that time, tax rates and fees were increased, but only as a last resort when it became clear that increases in our local revenue stream would not be sufficient to address the large revenue cuts imposed on us by the State.

The State has increased funding in a few areas, primarily for public education. This year and next combined, the State increased funding to Newport News Schools by \$29.5 million. However, the State has not addressed the funding shortfalls identified by the Joint Legislative Audit and Review Commission, and few of the revisions proposed by the State Board of Education have been funded. Consequently, local School Boards, including our own, look to the City government to make up the shortfall in State funding. In addition, State funding of other mandated programs,

such as Corrections and Detention, Public Safety, Health and Human Services has not been appreciably increased for years, and in fact were the very places that the State government chose to reduce in the past fiscal years. Thus, none of the pressure on local governments, and consequently the taxpayers, has been relieved. In Newport News, State inaction more than any other factor, has been the catalyst behind the need to raise tax rates and fees so frequently.

Without major changes in the state-local revenue base, there will be few alternatives in future fiscal years but to reduce core services or to significantly increase the fragile tax base that we have. We are making every effort to avoid this through economic development, efficient operations, and access to state and federal funds. For example, in January, I directed all operating departments to hold their expenditures to a minimum, and implemented a 45-day delay in filling vacant positions.

I am very pleased, however, that the General Assembly increased funding for our local Schools to \$166.8 million, which represents a \$29.5 million increase over the biennium - \$25.4 million in the current year, and an additional \$4.1 million next year. That equates to nearly \$1,000 extra in annual funding for every student in our public schools. Despite this, all cities and counties in the Commonwealth continue to pay far more for public education than is required by the State, spending almost twice as much as the State mandates. In Newport News, the Required Local Effort (RLE) for FY 2004 was \$33,828,733; however, City Council approved funding for operations of \$73,980,158, which is \$40,151,385 or 118.7% more than the State requires.

The School budget proposed for next year assumes an additional \$5.6 million in City funding support - from \$97,502,709 to \$103,138,202. After working with the Schools Superintendent, we have come to an agreement on the level of new funding for Schools. My recommended budget includes funding for Schools at \$100,586,564 which is \$3,083,855 higher than the current year.

Tax, rate, and fee increases on an annual basis are nearly becoming the norm in Newport News, because local revenue sources simply cannot carry the burden of increased funding for public education, and meet the need for all of the other services that the City must provide. The citizens are correct in their assumptions about taxation in Virginia - professional, independent studies have proven that local taxes in Virginia's communities are comparatively high while State taxes are relatively low. State aid to local governments, measured relative to personal income, is the lowest among all states in the Southeast, even when the current and projected State revenue to localities is factored in. Virginia's local governments impose relatively higher tax burdens on their residents and businesses to pay for local services because of the relatively low level of discretionary State aid to local governments. As a result, local governments rely more heavily on local property taxes and user fees to pay for public expenditures.

Our revenue-raising capacity is declining while our expenditure responsibilities are increasing. By contrast, the State's revenue base is more stable - State tax revenues grow proportionately with personal income without the need to increase tax rates. Conversely, the State imposes limits on local governments' ability to raise taxes - in Newport News, there are only a handful of rates that may be increased because most are already at the State mandated maximum level. In most years the State enjoys built-in, automatic revenue increases. Alternatives must be explored and action must be taken by the General Assembly soon if local governments are to maintain current service levels.

TOTAL CITY BUDGET - \$642,978,773

The total City budget being recommended for all funds in FY 2005-2006 is \$642,978,773, which is \$18,672,316 or 2.9% higher than the current year. The General Fund Budget amounts to \$360,769,000, which is \$19,585,030 or 5.7% higher than the current fiscal year. The budget recommended for the School Division comprises \$273,069,165, 42.5% of the total budget. The second highest category is for Public Safety, Corrections and Detention. This category comprises \$87,533,501 or 13.6% of all expenditures. The next highest expenditures are for Public Utilities (Waterworks) at \$73,350,000 or 11.4%. Debt Service for all funds is \$51,509,155 or 8.0%. Public Works programs account for \$47,491,701 or 7.4% and Health and Welfare programs at \$41,179,316 equals 6.4% of the City budget. These six programs totaling \$574,132,838 comprise 89.3% of the total City budget.

GENERAL FUND BUDGET - \$360,769,000

GENERAL FUND REVENUES

Of the over \$360.7 million in revenue estimated for Fiscal Year 2006, 84.9% or \$306.4 million is from local sources. The remaining \$54.2 million is from various State, Federal, and other local government supported programs.

General Fund Revenues are derived from a variety of sources. The primary sources of revenue are General Property Taxes (50.4%) and Other Local Taxes (24.0%), when combined are \$268.5 million, or 74.4% of the \$360 million budgeted. Additional revenue categories include Permits, Fees, and Regulatory Licenses; Fines and Forfeitures; Revenue from the Use of Money and Property; Charges for Services; Miscellaneous Revenue; Non-Revenue Receipts; and Payments from Other Funds. These sources account for 10.5% of General Fund Revenues, or \$38 million. The remaining four revenue categories are a variety of Federal, State, and Locally

generated revenues. These include Recovered Costs, Shared Expenses, Non-Categorical Aid, and Categorical Aid, which amount to 15.0% of General Fund revenues, or \$54.2 million.

Property values nationwide have gone up by large amounts during the past two years - historically low mortgage rates swelled the real estate market with buyers, and home sale values have markedly increased. Thus, the assessed value of real estate followed suit, resulting in higher revenue for local governments from real estate taxes. The additional revenue, however, is not sufficient to address the increased cost of providing services, the decline in revenue from other sources, and the reluctance of the State to more equitably share revenue or bear a larger portion of the costs of State-mandated programs, especially education.

Real estate tax revenue is projected to increase by \$12.7 million over the 2005 tax levy: \$10.7 million due to reassessments, \$1.1 million in new construction, and \$856,000 in growth associated with development in the City Center area.

The major increases to expenditures are noted below for the General Fund. I am recommending that the Emergency Medical Service (EMS) fees be increased, which will partially address the increased cost of providing these vital services to our citizens. In addition, I propose that the E-911 Rate be raised to provide additional Dispatcher positions in the E-911 Center. These rate changes will be discussed in detail at a budget work session.

GENERAL FUND EXPENDITURES

My recommended budget for next year focuses on maintaining services at their current level. There simply is not enough new revenue to pay for the increased cost of required program expenditures and to expand existing programs or embark upon new initiatives. Major expenditure increases are as follows:

Public Education Operations	\$3,083,855
FY 2006 Pay Adjustments	\$3,600,000
Full Year Cost of FY 2005 Pay Adjustments	\$1,654,000
Health Insurance Premium Increase	\$1,200,000
Debt Service	\$4,273,734
Retirement Fund Contribution	\$2,000,000
Comprehensives Services Act (CSA)	\$1,163,000
Human Services-Foster Care	\$2,300,000

In an effort to keep the operating budget within the available revenues, I recommend that the annual Vehicle Replacement program for the General Fund be suspended for FY 2006. This results in a temporary cost savings of \$1.6 million. The amount of program funding requested by the operating departments exceeded the amount of revenue available by \$30.1 million - this includes \$2.6 million in additional funding requested by the Schools above the increase of \$3 million that I have already included in my FY 2006 Recommended Budget.

The total General Fund expenditure budget is \$360,769,000, which is \$19,585,030 more than the current year budget. I will briefly cover these in the discussion that follows - more detailed information is provided in the attached budget document.

COMPENSATION

My recommended budget includes \$1.6 million to pay for the full-year costs of pay raises that were provided to employees in mid-FY 2005. In addition, \$3.6 million is included to pay for raises of 3% for employees for FY 2006. My proposal at this time is to provide pay raises to employees as follows: 2% General Wage Adjustment on July 1, 2005, and 1% for merit pay raises of 0% to 2% (1% average) on the individual's employee's anniversary date.

OTHER

My budget includes a increase of thirty-five (35) positions, and a decrease of two (2), for a net change of 33 positions in the City's General Fund. Six of the these positions were created by reallocating current funds for a zero net increase; two positions were achieved by converting part time employees to full time status. These new positions are:

Police - twenty (20) Police Officer positions in the Police Department, absorbing these in the General Fund from an expiring federal Grant. The Police Officers positions are currently assigned to each of the precincts, and are an integral element of the overall departmental crime function.

- five (5) Dispatcher positions to meet current calls for service demand levels.

Engineering - convert one (1) part time Engineering Technician II position to full time for traffic and accident analysis.

Public Works - convert four (4) current Building Services Specialist positions (Plumber and Electrical) to a preventative maintenance team (1 Crew Supervisor B, 3 Trades Assistants) and add one (1) new Administrative Assistant for a **net reduction** of (\$20,663).

-three (3) Senior Construction/Maintenance Workers for the three existing concrete crews to help eliminate backlog on curb and gutter (15,000 linear feet) and sidewalk (4,000 linear feet) construction. Funding is from **reallocating** current Contract Paving funds in the amount of \$106,399; the **net cost is \$0** for these positions.

-three (3) Senior Construction/Maintenance Workers for the Street Maintenance and Repair Division for street/sidewalk construction and repair. Funding is from **reallocating** current State Street/Highway Maintenance funds in the amount of \$106,399; the **net cost is \$0** for these three positions.

Information Technology - convert one part time Electronics Technician I position to full time for installing/removing radio equipment, particularly for School Buses, and public safety mobile data systems. Two (2) positions, a Systems Analyst and a Facilities Engineer, were eliminated due to loss of Schools system support revenue.

Adult Corrections - one Equipment Operator dedicated to knuckleboom use for special projects for Solid Waste and Codes Compliance and mowing projects.

COMMUNITY SUPPORT

The Department of Social Services has oversight responsibility of non-profit agencies that receive funding from the City. The department follows the guidelines set forth in the "Community Support Guidelines and Procedures" policy. The policy establishes criteria by which agencies may request funding from the City, and reporting procedures to be followed during the fiscal year. The reports submitted by the agencies provide information that is used to determine if the funding, that was approved by City Council, is being spent on programs for which the funding was granted. The FY 2006 recommended budget for Community Support reflects an increase of \$661,390, which is primarily attributable to the funding for Virginia Living Museum (\$200,000), Ferguson Arts Center (\$150,000), and Hampton Roads Transportation District Commission (\$153,000). While there were requests for funding from new agencies, my Recommended Budget does not include any new funding or initiatives in the Community Support area. I must emphasize that if any additions are made to funding for Community Support agencies, a like amount should be subtracted from other agency allocations.

BALANCING THE GENERAL FUND

Proposed expenditures exceed projected revenues by \$3 million. I am not recommending increasing any other tax rates to close this gap, but propose reducing the expenditures as follows:

\$1,600,000	to pay for vehicle replacements
94,951	for one-time equipment replacements and for new operating equipment
283,250	for health insurance increase
184,918	for cost of issuance of new debt service
845,674	reduction in vacant salaries in Juvenile Services due to lower than anticipated populations

PUBLIC UTILITIES FUND

The recommended budget for Waterworks next year is \$73,350,000, which is 4.9% or \$3,450,000 higher than the current year. This increase is attributable to full year funding of the FY 2005 salary adjustments, payroll and fringe benefits costs associated with the proposed FY 2006 pay adjustments (\$890,000 for both elements combined), and higher health insurance premiums for employees. Contractual Services (\$880,000), tank maintenance (\$680,000), and Payment in Lieu of Taxes (PILT) to the City (\$290,000) make up the other major areas of increases to the Waterworks recommended budget. These increases were partially offset by reductions in other operating costs of \$90,000 and debt service payments of \$90,000.

A 4.6% (12 cents) increase is recommended in the water rate, bringing the rate from \$2.62/HCF to \$2.74/HCF. This increase is the equivalent of \$1.08 per month (\$13.00 per year) on the average bill. Increases are also requested in the Summer Conservation Rate (from \$0.52 to \$0.55 per HCF), and the System Development Charges (SDC). The increase in the System Development Charge of 10.4% is based on meter size. The bi-monthly meter service charge is recommended to be increased by \$1.15 or 22.3% from \$5.15 per bi-monthly billing cycle to \$6.30. All rate adjustments being proposed will be discussed with you at a budget work session.

WASTEWATER MANAGEMENT FUND

As you know, the City has been pursuing a multi-year program to rehabilitate and replace aging pumping stations and deteriorating portions of the sanitary sewer collection system. To extend this effort into a twelfth year, I am proposing an 8 cent increase in the current sewer user fee of \$1.18 per hundred cubic feet of water consumption to \$1.26 (an increase of \$0.72 per month on the sewer bill). The new revenue to be generated will be committed to paying the debt service on an additional \$3 million in Virginia Resource Authority loans for major rehabilitation work, as well as to continue the maintenance program, and support regular operating costs.

SOLID WASTE FUND

I am proposing a rate increase for the Residential Solid Waste User Fee in FY 2005 of 25 cents per container per week. The additional revenue generated for the upcoming fiscal year will be used to support unfunded mandates such as the ban on chlorofluorocarbon (CFC) disposal (as in the contractual collection of white goods), the addition of two bulk waste equipment operators, and to maintain current operating costs. The addition of the two Bulk Waste Collections equipment operators will help to meet continued high demand levels, and reduce the dependence on overtime to meet the collection schedules.

STORMWATER MANAGEMENT FUND

The service workload of Stormwater Management Fund has increased significantly over the past several years. Since Hurricane Floyd in 1999, and compounded by Hurricane Isabel in 2003, storm/flood damage tasks have taken precedence over preventative maintenance, due to limited construction staff size. To address this issue, I am proposing additional construction crews for three different programs: additional back and side lot ditch cleaning crews to address annual cleaning of such properties city-wide, restoration of two positions for one current construction crew (to repair and replace stormwater drainage pipes, repair cave-ins), and the establishment of one new construction crew (for the completion of several backlogged construction projects). These demands in service will require the addition of twenty (20) positions. To support these critical operational functions, I am proposing raising the Stormwater Management Fee, by \$0.90 per ERU, from \$3.10/ERU to \$4.00/ERU.

SUMMARY

Many exciting things are happening in Newport News in leisure and cultural activities, public education and public safety. But, revenue growth is not sufficient to implement or expand many new programs or services. Even though I have held departmental expenditures to the absolute minimum, it is readily apparent that the City will continue to be hard pressed to meet the increased cost of providing services to the citizens in the future. This becomes more evident when reviewing the unfunded budget requests. In addition, the cost to implement the Capital Improvements Plan will require additional funding for debt service and annual operating costs in future years.

This has been a challenging budget to prepare. In the work sessions that follow, you will see that every effort has been made to keep costs as low as possible without compromising the quality and timeliness of service delivery to the citizens of Newport News.

Having given the budget process much thought and consideration, it is imperative that additional revenues be made available to maintain essential programs and services in the next fiscal year. Although we worked actively with the General Assembly to support legislation that would make inroads into the huge disparity that exists between local and state government's ability to raise revenue, like the prior year, no progress was made with the exception of public education.

In closing, I believe that the cities in Virginia are facing a crisis in determining future revenue resources to meet the operating needs of both City and Public Education programs. The State has growth revenue sources, but local governments' options are limited. Local governments need flexibility in their revenue streams. This may be aided by a loosening of the constraints that are imposed on local governments to raise additional revenue and curtailment of expenditure mandates without matching revenue sources.

In summary, this budget presents the choices that must be made in the face of restricted local revenues, uncertain state and federal funding, and continuing demands for public services. Residential fees and taxes are not generating enough revenue to pay for public services, leaving businesses and economic development to fill the gap. Yet, maintaining a competitive business environment must be one of our priorities. Without action at the State level that achieves a balance that is more favorable to local governments, municipalities throughout Virginia will find it increasingly difficult to continue to provide even the basic services to their citizens in the future.

We will need to schedule work sessions and public hearings on the budget and efforts will be made to encourage citizen participation and promote information about the budget choices facing City Council. A proposed schedule of dates is attached - the dates for public hearings will need to be established by the City Council today. I look forward to working with each of you in accomplishing your goals for the City as we finalize the budget plan for FY 2005-2006 at our upcoming work sessions.

Ed Maroney

EFFECT OF RATE/FEE CHANGES

	<u>Estimated Increase</u>	
	<u>Annually</u>	<u>Monthly</u>
E-911 Fee: \$0.19 per line per month (from \$2.39 to \$2.58 per HCF)	\$ 2.28	\$0.19
Residential Solid Waste Fee: \$0.25 per week (Standard Container (90 gal.) from \$4.53 per week to \$4.78 per week)	\$13.00	\$0.25
Stormwater Management Fee: \$0.90 ERU per month (from \$3.10 ERU to \$4.00 ERU)	\$10.80	\$0.90
Water Rate: \$0.12/HCF increase (average 18 HCF consumption) (from \$2.62 to \$2.74 per HCF)	\$12.96	\$1.08
Water Meter Service Fee: \$1.15 per billing cycle (for bi-monthly billing - from \$5.15 to \$6.30)	\$ 6.90	\$0.58
Sewer User Fee: \$0.08/HCF increase (average low to high consumption) (from \$1.18 to \$1.26 per HCF)	<u>\$ 8.64</u>	<u>\$0.72</u>
Total Increase	\$54.58	\$3.72

Three proposed rate increases are based on individual use or consumption only:

<u>Emergency Medical Service (EMS) Fee</u>	<u>Current</u>	<u>Proposed</u>
Change in rate structure proposed	Service \$ 30.00	Service \$0.00
	Trans Local \$150.00	Trans Local \$0.00
	Trans Local ALS \$200.00	Trans Local ALS \$0.00
	Trans - 50 miles \$250.00	Trans - 50 miles \$0.00
	Trans - 100 miles \$350.00	Trans - 100 miles \$0.00
		Basic Life Support
\$375.00		Advanced Life Supp
\$475.00		Mileage/loaded mile
\$ 8.25		

Water Rates - Summer Conservation Rate - \$0.03
 (from \$0.52 to \$0.55/HCF)

Any Summer Conservation Rate usage is based on individual HCF use above the winter average (October to May).

Water System Development Charge (SDC) - \$107 per meter average
 based on meter size, residential meter of 5/8" from \$1,033 to \$1,140

PROPOSED SCHEDULE FOR BUDGET WORKSESSIONS AND PUBLIC HEARINGS

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|-------------------------|------------------------|--|
| April 5, 2005 - | 12:00 noon | Special Meeting to Distribute Budget and Approval of Dates for Public Hearings Schedule |
| April 12, 2005 - | 2:00 p.m. | First Budget Work Session
<i>General Overview: Revenues and Expenditures, Total Operating Budget</i> |
| April 26, 2005 - | 2:00 p.m.
7:30 p.m. | Second Budget Work Session
<i>Schools Operating Budget and Public Utilities (Waterworks)</i>
First Budget Public Hearing
City Council Chambers |
| May 10, 2005 - | 2:00 p.m.
7:30 p.m. | Third Budget Work Session
Second Budget Public Hearing
<i>Adoption of School Budget</i>
Woodside High School |
| May 24, 2005 - | 2:00 p.m.
7:30 p.m. | Fourth Budget Work Session <i>(if necessary)</i>
Possible Adoption of FY 2005-2006 City Operating Budget |
| June 14, 2005 - | 2:00 p.m.
7:30 p.m. | Fifth Budget Work Session <i>(if necessary)</i>
Adoption of City Budget <i>(if not already done so on May 24, 2005)</i> |

CITY OF NEWPORT NEWS
Components of the Adopted Total Financial Plan
Fiscal Year 2006

TOTAL BUDGET
OPERATING and Capital
\$710,603,273

This chart represents the local funding available for FY 2006 that has been Adopted for the Operating Budgets and the FY 2005 Capital Funds. All funds are shown in their entirety. This was done to eliminate any duplicate counting of funds.

OPERATING BUDGET
All Funds*
\$644,039,273

CAPITAL IMPROVEMENTS PLAN*
All Funding Sources
\$66,564,000

**GENERAL
OPERATING
FUND**
\$361,830,000

**SEPARATE
OPERATING
FUNDS**
\$356,669,438

**SPECIAL REVENUE
AND
TRUST FUNDS**
\$174,199,652

**GENERAL FUND
SUPPORTED
CAPITAL PROJECTS**
\$50,105,000

**SELF-SUPPORTING
FUNDS
CAPITAL PROJECTS**
\$16,459,000

<p><u>Legislative</u> City Council - \$312,700 City Clerk - \$315,866</p> <p><u>General Administration</u> City Manager - \$1,142,373 Human Resources - \$1,266,674 City Attorney - \$1,455,778 Management Services - \$757,991</p> <p><u>Financial</u> Internal Auditor - \$464,847 Comm of Revenue - \$2,446,497 Real Estate Assessor - \$2,342,612 City Treasurer - \$1,952,285 Finance - \$1,167,045 Budget & Evaluation - \$519,623 Purchasing - \$1,109,396</p> <p><u>Information Technology</u> Information Technology - \$7,310,757</p> <p><u>Board of Elections</u> Voter Registrar - \$466,439</p> <p><u>Judicial Administration</u> Judiciary - \$2,928,669 Commonwealth's Attorney - \$2,681,829</p> <p><u>Public Safety</u> Police - \$38,395,641 Emergency Management - \$328,953 Fire - \$26,760,084</p>	<p><u>Corrections and Detention</u> Sheriff - \$10,165,320 Adult Corrections - \$4,656,280 Juvenile Services - \$8,690,754</p> <p><u>Inspections</u> Codes Compliance - \$2,648,811</p> <p><u>Engineering</u> Engineering - \$6,733,433</p> <p><u>Public Works</u> Public Works - \$19,763,697</p> <p><u>Health and Welfare</u> Health Department - \$2,000,126 Mental Health (CSB) - \$1,259,354 Human Services - \$37,821,346 Office on Youth Dev - \$672,435</p> <p><u>Parks, Recreation, Culture</u> Parks & Recreation - \$12,072,240 Libraries & Information Services - \$4,227,341</p> <p><u>Community Development</u> Development - \$1,420,482 Planning - \$1,052,898</p> <p><u>Nondepartmental</u> Appointed Boards - \$137,563 Nondepartmental - \$8,306,274 Community Support - \$5,867,207 Payments to Other Funds - \$140,346,033</p>
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<p><u>Public Education Fund</u> \$273,069,165</p> <p><u>Public Utilities Fund</u> \$73,350,000</p> <p><u>Vehicle & Equipment Services Fund</u> \$7,520,200</p> <p><u>Parking Authority Fund</u> \$260,000</p> <p><u>Community Development Block Grant</u> \$2,470,073</p>

<p><u>Auto-Self Insurance Fund</u> \$992,700</p> <p><u>General Liability Insurance Fund</u> \$1,142,700</p> <p><u>Worker's Compensation Fund</u> \$2,927,600</p> <p><u>Recreation Revolving Fund</u> \$3,338,700</p> <p><u>Historical Services Fund</u> \$1,166,100</p> <p><u>Golf Course Revolving Fund</u> \$1,934,500</p> <p><u>Leeward Marina Revolving Fund</u> \$230,800</p> <p><u>Tourism, Promotions, and Development Fund</u> \$1,533,100</p> <p><u>School's Worker Compensation Fund</u> \$1,089,240</p> <p><u>School's Textbook Fund</u> \$1,959,561</p>	<p><u>Stormwater Management Fund</u> \$7,945,000</p> <p><u>Solid Waste Revolving Fund</u> \$11,024,100</p> <p><u>Wastewater Fund</u> \$8,907,400</p> <p><u>Law Library Fund</u> \$111,000</p> <p><u>Street/Highway Maintenance Fund</u> \$11,679,396</p> <p><u>Debt Service Fund</u> \$51,509,155</p> <p><u>Economic Development Fund</u> \$153,000</p> <p><u>Economic/Industrial Development Fund</u> \$15,553,100</p> <p><u>Industrial Development Authority Fund</u> \$1,750,000</p> <p><u>Applied Research Center Fund</u> \$1,822,500</p>	<p><u>Pension Trust Fund</u> \$38,114,000</p> <p><u>City Retirement Post Retirement Fund</u> \$9,316,000</p>
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<p><u>Schools Category Projects</u> \$10,000,000</p> <p><u>Development Category Projects</u> \$3,600,000</p> <p><u>Parks and Recreation Category Projects</u> \$4,740,000</p> <p><u>Sanitary Sewers Extension Category Projects</u> \$600,000</p> <p><u>Streets and Bridges Category Projects</u> \$9,715,000</p> <p><u>Public Buildings Category Projects</u> \$20,650,000</p> <p><u>Capital Equipment Category Projects</u> \$800,000</p>	<p><u>Sanitary Sewer Rehabilitation Projects</u> \$3,180,000</p> <p><u>Stormwater Drainage Projects</u> \$3,900,000</p> <p><u>Public Utilities Projects</u> \$9,304,000</p> <p><u>Golf Course Projects</u> \$75,000</p>
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*Capital Improvement Plan amounts represent Adopted Plan of November 2004.

* Adjusted Amount - reflects total amount less inter- and intra-fund transfers of \$248,659,317.

TOTAL CITY OPERATING BUDGET
Summary of General, School, Utilities, Parking Authority,
and Vehicle and Equipment Service Funds
REVENUES AND EXPENDITURES
FISCAL YEAR 2005 - 2006

REVENUES	Adopted Budget FY 2006	EXPENDITURES	Adopted Budget FY 2006
MAJOR FUNDS		MAJOR FUNDS	
General Fund*		General Fund*	
General Revenues	\$348,837,538	City Operations	\$231,942,993
Payment from Public Utilities Fund	12,255,515	Debt Service	29,300,443
Payment from School Operating Fund	722,473	School Operating Fund Expenditures	99,986,564
Payment from Vehicle & Equipment Services Fund	<u>14,474</u>	Other General Fund Support to Schools	<u>600,000</u>
Total General Fund Revenues	\$361,830,000	Total General Fund Expenditures	\$361,830,000
 Public Utilities Fund		 Public Utilities Fund	
Use of Money and Property	\$ 2,588,879	Public Utilities Operations and Debt Service	\$57,032,771
Charges for Services	69,401,121	Capital Projects and Equipment	4,061,714
Administrative Charges	320,000	Payment to General Fund	<u>12,255,515</u>
Recovered Costs	<u>1,040,000</u>	Total Public Utilities Fund Expenditures	\$73,350,000
Total Public Utilities Fund Revenues	\$73,350,000		
 School Operating Fund		 School Operating Fund	
Federal Revenue & Other Appropriations	\$ 4,614,817	School Operations	\$259,097,471
Revenue from the Commonwealth	167,020,784	School Debt Service	13,249,221
City Support from the General Fund	100,586,564	Payment to General Fund	<u>722,473</u>
Other Local Revenue	<u>847,000</u>	Total School Fund Expenditures	\$273,069,165
Total School Fund Revenues	\$273,069,165		

*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 2005 - 2006, Continued

<u>REVENUES</u>	<u>Adopted Budget FY 2006</u>	<u>EXPENDITURES</u>	<u>Adopted Budget FY 2006</u>
Vehicle and Equipment Service Fund		Vehicle and Equipment Service Fund	
Charges for Services and Fuel	\$7,102,392	Vehicle and Equipment Services Operations	\$7,087,918
Charges for Leases	<u>417,808</u>	Equipment Replacement	417,808
Total Vehicle and Equipment Fund		Payment to the General Fund	<u>14,474</u>
Revenues	\$7,520,200	Total Vehicle and Equipment Fund	
		Expenditures	\$7,520,200
 Parking Authority Fund		 Parking Authority Fund	
Parking Leases	\$251,118	Administration	\$260,000
Return on Investment	<u>8,882</u>	Total Parking Authority Fund Expenditures	\$260,000
Total Parking Authority Fund Revenues	\$260,000		
 LESS - Payments from Other Funds	 (\$122,203,166)	 LESS - Payments to Other Funds	 (\$122,203,166)
SUBTOTAL - Major Funds Revenue	<u>\$593,826,199</u>	SUBTOTAL - Major Funds Expenditures	<u>\$593,826,199</u>
 SPECIAL REVENUE AND TRUST FUNDS**	 \$174,199,652	 SPECIAL REVENUE AND TRUST FUNDS**	 \$174,199,652
LESS - Payments from Other Funds	 (\$126,456,651)	LESS - Payments to Other Funds	 (\$126,456,651)
SUBTOTAL - Special Funds Revenue	<u>\$47,743,001</u>	SUBTOTAL - Special Funds Expenditures	<u>\$47,743,001</u>
 Community Development Block Grant	 <u>\$2,470,073</u>	 Community Development Block Grant	 <u>\$2,470,073</u>
 TOTAL CITY REVENUES	 <u>\$644,039,273</u>	 TOTAL CITY EXPENDITURES	 <u>\$644,039,273</u>

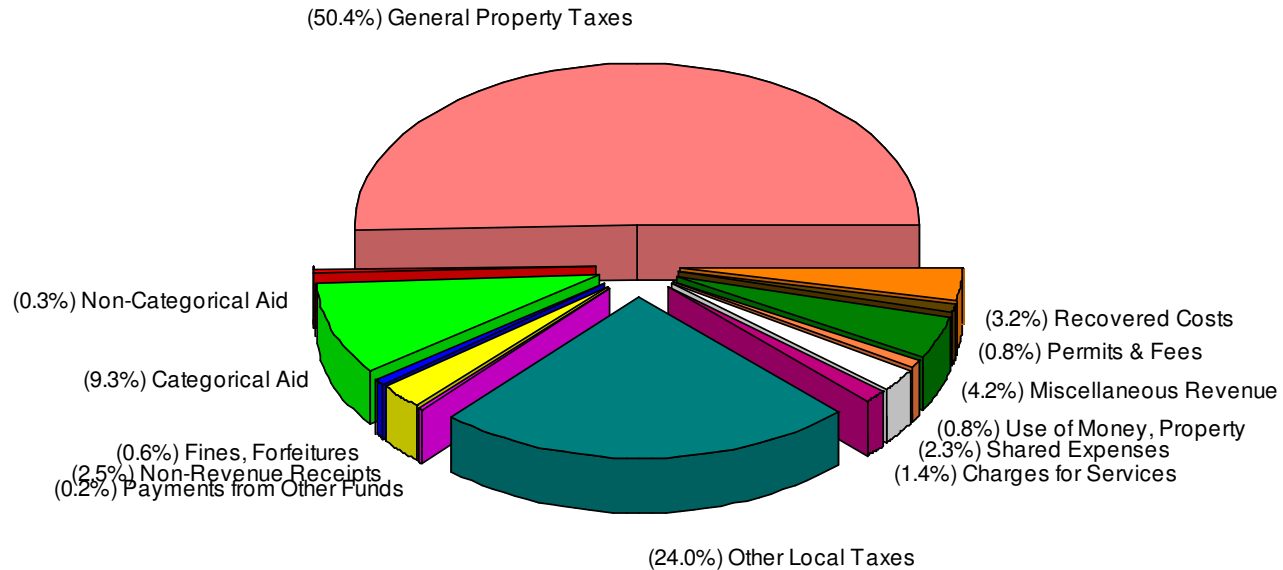
FY 2006 ADOPTED GENERAL FUND BUDGET Revenue Sources

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

General Property Taxes	\$182,453,581
Non-Categorical Aid	1,234,240
Categorical Aid	33,572,035
Fines, Forfeitures	2,309,300
Non-Revenue Receipts	9,134,000
Payments from Other Funds	885,441
Other Local Taxes	86,719,359
Charges for Services	4,899,656
Shared Expenses	8,151,150
Use of Money, Property	2,977,525
Miscellaneous Revenue	15,115,467
Permits & Fees	2,719,104
Recovered Costs	<u>11,659,142</u>

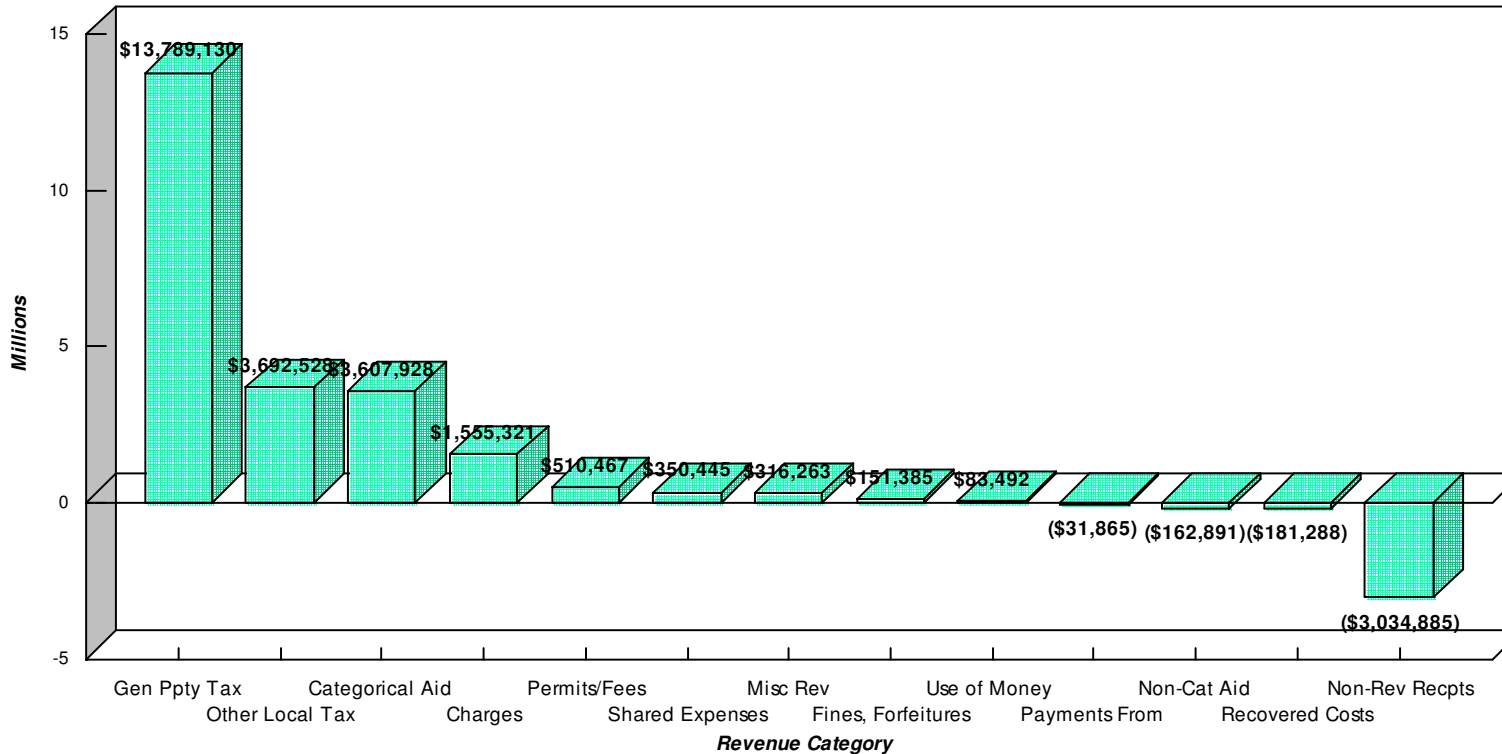
Over 74% of General Fund revenues come from taxes - 50% from property taxes and 24% from Other Local Taxes such as sales, meals, cable television and utility taxes. The next largest revenue source is Categorical Aid (state revenue for human services programs). A complete analysis of all revenue sources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

Total: \$361,830,000



FY 2006 ADOPTED GENERAL FUND CHANGES IN REVENUE SOURCES

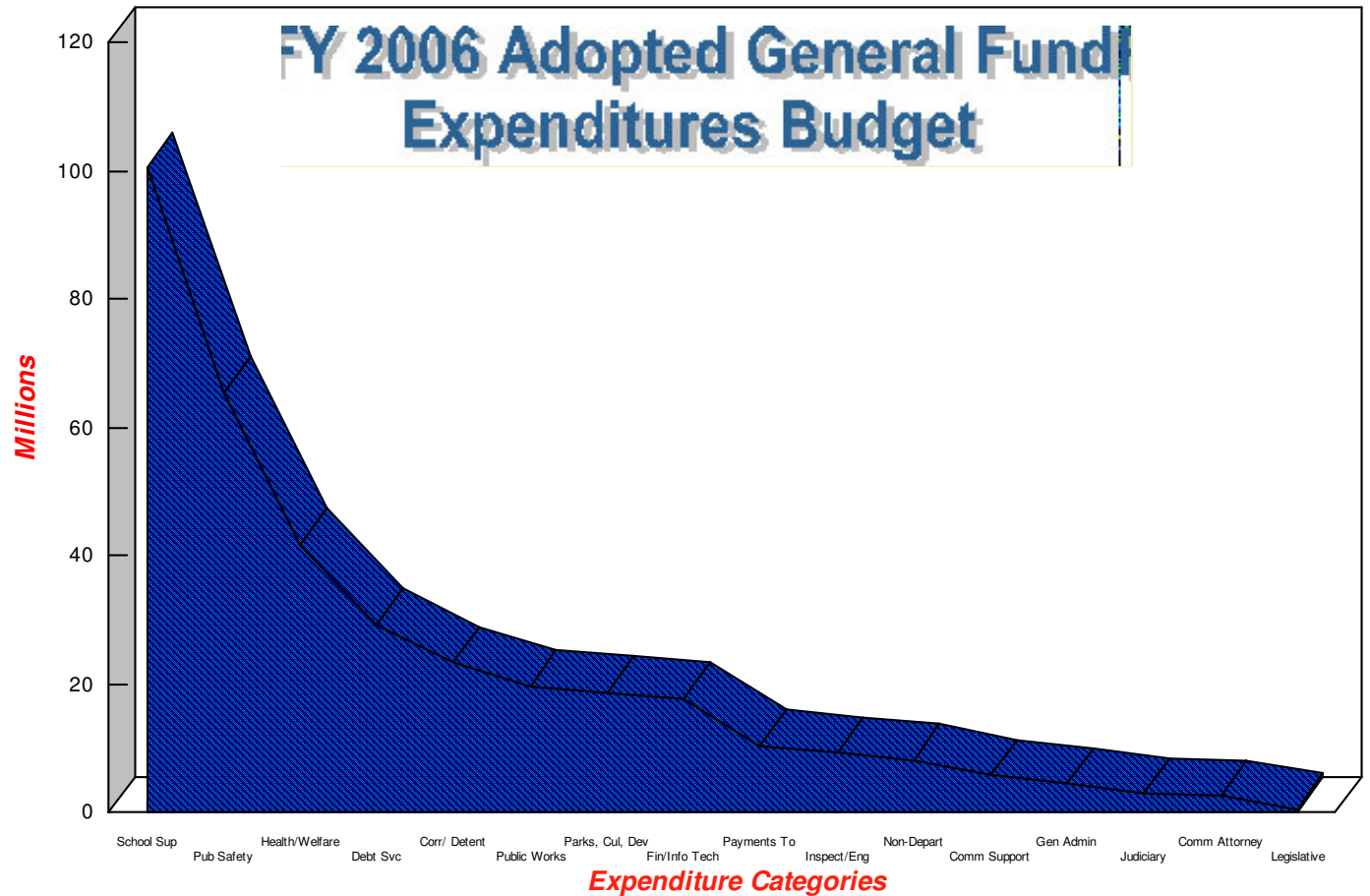
	<i>Revised FY 2005</i>	<i>Adopted FY 2006</i>	<i>Amount Change</i>	<i>Percent Change</i>
General Property Taxes	\$168,664,451	\$182,453,581	\$13,789,130	8.2%
Other Local Taxes	83,026,831	86,719,359	\$3,692,528	4.4%
Categorical Aid	29,964,107	33,572,035	\$3,607,928	12.0%
Charges for Services	3,344,335	4,899,656	\$1,555,321	46.5%
Permits & Fees	2,208,637	2,719,104	\$510,467	23.1%
Shared Expenses	7,800,705	8,151,150	\$350,445	4.5%
Miscellaneous Revenue	14,799,204	15,115,467	\$316,263	2.1%
Fines, Forfeitures	2,157,915	2,309,300	\$151,385	7.0%
Use of Money, Property	2,894,033	2,977,525	\$83,492	2.9%
Payments from Other Funds	917,306	885,441	(\$31,865)	-3.5%
Non-Categorical Aid	1,397,131	1,234,240	(\$162,891)	-11.7%
Recovered Costs	11,840,430	11,659,142	(\$181,288)	-1.5%
Non-Revenue Receipts	<u>12,168,885</u>	<u>9,134,000</u>	<u>(\$3,034,885)</u>	<u>-24.9%</u>
	<u>\$341,183,970</u>	<u>\$361,830,000</u>	<u>\$20,646,030</u>	<u>6.1%</u>



GENERAL FUND SUMMARY
REVENUES and EXPENDITURES
FISCAL YEAR 2005 - 2006

	Revised Budget	Adopted Budget	Percent		Revised Budget	Adopted Budget	
Percent REVENUES Change	FY 2005	FY 2006	Change	EXPENDITURES	FY 2005	FY 2006	
General Property Taxes	\$168,664,451	\$182,453,581	8.2%	Legislative	\$ 642,571	\$ 628,566	2.2%
Other Local Taxes	83,026,831	86,719,359	4.4%	General Administration	4,267,223	4,622,816	8.3%
Permits, Fees and Regulatory				Financial	8,960,057	10,002,305	11.6%
Licenses	2,208,637	2,719,104	23.1%	Information Technology	7,098,419	7,310,757	3.0%
Fines and Forfeitures	2,157,915	2,309,300	7.0%	Board of Elections	364,322	466,349	28.0%
Revenue from Use of Money				Judicial Administration	2,894,069	2,928,669	1.2%
and Property	2,894,033	2,977,525	2.9%	Commonwealth Attorney	2,666,063	2,681,829	0.6%
Charges for Services	3,344,335	4,899,656	46.5%	Public Safety	61,465,739	65,484,678	6.5%
Miscellaneous Revenue	14,799,204	15,115,467	2.1%	Corrections and Detention	23,355,201	23,512,354	0.7%
Recovered Costs	11,840,430	11,659,142	(1.5%)	Inspections	2,689,544	2,648,811	(1.5%)
Non-Categorical Aid	1,397,131	1,234,240	(11.7%)	Engineering	6,570,637	6,733,433	2.5%
Shared Expenses	7,800,705	8,151,150	4.5%	Public Works	18,731,411	19,763,697	5.5%
Categorical Aid	29,964,107	33,572,035	12.0%	Health and Welfare	36,261,070	41,753,261	15.1%
Non-Revenue Receipts	12,168,885	9,134,000	(24.9%)	Parks, Recreation			
Payments From Other Funds	917,306	885,441	(3.5%)	and Cultural	15,724,577	16,299,581	3.7%
				Community Development	2,274,169	2,473,380	8.8%
TOTAL	<u>\$341,183,970</u>	<u>\$361,830,000</u>	<u>6.1%</u>	Nondepartmental	18,017,380	18,765,300	4.2%
				Community Support	6,403,594	5,867,207	(8.4%)
				Local Support to Schools	97,502,709	100,586,564	3.2%
				Debt Service	24,181,203	28,181,645	16.5%
				Airport Debt Service	1,114,012	1,118,798	0.4%
				TOTAL	<u>\$341,183,970</u>	<u>\$361,830,000</u>	<u>6.1%</u>

Category	Amount	% of Budget
School Support	\$100,586,564	27.8%
Public Safety	\$65,484,678	18.1%
Health & Welfare	\$41,753,261	11.5%
Debt Service	\$29,300,443	8.1%
Corrections & Detention	\$23,512,354	6.5%
Public Works	\$19,763,697	5.5%
Parks, Cultural, Development	\$18,772,961	5.2%
Financial/Inform Technology	\$17,779,411	4.9%
Payments to Other Funds	\$10,459,026	2.9%
Inspections/Engineering	\$9,382,244	2.6%
Non-Departmental	\$8,306,274	2.3%
Community Support	\$5,867,207	1.6%
General Administration	\$4,622,816	1.3%
Judiciary	\$2,928,669	0.8%
Commonwealth's Attorney	\$2,681,829	0.7%
Legislative	\$628,566	0.2%
General Fund Total:	<u>\$361,830,000</u>	<u>100%</u>



Components of the Adopted FY 2006 General Fund Budget are as follows: 27.8% of funding is for School Operations and School Debt Service (\$100,586,564), and 18.1% is for Public Safety (Police, Fire, Emergency Management - \$65,484,678). The next largest share is for Health and Welfare programs, at 11.5% (\$41,753,261). City Debt Service accounts for 8.1% (which includes General Obligation Bonds and Airport -\$29,300,443). The amount of 6.5% of the budget is dedicated to Corrections and Detention (Sheriff, City Farm, and Juvenile Services - \$23,512,354), with 5.5% for Public Works activities (\$19,763,697). These six programs comprise 77% (or \$280,400,997) of the total Adopted General Fund Budget for FY 2006.

**SUMMARY of SPECIAL REVENUE AND TRUST FUNDS
FISCAL YEAR 2005 - 2006**

	Revised Budget <u>FY 2005</u>	Adopted Budget <u>FY 2006</u>	Percent Change
Auto Self Insurance Fund	\$ 1,003,800	\$ 992,700	(1.1%)
General Liability Insurance Fund	1,081,700	1,142,700	5.6%
Worker's Compensation Fund	2,344,500	2,927,600	24.9%
Recreation Revolving Fund	3,280,000	3,338,700	1.8%
Historical Services Fund	1,172,500	1,166,100	(0.5%)
Golf Course Revolving Fund	2,028,100	1,934,500	(4.6%)
Leeward Marina Revolving Fund	239,700	230,800	(3.7%)
Tourism, Promotion and Development Fund	1,547,000	1,533,100	0.9%
School Worker's Compensation Fund	1,045,168	1,089,240	4.2%
School Textbook Fund	1,985,944	1,959,561	(1.3%)
Stormwater Management Fund	6,381,900	7,945,000	24.5%
Solid Waste Revolving Fund	10,379,300	11,024,100	6.2%
Wastewater Fund	8,679,100	8,907,400	2.6%
Law Library Fund	101,000	111,000	9.9%
Street/Highway Maintenance Fund	11,679,396	11,679,396	0.0%
Debt Service Fund	58,617,753	51,509,155	(12.1%)
Economic Development Fund	90,000	153,000	70.0%
Economic/Industrial Development Fund	14,623,900	15,553,100	6.4%
Industrial Development Authority	1,800,000	1,750,000	(2.8%)
Applied Research Center Fund	1,830,000	1,822,500	(0.4%)
Pension Trust Fund	27,712,000	38,114,000	37.5%
City Retirement-Post Retirement Fund	<u>7,488,000</u>	<u>9,316,000</u>	<u>24.4%</u>
Subtotal	\$165,110,761	\$174,199,652	5.5%
LESS: Interfund Payments	(\$108,626,655)	(\$126,456,651)	
Total-Special Revenue and Trust Funds	<u>\$56,484,106</u>	<u>\$47,743,001</u>	(15.5%)

SPECIAL REVENUE and TRUST FUNDS
REVENUES and EXPENDITURES
FISCAL YEAR 2005 - 2006

REVENUES

Auto Self Insurance Fund

Premiums Paid	\$926,745	
Return on Investments	20,955	
Subrogation	<u>45,000</u>	\$992,700

General Liability Insurance Fund

Premiums Paid	\$1,123,734	
Return on Investment	8,966	
Subrogation	<u>10,000</u>	\$1,142,700

Worker's Compensation Fund

General Fund Premium	\$2,170,763	
Utilities Fund Premium	228,141	
Other Funds Premiums	523,717	
Return on Investment	<u>4,979</u>	\$2,927,600

Recreation Revolving Fund

User Fees	<u>\$3,338,700</u>	\$3,338,700
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Historical Services Fund

Programs and Admissions	\$258,837	
Margin on Sales	29,200	
General Fund Payment	<u>878,063</u>	\$1,166,100

EXPENDITURES

Auto Self Insurance Fund

Payment to General Liability Fund	\$214,433	
Reserve for Claims	<u>778,267</u>	\$992,700

General Liability Insurance Fund

Administration	\$925,200	
Reserve for Claims	<u>217,500</u>	\$1,142,700

Worker's Compensation Fund

Administration	\$ 176,857	
Worker's Compensation	<u>2,750,743</u>	\$2,927,600

Recreation Revolving Fund

Recreation Programs	\$3,241,857	
Payment to the General Fund	<u>96,843</u>	\$3,338,700

Historical Services Fund

Historical Programs	<u>\$1,166,100</u>	\$1,166,100
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SPECIAL REVENUE and TRUST FUNDS
REVENUES and EXPENDITURES
FISCAL YEAR 2005 - 2006, Continued

REVENUES**Golf Course Revolving Fund**

User Fees	\$1,494,838	
Margin on Sales	52,500	
Concession Sales	32,000	
From Debt Service Reserves	<u>355,162</u>	\$1,934,500

Leeward Marina Revolving Fund

Slip Rentals	\$209,610	
Margin on Fuel Sales	20,200	
Margin on Sales	<u>990</u>	\$230,800

Tourism, Promotion, and Development Fund

Lodging Tax Share	\$1,220,525	
General Fund Payment	310,233	
Margin on Sales	<u>2,342</u>	\$1,533,100

School Worker's Compensation Fund

	<u>\$1,089,240</u>	\$1,089,240
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School Textbook Fund

	<u>\$1,959,561</u>	\$1,959,561
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Stormwater Management Fund

Stormwater Management Fee	\$6,862,504	
Other Revenue Sources	87,775	
Retained Earnings	<u>994,721</u>	\$7,945,000

EXPENDITURES**Golf Course Revolving Fund**

Administration	\$1,507,572	
To Debt Service	355,162	
To General Fund	<u>71,766</u>	\$1,934,500

Leeward Marina Revolving Fund

Administration	\$176,957	
To Debt Service	31,095	
To General Fund	<u>22,748</u>	\$230,800

Tourism, Promotion, and Development Fund

Administration	\$1,479,705	
To General Fund	<u>53,395</u>	\$1,533,100

School Worker's Compensation Fund

	<u>\$1,089,240</u>	\$1,089,240
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School Textbook Fund

	<u>\$1,959,561</u>	\$1,959,561
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Stormwater Management Fund

Administration	\$6,524,987	
To Debt Service	1,280,503	
To General Fund	<u>139,510</u>	\$7,945,000

SPECIAL REVENUE and TRUST FUNDS
REVENUES and EXPENDITURES
FISCAL YEAR 2005 - 2006, Continued

REVENUES**Solid Waste Revolving Fund**

Solid Waste User Fee	\$10,293,916	
Other Solid Waste Service Fees	221,828	
Revenue from Other Sources	185,687	
General Fund Support	57,069	
Retained Earnings	<u>265,600</u>	\$11,024,100

Wastewater Fund

Sewer User Charges	\$8,540,890	
Retained Earnings	277,705	
Debt Service Reserve	76,805	
Lateral Installation Fees	<u>12,000</u>	\$8,907,400

Law Library Fund

Court Fees	\$110,000	
Copier Fees	<u>1,000</u>	\$111,000

Street Maintenance Fund \$11,679,396 \$11,679,396

Debt Service Fund

General Fund Support	\$28,181,645	
Airport Improvement Debt	1,118,798	
Other Funds Support	5,350,268	
School Fund Support	16,415,709	
Retained Earnings	<u>442,735</u>	\$51,509,155

EXPENDITURES**Solid Waste Revolving Fund**

Administration	\$10,286,292	
To Debt Service	686,180	
To the General Fund	<u>51,628</u>	
		\$11,024,100

Wastewater Fund

Administration	\$5,779,772	
To Debt Service	2,977,328	
To General Fund	<u>150,300</u>	
		\$8,907,400

Law Library Fund \$111,000

\$111,000

Street Maintenance Fund \$11,679,396 \$11,679,396

Debt Service Fund

General Fund Debt	\$31,673,333	
School Fund Debt	16,415,709	
Other Debt	2,301,315	
Airport Improvement Debt	<u>1,118,798</u>	
		\$51,509,155

SPECIAL REVENUE and TRUST FUNDS
REVENUES and EXPENDITURES
FISCAL YEAR 2005 - 2006, Continued

REVENUES

Economic Development Fund	<u>\$153,000</u>	
		\$153,000
Economic/Industrial Development Fund	<u>\$15,553,100</u>	\$15,553,100
Industrial Development Authority Fund	<u>\$1,750,000</u>	\$1,750,000
Applied Research Center Fund		
Revenue from Leases	\$1,795,635	
Other Revenue Sources	<u>26,865</u>	
		\$1,822,500
Pension Trust Fund	<u>\$38,114,000</u>	
		\$38,114,000

EXPENDITURES

Economic Development Fund		
Administration	\$133,000	
Property Appraisals	<u>20,000</u>	\$153,000
Economic/Industrial Development Fund	<u>\$15,553,100</u>	\$15,553,100
Industrial Development Authority Fund	<u>\$1,750,000</u>	\$1,750,000
Applied Research Center Fund		
Administration	\$ 861,546	
To the General Fund	823,117	
To the Economic/Industrial Fund	<u>137,837</u>	\$1,822,500
Pension Trust Fund		
Administration	\$ 427,502	
Payment to Retirees and Beneficiaries	33,912,491	
To Fiduciaries	<u>3,774,007</u>	\$38,114,000

SPECIAL REVENUE and TRUST FUNDS
REVENUES and EXPENDITURES
FISCAL YEAR 2005 - 2006, Continued

REVENUES

City Retirement-Post Retire Fund \$9,316,000 \$9,316,000

SUBTOTAL - SPECIAL FUNDS **\$174,199,652**

LESS

Payments from Other Funds (\$119,364,806)

Payments to Other Funds (\$7,091,845)

Subtotal - Less Payments **(\$126,456,651)**

TOTAL REVENUES -
Special Revenue and Trust Funds **\$47,743,001**

EXPENDITURES

City Retirement-Post Retire Fund \$9,316,000 \$9,316,000

SUBTOTAL - SPECIAL FUNDS **\$174,199,652**

LESS

Payments from Other Funds (\$119,364,806)

Payments to Other Funds (\$7,091,845)

Subtotal - Less Payments **(\$126,456,651)**

TOTAL EXPENDITURES -
Special Revenue and Trust Funds **\$47,743,001**

TAX RATES and FEE SCHEDULES

Adopted increases in Taxes, Rates, or Fees are shown in **BOLD** in the FY 2006 column. Unless otherwise noted, rates are effective July 1, 2005.

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

	<u>FY 2005</u>	<u>FY 2006</u>
REAL ESTATE (Per \$100 of assessed value)		
General	\$1.27	\$1.24
Public Service Corporations	\$1.27	\$1.24
PERSONAL PROPERTY (Per \$100 of assessed value)		
General	\$4.15	\$4.25
Machinery and Tools	\$3.50	\$3.50
Mobile Homes	\$1.27	\$1.24
Public Service Corporations (Personal Property)	\$4.15	\$4.25
Public Service Corporations (Machinery and Tools)	\$1.27	\$1.24
Boats	\$1.00	\$1.00
Trawlers	\$0.90	\$0.90
MOTOR VEHICLE LICENSE TAX		
Gross weight of 4,000 pounds or under	\$26.00	\$26.00
Gross weight over 4,000 pounds	\$31.00	\$31.00
ENHANCED E-911 RATE	\$2.39/month/line	\$2.58/month/line
RIGHT-OF-WAY-USE FEE	\$0.59/month/line	\$0.59/month/line
CELLULAR PHONE TAX	10% of the first \$30.00 of the total bill	10% of the first \$30.00 of the total bill
MEAL TAX	6.5%	6.5%
AMUSEMENT TAX	7.5%	7.5%

TAX RATES and FEE SCHEDULES, Continued

	<u>FY 2005</u>	<u>FY 2006</u>
PUBLIC UTILITY TAXES		
<i>Residential</i> - Electric (per meter/per month)		
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</i> - Electric (per meter/per month)		
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</i> - Electric (per meter/per month) and		
<i>All Other Non-Residential</i> - Electric (per meter/per month)		
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</i> - Gas (per meter/per month)		
Base Rate	\$1.51	\$1.51
<i>Commercial</i> - Gas (per meter/per month)		
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</i> - Gas (per meter/per month) and		
<i>All Other Non-Residential</i> - Gas (per meter/per month)		
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>FY 2005</u>	<u>FY 2006</u>
LODGING TAX	7.5%	7.5%
TOBACCO TAX	\$0.0325 per cigarette (\$0.65 per 20/pack)	\$0.0325 per cigarette (\$0.65 per 20/pack)
CABLE TAX	7% of total monthly bill	7% of total monthly bill
TELEPHONE UTILITY TAX		
Residential	22% of first \$13.20	22% of first \$13.20
Commercial	20% of first \$300.00	20% of first \$300.00
EMERGENCY MEDICAL SERVICE (EMS) FEES		
Service Charge	\$30.00	\$00.00
Transportation - Local Area	\$150.00	\$00.00
Transportation - Local Area/Advanced Life Support	\$200.00	\$00.00
Transportation - Within 50-mile Radius	\$250.00	\$00.00
Transportation - Within 100-mile Radius	\$350.00	\$00.00
Basic Life Support	\$00.00	\$375.00
Advanced Life Support	\$00.00	\$475.00
Mileage per Patient Transported Mile	\$00.00	\$8.25 per mile

TAX RATES and FEE SCHEDULES, Continued

FY 2005

FY 2006

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

SOLID WASTE USER FEE	<u>Container Size</u>	<u>Per Week</u>	<u>Container Size</u>	<u>Per Week</u>
	Medium	\$3.62	Medium	\$3.82
	Standard	\$4.53	Standard	\$4.78
	Medium & Standard	\$8.15	Medium & Standard	\$8.60
	Two Standards	\$9.06	Two Standards	\$9.56
 STORMWATER MANAGEMENT FEE		 \$3.10/ERU		 \$4.00/ERU
 SEWER USER FEE				
Rate/100 cubic feet		\$1.18		\$1.26
 WATER RATES				
Per 100 cubic feet (HCF) consumed		\$2.62		\$2.74
Summer Conservation Rate (per HCF)		\$0.52		\$0.55
 WATER SYSTEM DEVELOPMENT CHARGE (SDC)				
Meter Size (Inches)		<u>Charge</u>		<u>Charge</u>
5/8		\$1,033		\$1,140
3/4		\$1,551		\$1,720
1		\$2,584		\$2,860
1 1/2		\$5,167		\$5,710
2		\$8,270		\$9,130
3		\$16,744		\$18,480
4		\$28,425		\$31,370
6		\$58,192		\$64,220
8		\$87,855		\$96,960
10		\$134,366		\$148,290

TAX RATES and FEE SCHEDULES, Continued

WATER METER MONTHLY SERVICE FEE	<u>FY 2005</u>		<u>FY 2006</u>	
	Monthly <u>Charge</u>	Bi-monthly <u>Charge</u>	Monthly <u>Charge</u>	Bi-monthly <u>Charge</u>
Meter Size (Inches)				
5/8	\$4.00	\$5.15	\$5.60	\$6.30
3/4	\$4.35	\$5.85	\$6.20	\$7.00
1	\$5.60	\$8.35	\$7.90	\$9.00
1½	\$7.25	\$11.60	\$10.10	\$11.60
2	\$8.95	\$15.05	\$16.30	\$18.30
3	\$18.70	\$34.50	\$61.70	\$69.30
4	\$23.35	\$43.85	\$78.40	\$88.20
6	\$31.60	\$60.30	\$117.60	\$132.30
8	\$43.70	\$84.55	\$162.40	\$182.70
10	\$58.50	\$114.15	\$224.00	\$252.00

**SUMMARY of TOTAL CITY POSITIONS
GENERAL FUND and ALL OPERATING FUNDS
Fiscal Years 2004 to 2006**

	<u>FY 2004</u>		<u>FY 2005</u>		<u>FY 2006</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 2005 Revised Budget</u>
GENERAL FUND						
City Council	7	7	7	7	7	0
City Clerk	5	5	5	5	5	0
City Manager*	12	12	12	12	12	0
Human Resources	16	17	17	17	17	0
City Attorney	17	17	18	18	18	0
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	24	24	24	24	24	0
Information Technology	65	65	65	65	64	-1
Registrar	5	5	5	5	5	0
Judiciary	42	42	42	42	42	0
Commonwealth Attorney	41	41	41	41	41	0
Police	531	532	535	539	564	+25
Emergency Management	4	4	4	4	4	0
Fire	374	374	374	374	374	0
Sheriff	181	181	187	187	187	0
Adult Corrections	69	69	69	69	71	+2

**SUMMARY of TOTAL CITY POSITIONS
GENERAL FUND and ALL OPERATING FUNDS
Fiscal Years 2004 to 2006, Continued**

	<u>FY 2004</u>		<u>FY 2005</u>		<u>FY 2006</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 2005 Revised Budget</u>
GENERAL FUND, CONTINUED						
Juvenile Services	177	178	178	178	178	0
Codes Compliance	37	37	42	42	42	0
Engineering	84	84	94	95	96	+1
Public Works	148	148	151	151	158	+7
Human Services	388	390	390	390	393	+3
Office on Youth Development	9	9	9	9	9	0
Parks and Recreation	101	103	103	103	111	+8
Public Libraries	59	59	60	62	62	0
Development	17	17	17	18	18	0
Planning	14	14	14	14	14	0
Animal Control	<u>0</u>	<u>0</u>	<u>8</u>	<u>9</u>	<u>0</u>	<u>-9</u>
Subtotal - GENERAL FUND	<u>2,567</u>	<u>2,574</u>	<u>2,611</u>	<u>2,620</u>	<u>2,656</u>	<u>+36</u>
OTHER OPERATING FUNDS						
PARKS AND RECREATION REVOLVING FUNDS	74	75	75	75	75	0
STORMWATER MANAGEMENT FUND	57	59	60	61	83	+22
SOLID WASTE REVOLVING FUND	65	65	65	66	69	+3
WASTEWATER FUND	80	80	77	77	78	+1
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	4,285	4,280	4,330	4,388	4,412	+24
ALL OTHER FUNDS*	<u>30</u>	<u>30</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>0</u>
Subtotal - OTHER FUNDS	<u>5,011</u>	<u>5,009</u>	<u>5,050</u>	<u>5,110</u>	<u>5,160</u>	<u>+50</u>
TOTAL CITY POSITIONS	<u>7,578</u>	<u>7,583</u>	<u>7,661</u>	<u>7,730</u>	<u>7,816</u>	<u>+86</u>

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